2024 TCFD report

Section 1: Climate-related governance

1a) Board oversight of climate-related risks and opportunities

Our Board of Directors (BOD), through its Governance and Nominating Committee and Audit Committee, oversees environmental, social, and governance (ESG) matters at Intuitive, including climate-related risks and opportunities.

- The Governance and Nominating Committee directs, reviews, and assesses our strategy and performance on environmental and sustainability matters.
- The Audit Committee oversees the assessment and mitigation of company risks, including climate-related financial risks.
- Both committees report to the BOD on these topics.

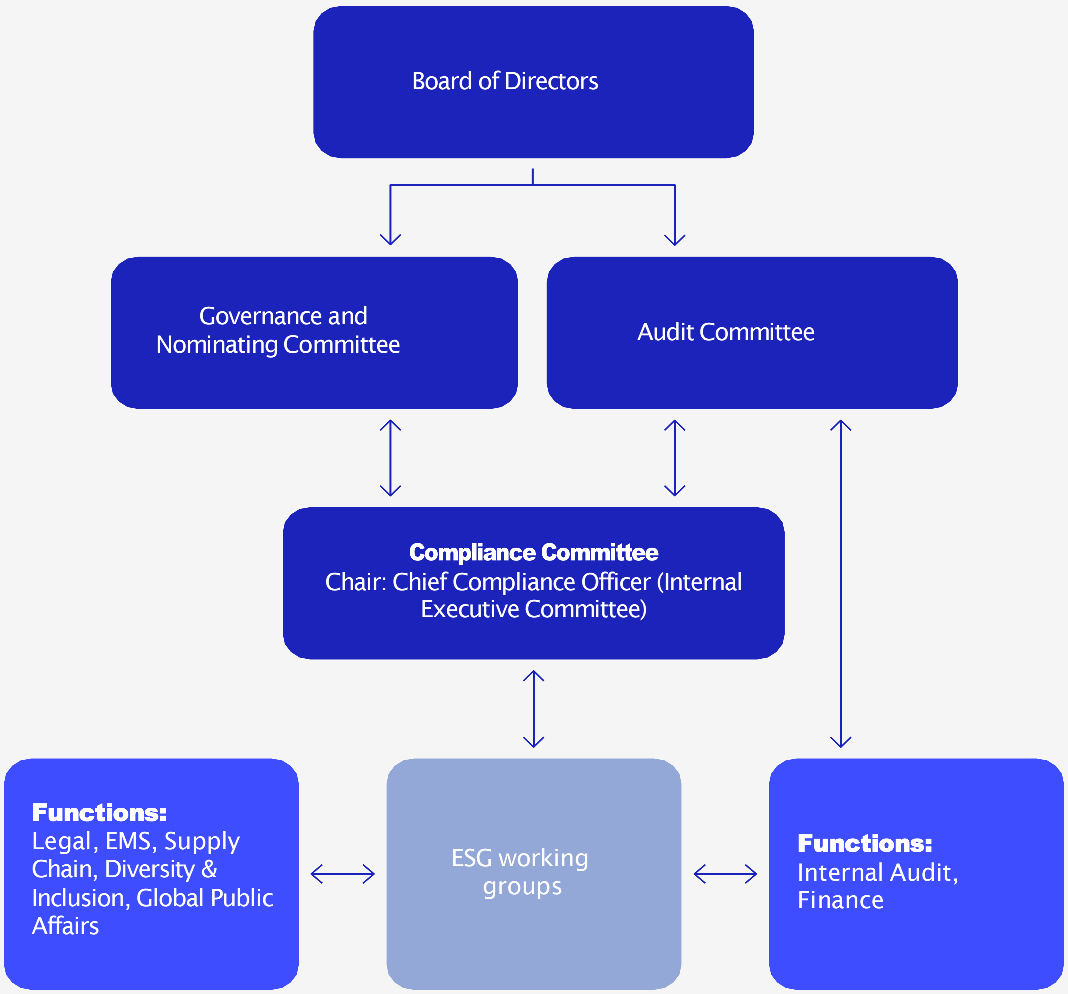
The diagram below illustrates the decision-making system for climate-related financial risk assessment and management.

- Arrows signify communication flow.
- Dark-blue boxes signify decision-making bodies.
- The grey-blue box signifies our working groups, which prepare content.
- Blue boxes signify implementation ownership.

Intuitive decision-making framework for climate-related risk governance and management

ESG integration

The graphic below illustrates Intuitive's governance structure for ESG-related matters.



The Governance and Nominating Committee meets quarterly and reviews ESG topics twice a year.

- Sustainability and ESG topics are guided by a formal agenda, recommended by ESG working groups and approved by the chair of the Executive Compliance Committee, which is comprised of our executive vice president (EVP) and chief legal and compliance officer.

- Typical agenda topics include:
  - Climate policies and practices
  - Carbon footprint monitoring and management
  - ESG reporting requirements
  - Climate-related goals and progress
  - Social responsibility programs
  - Environmental regulations and compliance

Additionally, the Internal Audit team conducts an annual corporate risk assessment, which may include ESG-related risks. These risks and responsibilities are then presented to the Audit Committee.

- ESG working groups ensure that ESG-related risks are noted, and that, as appropriate, plans are created to mitigate such risks. Our Chief Compliance Officer also reports such risks and mitigation plans to the Governance and Nominating Committee.

ESG working groups are directly responsible for collecting, reporting, and monitoring sustainability and ESG activities, risks, and management actions while regularly briefing and aligning with the Compliance Committee and Governance and Nominating Committee on these items. These cross-functional working groups are also responsible for the company's annual ESG Report and other ESG reporting. Management is responsible for the execution of sustainability and ESG activities, risk identification, and mitigation (see management section 1B below for additional details).

For more details on governance structures and Board charters, refer to our latest proxy statement filed with the Securities and Exchange Commission.

1b) Management's role in assessing and managing climate-related risks and opportunities

Climate risks are identified by individual functions and then collated by our ESG working groups. The management functions and teams listed below perform various activities that help aid in the assessment, development, and review of climate-related risks, and the implementation of mitigation strategies. These ESG working groups collaborate on cross-functional program and initiative development.

- **Risk assessment**
  - Our internal audit team performs an annual risk assessment to help identify significant risks to the company and develops a related annual internal audit plan. This process begins by identifying risks through interviews with leaders across the organization and
  - Risks are then ranking those risks in terms of their impact and likelihood. The output of this assessment is used to design the Internal Audit Plan for the coming year.

- **Opportunity development**
  The ESG working groups work collaboratively and cross-functionally to measure and monitor environmental, social, and governance matters and develop opportunities for ESG risk mitigation, including those for climate risks.
  - Our workforce includes specialists in carbon management, environmental regulations, regulated materials, ESG metrics, and reporting. Key areas of work for the ESG working groups include carbon footprint assessment, overall climate risks to

company, social responsibility initiatives, and communicating with internal and external stakeholders, including regulatory agencies, customers, employees, and shareholders. Key business collaborators on climate risk assessment include financial services, legal, internal audit, risk management, supply chain, product operations, regulatory affairs, facilities management, workplace services, and investor relations.
    - The chief legal and compliance officer is directly responsible for developing and monitoring our ESG activities and creating and executing plans toward climate related goals and other reporting metrics.

- **Review:** Intuitive's ESG Review Board comprises senior leadership from across key business functions. The board include the chief medical officer, chief legal and compliance officer, chief financial officer, vice president of people operations, EVP & chief strategy and corporate operations officer, vice president of Global Public Affairs, senior vice president & general manager of EU Commercial and Marketing, and EVP of Global Business Services.

  The chief legal and compliance officer also the chair of our Compliance Committee, directly reports to the CEO, connecting ESG to the CEO, and reports to the Governance and Nominating Committee twice a year.

Opportunity implementation: Key business partners on climate risk assessment include finance, legal, internal audit, risk management, supply chain, product operations, regulatory affairs, facilities management, workplace services, and investor relations.

Intuitive's Internal Audit team, in conjunction with subject matter experts across the company, performs an annual risk assessment to help identify and manage company risks. Risks, including climate-related risks, are assessed and prioritized based on impact and likelihood. This informs practical actions and resourcing associated with addressing/mitigating these risks.

All management functions aid in the assessment, development, review of climate-related risks, and implementation of mitigation strategies. These groups work together on cross-functional program and initiative development, implementation, and assessment, and ESG acts as a conduit between groups.

Compliance Committee: The cross-functional Compliance Committee oversees Intuitive's compliance with applicable laws, including those related to ESG. It is led by our chief legal and compliance officer and is responsible for the development, implementation, maintenance, and administration of our compliance programs.

The committee meets quarterly (and more frequently as needed), and oversees:

- Codes, policies, training and education requirements
- Compliance standards
- Navex EthicsPoint hotline
- Investigations and corrective actions

The Compliance Committee ensures that compliance risks or alleged violations are appropriately evaluated, escalated, and addressed. The committee regularly reports to our Audit Committee.

Section 2. Climate-Related Strategy

2a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Climate related risks

Short term: (0-3 years):

i. **Physical risk from extreme weather patterns**: Extreme weather presents a risk to operations at Intuitive site locations as well as direct and indirect material suppliers. The threat of hurricanes, wildfires, or severe weather all have the capacity to disrupt critical supply chain elements. We expect these extreme weather events will increase both in severity and frequency and remain a medium- and long-term risk to Intuitive. In the U.S., our operations and suppliers are subject to risk of hurricanes, drought, wildfire smoke, and air quality issues. In Europe, our regional offices are susceptible to extreme weather (cold); and in Mexicali, our location is susceptible to extreme weather (heat) and drought.

ii. **Supply chain production capacity risk from regulations in supply chain:** New and/or stronger air quality and emissions standards present potential challenges to our supply chain. These regulations may require direct and/or indirect material suppliers to reduce or even halt production on certain high emission products to ensure compliance. This presents a risk to our supply chain if the sourcing of this product/component is constrained or sourced from a single source, particularly acute for sterilization suppliers in California.

iii. **Financial risk from increased raw materials costs** and subsequent pressure on **profit margins caused by climate related factors (energy cost):** There are a variety of upward pressures on cost and margins stemming from climate-related factors. Energy costs have increased greatly in recent months, leading to significant uplifts in the cost of raw materials, transportation, and general operations. These costs must be either absorbed into margins or passed to the end customer, which presents a cascading effect through our entire supply chain**.**

iv. **Market risk driven by changing investor and customer behavior attributed to perceived climate risk:** Some investors and customers are placing new or increasing emphasis on climate-related considerations when doing business. An example of this includes the expectation of carbon reduction initiatives and associated disclosures. Investors and customers are increasingly adding climate-risk and climate mitigation as one of their decision criteria. If we cannot meet investor expectations, we may face challenges accessing capital and/or share value could decline.

Medium to long term: (3-25 years)

- **Competitive risk from new market entrants that employ carbon or climate initiatives that change or shift customer preferences**: As new market entrants continue to emerge into the robotic-assisted surgical space, customer behavior has the potential to be influenced by our carbon and/or climate initiatives and disclosures.

- **Operational risk from new or emerging carbon pricing regulations in our direct operations and in our supply chain:** New or emerging regulatory requirements may impact our ability to source materials used in our products, as well as impact the cost of materials.

Climate-related opportunities

Short term:

- We have evaluated opportunities to reduce our carbon footprint over the long term, taking into consideration our mission, strategy, and priorities. We focus on areas that improve our carbon footprint while improving operational efficiency and reducing cost. Areas for consideration could include use of renewable energy, transportation of product via more energy efficient means, and changes in certain product packaging to reduce plastic and paper use. These efforts may reduce our operating cost, while increasing the value of fixed assets, benefitting our workforce, and reducing our exposure to future fossil fuel price increases.
- We have expanded our climate-related disclosures by responding to the Carbon Disclosure Project (CDP), which enhances our ability to respond to investor and customer inquiries.

Medium to long Term:

- We have adopted an integrated campus approach, where we can co-locate certain functions, including manufacturing, engineering, commercial operations, customer and sales training, and various administrative areas. Co-locating our teams into these hubs, located in geographies where we can support our customers locally, can help reduce our environmental impact and create efficiencies in supply chain access, customer training and support, and customer service. The buildout of these campuses is a multiyear effort that began in 2020.
- We have identified several medium-and long-term climate-related opportunities, which may reduce emissions and improve overall supply chain resiliency, efficiency, and cost. These opportunities could involve product design and sourcing initiatives that address both proactive climate initiatives and sustainability and climate risks. These opportunities require multiyear plans and must be done in the context of our mission, strategy, and priorities.

2b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Impact of climate-related risks on the organization's businesses, strategy, and financial planning:

We measure value creation through our customers' lenses and in alignment with our goal of delivering on the Quintuple Aim: better clinical outcomes, improved patient experiences, improved care team experiences, lower total cost to treat per patient episode, and equitable access to care. Within this context, improvements in operating efficiency and cost reduction are critical to better serve our company and customers.

The impact of climate-related risks and opportunities are integrated in our growth strategy and financial planning.

Our BOD and executive team focus on emissions reduction opportunities that also enhance operating efficiency and cost reduction over the long term. At functional levels of the company, specific projects are being carried out across global teams to investigate dual sourcing, low-cost manufacturing, and supply chain resilience opportunities that may inform the product design and manufacturing process in the long run.

We understand that:

- **For products and services**: Climate change risks will potentially impact Intuitive products and services in a variety of ways, such as: supply chain disruptions, financial pressure from increased costs of raw materials and energy, regulatory risks, and severe climate-related weather events. This could present challenges to customers in the form of product availability and price competitiveness.
- **Supply chain / direct and indirect sourcing**: We manage a highly complex supply chain which is subject to climate-related risks. These risks include regulatory risks which could impact production capacity of suppliers, physical risks from climate-related extreme/adverse weather events, and/or financial risks from increased raw materials and energy costs. These risks could also present challenges in the company's ability to source and manufacture products to meet customer demand.
- **Facilities and manufacturing physical footprint**: We have a global corporate and manufacturing footprint across a global network of key collaborators. The decisions to build or move facilities or operations will be impacted by climate-related risks and will take into consideration the mitigation of these risks.
- **Operations (energy)**: Impacts of climate-related risks include leveraging more sustainable energy sources to power business operations. This includes considerations around the most efficient means of logistics/transportation, using renewable energy sources such as solar to power buildings, and looking to reduce dependencies on high carbon energy sources throughout the supply chain.

Impact of climate-related opportunities on the organization's businesses, strategy, and financial planning:

Intuitive continues to evaluate opportunities to reduce its carbon footprint over the long-term, taking into consideration its mission, strategy, and priorities. Our focus is to improve Intuitive's carbon footprint while improving operational efficiency and reducing cost. Areas for consideration include high performance new construction for future facilities, use of renewable energy to supplement building energy use, greater energy efficiency in existing buildings, logistical efficiency for transportation and conversion to low carbon mode, and changes in certain product packaging to reduce plastic and paper use, to name a few. These efforts may reduce our operating cost, increase value of fixed assets, benefit our workforce, and reduce our exposure to future fossil fuel and other utility price fluctuations. For example, we are working to lower our costs and carbon footprint by converting our shipping to use more ocean shipping and less air shipping.

2c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In 2024, we completed a full-scope (scopes 1, 2, and 3) greenhouse gas (GHG) carbon inventory, as disclosed on pages 35-36 of our ESG Report. Scopes 1, 2, and 3 for FY23 have completed the validation process.

Section 3. Climate-Related Risk Management

Disclose how we identify, assess, and manage climate-related risks.

3a) Describe the organization’s processes for identifying and assessing climate-related risks.

This was addressed in 1A and 1B. Additional details for the key management functions are elaborated below. To summarize, climate risks are identified by individual functions (see below) and then collated by our ESG working groups. The ESG working groups regularly brief and align with the Compliance Committee and board of directors' committees on these items. The ESG working groups are also responsible for external reporting of the company’s ESG activities. Management is responsible for the execution of sustainability and ESG activities, risk identification, and mitigation. In addition, several groups help fine-tune approaches to address any identified risks.

The following teams perform thorough reviews of climate-related risks:

- **Internal audit in finance:** Our internal audit team performs an annual risk assessment to help identify and manage business risks. The head of Internal Audit interviews senior leaders across our key business functions, to understand their perspective on the current and potential future risks to the company. In addition to obtaining senior leaders’ general feedback on risks, leaders are asked to review a prioritized list of risk categories and rank them in terms of potential impact to the company (based on severity of risk and likelihood of occurrence). Additionally, the internal audit team leverages the feedback and report to help determine internal audit projects for the upcoming quarters. These findings, both the qualitative feedback and the quantitative rankings, are summarized in a report shared with both senior leadership and the BOD’s Audit Committee.
- **Risk management in finance:** From time to time, we may see a direct or indirect impact from natural hazards like drought, wildfires, floods, severe storms, hurricanes, and other weather-related events. The financial consequence of the severity of these events could be significant if we are not prepared. Our risk assessments help in analyzing the company’s climate-related risks based on their impact versus likelihood, followed by a business impact assessment to help score and prioritize critical operations and processes for practical actions and timely distribution of resources. We leverage these assessments to derive the financial and operational impact of climate-related risk, which can lead to business interruption. We also work with climate risk experts and consultants from time to time for guidance on existing and emerging risks associated with climate change.
- **Supply chain risk management in global operations:** Our Business Continuity Plan takes into consideration the operational and financial-related risks for various scenarios, such as supply chain interruption and/or disruptions at manufacturing locations. The team conducts a business interruption assessment annually to validate the level of insurance coverage

purchased. This evaluation includes an analysis of the financial metadata for each manufacturing location, gross revenues minus variable costs to determine profit, and any reductions to be considered for the redundancies established.

- **Environmental management in regulatory and quality:** We have worked with a leading consulting firm to study the physical impacts on our facilities and those of our suppliers by climate-related factors in the decades of the 2030s to the 2080s. To do this, we conducted climate-related scenario analysis to model the impact of climate-related physical risk. Utilizing the latest climate science, we applied localized climate projections based on medium and high emission scenarios (SSP2 4.5, SSP5- 8.5).
- We found the risks of water stress, extreme temperatures, and flooding are the greatest drivers of climate-related potential impact on our value chain.

For risk mitigation, we act in the following ways:

- **Insurance coverage:** Where commercially available and cost-effective, a moderate amount of financial risk is offset by purchasing and maintaining relevant insurance, such as business interruption insurance. Case studies are done for specific sites to assess the cost of operational disruption and the impact it will have on company revenue and gross margin.
- **Finished goods (FG) inventory:** General risk management for climate and regional issues leverages the FG inventory for short-term buffering. We hold approximately 8 to 12 weeks of FG products in our networks depending on the criticality and life cycle of the parts. This buffering strategy is driven through our executive quarterly meeting. We are also driving multi-plant strategies, dual sourcing, and buffering on components to ensure FG production.

We have conducted several risk mitigations audits, assessments, as well as preventive and mitigative actions and activities, and are aware that more work can be done in these areas. We are committed to continuing our investment of resources to continue building a resilient program with a more flexible inventory that addresses any gaps in insurance coverage.

3b) Describe the organization's processes for managing climate-related risks.

To summarize, climate risks are identified by individual functions (see below) and then collated by our ESG working groups. The ESG working groups regularly brief and align with the Compliance Committee and BOD committees on these items. In addition, the internal audit team performs an annual risk assessment process to identify current and future risks to the company, including climate-related risks.

In addition to this formal process, the internal audit team regularly holds informal discussions with leaders to discuss changes in the business and macro-environment to identify if any updates to the audit plan are warranted. Based on these conversations, there is an opportunity for the internal audit team to learn about and prioritize projects related to climate change.

3c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management.

Here are some specific examples of frameworks (and processes), in addition to the response in 3a.

- **Risk assessment framework:** Functional leaders/executives are assigned as risk owners. Risk owners are charged with identifying, reporting, mitigating, and monitoring risks that can impact our ability to achieve business objectives. Self-assessments, changes to the regularity environment, emerging risks, and market trends are key sources of information to identify climate-related risks. For the risk assessment, we use a standardized approach of measuring risk likelihood versus risk impact against key business criteria including operational, regulatory/compliance, financial, legal, and reputational. Each risk is assigned a weightage after determining the effectiveness of the controls to address the risk. The risk owner uses the weightage as guidance for prioritization and to develop action plans.
- **Supply Chain Risk Management (SCRM) framework**: Involving the components listed below, SCRM is designed to identify, communicate, and mitigate potential risks and disruptive events across the company for direct materials.
    - Through the SCRM framework, risk assessment via risk categorization measures is conducted, taking into consideration the severity of the risk, likelihood of impact, and complexity of risk mitigation efforts.
    - The SCRM framework is designed to focus on specific types of risk, which can then be viewed in aggregate and used to measure operational risk across the organization. These risk programs include, but are not limited to financial risk, cyber security risk, geopolitical risk, geographic risk, and part level engineering and sourcing (attribute) risk. Elements of the SCRM framework include climate risk, under the pillar of geographic events, such as hurricanes, severe weather, and wildfires.
    - The SCRM team is managed under product operations with alignment across corporate cross-functional stakeholders. The collective responsibility of these groups is to review the scope and effectiveness of the SCRM program.

Section 4. Climate-related metrics and targets

4a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Overall carbon emissions from scope 1, scope 2, and scope 3 sources are considered when assessing our climate-related risks and opportunities. We use carbon emissions data and related metrics to track progress against goals. Additional metrics of interest include:

- **Work continuity resilience**, as measured by level of insurance coverage, which is leveraged my multiple corporate functions, including our BOD Audit Committee

- **Energy intensity**, as measured by kilowatt hour/gross square feet, which is leveraged by our facilities management team.

4b) Disclose scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions

Please refer to our 2024 ESG annual report, pages 35-36.

4c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We are committed to managing our business in a sustainable manner that considers the impact of both our direct operations and supply chain on the planet. Our commitment to continuous improvement means that we are always striving to enhance our operations by managing resources more effectively and finding innovative ways to produce our products more efficiently. We are evaluating opportunities to reduce our carbon inventory and will set greenhouse gas emissions reduction targets when required to do so, in a way that ensures we stay true to our core business principles of putting patients first and delivering quality products.