



# 2018 Sustainability Report



# A message from our Chairman and CEO



I am pleased to welcome you to Edwards Lifesciences' 2018 Sustainability Report. This year marked our 60th anniversary as a company which was created through a trusted partnership between an engineer and a physician, and it's a legacy we continue today. That legacy helped to form the framework for our company **credo** – which guides our values, spirit and conscience – and our company **aspirations** – which are the goals that inspire our more than 13,000 talented global employees every day. We have set sustainability goals connected to each of these aspirations and measure our progress throughout the year. I'm proud to share that in 2018 we met many of our environmental, social and governance **goals** in the areas of patient experience, philanthropy, ethics and compliance, education, training and employee engagement.

As a company aspiring to transform patient lives with breakthrough medical technologies, we celebrated our first 60 years of discovery throughout the year by engaging with patients and furthering our commitment to improving the practice of medicine and patient access. We interacted with patients at several of our global facilities, listening and learning from their healthcare journeys. We initiated patient preference studies to learn the benefit-risk tolerance and treatment preferences of our patients. Our employees demonstrated their community involvement in many ways globally. For example, in Irvine and Singapore, we volunteered sorting and packaging 60,000 nutritious and fortified meals to people living in extreme poverty – totaling 120,000 meals in 2018 alone. And, we met our **Every Heartbeat Matters** philanthropic goal – two years early – supporting the education, screening and treatment of one million underserved people. We have revised this goal to now impact 1.5 million people by 2020.

Achieving these goals inspires our employees to continue acting as responsible corporate citizens. It is our belief that sustainability is essential to long-term success and should be integrated within our business' core strategy. This integration has enabled us to deliver on our sustainability commitments, while driving further growth and innovation. And, it strengthens the trust of our customers, employees, investors, partners and the communities we serve fighting structural heart disease.

This year we received **recognition** for our sustainability initiatives and while we are pleased with our recent accomplishments, there is still more work to do. This year we have set many **new goals** to accomplish this year and beyond, ensuring we are helping patients exercise their voices to improve the healthcare system, encouraging diverse perspectives and cultivating a welcoming workplace where all employees thrive. Thank you for your partnership and support as we continue to improve the quality of life for patients around the world.

A handwritten signature in black ink, appearing to read "Michael A. Mussallem".

Michael A. Mussallem, Chairman & Chief Executive Officer



## Sustainability report

# Our approach

GRI 102-12, GRI 102-18 □

Welcome to Edwards Lifesciences' 2018 Sustainability Report. While acting as a trusted partner in a responsible manner has always been a key element of our company's focus, we began formally reporting our sustainability progress in 2014. In 2018, we met many goals, created new goals for 2019 and beyond and built on our reporting, reflecting the integration of sustainability within our business' core strategy—and our belief that sustainability is essential to long-term growth.

Our **Credo** and Aspirations help us define our annual strategic priorities and objectives. We align our sustainability efforts to our Aspirations, which represent the relationships and stakeholders that are important to the success of our company as we serve patients fighting cardiovascular disease around the world. Each Aspiration describes a theme that relates to our business environment and our stakeholders. The table below shows alignment between our Aspirations and our sustainability efforts.

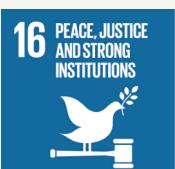
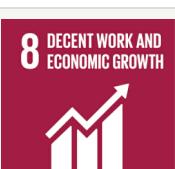
In 2015, the United Nations (UN) passed a resolution establishing **17 Sustainable Development Goals** (SDGs) with the intent of creating a more sustainable world by 2030. As part of the resolution, the UN identified a formal series of 230 targets and indicators for all nation-states in order to demonstrate progress toward the goals. In 2018, we continued to align many new sustainability targets introduced this year with several SDGs. Please see the visual depiction below.

# Our aspirations

 met  in progress  not met

	<p>Transforming patient lives with breakthrough medical technologies</p>	<p>Edwards is driven by a passion to help patients, partnering with clinicians to develop innovative technologies in the areas of <u>structural heart disease</u> and critical care monitoring. We put patients first, working to produce better technologies that enable better outcomes for patients.</p>
<b>Current sustainability targets</b>		
<p>Conduct Edwards Patient Day event once per year in Irvine and inspire additional Patient Day events in other Edwards regions around the world.</p>	 3 GOOD HEALTH AND WELL-BEING 	
<p>In 2018, we strive to educate 16,000 clinicians on the benefits of Enhanced Surgical Recovery.</p>	 3 GOOD HEALTH AND WELL-BEING 	
<b>New sustainability targets</b>		
<p>Remove barriers along the patient journey to continuously increase treatment rates for all indicated severe aortic stenosis patients</p>	 3 GOOD HEALTH AND WELL-BEING 	 10 REDUCED INEQUALITIES 
<p>Ensure that our therapies are addressing the needs of patients through an increasingly collaborative patient engagement process</p>	 3 GOOD HEALTH AND WELL-BEING 	
<p>Empower and activate patients by meaningfully increasing awareness of structural heart disease globally by 2024</p>	 3 GOOD HEALTH AND WELL-BEING 	 10 REDUCED INEQUALITIES 

	Excelling as a trusted partner through distinguished quality and integrity	Edwards conducts business ethically and with integrity, providing the highest level of care and respect for our partners. We are committed to the quality and safety of our products, driving innovation and promoting resource efficiency.
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Current sustainability targets				
Strive to be conflict mineral free in our supplied materials	 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	
Code of Conduct certification by all active professional employees annually	 <b>10 REDUCED INEQUALITIES</b>	 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>		
Drive continuous improvement efforts to ensure no patient safety-related class I product removals	 <b>3 GOOD HEALTH AND WELL-BEING</b>			
Conduct leadership training on making ethical decisions in 100 percent of Edwards Lifesciences Leadership Program courses.	 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>			
Ensure 100 percent of applicable employees certify to understanding and agree to comply with Edwards' code of conduct on an annual basis.	 <b>10 REDUCED INEQUALITIES</b>	 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>		
Obtain reports on product materials from 80 percent of applicable suppliers by 2018.	 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>		

## Current sustainability targets

Achieve third-party ISO 14001 Certification at 100 percent of global manufacturing facilities by 2018.



## New sustainability targets

Enhance culture of integrity where employees feel free to speak up as measured by our annual compliance survey



100% of managers to complete learning module on ethical decision making by 2020



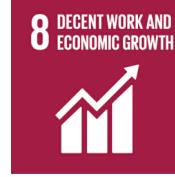
No significant disruption of product availability



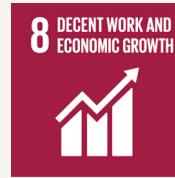
Incorporate sustainability reviews at our top strategic suppliers and distributors by 2020



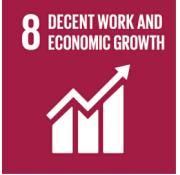
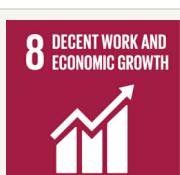
Strive to achieve injury rates below our medical industry peers



Implement an Occupational Health & Safety Management System consistent with ISO 45001 standards at all of our manufacturing locations by 2023

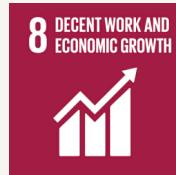


	<p>Fostering an inclusive culture where all employees grow and thrive</p>	<p>Fulfilling our mission to help patients requires a strong, healthy and talented workforce. Edwards recruits top candidates, offers employee wellness and engagement programs and fosters a diverse and inclusive culture to help employees deliver their best.</p>
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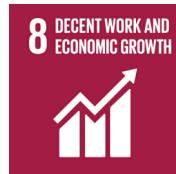
Current sustainability targets		
<p>All sites with greater than 100 employees have documented and implemented wellness program annually</p>	 <b>3</b> GOOD HEALTH AND WELL-BEING	 <b>8</b> DECENT WORK AND ECONOMIC GROWTH
<p>Provide a vehicle for employees to engage in sustainability efforts by 2018</p>	 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION
<p>Aim to have 100% of ELT, SLT and their direct reports complete Leverage Diversity Training by 2018</p>	 <b>5</b> GENDER EQUALITY	 <b>10</b> REDUCED INEQUALITIES
New sustainability targets		
<p>By 2022, all global employees to have completed unconscious bias training, and new hires within six months of employment</p>	 <b>5</b> GENDER EQUALITY	 <b>10</b> REDUCED INEQUALITIES
<p>Year-over-year positive trending globally of women in leadership positions</p>	 <b>5</b> GENDER EQUALITY	 <b>10</b> REDUCED INEQUALITIES
<p>Year-over-year positive trending in ethnically diverse talent in leadership positions in the U.S.</p>	 <b>5</b> GENDER EQUALITY	 <b>10</b> REDUCED INEQUALITIES

## Current sustainability targets

Annual top talent retention resulting in voluntary turnover lower than high performing benchmarks



Highly engaged workforce that exceeds industry, region and high performing benchmarks for employee engagement



By 2020, expand Edwards employee engagement with patients:

- through interactive opportunities with at least one patient in global offices with >50 employees, increasing year-over-year
- through exposure to patient stories reaching all employees annually



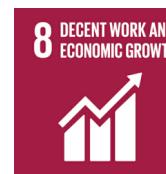
Passionate engagement that strengthens our communities

Edwards is committed to strengthening the health of our global communities. With patients as our top priority, we work to increase access to our innovative therapies, improve efficiency of healthcare processes, improve awareness of and treatment for life-threatening diseases and provide opportunities for our employees to give back.

## Current sustainability targets

By 2020, reduce our environmental footprint according to Edwards' Environmental, Health and Safety plan.

- Energy consumption: 0% change normalized by annual revenue, base year 2015
- Water usage: 15% reduction normalized by annual revenue, base year 2015



## Current sustainability targets

- Hazardous waste disposal: 20% reduction normalized by annual revenue, base year 2015



- Solid waste disposal: 20% reduction normalized by annual revenue, base year 2015



- Greenhouse gas emissions: 0% change normalized by annual revenue, base year 2015



Complete cost/benefit assessment for alternate and renewable energy opportunities by 2020



Aim to have 100 percent of ELT and SLT participate in at least one philanthropic activity per year.

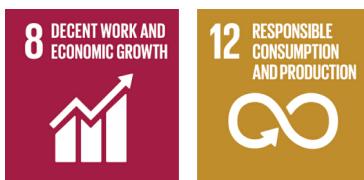


Increase employee participation in philanthropic activities every year toward our aspiration of 100 percent employee engagement.

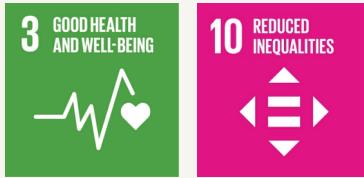


## Current sustainability targets

Assess lifecycle impacts on packaging designs and product materials for existing products across all product lines by 2018



Impact the global burden of heart valve disease by supporting the education, screening and treatment of 1 million underserved people by 2020

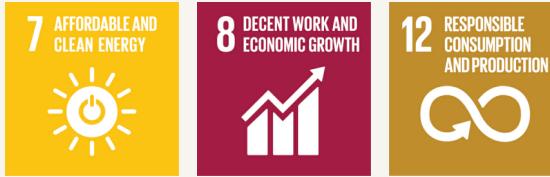


## New sustainability targets

Drive Edwards aspiration of 100 percent global employee participation in charitable activity with participation goals of 100 percent for the SLT and an increase in global participation as measured by the Employee Engagement Survey



Increase efficiency of our high volume valve assembly lines by more than 20% as compared to our 2016 baseline by year-end 2019



Packaging lifecycle assessment and improvement to reduce 15% packaging waste for targeted high volume commercial products by 2020



Improve our network optimization to reduce 2019 air freight by one million air miles as compared to 2018 baseline



Impact the global burden of heart valve disease by supporting the education, screening and treatment of 1.5 million underserved people by 2020



	<p>Delivering exceptional shareholder value</p>	<p>Through all of our sustainability initiatives and delivering on our focused company strategy, Edwards positions our company for long-term profitability that will benefit our stakeholders and also our bottom line.</p>
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## New sustainability targets

Include sustainability targets in the CEO's performance goals annually



Integrate sustainability factors in the strategic planning process annually



To guide our strategy and disclosure, in 2015 we established a Sustainability Council comprised of senior leaders from across the organization. In 2016, we conducted our first materiality assessment, which allowed us to prioritize our management of environmental, social and governance topics. We then set sustainability targets for each of our most material topics, which align naturally with our Aspirations. Our team continues to assess and report progress on our targets annually.

In 2018, we consolidated our material topics from 18 to eight by incorporating our environmental topics by reference to our most current Environmental, Health & Safety Report, and by merging related topics. For instance, Employee Recruitment, Engagement & Retention, Workplace Health & Safety, and Diversity & Inclusion are now grouped into Talent Management

We use [Governance Maps](#) to show the process used to establish accountability for each material topic in one overarching, interactive graphic. Our maps illustrate Edwards' internal responsibility structures for managing our material topics. Each section describes who is involved when we set, execute and communicate our strategy. In 2018, we added Supply Chain Management and Talent Management to the map, which now covers seven material topics.

- Ethics & Compliance
- Product Safety & Quality
- Edwards Lifesciences Foundation
- Corporate Governance
- Environment, Health & Safety
- Supply Chain Management
- Talent Management

# Organizational profile

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-7, GRI 102-8, GRI 102-41, GRI 102-9, GRI 102-10, GRI 102-13, GRI 103-1, GRI 103-2, GRI 103-3, GRI 201-1 □

Edwards Lifesciences is the global leader in patient-focused medical innovations for structural heart disease and critical care monitoring. Driven by a passion to help patients, we collaborate with the world's leading clinicians and researchers to address unmet healthcare needs, working to improve outcomes and enhance lives.

Since our establishment as an independent public company in 2000, Edwards has grown to more than \$3.8 billion in revenue with product sales in more than 100 countries. We drive the development of minimally invasive technologies that improve both patient outcomes and speed of recovery. Our medical technologies include transcatheter and surgical heart valve therapies and critical care technologies:

- **Transcatheter Aortic Valve Replacement** – Designed to treat heart valve disease using catheter-based approaches, Edwards' transcatheter aortic heart valve replacement technologies are used with certain patients for whom traditional open-heart surgery is not optimal.
- **Transcatheter Mitral and Tricuspid Therapies** – Edwards is making significant investments in the development of safe and effective therapy options designed to treat complex mitral and tricuspid valve diseases.
- **Surgical Structural Heart** – Edwards is committed to being the partner of choice for cardiac surgeons and helping transform patients' lives by advancing surgical structural heart innovations. It is the world's leading manufacturer of tissue heart valves and surgical heart valve repair therapies, which are used to treat a patient's diseased heart valve.
- **Critical Care** – Edwards is a world leader in hemodynamic monitoring systems used to measure a patient's heart function and fluid status across care settings. Its complete hemodynamic portfolio helps clinicians make proactive clinical decisions and plays an important role in enhancing patient recovery.

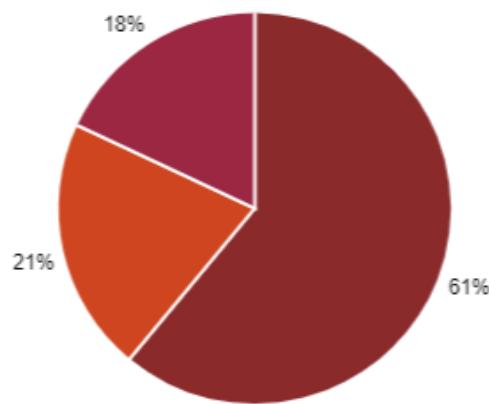
Every year, Edwards Lifesciences creates new products with the power to save lives. In 2018, Edwards Lifesciences received several product approvals for commercialization:

- U.S. Food and Drug Administration (FDA) **approval for the Edwards SAPIEN 3 Ultra system** which also received **CE Mark in 2018** for commercialization in Europe.
- The **HemoSphere Platform with Acumen HPI and IQ intelligent decision-support tool** received **U.S. FDA clearance**
- Received **CE Mark for the Edwards Cardioband Tricuspid Valve Reconstruction System**, the first transcatheter tricuspid therapy for the treatment of tricuspid regurgitation, available in Europe
- Received **CE Mark for self-expanding CENTERA valve**

Edwards has continued our focus on innovation. Please see our [Newsroom](#) for updates on our latest innovations and approvals.

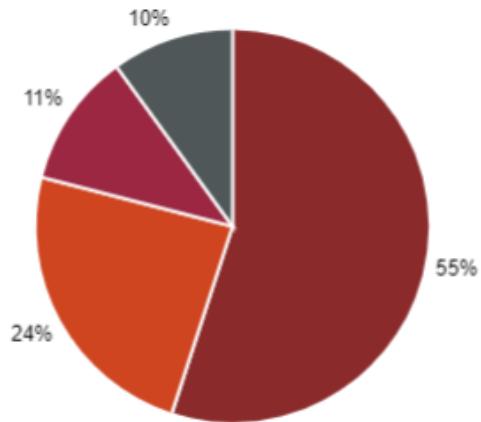
Also in 2018, we entered into an accelerated share repurchase agreement to acquire \$400 million of Edwards' common stock. Upon entering into the agreement, Edwards received 2.5 million shares.

## 2018 sales by product line



- Transcatheter Heart Valve Therapy
- Surgical Heart Valve Therapy
- Critical Care

## 2018 sales by geographic region



- United States
- Europe
- Japan
- Rest of World

Edwards is incorporated in Delaware and headquartered in Irvine, California, USA. We operate major manufacturing facilities in the United States, Puerto Rico, the Dominican Republic, Costa Rica and Singapore. We also have a significant employee presence at regional locations in Europe, Canada and Japan, with an office in Ireland where a manufacturing facility is under construction, expected to open in 2021 and employ approximately 600 people. None of our North American employees are represented by a labor union. In various countries outside of North America, we interact with trade unions and work councils that represent a limited number of employees.

# Edwards by the numbers

Total Number of Operations	65 (7 manufacturing locations)
Total Number of Employees as of December 31, 2018 (Including Part-Time and Temporary Employees)	12,823
Global Employees by Gender in 2018	61% Female 39% Male



*Note: In 2018, we announced the planned construction of a new manufacturing facility in Ireland expected to be complete in 2021.*

Across the U.S. and international markets, our customers include physicians, medical professionals, hospitals and group purchasing organizations. In 2018, we derived 55 percent of our sales from the U.S. and 45 percent from international markets.

Our primary direct materials suppliers provide:

- Extruded tubing and extrusions
- Packaging materials
- Electronic assemblies and cables
- Chemicals
- Contract manufacturing
- Bovine pericardial tissue
- Precision machining components
- Guidewires
- Injection molded components

We source about 80 percent of our manufacturing materials spend from preferred and strategic suppliers. We control the addition of new suppliers, which we add only if new technology or capability is required for our business and not already present in our supplier base. In recent years, we added around five to eight new direct materials suppliers per year. Newly added suppliers undergo a thorough due diligence process including screening for adverse conditions or events. We prioritize partnerships with suppliers headquartered in countries that enforce stringent standards and regulations to help reduce risks of non-compliance in our supply chain. For example, we source bovine pericardial tissue exclusively from the U.S. and Australia. Our largest indirect suppliers provide telecommunication services, food and catering services, office supplies, uniforms, lab products and cloud software.

# Governance Map

We use Governance Maps to show the process used to establish accountability for each material topic in one overarching, interactive graphic. Our maps illustrate Edwards' internal responsibility structures for managing our material topics. Each section describes who is involved when we set, execute and communicate our strategy. In 2018, we added two new topics to the map: Supply Chain Management and Talent Management.



## Overview

Edwards takes pride in our strong management practices that mitigate risk, ensure accountability and enhance performance on our material topics. Our governance maps illustrate Edwards' internal responsibility structures for managing a selection of our material topics. These maps underscore our commitment to transparency and our Aspiration of Excelling as a Trusted Partner and Global Leader Through the Quality of Our Work.

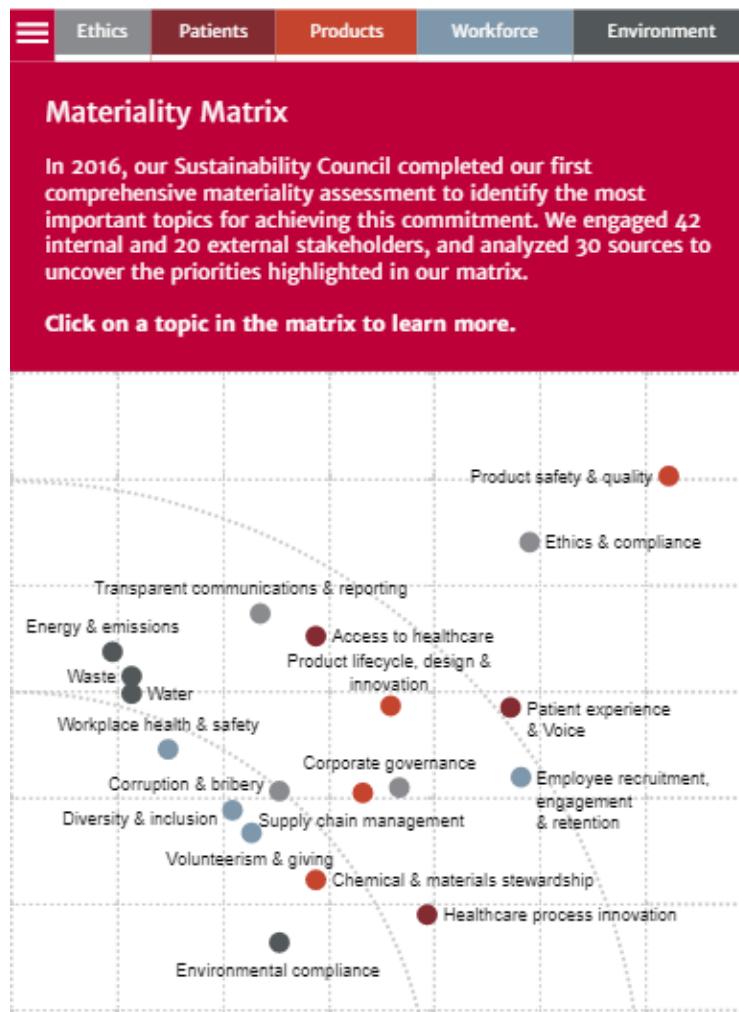
**Please click on any of the five categories to review our governance structures and practices.**

# Materiality & stakeholder engagement

GRI 102-45, GRI 102-46, GRI 102-47 □

Edwards' five Aspirations guide us in our work to positively impact patient lives. We determined the topics covered in our report through a comprehensive materiality assessment that engaged more than 60 internal and external stakeholders. The results of the prioritization are highlighted in the matrix below. To learn more about our materiality process, please see our [2017 Sustainability Report](#).

## Materiality matrix



## Value Chain

Edwards Lifesciences' [Credo](#) reinforces our dedication to providing innovative solutions for people fighting cardiovascular disease. We believe that the management of our material topics supports this mission through our [aspiration](#) to Create Exceptional Shareholder Value. For each topic, Edwards also considers where impacts directly occur throughout our manufacturing processes, geographic footprint and stakeholder relationships. The map demonstrating our understanding of our impacts across our value chain can be found on pages 18 and 19 in our [2017 Sustainability Report](#).



## Sustainability report

# Governance

Edwards Lifesciences is committed to responsible and ethical business practices. The Governance section of our 2018 Sustainability Report contains our management approach and annual performance for the following material topics:

- Ethics & Compliance
- Corporate Governance

# Ethics & compliance

GRI 102-16, GRI 102-17 □

Edwards Lifesciences' work to manage ethics, compliance, corruption and bribery supports our **aspirations** of excelling as a trusted partner through distinguished quality and integrity and delivering exceptional shareholder value.

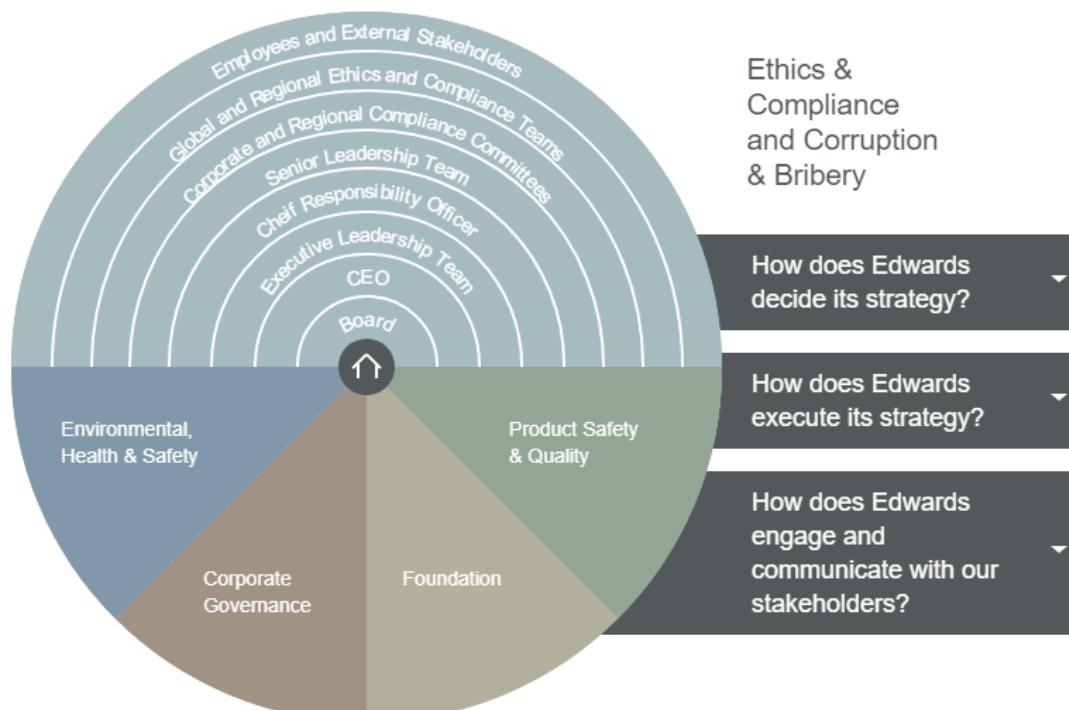
## Definition

Driving a culture of integrity that promotes ethical behavior at Edwards through training and policies, and compliance with our code of conduct, as well as relevant laws and regulations. Enacting management practices and policies to prevent corruption and bribery at Edwards, by our employees or our third-party vendors.

## Management approach

At Edwards Lifesciences, our commitment to ethics shapes all that we do. We build our success from a foundation of integrity and we are dedicated to doing the right thing. In our work to develop lifesaving therapies, our leaders and employees know every decision matters. We hold our team accountable to the highest ethical standards, strengthening Edwards' reputation as a trusted partner.

## Governance map



# Global integrity program

The purpose of Edwards' **Global Integrity Program** is to detect and prevent behaviors that could harm our company and the people we serve. It includes written policies, communication, employee training, prompt investigations and root cause analysis, appropriate discipline and remedial action, periodic risk assessments and audits and monitoring to achieve compliance. We measure the effectiveness of our program in many ways, including cultural surveys, metrics on investigations, monitoring results, timeliness of remediation activities, training effectiveness, distributor engagement and activities, amounts and types of interactions with customers and violations of policies.

## Global business practice standards

Edwards strives to be transparent regarding our standards for ethics and compliance. Our Global Business Practice Standards' **"Titanium Book"**, outlines ethical behaviors to which all employees, members of the Board of Directors, distributors and other key third-party contractors must adhere. These Standards cover the following topics, among others:

- Fraud
- Corruption and bribery, including interactions with healthcare professionals and patients
- Bidding, tenders and procurement
- Sales and marketing practices
- Interactions with patients, caregivers and patient organizations
- Discrimination and other fair employment practices
- Confidentiality of information, information security and privacy
- Conflicts of interest
- Antitrust/anti-competitive practices
- Money-laundering and insider trading
- Environment, health and safety
- Product quality
- Trade compliance
- Employee and management responsibility
- How to report misconduct

To ensure effective implementation of our Standards, we expect employees and managers to engage in ethical behavior, ask questions when in doubt and report wrongdoing.

## Leadership training

Our goal is to conduct leadership training on making ethical decisions in 100 percent of Edwards Lifesciences Learning Program (ELLP) courses. This goal aligns with SDG 16: Peace, Justice, and Strong Institutions. The ELLP focuses on our culture and living the Edwards Credo. Participants learn to be trusted partners with each other, in business and in the community. We believe a culture of integrity exists only when each employee makes ethical decisions in their daily interactions.

All professional employees must complete an annual online certification, reinforcing their commitment to the Standards. We conduct this process in multiple languages, including Chinese, English, French, German, Japanese, Portuguese and Spanish. In conjunction with the certification, we survey professional employees on topics such as fear of retaliation and whether they have reported misconduct. Our goal is to ensure 100 percent of applicable employees certify to understanding and agree to comply with Edwards' code of conduct on an annual basis. This goal aligns with SDG 10: Reduced Inequalities and SDG 16: Peace, Justice, and Strong Institutions.

## Edwards integrity helpline

We aim to create a culture of trust in order for all employees to feel comfortable sharing their concerns. Hosted by a third party, the **Edwards Integrity Helpline** is available 24/7 for Edwards employees around the world, as well as third parties. Callers may choose to self-identify or remain anonymous when reporting, where permitted by law. Our head of corporate investigations is immediately notified of all reports to the helpline and opens an investigation based upon the concerns raised.

In addition to the helpline, we encourage employees to report issues to their managers, executive leadership members and other functional groups such as legal or human resources. They can also report concerns directly to the Ethics and Compliance team by email or telephone. We treat all reports as confidential, promptly investigate any reports of misconduct and take appropriate disciplinary action, including written warnings or dismissal. Edwards' Board of Directors receives a quarterly briefing of all reports and findings. This year we introduced a goal to enhance culture of integrity where employees feel free to speak up as measured by our annual compliance survey. This goal aligns to SDG 10: Reduced Inequalities and SDG 16: Peace, Justice and Strong Institutions.

We send reports to compliance of alleged misconduct in a confidential global case management system. This system manages information for all aspects of an investigation and allows us to analyze trends, recognize repeat offenders and modify our compliance program accordingly.

We strictly prohibit retaliation against any individual who reports a concern in good faith or participates in the company's investigation. The number of cases reported anonymously through the helpline in 2018 were significantly lower than the medical technology industry overall, as reported by our independent third-party case management system provider.

## Interactions with healthcare professionals

The nature of our work means our employees regularly interact with healthcare professionals who help to develop our products. Edwards has long-held high standards for preventing corruption and bribery in connection with our external relationships so that these interactions remain appropriate. We maintain policies governing employee and supplier relationships with healthcare professionals, including policies on meals, gifts, entertainment, consulting, educational and research grants, discounts and rebates, and product training, among others. Edwards prohibits facilitation payments, and we do not condone gifts or entertainment in pursuit of a business advantage. We detail these requirements on pp. 26-27 of our **Global Business Practices Standards**.

Edwards conducts business consistently in all countries. We require all employees, as well as agents acting on Edwards' behalf, to adhere to the following government regulations for preventing corruption:

- The U.S. Foreign Corruption Practices Act
- The U.K. Bribery Act
- All applicable local and regional laws, including anti-corruption and anti-competition laws

## Third-party and employee anti-corruption training

Edwards provides expanded due diligence and anti-corruption training to our global third-party sales intermediaries. We require annual certification renewals and due diligence renewals every two to three years. We take time to get to know our sales intermediaries and if we discover prior significant misconduct, we terminate the business relationship. A key principal for the company must certify compliance with our distributor anti-corruption compliance policy.

Our corruption risk assessment covers 100 percent of our operations. Our Anti-Corruption and Anti-Bribery Guidelines assist employees in making informed and ethical decisions. We conduct training on these guidelines and require all professional employees to certify compliance online. We have a goal for 100 percent of managers to complete learning module on ethical decision making by 2020. This

goal aligns with SDG 16: Peace, Justice and Strong Institutions.

## Compliance with industry codes

Edwards' collaboration with physicians is essential for the continued innovation of our technologies and therapies. We align our internal standards for ethics with country-specific industry codes of conduct, provide annual training to relevant employees, and require adherence by all of our representatives. The codes belong to organizations that include:

- AdvaMed (U.S. and China)
- Canada's Medical Technology Companies
- Amid (Mexico)
- Korea Medical Devices Industry Association
- Medical Technology Association of New Zealand
- Taiwan Code (TAMTA)
- MedTech Europe (Europe)
- Abimed (Brazil)
- Asociacion Nacional de Empresarios de Colombia
- The Japan Federation of Medical Devices Association
- Medical Technology Association of Australia
- Thai Medical Device Technology Industry Association
- Medical Council of India
- Singapore Medical Technology Industry Group

## Sales and marketing practices

We value our reputation as a leading company whose products and services are desired for their features, innovation, quality and value. We honestly describe our products and services and take care to ensure that all promotional materials and communications are accurate, balanced, substantiated and compliant with legal and regulatory standards. We make sure that our marketing practices do not: mislead or omit important facts, promote a product before it is approved, promote a product for use other than for which it was approved, or unfairly criticize a competitor's products or services.

## Financial relationships with physicians

Collaboration with medical experts provides important value to our research and development efforts. Physicians can offer insight from the user's perspective and provide advice on product improvements that keep us at the forefront of innovation. Our most significant risks related to corruption occur through our financial relationships with physicians. It is important that these relationships do not bias (or appear to bias) our customers when making purchasing decisions regarding our products.

Edwards is transparent about the nature of these relationships and their benefit to all. In 2008, Edwards became the first of our peers to voluntarily and publicly disclose payments to physicians in the United States. Now, in accordance with the U.S. Affordable Care Act, we report all financial relationships with U.S. physicians and teaching hospitals through the [Open Payments](#) system on the Centers for Medicare and Medicaid Services' website.

Reporting requirements vary by country and by nature of the transactions. Edwards reports all grants that it funds in Europe pursuant to the MedTech Europe Code, and also reports at the state or country level in several regions:

- Massachusetts – pursuant to law since 2011
- Vermont – pursuant to law since 2012
- France – pursuant to law since 2013
- Denmark – pursuant to law since 2014
- Japan – voluntary report to meet industry code of conduct since 2014
- Romania – pursuant to law since 2015
- Australia – pursuant to industry association request in 2016
- Connecticut – pursuant to law since 2017
- Netherlands – pursuant to law since 2017
- Belgium – pursuant to law since 2017
- Portugal – pursuant to law since 2017
- Minas Gerais, Brazil – pursuant to law since 2018
- South Korea – pursuant to law since 2018
- Israel – pursuant to law since 2018
- Saudi Arabia – pursuant to law since 2018

## Annual performance

### Global business practice standards

We refreshed our Business Practice Standards in 2018, adding or modifying several provisions, including sustainability, personal political contributions, information security, fraud, bidding and tenders, interactions with patients, conflicts of interest, confidential information and trade compliance. We require all professional employees to complete an annual online certification, reinforcing their commitment to the Standards. In 2018, we surveyed and sought certification for almost 7,000 professional employees, representing 55 percent of our total population. Our compliance team conducted the annual code of conduct certification and survey for all professional employees in seven different languages, and followed up in conjunction with executive leaders, resulting in 99 percent participation and certification.

In 2018, for the first time, we also surveyed and sought certification by our production employees to our global Business Practice Standards. This group represents the remaining 45 percent of our employee population or 5,700 employees. We utilized an electronic survey to assess fear of retaliation and compliance with the code of conduct, concluding with certification on conflicts of interest and continued compliance with the code of conduct. We achieved more than an 88 percent participation rate.

Also, in 2018, we held our 6th annual Titanium Day at more than 20 sites worldwide. Our annual Titanium Day refers to our [Titanium Book](#), which is available in multiple languages including English, Vietnamese, Korean, Simplified Chinese, French, Japanese, Portuguese, and Spanish. On Titanium Day, we engage employees across geographies, job descriptions and cultures to reinforce Edwards' Credo and culture of integrity through games, activities and quizzes about ethics and integrity. We took the opportunity on this day to distribute and create awareness about the revised Standards. We also celebrated our second consecutive recognition as one of the World's Most Ethical Companies.

## Leadership training

In 2018, we met the goal of our ethics and compliance program to conduct leadership training on making ethical decisions in 100 percent of Edwards Lifesciences Learning Program (ELLP) training courses. This goal aligns with SDG 16: Peace, Justice, and Strong Institutions. This was accomplished by the Chief Responsibility Officer who conducted interactive training on making ethical decisions at three ELLP courses with leaders participating from around the world including Belgium, China, Dominican Republic, India, Japan, Puerto Rico, Singapore, Switzerland, Mexico, Costa Rica, Germany, Malaysia and the U.S. *Living our Values and Making Ethical Decisions* were significant aspects of the training provided in each of these multi-day courses. Participants rated the training as engaging and effective.

## Global integrity program

In 2018, we provided our third response to a robust third-party survey and assessment firm: The Ethisphere® Institute. The Ethisphere survey reflects leading and current best practices and offers companies a comprehensive look at their programs. We responded to approximately 200 questions and provided significant supporting documentation on topics related to corporate governance, compliance and ethics, leadership and sustainability. In early 2019, we were honored to be recognized for the third consecutive year as one of the [World's Most Ethical Companies](#).

## Corruption and bribery

Edwards continually improves our governance and policies for corruption and bribery. In 2018, we provided training on the Titanium Book to 100 percent of new hires and distributors. We also trained 100 percent of our distributors and employees in customer-facing roles on industry codes of conduct and healthcare compliance policies. We completed due diligence on all new and contractually renewed distributors worldwide and conducted risk-based monitoring of our distributors, including site visits, interviews and review of books and records. We also completed global implementation of a risk-based due diligence process for all other third-party vendors and service providers on a variety of risk-based topics. We conducted a biennial risk assessment whose findings informed a global risk and action plan. We also piloted a data analytics program focused on our customer relationship expenditures to better identify and understand our risk.

# Corporate governance

GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-18, GRI 102-20, GRI 102-22, GRI 102-23, GRI 102-24 □

Edwards Lifesciences' work to improve corporate governance supports our aspiration of delivering exceptional shareholder value.

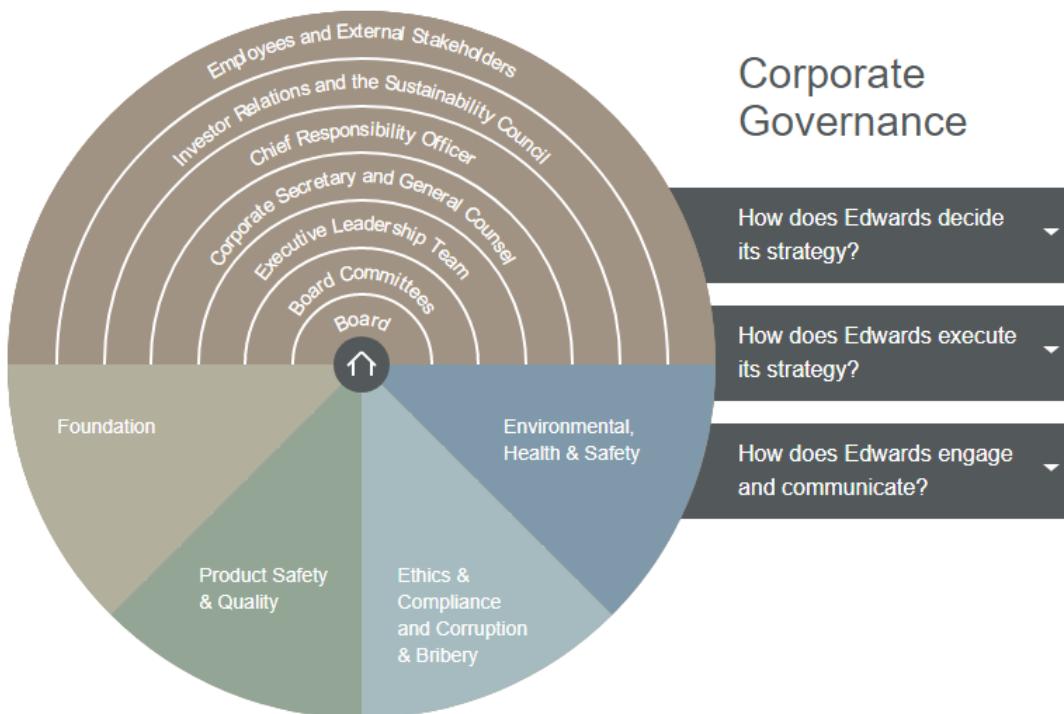
## Definition

Corporate governance is the system of rules, practices and policies by which a company is directed and controlled. Good corporate governance involves balancing the interests of a company's many stakeholders, such as shareholders, employees, customers, suppliers, governments, the community, and, for Edwards, a vital stakeholder group: patients. Our Board of Directors and management strive to implement policies and processes that promote ethical and sustainable corporate governance practices for the benefit of all stakeholders.

## Management approach

Through our corporate governance practices, the Board of Directors and management create a powerful and responsible organization from the top. This begins with our Chairman and CEO, who regularly meets with key stakeholders including investors, customers, patients, employees and legislators to discuss their needs and share our progress. Our governance practices guide us as we grow, so that our leaders' values align with those of our company and our unique, patient-focused culture. We introduced a new goal this year to include sustainability targets in the CEO's performance goals annually. This goal aligns with SDG 16: Peace, Justice and Strong Institutions.

## Governance map



# Our board of directors

A talented and knowledgeable team of directors oversees our organization's success. Our Board outlines expectations for Board service that demonstrate our commitment to ethical and effective corporate governance. These guidelines cover topics such as:

- Board size and composition
- Director selection and qualification
- Director responsibilities and operation of the Board
- Responsibilities of Board committees
- Board oversight for strategic planning and fiduciary responsibility
- Director compensation
- Process for performance evaluations

Our Board consists of eight members who share responsibility for oversight of the development of corporate strategy, financial and operational risk, information security and cybersecurity, among other matters.

Women comprise 25 percent of our Board, and the average age of our board members is 66 years. Edwards' [2019 Proxy Statement](#) further describes our corporate governance policies and practices for shareholders. We are happy to report that we met our goal of implementing board-level oversight and incorporating sustainability into corporate aspirations by 2017.

Our Board has established two committees:

**1. Audit Committee** – assists our Board in fulfilling its oversight responsibilities relating to:

- The integrity of the Company's financial statements;
- Compliance with the Company's code of conduct and ethical standards, as well as legal and regulatory requirements;
- Enterprise-wide risk management practices.

**2. Compensation and Governance Committee** – is responsible for:

- Determining the compensation of executive officers and recommending to our Board the compensation of independent directors;
- Exercising the authority of our Board concerning employee benefit plans;
- Advising our Board on other compensation and employee benefit matters and approving the compensation clawback policy applicable to our executive officers;
- Overseeing the evaluation of our Board and executive officers; and
- Sustainability and corporate governance matters.

Visit our [Corporate Governance](#) page to find the written charters, including a description of the full responsibilities of the committees.

Our Board and our Executive Leadership Team make diversity and inclusion a priority. Our leaders regularly review internal processes and programs to ensure that they foster a culture that actively and consistently values diversity. Our dedication and commitment to diversity and inclusion starts with our leaders and is visible throughout Edwards. We consider diversity critical to our mission of transforming patient care through medical breakthroughs. As we build upon this foundation, we understand that there is true value in diversity of thought – diverse perspectives lead to innovation, better decisions and make the company more adaptable to the evolving business environment. As such, we have established employee programs and initiatives designed to attract, develop and retain our diverse talent. Please see our [Talent Management](#) section for more information.

## Shareholder engagement

Our Board and management are committed to engaging with Edwards' shareholders and incorporating feedback into their decision-making processes. Edwards takes shareholder concerns seriously. Our shareholders can communicate corporate governance concerns through several channels, including proactively contacting Investor Relations or the office of the Corporate Secretary or raising concerns during one of the outreach campaigns that occurs twice a year (during the proxy in-season and off-season).

Shareholders are entitled to vote their shares at the Annual Meeting if Edwards' records show that shares were held as of the record date. Each shareholder is entitled to one vote per share on each proposal to be voted upon at the Annual Meeting. We have no other class of voting securities outstanding.

Additional information about Edwards' corporate governance practices can be found in our [Bylaws](#), [Corporate Governance Guidelines](#) and the [Charters of the Audit Committee and the Compensation and Governance Committee](#).

## CEO pay ratio

Edwards believes incentive-based executive compensation programs can mitigate risks and foster long-term value creation and sustainable growth. We design our compensation programs to align with the interests of our shareholders. Pursuant to the Securities Exchange Act of 1934, as amended, we are required to disclose in our Proxy Statement the ratio of the total annual compensation of our CEO to the median of the total annual compensation of all of our employees (excluding our CEO), which is reported in the annual performance section of this report. Our [Proxy Statement](#) specifies our methodology for calculating this figure.

## Governance for sustainability

Our Board's Compensation and Governance Committee maintains formal oversight responsibilities for Edwards' sustainability principles and has regular discussions on our progress at meetings of our Board. Our Chairman and CEO also has performance management objectives for improving our sustainability strategy, metrics and disclosure. A cross-functional Sustainability Council develops and drives the implementation of these initiatives using a robust management framework. Led by our Chief Responsibility Officer, the Council comprises leaders from functions across the organization.

Council members represent their areas of responsibility and collaborate to identify priorities, set goals and improve performance. They meet regularly to review Edwards' progress and develop implementation strategies. Our Chief Responsibility Officer reports on the Council's activities to our Board's Compensation and Governance Committee, and to our Executive Leadership Team.

# Annual performance

Edwards continually strengthens our governance structures to promote business success and drive our culture of responsibility.

## Engaging our shareholders

Throughout 2018, we continued our stakeholder engagement practices with our shareholders and incorporated feedback into our decision-making processes. Our CEO, CFO, and Vice President of Investor Relations met with current and prospective shareholders to discuss our strategy, business and financial results. During the sessions, we gathered shareholder feedback on corporate governance, compensation and other related matters and discussed the issues that mattered most and reported our findings to the Board. Since the 2018 Annual Meeting, our Corporate Secretary and Investor Relations teams contacted our top shareholders representing more than 56 percent of our outstanding shares and engaged with shareholders representing approximately 32 percent of shares outstanding. We received feedback on a range of issues including corporate governance, compensation and sustainability.

Over time, we have amended our Charter and Bylaws to adopt various shareholder rights and to align our corporate governance practices with our shareholders' interests.

## Changes in governance

In 2018, in response to shareholder feedback, we expanded the role of the Presiding Direction position and designated the position Lead Independent Director. To read more about topic actions taken in 2018, please see page 12 of our [2019 Proxy Statement](#).

## Governance for sustainability

Our corporate aspirations are taken very seriously throughout the organization. To include sustainability into these aspirations was an important change. Board-level oversight has historically been done at the Committee level as well as the Board through regular updates provided by the Chief Responsibility Officer; however, in 2018 there was even further discussion regarding sustainability because the topic of sustainability was incorporated into our corporate aspirations and the Board reviewed the performance by management against these sustainability goals as part of the compensation discussion. This year, we introduced a new goal to integrate sustainability factors in the strategic planning process annually. This goal aligns with SDG 12: Responsible Consumption and Production and SDG 16: Peace, Justice and Strong Institutions.

## Status of pay-for-performance, executive compensation and CEO pay ratio

In 2018, approximately 89 percent of the total direct compensation of our CEO, and an average of 78 percent of the total direct compensation of our other Named Executive Officers, was performance-based. For more information, please see our [2019 Proxy Statement](#).

Based on SEC rules for CEO pay ratio disclosure and applying the methodology described in the [Proxy Statement](#) on page 54, we have determined that our CEO's total compensation for 2018 was \$10,278,767, and the median of the total 2018 compensation of all of our employees (excluding our CEO) was \$49,936. Accordingly, we estimate the ratio of our CEO's total compensation for 2018 to the median of the total 2018 compensation of all of our employees (excluding our CEO) to be 206 to 1.



## Sustainability report

# Patients

Edwards Lifesciences is dedicated to improving the lives of patients fighting cardiovascular disease and critical illness. The Patients section of our 2018 Sustainability Report contains our management approach and annual performance for the following material topics:

- Access to Healthcare
- Patient Experience & Voice

# Access to healthcare

GRI 103-1, GRI 103-2, GRI 103-3, GRI 203-2, GRI 415-1 □

Edwards Lifesciences' work to improve access to healthcare supports our **Aspirations** of transforming patient lives with breakthrough medical technologies and passionate engagement that strengthens our communities.

## Definition

Supporting the provision of quality care to underserved and diverse patients in global communities; helping to remove regulatory, geographic and economic barriers to treatment; participating in public policy development; providing financial contributions in support of Edwards' goals and aspirations; and developing innovations that allow our products to improve the efficiency, safety and effectiveness of healthcare processes.

## Management approach

Edwards Lifesciences believes patients should have access to affordable, high-quality care and that patient care can always be improved. Unfortunately, patients in today's global healthcare system often face numerous barriers to treatment. These can include access to coverage, geographic barriers, inaccurate physician referrals and policy restrictions. Edwards' focus on improving access to care contributes to a more sustainable healthcare system. And, it is our goal to make the patient experience better, reduce overall healthcare costs and continuously improve quality of care. In 2018, we introduced a new goal to remove barriers along the patient journey to continuously increase treatment rates for all indicated severe aortic stenosis patients. This goal aligns with the United Nations Sustainable Development Goal (SDG) 3: Good Health & Well-Being and SDG 10: Reduced Inequalities.

Our programs began with the recognition that patients, providers and healthcare systems have come to recognize and require the monitoring of more non-clinical health outcome measures like quality of life (QoL) that lead to meaningful changes in healthcare status.

Furthermore, with an increasingly aging population, longer life-expectancy, growth of evidence-based treatment options, and constrained budgets, governments and other payers globally are increasingly focused on covering and paying for technologies that are cost-effective and/or cost-saving.

## Philanthropic support

Edwards is proud to serve patients from diverse backgrounds, all around the world. Through the Edwards Lifesciences Foundation, we support many philanthropic initiatives that increase access for underserved patients. The Foundation works to expand access to therapies in all geographic areas, including those in emerging markets through support of clinical education and medical mission work. We aim to reach underserved regions all around the world, such as Africa, Brazil, China, Haiti, India, Jamaica, Peru, Puerto Rico, Russia, the Dominican Republic and Vietnam. Please see our Volunteerism & Giving section for more information on Edwards' philanthropic efforts.

# Every Heartbeat Matters

Our signature philanthropic initiative is [Every Heartbeat Matters](#) (EHM). The goal of EHM is to impact the global burden of heart valve disease by supporting the education, screening and treatment of 1.5 million underserved people by 2020. This goal aligns with SDG 3: Good Health & Well-Being and SDG 10: Reduced Inequalities. A complete list of grantees is available on our [website](#).

## Political activities

As a highly regulated medical technology company, public policy influences our ability to help patients. We are active in the policy-making and political process through regular and constructive engagement with government officials, policy-makers and stakeholder groups. Our goal is to advance sound public policy on areas related to patient-focused medical innovations for structural heart disease, critical care and surgical monitoring, and to improve patient outcomes and enhance lives.

Edwards participates in policy-making through engagement in the political process. We outline our approach in our [Policy on Political Activities](#) and disclose all federal and state [political contributions](#) on our corporate website, which we update twice per year.

## Global Health Economics & Reimbursement

Edwards envisions a future where all patients in need have access to cardiovascular care. To that end, it is important that our treatments are cost effective for healthcare systems. Cardiovascular care innovations can pose a challenge when healthcare systems are unequipped to quickly adopt new technologies. Edwards seeks to bridge this gap by providing health economic data and tools to hospitals and healthcare systems implementing our therapies. In 2018, many of our efforts were aimed at assuring that reimbursement for our technologies remained stable, and that we supported healthcare systems efforts to recognize and reward the value of technologies that provide clinical, economic and quality of life benefit to patients.

Our Global Health Economics and Reimbursement (GHER) team's mission is to increase patient access by developing and defining the related clinical and economic data that healthcare decision-makers need. Our dedicated GHER staff supports customers' and healthcare systems' efforts to improve patient outcomes and reduce costs. We work directly with healthcare systems to provide the clinical and economic data that ensures equitable access, coverage and payment for our technologies is available to patients in need. The GHER team compensation is not linked to sales performance.

## Enhanced Surgical Recovery

Edwards is more than a medical technology innovator and manufacturer—we provide solutions that transform possibilities for patient care. Post-surgery complications can increase the risk of patient mortality and extend the patient's length of stay. Edwards is driving best practice standardization among hospitals with individual approaches to surgical recovery.

Our [Enhanced Surgical Recovery \(ESR\) Program](#) provides guidance to surgical teams as they care for patients undergoing complex surgeries. We share [best practices](#) for keeping patients in an optimum hemodynamic volume range after an operation. When implemented correctly, these strategies improve post-operative outcomes and reduce patient length of stay. [Research](#) has also shown this approach can reduce complications by up to 32 percent, enabling more patients to return to their lives, family and home. We reached our original goal of 7,000 clinicians educated in 2014 and in 2018, we met our goal to educate 16,000 clinicians on the benefits of Enhanced Surgical Recovery. This goal aligns with SDG 3: Good Health & Well-Being and SDG 4: Quality Education.

# Annual performance

Edwards is passionate about increasing access for all patients in need. Each year, we challenge ourselves to do more—for our patients, philanthropic partners and communities.

## Improving access to care

In 2018, we met our Every Heartbeat Matters (EHM) philanthropic goal of supporting the education, screening and treatment of one million underserved people and we revised our goal to increase our impact to 1.5 million people by 2020. At the end of 2018, we had invested more than \$20 million in this initiative and are pleased that our EHM partners have impacted more than 1 million underserved people. This includes:

- 60 non-profit partners joined the initiative
- Approximately 1,200,000 underserved people have been impacted by public health education
- More than 110,000 underserved people have been screened for heart valve disease
- Nearly 7,000 underserved people have received heart valve treatment
- More than 24,000 clinicians caring for underserved patients have received training

Underserved people reached in more than 40 countries:

- US: over 1,100,000
- Nepal: over 60,000
- Brazil: over 20,000
- UK: over 20,000
- China: over 15,000
- Nicaragua over 12,000
- South Africa: over 12,000
- India: over 11,000

In addition to cash donations, we also support in-kind donations to programs focused on increasing access to healthcare for underserved patient populations. Through the AmeriCares Medical Outreach Program, Edwards donated medical technologies including heart valves, critical care monitoring devices and cardiac surgery products. These technologies help non-profit organizations and charitable medical missions provide cardiac services in some of the most impoverished parts of the world.

## Educational Initiatives for Better Care

In 2018, we made further progress in bringing transcatheter aortic valve replacement (TAVR) therapy awareness to patients. This progress occurred through three key programs:

- Direct to Patient – this program informs and educates patients and their caregivers through print and digital outreach channels, enhanced by peer and phone support programs. Our unique Patient Experience and community-building programs extend our commitment to patients beyond their procedures, empowering them in their journey to renewed heart health
- Direct to Referrer – this program includes experienced clinical educators informing referring physicians about therapy and patient selection, and connecting patients to the right healthcare provider by guiding the pathway through diagnosis and referral

- Regional Programs – these programs leverage our field expertise and relationships to tailor awareness programs to regional audiences and educate healthcare providers at the regional level through podium and scientific meetings and conferences

Edwards' strategy continued to raise awareness and provide education about aortic stenosis and all available treatment options. Edwards encourages heart disease patients to gain knowledge and make an educated decision about what treatment is best for them. Our TAVR therapy awareness website, [NewHeartValve.com](#), was redesigned in 2018 and had nearly 600,000 site visits during the year, bringing the total number of visitors to this website to nearly three million. Once on the site, patients and healthcare professionals can find interactive ways to locate TAVR centers, request information and download resources. In 2019, we will be adding more translations to then be available in 11 different languages serving as a global knowledge platform around our therapy awareness programs. This year, we introduced a new goal to empower and activate patients by meaningfully increasing awareness of structural heart disease globally by 2024. This goal aligns with SDG 3: Good Health & Well-Being and SDG 10: Reduced Inequalities.

## Political & lobbying expenditures

In 2018, Edwards made \$91,100 in [state political contributions](#), and the Edwards PAC made \$174,000 in [federal contributions](#). A full list of recipients and donation amounts is available on our [website](#). Additionally, a portion of our industry association membership dues were spent on federal lobbying. These include:

- Advanced Medical Technology Association: \$ 72,450
- California Life Sciences Association: \$ 11,110

Edwards received the highest score in the 2018 CPA-Zicklin Index for political disclosure and accountability. Edwards is designated as a "CPA-Zicklin Trendsetter." The CPA-Zicklin Index benchmarks the political disclosure and accountability policies and practices of leading U.S. public companies. The Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania produce the Index annually.

## Global Health Economics & Reimbursement

One goal of our Global Health Economics and Reimbursement (GHER) program is to provide reimbursement education to individual hospitals or health systems providing TAVR and other Edwards technologies. While working with TAVR programs in support of their efforts to deliver quality care remained a top priority for Edwards throughout 2018, we also focused efforts assuring the appropriate access for our new technologies in our Surgical Structural Heart business. In support of our Critical Care business, we also continued generation of evidence necessary to understand how intra-operative hypotension can lead to poor patient outcomes and supported a provider quality initiative centered on the recognition and correction of this problem. In 2018, we continued to work with hospital sites on understanding and adopting best demonstrated quality practices and realizing care efficiencies associated with TAVR and Surgical Aortic Valve Replacement (SAVR). In turn, this led to an overall increase in patient access to care. These efficiencies also significantly reduced the costs of care.

Another goal within GHER is to make the patient experience better, reduce overall healthcare costs and continuously improve quality of care through supporting efforts to develop appropriate policies that enhance access to our technologies for underserved and underrepresented populations. In 2018, the U.S. Centers for Medicare & Medicaid Services initiated a reconsideration of their national coverage policy for TAVR. This policy was last updated in 2012 and does not reflect contemporary evidence or technology advancement. During this process, Edwards engaged and offered public comment to assure that an updated policy reflected the contemporary era of TAVR data and technology and contained certain elements that helped ensure access to appropriate care for aortic stenosis patients in need.

In 2018, we supported initiatives across the portfolio designed to improve the quality of care, reduce inefficiency and provide cost saving and cost-effective technology.

## Clinicians Educated on ESR by Region

In 2018, we met our goal to educate 16,000 clinicians on patient and provider benefits of perioperative and directed therapy to achieve fluid optimization and ESR by educating nearly 14,000 physicians and more than 2,000 nurses on the benefits of ESR. These trainings empower clinicians with strategies that improve patient outcomes after an operation. This goal aligns with SDG 3: Good Health & Well-Being and SDG 4: Quality Education.

Goal	2018	2017	2016	2015
United States	4,100	3,200	2,000	1,700
Europe	5,900	5,700	6,300	5,500
Japan	1,900	2,500	4,500	3,700
Asia-Pacific	2,800	2,700	1,000	1,300
Canada	200	200	600	100
LATAM	1,400	400	600	600
<b>Total</b>	<b>16,300</b>	<b>14,700</b>	<b>15,000</b>	<b>12,900</b>

# Patient experience & voice

GRI 103-1, GRI 103-2, GRI 103-3, GRI 413-2 □

Edwards Lifesciences' work to improve Patient Experience and Voice supports our **aspiration** of transforming patient lives with breakthrough medical technologies.

## Definition

Continuously improving the patient experience with products developed with feedback and input from patients while empowering patients to support and aid each other. Additionally, develop innovations that allow Edwards' products to improve efficiency, safety and effectiveness of healthcare processes.

## Management approach

Edwards Lifesciences focuses on providing patient-centric innovations that save and enhance patient lives. We understand that too often patients do not have influence over the diagnosis of their condition, the type of treatment they receive or how their care is delivered. As part of our research and development, we work to incorporate patients' input into the development of our products throughout the total product lifecycle. By listening to patients and capturing their input through both qualitative and quantitative methods, we can provide care that meets individual needs and preferences.

The Vice President of Patient Engagement is responsible for ensuring that all patient engagement activities are in alignment with our aspirations to transform patient care through innovative technologies and attract and engage talented employees.

## Growing the patient voice through partnerships

When patients use their voices, they do more than advocate for themselves—they inspire others to speak up and support each other toward healthier outcomes. Edwards Lifesciences Foundation provides charitable grants to the American Heart Association for their **Heart Valve Ambassador Program**, a group of dedicated individuals who offer resources and support to heart valve patients, as well as the American Heart Association's Heart Valve Education Center, where patients can connect with and learn from other patients. Our Foundation also supports **Heart Valve Voice**—a patient-focused advocacy organization that collects and shares patient stories and advocates on behalf of patients' interests. This global program reaches patients in the U.S., Canada, U.K., Ireland, Italy and France. Other patient advocacy programs the Foundation has supported include:

- Mended Hearts Trained Accredited Patient Visitor Program
- Mended Hearts Peer Advocate program
- WomenHeart: National Coalition for Women with Heart Disease and Heart Champions program
- Patient Advocate Foundation's Heart Valve CareLine and Financial Aid Fund

# The Patient Experience

Our annual “[Patient Experience](#)” (formerly referred to as “Patient Day”) brings together patients and caregivers at our corporate headquarters in Irvine, California, and our facility in Draper, Utah. These events give our heart valve recipients and critical care patients an opportunity to connect with our employees and other patients, and to share their experiences. At the Patient Experience, attendees have the opportunity to:

- Learn about heart valve and critical care innovations;
- Meet Edwards leaders and employees dedicated to serving patients;
- Participate in discussions and surveys to help improve the patient-caregiver experience;
- Tour our manufacturing facility; and
- Meet employees who designed or handcrafted their technology.

The experience for those suffering from cardiovascular disease remains complex and filled with obstacles. The treatment process can be inconsistent from one patient to the next. Through our Patient Experience program, Edwards gains important insights into the patient journey, from symptoms and diagnosis through recovery, including patient-defined concerns. These learnings help us identify opportunities to address these gaps, and to prioritize tools, support resources and programs we develop to improve patient access, experience and outcomes.

[Evidence](#) indicates that empowered, engaged patients experience better clinical outcomes. For this reason, Edwards’ Patient Engagement function develops and maintains an approach to listening to patients, including sponsoring patient listening sessions, conducting Science of Patient Input (SPI) studies, supporting patient advocacy groups that represent the patient’s voice and helping patients exercise their voices to improve the healthcare system. In 2018, we introduced a new goal to ensure that our therapies are addressing the needs of patients through an increasingly collaborative patient engagement process. This goal aligns to SDG 3: Good Health & Well-Being.

## Addressing patient needs and connection along the journey to heart health

Edwards strives to ensure all patients have a voice in shaping their treatment experience, and many patients benefit from minimally invasive procedures. Edwards has responded by driving innovation in Transcatheter Aortic Valve Replacement (TAVR) technology. TAVR allows physicians to replace heart valves with a catheter instead of surgically opening the chest. To learn more about patient experiences with Edwards’ heart valves, browse our collection of [patient stories](#).

Our industry-leading Edwards PatientConnect program offers dedicated care managers and peer ambassadors who support and help patients navigate through what can be an overwhelming, arduous pathway from pre-treatment through recovery. Additionally, our TAVR patient community program supports patients post-procedure with educational updates, resources and opportunities to participate in Edwards and partner programs for peer support, outreach and advocacy. This unique program helps support TAVR patients along their journey to heart health and enables them to connect with other patients and get involved in improving the experience for future valve patients.

Edwards places a priority on gathering patient insights across the total product lifecycle, so we invest in patient preference studies among various patient groups to determine patient benefit-risk tolerance for new therapies. Using qualitative and quantitative methods, Edwards ensures the patient voice is heard from development to commercialization of new technologies.

# Patient resources

Edwards believes informed patients have a more successful treatment experience. Our [website](#) offers information on heart valve disease and treatment, as well as FAQs and a glossary of terminology. Additionally, our [NewHeartValve.com](#) microsite provides comprehensive information on aortic stenosis and options for treatment. Our Foundation also invests in educational resources for patients with [Mended Hearts](#), the [American Heart Association](#) and with the [Alliance for Aging Research Foundation](#).

## Annual performance

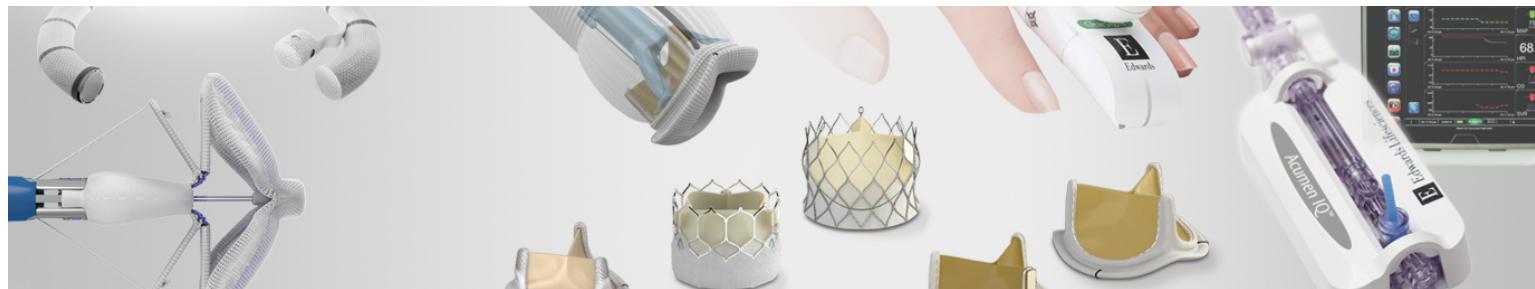
### Patient engagement and events

Listening to patients inspires us and continues to improve our patient engagement initiatives. In 2018, Edwards initiated a number of opportunities in offices around the world to increase employee engagement with patients. Edwards held Patient Experiences where as many as 100 patients visited various Edwards locations, including Irvine, California; Draper, Utah; Sydney, Australia; Singapore; and Milan. Additional Edwards meetings (e.g. sales meetings, regional leadership summits, etc.) included patient speakers and other opportunities for employees to meet with a patient. Edwards grew employee direct-to-patient connections 100 percent from approximately 1,000 employees in 2017 to 2,000 employees in 2018. Edwards Patient Engagement plans to hold annual patient interactions in all offices with more than 50 employees around the world. This goal aligns with SDG 3: Good Health & Well-Being.

### Science of patient input studies

In 2018, Edwards conducted our first quantitative patient benefit-risk tolerance study among patients with aortic stenosis. This rigorously-designed patient treatment preference study determined patients' willingness to tolerate potential risks associated with TAVR to obtain the benefits of the procedure compared to the impacts associated with open heart surgical replacement of the aortic valve. Recently [published](#) results illustrate the assessment of patient priorities.

Two additional patient preference studies, one on mitral and one on tricuspid patients, were initiated in 2018 and are ongoing. These studies will collect both qualitative and quantitative patient benefit-risk tolerance and treatment preference information that can be used in a variety of ways for the benefit of patients. For example, learnings can be used by physicians in the shared decision-making process between them and their patients; by Edwards to help support our products throughout the product lifecycle; and payors or regulators when evaluating health technology assessments and other submissions.



## Sustainability report

# Products

Edwards Lifesciences is a leader in patient- focused innovations for structural heart disease and critical care technologies. The products section of our 2018 Sustainability Report contains our management approach and annual performance for the following material topics:

- Product Safety & Quality
- Supply Chain Management

# Product safety & quality

GRI 103-1, GRI 103-2, GRI 103-3, GRI 416-1, GRI 416-2 □

Edwards Lifesciences' work to maintain product safety and quality supports our aspiration of excelling as a trusted partner through distinguished quality and integrity.

## Definition

Monitoring, managing and reducing negative health and safety impacts of Edwards' products; improving overall product quality.

## Management approach

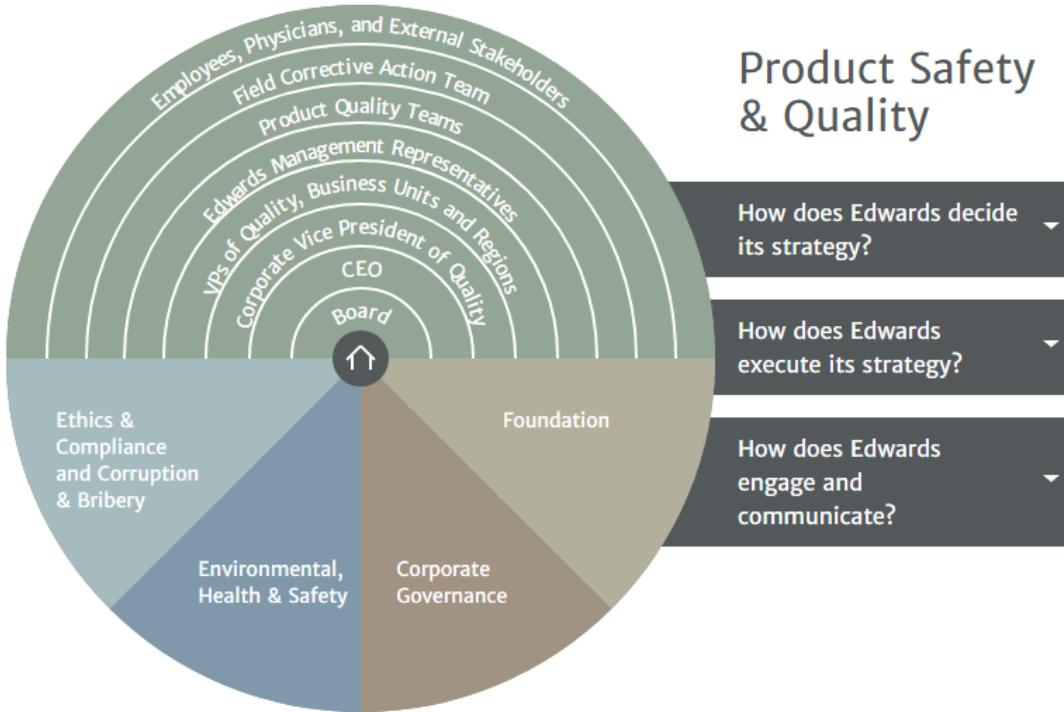
High quality products are at the core of our commitment of being a trusted partner to our patients. We hold ourselves accountable for developing products that enable patients to enjoy long and healthy lives.

Product safety is part of our Quality Management System and we provide training to employees through our Learning Management System and in-person classes, when appropriate. The Edwards team determines the level of training necessary based on each role, taking into account the amount of impact each role has on the safety of our products. Employees receive annual training and recertification based on potential risk of the process on product or patient safety associated with their role. We also require re-training based on different trigger events such as training or document content change, prolonged absence from executing the task or process, and process or product non-conformance that requires employee training.

To learn more about how we manage product safety and quality, please visit the [Supply Chain Management](#) section.

This [governance map](#) illustrates our management structure for product quality and safety.

# Governance map



## Regulatory compliance for quality

As a medical technology company, Edwards must comply with strict regulations regarding the design, development, manufacture and distribution of our products and services. These include U.S. Food and Drug Administration (FDA) regulations as well as those set by international regulatory bodies. We undergo frequent audits by these agencies to confirm compliance with all applicable standards and regulations.

We have established a Quality System as defined in our Edwards Lifesciences Quality Manual. The quality framework helps to advance our goals of ensuring Edwards' products and services satisfy customer requirements while complying with regulatory requirements in every country where Edwards sells products. These include, but are not limited to, the following:

- ISO 13485:2016 Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes\*
- ISO 14971:2007 Application of Risk Management to Medical Devices
- US Food, Drug and Cosmetic Act:
  - 21 CFR part 11 – Electronic Records; Electronic Signatures
  - 21 CFR part 820 – Quality System Regulations
  - 21 CFR part 210/211 – Current Good Manufacturing Practice for Finished Pharmaceuticals
- 93/42/EEC, 2003/32/EC European Medical Device Directive (MDD)
- Canadian Medical Device Regulations (CMDR)
- Medical Device Single Audit Program (MDSAP)
- Japan Pharmaceutical Affairs Law (JPAL)
- Australian Therapeutic Goods Act 1989 and associated regulations

Our Quality System enables us to meet all requirements of each regulation, where applicable.

\*For manufacturers of medical devices, ISO 13485 is a widely-accepted model for demonstrating compliance to worldwide laws and

regulations. The ISO standard meets the comprehensive requirements for a Quality Management System and ensures a consistent output. The Edwards Lifesciences LLC ISO 13485 Certification includes the design, development, production and distribution of:

- Biological Heart Valves, Heart Valve Delivery Systems, Valvuloplasty Catheters, Annuloplasty Rings,
- Pericardial Patches, Accessories (Valve Handles, Valve and Ring Sizers, Trays and Heart Support Devices), and Cardiovascular and Vascular products;
- Cardioplegia Delivery Systems, and Catheters for Perfusion, Drainage, Pressure Monitoring, and Venting during Cardiopulmonary Bypass and accessories;
- Accessories for Heart Valve Repair and Replacement;
- Instruments and Accessories; and
- Retractors.

## Internal quality controls

Please review our Product Safety & Quality governance map strategy execution section for information on internal quality controls.

Our global product complaint handling system collects, analyzes and manages customer feedback regarding Edwards' products. We educate all Edwards employees regarding their reporting responsibilities and we require every individual to report complaints no more than 48 hours after receipt. We assess all feedback with the aim of continually improving our products to meet customer and patient needs.

## Manufacturing execution system

Edwards has additional product quality and safety initiatives to streamline and improve our product manufacturing processes. Because manufacturing excellence relies heavily on streamlined operations throughout the global supply chain, Edwards began our Manufacturing Execution System (MES) to reduce waste, inventory and cycle times while improving quality, efficiency and overall product performance. This system should help increase compliance rates and eliminate the risk of negative findings during FDA inspections.

## Managing product recalls

We base our Quality System on the transfer of strong design and development work into manufacturing. Please refer to our governance map for information on how Edwards uses feedback mechanisms and conducts identifies corrective actions.

If we determine a Field Corrective Action is necessary, the Vice President of Quality for the impacted unit is responsible for promptly executing this action to remediate all affected products appropriately. In addition, we have systems in place for necessary actions to correct and prevent the recurrence of the issue.

In the U.S., the FDA categorizes recalls into **three classes**:

- **Class I:** Reasonable probability that the use of the product will cause severe adverse health consequences or death
- **Class II:** Use of the product may cause temporary or medically reversible adverse health consequences
- **Class III:** Use of the product is not likely to cause adverse health consequences

Within the European Union, manufacturers must inform the National Competent Authority/Authorities of any action taken to reduce risk of death or serious deterioration in health associated with the use of a medical device already on the market. This takes place through a Field Safety Notice.

Edwards is committed to resolving any recall issues by following regulations of the markets/countries impacted and using our expertise in quality management to implement required actions. Achieve no significant disruption of product availability is a new goal this year that aligns with SDG 3: Good Health and Well-Being.

A team of Edwards engineers handles requests for information from customers regarding product quality and safety. The Vice President of Product Safety or their delegate in the region(s) conduct customer visits to monitor product performance and to track customer and patient satisfaction.

## Managing clinical research

Edwards is committed to following all ethical considerations and regulatory requirements while conducting clinical research. We carry out our research, including the use of any outsourced third-party vendor, in accordance with the recommendations guiding physicians in biomedical research involving human subjects adopted by the 18<sup>th</sup> World Medical Assembly, Helsinki, Finland, 1964 and later versions. We conduct research in accordance with Good Clinical Practice and applicable regulatory requirements to ensure patient safety. Examples of such regulations include, but are not limited to, the following:

- United States of America:
  - 21 CFR: Part 50 (Protection of Human Subjects), Part 803 (Medical Device Reporting), Part 812 (Investigational Device Exemptions), Part 814 (Premarket Approval of Medical Devices), Part 822 (Post Market Surveillance)
  - ICH E6 – Good Clinical Practice
- European Union:
  - ISO 14155 Clinical Investigation of Medical Devices for Human Subjects – Good Clinical Practice
  - MDD 93/42/EEC European Medical Device Directive 93/42/EEC (MDD)
  - MEDDEV 2.7.1 revision 4 Clinical Investigations: Serious Adverse Event Reporting under Directives 90/385/EEC and 93/42/EEC.
- Japan:
  - Japan Pharmaceutical Law (JPAL) Medical Device Ordinances
- China
  - China Food and Drug Administration (CFDA) Regulations

Edwards requires all applicable clinical research to have independent Ethics/Institutional Review Board approval and oversight as well as patient authorization to participate in research (via a signed patient informed consent form) prior to initiation of research activities. We employ the routine use of independent Data Safety Monitoring Boards (DSMBs) and Clinical Event Committees (CECs) in accordance with FDA Guidance for Clinical Trial Sponsors – Establishment and Operation of Clinical Trial Data Monitoring Committees. Edwards also follows Section 801 of the FDA Amendments Act (FDAAA 801 and the Final Rule) for public protocol registration of clinical trials and subsequent reporting of clinical trial results. There are multiple ways to report product or research grievances directly to Edwards, including the Edwards.com [contact us](#) web page. This page also provides a way for patients and healthcare providers to find privacy information and request product information or removal of personal data.

# Annual performance

Edwards Lifesciences' performance highlights our relentless focus on managing and improving our quality control systems. Our goal is to drive continuous improvement efforts to eliminate patient safety-related Class I product removals. This goal aligns to SDG 3: Good Health & Well-Being and SDG 8: Decent Work and Economic Growth.

## Improving patient safety through device tracking

In 2013, the U.S. FDA established a [Unique Device Identification](#) (UDI) system that enables more comprehensive tracking of medical devices. UDI system implementation will continue through 2020, according to established compliance dates based primarily on device classification. Using UDI numbers reduces the chance of patient misidentification of products. Edwards continues to implement this system within our processes in alignment with the FDA's [required schedule](#).

## Product Recalls

In 2018, Edwards executed one FDA Class 1 recall of our Swan-Ganz hemodynamic monitoring catheters. There were no reports of patient injury associated with this recall. We executed a significant Quality System Simplification effort in 2018 to harmonize our quality system procedures and execution. Edwards provides complete information on recalls through the FDA's [publicly available database](#) for medical device recalls.

# Supply chain management

GRI 103-1, GRI 103-2, GRI 103-3, GRI 404-3, GRI 414-1 □

Edwards Lifesciences' supply chain management practices focus on product lifecycle, design, and innovation, and commitment to product stewardship supports our aspiration of transforming patient lives with breakthrough medical technologies.

## Definition

Monitoring and assessing product quality, safety, social and environmental performance of Edwards' suppliers. Innovating to improve quality, design and performance of products and reducing environmental impacts of Edwards' products throughout their lifecycle. Reducing environmental and human health impacts from Edwards' use of harmful materials and chemicals in products or operations.

## Management approach

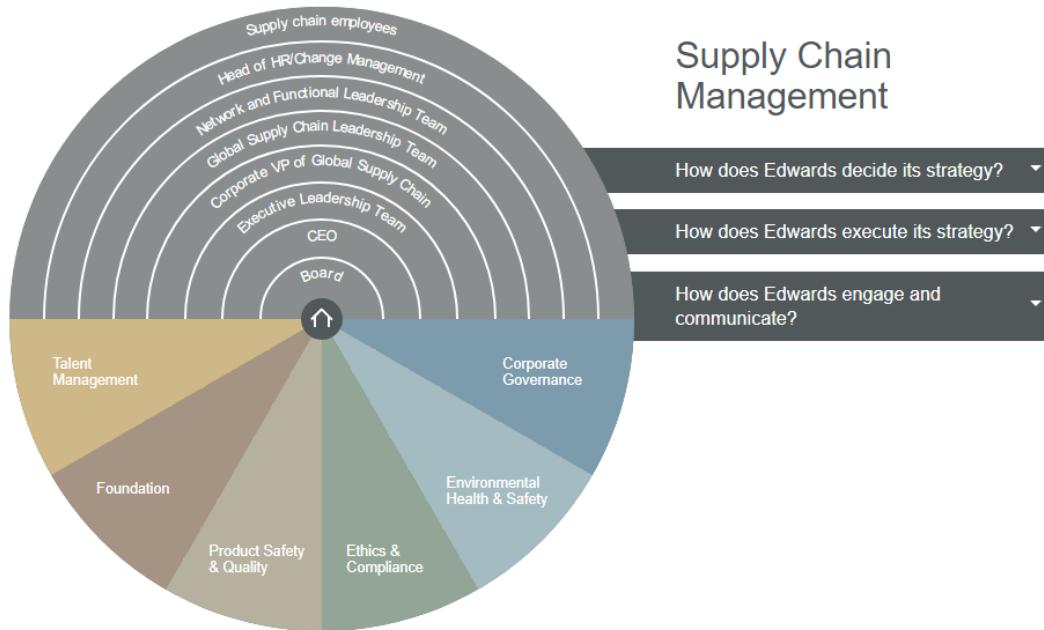
### Supply Chain Management

To create industry-leading therapies for cardiovascular disease, we rely on our suppliers. We strive to improve our supplier base annually by ensuring that our best suppliers work on our new products, that we continue to rationalize and reduce our supply base and that we improve performance.

We know supply chain performance directly impacts innovation and the quality of our products, so we insist on high product quality and safety at every level. Our Global Supply Chain and Product Quality departments collaborate with our key partner suppliers on risk management, improvement action plans and consistent high product quality. Our supplier partnerships are essential in delivering the quality products that drive Edwards' success. We continuously strive to expand supplier engagement.

# Governance Map

In 2018, we created a governance map to illustrate our Supply Chain Management structure.



Edwards' Supply Chain segmentation has established the top 12 strategic direct materials suppliers. Our new goal is to incorporate sustainability reviews at these top strategic and direct materials suppliers and distributors by 2020 and in the review, we will request information on human rights practices. This goal aligns with SDG 12: Responsible Consumption and Production. Edwards Supply Chain will hold a strategic partner Forum in 2019 and will use it to launch expectations of our strategic partners to share their sustainability goals and practices with us for review and discussion. Those reviews will take place throughout 2020.

## Supplier management overview

With nearly 400 direct material suppliers for all of our global products, Edwards is highly selective when evaluating and adding new suppliers to our portfolio.

We operate a Supplier Portal through which suppliers can access key information, provide feedback and notification of any significant changes as required per the Quality Agreement. We request that they pre-notify us of product changes in a timely manner to allow us time to qualify the change as necessary.

With our global Part Qualification Process, we collaborate with suppliers on product manufacturability while improving product quality and cost. Our global supplier capacity framework helps our suppliers plan their capacity for growth.

Our R&D Sourcing team is responsible for all direct materials source selection on all of our new products and components. This team executes source selection per our global category strategies that identify the preferred and approved suppliers to award new products.

These suppliers represent our best performers and partnerships and we prioritize their bids on new product work. Edwards has dashboards and metrics that track the amount of new product awarded to these suppliers. To facilitate prioritizing high-performing suppliers, the R&D Sourcing Portal lists our preferred suppliers for each category and an Advanced Sourcing Lead participating on all of the R&D New Product teams. Our system generates automated notifications when someone tries to award work to a non-preferred supplier.

To limit risk exposure, we avoid adding new direct materials suppliers, and only add them when there is a clear business case, such as a new technology or new capability or capacity needs. In the few cases where we do add suppliers, we follow a rigorous process that includes extensive due diligence. We have designated and prioritized a significant reduction of our direct materials supplier base over the upcoming years.

## Assessing and monitoring supply chain risk

Before partnering with any new suppliers Edwards conducts a comprehensive supplier evaluation. Direct materials suppliers require on-site assessment of facilities and quality control systems, as well as on-site Quality System audits. Once we approve a supplier, we periodically conduct follow-up supplier audits and performance reviews to promote continual adherence to our standards. For every new part, the supplier completes a form through which they disclose the material content of the products.

Edwards also has a global supply risk management and governance process that includes a global risk assessment process to evaluate potential supply risks on key components and suppliers. These include risk due to location, material content and country regulations, as well as sole source risks. We prefer doing business in countries with higher ethical standards and protections for information technology and intellectual property, reducing the chance that sustainability violations will impact our stakeholders and business. Approximately 80 percent of Edwards annual spend comes from these lower-risk locations.

We use a risk monitoring tool that provides updates on our suppliers' business developments, acquisitions and credit performance as well as financial default risk. Our team sets automatic alerts on key suppliers and immediately forwards important information to the right Edwards employee for evaluation and action, if necessary.

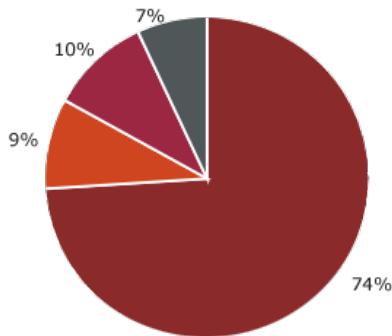
We assign all suppliers in our system a Risk Level by our Quality organization. Suppliers are designated either a Risk Level 1, 2 or 3 rating. Risk level 1 represents the "highest risk," for suppliers that could impact patient safety or product performance. To conduct any business with these suppliers, they must be classified as "Approved" in our Quality System.

We conduct audits for high-risk suppliers to assess their quality systems in support of Edwards' compliance to regulations applicable to production of medical devices. Approval is granted upon completion of an audit, any corrective action plan and part qualification process. We have an established decision tree process that considers the potential impact of supplied materials to patient safety and product performance, which then assigns the risk level per part number sourced. Additionally, we established similar decision trees for service suppliers that fall within the requirements of our quality management system to be qualified and monitored.

## Localizing supply and distribution

Edwards protects both the environment and our bottom line by sourcing materials as close as possible to our manufacturing sites. Where feasible, we strategically align distribution facilities with the global markets we serve, reducing the costs and environmental impacts of transportation. Our supply base is primarily located in North America. We have set a new goal to improve our network optimization to reduce 2019 air freight by 1,000,000 air miles as compared to a 2018 baseline. This goal aligns with SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action.

# Supply base by region



- North America
- Asia
- Europe
- Latin America/Caribbean

## Supplier sustainability

Our most significant ESG impacts occur in various parts of the Edwards supply chain:

- Product Quality – Across all sites, we continue to focus on improved process capability, yield improvement and scrap reduction, thus allowing for a smaller amount of product needing to be disposed of on an annualized basis.
- Patient Safety/Impact – We worked to upgrade our new product development process and simplify our Quality System to allow for continued focus on product improvement and building quality in at the source during product development and launch.
- Lean Manufacturing Efforts – We identify lines each year for reconfiguration to determine where and how we can eliminate waste and increase outputs with the same amount of people, which reduces environmental impact.

Because we want our suppliers to be long-term partners, Edwards values suppliers who exhibit sustainable practices.

Edwards requires all suppliers to employ ethical and responsible business practices. We adhere to the [California Transparency in Supply Chains Act of 2010](#) by disclosing our actions to prevent human trafficking and slavery. Our [Responsible Supply Chain Policy](#) outlines our approach and expectations for suppliers, which include:

- Fair labor practices
- Environmental responsibility
- Workplace health and safety
- Ethical practices
- Protection of human rights
- Socially responsible behavior
- Legal compliance

Edwards has developed supplier metrics to measure quality levels and other expectations for each of our preferred suppliers. These include:

- ISO13485 Certification where applicable
- Completion of comprehensive quality audit with no critical findings
- Minimum lot acceptance rates
- Minimum scar-free rates
- Minimum performance on good delivery and service levels

## Supplier partnerships for innovation

Edwards builds collaborative, long-term relationships with key strategic suppliers who support our vision for innovation and engage our partner suppliers during the product innovation stage. Through our Value Engineering capability, we ask these suppliers to provide insight into the design and manufacturing of new products. This includes supply chain employees on most research and development product teams to facilitate supplier selection and early supplier involvement. In this way, we enable our research and development teams to collaborate with suppliers throughout the product development process. We have a new goal to increase efficiency of our high-volume valve assembly lines by more than 20 percent as compared to our 2016 baseline by year-end 2019. This goal aligns to SDG 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production.

## Intellectual property

Protecting intellectual property is important to maintaining Edwards' leadership position in medical technology innovation. The strength of our proprietary technology fuels our research and development of new, patient-focused solutions. Edwards owns more than 3,900 issued patents and pending patent applications in both the U.S. and foreign jurisdictions. We monitor our competitors to identify possible infringement, protect our patents and take appropriate action when required. We actively generate new intellectual property (IP) and pursue acquisition of complementary IP across our businesses. We consider safeguarding Edwards' IP in awarding business to preferred partner suppliers.

## Chemical & material stewardship

Edwards Lifesciences is committed to the long-term health of patients. Our goal is to ensure that our products are fully compliant with chemical regulations and requirements. We have procedures in place to assess the materials in our products and make continuous improvements to remove banned materials. Safety procedures protect our employees by limiting exposure to potentially harmful chemicals.

The Product Stewardship Steering Committee meets on a quarterly basis to provide updates on the status of each business unit's activities as well as updates on new or revised chemical regulations that will impact Edwards Lifesciences.

Edwards strives for 100 percent compliance with various materials regulations ranging from restricting the use of certain hazardous substances in medical devices to labeling the products. For example, Europe's **Restriction of Hazardous Substances** (RoHS) directive restricts hazardous substances used in electrical and electronic equipment, whereas China RoHS requires these products to be labeled appropriately. Our focus extends to our supply chain, where we require compliance with all applicable regulations for chemical and materials use.

Hazardous materials regulations can evolve quickly. For example, **REACH** adds new substances of very high concern to its list every six months. Edwards monitors these changes and, when we identify a pending restriction that might impact our business, we act immediately by briefing our Steering Committee for Product Stewardship and begin assessing our products.

# Supplier materials database

While Edwards already screens suppliers for hazardous substances, we know customers increasingly demand full transparency about materials in their products. In 2015, we began developing our Material Compliance Module (MCM), an internal database to collect and manage information about product materials, including packaging. We collect and upload supplier materials disclosures for REACH, RoHS and Conflict Minerals to the database. It also contains packaging weight, dimension of packaging material and part numbers. The database enables us to provide our customers with clear and complete reports on product composition, as well as packaging waste reports in Europe.

## Conflict minerals

Edwards' goal is to strive to be conflict minerals free in our supplied materials. This goal aligns with SDG 8: Decent Work and Economic Growth and SDG 16: Peace, Justice, and Strong Institutions. We use 3TG (tantalum, tin tungsten and gold) for the functionality and production of certain of our Critical Care products. Our [Conflict Minerals Policy Statement](#) describes our support of the Security and Exchange Commission (SEC) disclosure requirement for conflict mineral sourcing. Since 2014, we have also published an annual [Conflict Minerals Report](#) highlighting our progress.

For every new part awarded to our suppliers, we require the applicable supplier to submit a written disclosure of compliance to this standard. Each year, we work with a third-party consultant to monitor our progress, analyze data and identify strategies to improve our performance.

## Product lifecycle, design & innovation

Innovation is at the core of Edwards Lifesciences. We challenge ourselves to envision new ways to advance our technologies and improve patient care and quality of life. When it comes to cardiovascular disease, there is always more we can do to improve patient care. Our focus on breakthrough innovation allows us to produce [life-saving products and therapies](#) that transform the lives of patients around the world.

Edwards takes a strategic, thoughtful and disciplined approach to product innovation. We focus our work on exploring structural heart disease and critical care monitoring. This enables us to stay at the forefront of our industry and continually expand the possibilities of patient care.

Edwards typically invests more than 15 percent of our annual sales into product innovation, which benefits our ultimate - and most important - stakeholder: our patients. Our approach drives strong [financial performance](#) and provides us with unmatched expertise on therapies that enhance patient lives. Our internal groups innovate in the following product lines:

- Transcatheter Aortic Valve Replacement therapies leads the industry in innovation for less-invasive aortic heart valve replacement therapies that improve patient outcomes
- Surgical Structural Heart is extending its leadership position as the partner of choice for surgeons and their teams; focusing on active patients, complex cases and aortic insufficiency; and expanding therapies to broader populations
- Critical Care invests to strengthen its core hemodynamic portfolio, helping clinicians make proactive clinical decisions that play an important role in enhancing patient recovery
- Transcatheter Mitral and Tricuspid Therapies aims to transform the care of patients with mitral and tricuspid regurgitation through an advanced toolbox of new therapies. Edwards' focused investments in structural heart initiatives has resulted in multiple early clinical stage therapies, including innovations in tricuspid valve repair and mitral valve repair and replacement

## Packaging design & innovation

Edwards strives to maximize the value and function of our products from design to end-of-life. We continue to strengthen our new packaging design process to enable safer, more efficient and cost-effective product delivery. This includes exploring sustainable solutions that decrease the impact to our environment. For example, our Packaging Engineering teams are pursuing initiatives for developing alternate materials and processes that may improve packaging performance while reducing cost and waste. Our new goal of leveraging packaging lifecycle assessment and improvement to reduce 15 percent packaging waste for targeted high-volume commercial products by 2020, aligns to SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production.

## Annual performance

### Packaging design, innovation and distribution

In 2018, the packaging team conducted the packaging design and lifecycle assessment for existing commercial products of each product category in TAVR, Surgical Structural Heart, Critical Care and Transcatheter Mitral and Tricuspid Therapies (TMTT) product lines.

Lifecycle assessment includes packaging designs, materials, weight, waste and footprint in distribution.

- For TAVR, we assessed SAPIEN 3 packaging to streamline and reduce packaging dimension for distribution.
- For Surgical Structural Heart, we evaluated Annuloplasty Ring product packaging to improve and reduce packaging waste during shipment from the manufacturing site to distribution centers and customers.
- For Critical Care, we assessed 14 high volume pressure-monitoring products and designed new distribution configurations to reduce the number of pallets and shipments through distribution.
- For TMTT, we reviewed Cardioband packaging design with the target goal to reduce the packaging size, dimension and waste.

### Assessing and monitoring supply chain risk

Our Supply Management team presides over a quarterly Supply Risk Management Steering Committee that monitors progress on key actions and mitigation projects. In response to our increased use of outsourcing of key products manufacturing, we will establish an External Manufacturing Team in 2019 to centralize the oversight of our growing contract manufacturers.

### Supplier materials database

During 2018, Edwards continued to build our Material Compliance Module database with supplier materials content information on our purchased items. We now have approximately 86 percent of supplier responses included, which met our goal to have 80 percent of applicable supplier responses entered by the end of 2018. This goal aligns with SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production. Launched in February 2018, we also upgraded our Global Supplier Portal to develop a workflow digitize our process for collecting supplier responses into our Material Compliance Module.

## Conflict minerals

For the 2018 reporting period, Edwards conducted two stages of reasonable country of origin inquiry ("RCOI"), supplier and smelter, in accordance with the Conflict Minerals Rule and the [OECD Due Diligence Guidance](#).

We designed our supplier RCOI process to identify the smelters in our supply chain and to determine whether the 3TG in our in-scope products originated in a covered country.

Edwards' suppliers that provided product level responses identified 17 smelters in their CMRT responses during the 2018 reporting period included four gold refiners, one tantalum smelter and 12 tin smelter. All of the smelters and refiners identified by our suppliers for the 2018 reporting period have been audited and recognized as conformant by the RMAP. Our goal is to strive to be conflict minerals free in our supplied materials. This goal aligns with SDG 8: Decent Work and Economic Growth; SDG 16: Peace, Justice and Strong Institution. Please see the [Edwards' Conflict Minerals Report](#) for the 2018 fiscal year, as filed with the Securities and Exchange Commission on May 31, 2019.

Edwards also has a company- and mine-level grievance mechanism in place. We recognize the Conflict Free Smelter Program's three audit protocols for gold, tin/tantalum and tungsten as valid sources of smelter- or mine-level grievances. A company-wide grievance mechanism, the Edwards Integrity Helpline, is available 24/7, through which our employees and suppliers can confidentially report a violation of our policies without fear of retaliation. See the [Ethics & Compliance](#) section of this report for more. We also maintain an e-mail address ([conflict\\_minerals@edwards.com](mailto:conflict_minerals@edwards.com)) for suppliers and employees to ask questions and voice concerns.



## Sustainability report

# Workforce

Edwards Lifesciences' employees drive our work with their passion for helping others. The Workforce section of our 2018 Sustainability Report covers all of our business operations and contains our management approach and annual performance for the following material topics:

- Talent Management
- Volunteerism & Giving

# Talent Management

GRI 103-1, GRI 103-2, GRI 103-3, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3 □

Edwards Lifesciences' work to improve employee recruitment, engagement and retention supports our **aspiration** of Fostering an Inclusive Culture Where all Employees Grow and Thrive.

## Definition

Developing strategies for attracting, developing and retaining employees. Edwards strives to maintain and enhance a culture reflective of our Credo and Aspirations. We believe that fostering a diverse, inclusive culture is critical to our long-term success as we help more patients around the world. And, our work to promote workplace health and safety serves our aspiration of Fostering an Inclusive Culture Where all Employees Grow and Thrive, while providing Edwards employees with health resources and safe working conditions.

## Management approach

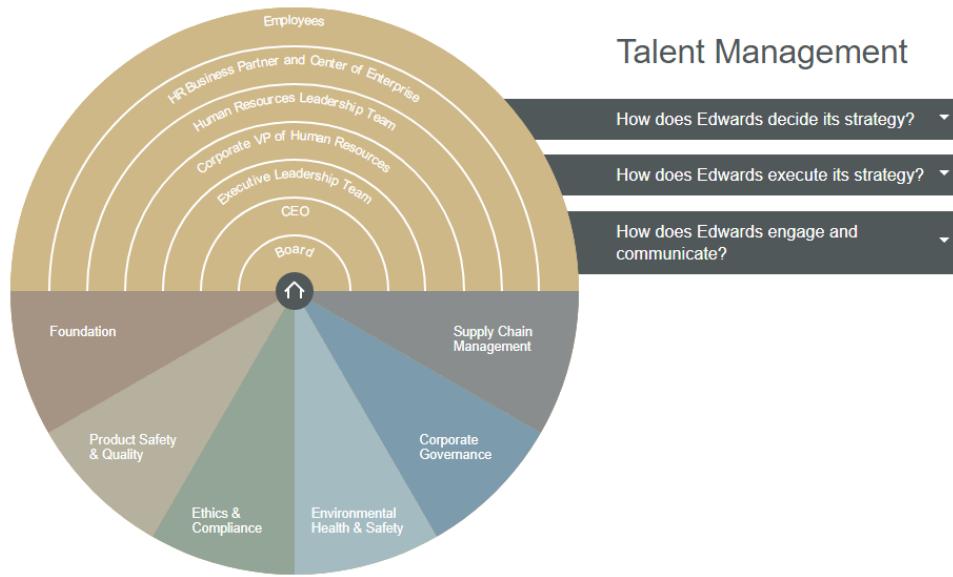
Edwards Lifesciences unites our employees around a common passion for improving the lives of our patients. Our top priority is to execute our work with the utmost precision and care, because we know that our therapies have the power to affect patient lives in a positive and lasting way. Edwards is a growing company, and our **culture** is an important factor in attracting and retaining top talent that will continue to advance our innovative technologies for the patients we serve.

Diversity is a vital part of our company culture, and also foundational to Edwards Lifesciences' work to innovate life-saving therapies for patients. We encourage our employees worldwide to share novel ideas and to push the boundaries of traditional thinking and creativity. Diverse talent is crucial for driving innovation. We envision a company culture that actively values diversity and is inclusive of people from a variety of backgrounds and experiences.

Edwards Lifesciences believes our mission to help patients begins with the well-being of our employees. Maintaining a strong and healthy workforce enables us to stay focused on our goals and dedicate our energies toward the development of life-saving therapies.

# Governance Map

In 2018, we created a governance map to illustrate our Talent Management structure.



## Recruiting top talent

To attract and recruit top talent, Edwards provides competitive compensation and benefits packages. Our goal is to have annual top talent retention resulting in voluntary turnover of less than high performing benchmarks. This goal aligns with SDG 8: Decent Work and Economic Growth. We offer performance-based incentives, stock options, retirement plan options, paid time off, family leave and health, life and disability insurance.

Edwards recruits top students from universities across the world to join our team. Our opportunities for students include:

- Internships
- Edwards University Summer Program
- Finance Development Program
- University Engineering Program
- Clinical & Regulatory Development Program (CRDP)
- Engineering Technical Development Program (TDP)
- Strategic Leadership Development Program (SLDP)

These programs continue to have a positive business impact. For example, through our TDP program in 2018, 50 percent of interns were hired for full-time positions (100 percent of offers accepted), and we have found that these employees are more than twice as likely to become designated as Top Talent as those who did not intern. Individuals hired on through the University Engineering and TDP programs have an 89 percent combined retention rate.

# Employee survey

Our biennial employee survey helps us identify what we do well and respond to identified employee needs as they arise. To ensure global, diverse and representative feedback, the survey is available in Chinese, Japanese, German, French, Portuguese, Spanish, Cambodian, Vietnamese, Korean, Malay, Tamil and English.

Survey Objectives:

- Provide employees with the opportunity to share their thoughts
- Empower managers to address concerns expressed by employees
- Drive positive change to ensure Edwards remains a great place to work

Our global employee engagement survey includes a Diversity and Inclusion category where employees rate the extent to which they agreed with the following statements:

- People of all backgrounds can succeed at Edwards
- Edwards encourages and promotes diversity of backgrounds, talents and perspectives
- Their immediate supervisor encourages an environment where individual differences are valued

Edwards partners with a third party to assess our performance, values and behaviors that drive engagement, alignment and agility. We also measure innovation and quality as our business priorities.

Many employees take the survey online using company computers. We also send smart tablets to every manufacturing site to gather input from employees who do not have access to a computer on a daily basis for their work.

## Patients first

Edwards' "Patients First" Credo in action serves as a force multiplier enabling Edwards to attract, engage and retain the best and brightest. A priority is to expose all employees to patient stories and patient interactions annually to improve engagement and remind our team that working at Edwards means making a difference in people's lives. This goal aligns with SDG 3: Good Health and Well-Being. Whenever our CEO conducts an employee meeting, the meeting always concludes with a patient video and many of the leaders throughout Edwards include in their all hands meetings a patient video or story, as well. Patient videos are also show in new hire orientations around the globe. For more information on other Patient First programs please see the [Patient experience & voice](#) section of this report.

## Training & leadership development

Our greatest asset is our employees, and the unique knowledge and skills they provide. We host several [Professional Development](#) programs designed to provide resources for employees with a wide range of responsibilities.

For employees seeking higher education, we provide employee tuition assistance for continuing education and degree programs at higher educational institutions. Edwards University is an online platform that provides employees with valuable learning opportunities. The platform offers our employees a wide variety of training, education and other resources to deliver superior business results. Edwards University is also the platform for our learning partners such as University of California, Irvine, and eCornell.

Our leadership development curriculum, Aspire, offers skill-based open enrollment workshops to our professional employees. Curriculum topics include critical thinking, strategic execution, leading at Edwards, effective conversations, powerful speaking, communicating among different personalities, leveraging diversity, and emotional intelligence, among others.

Our programs develop our top talent around the globe. We also offer nomination-based programs that build leaders for the future. The Edwards Lifesciences Leadership Program (ELLP) focuses on our culture and living the Edwards Credo as participants learn to be trusted partners for each other, in business and in the community. With case studies, experiential learning and a capstone closing activity, the program offers lessons that participants will take with them through the course of their careers.

Our Edwards Lifesciences Leadership Program II (ELLPII) is designed to challenge senior leaders to approach their scope of responsibility as if it were their own business. The executive and senior leadership teams nominate employees to participate in the program. ELLPII aims to synthesize general management responsibilities while building broad leadership capability. We bring strategic thinking to daily work through a focus on:

- Achieving results through effective team leadership
- Leading organizational change
- Leading across organizational boundaries

Another employee development program is the Edwards Leaders Forum (ELF), where nominated emerging leaders participate in a nine-month cohort-based program that focuses on the whole person. Incorporating a variety of assessments, executive speakers and discussion-based learning, participants are equipped to apply what they learn to their current and future roles. In some cases, we customize team development programs that utilize resources such as Strength Finders, Speed of Trust, Help Them Grow and What Motivates Me. We also offer customized coaching and assessments.

### **Talent Development Review (TDR)**

We are modernizing the TDR process across the business to increase the process efficiency, and to create greater impact for employees. Part of the effort to modernize includes adding the Workday platform to better track employee goals, competencies, progress and performance. We are also re-evaluating and aligning the definitions and criteria we use for different talent pools to ensure consistency across the business.

### **Global New Employee Orientation**

A strong internal culture is integral to our high quality of work and company success. In an effort to build a consistent culture at all of our global locations, we are in the process of standardizing and streamlining a new employee orientation. At Edwards, we are proud of our mission, vision, and values, and want to ensure that we appropriately emphasize these to all new hires. In 2018, we successfully piloted an updated Global New Employee Orientation at several Edwards locations and are rolling out the program to all Edwards locations in 2019.

## **Active and expanding mentoring programs**

Mentors can help employees identify personal and professional goals, access resources and reach individual potential. We leverage mentoring programs to build internal talent, transfer/share knowledge and increase employee engagement and satisfaction. In tracking our program over the years, we found a strong correlation between mentorship participation and employee retention. We consistently look for opportunities to expand our mentorship offerings to reach a diverse group of employees.

Edwards has several formal mentoring programs in the following business areas: Global Supply Chain, Quality Assurance, Human Resources, Senior Leadership Team (SLT) Women, and Advanced Technologies.

Direct business benefits of these programs include:

- Employee Engagement
- Employee Retention
- Leadership Development
- Knowledge Transfer
- Team Connectivity
- Work-Life Integration

## **Total Wellness at Edwards**

The Edwards Executive Leadership Team (ELT) drives wellness efforts across the company. The ELT believes that better health leads to better performance, and they ensure that we regularly sponsor wellness initiatives for employees. Edwards also offers a competitive employee benefits package that includes health and welfare insurance, health savings accounts and on-site programs.

Our Total Wellness program supports employees across the globe in their effort to achieve and maintain a healthy lifestyle. We aim for all sites with greater than 100 employees to have a documented and implemented wellness program annually. This goal aligns with SDG 3: Good Health & Well-Being and SDG 8: Decent Work and Economic Growth. Locations with under 100 employees select an area of focus specific to their population health needs and implement corresponding programs and resources.

## Six pillars for total wellness

1. Prevention	<ul style="list-style-type: none"><li>• Annual Know Your Numbers biometric wellness screenings</li><li>• Healthy lifestyle wellness coaching for all employees and their covered spouses</li><li>• On-site self-monitoring HIGI machines at our Irvine, CA, and Draper, UT, facilities that allow employees to track blood pressure, weight and BMI</li><li>• Online Health Risk Assessments</li><li>• Quit for Life® smoking cessation program</li><li>• Annual on-site flu shot clinics</li></ul>
2. Nutrition	<ul style="list-style-type: none"><li>• Onsite nutrition coaching (Irvine)</li><li>• Onsite Weight Watchers (Draper)</li><li>• On-site cafeteria with healthy food options at our Irvine, CA, and Draper, UT campuses</li><li>• Subsidized In Balance weekly healthy meal option (Irvine)</li><li>• Complimentary fresh fruit events</li><li>• Blog with healthy recipes and articles on popular nutrition topics</li><li>• Healthy cooking demonstrations with our onsite café chef (Irvine)</li></ul>
3. Physical Activity	<ul style="list-style-type: none"><li>• On-site fitness centers at our Irvine, CA, and Draper, UT campuses</li><li>• Gym subsidy for field employees</li><li>• Race Reimbursement program</li><li>• Monthly workout challenges</li><li>• Annual step program challenge</li><li>• Onsite sports courts - basketball, volleyball, bocce ball; soccer and ultimate frisbee</li><li>• Bike to work program</li></ul>
4. Education	<ul style="list-style-type: none"><li>• Periodic newsletter with information about wellness and employee benefits</li><li>• Wellness and benefit resources on employee intranet</li><li>• On-site seminars and webinars on a variety of health and wellness topics</li><li>• <i>Take Charge</i> mobile site with health resources</li><li>• Health promotion seminars and blog posts</li></ul>
5. Financial Fitness	<ul style="list-style-type: none"><li>• Annual retirement plan education meetings</li><li>• Retirement readiness program</li><li>• One-on-one financial planning assistance</li><li>• Financial education seminars and webinars</li><li>• Discounts on popular attractions, travel and shopping</li><li>• Tuition Assistance</li></ul>
6. Community Service	<ul style="list-style-type: none"><li>• Charity element tied to workout challenge and steps program goals</li></ul> <p><i>Please refer to <a href="#">Volunteerism &amp; Giving</a> for information about our employee volunteer programs</i></p>

Our global wellness programs include:

- Weight loss competitions
- Walking challenges
- Preventive health exams and screenings
- Financial education classes
- Health education seminars

We review of all benefits and wellness programs annually and make recommendations to our Administrative and Investment Committee for their review and approval.

We aim to offer a high performing, cost-effective healthcare program that encourages a healthy workforce. We hope to move employees from passively consuming health care services to owning their health and wellness. We participate in custom industry surveys to benchmark our programs to ensure these programs remain competitive. In addition, each region prioritizes and reviews their risk factors and develops programs to address their specific

health population needs.

## Wellness + Charity

Edwards offers opportunities for employees to support charity as they work toward their fitness goals. We have Fitness + Charity Challenges that run most of the year are open to all U.S. employees. After employees meet their fitness goals, Total Wellness donates proceeds to support designated charitable organizations, such as the American Red Cross.

## Family Support and Benefits

Edwards offers paid maternity leave in accordance with the law. As of 2018, all employees – hourly and salaried – will receive 100 percent of their salary for the leave period. Even though not all U.S. states require the six weeks of paid leave, the compensation committee approved that Edwards will give employees throughout the U.S. six weeks of disability leave.

Edwards offers subsidized offsite day care services to full-time employees through our partnership with Bright Horizons. All U.S. employees have access to the Bright Horizon's benefit. There are two "arms" of this benefit:

### Back-up Care

Bright Horizons helps identify back-up dependent care options. Employees can receive center-based back-up child care, as well as in-home care for a mildly ill or injured child, spouse or elder. Both center-based care and in-home care is offered and we plan to expand the Bright Horizons program in 2019.

### Additional Family Support

The Additional Family Support program is a resource to identify center-based and in-home care options for short-term and/or long-term care needs. With this support, employees have access to:

- Jump ahead on the waitlist at select Bright Horizons centers
- Tuition discounts at participating child care centers
- Resources to find sitters, nannies, pet sitters and housekeepers
- Senior care solutions, including needs assessment tools, referrals and more
- Discounted tutoring and test prep - both online and in-person

Employees self-select these services and are responsible for all associated costs.

## Edwards' commitment to employees and fair and equitable pay

Edwards tracks remuneration patterns among our employees worldwide, and we continually look for ways to ensure fair and equitable pay practices. Our ELT and Board recognize that fair and equitable pay is integral to achieving our goal of being a preferred employer. Please review [Edwards' Commitment to Fair and Equitable Pay](#) policy for information on our approach, governance and the Global Career Framework.

## Workplace health & safety

At Edwards, we are committed to providing a safe and healthy workplace for all of our employees, visitors and guests who frequent our facilities. We believe that a safe and healthy workplace not only helps prevent injuries, but it also helps us recruit, retain and engage talented employees while driving employee satisfaction. Our two safety-related goals are 1) strive to achieve injury rates below our medical industry peers and 2) implement an Occupational Health & Safety Management System consistent with ISO 45001 standards at all of our manufacturing locations by 2023. These goals align with SDG 8: Decent Work and Economic Growth.

Edwards focuses on workplace design, early intervention and overall prevention of injuries and illnesses. We strive to ensure employees who are injured on the job receive appropriate medical care to help them recover and return to work in a healthy and productive manner. We track and report injury rates and consistently perform favorably when compared with our industry benchmarks. Edwards has not experienced a work-related fatality by either full-time employees, temporary hires or on-site contractors since we began operating as an independent business in 2000. Please see our annual [EHS Report](#) for occupational illness prevention strategies and specific ergonomic illness prevention programs.

# Diversity and inclusion programs

Diversity is more than numbers and statistics. Edwards' vision is to foster a culture that actively and consistently values diversity. We aim to become a leading workplace for diversity and inclusion.

Embracing a diverse workforce helps drive Edwards' commitment to innovation. Companies with diverse talent have a wider range of perspectives, which can foster a stronger pool of ideas, creativity and innovation. For example, we are active in the **MedTech and BioTech Veterans Program**, which connects transitioning military professionals with careers in life sciences companies. Those who have defended our country bring strength, integrity and unique technical knowledge to our team.

Every year, we expand our diversity and inclusion efforts to foster inclusive thinking and increase diversity. We develop programs focused on attracting, engaging and developing diverse talent. Sample activities include:

- Career fairs for engaging traditionally underrepresented groups at conferences and university chapters (e.g., National Society of Black Engineers and the Society of Women Engineers)
- Panel discussions about managing your career at Edwards featuring guests from our executive or senior leadership teams
- Speed Mentoring with senior leadership team members
- Leadership development classes
- Hospital Observation opportunities to see our products in clinical use
- Monthly Mix & Mingle social events
- Welcome Reception for summer interns recruited from the National Society of Black Engineers (NSBE)
- Summer Externship Program

## Engaging employees in diversity

Our Employee Resource Groups (ERG) provide resources and support to Edwards employees. The four focus points of the ERG program are professional development networking and mentoring; education and awareness; recruiting; and community outreach. Our employees participate in several ERGs that celebrate and advance diversity. These include:

Employee Resource Group (ERG)	Description
Network of Women (E.NOW)	Informs, involves and inspires all employees on the value of gender diversity and inclusion to the Edwards culture
MultiCultural	Fosters a community that attracts and enables Edwards' employees across cultures to be connected and empowered and reach their full potential. This ERG includes our Middle Eastern Employee Resource Group (MEERG), Hispanic Organization for Leadership and Advancement (HOLA), Asian Society for Inclusion and Awareness (ASIA), and African Heritage Forum chapters.
Friends of Veterans Network	Fosters a community of veterans and veteran-minded employees at Edwards to enhance employee engagement, drive veterans' talent strategy and serve the veterans community
Generations	Supporting issues around work / life integration, parenting, elder care and family caregiving. Chapters include Fertility, Adoption, and Fostering; Working Parents; Early Career Professionals
Rainbow Alliance	Creates a community of LGBTQ+ members and allies that fosters employee engagement and diversity of thought within Edwards through education, support, visibility, and advocacy; together, striving to cultivate an environment of acceptance and respect for all employees
enable	Supports Edwards employees with a range of disabilities, while informing all employees on the value of ability diversity and inclusion.

The ERGs also provide avenues for Edwards employees to engage with communities, particularly groups within communities with whom we might not have otherwise connected. With high visibility and outreach capabilities, these ERGs can advocate for underrepresented communities, provide select medical testing and direct populations towards treatment. Please see our [Access to Healthcare](#) section for more. ERG's provide effective levers to engage and support our diverse employees. Research has shown that ERG and mentor program participants are more likely to perceive Edwards positively.

## Preventing unconscious bias

Unconscious bias refers to the underlying beliefs, perceptions and assumptions we develop based on our past experiences. They can frame the way we look at the world. As Edwards advances our culture of inclusion, it is important we educate employees around the identification and adjustment of unconscious biases.

Our Leveraging Diversity workshop addresses unconscious bias by encouraging inclusive thinking and behaviors from the top down. The training also helps individuals develop their cultural competency skills to work effectively across both similarities and differences. Post-training evaluations have shown the sessions are effective in changing peoples' mindsets on how they promote, hire and engage with colleagues.

## A new diversity and inclusion strategy

The Edwards Executive Leadership Team (ELT) recently developed a new strategy and governance structure for Diversity and Inclusion at Edwards. The new strategy includes an Executive Steering Committee, an Edwards Diversity Council and a new structure for our Employee Resource Groups (ERGs). The new strategy will build upon the legacy that began with the Quality Diversity Council and scale the program throughout the organization. For strategy governance, please refer to the Talent Management governance map.

## Annual performance

Edwards participated in the Global High Performing Norms benchmark, which includes companies listed in Fortune's "Best Companies to Work For" and "Most Admired Companies" lists. We improved on all key indices (Engagement, Alignment, Quality, Innovation and Agility) of the engagement by two to five points since Edwards' 2015 all employee survey. Edwards exceeded the global high-performing norm by at least nine points in all categories and surpassed the Global High Performing Norm in the Engagement category by 19 percent.

## Engaging employees in sustainability

In 2018, we continued making progress toward our goal to engage employees in sustainability efforts. This goal aligns with SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production. In 2018, we shared the GRI report with all employees globally who have access to email and encouraged each person to provide feedback and engage on Edwards' material topics. Sustainability Council members presented to leadership teams and employees in their functional groups and around the world to further educate employees on recent accomplishments.

A recent survey after one of our Patient Experience opportunities showed that 94 percent of employees who volunteered at the event felt even more engaged in their jobs and significantly more energized by their job – more than the Edwards average and High Performing Global Norm Benchmarks. Employee engagement at these events is proving valuable not only for what we learn from the patients, but also how patients make employees feel about the value of their work; we believe this is capable of increasing the engagement of an already very highly engaged workforce. We have a new goal to have a highly engaged workforce that exceeds industry, region and high performing benchmarks for employee engagement. This goal aligns with SDG 8: Decent Work and Economic Growth.

Edwards is dedicated to the communities that matter most to employees and encourages employees to participate in charitable events and take advantage of our matching donation program. For more information, please see our [Volunteerism & Giving](#) section.

## Patients first

In 2018, we provided patient stories to most of our employees at Edwards' regional headquarters and manufacturing facilities. We estimate that 95 percent of our global employees were able to experience at least one patient story in 2018, and believe the majority had the opportunity to interact with multiple stories during the year. This goal aligns to SDG 3: Good Health & Well-Being.

To estimate the number of employees who experienced a patient story, we rely on the leaders of each regional office and plant to assess the types of patient exposure methods used at their respective sites. We estimate that more than 95 percent of our global employees were able to experience at least one patient story in 2018, and believe the majority had the opportunity to interact with multiple stories during the year. This goal aligns to SDG 3: Good Health & Well-Being. Below are examples of our 2018 "patient first" activities:

- The Annual Sales and Marketing Meetings for field personnel are mandatory and patient stories are a content item at each.
- During the course of the year, additional Regional Meetings were held and employees engaged with patients including through patient videos, panels where physicians and local Edwards representatives discussed patient care.
- Our regions recognize the importance of sharing patient stories with all employees and produce patient videos that are presented to all employees at local meetings.
- Employees, both salaried and hourly, at our regional offices and manufacturing facilities are provided time away from their roles to attend the employee meetings where patient stories are always featured.

## Employee training

In 2018, Edwards supported employee development by providing instructor-led training opportunities, tracked through our Learning Management System (LMS), as well as online training through Edwards University.

	Male	Female
Average hours of instructor-led training per year per employee	23	18
Average hours of online training per year per employee	5	4

*Note: Not all training is captured in our LMS and the actual training hours are estimated. The number of training hours is higher for men than women because the majority of our manufacturing population is female and the non-manufacturing employees engage in more mandatory trainings.*

## 2018 training & leadership development initiatives

In 2018, we piloted a new training and leadership development program geared toward Edwards's senior managers and managers. The program aims to open educational opportunities to help those individuals determine an advancement road map within Edwards. Each participant of the pilot program selected a coach from an external international team with expertise in guiding career development. Over the course of a year, participants and coaches connected weekly for conversations via video conferencing. They discussed what measurable steps the participant should take to achieve the predetermined professional goals. We measured program success by tracking progress towards the goals set by participants and by conducting participant surveys. Participants appreciated the opportunity to access this personalized level of coaching. We plan to launch a larger-scale version of the program in the spring of 2019.

## Fair and equitable pay

In 2018, we implemented the fourth and final phase of the Global Career Framework rollout. This phase focused on how to drive the adoption of the framework in different parts of the world to help all of our employees outline their career paths at Edwards. We developed a desktop guide to better equip managers for conversations about career development and planning with their direct reports. We also introduced new career development training sessions and a collection of online resources for managers and employees to raise awareness of the framework.

## Workplace health & safety

Every year, Edwards becomes stronger in our mission to improve health—starting with our workforce. In 2015 and 2016, 93 percent of U.S. Edwards employees participated in free biometrics screenings. Participation in this program increased to 95 percent for 2016/2017 and again in 2017/2018. Please note that our program year runs from July 2017 through June 2018.

## U.S. wellness numbers 2017-2018

U.S. Employee Participation in Biometric Screenings	95%
U.S. Employees Enrolled in an Edwards-Sponsored Medical Plan	90%
Health Costs Per Employee Per Year (PEPY)	3% under market PEPY

During 2018, Edwards continued to encourage employees to take incremental steps to improve their overall well-being through programs such as Total Wellness and Know Your Numbers. In 2018, we met our goal to offer and encourage participation in programs aligning with all six Total Wellness pillars at 100 percent of locations with more than 100 employees. In these locations, we offered programs and resources covering all six Wellness pillars in the 2017/2018 program year.

## Workplace Safety

At Edwards, we have a strong commitment to preventing and reducing employee injuries. We track incident rates to improve our manufacturing practices and promote a safe workforce.

2011	2012	2013	2014	2015	2016	2017	2018
<b>Global Lost Time Injury Rate Over Time (Days away from work cases per 100 employees)</b>							
0.20	0.62	0.42	0.32	0.36	0.35	0.51	0.49*
<b>Global Recordable Case (Injury) Rate Over Time (Cases per 100 employees)</b>							
0.78	1.83	1.42	1.28	1.13	1.23	0.99	1.04*

Rates are based on USA OSHA formulae for total hours worked to adjust for production overtime hours and other fluctuations in work hours performed. Non-production employees are based on 2,000 work hours per year. Injury adjusted rates are based on 100 full time employees or 200,000 hours worked per year. From 2017 to 2018, our global LTIR decreased 4% and our global IRR increased 5%. Although we experienced an increase in our total injury rate, these injuries have been less severe and we are dedicated to returning employees back to work by proactive injury case management, therapy and rehabilitation. The decrease in our total LTIR demonstrates our commitment.

For more information, please see our [Environmental, Health, and Safety report](#).

Additionally, Edwards achieved recordable incident rates below our medical industry peers.



## Wellness + Charity

In 2018, our Wellness + Charity programs made great strides. For our Fitbit + Charity program, Edwards employees took 1,045,611,173 steps and donated \$10,000 to American Red Cross. Over 150 employees completed at least 12 workouts per month for our Workout + Charity program, thus donating \$10,000 to the American Red Cross.

## Tuition assistance program

In 2018, Edwards offered our global employees tuition assistance for educational programs. We are experiencing an increase, particularly in U.S. salaried exempt employees, in the utilization of this benefit.

	U.S. Employees	Puerto Rico	Singapore	Netherlands	Switzerland	Greece	Ireland	Poland	France	Czech Republic	Dominican Republic
Hourly Non- Exempt	16	1	2								
Salaried Exempt Employees	119	3	2	3	2	1	1	1	1	1	10
Salaried Non- Exempt	33	1	6								

	U.S. Employees Participating in 2018	Percent of Employees Participating*
Hourly Non-Exempt	19	<.1%
Salaried Exempt Employees	144	2.60%
Salaried Non-Exempt	40	2.70%

\*As of December 2018

## Parental leave

In 2018, Edwards continued to offer all U.S. employees the opportunity to take parental leave.

	Male			Female		
	2018	2017	2016	2018	2017	2016
U.S. employees 40 or under**	1,102	1,022	1,291	1,266	1,154	1,565
Employees who took parental leave	43	37	26	111	129	101
Employees who returned from leave	43	37	25	108	123	97
Employees still employed within 12 months after leave*	39	34	23	107	116	91
Return to work rate	100%	100%	96%	97%	95%	96%
1-year retention rate	91%	92%	88%	96%	90%	90%

\*As of December 31, 2018

\*\*As of February 28, 2019

## External recognition for 2018 Employer of Choice Awards

- Edwards Ranks #39 in WSJ "Management Top 250"
- Edwards Ranks #46 on 2018 "JUST 100" (*Forbes* magazine)
- Edwards Honored as 2019 Most Ethical Company (Ethisphere, 2018 data)
- Edwards ranked #85 on the 100 Best Corporate Citizens List in 2018 (*Corporate Responsibility* magazine)
- Saluting our Heroes Community Award National Ability Center
- Edwards Ranks #55 on Forbes 2018 World's Most Innovative Companies list
- Edwards CEO honored as one of the Best-Performing CEOs in the World (#15, *Harvard Business Review*, 2018)
- Forbes named Edwards as one of America's Most Trustworthy Companies in 2018

Additionally, Edwards' Total Wellness program earned recognition in 2018 among leading health organizations and standards, including:

- *CEO Cancer Gold Standard* employer for workplace wellness
- American Heart Association Gold Achievement for Workplace Health Award
- WELCOA Silver Award
- Selected by the CDC to be featured as a Case Study on Workplace Wellness
- Certified as a "Pro Health" company (Czech Republic)
- "Work und Family" award (Germany)

## Diversity & inclusion

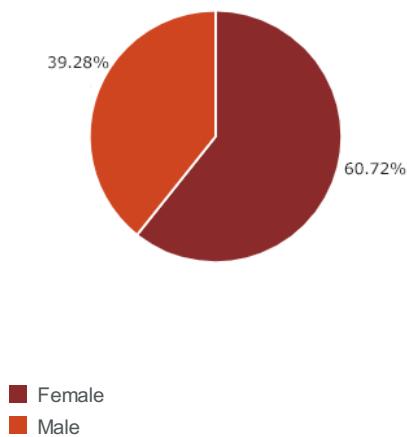
In 2018, we achieved our goal of 100 percent ELT, SLT and their direct reports completing the Leverage Diversity workshop, including Unconscious Bias Training. This goal aligns with SDG 5: Gender Equality and SDG 10: Reduced Inequalities. Additionally, to reach more people, Edwards added an unconscious bias e-learning module that is available to all employees.

In 2018, we launched a communications campaign and a Diversity and Inclusion intranet site that includes several tools and resources for employees. Our strategy for 2019 is to expand the ERG network using the six ERG categories: Multi-Cultural, Friends of Veterans, Generations, Edwards Network of Women, Edwards Rainbow Alliance and, new in 2018, enable. We aim to establish a steering committee for each group. We interviewed ERG leaders and asked them to share their successes and lessons learned, which were then incorporated into the 2019 strategy. In 2018, Edwards added 19 chapters under E.NOW. We have two new goals: 1) to achieve year-over-year positive trending globally of women in leadership positions, and 2) to achieve year-over year positive trending in ethnically diverse talent in leadership positions in the U.S. These goals align with SDG 5: Gender Equality and SDG 10: Reduced Inequalities.

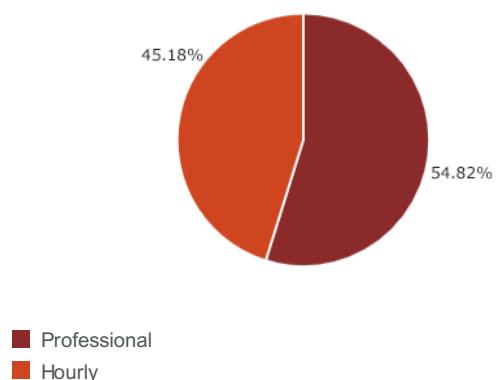
## Preventing unconscious bias

As of 2018, 100 percent of ELT, SLT and their direct reports completed Unconscious Bias Training. Our new goal is by 2022, all global employees to have completed unconscious bias training, and new hires within six months of employment. These efforts align with SDG 5: Gender Equality and SDG 10: Reduced Inequalities.

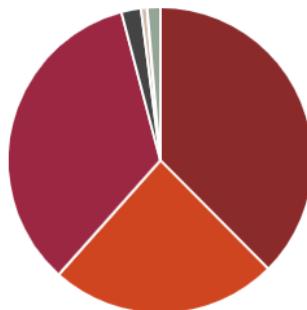
## Global employees by gender in 2018



## Global employees by type in 2018



# Global employees by ethnicity in 2018



- Asian - 37.37%
- Hispanic - 23.96%
- White - 34.18%
- Black/African American - 2.06%
- Native Hawaiian/Pacific Islander - 0.62%
- American Indian/Alaskan Native - 0.05%
- Two or more races - 1.36%

\*In 2018, we included ethnicity breakdown data for Puerto Rico along with the rest of the United States.

## Women's ranks in leadership\*

People Leaders	Industry %	2018 %	2017 %	2016 %
C-Suite Execs	22	23	21	21
VPs	29	30	30	28
Sr. Manager/Director	34	30	33	34
Manager	38	41	37	38
Entry Level	48	46	52	52

Our women in leadership ranks are shown, for 3 out of 5 groups, to be equal to or above the industry average, according to the McKinsey Women in the Workplace Report, 2018. \*Manufacturing employees are not included.

## Summer externship program

In coordination with the community organizations Girls Inc. of Orange County and 100 Black Men of Orange County, we continued our annual summer externship program for underrepresented high school aged students. In 2018, 20 students participated in the externship and had the opportunity to shadow Edwards employees from several functional areas of the company. We provided our employees with diversity training and held all-inclusive events on campus to promote inclusion of the interns among all coworkers. Through the summer externship program we aim to connect underrepresented groups with job experience, and strengthen the Edwards talent pipeline.

# Volunteerism & giving

Edwards Lifesciences' work to encourage volunteerism and giving supports our **aspiration** of passionate engagement that strengthens our communities.

## Definition

Dedicating time, talent and resources to communities where Edwards' employees live and work, and supporting community health and well-being. Our volunteerism and giving work centers around increasing **Access to Healthcare**, another material topic.

## Management approach

Edwards Lifesciences believes our work can inspire hope and better lives for our patients, employees and communities. Volunteerism and giving are a strong part of our unique corporate culture. Many of our employees feel personally connected to our philanthropy and identify this commitment as a key reason why they are proud to work at Edwards.

## Philanthropy at Edwards Lifesciences

Edwards strategically aligns our **Global Corporate Giving** program with our mission to enhance care for cardiovascular and critically ill patients and strengthen our global communities. These initiatives include **grants from the Edwards Lifesciences Foundation**, strong **employee volunteerism**, **donation of our medical innovations** for indigent care, **corporate donations** and **employee gift matching** from our Foundation.

Goals of our Global Corporate Giving include:

- Achieve our **Every Heartbeat Matters initiative** goal that, by 2020, our philanthropy will support the education, screening and treatment of 1.5 million underserved people
- Expand awareness of cardiovascular disease, its prevention and treatment with an emphasis on heart valve and critically ill patients
- Enhance support and access to care for underserved heart valve and critically ill patients
- Support research and education to increase expertise and innovation in treating heart valve and critically ill patients
- Strengthen the communities in which our employees live and work
- Leverage the time and talent of our employee volunteers to positively impact our communities
- Establish trusted partnerships to further leverage impact
- Operate consistently with the principles of Edwards Lifesciences' Credo

Edwards has a strong community giving presence around the world, yet that presence is especially prominent at our corporate headquarters in Irvine, California. We open our facilities to host programs, fundraisers and meetings for local nonprofit organizations, such as United Way and American Heart Association. We also provide externships for members of local organizations such as Girls Inc. and Achievement Institute of Scientific Studies and regularly bring students onto our campuses to tour and learn about what it means to work in medical technology and understand the paths our employees took to get where they are today.

## Employee volunteerism & giving

Edwards' employees are caring individuals with a shared mission to improve lives. We encourage employee participation in philanthropic activities every year. We aim to achieve 100 percent global employee participation in a charitable activity of their choice each year with specific participation goals of 100 percent for the SLT and an increase in global participation as measured by the Employee Engagement survey.

Edwards' Strengthen Our Community committees are cross-functional groups of passionate employees dedicated to living Edwards' Credo of "creating a community unified in its mission to improve the quality of life around the world." These committees organize our volunteerism efforts globally, connecting Edwards' volunteers to meet community needs. Each individual committee is empowered to volunteer their time and talents according to both local community needs and the interest of employees in their region. Notably, Edwards provides platforms, tools and resources for our employees to find a way of giving back that is meaningful and relevant to them.

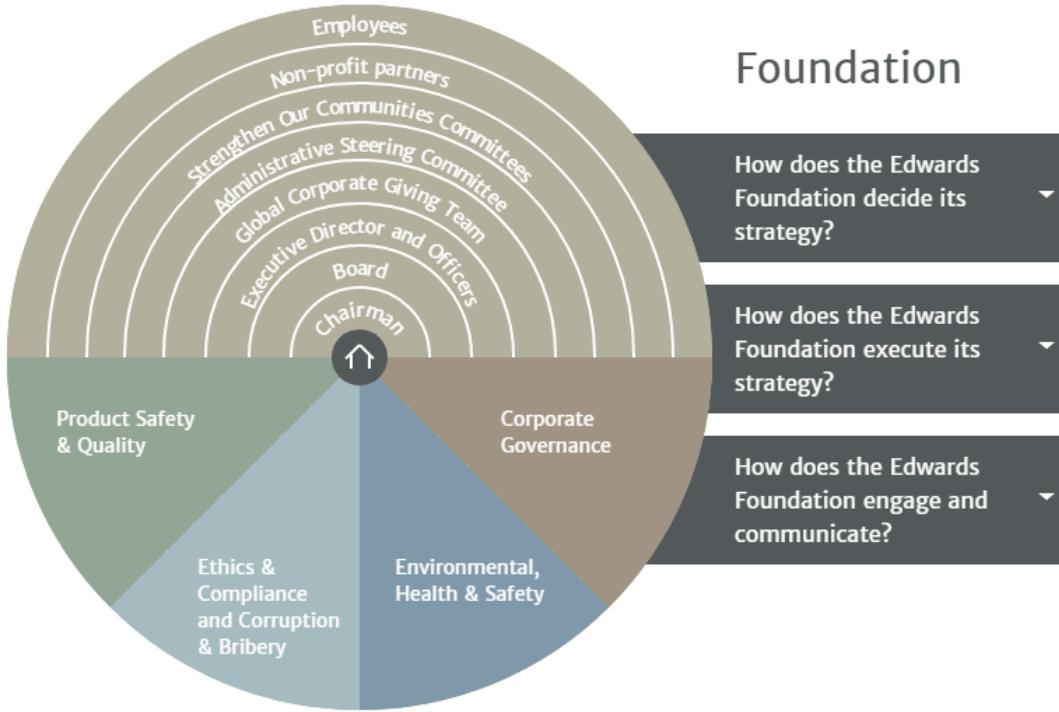
Whatever an individual's desire to give back, Edwards strives to support and nurture that culture of giving and allow each employee to give back a few hours of Edwards' time. In Irvine, the Strengthen Our Community committee has annual co-chairs that lead corporate wide volunteer initiatives that benefit the Foundation's largest, key partners. These co-chairs bring creative thinking, new energy and new relationships, both internally and externally, to volunteer initiatives that are making a difference in our local community. The co-chairs are given opportunities to build new leadership and communications skills, outside of their day-to-day job opportunities: it's a win-win for the company and the community.

Edwards' culture of giving also comes to life through our Employee Resource Groups, organizations that lead communities of employees from similar backgrounds/interest areas in representing that employee group in the community. You can find more information about our ERGs in our [Talent Management](#) section of this report.

## The Edwards Lifesciences Foundation

The [Edwards Lifesciences Foundation](#) strengthens and supports our passion for helping people around the world. This [governance map](#) outlines/indicates the Foundation's governance structure.

# Governance map



Program types supported by our Foundation:

- Every Heartbeat Matters – Programs that educate, screen and/or treat underserved people to reduce the global burden of heart valve disease
- Community – Programs that strengthen the communities where our employees live and work, and leverage the time and talent of our employee volunteers
- Other – Programs that meet other vital community or patient needs; these often include education and awareness campaigns, research, and/or direct care for underserved patients

In 2019, the Foundation is launching a new grant program intended to encourage more Edwards employees to give back their time and talent to the community. The Edwards Foundation Volunteer Grant program accepts grant invitations, in partnership between an Edwards employee and a non-profit organization, to help off-set small costs related to community service projects. This program offers an opportunity for Edwards Foundation to drive more impact in our local communities. Additionally, we align our Foundation giving with employee engagement through our foundation's employee matching gift program, which matches donations to non-profit organizations up to \$5,000 per employee each year.

## Annual performance

### Employee volunteerism and giving

Our employee engagement in philanthropic activities is truly global. For example, in Switzerland, many employees are particularly passionate about giving back to people with disabilities. They actively support organizations dedicated to helping those with disabilities, such as the Special Olympics and Trako School of Life. Likewise, in Australia, the team has rallied in support of a local school for children with disabilities, helping in the classrooms, cleaning up the landscaping and doing projects on the school entrance to ensure that it's easily accessible for all of the students. In Singapore, employees focus on the hunger crisis in their local community, so the local

Edwards is energized by our work to support those in need and we seek to embed this spirit throughout our culture by encouraging our employees to give back. In our biennial all employee survey, last completed in 2017, 77 percent of our global employees reported they participated in at least one charitable activity in the past 12 months, as compared to 74 percent in 2015 and 72 percent in 2013. Every year, we seek to inspire more charitable activity with an aspiration of reaching 100 percent participation each year, including our Executive and Senior Leadership Teams.

For example, two co-chairs have led the United Way Workplace Giving Campaign in Orange County the past two years, a major fundraising and community awareness initiative where employees in Irvine donate money and time to underserved Orange County residents via partners of the local United Way. Over the past two years, the funds raised have increased 4 percent and 5 percent, respectively.

Additional community activities at our global facilities included:

- Our employees in Haina, Dominican Republic, served on each of the quarterly pediatric cardiac surgery missions of International Children's Heart Foundation, providing language translation between the English-speaking medical staff and the Spanish speaking families of children undergoing open heart surgery
- Edwards' Korea team partnered with Korea Heart Foundation on a walkathon event, "One More Step," driving awareness on heart disease in Korea; at the event, in Olympic Park in Seoul, Edwards employees distributed educational materials, including leaflets, quizzes and educational videos
- In Israel, employees helped to refurbish a building for a local non-profit organization MAKSAM, which gives at-risk youth in Hadera after-school mentoring, tutoring and support
- Our employees in Costa Rica assembled more than 25 wheelchairs and delivered them to low-income people with disabilities
- In China, employees regularly visit and support the children in Shanghai Baby Home, a home for orphaned and abandoned children with special needs

In 2018, our Employee Resource Groups made a commitment in their charters to strategically give back in ways they are passionate about. For example:

- The Hispanic Organization Leadership Association (HOLA): led an extern program where 36 Edwards employees offered workplace mentoring to 24 Hispanic students from Achievement Institute of Scientific Studies. They also supported heart screening of low-income Hispanic community members in Santa Ana in partnership with Lestonnac Free Health Clinic
- Network of Women (E.NOW): more than 150 employees filled jars with toys and wrote cards of encouragement for over 500 children with cancer for the Jessie Reese Foundation
- Rainbow Alliance: hosted various activities for LGBT Center of Orange County, Radiant Health Centers and Parents and Friends of Lesbians and Gays (PFLAG)
- Friends of Veterans Network: 30 Edwards Veteran employees built a home for a homeless veteran, in partnership with Habitat for Humanity
- African Heritage Network: members of this network mentored students in STEM with Innovos Robotics, and supported an externship program where students were placed within different departments at Edwards to gain workforce understanding and experience via 100 Black Men of Orange County

In 2018, many of our employees and regions went above and beyond to give back, in celebration of our 60<sup>th</sup> anniversary as a company. In Irvine and Singapore, employees celebrated by sorting and packaging 60,000 nutritious and fortified meals to people living in extreme poverty – totaling 120,000 meals in 2018 alone. More than 500 employees participated in these food packaging events. Additionally, across 12 offices in Europe, employees raised funds for eight European charities, donating \$60,000 USD (including Foundation matches).

More than 25 Edwards leaders serve as members of various non-profit Boards of Directors, helping to strategically guide the mission and impact of community organizations across the globe. In 2018, Edwards launched a Senior Leadership Team Board Training Program, where interested Senior Leadership Team members can receive training on how to be an impactful Board member, including an overview of non-profit governance, strategy and financials. At the end of the training, the Senior Leadership Team members are then matched to local, national or international non-profit organizations that need their individual skills on their Board.

## The Edwards Lifesciences Foundation

In 2018, Edwards Lifesciences Foundation encouraged applicants of the Community Grant program to apply for general operating support grants. Grants issued in the Community Grant program are generally smaller, with an average amount of \$5,000. Grants are issued to non-profit organizations that Edwards has multi-faceted relationships with: we are most often not just providing grant support, but also volunteering our time, serving as a Board member or advisory member, and donating supplies via supply drives.

We have deep relationships with these organizations, and we understand the challenges they face in meeting their operating costs, such as salaries, utility bills and new equipment. In response, in 2018, we issued \$179,000 in general operating support grants to support these organizations. These grants represented eight percent of Community grants, and we look to grow that total in the future.

## Our philanthropic contributions

In 2018, Edwards contributed \$8.7 million in philanthropic giving across the globe. This includes \$7.1 million in cash [grants from our Foundation](#).

In 2014, we committed our philanthropy to impact the global burden of heart valve disease by supporting the education, screening and treatment of one million underserved people by 2020. In 2018, our partners achieved our goal early. Now, we are reaching for 1.5 million by 2020.

By partnering with over 60 cardiac- and patient-focused non-profit organizations, we've been able to impact the global burden of heart valve disease by educating, screening and treating over 1 million underserved people in over 35 countries. For more information on Every Heart Matters, click [here](#).

We rigorously measure and report the performance of this initiative to ensure our data accurately reflect our impact in underserved populations. Since 2014, because of Every Heartbeat Matters:

- 60 non-profit partners joined the initiative
- Approximately 900,000 underserved people have been impacted by public health education
- More than 17,000 clinicians caring for underserved patients have received training
- More than 80,000 underserved people have been screened for heart valve disease
- Nearly 5,000 underserved people have received heart valve treatment
- The initiative has reached underserved people in 36 countries

By 2020, the company and Edwards Lifesciences Foundation expect to invest approximately \$30 million in this initiative.



## Sustainability report

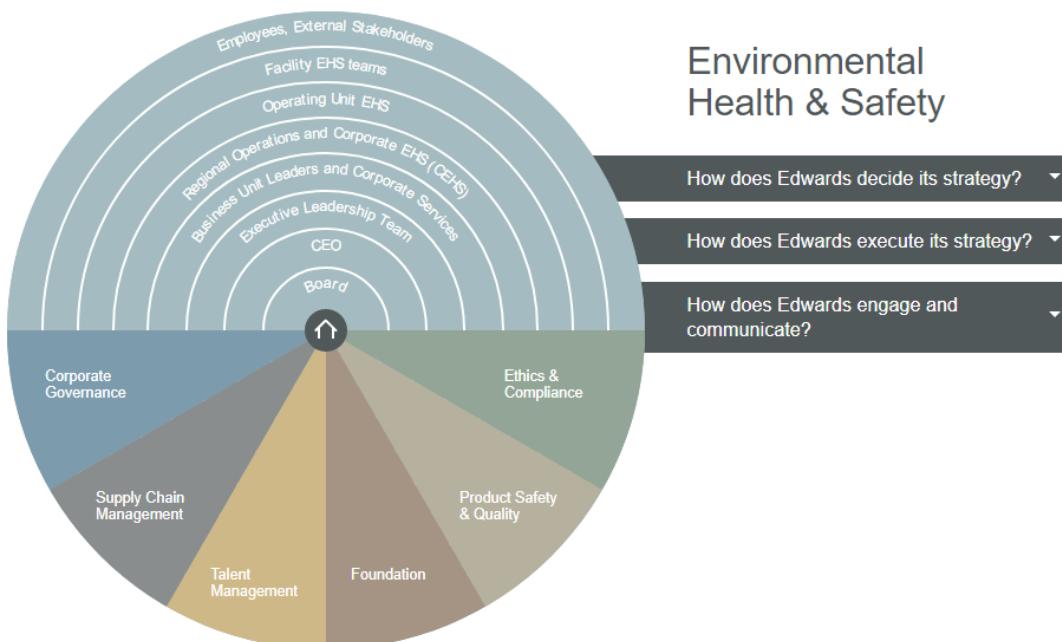
# Environment

Edwards Lifesciences conducts business with care and respect for the environment. As of 2018, our environmental annual performance is captured in our [Environmental Health & Safety \(EHS\) Report](#). This report covers all of our business operations and contains our management approach and annual performance for the following material topics:

- Energy & emissions
- Waste
- Water
- Environmental compliance

Our [governance map](#) illustrates the accountability structure for managing Environmental Health and Safety, including Energy and Emissions, Waste, Water and Environmental Compliance.

## Governance map



## Highlight Stories

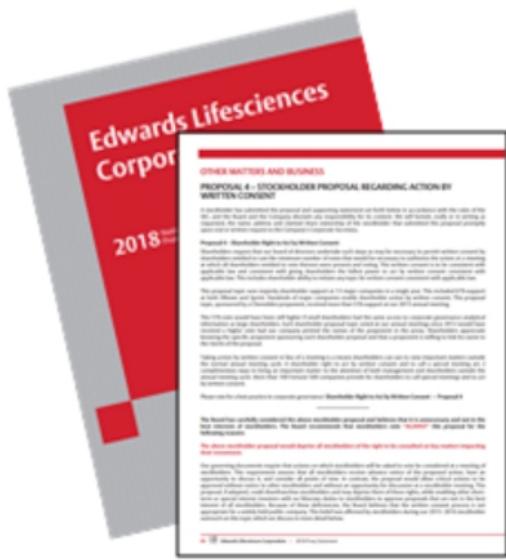


### Edwards Receives Top Ethics and Business Recognitions

**World's Most Ethical Companies:** For the third year in a row, Edwards Lifesciences was recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as one of the **2019 World's Most Ethical Companies**.

Edwards is one of only two honorees in the medical devices industry, underscoring our commitment to leading with integrity and prioritizing ethical business practices. **WSJ**

**Management Top 250:** In 2018, Edwards Lifesciences was named as one of the **Management Top 250** by the Wall Street Journal in partnership with the Drucker Institute. Edwards was listed #39 out of 752 companies ranked. These rankings are focused on U.S. companies that are traded on the New York Stock Exchange and evaluate which are most effectively navigating the current business climate and serving their workers, customers and shareholders. Within this list, Edwards was also cited as one of the **"7 Companies That Do Everything Well"** achieving high marks in all five dimensions of corporate performance: Customer Satisfaction, Employee Engagement and Development, Innovation, Social Responsibility and Financial Strength.



### Proactive Engagement Addresses Shareholder Proposal on Written Consent

In 2018, an individual activist shareholder submitted a proposal on written consent for inclusion in the 2018 Proxy Statement. In response, the Board of Directors reached out to shareholders to determine their position on written consent. We created a shareholder engagement team comprised of the CFO, VP of Investor Relations, VP and Corporate Secretary and the Lead Independent Director to contact the group of shareholders who held more than 50 percent of the total shares outstanding. The overwhelming feedback was that the large majority of those shareholders believed strongly that the Board should not adopt written consent for the following reasons:

1. The written consent proposal would deprive all stockholders of the right to be consulted on key matters impacting their investment. Having a meeting of shareholders to vote on issues assures that stockholders receive advance notice of the proposed action, have an opportunity to discuss it and consider all points of view. Adopting written consent could

disenfranchise stockholders by depriving them of these rights, while enabling other short-term or special interest investors with no fiduciary duties to stockholders to approve proposals that are not in best interest of all stockholders.

2. Edwards has an existing right to call a special meeting with an appropriate threshold.
3. Edwards has a strong corporate governance structure and a record of accountability.

After the Annual Shareholder Meeting, a strong majority, 76 percent of shareholders, voted against the proposal.



## Every Heartbeat Matters Impacts More Than One Million Underserved Patients Ahead of 2020 Goal, including Fatma of Sudan

Now 14, Fatma was nine-years-old when she stopped going to school in West Kordofan, Sudan due to recurring headaches, weight loss and general discomfort. Initially, her mother and father turned to the city hospital for help. They were advised to search for a more accurate diagnosis in the capital city of Khartoum. A series of medical referrals led her to the Salam Center for Cardiac Surgery – the only cardiac surgery hospital in an area inhabited by more than 300 million people. At the center, supported by Every Heartbeat Matters partner Emergency USA, Fatma learned that she needed to have her mitral valve replaced. The Salam Center successfully performed the life-saving surgery and ensured she had proper medication, after which she fully recovered and was able to return to school. Edwards launched a philanthropic initiative, Every Heartbeat Matters, in 2014. The initiative had a goal that, by 2020, it would impact the global burden of heart valve disease by supporting the education, screening and treatment of one million underserved people. In 2018, the initiative reached that goal. Together with 60 charitable partners in more than 35 countries around the globe, the company is now setting its sights on reaching a total of 1.5 million underserved people globally by 2020.



## 2018 Patient Experience Yields Deep Learnings

In 2018, we held Patient Experiences at several of our campuses around the world, including Switzerland, Utah and California. These events brought together patient communities who have benefited from Edwards technologies to enable us to learn from them how to improve our products and the healthcare journey for future patients. In Irvine, a large, cross-functional team worked together for months to organize an agenda that provided a positive experience for patients and care advocates, while providing Edwards' employees the opportunity to gain valuable insights from attendees. We conducted Patient Listening Sessions (PLS) designed to elicit in-depth experiential data from patients using guided discussion. For the patients, participating in the PLS offers an opportunity to share their story and connect with fellow patients. Patient story-telling can provide us with an invaluable understanding of how patients navigate their treatment journey. For each PLS, we gathered two or three patients together with their care advocates. During the 90-minute session, patients shared their experience on topics related to their disease and treatment journey, gaining access to care, and their experience making treatment decisions with their doctor. Patients also shared their greatest challenges prior to treatment and their gratitude for successful recovery. We analyzed notes from the PLS program using qualitative analysis software to identify common themes around the discussion topics. Results from the PLS analysis produced important insights for Edwards leadership, and serve as another means by which Edwards ensures the patient voice is heard. In a post-event survey, the majority of attendees said the experience was "Excellent" and said they would recommend the program to others. Participants appreciated the opportunity to connect with other patients and care partners, to learn about ways to get involved in helping others and about the lifesaving technologies they received. Participants described the day as "wonderful," "fascinating," "very enjoyable" and "a blessing." Edwards is proud of these results and intends to extend the program to more patients in the future.



## SAPIEN 3 Ultra Transcatheter Heart Valve Received FDA Approval

In 2018, our SAPIEN 3 Ultra system received U.S. Food and Drug Administration approval for transcatheter aortic valve replacement in severe, symptomatic aortic stenosis patients determined to be at intermediate or greater risk of open-heart surgery. The advanced SAPIEN 3 Ultra system features enhancements on the valve and a new delivery system to address the needs of both patients and clinicians, building on our best-in-class performance of SAPIEN 3 to further advance and improve patient care. The SAPIEN 3 Ultra system utilizes Edwards' decades of engineering and experience in the development of tissue heart valves and the proven benefits of the Edwards SAPIEN valves. "The Edwards SAPIEN 3 Ultra system provides meaningful technology improvements that help further

optimize the transcatheter aortic valve replacement procedure, adding simplicity and advancing patient care," said John Webb, M.D., director of interventional cardiology and cardiac catheterization laboratories at St. Paul's Hospital, Vancouver, and professor of cardiology at the University of British Columbia.



## Edwards Singapore Awarded High Distinction Recognition

For the fourth year in a row, our Singapore plant team was recognized for being among the leading US-based companies in Singapore displaying exemplary leadership in Corporate Sustainability and Societal Excellence. Our team received the AmCham CARES award with High Distinction from the American Chamber of Commerce in Singapore. AmCham CARES recognizes American companies in Singapore that demonstrate a strong understanding of the linkages between business operations and society and conduct business in a manner that creates long-term economic and social value. Contributions from Edwards Singapore included installation of solar powered street lighting, high participation in community events across nine different activities and renewal of its ISO 14001 certification. The awards submissions are evaluated by the AmCham Social Impact Taskforce and assessed on four main factors: communications, measurement, strategy and sustainability. The program is a platform to benchmark, raise awareness of CSR and corporate citizenship among its members and recognize and share best practice programs.



## Storm Water Harvesting & Turf Replacement Reduces Water Usage

Our "Central Park" at our headquarters campus in Irvine, California is designed to collect rain water for filtering and reuse on our campus landscaping. The storm water harvesting tanks serve two primary environmental purposes: 1) by collecting storm water runoff, we are able to prevent potentially contaminated rain water from being released to the environment, and 2) by reusing the storm water on our landscaping, we are able to help conserve water and reduce adverse impacts during periods of drought. Our harvesting system consists of two 30,000-gallon underground storage tanks, which are designed to collect and treat 120,000 liters of water per inch of rainfall. Our typical average rainfall ranges from 10 to 15 inches per year, equivalent to collecting, treating and recycling 1,200 to 1,800 m<sup>3</sup> per year. In order to further conserve water and enhance the enjoyment of our campus, we replaced the natural grass with artificial turf in 2018. This allows us to conserve water during the summer and dry months; it also allows us to continue to treat the storm water prior to recycling or discharging. In 2018, we saved 1.3 million gallons of water and achieved a 20 percent reduction in green waste. In 2018 at our Draper, Utah, facility, we implemented a number of measures to reduce water usage to include xeriscaping and use of AstroTurf, projected to result in an

annual reduction in water usage of one million gallons per year in 2019 as compared to the 2017 baseline.



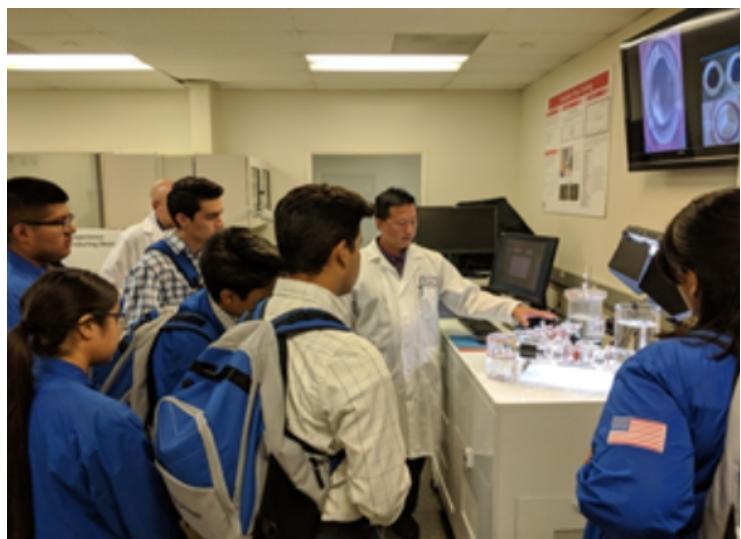
## From California to India, Our Employees Volunteer Around the World

Edwards' employees have adopted a local high-needs Orange County school, Washington Elementary, and partnered with the United Way. Through this partnership, Edwards has supported this high need elementary school for the past two years. "It's really important that kids have that personal connection with people in the community," says Principal Jackie Ochoa. "Our students really benefit from that, and I think the Edwards volunteers benefit from knowing they're making a huge difference in the lives of our students." An Irvine-based Human Resource Project Manager has been leading a team of over 25 employees, the Washington Elementary School Volunteerism Committee, who have facilitated over 12 projects. They have wrapped their arms and resources around this school, providing food over school breaks, running classroom specific supply drives before the start of every year, leading STEM activities and starting an after-school STEM club, mentoring students via playing soccer at recess, donating used iPads and personal items, reading to students, and cheering the students and their families on in a "red carpet rally" when they come back for the first day of school. Via the United Way Giving Campaign, Edwards has also been able to fund a Financial Empowerment Center at the school, where a financial coach now sits on the campus full-time, providing financial coaching and guidance to families and community members in the school environment that they know and trust. The Edwards Foundation

also funds programs in Nepal and India, including CardioStart, Thoracic Surgery Foundation, Nepal Heart Foundation, and Stanford BioDesign. CardioStart travels to Nepal four times a year to support a heart center in nearby Kathmandu and recently led a public



education session for 500 children and their families at a school in Bkathapur, Nepal. Education included: 1) how to identify Rheumatic Heart Disease (RHD), 2) what to do if symptoms are identified, 3) and hygiene tips on how to prevent RHD. Our employees distributed 500 toothbrushes and toothpaste that were packaged by volunteers at the Edwards Mumbai office. In partnership with the Thoracic Surgery Foundation, Mumbai volunteers also packaged patient care bags for adults and children, which were given to the nursing staff at Monmohan Cardiovascular Center for distribution to patients. The Nepal Heart Foundation conducted a heart screening of more than 300 students at a local school, where 30 people received an echocardiogram, and identified two of those with valve disease – a young teacher and a 13-year-old student.



## HOLA Employee Resource Group gives back to community

Employees from our Hispanic/Latino Organization for leadership and Advancement (HOLA) ERG hosted “Science Friday” events in 2018 for students from the Achievement Institute of Scientific Studies (AISS), which guides academically motivated, economically disadvantaged high school students interested in pursuing a career in the STEM fields. “Science Fridays” include an overview of the medical technology industry, product demos and workshops, tours of development and testing labs, hands on science experiments, and career panels where students learn about how Edwards employees landed in their career paths. Select students were also able to extend their experience into a four-week externship program, taking their career insight and hands on experience working in the medical technology field to another level. “I truly appreciate the opportunities you give us to stay at Edwards on Fridays. Thank you for allowing us to gain more knowledge and experience in the STEM fields. We will take these opportunities to their full advantage and make sure we do our best to succeed in order to better the future!”  
~ Lorena Castaneda, AISS Scholar



## ERG Growth and Activity Exceeds Expectations

During 2018, several new Employee Resource Groups (ERG) were added to our existing groups of employees who come together to serve as a resource to support commonalities, business goals and diversity and inclusion initiatives. Membership is growing with many dynamic events driven by energetic teams with passionate leaders. We now have more than 1,000 active participants in our 11 ERG chapters. Our E.NOW group made important progress through global expansion, now with 19 regional chapters around the world, exceeding its 2018 goal. They also achieved a 31 percent increase in E.NOW awareness and a 16 percent increase in participation. Future goals include mentoring and professional development programs, and additional outreach to female clinicians. Many ERGs actively participate in local volunteer activities supporting and aligning with Edwards’ Strengthen Our Community focus. Our ERGs have helped further our relationship with several organizations in a variety of ways, including ongoing mentorship programs, career and interview workshops and serving as hosts for the organization’s awards dinners and ceremonies. In 2018, HOLA



volunteered their time for the Achievement Institute of Scientific Studies at the Edwards Irvine campus. AISS guides academically motivated, economically disadvantaged high school students interested in pursuing a career in the STEM (Science, Technology, Engineering and Math) fields. The HOLA team held five

“Science Friday” events for 24 students. The program included medical technology overview and demo workshops, Quality and R&D lab tours, hands on science experiments, BEST practices workshop, and ended with a Technical Development Program panel overview. In addition, 10 students were invited to be part of a four-week externship program at Edwards Lifesciences. These programs helped make a difference in the lives of students from our local community by providing career insights and hands on experience working in the medical device field. Our Friends of Veterans Network recently led a service project so our employees could participate with Habitat for Humanity Orange County to help build a home for an injured veteran and his family. About 30 employees were on site to help build the home in Tustin, California. Volunteers “put on their work gloves” helping with carpentry tasks to complete aspects of the home’s framing. Many of the Edwards volunteers were members of this ERG and felt a special connection and pride in helping a fellow veteran.



## New Total Wellness Center at Irvine Headquarters

Our Total Wellness program supports employees across the globe to enhance, maintain and achieve a healthy lifestyle. We have found that aside from quality care, access to convenient care is one of the top drivers for patient care site decisions. Patients want to be able to access their healthcare when they want and need it with convenient office hours and immediate connection to specialty providers. During 2018, extensive planning went into creating a facility at our headquarters to address this need. The Total Wellness Center is our solution to providing high quality, affordable healthcare to Aetna medical plan member employees on the Irvine campus. This onsite clinic provides a physician-led health care team focused on an integrative, whole health approach to well-being. Formally opened in May 2019, the Total Wellness Center Care Team consists of eight on-site staff clinicians in seven specialties. Aetna member employees can schedule annual physicals, laboratory work-ups, chiropractic care, physical therapy, counseling or any other primary care appointment and receive the high-quality, one-on-one time needed.



Forbes  
2018

## Edwards Named One of America's Most JUST Companies

Edwards Lifesciences was honored once again by being named one of America's Most JUST Companies, according to **Forbes** and **JUST Capital**, a nonprofit that ranks the largest publicly traded corporations in the United States on the issues Americans care about most. Edwards ranked #3 in our industry and #46 overall out of 890 for America's best corporate citizens. Edwards was recognized for outperforming its peers on the criteria deemed to be most important, including ethical leadership and value creation, global community support, environmental impact, worker pay, customer treatment and more.



## New Wastewater Treatment & Recycling Plant Haina, DR

In 2018, our Dominican Republic location finished the installation of an onsite Wastewater Treatment Plant with reuse capability. In the past, much of the business parks wastewater was discharged with limited treatment. We invested in this new system to ensure our own wastewater is thoroughly treated before discharging to the local sewer. In addition, the system is designed to collect and recycle up to 30 percent of the treated water for reuse in our restrooms. We are anticipating saving up to 15,000 m<sup>3</sup> per year of water starting in 2019.



Sustainability report

## GRI content index

### General standard disclosures

GRI indicator	Description	Location
Strategy and analysis		
GRI 102-14	Statement from senior decision-maker	<a href="#">CEO Letter</a>
Organizational profile		
GRI 102-1	Name of the organization	<a href="#">Organizational Profile</a>
GRI 102-2	Activities, brands, products, and services	<a href="#">Organizational Profile</a>
GRI 102-3	Location of headquarters	<a href="#">Organizational Profile</a>
GRI 102-4	Location of operations	<a href="#">Organizational Profile</a>
GRI 102-5	Ownership and legal form	<a href="#">Organizational Profile</a>
GRI 102-6	Markets served	<a href="#">Organizational Profile</a>
GRI 102-7	Scale of the organization	<a href="#">Organizational Profile</a>
GRI 102-8	Information on employees and other workers	<a href="#">Organizational Profile</a>
GRI 102-41	Collective bargaining agreements	<a href="#">Organizational Profile</a>
GRI 102-9	Supply chain	<a href="#">Organizational Profile</a>
GRI 102-10	Significant changes to the organization and its supply chain	<a href="#">Organizational Profile</a>

GRI 102-11	Precautionary Principle or approach	Not addressed at this time
GRI 102-12	External initiatives	<a href="#">Our Approach Overview</a>
GRI 102-13	Membership of associations	<a href="#">Organizational Profile</a>

#### Identified material topics and boundaries

GRI 102-45	Entities included in the organization reports	<a href="#">Materiality &amp; Stakeholder Engagement</a>
GRI 102-46	Reporting principles for defining report content	<a href="#">Materiality &amp; Stakeholder Engagement</a>
GRI 102-47	List of material topics	<a href="#">Materiality &amp; Stakeholder Engagement</a>
GRI 103-1	Material aspects within the organization	<a href="#">Value Chain</a>
GRI 102-48	Restatements of information provided in earlier reports	There are no restatements of previous years' data
GRI 102-49	Significant changes from previous reporting periods in scope and aspect boundaries	We have no significant changes.

#### Stakeholder engagement

GRI 102-40	Stakeholder groups engaged by the organization	This information can be found in the <a href="#">2017 report</a> in the Materiality & Stakeholder Engagement section, pages 14-17
GRI 102-42	Identification and selection of stakeholders to engage	This information can be found in the <a href="#">2017 report</a> in the Materiality & Stakeholder Engagement section, pages 14-17
GRI 102-43	Organization's approach to stakeholder engagement	This information can be found in the <a href="#">2017 report</a> in the Materiality & Stakeholder Engagement section, pages 14-17
GRI 102-44	Key topics and concerns raised during stakeholder engagements	This information can be found in the <a href="#">2017 report</a> in the Materiality & Stakeholder Engagement section, pages 14-17

#### Report profile

GRI 102-50	Reporting period	Calendar year
GRI 102-51	Date of the last report	December, 2017
GRI 102-52	Reporting cycle	Annual

GRI 102-53	Contact point for questions regarding the report	Tammy Perry
GRI 102-55	GRI Content Index	Core; We did not get external assurance this year.
GRI 102-56	External assurance	GHG emissions assurance <a href="#">2018 EHS annual report</a>

Governance
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GRI 102-18	Governance structure	<a href="#">Our Approach Overview</a>
GRI 102-20	Executive-level responsibility for ESG topics	Governance for Sustainability
GRI 102-22	Composition of the highest governance body and its committees	<a href="#">2019 Proxy Statement</a> , page 6-12
GRI 102-23	Chair of the highest governance body	<a href="#">2019 Proxy Statement</a> , page 7
GRI 102-24	Nominating and selecting the highest governance body	<a href="#">2019 Proxy Statement</a> , page 4-5

Ethics and integrity
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GRI 102-16	Organization's values, principles, standards and norms of behavior	<a href="#">Ethics and Compliance</a>
GRI 102-17	Mechanisms for advice and concerns about ethics	<a href="#">Ethics and Compliance</a>

## Specific standard disclosures

GRI indicator	GRI aspect	Description	Location
Economic			
GRI 103-1, 103-2, 103-3	Economic Performance	Management Approach	<a href="#">Organizational Profile</a>
GRI 201-1	Economic Performance	Direct economic value generated and distributed	<a href="#">Organizational Profile</a>
GRI 103-2	Indirect Economic Impacts	Management Approach	<a href="#">Access to Healthcare</a>

GRI 203-2	Indirect Economic Impacts	Significant indirect economic impacts, including the extent of impacts	<a href="#">Access to Healthcare</a>
Environmental			
GRI 103-1, 103-2, 103-3	Energy	Management Approach	<a href="#">EHS Report</a> , Energy & Emissions, page 18-19
GRI 302-1	Energy	Energy Use	<a href="#">EHS Report</a> , Energy & Emissions, page 20
GRI 302-3	Energy	Energy Intensity	<a href="#">EHS Report</a> , Energy & Emissions, page 28
GRI 302-4	Energy	Reduction of energy consumption	<a href="#">EHS Report</a> , Energy & Emissions, page 30-31
GRI 103-1, 103-2, 103-3	Water	Management Approach	<a href="#">EHS Report</a> , Water, pages 34-35
GRI 303-1	Water	Water withdrawal	<a href="#">EHS Report</a> , Water, pages 39-40
GRI 303-2	Water	Water sources significantly affected	<a href="#">EHS Report</a> , Water, page 41
GRI 303-3	Water	Water recycled and reused	<a href="#">EHS Report</a> , Water, page 41
GRI 103-2	Emissions	Management Approach	<a href="#">EHS Report</a> , Energy & Emissions, pages 47-48
GRI 305-2	Emissions	Scope 2 GHG emissions	<a href="#">EHS Report</a> , Energy & Emissions, pages 52-56
GRI 305-3	Emissions	Scope 3 GHG emissions	<a href="#">EHS Report</a> , Energy & Emissions, page 57
GRI 305-4	Emissions	GHG emissions intensity	<a href="#">EHS Report</a> , Energy & Emissions, page 58
GRI 305-5	Emissions	Reduction of GHG emissions	<a href="#">EHS Report</a> , Energy & Emissions, page 58
GRI 305-6	Emissions	Emissions of ozone-depleting substances (ODS)	<a href="#">EHS Report</a> , Energy & Emissions, page 61
GRI 305-7	Emissions	NOx, SOx, and other significant air emissions	<a href="#">EHS Report</a> , Energy & Emissions, pages 61-62
GRI 103-1, 103-2, 103-3	Effluents and Waste	Management Approach	<a href="#">EHS Report</a> , Waste, pages 70-72
GRI 306-1	Effluents and Waste	Water discharge	<a href="#">EHS Report</a> , Water, pages 73-74

GRI 306-2	Effluents and Waste	Waste	<a href="#">EHS Report</a> , Waste, pages 80-84
GRI 306-3	Effluents and Waste	Spills	<a href="#">EHS Report</a> , Waste, page 87
GRI 306-4	Effluents and Waste	Hazardous waste	<a href="#">EHS Report</a> , Waste, pages 75-80
GRI 306-5	Effluents and Waste	Water bodies significantly affected	<a href="#">EHS Report</a> , Water, pages 87-88

Social
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GRI 103-1, 103-2, 103-3	Employment	Management Approach	<a href="#">Talent Management</a>
GRI 401-2	Employment	Benefits	<a href="#">Talent Management</a>
GRI 401-3	Employment	Retention rates after parental leave	<a href="#">Talent Management</a>
GRI 103-1, 103-2, 103-3	Occupational Health and Safety	Management Approach	<a href="#">Workplace Health &amp; Safety</a>
GRI 403-2	Occupational Health and Safety	Injury and work-related fatalities	<a href="#">Workplace Health &amp; Safety</a>
GRI 103-1, 103-2, 103-3	Training and Education	Management Approach	<a href="#">Talent Management</a>
GRI 404-1	Training and Education	Employee training hours	<a href="#">Talent Management</a>
GRI 404-2	Training and Education	Programs for skills management	<a href="#">Talent Management</a>
GRI 404-3	Training and Education	Employees receiving regular performance reviews	<a href="#">Supply Chain Management</a> <a href="#">Governance Map</a> ; <a href="#">Talent Management</a> <a href="#">Governance Map</a>
GRI 103-1, 103-2, 103-3	Diversity and Equal Opportunity	Management Approach	<a href="#">Diversity &amp; Inclusion</a>
GRI 405-1	Diversity and Equal Opportunity	Board and employee composition	<a href="#">Diversity &amp; Inclusion</a>
GRI 103-1, 103-2, 103-3	Supplier Assessment for Labor Practices	Management Approach	<a href="#">Supply Chain Management</a>
GRI 414-1	Supplier Assessment for Labor Practices	New suppliers screening for labor practices	<a href="#">Supply Chain Management</a>
GRI 103-1, 103-2, 103-3	Non-Discrimination	Management Approach	<a href="#">Diversity &amp; Inclusion</a>

GRI 103-1, 103-2, 103-3	Supplier Assessment for Human Rights	Management Approach	Supply Chain Management
GRI 414-1	Supplier Assessment for Human Rights	New suppliers screening for human rights	Supply Chain Management
GRI 103-1, 103-2, 103-3	Local Communities	Management Approach	Patient Experience and Voice
GRI 413-2	Local Communities	Operations with significant impacts on local communities	Patient Experience and Voice
GRI 103-1, 103-2, 103-3	Anti-corruption	Management Approach	Corruption & Bribery
GRI 205-1	Anti-corruption	Operations assessed for corruption risks	Corruption & Bribery
GRI 103-1, 103-2, 103-3	Public Policy	Management Approach	Access to Healthcare
GRI 415-1	Public Policy	Political contributions	Access to Healthcare
GRI 103-1, 103-2, 103-3	Customer Health and Safety	Management Approach	Product Safety & Quality
GRI 416-1	Customer Health and Safety	Product health and safety impacts assessed	Product Safety & Quality
GRI 416-2	Customer Health and Safety	Incidents of non-compliance with regulations and voluntary codes	Product Safety & Quality

# Edwards Lifesciences

## Our Sustainability Metrics At a Glance

Topic	Metric	2018	2017	2016	2015
<b>Social</b>					
Products	Number of regulatory approvals for new devices	3	3	3	2
	Number of global patient safety-related class 1 product removals	1	1	0	0
	List of products in the FDA's MedWatch Safety Alerts for Human Medical Products (Medical Devices) database	–	Certitude Delivery System	–	–
Ethics, Corruption & Bribery	Applicable employees certified to ethics code of conduct	99%	96%	97%	98%
	Code of ethics governing promotion of off-label use: See page 20 of our <a href="#">Titanium Book</a>				
	Code of ethics governing interactions with health care professionals: See pages 21-23 of our <a href="#">Titanium Book</a>				
	See <a href="#">Corporate Responsibility</a> site and <a href="#">Sustainability Report</a>				
Access to Healthcare	Number of underserved patients impacted through our philanthropic partners who provide education, screening and treatment	1,000,000+	900,000	400,000	200,000
	Community Spending (Foundation, Corporate Grants and Product Donations)	\$8.7 M	\$7.0 M	\$6.6 M	\$8.2 M
	<i>Every Heartbeat Matters</i> grants awarded	\$4.5 M	\$4.5 M	\$4.4 M	\$3.9 M
	Facilities engaged in local charitable activity	100%	100%	100%	100%
	See <a href="#">Political Disclosure and Accountability</a>				
Employee Health and Safety	Lost Time Incident Rate (Total incidents per 200,000 hours worked or 100 FTE)	0.49	0.51	0.34	0.36
	Total Recordable Incident Rate (Total recordable incidents per 200,000 hours worked or 100 FTE)	1.04	0.99	1.22	1.16
	Fatalities – Contractors	0	0	0	0
	Fatalities – Employees	0	0	0	0
	Health and Safety Policy (y/n)	Yes	Yes	Yes	Yes
	Health and Safety Policy is group-wide (y/n)	Yes	Yes	Yes	Yes
	Target to improve Health and Safety performance (y/n)	Yes	Yes	Yes	Yes
	See <a href="#">Environmental Health &amp; Safety</a> Report for more information				



Topic	Metric	2018	2017	2016	2015
<b>Social</b>					
Employment	Number of Employees	12,823	12,154	11,537	9,800
	Total base salaries for Executives named in Proxy Statement (USD)	\$3,340,619	\$3,216,108	\$3,129,171	\$3,097,027
	Equal Opportunity Policy (y/n)	Yes	Yes	Yes	Yes
Supply Chain	Social Supply Chain Management Policy (y/n)	Yes	Yes	Yes	Yes
	Sustainable Supplier Guidelines encompassing ESG areas that are publicly disclosed (y/n)	Yes	Yes	Yes	Yes
	Policy Against Child Labor (y/n)	Yes	Yes	Yes	Yes
	Human Rights Policy (y/n)	Yes	Yes	Yes	Yes
	Discussion of any existing or projected risks or constraints with obtaining raw materials (or components) within the supply chain, including those related to restricted/limited availability, political situations, local labor conditions, natural disasters, climate change, or regulations.	See Risk Factors section of <a href="#">2018 Annual Report on Form 10-K</a>	See Risk Factors section of <a href="#">2017 Annual Report on Form 10-K</a>	See Risk Factors section of <a href="#">2016 Annual Report on Form 10-K</a>	See Risk Factors section of <a href="#">2015 Annual Report on Form 10-K</a>
	See <a href="#">Supply Chain</a> site, <a href="#">Conflict Minerals Report</a> and <a href="#">Sustainability Report</a> for more information				
<b>Governance</b>					
Governance	Number of female Executives	3	3	3	3
	Female Executives (%)	21%	21%	21%	21%
	Number of independent members on Audit Committee	3	3	4	3
	Number of independent members on Compensation and Governance Committee	4	4	4	3
	Special stockholders meetings can be called by stockholders owning at least 15% of our outstanding shares	Yes	Yes	Yes	Yes
	Majority vote standard in uncontested elections, with director resignation policy	Yes	Yes	Yes	Yes
	Board-level oversight for sustainability	Yes	Yes	Yes	No
	Individual governmental institutions or founding family members (directly or indirectly) that own more than 5 percent of the total voting rights of Edwards	No	No	No	No
	Clawback Policy	Yes	Yes	Yes	Yes
	Board size	8	8	9	9
	Independent directors	7	7	8	8
	Board Diversity Policy	Yes	Yes	Yes	Yes
	Average board attendance	99.33%	96.83%	97.14%	93.99%
	Average tenure (years)	7 years	6 years	6 years	5 years



Topic	Metric	2018	2017	2016	2015
<b>Governance</b>					
<b>Governance</b>	CEO share ownership as multiple of base salary (position/base salary) as of February 28, 2019	149	115	-	-
	Average share ownership of other executive committee members* as multiple of base salary (average position/average base salary) as of February 28, 2019	23	19	-	-
	One-to-One share to voting rights policy	Yes	Yes	Yes	Yes
	Government Ownership of voting rights >5%	No	No	No	No
	Family Ownership of voting rights >5%	No	No	No	No
	*Donald E. Bobo, Jr., Catherine M. Szyman, Scott B. Ullem, Larry Wood (2018 includes two fewer executives due to methodology change). See <a href="#">Governance</a> site for more information.				
<b>Environmental</b>					
<b>ISO 14001</b>	Manufacturing operations maintaining ISO 14001 certification	100%	80%	67%	67%
<b>Air Emissions</b>	Scope 1 Emissions (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	12.7 (28)	10.9 (22)	7.54 (6)	6.81 -
	Scope 2 Emissions (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	28.1 53	27.8 35	39.02 (6)	33.77 -
	Scope 1 and 2 Emissions (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	47.71 (14)	45.11 (10)	41.31 (6)	39.74 -
	Scope 3 Emissions (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	XX.XX (5)	XX.XX (4)	XX.XX (2)	XX.XX -
	Emissions Reduction Initiatives (y/n)	Yes	Yes	Yes	Yes
	Workforce participating in alternate transportation	30%	45%	40%	40%
<b>Climate</b>	Climate change opportunities discussed (y/n)	Yes	Yes	Yes	-
	Risks of climate change discussed (y/n)	Yes	Yes	Yes	-
	Climate Change Policy (y/n)	Yes	Yes	Yes	-
	CDP Carbon Disclosure (y/n)	Yes	Yes	Yes	Yes
	See <a href="#">CDP Response</a> for more information.				
<b>Energy</b>	Total energy consumption (Billion Joules)	512,000	476,000	387,000	343,000
	Scope 1 and 2 CO2e/annual revenue (% change from 2015 baseline)	(4)	(1)	(4)	-
	Renewable sources of energy	13%	15%	22%	-
	Energy Efficiency Policy (y/n)	Yes	Yes	Yes	Yes
<b>Water</b>	Water consumption (Thousands of cubic meters) CO2e/annual revenue (% change from 2015 baseline)	507.16 (15)	495.46 (3)	470.83 1	357.88 -
	See <a href="#">CDP Response</a> for more information.				



Topic	Metric	2018	2017	2016	2015
<b>Environmental</b>					
Waste	Hazardous waste (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	1.012 (16)	1.036 (4)	0.906 (3)	0.799 –
	Total waste discarded (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	1.897 (2)	1.749 0	1.499 (1)	1.268 –
	Total waste recycled (Th Tonnes) CO2e/annual revenue (% change from 2015 baseline)	1.091 (18)	1.034 (14)	0.925 (11)	0.874 –
	Waste Reduction Policy (y/n)	Yes	Yes	Yes	Yes

See [Environmental Health & Safety](#) report for more information

See more in our [Sustainability Report](#)

[Disclaimer](#)



## Sustainability report

# Disclaimer

All statements other than historical facts included herein are estimates and forward-looking statements based on current business aspirations. We caution you that they are based on current expectations and are subject to risks and uncertainties that are difficult to predict and may be beyond our control. Certain of such risks and uncertainties are described under the caption "Risk Factors" in our filings with the Securities and Exchange Commission. Such filings are available in the Investor Relations Section of our website at [www.edwards.com](http://www.edwards.com) or at [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on any estimate or forward-looking statement contained herein, which speak only as of the date made. We take no obligation to update or clarify any such estimates or forward looking statements.