



**Medtronic**

Engineering the extraordinary

# Engineering impact

Medtronic 2022 Integrated Performance Report

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# Introduction

In a time of significant global challenge and change, we remain dedicated to our Mission to alleviate pain, restore health, and extend life – guided by environmental, social, and governance (ESG) priorities that put people first. Our 95,000+ full-time employees share our vision to boldly attack the most challenging health problems facing humanity through innovative technological solutions. Together, we engineer the extraordinary.

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# About this report

**The Medtronic 2022 Integrated Performance Report reflects the Medtronic material environmental, social, and governance (ESG) topics in alignment with leading reporting frameworks and standards, including the Global Reporting Initiative; the Sustainability Accounting Standards Board; the Task Force on Climate-Related Financial Disclosures; and the World Economic Forum Stakeholder Capitalism Metrics, which are detailed in our [ESG disclosure index](#).**

Unless otherwise stated, all performance reporting covers our fiscal year (FY) 2022 (FY22), which was May 1, 2021 through April 29, 2022.

This report includes data from Medtronic plc and its consolidated subsidiaries. Environmental, health, and safety data are from our manufacturing and research and development facilities. A third party, ERM CVS, has assured our [FY20](#), [FY21](#), and [FY22](#) health and safety data as well as our FY22 [greenhouse gas](#) and [water](#) data.

In some instances, reported data may be best estimated or rounded. All financial information is reported in U.S. dollars.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties, including risks related to difficulties and delays inherent in the development and implementation of plans to achieve our environmental sustainability and social impact goals and objectives; government regulation and general economic conditions; and other risks and uncertainties described in our periodic reports. These reports are on file with the U.S. Securities and Exchange Commission, including our most recent [Annual Report on Form 10-K](#). In some cases, you can identify the forward-looking statements by words or expressions, such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "looking ahead," "may," "plan," "possible," "potential," "project," "should," "going to," "will," and similar words or expressions, the negative or plural of such words or expressions, and other comparable terminology. Actual results may differ materially from anticipated results. We do not update our forward-looking statements or any of the information contained in this report, including updates to reflect future events or circumstances.

To provide feedback or request further information, please email [integratedreport@medtronic.com](mailto:integratedreport@medtronic.com).



# Letters to our stakeholders

## Chairman and CEO address

The Medtronic Mission – to alleviate pain, restore health, and extend life – unites a diverse, global team of more than 95,000 people whose work transforms the lives of two people every second. And despite the challenges faced over the past year – war in Ukraine, climate change, supply chain disruption, and the ongoing COVID-19 pandemic – we maintained our steadfast commitment to carrying out the Mission and increasing our environmental, social, and governance (ESG) efforts.

I am proud to share our FY22 ESG progress and performance, which recaps our work across important areas, including accelerating patient access and equity; creating life-transforming healthcare; fostering inclusion, diversity, and equity (ID&E); and furthering our environmental sustainability.

## Accelerating patient access and equity

In the past year, Medtronic therapies improved the lives of more than 76 million people, yet many communities around the world still lack access to care. We use data and technology to address this global crisis of health inequity, streamlining detection, diagnosis, and treatment to fill the gap between the number of people who need care and the number of practitioners who offer it. This democratizes healthcare and enables healthcare workers to reach more patients with a more personalized approach while increasing accessibility throughout the world. In service of this effort, we dedicated more than \$69 million to healthcare capacity training in FY22, reaching 350,000+ global medical professionals who drive access to quality care in their communities.

## Creating life-transforming healthcare

As a global healthcare technology leader, we use the power of advanced computing, smallest-size-solutions, and hyper-personalization to address unmet patient needs. Our life-transforming technologies treat and diagnose 70 conditions in the areas of cardiovascular, medical surgical, neuroscience, and diabetes care. The past two and a half years have highlighted the challenges facing healthcare systems, but also the opportunities for technology to play a role in a better path forward. Today, we're integrating powerful tech capabilities like data science, machine learning, and AI into our devices and solutions to collect data to help clinicians and patients make more informed decisions and drive better outcomes.

To continue evolving our product portfolio, in FY22, we invested an all-time high of \$2.7 billion in research and development, a 10% increase compared to the previous fiscal year.

## Fostering ID&E is key to innovation

Innovation is a people-powered business. An inclusive workforce unites diverse experiences and perspectives in an environment where they are valued and shared – driving technology forward and empowering all to reach their highest potential.

A convergence of backgrounds and experiences allows us to create life-saving products and therapies that benefit all patients while expanding the number of conditions we can treat. Diversity in leadership is key to this. In FY22, women held 42% of manager-and-above positions globally and people from ethnically diverse

groups held 27% of manager-and-above positions in the United States, which is strong progress toward our FY26 goals of 45% and 30%, respectively.

## Furthering environmental sustainability

A healthy planet is essential to human health and we're setting bold new goals and steadily marching toward them. Our environmental sustainability efforts directly advance our Mission to be a good corporate citizen while also supporting our sustainable business growth. In FY22, we joined forces with the National Academy of Medicine's Grand Challenge on Climate Change and the United Kingdom National Health Service to work with organizations around the world to transform systems, such as healthcare, that contribute to, and are impacted by, climate change by building resiliency and minimizing carbon footprints. Last fall, we announced our ambition to achieve net zero emissions across our value chain by FY45. In FY22 alone, we reduced our operational greenhouse gas emissions intensity by 35% compared to our FY20 baseline.

## Looking forward

At Medtronic, we are engineering the extraordinary for patients around the world. It's a tremendous opportunity and responsibility we carry. The impact we're making across all areas of our work inspires me every day as we push for even more progress. While I know we have a long way to go, I'm proud of the meaningful progress we're making. We boldly endeavor to create a healthier, brighter future for millions. I invite you to join us on the journey.



**Geoff Martha**  
Chairman and CEO, Medtronic

# Letters to our stakeholders

## A message from our CFO

Our employees share our vision to boldly tackle the most challenging health problems facing humanity while upholding our reputation as a company of dedication, honesty, integrity, and service. Our ESG priorities directly reflect our vision and values.

The Medtronic Sustainability Steering Committee (SSC) embeds ESG priorities throughout our operations. As the leader of the SSC, I see our social and environmental progress firsthand. In last year's report, I announced that we set a number of new **ESG performance targets**. I'm proud to share our progress toward these targets throughout this report, along with our plans to continue driving progress in FY23 and beyond.

Remaining transparent on our ESG progress and performance is key to the success of our ESG priorities and preserving shareholder confidence. In addition to reporting on all of our ESG material topics, we also supply responses to best practice reporting frameworks in the **ESG Disclosure Index**. These frameworks include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the Task Force on Climate-Related Financial Disclosures, and the World Economic Stakeholder Capitalism Metrics.

Our Mission empowers insight-driven care and better outcomes for our world. Our ESG efforts support us in this and in our long-term business success by ensuring we deliver results the right way. I am inspired by the progress our employees made in FY22 and look forward to sharing their continued progress in next year's report.



**Karen L. Parkhill**

Executive Vice President and  
Chief Financial Officer, Medtronic

# The year at a glance



## Environmental sustainability

Net zero

announced our ambition to balance our greenhouse gas emissions produced and removed from the atmosphere across Scopes 1,2, and 3 by FY45

35%

reduction in our operational greenhouse gas emissions intensity compared to our FY20 baseline, toward our goal of 50% by FY25

9%

reduction in our energy intensity compared to our FY20 baseline, toward our goal of 20% by FY25

16,500

MWh of energy and \$2.9M in operating costs saved annually through energy efficiency projects



## Social impact

\$2.7B

invested in research and development, a 10% increase compared to FY21

\$97.1M

combined philanthropic investment by Medtronic and the Medtronic Foundation

100%

ethnically diverse and gender pay equity achieved in the U.S. and 99% gender pay equity globally

36%

of our U.S. supplier spend, totaling nearly \$2.7 billion, went to small and diverse-owned companies



## Governance and accountability

30%

of board members were women at the end of FY22; this increased to 36% following a new appointment in June 2022

20%

of board members were from ethnically diverse backgrounds at the end of FY22; this increased to 27% following a new appointment in June 2022

\$31.7B

revenue generated and 92% of free cash flow returned to shareholders

\$1.7B

total strategic investment and acquisition spend

Includes acquisitions, additions to property, plant and equipment, and net purchases of investments.

THE YEAR AT A GLANCE

**FY22 RECOGNITION**

Organization	Awards
3BL Media	2022 100 Best Corporate Citizens: 41st
Asia Society (2020 Asian Corporate Survey, awarded in FY22)	Winner – Outreach and Inclusion to Asian Pacific American (APA) Employees during the COVID-19 Crisis; Outreach and Inclusion to APA Employees related to Racial Equity & Social Justice; Supporting the Development of Workforce Skills of APA Employees Under 40; Most Innovative Employer Runner-up – Overall Best Employer for Asian Pacific Americans
Best Place to Work and Great Place to Work® awards	Multiple awards in the United States and globally, including Fast Company 2021 Best Workplaces for Innovators, Forbes Best Employer for New Graduates, various Great Place to Work® awards, and Glassdoor Best Places to Work in 2022 – see a full list <a href="#">here</a>
DiversityInc	2022 Top 50 Companies for Diversity: Top 10 for the first time 2022 Top Companies for Supplier Diversity: 5th 2022 Top Companies for Environmental, Social, and Corporate Governance: 11th
Dow Jones Sustainability Indices (DJSI)	DJSI World Index DJSI North America Composite Index
Forbes	2021 World’s Best Employers 2022 America’s Best Employers for Diversity
Fortune	Most Admired Companies
Human Rights Campaign	2022 Corporate Equality Index
Just Capital	2022 America’s Most JUST Companies
Secretary of Defense	2021 Employer Support Freedom Award



# Our business

## Who we are

We are a global medical technology leader, boldly tackling the world's most challenging healthcare problems with groundbreaking innovation. Our Mission – to alleviate pain, restore health, and extend life – empowers our diverse global team to develop healthcare technologies that transform the lives of two people every second of every hour of every day.

## What we do

We work to solve unmet patient and healthcare needs by engineering extraordinary solutions and therapies that improve or redefine outcomes for more than 70 conditions. We combine a deep understanding of the human body with the power of advanced computing, the smallest-size solutions, and hyper-personalization to develop a range of consumable and implantable products, together with innovative tools and services. As the world continues to grapple with new and evolving healthcare challenges and a growing crisis of health inequity, our commitment is steadfast: create life-transforming technology; empower patient-centric, insight-driven care; and provide experiences that put people first to deliver better outcomes for our world.



## The Medtronic Mission

For more than 60 years, we have been guided by our Mission to alleviate pain, restore health, and extend life.

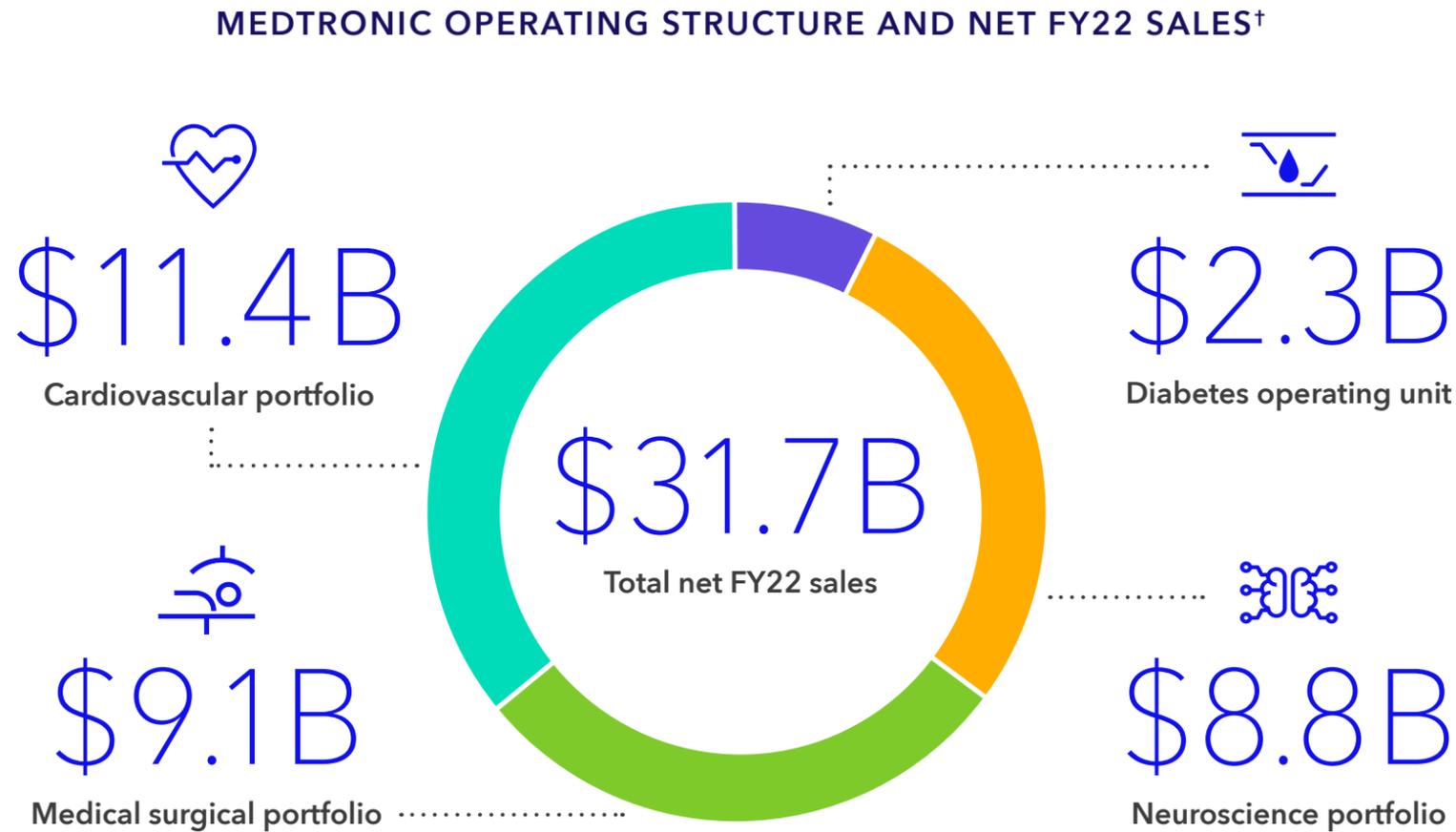
In pursuit of our Mission, we act across six interrelated tenets:

- 1 To contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life.
- 2 To direct our growth in the areas of biomedical engineering where we display maximum strength and ability; to gather people and facilities that tend to augment these areas; to continuously build on these areas through education and knowledge assimilation; to avoid participation in areas where we cannot make unique and worthy contributions.
- 3 To strive without reserve for the greatest possible reliability and quality in our products; to be the unsurpassed standard of comparison and to be recognized as a company of dedication, honesty, integrity, and service.
- 4 To make a fair profit on current operations to meet our obligations, sustain our growth, and reach our goals.
- 5 To recognize the personal worth of all employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity, and means to share in the company's success.
- 6 To maintain good citizenship as a company.



## Our structure, footprint, and strategy

Our corporate structure consists of three portfolios, each containing a range of operating units focused on different disease states or physician specialties, alongside the standalone diabetes operating unit. This structure is designed to enable autonomous decision-making and promote innovation, leading to timely delivery of effective therapies. Our operating unit presidents play a critical role in driving the development of new therapies and solutions and overseeing the work of each business.



InPen requires a prescription and proper settings, or you could experience highs/lows. See [bit.ly/InPen-Risks](https://bit.ly/InPen-Risks).

### GLOBAL FOOTPRINT

FY22 net sales to customers

\$16.1B

United States  
(51%)

Includes the United States and U.S. territories.

\$5.4B

Emerging markets  
(17%)

Includes the countries of Africa, Eastern Europe, the Middle East, Latin America, and the countries of Asia not included in the non-U.S. developed markets, as defined right.

\$10.1B

Non-U.S. developed markets  
(32%)

Includes Australia, Canada, Japan, Korea, New Zealand, and the countries of Western Europe.

† Totals do not add up due to rounding.

Across every operating unit, we encourage and enable our employees to share diverse perspectives, bold thinking, and a desire to win.

We leverage our business structure to:

- **Accelerate innovation-driven growth** – by delivering technology and services that better address patient needs.
- **Bring our technologies to emerging markets** – by providing targeted support, along with broad autonomy for regional teams to respond quickly to local needs.
- **Create better experiences for patients, customers, and employees** – by listening more closely to understand challenges and using that insight to shape solutions.
- **Turn data, artificial intelligence, and automation into action** – by tailoring therapies in real time, facilitating remote monitoring and care delivery, and bringing robotics to more surgical suites around the world.

OUR COMPANY – FY22 SNAPSHOT



76M+  
patients served



150+  
countries



95,000+  
full-time employees



239  
active clinical trials



\$2.7 B  
invested in R&D



49,000+  
patents in our portfolio



# Our impact: Employee stories

Our employees are the heart of our company. Their diverse backgrounds and perspectives bring passion to our work, spark innovation, and drive opportunity. They empower one another to reach their highest potential and create positive change – helping us fulfill our Mission. Here, we share stories from employees who are at the forefront of our efforts to enable healthier people and a healthier planet by engineering the extraordinary.



“I feel good being a woman community healthcare worker because I start from my own family and then go into the community. Empower one woman, and you empower the entire nation.”

**Jane Muthoni**  
Patient Engagement Lead,  
Medtronic LABS



## Leading new approaches to patient-first healthcare tech

Jane Muthoni, Patient Engagement Lead for Medtronic LABS in Kenya, knows firsthand the importance of empowering patients to learn about their conditions and access healthcare services. She has lived with type 1 diabetes since she was six years old and made it her life’s work to educate others living with the disease.

Channeling this passion into her career, Jane works to improve health outcomes for people living with non-communicable diseases. She is helping to train more than 300 community health workers (CHWs) – nearly all of whom are women – to screen patients for hypertension and diabetes.

The training includes use of LABS’ digital health platform, SPICE, which was designed for CHWs and healthcare providers operating in low-resource settings. The platform is the first of its kind to track health outcomes and overall population health indicators in real time. Most importantly, it helps to drive sustainable patient outcomes through technology features such as:

- Data-driven patient engagement via SMS, WhatsApp, and more.
- Tele-counseling and telemedicine for remote follow-ups.
- Patient education and care journeys customized for every patient.

The power of CHWs lies in their ability to develop one-on-one relationships with patients and providers. Pairing this patient-first approach with the power of tech amplifies the positive impact Jane and the people she trains can have in underserved communities.

Read more about Medtronic LABS in [Global healthcare access](#).

## Inspired to expand healthcare access

Karen Shehade, a long-time Physician Assistant, marvels at the groundbreaking innovation engineered at Medtronic and is proud to work for a company that improves lives at scale. But the global crisis of health inequity, where many around the world lack access to needed technologies and healthcare, troubles her. She channeled her concern into action by taking on a new role designed to marshal Medtronic resources and address the crisis. As part of her responsibility as senior director of medical affairs in the Americas region, she chairs the newly formed Medtronic Health Equity Advisory Committee (HEAC) in the United States.

Karen oversees the HEAC in its community-focused approach to improving health equity, accelerating access, and overcoming structural and social barriers to quality care. A key part of this work involves gathering robust data on equity of access and outcomes so we can prioritize our efforts, take effective action, and measure our impact. Karen has the clinical experience and skills to help the HEAC interpret the data and translate learnings into actions to create a more equitable world.

Read more about the HEAC in [Global healthcare access](#).

“Improving patient access and equity is pivotal to fulfilling our Mission. I’m confident that the work we’re undertaking as the HEAC will set a foundation for others to use to drive equity in quality care and ensure that our life-saving technology is accessible to all who need it.”

**Karen Shehade**  
Chair of the Medtronic Health Equity Advisory Committee  
Senior Director of Medical Affairs, Americas

OUR IMPACT: EMPLOYEE STORIES

Turning barriers into opportunities

Sarah Nieters has faced barriers in her career in science, technology, engineering, and math (STEM) that are all too common for underrepresented groups. She knows how it feels to be the only woman at a conference for information technology (IT) executives, and she watched a high school advisor dismiss her daughter’s desire to apply to a top engineering school. These experiences might have left her dispirited, but instead, she was inspired.

Sarah – an IT vice president at Medtronic – was instrumental in developing an internship partnership with Genesys Works – a nonprofit that expands career pathways for talented high school students from underrepresented groups.

Veronica Venegas is one of many who have found the internship pivotal. After completing her IT internship, she was the first in her family to graduate college and will soon begin a full-time position at Medtronic.

To date, more than 300 high school students have completed IT internships at Medtronic. In FY22, 57% were women and 98% were Black, Indigenous, and people of color. Learn more about Sarah’s contribution [here](#).



“One of the real barriers that I see is access. Once the door is opened, it’s up to the student to take advantage of that, and you can see that they do.”

**Sarah Nieters**

Medtronic executive sponsor of the Genesys Works partnership  
IT Vice President



“This kind of experience is life-changing to students like me. I think that it’s an awesome way to get students of color and women into STEM fields.”

**Veronica Venegas**

previous participant in the Medtronic IT internship program



Catalyzing environmental sustainability

Driven by a passion for the environment, Shona Kamps, a business process improvement analyst for Medtronic Canada, set out to join a group of like-minded colleagues to bolster the company’s sustainability efforts. But when she realized no such organization existed, she and two coworkers founded the employee-led Medtronic Environmental Action Group (EAG).

Within seven months, the group grew from the three cofounders to more than 1,000 Medtronic employees globally, and it continues to expand. The EAG is a space for employees to foster environmental sustainability at work and in their personal lives. Volunteers organize events, projects, and workshops on various topics, such as designing more sustainable products and packaging solutions and curtailing digital waste. The global group also collaborates with local Medtronic environmental employee groups around the world, like Ireland’s Parkmore Eco Team and the Central and Eastern Europe team Together We Care. The EAG is powered by a dedicated core team of volunteer employees who work together across countries and functions to inspire and engage fellow employees to make integrating sustainability a priority within and beyond Medtronic.

Shona illustrates the power of each individual employee. Her idea and her energy made the EAG a reality. The work of its members plays an important part in Medtronic’s sustainability efforts.

“The Environmental Action Group gives Medtronic employees a launching pad to learn about environmental sustainability and empower their ideas for impact within our company and their work. The global engagement we are seeing showcases the shift in culture needed to integrate environmental sustainability in the core of businesses in every industry.”

**Shona Kamps**

EAG cofounder, Business Process Improvement Analyst, Medtronic Canada



# ESG strategy

Our environmental, social, and governance (ESG) strategy defines and drives our sustainability efforts. We prioritize action on our most material issues, supported by robust governance, risk assessment, accountability, and ongoing dialogue with our stakeholders.

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# Material issues and targets

## Our material issues

We focus our ESG strategy on the issues that:

- Are aligned with our Mission.
- Are important to our stakeholders.
- Have potential to significantly affect our business growth, finances, or reputation.

We regularly review material issues<sup>1</sup> by monitoring and assessing internal and external expectations. During our most recent materiality assessment in FY19, we consulted with key stakeholders to update and prioritize our list of material issues. These stakeholders included Medtronic leaders, investors, policymakers, governments, customers, industry association representatives, and nongovernmental organizations.

Our materiality assessment highlighted three significant areas where we can drive positive change: innovation and healthcare access; patient safety and product quality; and inclusion, diversity, and equity (ID&E). Each area has a senior executive who sets companywide performance objectives and collaborates internally to monitor and advance progress.

The following table shows how our full list of material issues aligns with the tenets of our Mission.

### MATERIAL SUSTAINABILITY ISSUES AND OUR MISSION

Mission	Material issue
<p><b>Tenet 1:</b> Contribute to human welfare by alleviating pain, restoring health, and extending life</p> <p><b>Tenet 2:</b> Direct growth in areas of biomedical engineering through education and knowledge assimilation</p>	<ul style="list-style-type: none"> <li>• Innovation and access</li> <li>• Integrated care</li> </ul>
<p><b>Tenet 3:</b> Strive without reserve for the greatest possible reliability and quality in our products and recognition as a company of dedication, honesty, integrity, and service</p>	<ul style="list-style-type: none"> <li>• Patient safety and product quality</li> <li>• Technology and device security</li> <li>• Data privacy and security</li> <li>• Ethics in sales and marketing</li> <li>• Corruption and bribery</li> <li>• Transparency</li> </ul>
<p><b>Tenet 4:</b> Make a fair profit by meeting our obligations, sustaining our growth, and reaching our goals</p>	<ul style="list-style-type: none"> <li>• Affordability and fair pricing</li> <li>• Climate risk and resilience</li> <li>• Responsible supply management</li> <li>• Product stewardship</li> </ul>
<p><b>Tenet 5:</b> Recognize the personal worth of all employees by advancing opportunity</p>	<ul style="list-style-type: none"> <li>• ID&amp;E</li> <li>• Talent</li> </ul>
<p><b>Tenet 6:</b> Maintain good citizenship as a company</p>	<p>As a good corporate citizen, we use all of our resources, including philanthropy and community investment, to address our material ESG issues.</p>

<sup>1</sup> Throughout this report, we use the Global Reporting Initiative (GRI) definition of materiality, which is different from the definition used for filings with the Securities and Exchange Commission (SEC). Topics identified as material for purposes of this report may not be considered material for SEC reporting purposes.

## MATERIAL ISSUES AND TARGETS

In early FY22, we set new ESG performance targets to drive progress on our material issues. We also announced a new ambition to be net zero across our value chain by FY45.

Alongside the targets listed here, we have two product stewardship targets focused on packaging:

- By FY25, reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing) compared to an FY21 baseline.
- By FY27, minimize the impact of Instructions for Use through a 35% paper reduction, compared to an FY21 baseline.

These targets are quantitative but require us to achieve qualitative milestones first to enable accurate measurement of progress. We will begin reporting on progress toward these targets in future reports. Read more about our packaging efforts in [Product stewardship](#).

# Net zero

In FY22, we announced a new ambition to be net zero across our value chain by FY45.

## ESG TARGETS AND PROGRESS

Category	Target	Baseline date	End date	Current status toward target
<b>Climate risk and resilience</b>	Reduce greenhouse gas emissions intensity by 50%	FY20	FY25	<b>35%</b>
<b>Innovation and access</b>	20% of Medtronic revenue will flow from products and therapies released in the prior 36 months	Prior 36 months	FY25	<b>19%</b>
<b>Innovation and access</b>	Serve 85 million patients annually	N/A	FY25	<b>76.3 million</b>
<b>Patient safety and product quality</b>	Achieve 10% reduction in aggregate product complaint rate for identified product families <sup>†</sup>	FY20	FY25	<b>10%</b>
<b>ID&amp;E</b>	45% of global manager-and-above positions held by women	N/A	FY26	<b>42%</b>
<b>ID&amp;E</b>	30% of U.S. manager-and-above positions held by ethnically diverse talent	N/A	FY26	<b>27%</b>
<b>Responsible supply management</b>	Assess suppliers representing 80% of our annual managed spend on sustainability performance	N/A	FY26	<b>66%</b>
<b>Responsible supply management</b>	Grow our procurement with U.S. diverse-owned suppliers by 5% year-over-year through FY26	FY22	FY22	<b>29%</b>

<sup>†</sup> The goal covers the following products: Transcatheter Aortic valves and delivery systems, Venous Closure Systems, Spinal Cord Stimulation systems, Mazor Robot, Signia™ handles, Puritan Bennett™ 980 ventilator, and Diabetes NGP pumps and sensors. We are focusing on these product families because they represent strategic opportunities to positively influence complaint rate and patient experience through new product introductions and post-release changes. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified we may expand the scope of this commitment in future years. This target is an aggregate percent reduction from FY20 to FY25. Therefore, annual progress toward this target prior to FY25 does not represent achieving or missing the target.

# Sustainability governance

Robust governance structures and processes underpin our sustainability strategy:

- The **Nominating and Corporate Governance Committee** of our board of directors oversees our environmental, social, and governance (ESG) practices and regularly reviews ESG topics that are a priority for the company, as do other board committees, as appropriate.
- Our **Sustainability Steering Committee (SSC)** works to embed sustainability throughout our operations. Led by our chief financial officer, the SSC comprises executive committee members from across the company who oversee our ESG progress and performance, alongside vice presidents who lead ESG focus areas or whose work is informed by ESG.
- An **SSC subcommittee** governs ESG disclosures and strengthens data controls to aid more robust and effective reporting.

We also partner with external organizations working to strengthen sustainability governance, data, and disclosure practices. In FY22, for example, we participated in an Enterprise Data Management Council project on best practices in ESG data management and were part of the working group drafting a white paper on the same topic.

In FY22, we enhanced our remuneration practices to link executive compensation to inclusion, diversity, and equity (ID&E) performance. Read more [here](#).

## Managing risks and creating opportunities

By continually monitoring emerging sustainability issues, we can anticipate business risks and create value from opportunities. The following tables summarize our current key ESG risk and opportunity areas, along with our response.

More detail about our most significant business risks is included in our [2022 Form 10-K and quarterly 10-Q filings](#) with the U.S. Securities and Exchange Commission.

### MANAGING RISK THROUGH ESG

Risk	Response
<b>Patient safety and product quality issues</b>	<p>Aligned with our commitment to produce safe and effective healthcare technologies for patients, we examined end-to-end quality performance and are making sustainable improvements to ensure we deliver on our Mission.</p> <p>In FY22, we launched an updated cross-functional, enterprise quality plan established to drive improvement and enhance our quality performance – including driving consistency and increased rigor across the areas of risk assessment, product design, and quality systems.</p>
<b>Climate risk and resilience</b>	<p>We manage transitional risks by monitoring climate change regulation and treaties, as well as regulations on carbon emissions (including carbon taxes), and continue to install renewable and alternative energy sources as they become more cost-effective and readily available. In preparation for the global transition to a zero-carbon economy, we announced a new ambition to be net zero across our value chain by FY45.</p> <p>We manage physical location risks through business continuity management, including hurricane readiness planning, infrastructure improvement, and risk-exposure analyses that encompass hurricanes, earthquakes, and water stress impacts.</p>
<b>Business impact of unforeseen ethical, social, and environmental regulations</b>	<p>Our Government Affairs; Human Resources; Communications; Environmental, Health and Safety; and Procurement groups monitor relevant regulations in global markets. Our legal and compliance teams advise on compliance. We share our perspectives with industry organizations and regulators and prepare for potential and emerging regulations.</p>
<b>Failure to meet stakeholder or regulatory expectations of our ESG performance</b>	<p>We strive to meet or surpass expectations and requirements of our ESG and sustainability performance. We actively solicit input from stakeholders concerning our performance related to product stewardship, human rights, ethical conduct, environmental responsibility, climate change, healthcare access, ID&amp;E, and more.</p> <p>Annual and transparent communications on our ESG performance are key to meeting stakeholder expectations. During the development of our annual Integrated Performance Report, we assess our ESG disclosures for alignment with best practice and evolving stakeholder needs. We are enhancing our data collection and reporting processes in preparation to meet emerging regulatory expectations.</p>

SUSTAINABILITY GOVERNANCE

DRIVING VALUE THROUGH ESG

Opportunity	Response
<p><b>Leading the industry in meaningful innovation, patient-centered, insight-driven healthcare, value-based partnerships, and business efficiency</b></p>	<p>We stay alert to emerging technological innovations and invest in research and development to bring effective, value-driven products and services to market.</p> <p>We work across healthcare pathways to develop efficient, effective systems and business models.</p> <p>We combine scientific and medical intelligence to advance innovation that impacts patients' lives.</p> <p>We continue to increase our operational efficiency, sharing our learning with partners and suppliers.</p>
<p><b>Increasing accessibility and availability of our products and services</b></p>	<p>We form bold, impactful partnerships with local, national, and international organizations to accelerate global access to lifesaving therapies.</p> <p>We invest in programs to improve healthcare infrastructure and educate patients and healthcare professionals.</p>
<p><b>Deepening support and expanding growth opportunities for our employees</b></p>	<p>We make robust and broad-ranging professional development programs available to all employees, and we champion ID&amp;E throughout our organization and in our communities.</p> <p>We recognize and reward employees' talents and dedication through competitive pay and comprehensive benefits. These efforts help us attract and retain diverse top talent so we can continue to offer innovative healthcare solutions.</p>
<p><b>Capturing cost savings and building organizational resilience through environmentally responsible operations</b></p>	<p>We work to increase the proportion of our operational energy supply from renewable sources and on-site generation. Doing so delivers cost savings, reduces our carbon footprint, and makes our business more resilient to external shifts in energy pricing and supply.</p> <p>We implement new programs and improved practices targeting water conservation and reducing the amount of waste generated by our manufacturing and commercial locations.</p>
<p><b>Maintaining open engagement with community organizations, nonprofits, patients, and health systems</b></p>	<p>We work to open the dialogue across our value chain to listen, learn, and adapt our response to what is right for the community and address issues of inequity worldwide.</p> <p>Our new Health Equity Advisory Committee (HEAC) in the U.S. shares best practices on customer engagement and collaborates to help shape strategy and solutions that will be scalable and sustainable and have a measurable impact.</p>
<p><b>Meeting customer demand for more sustainable products and services</b></p>	<p>We prioritize product quality, safety, and reliability and seek opportunities to reduce product environmental footprint at every life cycle stage.</p> <p>We align our product stewardship activities with relevant standards and regulations, including working to minimize the use of materials of concern as defined under a variety of global regulatory requirements.</p>



# Stakeholder engagement

Collaboration and communication are essential to carrying out our Mission. We talk to, work with, and learn from our stakeholders and peers in several ways to amplify our impact, understand and share expectations, and be held accountable for our actions and outcomes. Specifically, we:

- Share information, hold ourselves accountable, and seek feedback on our approach and performance.
- Communicate our expectations and standards to employees, suppliers, and partners.
- Share expertise and knowledge through training and capacity building.
- Provide support through Medtronic Foundation programs, volunteerism, giving, disaster relief, and other channels.
- Work with others to develop new products and broaden healthcare access.

The following tables share examples of stakeholder engagement in FY22 and resulting outcomes. Further examples are provided throughout this report.

## KEY FY22 STAKEHOLDER ENGAGEMENT

Stakeholder	Activities	Outcomes
<b>Healthcare professionals and administrators</b>	Invested \$69 million in healthcare professional training	Trained more than 350,000 medical professionals Trained physicians on our life-saving technologies, even when travel was restricted, with Medtronic Mobile Labs
<b>Patients and patient advocacy groups</b>	Spent \$6.7 million on education for patients Launched the Medtronic Discovery app, designed to recruit participants, communicate with them, and collect data throughout large-scale clinical studies conducted remotely	Helped patients stay up to date with current treatments and technology to help them achieve better outcomes
<b>Shareholders</b>	Held quarterly calls about business health, including updates to our innovation pipeline and ongoing response to global issues Conducted ongoing dialogue with many of our institutional investors and held specific conversations regarding input on governance, executive compensation, and strategic issues Hosted our inaugural ESG Investor Briefing event, where Medtronic leaders discussed key ESG areas important to the company and its investors	Incorporated feedback into our decision-making processes
<b>Suppliers and distributors</b>	Became a member of CDP Supply Chain, a consortium of global companies working to help 40,000 suppliers quantify their greenhouse gas (GHG) emissions and other components of their environmental sustainability measures Piloted a new Supplier Risk Mapping technology tool that allows us to analyze suppliers on risks related to their geographic location, industry, and the amount we spend with them annually	Involved 46 suppliers and 21 category managers in inaugural CDP Supply Chain training programs Evaluated and assigned inherent risk scores to 6,000 of our Tier 1 suppliers

STAKEHOLDER ENGAGEMENT

KEY FY22 STAKEHOLDER ENGAGEMENT

Stakeholder	Activities	Outcomes
<b>Employees</b>	<p>Developed flexible working models for employees</p> <p>Invested \$49 million in employee learning and development, up from \$45 million in FY21</p> <p>Created Environmental Action Group led by employees to educate and share resources on individual behaviors and systemic changes that can improve our environmental footprint</p> <p>Supported learning, community events, and tailored development activities for all dimensions of diversity through our ERGs and Diversity Networks, with 34,000 employees engaged across 75 countries</p>	<p>Offered hybrid-working arrangements to employees as offices reopen</p> <p>Provided employees access to 32,000 learning resources</p> <p>Achieved world class scores for employee engagement and inclusion</p> <p>Received survey feedback that 90% of responding employees feel proud to work at Medtronic</p> <p>Registered 1,000 Environmental Action Group members in seven months</p>
<b>Government regulators and policymakers</b>	<p>Participated in FDA Sterilization Master File Pilot Program</p> <p>Continued working with governments, peers, and other stakeholders to help shape the digital health policy landscape and inform public policies aimed at narrowing disparities in healthcare access</p> <p>Signed a memorandum of understanding with the Vietnam Ministry of Health to elevate healthcare professionals' clinical skill sets in ICU departments and centers, with the aim to train more than 4,000 healthcare professionals in 12 months</p> <p>Participated in a meeting about the Cancer Moonshot initiative launched by U.S. President Biden</p>	<p>Received FDA approval to implement new ethylene oxide process at Steri-Tech site in Puerto Rico</p> <p>Helped with the treatment of over 500,000 patients annually through our partnership with the National Institute of Cardiovascular Diseases in Pakistan</p>
<b>Nongovernmental organizations</b>	<p>Medtronic and the Medtronic Foundation partnered with others to support COVID-19 relief efforts and respond to needs arising from the conflict in Ukraine</p>	<p>Impacted more than 2.2 million people positively through the distribution of over 34 million items of medical supplies, equipment, and personal protective equipment (PPE) to support COVID-19 relief efforts with Medtronic Foundation partners</p> <p>Contributed \$97.1 million, including \$6.7 million to support Ukraine, through Medtronic and the Medtronic Foundation</p>



STAKEHOLDER ENGAGEMENT

KEY FY22 STAKEHOLDER ENGAGEMENT

Stakeholder	Activities	Outcomes
<b>Local communities</b>	<p>Continued to cocreate healthcare delivery with local stakeholders and underserved communities through Medtronic LABS</p> <p>Drove equity within our communities through Medtronic and the Medtronic Foundation partnerships and initiatives led by our employee resource groups (ERGs)</p> <p>Developed a pipeline for STEM careers in local communities through investments in OneTen, the Thurgood Marshall College Fund (TMCF), Multiple Pathways Initiative (MPI), and the Society of Hispanic Professional Engineers (SHPE)</p> <p>Enabled employee volunteerism through the Medtronic Foundation</p> <p>Became members of MedTech Color to expand diversity in clinical trials</p>	<p>Expanded Medtronic LABS Empower Health program throughout Kenya, nearly doubling its current patient impact in the country</p> <p>Launched the Medtronic LABS Shruti model in Bhutan: screened 190,000 children ages 0-14 for hearing loss, fitted 3,700 children for hearing aids, treated 2,300 ear disorders, and removed wax from 47,000 patients</p> <p>Created new internship opportunities and removed four-year degree requirements for some STEM careers</p>
<b>Peers and partners</b>	<p>Partnered with peers, academics, and others to increase access to, and security of, vital therapies and solutions</p> <p>Teamed with Optum, Boston Scientific, and Abbott Laboratories to help launch the new Center for Medical Device Cybersecurity at the University of Minnesota, which will serve as a hub for discovery, outreach, and workforce training</p>	<p>Launched a pilot with Mpirik and Vizient to help more female and ethnically diverse patients receive preventative treatment for cardiac issues</p>



# Contribution to the UN Sustainable Development Goals

We align our ESG efforts to the UN Sustainable Development Goals (SDGs) where we can make the greatest impact. Highlights of FY22 ESG initiatives relevant to the SDGs are shared throughout the report and summarized in the tables.



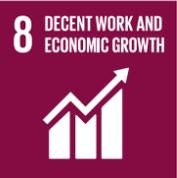
**THE GLOBAL GOALS**  
For Sustainable Development

## KEY FY22 CONTRIBUTIONS TO THE SDGs

SDG	What we do	Our FY22 impact
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>We create breakthrough medical outcomes for patients and health systems and improve access to vital treatments and therapies, transforming the lives of two people every second of every hour of every day. Our efforts transform standards of quality care, drive economic value, and dismantle structural and social barriers to health equity.</b></p>	<ul style="list-style-type: none"> <li>Served more than 76 million patients, helping to address some of the world’s most complex noncommunicable diseases</li> <li>Spent \$69 million on education for medical professionals, training more than 350,000 individuals on cardiovascular disease, cancer, diabetes, respiratory disease, and more</li> <li>Screened more than 1.2 million patients globally since FY16 through Medtronic LABS, working to diagnose and treat chronic conditions such as hypertension, diabetes, and ear disease</li> <li>Advocated for universal healthcare coverage by participating in the UHC2030 Private Sector Constituency and UHC2030 Steering Committee</li> <li>Developed a program with Mpirik and Vizient to help more female and ethnically diverse patients access preventative treatment for cardiac issues</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<p><b>We innovate to improve the health of all women through our therapy design and research. We support female talent through our hiring practices and in our broader ID&amp;E efforts.</b></p>	<ul style="list-style-type: none"> <li>Achieved 42% women representation in global manager-and-above positions in FY22, toward our goal of 45% by FY26</li> <li>Achieved 100% ethnically diverse and gender pay equity in the U.S. and 99% gender pay equity globally</li> <li>Had 30% women representation on our board of directors at the end of FY22; this increased to 36% following a new appointment in June 2022</li> <li>Received employee engagement scores of 81% for women and 80% for men on our Organizational Health Survey</li> <li>Had 20% ethnically diverse representation on our board of directors at the end of FY22; this increased to 27% following a new appointment in June 2022</li> <li>Held inaugural Medtronic Supplier Diversity Conference with more than 200 attendees and approximately 150 one-to-one sessions between diverse-owned suppliers and Medtronic sourcing managers</li> <li>Supported retention of women leaders through third cohort of VP Women’s Sponsorship program</li> <li>Allocated 70% of Medtronic Foundation grants to diverse-led nonprofit partners</li> </ul>

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

KEY FY22 CONTRIBUTIONS TO THE SDGs

SDG	What we do	Our FY22 impact
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>We work to eliminate economic inequities by contributing to sustainable economic growth. We employ and develop talent from underrepresented communities, protect human rights in our supply chain, support diverse suppliers, and extend our economic impact through volunteerism.</p>	<ul style="list-style-type: none"> <li>Spent \$2.7 billion with small and diverse-owned suppliers in the United States and Puerto Rico, supporting more than 29,000 jobs and generating \$4.9 billion in economic production activity</li> <li>Employed 95,000+ people full-time in more than 150 countries, adding more than \$6.3 billion in salary and wages to local economies</li> <li>Achieved 27% ethnically diverse talent in global manager-and-above positions in the United States, toward our goal of 30% by FY26</li> <li>Continued to bring greater attention and a more powerful voice to our employees from underserved populations through our Diversity Networks – in FY22, one in three Medtronic employees were part of a Diversity Network or ERG</li> <li>Provided Responsible Supply Management training to more than 1,300 employees on topics that included labor, human rights, human trafficking, and slavery</li> <li>Audited select high-risk suppliers against our labor standards, including wages and health and safety</li> <li>Joined the <b>Minnesota Business Coalition for Racial Equity</b> to support Black Minnesotans in the workplace</li> <li>Created internships and removed barriers to STEM careers through investments in OneTen, MPI, TCMF, and SHPE</li> </ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>We partner with community experts to build cutting-edge healthcare technologies and promote inclusive and sustainable local innovation. The infrastructure we invest in contributes to a resilient, sustainable health system and fosters the next generation of talent in emerging markets.</p>	<ul style="list-style-type: none"> <li>Invested \$2.7 billion in R&amp;D</li> <li>Invested in a new innovation campus in Colorado, United States that will bring together 1,100 employees to further expand our R&amp;D capabilities</li> <li>Received Best in Show at the 2021 <b>Medical Design Excellence Awards</b> for the LINQ II™ Insertable Cardiac Monitoring (ICM) System, and the Medical Device and Diagnostic Industry Readers' Choice award for the CareLink SmartSync Device Manager</li> <li>Signed a memorandum of understanding with the Vietnam Ministry of Health to elevate healthcare professionals' clinical skill sets in ICU departments and centers, with the aim to train more than 4,000 healthcare professionals in 12 months</li> <li>Advanced our product pipeline with 200-plus product regulatory approvals in major geographies†</li> <li>Developed a program with Mpirik and Vizient to help more female and ethnically diverse patients access preventative treatment for cardiac issues</li> </ul>

† Major geographies include China, Europe, Japan, and the United States.



CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

KEY FY22 CONTRIBUTIONS TO THE SDGs

SDG	What we do	Our FY22 impact
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>We strive to maximize patient safety and reduce the environmental footprint of our operations, product design, and manufacture.</p>	<ul style="list-style-type: none"> <li>Collected more than 6.2 million products and diverted 280 metric tons of product waste from landfill</li> <li>Empowered each facility to set and achieve their own energy reduction goals in line with overall corporate goals</li> <li>Launched Sustainability Development Center to reduce packaging waste</li> <li>Formed a new Patient Safety and Risk Board – composed of senior medical, quality, and regulatory corporate leaders – to evaluate and advise on safety and quality issues</li> </ul>
 <p>13 CLIMATE ACTION</p>	<p>We recognize the connection between a healthy planet and human health, and we work to find innovative ways to reduce our carbon footprint.</p>	<ul style="list-style-type: none"> <li>Set new ambition to be net zero across our value chain by FY45</li> <li>Developed a Decarbonization Roadmap to plan for carbon reductions over time</li> <li>Reduced operational carbon emissions intensity 35% compared to our FY20 baseline</li> <li>Continued working toward carbon neutrality in our operations by FY30, including sourcing 16% of our energy from renewable and alternative sources compared to our FY20 baseline</li> </ul>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>To drive greater collective change inside and outside the health system, we partner with businesses, the UN, health systems, and local governments.</p>	<ul style="list-style-type: none"> <li>Continued using the UN Economic Commission for Europe self-assessment tool for “people first” public-private partnerships to help us evaluate our partnerships against key issues, such as access and equity, fiscal and environmental sustainability, replicability, and stakeholder engagement</li> <li>Engaged in partnerships with nonprofits and governments via Medtronic Foundation to improve lives for underserved and underrepresented populations worldwide and supported communities in which Medtronic employees live and give, including the investment of \$16 million to address racial disparities and advance social justice in the United States</li> <li>Continued partnering with peers, innovators, healthcare systems, and others globally to deliver solutions matched to local need and develop new approaches to increasing access to our treatments, for example, our affiliation with MedTech Color through which we foster racial and ethnic diversity in Medtronic clinical trials</li> </ul>



# Environmental sustainability

Staying true to our Mission to improve human welfare depends on a healthy environment that can sustainably support human life. We are committed to doing our part to reduce our environmental impact by setting ambitious goals to achieve net zero emissions and minimize our natural resource consumption. Our facilities and sustainability programs streamline our operational resource use. Externally, we are working with our suppliers to help them measure and reduce their emissions.

- FY22 environmental sustainability highlights 27
- Climate risk and resilience 28
- Reducing our operational footprint 30
- Product stewardship 37

ENVIRONMENTAL SUSTAINABILITY

# FY22 highlights

## Net zero

announced our ambition to balance our greenhouse gas emissions produced and removed from the atmosphere across Scopes 1,2, and 3 by FY45

### 14%

reduction in our water use intensity compared to our FY20 baseline, achieving our goal of 15% by FY25

## Assurance

completed by a third-party of our FY22 greenhouse gas and water data

## Scope 3

emissions management and tracking by joining the CDP Supply Chain, a consortium of global companies aimed at helping quantify the environmental footprint of suppliers

### 35%

reduction in our operational greenhouse gas emissions intensity compared to our FY20 baseline, toward our goal of 50% by FY25

### 15%

reduction in our waste intensity compared to our FY20 baseline, nearing our goal of 15% by FY25

### 18

completed contracts for new renewable generation projects that will provide an additional capacity of 56,700 MWh per year

### 9%

reduction in our energy intensity compared to our FY20 baseline, toward our goal of 20% by FY25

### 16,500

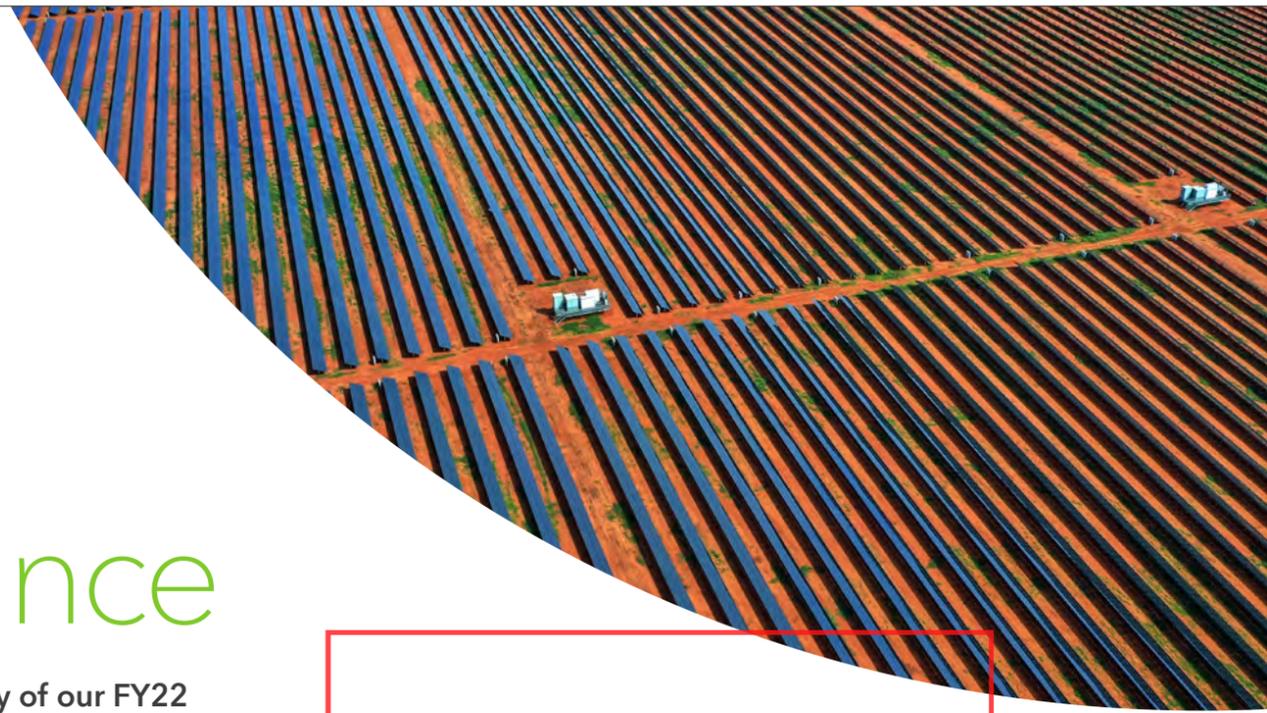
MWh of energy and \$2.9M in operating costs saved annually through energy efficiency projects

### 6M+

products taken back, diverting more than 280 metric tons of waste from landfills

Partnered with England's National Health Service and the U.S. National Academy of Medicine to find ways to reduce the healthcare industry's carbon emissions

Launched the Sustainability Development Center to lead efforts to reduce waste and eliminate targeted chemicals of concern in product packaging



## ENVIRONMENTAL SUSTAINABILITY

# Climate risk and resilience

Medtronic serves over 150 countries around the world, addressing pervasive health problems with our innovative technologies. The acceleration of climate change poses serious threats to communities worldwide and exacerbates poor health outcomes. These include disease, migration, and food scarcity caused by more extreme droughts, floods, storms, and fires. In its most recent Global Risks Report, the World Economic Forum found that “climate action failure” ranked as the most severe global risk throughout the next 10 years.

To reduce our environmental footprint and mitigate these risks to our business, we adopted an enterprise strategy to drive coordinated action across the company to help address climate change.

### Adding business value

Understanding the potential impacts of climate change helps us adapt as global circumstances evolve and prepare for possible business disruption, making us more resilient in the long term. At the same time, we are committed to doing our part to combat climate change. We are working to reduce emissions and have set an ambition to be net zero by FY45. Through identifying the most efficient roadmap to net zero, we can reduce the cost of this transition to our business while continuing to develop life-saving technologies.

Image taken by Andrew Juelich in Torres Del Paine, Chile. Andrew is an EHS Specialist at Medtronic and winner of our Environmental Action Group Earth Week photo contest.

## CLIMATE RISK AND RESILIENCE

# Net zero

In FY22, we announced our ambition to achieve net zero emissions across Scopes 1,2, and 3 by FY45.

As a global healthcare technology leader committed to delivering better outcomes for patients around the world, we are mindful of how climate change can affect our business, the healthcare industry, and the millions of patients we serve, both today and in the future. Limiting our impact on the environment is a priority.

In FY22, we announced our ambition to achieve net zero emissions across Scopes 1, 2, and 3 by FY45. This decision was driven, in part, by our partnerships with England's National Health Service and the U.S. National Academy of Medicine to help reduce the healthcare industry's impact on the environment. To achieve this ambition, we created a **Decarbonization Roadmap** that outlines our focus areas – operations, supply chain, and logistics – where we intend to set reduction targets through the Science-Based Targets initiative (SBTi). Read more about the roadmap and the steps we are taking to reduce our emissions on page 31.

To learn more about our climate-related risks and opportunities, read our **FY22 Task Force on Climate-Related Financial Disclosures (TCFD) report**, **2022 CDP Climate disclosure**, and **Corporate Climate Change Statement**.



Lord Prior (left) and Geoff Martha, Medtronic Chairman and CEO (right)

## Leading for a greener healthcare industry

Globally, the healthcare industry is responsible for 4.5% of carbon emissions, and that percentage jumps to 8.5% in the United States. Recognizing the need to be part of a collaborative solution, Medtronic partnered with England's National Health Service (NHS) and the U.S. National Academy of Medicine (NAM) in FY22 on initiatives to reduce carbon emissions in the healthcare industry. Through our memberships in the International Leadership Group for a Net Zero NHS and the NAM Action Collaborative to Decarbonize the U.S. Health Sector, we are actively fostering climate ambitions and sharing learnings that drive broader greenhouse gas emissions reductions.

ENVIRONMENTAL SUSTAINABILITY

# Reducing our operational footprint

We are committed to implementing policies and responsible practices to minimize operational impacts on the environment and play our part in safeguarding the planet. Guided by our **Environmental Health and Safety (EHS) Policy** and EHS management system, our Global EHS and Energy teams lead our coordinated enterprise strategy focused on using resources responsibly and reducing the energy, emissions, water, and waste footprints of our operations.

## Adding business value

Proactively managing our carbon footprint and natural resource use enables us to manufacture products more efficiently; increase the resiliency of our supply chain; and meet the expectations of our global stakeholders on environmental issues.

35%

reduction in operational greenhouse gas (GHG) emissions intensity compared to our FY20 baseline, toward our goal of 50% by FY25

14%

reduction in water use intensity compared to our FY20 baseline, nearly achieving our goal of 15% by FY25

9%

reduction in energy intensity compared to our FY20 baseline, toward our goal of 20% by FY25

16,500

MWh of energy saved per year through our energy reduction efforts, reducing our annual operating costs by \$2.9M

REDUCING OUR OPERATIONAL FOOTPRINT

Environmental goals

We continue to pursue our FY25 performance goals to reduce our environmental footprint. Our goals are focused on the areas of GHG emissions, energy, water, and waste intensities - measured against an FY20 baseline.

PROGRESS TOWARD OUR GOALS

(Compared to FY20 baseline†)

	FY22 progress	FY25 goal
Reduction in GHG emissions intensity‡	35%	50%
Reduction in energy intensity	9%	20%
Energy sourced from renewable and alternative sources	16%	50%
Reduction in waste intensity	15%	15%
Reduction in water usage intensity	14%	15%

† FY20 baselines are: GHG emissions intensity 10.67 metric tons CO<sub>2</sub>e/\$ million revenues; energy use intensity 29.43 MWh/\$ million revenues; energy sourced from renewable and alternative sources 121 MWh/14% (excluding RECs/offsets); total waste intensity 1,170 metric tons/\$ billion revenues; and water use intensity 65 cubic meters/\$ million revenues.

‡ The percent reduction includes actual reductions and purchased credits, normalized by revenue.

Note: In FY22, we adjusted our FY20 GHG baseline from 9.60 metric tons CO<sub>2</sub>e/\$ million to 10.67 metric tons CO<sub>2</sub>e/\$ million to reflect the corrections found during our program assessment and assurance review. Our FY22 data was assured by ERM CVS.

Curbing emissions and energy use

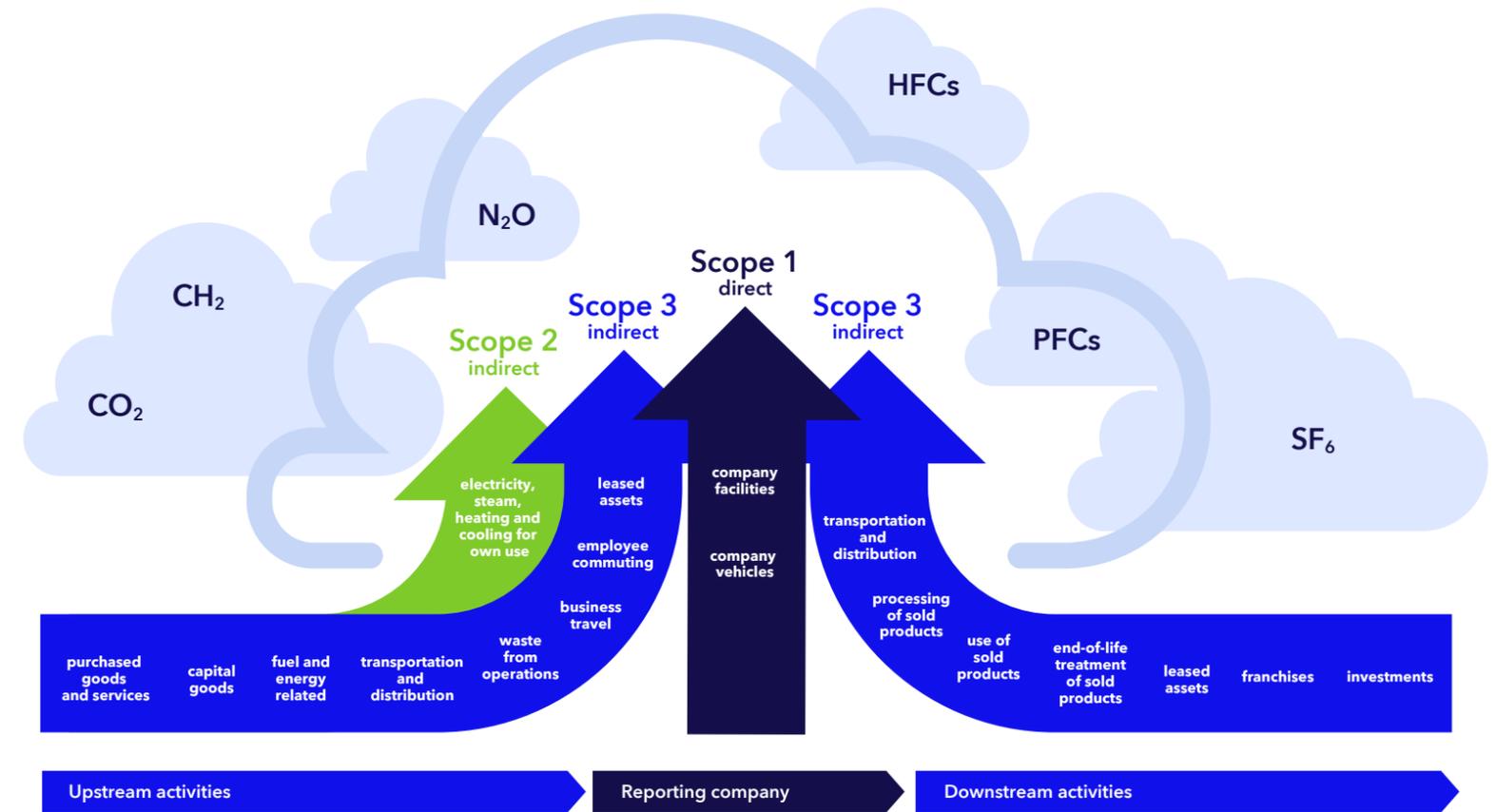
Net zero and decarbonization

In FY22, we announced our ambition to achieve net zero GHG emissions across our value chain by FY45. This aspiration builds on the goals we set in FY20 to be carbon neutral in our owned and operated facilities by FY30. Our FY30 carbon neutral goal covers our Scope 1 emissions (facility and fleet fuel use) and Scope 2 emissions (operational electricity consumption), while our FY45 net zero ambition includes the Scope 1 and 2 emissions plus the Scope 3 emissions generated by activities outside our direct control that are related to our business.

A coordinated enterprise strategy to meet our net zero ambition is in development, guided by our **Decarbonization Roadmap**. Established in FY22, this roadmap aims to reduce emissions across our value chain through three focus areas:

- Operational carbon neutrality by FY30** - we plan to neutralize our Scope 1 and 2 emissions by increasing energy efficiency and transitioning to cleaner electricity.
- Supply chain GHG emissions reduction** - we will reduce our Scope 3 emissions by establishing science-based targets, adjusting purchasing criteria, collaborating with suppliers through CDP Supply Chain, and more.
- Ongoing logistics improvements** - we will reduce our Scope 3 emissions through innovation in packaging, shipping, fuels, and vehicles and by working with aligned carriers.

SCOPE 1, 2, AND 3 EMISSIONS



- Scope 1**  
All direct GHG emissions from fuels and refrigerants
- Scope 2**  
Indirect GHG emissions from consumption of purchased electricity, heat, or steam

- Scope 3**  
Other indirect emissions, such as the extraction and production of purchased materials and fuels, procured transport-related services, electricity-related activities (e.g., T&D losses) that are not covered in Scope 2, outsourced activities, waste disposal, etc.

Source: Greenhouse Gas (GHG) Protocol

REDUCING OUR OPERATIONAL FOOTPRINT

GHG emissions

Our combined Scope 1 and 2 GHG for FY22 were approximately 285,000 MT CO<sub>2</sub>e – a nearly 5% absolute decrease from last year and approximately a 10% decrease in intensity over the same period. FY22 is the first year our emissions data has been externally assured by ERM CVS.

Supply chain

In FY22, we became members of CDP Supply Chain, a consortium of more than 280 global companies, representing a combined spend of \$6.4 trillion, working to help 40,000 suppliers quantify their GHG emissions. We asked our top 101 suppliers by managed spend to measure and disclose their GHG emissions through CDP, with support from CDP and Medtronic. The CDP membership will help us better understand our Scope 3 emissions related to our suppliers and inform the development of our science-based targets. The process will also help suppliers identify climate risks and opportunities to reduce their climate impact. More broadly, it will improve supply chain transparency and encourage broader GHG emissions disclosure and reduction.

In early FY23, we held training webinars to support suppliers as they began the CDP disclosure process. The next steps in the process include calculating and disclosing emissions, setting reduction targets, and facilitating collaboration between suppliers and customers to reduce emissions. We look forward to sharing more about this initiative as it develops. To learn more about how we assess the environmental footprint of our suppliers, read Supply chain responsibility.

GHG emissions (absolute)<sup>†</sup>  
MT CO<sub>2</sub>e (thousands)



GHG emissions (intensity)<sup>†</sup>  
MT CO<sub>2</sub>e/\$ million revenue



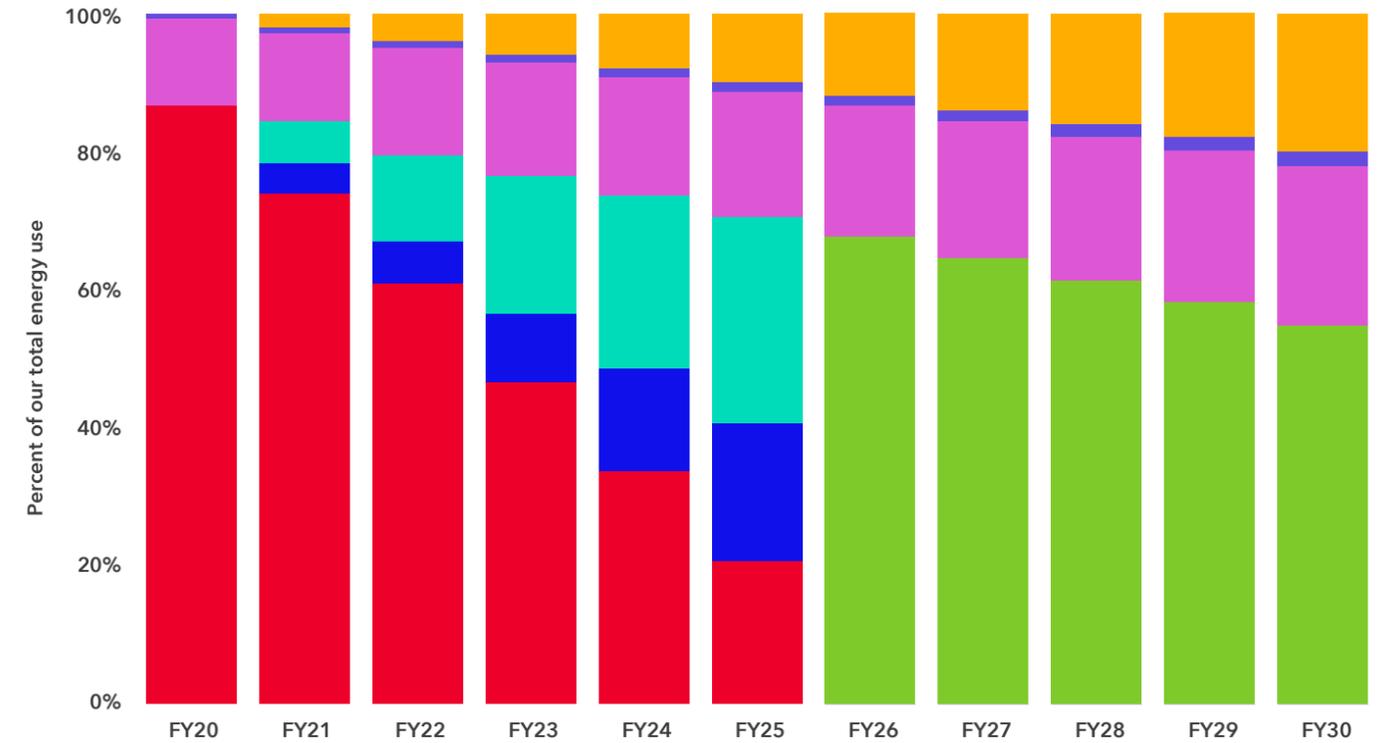
- Scope 1 (natural gas, fuels, refrigerants)<sup>‡</sup>
- Scope 2 (electricity, district cooling)

<sup>†</sup> Totals may not add up due to rounding. FY22 data has been externally assured by ERM CVS.  
<sup>‡</sup> FY20 and FY21 data has been recast due to improvements in how we track and calculate our GHG emissions.

35%

reduction in GHG emissions intensity compared to our FY20 baseline

OUR PATH TO CARBON NEUTRALITY



- Energy efficiency
- On-site renewables
- Electric utility renewables
- e-green certified credit (electric)
- Carbon offset (fuel)
- Virtual power-purchase agreements
- Fossil fuel energy

## REDUCING OUR OPERATIONAL FOOTPRINT

### Energy management

We continuously look for opportunities to improve energy efficiency, identifying ways to reduce energy use across operations globally. In FY22, we completed more than 60 energy efficiency projects, including updating HVAC systems and chilled water pumps and installing variable frequency drive pumps to more efficiently power pumps and fans in our buildings. These projects resulted in an annual savings of 16,500 MWh of energy and \$2.9 million in operating costs.

As our energy management work has matured, we have completed many near-term priority efficiency projects. We are now turning our focus to longer-term projects, leveraging the wealth of data we collect on our operational energy use. Teams on-site at our facilities include energy reduction in their overall site goals, informed by monthly scorecards they receive on their energy usage. The Global Energy and Corporate EHS teams oversee the program, providing each facility with guidance on best practices and sharing success stories. We expect this data-driven phase to deliver significant efficiency gains over time.

### Renewables and on-site generation

Our long-standing commitment to sourcing and generating renewable energy predates our net zero strategy and forms a key component of our path to carbon neutrality. We have adopted a diversified portfolio of low-carbon energy sources by purchasing green electricity from the grid, generating our own renewable electricity on-site, leveraging renewable energy credits and carbon offsets, and pursuing virtual power-purchase agreements (VPPAs).

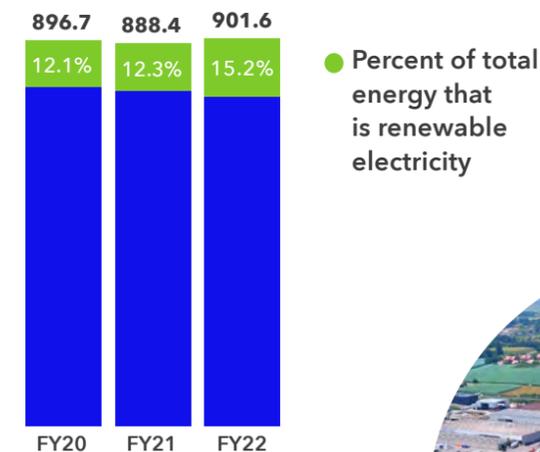
In FY22, we used more than 136,600 MWh of renewable electricity – accounting for nearly 26% of our total electricity usage. One of our newest on-site renewable projects in Galway, Ireland, generates roughly 20% of its total energy demand through a rooftop solar array. In FY22, we completed contracts for 18 new renewable generation projects that will go live in FY23, providing an additional capacity of 56,700 MWh per year. We also generated more than 70,000 MWh of energy on-site, a decrease of 13% compared to FY21. This decrease is primarily due to the temporary retirement of our North Haven, Connecticut, cogeneration capability

while it is updated to increase the site’s power resiliency. Our carbon offset and renewable energy credit purchases amounted to more than 25,600 MT CO<sub>2</sub>e and 108,200 MWh, respectively.

We continue to deepen our commitment to clean energy through longer-term projects, such as funding larger on-site renewable projects and accelerating our transition to PPAs and VPPAs. In FY22, we added a new approach to our sourcing strategy: transitioning fossil-fuel-powered equipment, like HVAC and refrigeration systems, to electric power.

### Energy use

MWh (thousands)



### ENERGY CONSERVATION

	FY20	FY21	FY22
Energy conservation projects (#)	79	82	63
Energy conservation savings (MWh/year)	20,920	18,450	16,500
GHG emissions avoided (MT)	14,791	12,657	11,972
Savings from energy rebates (\$ million)	1.1	0.9	0.7
Operating cost savings (\$ million)	2.8	2.2	2.9

### Powering up in Galway

One of our newest on-site renewable projects launched at our Mervue facility in Galway, Ireland. The facility boasts 1,000 solar panels, a rooftop array that will generate 340 MWh of electricity annually – enough to cover approximately 20% of the site’s total electricity demand.

### Medtronic Switzerland turns water into energy

Our facility in Tolochenaz, Switzerland, completed and launched its aquathermal energy project in FY22. Medtronic partnered with an energy firm and the municipality to carry out the highly sophisticated project, which involved installing a complex system of underwater and underground pipes. The system pumps water from a nearby lake through the pipes to provide renewable heating and cooling to Medtronic facilities.



REDUCING OUR OPERATIONAL FOOTPRINT

OPERATING ON-SITE ENERGY CAPABILITIES

Type of project	Installation date	Energy generated (per year) (MWh)	Location
Cogen	2011	3,723	Athlone, Ireland
Cogen	2012	2,234	Mirandola, Italy
Trigen	2020	8,322	Mirandola-Bellco, Italy
Solar	2013	286	Santa Rosa, CA
Solar	2018	112	Tijuana, Mexico
Solar	2018	130	Mirandola-Bellco, Italy
Solar	2020	29	Galway, Ireland
Solar	2020	130	Tolochenaz, Switzerland
Solar	2020	585	Mystic, CT
Solar	2020	7,500	Juncos, Puerto Rico
Fuel cell	2013	3,329	Santa Rosa, CA
Fuel cell	2017	12,483	Northridge, CA
Fuel cell	2018	4,161	North Haven, CT
Fuel cell	2020	17,520	North Haven, CT
Aquathermy	2022	9,986	Tolochenaz, Switzerland

**Cogen:** Cogeneration plants produce electricity and heat, creating two useful forms of energy from a single fuel source.

**Trigen:** Trigeneneration plants function similarly to cogen, but additionally channel energy into cooling. Also called combined chilling, heat, and power.

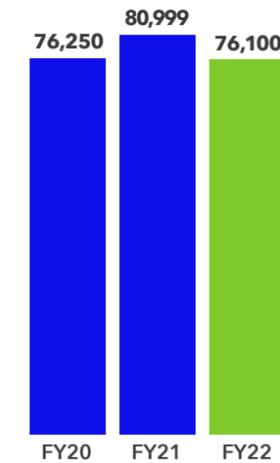
**Fuel cell:** A fuel cell converts the energy from a chemical reaction into electricity.

**Aquathermy:** Aquathermy systems use thermal energy from bodies of water to heat or cool.

UNDER CONSTRUCTION OR IN DEVELOPMENT, ON-SITE ENERGY CAPABILITIES

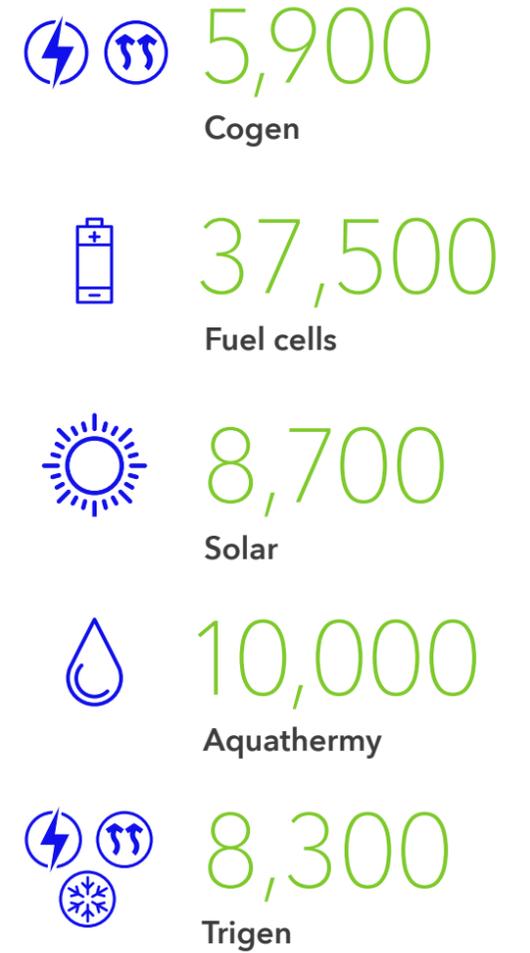
Type of project	Installation date	Energy generated (per year) (MWh)	Location
Trigen	2022	7,446	Juncos, Puerto Rico
Trigen	2022	7,446	Humacao, Puerto Rico
Trigen	2022	7,446	Villalba, Puerto Rico
Trigen	2022	7,446	Ponce, Puerto Rico
Solar	2022	1,300	Mounds View, MN
Solar	2022	260	Tolochenaz, Switzerland
Solar	2022	455	Galway, Ireland
Solar	2022	1,300	Fridley, MN
Solar	2022	450	San Isidro, Dominican Republic
Solar	2022	2,600	Rice Creek, MN (On-site gardens)
Solar	2023	1,300	North Haven, CT
Solar	2023	1,350	Santa Ana, CA
Solar	2023	650	Danvers, MA
Solar	2024	1,500	Humacao, Puerto Rico
Solar	2024	1,500	Villalba, Puerto Rico
Solar	2024	3,000	Ponce, Puerto Rico

On-site energy generation MWh



† The decrease in on-site energy generation from FY21 to FY22 is primarily a result of the temporary retirement of our North Haven, Connecticut, cogeneration capability. We are currently repurposing these units to increase the site's energy resiliency and reduce power disruptions.

Operating on-site energy generation MWh - by source



## REDUCING OUR OPERATIONAL FOOTPRINT

### Water use and waste

We are always looking for ways to reduce water use and waste footprints by focusing on efficiency, minimization, and infrastructure projects across our operations.

#### Conserving water

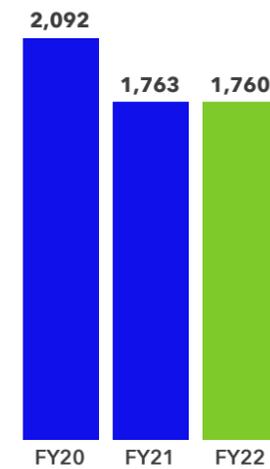
Although our operations are not generally water intensive, we recognize the global issue of water scarcity and the potential for water availability to become a critical issue in some regions. For this reason, we track water use at all our owned sites. In FY22, we used 1.76 million cubic meters (m<sup>3</sup>) of water, achieving a 14% reduction in water use intensity compared to our FY20 baseline toward our goal of 15% by FY25. FY22 is the first year our water data has been externally **assured** by ERM CVS.

To help us focus our water conservation efforts in the locations with the highest water risk, we conduct a biennial water stress assessment using **WRI's Aqueduct** tools to identify locations that may be impacted by water stress now or in the future. In FY22, we conducted our third assessment on sites that use three million or more gallons of water per year. The results of this assessment were shared with relevant internal stakeholders from facilities, EHS, and business continuity and risk management for planning purposes. All of our manufacturing facilities have set water reduction goals.

More detail on our water use is available in our [2022 CDP water disclosure](#).

#### Total water use

Cubic meters (thousands)



Note: FY22 water data was externally **assured** by ERM CVS.

### Reducing waste

We continue to follow all local, regional, and national laws and regulations governing the management of hazardous and non-hazardous waste. In FY22, we generated approximately 32,000 MT of waste, a 15% reduction in waste intensity compared to our FY20 baseline, reaching our FY25 goal.

Although we made significant progress toward our FY20 waste intensity goal, our absolute waste increased 5.4% over FY21. The increase is primarily due to manufacturing locations continuing to operate throughout the pandemic with increased frequency of cleaning activities and the added use of personal protective equipment. Our recycling rate remained consistent in FY22 compared with the previous year, at 49% of the total waste generated.

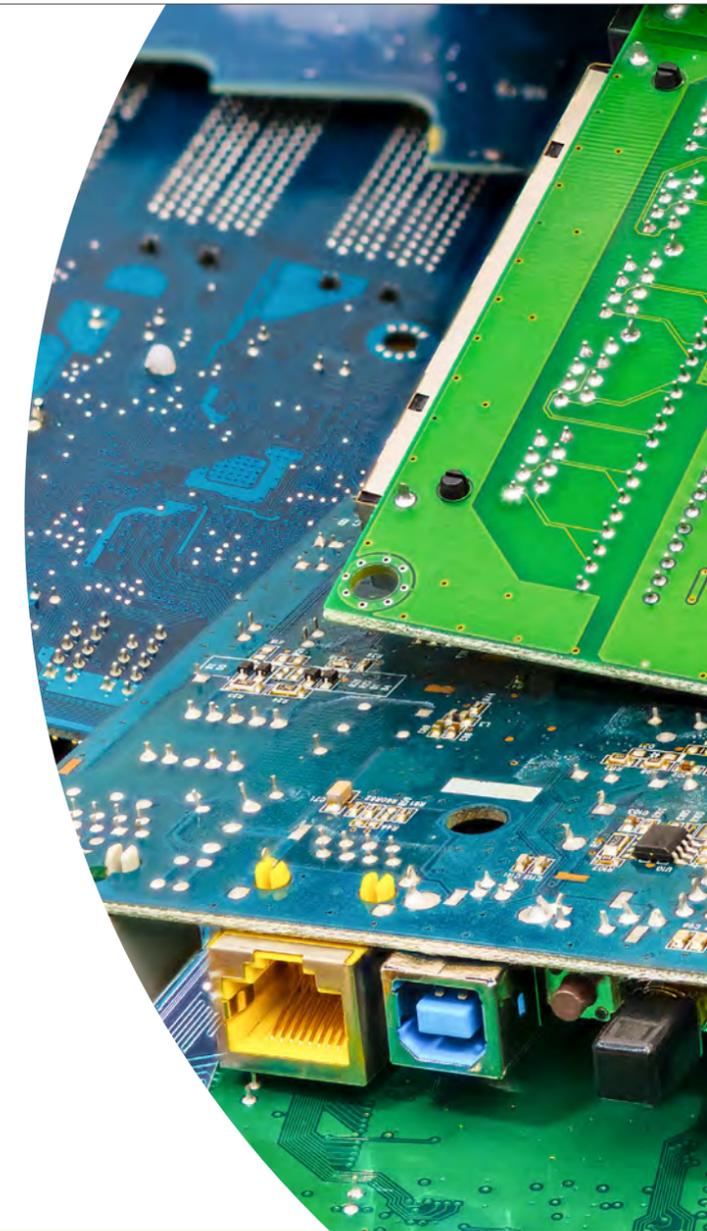
We proactively manage hazardous waste to prevent negative impact to the environment and reduce liability risks. For example, our Australia and New Zealand (ANZ) region recently partnered with an e-waste recycler to repurpose obsolete equipment. To ensure our vendors meet or exceed our standards, we monitor their waste management processes before contracting and throughout our relationship.

#### Total waste generated

Metric tons



Note: Nonregulated waste accounts for nearly 90% of total waste, so in FY20, Medtronic moved to a total waste reduction goal by FY25.



### Recycling e-waste in Australia

Medtronic ANZ partnered with Hoxton Industries, an e-waste recycler and social enterprise that employs disadvantaged individuals to safely dismantle and repurpose obsolete Medtronic equipment. In our first full year, we diverted over 220 metric tons of equipment from landfill through the partnership.

## REDUCING OUR OPERATIONAL FOOTPRINT

### Regulatory compliance

Aligned to our commitment to environmental, health, and safety compliance at our sites, we completed several milestones in FY22, beginning with earning ISO 14001 certification for 13 manufacturing sites and earning ISO 45001/OHSAS 18001 certification for two manufacturing sites. We also enhanced our audit program to ISO standards to ensure that all our locations comply with the Medtronic environmental performance management system and local, regional, and national regulations. Audits are conducted on-site and virtually every three or more years, depending on the site's activities. In FY22, we launched a new self-assessment audit program designed to equip site leads with tools to identify and correct potential cases of noncompliance.

We also underwent 28 environmental compliance inspections by relevant authorities. While there were no findings in 27 of the inspections, one agency review resulted in a notice of noncompliance for minor violations that were corrected on-site with no downtime.

We continue to manage 26 cleanup sites where remediation is required due to historical discharges that were permissible during past operations. Two of these sites are included in our ongoing operations, though many result from historical acquisitions. Twenty-two are multiparty sites, meaning Medtronic entities are one of multiple potentially responsible parties addressing site remediation under the applicable state or federal program. Nine have been designated as Superfund sites.

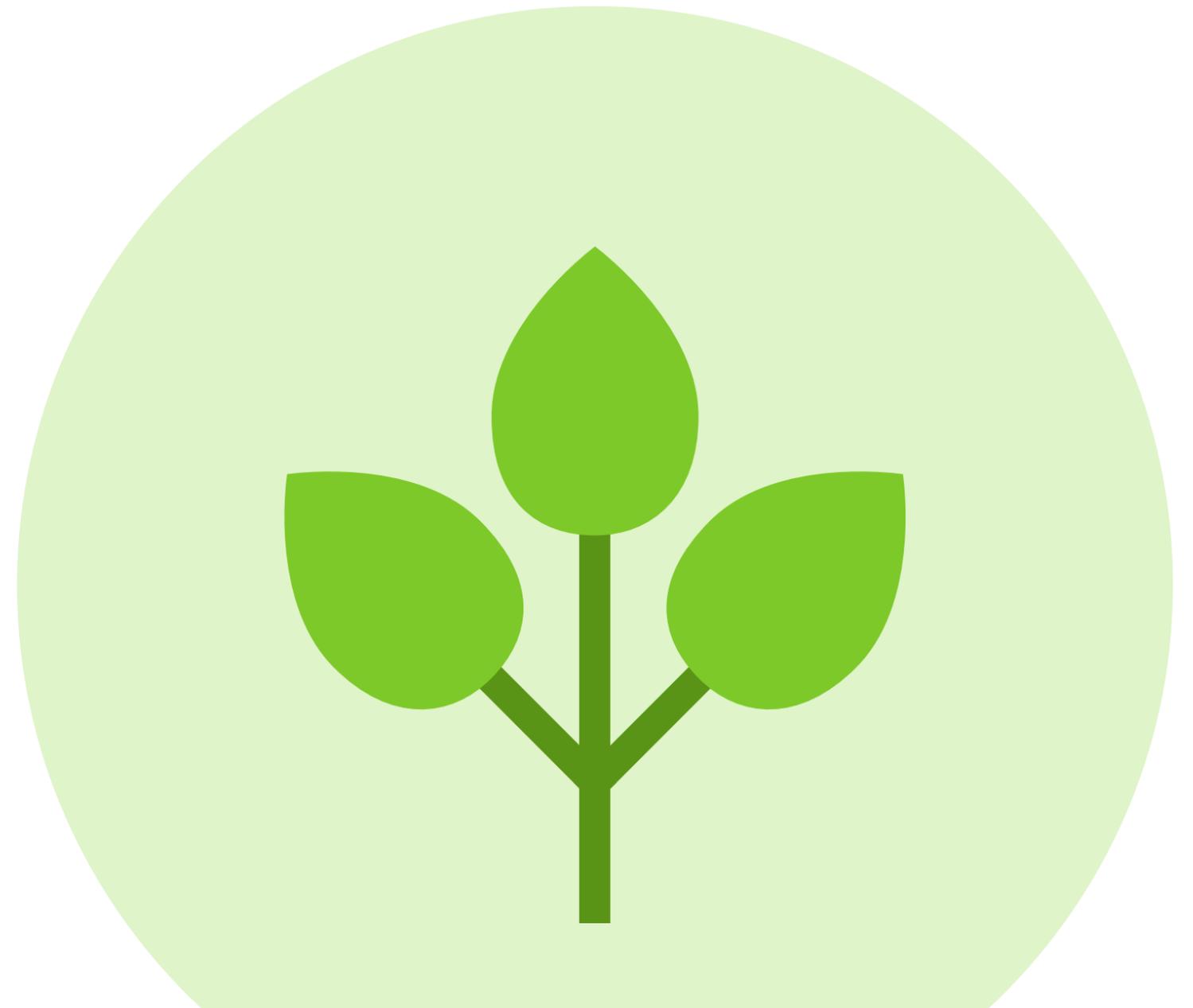
### Environmental sustainability assurance

As part of our efforts to drive continuous improvement and provide transparency, Medtronic retained an accredited and competent independent organization, ERM CVS, to assess and verify the environmental sustainability data in our FY22 Integrated Report, our **FY22 CDP Water Security disclosure report**, and our **FY22 CDP Climate Change disclosure report**.

The assessment revealed previously undisclosed GHG emissions sources and long-standing accounting errors pertaining to our calculation of GHG emissions. Subsequently, Medtronic has upgraded our sourcing data and changed our calculation methodology to reassess our FY20 baseline and FY22 GHG emissions data. These changes are accurately reflected in this FY22 Medtronic Integrated Performance Report and have been amended in our FY22 CDP Climate Change disclosure. Despite these changes having a slightly negative impact on our GHG reduction progress, we remain on track to achieve our FY25 goal to reduce operational GHG emissions intensity by 50% from our FY20 baseline.

Having successfully completed this assessment, we proudly acknowledge the first-time receipt of Letters of Assurance from ERM CVS for the following:

- **FY22 Integrated Performance Report - EHS**
- **FY22 CDP Water Security report**
- **FY22 CDP Climate Change amended report**



ENVIRONMENTAL SUSTAINABILITY

# Product stewardship

Product development at Medtronic prioritizes quality, safety, and full compliance with frequently changing regulations. We also seek to minimize the environmental impact and increase the circularity of our products and packaging to meet stakeholder expectations and our environmental protection goals.

### Adding business value

By achieving the highest standards of quality, safety, and environmental performance in our products, we enhance our reputation and minimize the risk of events that may damage it. With customer focus on product sustainability increasing, we are committed to reducing the environmental footprint of our products and packaging.

### EXTERNAL PRODUCT STANDARDS

We align our product stewardship activities with the following standards and regulations:

California Proposition 65, see [Medtronic disclosures](#)

E.U. Directive on Restriction of Hazardous Substances (RoHS)

E.U. Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH)

E.U. Medical Device Regulation (MDR)

Waste Framework Directive requirements for substances of very high concern, via the SCIP database



PRODUCT STEWARDSHIP

Sustainability Development Center

In FY22, we launched the Sustainability Development Center (SDC). With an aim to reduce waste and eliminate targeted materials of concern, the center focuses on streamlining packaging for high-volume products. The center has already established a core team, set a project roadmap, and began identifying waste and packaging solutions – a firm foundation for its planned continued growth.

The SDC is pursuing two product stewardship targets in FY22:

- By FY25, Medtronic will complete packaging improvements to reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing) compared to a FY21 baseline.
- By FY27, Medtronic will minimize the impact of Instructions for Use (IFUs) through a 35% paper reduction compared to a FY21 baseline.

By the end of FY22, the SDC had selected five product families to target for packaging waste reduction toward our FY25 goal.<sup>1</sup>

Minimizing product impacts

Our goal is to lessen the impact of our products throughout their lifetimes. Although the SDC is our center for packaging innovations, our operating units also devote their expertise to creatively reduce impacts from the products they design.

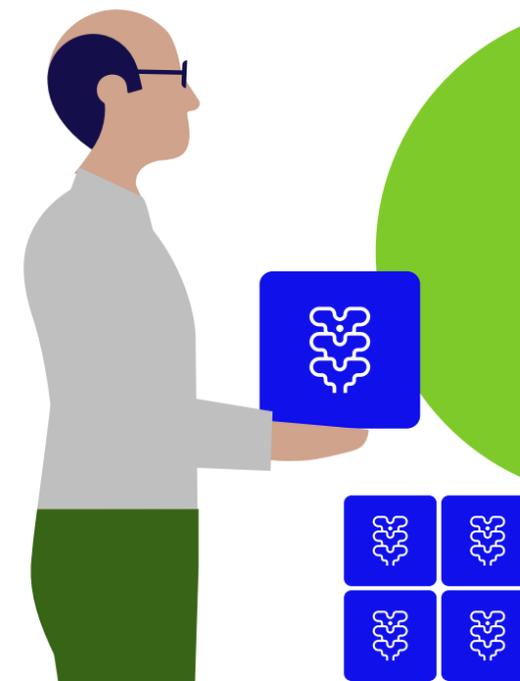
Where feasible, we collect certain products at their end-of-use so they can be safely recycled, refurbished, or reprocessed, as shown in the table right. In FY22, we took back more than 6.2 million products, saving raw materials through remanufacture and diverting more than 280 metric tons of waste from landfill.

280+

metric tons collected through takeback in FY22 and diverted from landfills

PRODUCTS COLLECTED THROUGH TAKEBACK

	FY20		FY21		FY22	
	Number of products	Metric tons	Number of products	Metric tons	Number of products	Metric tons
<b>Nellcor sensors</b>						
Remanufactured	1,782,368	40.0	2,458,752	49.6	4,791,039	130.1
Recycled	3,950,200	87.4	1,174,553	32.3	1,226,952	33.9
<b>Cardiac Rhythm Management patient monitors and accessories<sup>†</sup></b>						
Refurbished and redeployed	101,737	77.5	150,058	109.6	182,344	101.2
<b>Advanced energy project zero collections program for surgical technology</b>						
Energy from waste incineration	341,331	40.7	354,193	41.1	94,814	24.5
<b>Annual totals</b>	<b>6,175,636</b>	<b>245.6</b>	<b>4,137,556</b>	<b>232.64</b>	<b>6,295,149</b>	<b>289.7</b>



Award-winning packaging reduction

The packaging development team in our Cranial and Spinal Technologies operating unit won the Medtronic 2021 EHS Sustainability Award for innovative reductions to waste on three spinal care products. The improvements included shifting from paper to electronic instructions, using fewer standardized components, and enabling product stackability for ease of shipping and storage. The combined environmental savings correspond to a reduction of 143 metric tons of GHG emissions every year.

<sup>1</sup> The product families include: Tri-Staple; Polysorb; Absorbatack; Spinal Implants; and Pulse Oximeter.

<sup>†</sup> FY20 and FY21 data has been recast due to an update in how we calculate product weights and track the number of products collected.

PRODUCT STEWARDSHIP

### Reducing waste for diabetes products

Products made for diabetes treatment can result in large quantities of waste for facilities and patients. To reduce the waste generated, we streamlined the packaging of several of our diabetes products.

- Our InPen™ reusable smart insulin pen lasts up to one year, replacing 1,000 or more disposable plastic syringes.
- The Medtronic Extended infusion insulin tubing set is now designed to be worn for twice as long as a standard set, saving an average of around three to four pounds of plastic per patient every year.
- The MiniMed™ 770G System insulin management software allows for software upgrades that obviate the need for a physical pump change.



### Materials of concern

We closely adhere to global regulations governing the use of materials of concern, as defined under a variety of global regulatory requirements. Materials of concern include substances with the potential - if not managed correctly - to negatively impact people or the environment. Our Materials of Concern policy guides our approach to evaluating and managing materials of concern. We also participate in collaborative programs to find alternatives to, and reduce our use of, materials of concern, such as our involvement in the FDA's Sterilization Master File Pilot Program to reduce the impact of ethylene oxide.

### Lowering the impact of device sterilization

We participated in the **FDA's Sterilization Master File Pilot Program** to explore new ways to sterilize medical devices that reduce the environmental impact of ethylene oxide (EtO). Through innovations developed during the program, we established a process that requires lower levels of EtO. We have received FDA approval to implement this new process at our sterilization site in Puerto Rico for devices used for diabetes and cardiac care. To read more about our approach to using EtO, **visit our website**.



MiniMed™ 770G System is for type 1 ages 2 and over. Prescription required. WARNING: Do not use SmartGuard™ Auto Mode for people who require less than 8 units or more than 250 units of insulin/day. For details, see <http://bit.ly/770gRisks>.

InPen requires a prescription and proper settings, or you could experience highs/lows. See [bit.ly/InPen-Risks](http://bit.ly/InPen-Risks).



# Social impact

Medtronic engineers the extraordinary – life-transforming technology, insight-driven care, and experiences that put people first. Our work makes us a global healthcare technology leader, with the ability and desire to boldly attack the most challenging health problems facing humanity and deliver better outcomes for our world.

To do this, we accelerate access to innovative treatments for underserved communities and invest in capacity building for healthcare professionals and patients. Our philanthropic contributions address inequities in healthcare and education, and we work to promote greater diversity and inclusion among our employees and suppliers. To deliver patient-first healthcare solutions to those who need them most, we work with a resilient and innovative pool of trusted partners.

- FY22 social impact highlights 41
- Global healthcare access 42
- Philanthropy 51
- Inclusion, diversity, and equity 57

- Supporting a global workforce 64
- Patient safety and product quality 72
- Data privacy and security 78
- Supply chain responsibility 80



SOCIAL IMPACT

# FY22 highlights

\$2.7B

invested in research and development

\$69M

invested in healthcare capacity building, reaching 350,000+ medical professionals

100%

ethnically diverse and gender pay equity achieved in the U.S. and 99% gender pay equity globally

\$97.1M

combined philanthropic investment by Medtronic and the Medtronic Foundation

36%

of our U.S. supplier spend, totaling nearly \$2.7 billion, went to small and diverse-owned companies

\$50M

spent on employee learning and development



SOCIAL IMPACT

# Global healthcare access

The global crisis of health inequity can only be solved by accelerating access to healthcare technologies that put people first. We have the pipeline, data, and technology to help solve many of the world’s biggest health issues. By leveraging the power of advanced computing, smallest-size solutions, and hyper-personalization, we can increase access to innovative treatments tailored to unique patient needs.



### Adding business value

Inspired by our Mission and powered by our diverse knowledge, insatiable curiosity, and desire to help all those who need it, we deliver innovative technologies that transform lives. This contributes to our global business growth while also improving clinical, economic, and community-level outcomes for patients worldwide, with a focus on underserved and underrepresented communities.

## \$2.7B

invested in research and development (R&D)

## 200+

product regulatory approvals in major geographies<sup>1</sup>

## 239

active clinical trials

## 350,000+

medical professionals reached through our healthcare capacity building efforts

## 51,000

patients received better clinical and social outcomes since Medtronic LABS was established on April 14, 2016

<sup>1</sup> Major geographies include China, Europe, Japan, and the United States.

GLOBAL HEALTHCARE ACCESS

Technology innovation

Our total R&D expenditure in FY22 was \$2.7 billion, more than 8% of our annual revenue. We make this investment to understand and develop a vast range of leading-edge technologies with potential to improve our products and treatments and create new ones. These include:

- **Emerging technologies** such as edge computing and pressure sensing, and innovations in areas like sensors and biomaterials.
- **Evolving trends** in areas such as regenerative medicine, 3D printing, and augmented reality.
- **New applications** for data analytics, artificial intelligence (AI) and machine learning, robotics, simulation, and modeling.

Our knowledge of evolving and established technologies enables us to deliver life-transforming technology and insight-driven care to tackle the most challenging health problems facing humanity. We also use these technologies to aid research and training. For example, in FY22:

- We increased use of digital twin technology – virtual representations of devices, physiology, or systems that use real-time data, simulation, and machine learning to aid our decision-making on potential innovations.
- We continued to use virtual reality to bring employees and customers together, reduce the need for business travel, and simplify training through use of more than 900 Oculus headsets. One project enables clinicians to practice finding and accounting for all surgical sponges used during a procedure. Other programs

bring physicians together with sales representatives in a virtual operating room to learn to use our products and surgical techniques.

Our Healthcare Innovation team, located at our Innovation Lab, supports our global innovation efforts. This group of technologists, strategists, and designers help Medtronic teams across every operating unit turn innovative ideas into practical solutions, with a focus on human-centered design, high-quality deliverables, and hands-on learning. Each year, the team completes approximately 65 projects, carries out more than 200 user interviews, and trains more than 1,000 Medtronic employees in new skills and creative methodologies.

See the device manuals for detailed information regarding the implant procedure, indications/intended use, contraindications, warnings, precautions, and potential complications/adverse events. For further information, please call Medtronic at 800-328-2518 (Technical Services), 800-551-5544 (Patient Services), and/or consult the Medtronic website at [medtronic.com](https://www.medtronic.com).

**Caution:** Federal law (USA) restricts this device to sale by or on the order of a physician.



GOALS TO EXPAND GLOBAL HEALTHCARE ACCESS

	FY21	FY22
By FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months (vitality index).	17%	19%
By FY25, 85 million patients will be served annually through our increased access strategies.	72 million	76.3 million

OUR INNOVATION PIPELINE

	FY20	FY21	FY22
Total R&D investment (\$ billions)	2.3	2.5	2.7
Clinical studies completed	54	49	51
Active clinical trials during the fiscal year <sup>†</sup>	247	244	239
Product regulatory approvals in major geographies <sup>‡</sup>	-	-	200+

<sup>†</sup> In FY22, we updated this metric from ongoing clinical trials at the end of the fiscal year to active clinical trials during the fiscal year to provide a more meaningful picture. "Active" refers to any study that is recruiting subjects or is in the follow-up phase (all subjects have been recruited, follow-up visits are ongoing) during the fiscal year.

<sup>‡</sup> FY22 is the first year Medtronic is disclosing this metric. Major geographies include China, Europe, Japan, and the United States.

Medical design excellence

At the 2021 **Medical Design Excellence Awards**, we received Best in Show for the LINQ II™ Insertable Cardiac Monitoring (ICM) system and the Medical Device and Diagnostic Industry Readers' Choice award for the CareLink SmartSync™ device manager.

## GLOBAL HEALTHCARE ACCESS

### Research and clinical trials

Our rigorous process of design and development enables us to tailor products and services to unique patient needs. Predictive engineering supported by advanced statistical methodology helps us understand how a product will work in the field, while the use of digital twin systems allows us to model different use scenarios.

We take our most promising innovations through systematic preclinical or clinical trials, always taking a human-centered approach. Throughout the development process, we prioritize safety, effectiveness, patient experience and diversity, and clinical outcomes.

FY22 R&D highlights include:

- Launch of the Medtronic Discovery™ app, designed to recruit participants, communicate with them, and collect data throughout large-scale clinical studies conducted remotely.
- Completion of participant enrollment for the Global Pivotal trial of the PulseSelect™ Pulsed Field Ablation system (PULSED AF) – a global, pre-market, multicenter clinical study that will evaluate this novel breakthrough technology for treating atrial fibrillation.

Launched last year, our technology development centers (TDCs) have continued to grow, providing critical R&D innovation for our operating units. We now have seven TDCs established, advancing technology for the future in the areas of microelectronics, batteries, cardiac and neuromodulation implantables, textiles, robotics, and image-guided navigation.

### New regulatory approvals

In FY22, we had more than 200 product regulatory approvals in major geographies. Highlights include:

- The Hugo™ RAS (robotic-assisted surgery) system received the CE mark in Europe for urologic and gynecologic procedures, which make up the majority of robotic procedures in Europe, and we completed the first general surgery procedures in Latin America and India (below right).<sup>1</sup>
- The Prevail™ drug-coated balloon (DCB) catheter received the CE mark in Europe and is used during percutaneous coronary intervention procedures to treat narrowed or blocked coronary arteries in patients with coronary artery disease (below).
- The NuVent™ Eustachian tube dilation balloon is a manually controlled balloon catheter system that enables surgeons to deliver treatment of chronic, obstructive Eustachian tube dysfunction in an outpatient or office setting.

Read more about our new FY22 approvals in [Medtronic Newsroom](#).

<sup>1</sup> The Medtronic Hugo™ RAS system is commercially available in certain geographies. Regulatory requirements of individual countries and regions will determine approval, clearance, or market availability. In the EU, the Hugo™ RAS system is CE marked. In the U.S., the Hugo™ system is an investigational device not for sale.

### Innovative partnerships

To advance our Mission, we partner with peers, innovators, healthcare systems, and others to deliver solutions matched to local need and develop new approaches to increase access to our treatments.

New FY22 partnerships included:

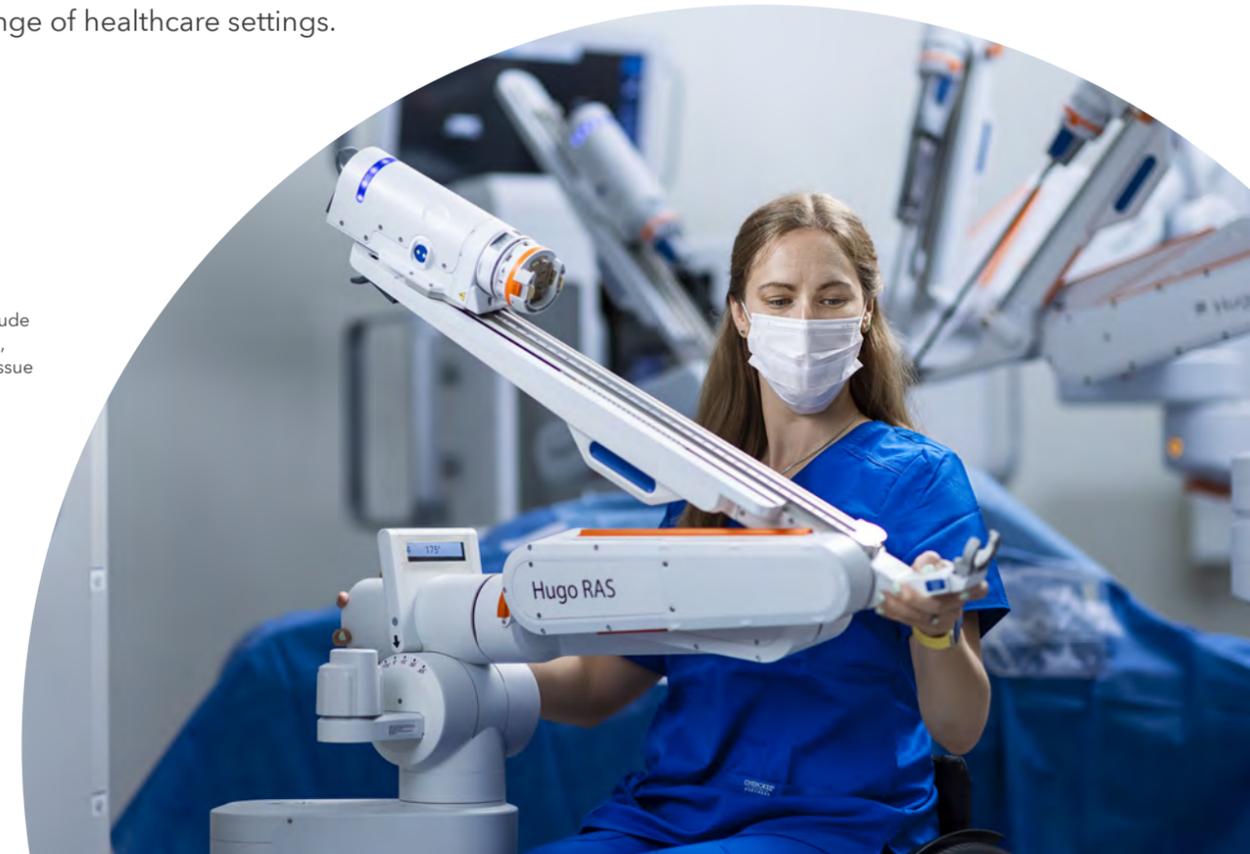
- Public-private partnership (PPP) with Pioneers Technical Systems and Vision 3030 in Saudi Arabia to produce up to 6,000 Puritan Bennett™ 560 (PB560) ventilators annually in Saudi Arabia. These will be the first ventilators and first pieces of capital medical equipment made in the Kingdom.
- Collaboration with Rockley Photonics to develop the next generation of wearable healthcare monitoring devices. This was achieved by adding Rockley's Bioptx™ biomarker-sensing platform to Medtronic offerings for use across a range of healthcare settings.

In FY22, we launched our first Open Innovation Platform (OIP) with support from the Government of Singapore and the Singapore Economic Development Board, enabling multistakeholder strategic collaboration in healthcare technologies. The first OIP initiative was the Medtronic APAC Innovation Challenge (MAIC), which invited innovative startups and businesses across the Asia-Pacific region to submit proposals for medtech and digital health solutions. There were more than 320 ideas submitted across 46 countries. The top five **winners** are now partnering with Medtronic for a commercial pilot.

Investment in innovative companies is another route to increasing access to treatments and therapies. Read about our approach to [acquisitions](#).



Risks may include mild bleeding, pain and/or tissue trauma.



GLOBAL HEALTHCARE ACCESS

Affordable healthcare

Our pricing approach

The Medtronic Mission calls us to engineer the extraordinary – products and solutions that can alleviate pain, restore health, and extend life, but engineering alone cannot make them accessible; they must also be affordable. Our Mission-driven pricing programs and policies account for local circumstances and market dynamics, as well as the product’s value to the healthcare system.

The principles of fairness and sustainability underpin all our pricing models, which are aligned with local market environments. Our Healthcare Economics Policy and Reimbursement (HEPR) function oversees our reimbursement strategy and systems across all our portfolios. HEPR allows us to adapt to local needs by ensuring close coordination and cooperation across operating units and markets.

Value-based healthcare

We focus on delivering value-based healthcare (VBHC) models that improve patient outcomes while reducing the overall cost of care. Rather than receiving payment for a volume of product or therapy, we collaborate with partners to integrate products and services into long-term solutions that elevate clinical and economic outcomes.

Our VBHC collaborations enable practitioners at healthcare systems globally to apply the right therapy at the right time to patients who will benefit most.

For example, last year the Medtronic Diabetes operating unit and two longtime health plan partners, Blue Cross and Blue Shield of Minnesota, achieved an industry first by moving the supply of insulin pumps to the same process used for prescription medications. In the United States, patients pay an average of \$800 out of pocket for an insulin pump while waiting a month or more for approval of an insurance claim. Now, Blue Cross and Blue Shield of Minnesota members with Prime Therapeutics as their pharmacy benefits manager get a prescription from their doctor and pay an average of just \$50 for a MiniMed™ 670G or MiniMed™ 770G system. This has the potential to significantly lower costs for people living with diabetes, reduce paperwork, and make life easier for physicians.

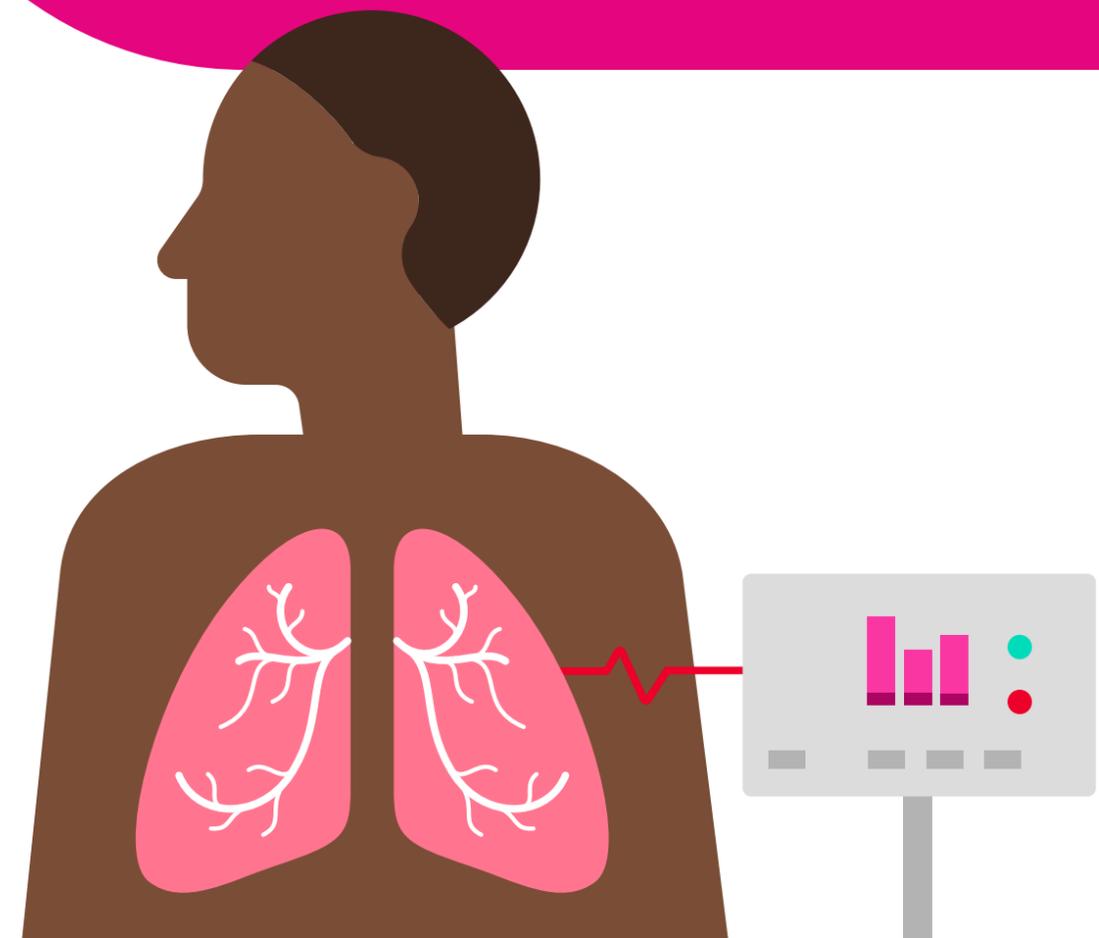
In FY22, we launched a two-year strategic collaboration with GE Healthcare, working with ambulatory surgery centers and office-based labs to help them meet evolving patient needs cost effectively and efficiently. The collaboration features a flexible custom rebate program that enables direct rebates to be earned on Medtronic products and associated capital.

Demonstrating the value of monitoring opioid treatment

Last year, we shared the results of our **PRODIGY trial**, which was designed to assist clinicians in the identification of high-risk patients receiving opioids and reduce the likelihood of complications from respiratory depression.

In FY22, we shared new data from the trial that added an indication of potential economic benefit of continuous capnography and pulse oximetry monitoring of high-risk patients. The model suggested a potential \$535,531 annual savings for a median-sized U.S. hospital and a cumulative patient length of stay decrease of 103 days per year, assuming respiratory depression is decreased by 20%.

Our model suggests that a reduction of just 1.5% in the incidence of respiratory depression would allow hospital systems to recover costs associated with the investment in monitoring.



GLOBAL HEALTHCARE ACCESS

Addressing healthcare disparities

To reduce disparities across global healthcare systems, we work to increase access to life-changing technologies. We develop programs and foster relationships to scale access to our products and services – focusing on prevention, detection, and treatment of noncommunicable diseases in underserved communities.

In FY22, we established the Medtronic Health Equity Advisory Committee (HEAC) in the United States, comprising representatives from across our operating units, Employee Resource Groups (ERGs), and U.S. functions. The HEAC’s purpose is to:

- Share best practices and ensure consistency of customer engagement on health equity.
- Work collaboratively to help shape strategy and solutions that will be scalable and sustainable and have a measurable impact.
- Align on health equity definitions and consistent language, craft a common framework, and maximize data analysis models to promote health equity opportunities.

To date, the HEAC has focused on developing ways to engage and support healthcare customers. This includes agreeing on a common framework to help customers take a community-focused approach designed to address health equity, accelerate access, and remove structural and social barriers to quality care.

Some of our current activities to improve equitable identification, engagement, interventions, and measurement include:

- Education and awareness campaigns on inequities in diabetes care through our Acquire some knowledge (ASK) program.

- Donations through the Medtronic Health Equity Assistance Program for colon cancer screening – see case study right.
- Collaborations with Virtual Health, the Cherry Hill Free Clinic, and Medtronic LABS that work to improve healthcare access and health outcomes. This is achieved by disrupting and reimagining traditional healthcare models with technology for underserved patient communities with chronic conditions in southern New Jersey.
- Partnerships with four local health systems in the U.S. to explore root causes of disparities in access to transcatheter aortic valve replacement (TAVR) among people of color – based on the lessons learned from these local programs, we have defined a roadmap and resources to support a broader base of customers who want to address similar disparities in their local markets.
- Collaboration between Medtronic, Mpirik, and Vizient to pilot electronic health record screening for the identification of sudden cardiac arrest risks, regardless of race or gender.
- Affiliation with MedTech Color, along with internal efforts, to foster racial and ethnic diversity in Medtronic clinical trials.
- Reaffirmation of our commitment to quality outcomes through our memberships with the National Quality Forum and the National Committee for Quality Assurance.

Our **philanthropic activities** also help reduce inequities across healthcare systems and in STEM education.



Reducing inequities in cancer detection

Colorectal cancer is the third most common cancer, excluding skin cancers, and third deadliest cancer among adults in the United States.<sup>1</sup> Black adults are more likely to be diagnosed and subsequently die from the disease. There are also disparities in screenings among different groups, including adults in rural communities. When caught early the survival rate for colorectal cancer is around 90%.

In FY22, Medtronic began a partnership with the American Society for Gastrointestinal Endoscopy (ASGE), with support from Amazon Web Services, to provide colorectal cancer screening technologies in low-income and underserved communities across the United States. The Medtronic Health Equity Assistance Program for colon cancer screening includes a donation of 130 Medtronic GI Genius™ intelligent endoscopy modules (left) to endoscopy centers across the country. These devices aid endoscopists in the detection of polyps that can lead to colorectal cancer.

Deployment of the devices could impact more than 500,000 patients over three years by increasing early detection and diagnosis in underserved communities.

<sup>1</sup> January 12, 2022, American Cancer Society, [Key Statistics for Colorectal Cancer](#)

The device shall not be used as a stand-alone diagnostic device and is not intended to replace clinical decision making.

## GLOBAL HEALTHCARE ACCESS

### Medtronic Care Management Services

**Medtronic Care Management Services** (MCMS) offers at-home remote patient monitoring to help healthcare providers manage patients for chronic conditions, post-surgery or post-hospitalization. The monitoring combines patient engagement technology, clinical monitoring software, care management services, data analytics, and reporting.

In FY22, MCMS increased accessibility and flexibility in its programs by adding bring-your-own-device capabilities<sup>1</sup> to its remote monitoring product portfolio and expanding options for use of peripheral devices. MCMS also began testing digital program enrollment approaches designed to allow patients to get started quickly on their own.

In addition, MCMS is piloting a new comorbid disease management program that allows clinicians to more closely monitor people with diabetes who also have continuous glucose monitoring devices. The aim is to empower patients with self-management education and help clinicians identify hypoglycemic episodes and potentially intervene.

MCMS plans to continue developing a suite of modular, personalized digital health solutions that are integrated into patients' everyday lives and providers' workflows.

### Care access

In developed and emerging markets, we identify barriers to access and quantify treatment needs using our Patient Access Acceleration (PAA) methodology.

This data-driven approach guides our market development strategy and helps identify investment opportunities to remove barriers to access. For example, access may be improved by generating more evidence or expanding economic coverage; capacity building, training, and education; or disease and therapy awareness. Each year, we combine data from thousands of PAA assessments across countries and therapies. We use our learning to improve planning and reduce risks associated with future market development investments. Specifically, we are integrating machine learning models to help predict how many patients could be treated by our therapies and technologies.

Our Patient Access Insights (PAI) consulting service identifies local needs and barriers to access. Around the world, we partner with hospitals to apply PAI to specific services and pathways of care, helping them develop appropriate solutions based on our findings.



### Helping surgeons flourish

Following discussions with surgeons about the challenges they face in their surgery businesses, a member of our Obesity and Metabolic Health team launched an innovative business model to help address the issues of top-line growth, profitability, and operational efficiency.

As part of the Bariatric Business Consulting service, Medtronic diagnoses the surgeon's business challenges. We then develop and help implement customized solutions, which may include solutions like new digital marketing techniques, improved patient pathways, and various kinds of staff training. As the surgeons' businesses grow and treat more patients, we grow with them. Already in 18 countries, the model has helped double our market share in key European, Middle East, and African markets, and we continue to scale it globally.

<sup>1</sup> Patients can use their own iOS and Android devices.

GLOBAL HEALTHCARE ACCESS

Capacity building

We help patients and healthcare professionals stay up to date with current treatments and technology to help them achieve better outcomes and increase access to our products and services. Increasing the number of practitioners employing our therapies, particularly, but not only, in emerging markets, radically expands healthcare access and allows patients to receive treatment in their home countries.

Our global Innovation Centers, with locations in South Korea, Turkey, and beyond, provide specialist training to healthcare professionals wanting to expand and update their skills and knowledge. This year, we opened our newest innovation center in Sichuan Province, China. Within five years of operation, we expect to train approximately 7,000 healthcare professionals annually at this new center.

Other FY22 highlights:

- Medtronic mobile lab trucks continued to host training events for U.S. healthcare professionals in rural regions throughout the COVID-19 pandemic.
- Medtronic patients with diabetes in Europe, the Middle East, and Africa can now access Sara – a virtual assistant with an online chat service available at any time of day to answer questions about our products or services.
- Our new surgical skills lab in India, the result of a partnership between Medtronic India and the Sher-I-Kashmir Institute of Medical Sciences, is training and developing young surgeons in the Union Territory of Jammu and Kashmir.
- The Medtronic Surgical Robotics Experience Center, our first in the Asia-Pacific region, has started to enable clinicians in Gurugram, India, to experience and train

on robotic-assisted surgery (RAS) technology from Medtronic, with a focus on the Hugo RAS system – a modular, multi-quadrant platform designed for a broad range of soft-tissue procedures (right).

Expanding remote monitoring

In FY22, Medtronic formed new partnerships to expand the benefits and capabilities of remote monitoring for patients and healthcare professionals, including:

- **CareLine Solutions in France** – integrating data transmitted by Medtronic cardiac-implanted electrical devices (pacemakers and defibrillators) into the CareLine monitoring platform.
- **Cloud DX in Canada** – providing world-class virtual healthcare to patients across Canada through exclusive access to Cloud DX’s remote patient monitoring technology and services.
- **Stasis in India** – expanding access to the state-of-the-art Stasis Monitor, a bedside monitoring system that automates and digitizes monitoring, documentation, and communication of critical patient information in hospital settings.

\$69.1M

education for medical professionals in FY22

CAPACITY BUILDING

	FY20	FY21	FY22
Education for medical professionals (\$ million)	\$145.4	\$69.9 <sup>†</sup>	\$69.1
Education for patients (\$ million)	\$18.9	\$7.8 <sup>‡</sup>	\$6.7
Medical professionals reached	62,889	974,914 <sup>§</sup>	354,175
Capital investment (\$ million)	-	\$3.7 <sup>¶</sup>	\$33.3

<sup>†</sup> Spend on education for medical professionals decreased in FY21, largely due to the shift to online training.

<sup>‡</sup> Spend on education for patients decreased in FY21, partly because of the impacts of the COVID-19 pandemic, including the shift to using more internal training resources.

<sup>§</sup> The number of medical professionals reached increased in FY21, partly due to the shift to online training and partly due to additional time available when many medical professionals were not allowed to operate during the COVID-19 pandemic.

<sup>¶</sup> In FY21, we began reporting capital investments, such as funding toward internal systems like the Medtronic Academy.



The Medtronic Hugo™ RAS system is commercially available in certain geographies. Regulatory requirements of individual countries and regions will determine approval, clearance, or market availability. In the EU, the Hugo™ RAS system is CE marked. In the U.S., the Hugo™ system is an investigational device not for sale.

GLOBAL HEALTHCARE ACCESS

Medtronic LABS

Medtronic LABS is a health systems innovator that develops community-based, tech-enabled solutions for underserved patients, families, and communities around the world.

An independent, public benefit corporation funded by Medtronic, Medtronic LABS combines hyper-local services with cutting-edge technology, providing sustainable and localized healthcare solutions that produce measurable patient outcomes.

The Medtronic LABS approach integrates three core elements:

- **Digital technology** – software solutions designed for patients, community health workers, and healthcare providers operating in low-resource settings.
- **Field operations** – community-based teams integrated with health systems to expand screening, diagnosis, treatment, and patient engagement.
- **Partnerships** – collaboration with health systems, governments, local innovators, multinationals, and funders to drive sustainable system-level transformation.

Since its inception, Medtronic LABS has reached more than 1 million patients. Key activities in FY22 included:

- Release of a new cutting-edge technology platform and expansion of its impact in seven new countries. The innovative Medtronic LABS SPICE software platform is designed to support community-based population health at scale by offering end-to-end patient services. The platform was launched with new features that enhance customizability, interoperability, and flexibility.
- Establishment of landmark partnerships for technology-enabled, community-based chronic disease management. Programs launched in Tanzania, Sierra Leone, Rwanda, Bhutan, the Philippines, Cambodia, and the United States. In Kenya and Ghana, LABS programs are poised for national scale, and in India, Medtronic LABS grew in both the private and public sectors.

Public-private partnerships (PPPs) with governments to strengthen public health systems is key to sustainable population health impact. Medtronic LABS is building a track record of partnering with national, state, and local governments to deliver impacts aligned with government priorities and patient needs. For example:

- Medtronic LABS and the Kenyan Ministry of Health are partnering to expand the Empower Health program, powered by the Medtronic LABS SPICE platform, across Kenya. The program is expected to roll out over the next four years and will fully integrate into the country’s digital health ecosystem. The nationally scaled program will manage hypertension and diabetes for over 300,000 people across Kenya’s 47 counties, tripling current patient impact and becoming the largest scale chronic disease program in Africa.

1.2M+

patients screened through Medtronic LABS since 2016

MEDTRONIC LABS IMPACT

Cumulative since April 14, 2016

	FY20	FY21	FY22
Patients screened (cumulative)	850,000+	960,000+	1,214,000+
Health workers trained (cumulative)	1,500+	2,400+	3,200+
Patients with better clinical and social outcomes (cumulative)	23,000+	38,000+	51,000+
Medtronic LABS operational sites	90	120+	250+

- In Ghana, Medtronic LABS is partnering with the German Development Agency and the Christian Hospital Association of Ghana, the second largest health system in the country. The Akoma Pa program will manage over 60,000 patients with hypertension and diabetes and is already one of the largest NCD programs in West Africa. Expansion to the public sector is expected next year.
- In Bhutan, Medtronic LABS is collaborating with United Nations Technology Bank, the Ministry of Health, UNICEF, and MedEI to deploy the **Shruti program model** to reach every child in Bhutan over the next three years.

Looking ahead, Medtronic LABS is focused on expanding into new clinical areas to strengthen patient outcomes at the primary care level, and deepening impact through health system partnerships.



## GLOBAL HEALTHCARE ACCESS

### Partnering for impact

#### Advocacy

Improving access to treatment in underserved populations requires appropriate policy frameworks that support and enable equitable healthcare systems and pathways. We work with peers and partners to advocate for public policy that enables increased access to vital treatment. Amid the COVID-19 pandemic, we continue to advocate for access to biomedical technologies based on equity and fairness – and where individuals can access technologies for the highest level of care.

In FY22, we participated in a meeting about the Cancer Moonshot initiative launched by U.S. President Biden. The discussion focused on the role that medical technology plays at every stage of the cancer diagnosis and care continuum, as well as the importance of fully utilizing innovative technologies that can prevent and detect cancer.

Our CEO also joined with other business leaders, the U.S. President, and key representatives of the administration to call on Congress to take swift action and deliver competition legislation, like the Bipartisan Innovation Act, to the President's desk. Of particular concern were current shortages in semiconductor supplies affecting the medical technology sector.

To enable procurement of medical equipment to address country-level needs, we continue to talk and cooperate with the United States, other governments, and international organizations, such as multilateral development banks and UN agencies.

#### Public-private partnerships

We develop long-term partnerships with national, regional, and municipal governments and health systems in underserved communities to understand and address local needs and challenges. We work through these partnerships to expand access to healthcare knowledge and technology.

Our aim is to create sustainable, scalable projects in four areas:

- R&D
- Manufacturing for market access
- Clinical training and education
- Health system strengthening

Our Public-Private Partnership Council guides our efforts. The council uses a United Nations Economic Commission for Europe (UNECE) self-assessment tool for "people first" public-private partnerships to evaluate our partnerships against key issues, such as access.

For example, in FY22, Medtronic Vietnam signed a memorandum of understanding with the Vietnam Ministry of Health to elevate healthcare professionals' clinical skill sets in ICU departments and centers. The aim is to train more than 4,000 healthcare professionals in 12 months, including a train-the-trainer program to create a board of trainers with 30 doctors and in-depth training for key hospitals. Progress toward this goal is underway, and several key milestones have already been achieved.



○ SOCIAL IMPACT

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○  
● Philanthropy  
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Global challenges, including the COVID-19 pandemic, climate change, and conflict, continue to exacerbate inequities in communities and in healthcare access. Medtronic and the Medtronic Foundation work together to improve the lives of underserved and underrepresented populations around the world. Our philanthropic actions combine financial investments, skills-based volunteerism, and strategic advice to deliver long-term, sustainable change.

**Adding business value**

Medtronic and the Medtronic Foundation engage in philanthropic activities to further the Medtronic Mission. By giving our time, resources, and skills, we address inequities and improve lives in underserved communities around the world. Partnerships with local, national, and international organizations amplify the impact of our activities and benefit our business by building trust and long-term social capital.

\$97.1M

combined philanthropic contributions by Medtronic and the Medtronic Foundation

144K+

Medtronic employee hours volunteered in communities



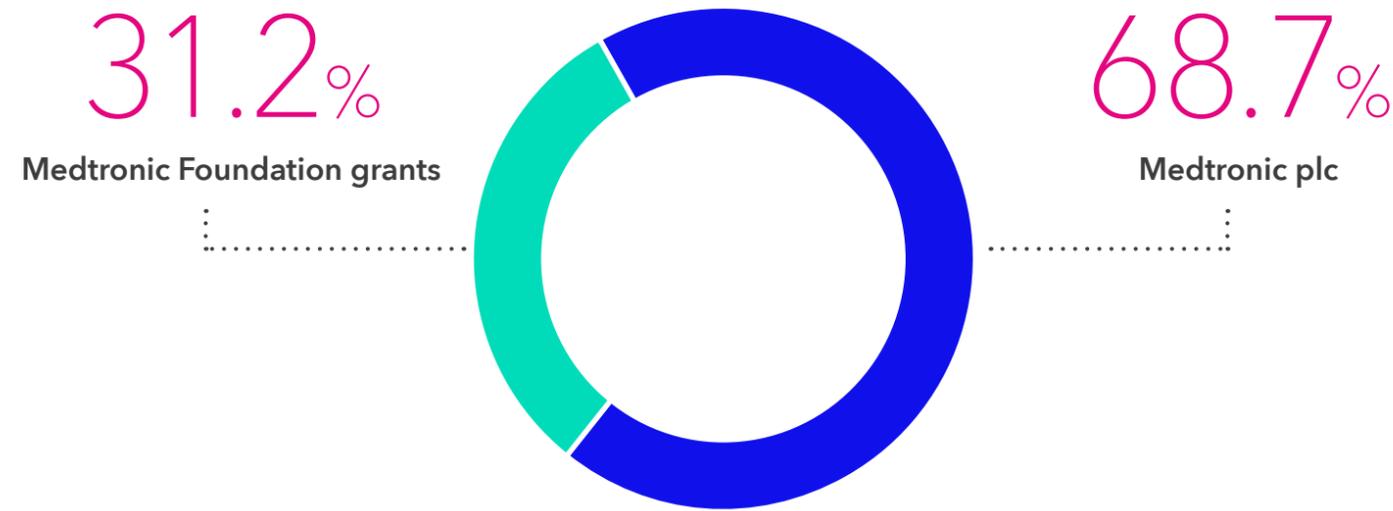
PHILANTHROPY

Our contributions

In FY22, Medtronic and the Medtronic Foundation contributed more than \$97.1 million globally in combined philanthropic investments through four key mechanisms:

- **Cash contributions** – funding medical professionals and fellowship positions, clinical research grants, third-party-sponsored health education programs, and other health-related activities.
- **Medtronic Foundation grants** – improving the lives of underserved populations worldwide and supporting communities in which Medtronic employees live and give.
- **Product donations** – supporting disaster recovery and access to care through monetary and product donations distributed to nonprofit organizations and in-country clinics.
- **Year-round employee volunteering and giving opportunities** – giving time, skills, and resources to the communities in which Medtronic employees live and work.

SPLIT OF PHILANTHROPIC CONTRIBUTIONS<sup>†</sup>



<sup>†</sup> Total does not add up to 100% due to rounding.

\$97.1M

combined philanthropic contributions by Medtronic and the Medtronic Foundation

TYPE OF PHILANTHROPIC CONTRIBUTIONS

(\$ million)

	FY20	FY21	FY22
Corporate cash donations <sup>†</sup>	\$56.4	\$48.9	\$50.5
Medtronic Foundation giving total	\$34.2	\$36.4	\$30.3 <sup>‡</sup>
Product donations	\$10.2	\$13.2	\$12.5
Value of volunteering	\$4.3	\$4.6	\$4.0 <sup>§</sup>
<b>Total giving<sup>¶</sup></b>	<b>\$ 105.1</b>	<b>\$ 103.0</b>	<b>\$97.1</b>

<sup>†</sup> The changes in cash contributions year over year reflects our strategy to focus on impacts and outcomes rather than dollar amount.

<sup>‡</sup> Medtronic Foundation matches are usually made on a 1:1 basis up to \$5,000. In response to COVID-19, Medtronic Foundation matches were increased to 2:1 from April 1 through October 30, 2020. The reduction in Medtronic Foundation giving in FY22 reflects the return to 1:1 giving, as well as the separation of Medtronic Global Health from the Medtronic Foundation this year. Medtronic Global Health is now part of Medtronic LABS (see page 48). Medtronic LABS data are not included in the Medtronic Foundation giving total.

<sup>§</sup> Calculated with an hourly rate of \$29.95, provided by Independent Sector. Volunteer hours reflect hours that are self-reported by Medtronic employees and represent hours of volunteerism during normal business hours.

<sup>¶</sup> Row totals may not add up due to rounding.

PHILANTHROPY

Continued support during COVID-19

In FY22, Medtronic and the Medtronic Foundation continued to support communities and healthcare systems impacted by COVID-19, partnering with organizations that have diverse leadership representative of local communities. Together, Medtronic and the Medtronic Foundation committed an additional \$3 million for COVID-19 relief efforts in FY22 focused on underserved areas of India, Brazil, the United States, and other global regions.

The Medtronic Foundation partnered with key organizations distributing COVID-19 relief funds and resources – including, but not limited to, AmeriCares Foundation Inc., Direct Relief, Healthcare Ready, International Medical Corps, and Project HOPE.

Together, these efforts:

- Served approximately 564,000 patients in 1,074 communities.
- Trained more than 45,500 community health workers and reached more than 1.6 million community members with messages to address vaccine hesitancy.
- Supported health facilities in underserved areas and supplied vital medical supplies, equipment, and PPE. Together, Medtronic Foundation and Medtronic provided more than 34 million items, protecting more than 16,000 health workers and supporting 955 health facilities.



MEDTRONIC FOUNDATION FY22 COVID-19 CONTRIBUTIONS

(\$ million)

Health grants	\$2.1
Community grants	\$0.5
Employee-matched giving/assistance†	\$9.5
<b>Total contribution</b>	<b>\$12.1</b>

† Amount represents estimated matched donations supporting COVID-19 relief efforts.

COVID-19 RELIEF FROM MEDTRONIC FOUNDATION PARTNERS

2.2M+

patients, community members, and health workers positively impacted

34M+

items of medical supplies, equipment, and PPE donated

Supporting India's COVID-19 response

India has been hit hard by COVID-19, recording more than half a million deaths since the start of the pandemic and seeing the unemployment rate climb to a 45-year high. Research suggests existing gender inequities in education, health, and employment have also worsened.

In FY22, Medtronic and the Medtronic Foundation continued to contribute to the COVID-19 response in India to help alleviate the impact and address healthcare inequities:

- Medtronic completed delivery of 25,000 oxygen concentrators and committed to coordinating the shipping and distribution of more than 1,000 Medtronic ventilators.

- Medtronic led vaccine procurement, import, and distribution efforts for employees and household family members in India.
- Medtronic CEO Geoff Martha was a member of the Global Task Force on Pandemic Response as part of the Business Roundtable to address COVID-19 response in India.
- The Medtronic Foundation committed \$2.1 million via key partner organizations to distribute medical supplies, set up temporary treatment and quarantine facilities, train frontline health workers, and support vaccine rollout.

PHILANTHROPY

**Medtronic Foundation programs**

Medtronic plc is the sole funder of Medtronic Foundation, whose focus is on improving lives for underserved and underrepresented populations worldwide and supporting communities in which Medtronic employees live and give. The work of the Medtronic Foundation complements the global work of **Medtronic LABS** to address healthcare disparities. In FY22, the Medtronic Foundation updated its focus, targeting philanthropic work in three strategic areas:

- **Equity-based youth programs** – removing barriers to quality education and supporting health and well-being for underserved and underrepresented students, including growing the representation of underserved and underrepresented populations in science, technology, engineering, and math (STEM) studies and jobs.
- **Employee engagement** – supporting communities in which more than 95,000 Medtronic employees live and give through sustainable year-round, hands-on, and skills-based volunteerism, alongside matching grants and volunteer grants. Read more about Medtronic and the Medtronic Foundation’s work to **engage with employees through volunteering**.
- **Global disaster relief** – strengthening the capacity and resiliency of communities to prepare for, and recover from, global disasters and humanitarian crises, including COVID-19. Read more about Medtronic and the Medtronic Foundation’s work to **support the pandemic response**.

**Advancing STEM equity**

Investment in STEM education to advance diversity across career pathways contributes to vital research and innovation. By addressing these inequities early, the Medtronic Foundation is contributing to a more diverse pipeline of talent for medical technology and other sectors, while also advancing more equitable economic opportunities for underrepresented populations. The work of the Medtronic Foundation complements the Medtronic effort to facilitate a more diverse talent pipeline. Read more about Medtronic’s approach to **inclusion, diversity, and equity** in the workplace.

In FY22, the Medtronic Foundation continued to develop health and education partnerships to address racial disparities and advance social justice in the United States, as part of the \$16 million investment announced in FY21.

For example, in FY22, the Medtronic Foundation launched a new STEM partnership program with the aim of serving more than 60,000 underserved and underrepresented students. The two-year program will invest nearly \$4 million in 13 partnerships with leading organizations in Minnesota, Northern California, and Puerto Rico. These locations have been prioritized based on evidence of racial and economic disparities in communities where Medtronic employees have the greatest footprint and capability to drive social change. A second round of partnerships will be announced mid-FY23.

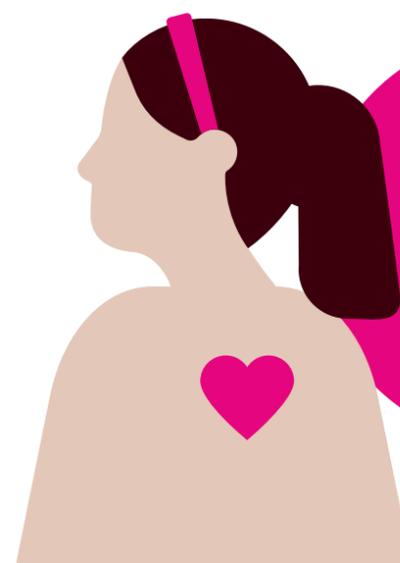
In addition, Medtronic employee volunteers will partner with each organization to mentor students and facilitate other skilled volunteerism focused on strengthening systems of care and helping deliver more sustainable outcomes.



**Encouraging STEM careers**

As part of the Medtronic Foundation’s partnership with the Northside Achievement Zone in Minneapolis, Minnesota, members of the Minnesota Vikings football team joined Medtronic employees for a unique STEM event at the Bakken Museum.

Inspired by a lesson on simple machines from the inventor of the Super Soaker, teammates and scientists worked with 50 students to find creative ways to turn simple household items into extraordinary contraptions. The goal was to motivate students toward careers in STEM and introduce them to professionals in the field who share similar backgrounds.



**Children’s heart care**

Every child with congenital heart disease deserves access to quality pediatric heart care. In late FY21, the Medtronic Foundation launched a \$2.5 million, three-year partnership with **Children’s HeartLink®** to increase access to care in Brazil, China, and India. In FY22, the partnership provided training for more than 2,300 clinicians and enabled more than 45,000 outpatient visits and 2,295 essential surgeries.

PHILANTHROPY

Other FY22 initiatives include:

- Medtronic and the Medtronic Foundation partnered with the Society of Hispanic Professional Engineers (SHPE) to launch a new college program designed to remove barriers for Hispanic and Latino students studying STEM. A combined commitment of more than \$3 million over the next four years will help fund scholarships, internships, and mentorship opportunities for SHPE students.
- Medtronic and the Medtronic Foundation partnered with the Thurgood Marshall College Fund (TMCf) to foster stronger relationships with Historically Black Colleges and Universities and diversify the pipeline of STEM talent through both internships and scholarships. Through the partnership, Medtronic hired 41 summer interns of African descent in FY22 – an increase from 8% in 2020 to 20% in 2021.
- Medtronic held its first STEM consulting sprints – two days of skilled volunteering with more than 100 employees largely from across the United States, in partnership with Taproot Foundation. Teams of four to six employees supported one of 22 STEM-focused organizations to solve current challenges or problems by matching employee skills with nonprofit needs.

Employee volunteering

The Medtronic Foundation offers Medtronic employees a range of options to donate their time, talent, and resources to support causes close to their hearts.

Project 6 is the Medtronic Foundation’s annual global kickoff campaign for hands-on volunteerism. Employees are encouraged to engage in year-round volunteering, with the Medtronic Foundation offering a variety of opportunities through an online portal that matches skills to available opportunities. These include skilled service opportunities through programs like the **Global Innovation Fellows** and consulting sprints. In FY22, the Medtronic Foundation engaged employees to implement 20 skills-based volunteer projects with 32 international organizations across 10 countries.

To amplify employees’ efforts, the Medtronic Foundation offers:

- **Matched giving** – the Medtronic Foundation matches employee and retiree donations made to any eligible nonprofit, up to \$5,000 per calendar year.
- **Volunteer grants** – employees can volunteer with eligible nonprofits to earn money for causes important to them. For every 10 volunteer hours an employee works with a qualified nonprofit, Medtronic will donate \$200 (\$20 per volunteer hour). Employees can generate a maximum donation of \$1,000 by volunteering 50 hours per calendar year.

GRANTS AND EMPLOYEE VOLUNTEERISM

	FY20	FY21	FY22 <sup>†</sup>
<b>Year-round volunteerism</b>			
Volunteers	14,000	12,200	11,283
Countries	49	61	84
Total volunteer events <sup>‡</sup>	-	-	4,943
Total volunteer hours	170,000	174,000	144,329
<b>Volunteer grants</b>			
Volunteer grants	1,271	689	1,975
Volunteer grants (\$ raised)	\$635,500	\$450,000	\$1,700,000
<b>Global matching grants</b>			
Medtronic Foundation match of employee contributions (\$ million) <sup>§</sup>	\$8.1	\$13.6	\$9.2

<sup>†</sup> Year-round volunteerism and volunteer hours data are based on reported FY22 data, correct as of July 12, 2022.

<sup>‡</sup> In FY22, we began reporting total volunteer events in place of employee-led projects.

<sup>§</sup> Medtronic Foundation matches are usually made on a 1:1 basis up to \$5,000. In response to COVID-19, Medtronic Foundation matches were increased to 2:1 from April 1 through October 30, 2020.



PHILANTHROPY

Disaster response

Together with ongoing efforts to contribute to COVID-19 response, Medtronic and the Medtronic Foundation continue to respond to global challenges that impact the health of communities – including conflicts, natural disasters, and extreme weather. We focus on establishing long-term partnerships with local and global organizations that can aid recovery.

Medtronic employees also can take five days of paid time off each year to support relief and recovery efforts by volunteering with nonprofits and nongovernmental organizations. The Medtronic Employee Emergency Assistance Fund (MEEAF) also offers financial support when employees’ own communities are impacted.

In FY22, the Medtronic Foundation was awarded the Project HOPE **Global Health Partner Award** in recognition of its support for over three decades, including becoming the first corporate partner to support Project HOPE’s Emergency Response and Preparedness Fund.

Response to the Ukraine conflict

Upon outbreak of the conflict in Ukraine, Medtronic and the Medtronic Foundation began monitoring and assessing support and response needs.

We have experienced strong attendance at employee sessions covering topics such as support for employees and managers directly impacted, those with family in Ukraine, and employees across Europe. To date, more than 600 employees have attended 27 sessions hosted in nine languages. Two types of MEEAF grants are available for Ukrainian employees; in FY22, 30 employees applied for these.

As of May 26, 2022, Medtronic and the Medtronic Foundation donated a total of \$6.7 million to support Ukraine via direct relief grants, employee donations, and product donations. This includes:

- \$4.9 million in product donations.
- \$607,000 in Medtronic local giving and Medtronic Foundation Direct Relief Grants to global partners Project Hope, International Medical Corps, and Americares.
- \$1.14 million total in employee donations, including matched giving. To date, 2,133 employees have contributed, and donations continue to roll in. Read more about [employee volunteering efforts](#) relating to Ukraine.

Natural disasters

To address healthcare provision for children and families following hurricane Maria in Puerto Rico, the Medtronic Foundation continued to develop its partnership with the island’s public health trust. The partnership focuses on increasing access to care and future resiliency for underserved populations, improving health outcomes for chronic conditions, and involving Medtronic employees in executing these programs.

In response to the FY22 wildfires in Louisville, Colorado, Medtronic and the Medtronic Foundation provided employee and community support and resources, including assisting 10 employees whose homes were lost or suffered heavy fire damage.

DISASTER RELIEF<sup>†</sup>

(\$ million)

	FY20	FY21	FY22
Contributions	\$2.2	\$2.1	\$3.1

<sup>†</sup> Contributions vary year over year depending on the number and nature of disasters requiring response. Figures do not include contributions relating to the COVID-19 pandemic or the war in Ukraine.

\$6.7M

to support Ukraine via direct relief grants, employee donations, and product donations

Employee support for Ukraine

The conflict in Ukraine has triggered a humanitarian crisis, devastating communities across the country and beyond. Medtronic employees have stepped up to help colleagues and their families in this time of need.

Dozens of employees in Poland and Central Eastern Europe have provided free accommodation, food, clothes, and transport from the Ukrainian border. Further west, one Medtronic employee in Switzerland, supported by more than 200 volunteers, set up an operation to distribute clothes and food to refugees fleeing Ukraine.

○ SOCIAL IMPACT

○  
○  
○  
● Inclusion,  
○ diversity,  
○ and equity  
○

Our approach to inclusion, diversity, and equity (ID&E) is holistic. We integrate ID&E principles throughout our company to ensure every operating unit, team, and leader recognizes and celebrates the value of diverse experiences and backgrounds. Developing an inclusive, diverse, and equitable workforce empowers us to reach our highest potential in our business and in our communities.

**Adding business value**

We prioritize creating an environment where everyone feels included, all contributions are valued, and the playing field is level. These attributes help us recruit and retain the best talent and develop products and therapies that serve more people worldwide.

50% of our global workforce are women

42% of our global managers are women

39% of our U.S. workforce are ethnically diverse

27% of our U.S. managers are ethnically diverse



INCLUSION, DIVERSITY, AND EQUITY

ID&E at Medtronic

Our ID&E strategy is organized under three pillars:

- **Individual** – being accountable role models of ID&E in our daily work
- **Company** – ingraining ID&E into our DNA through training, policies, and practices
- **Community** – amplifying our ID&E impact beyond our walls

This strategy makes promoting ID&E a collective responsibility – as an organization and as individual employees. In so doing, we can extend our positive impact from the company to the communities in which we operate, hire from, and live.

ID&E STRATEGIC PILLARS



Individual

Be accountable role models for inclusion and diversity



Company

Ingrain inclusion and equity into our DNA



Community

Amplify our impact beyond Medtronic

Our progress

Accelerating the pace of change to advance inclusion, diversity, and equity requires new approaches and ways of thinking. We have taken several strategic actions to help us move faster toward zero barriers to equity. This includes shifting to a leader-led model for ID&E, building stronger accountability across our organization, setting new five-year organizational diversity representation goals, measuring beyond representation, and being even more transparent publicly about our progress. Our approach helped us surpass the corporate benchmark for inclusion, where our FY22 inclusion rating achieved world-class levels,<sup>1</sup> it also earned us a top-ten spot on DiversityInc’s 2022 Top 50 Companies for Diversity.

In FY22, we made progress on our goals to have more women and people from ethnically diverse groups in management positions, and we increased hiring rates for women and ethnically diverse talent. Our total population of woman employees remained stable while our total population of ethnically diverse employees slightly increased.

Our ID&E commitment

Our unwavering commitment to ID&E means we are working toward zero barriers to opportunity within Medtronic and toward a culture where all employees belong, are respected, and feel valued for who they are and the life experiences they contribute.

Desired Outcomes



Culture of belonging



Reflect our global communities



Equity in opportunity and pay



World-class diverse talent destination



Measurable social impact

FY26 LEADERSHIP DIVERSITY GOALS

	FY15 baseline	FY22 progress	FY26 goal
Manager-and-above positions globally held by women	32%	42%	45%
Manager-and-above positions in the United States held by people from ethnically diverse groups	17%	27%	30%

<sup>1</sup> This benchmark was derived via internal historical OHS data and externally published reports from highly reputable survey vendors and through professional judgment. We have also compared survey results against a global normative database and leveraged data collected through a panel vendor to inform the benchmarks.

## INCLUSION, DIVERSITY, AND EQUITY

### Leadership’s role in ID&E

ID&E is a business priority, and we believe that driving progress begins with our leadership. In FY22, we focused on ensuring accountability for meeting ID&E goals by tying executive compensation to ID&E results. Up to 15% of annual incentive compensation for senior Medtronic executives<sup>1</sup> now depends on their performance against ID&E objectives. In FY22, we also rolled out a new **Board Diversity Policy** providing guidelines for diversity criteria when considering the composition of our board.

We also set new FY26 goals for diverse representation in management positions after meeting our FY20 goals. We aim for 45% of manager-and-above roles globally to be held by women and for 30% of those roles in the United States to be held by people from ethnically diverse groups. By the end of FY22, women held 42% of manager-and-above roles globally and people from ethnically diverse groups held 27% of those in the United States.

To progress toward our goals, vice presidents (VPs) and other senior executives develop individualized plans to drive ID&E in their operating unit, region, or function. Doing so acknowledges the unique context and needs of each team and equips leaders to drive progress in a locally relevant way. Additionally, the CEO and members of the executive team conduct a Quarterly Diversity Review to evaluate ID&E progress, integrating best practices from external partners, internal leaders, and diversity networks. These reviews serve as a mechanism to hold our top leaders accountable and help them learn and grow.

Read more about our work on ID&E in our [Global ID&E 2021 Annual Report](#).

<sup>1</sup> This includes our C-suite and their direct reports, including 160 leaders at the vice president-level and above.

### WOMAN TALENT GLOBALLY

	FY20	FY21	FY22
Woman employees	49%	50%	50%
Manager-and-above positions held by women	39%	40%	42%
Management positions in revenue-generating functions (i.e., sales) held by women	32%	32%	34%

### U.S. ETHNICALLY DIVERSE TALENT<sup>†</sup>

	FY20	FY21	FY22
Ethnically diverse employees	37%	38%	39%
Manager-and-above positions held by people from ethnically diverse groups	23%	25% <sup>‡</sup>	27%

<sup>†</sup> United States, excluding Puerto Rico (excludes blank, no data, or did not disclose).

<sup>‡</sup> This number is based on fiscal year 2021 and therefore is different than the number reported for our calendar year 2020 target, where we achieved 24% ethnically diverse talent in manager-and-above positions.

### NEW HIRES<sup>†</sup>

	FY20	FY21	FY22
Woman (global)	51% <sup>‡</sup>	50% <sup>§</sup>	52% <sup>¶</sup>
Ethnically diverse (U.S.)	52%	46%	47%

<sup>†</sup> Employee population data expressed here may vary from our 10-K form depending on the time of year in which the data was gathered.

<sup>‡</sup> Zero records have values out-of-bounds (e.g., age=0). 49 records do not specify gender.

<sup>§</sup> Zero records have values out-of-bounds (e.g., age=0). 34 records do not specify gender.

<sup>¶</sup> Zero records have values out-of-bounds (e.g., age=0). 24 records do not specify gender.

### BOARD DIVERSITY

	FY20	FY21	FY22
Woman	25%	25%	30%
Ethnically diverse	17%	17%	20%

50%

of Medtronic employees were women in FY22



INCLUSION, DIVERSITY, AND EQUITY

Individual’s role in ID&E

Creating an environment where everyone feels safe and valued for who they are requires all Medtronic employees to be accountable role models for ID&E.

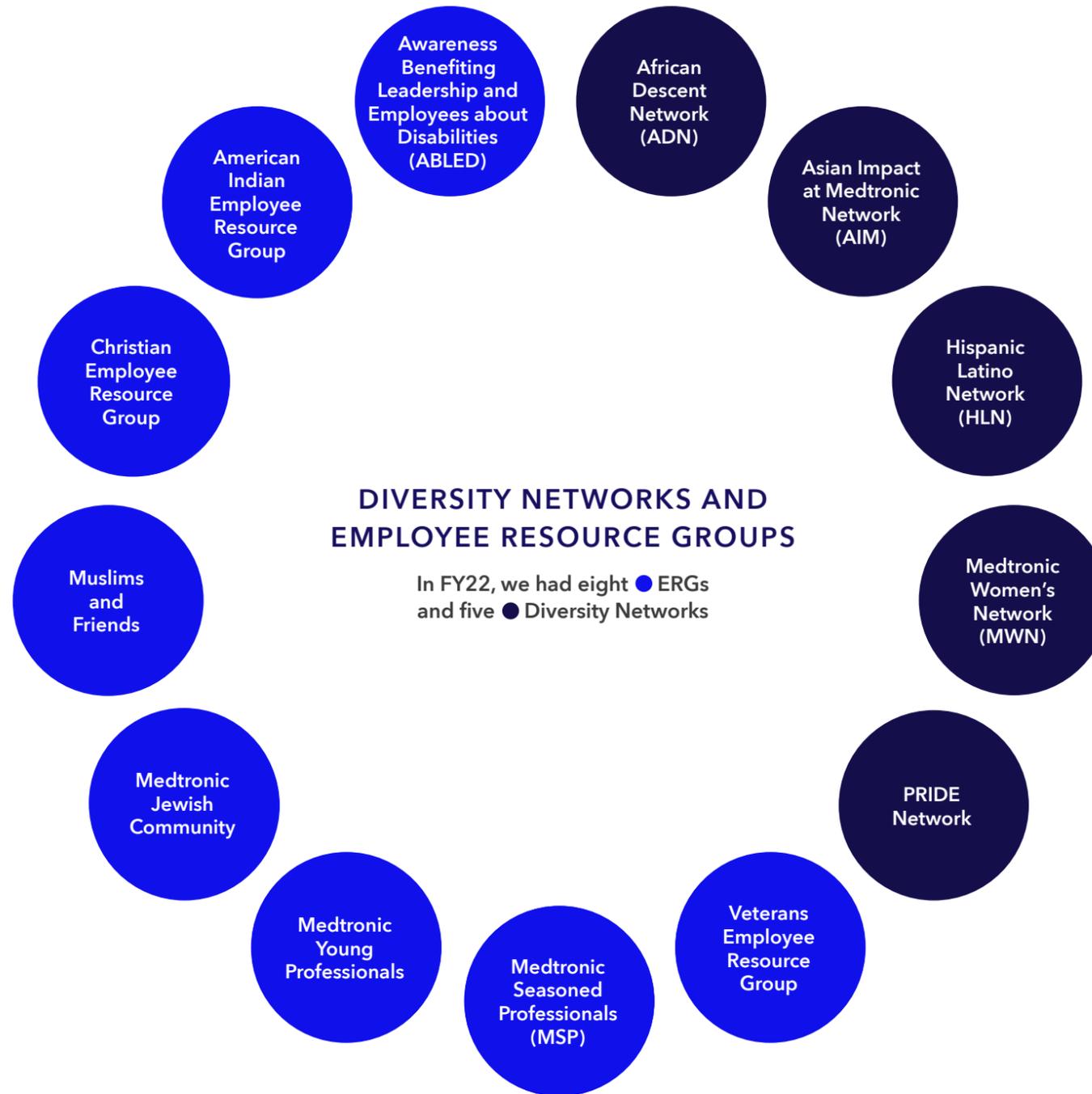
Our Diversity Networks and Employee Resource Groups (ERGs) help strengthen a sense of belonging across our company. These groups ensure everyone has a platform to share their voice and the voice of the community, collaborate across functions and levels, and advance programs and initiatives in the areas of talent, education and community, and partnerships. In FY22, more than 34,000 employees in 75 countries were members of a Diversity Network or ERG.

Diversity Networks

Diversity Networks provide a platform for employees from underrepresented populations to connect and provide feedback to our leadership. Each of our five Diversity Networks has two co-chairs and an executive sponsor who reports directly to the CEO.

Employee Resource Groups

Our ERGs are grassroots affinity groups for employees with shared identities, backgrounds, and interests, as well as for allies. They provide a safe community to share, learn, and support one another. In FY22, we added a new ERG, Medtronic Seasoned Professionals (MSP), bringing our total number of ERGs to eight. MSP aims to develop a culture of inclusion and recognition for mature workers and leverage their experience to benefit all of Medtronic.



1 in 3

Medtronic employees were part of a Diversity Network or ERG in FY22 across 300+ hubs in 75 countries.

Equity week

In its second year, our Action for Equity program expanded to include a week of activities designed to empower and enable employees to make their greatest contributions to equity within and beyond Medtronic. Over 6,000 employees participated in our FY22 Week of Action for Equity, which included activities like interactive group learning sessions, fireside chats on allyship, and exploration of our resource toolkit containing helpful articles, podcasts, and more. Afterwards, employees reported feeling inspired to do more.

“We decided as a team to hold each other accountable quarterly. We are turning allyship into action!”

Equity Week attendee

INCLUSION, DIVERSITY, AND EQUITY

**ID&E award**

Federico Gavioli, our VP, Diabetes for Europe, Middle East, and Africa, received the 2021 GIDE Award for his ID&E contributions to our Diabetes operating unit. His team established the Mindset Awards to recognize actions that foster adoption of the Medtronic Mindset and give visibility to diversity. Federico and his team also launched a campaign to raise awareness, mitigate bias, and increase inclusion in diabetes care.



**Federico Gavioli**  
VP, Diabetes for EMEA

\$4.8M

contributed to ID&E non-profit partners including SHPE, TMCF, OneTen, and more.

**Employee engagement**

Our Diversity Networks are just one avenue for diverse employees to share their feedback with us. In our annual Organizational Health Survey (OHS), we ask employees to rate their sense of belonging and engagement so that we can better understand their experiences and needs. We use this feedback to adjust our communications and programs to provide employees with better support.

Our overall rates of survey completion remain high. In FY22, our survey was completed by 83% of employees, with employees who regularly participate in a Diversity Network or ERG twice as likely to be engaged compared with those who do not. We also saw strong engagement scores across gender, achieving 81% for women and 80% for men. Of the employees who completed the survey, 84% reported feeling they belong at Medtronic and 92% felt that Medtronic embraces cultural differences. In addition, 85% reported feeling that Medtronic fosters a workplace that allows them to be themselves.

We underscore the importance of individual accountability by celebrating our ID&E champions through recognition of their actions with honors like our annual Global Inclusion, Diversity, and Equity (GIDE) Awards. Read more about several of our 2021 award winners in our [Global ID&E 2021 Annual Report](#).

**Company's role in ID&E**

ID&E considerations are integrated into our corporate business strategies and are incorporated companywide through training and the adoption of research-informed practices to ensure we meet our ID&E goals. This includes building inclusive environments globally and developing workforce diversity through hiring, training, and mentorship.

**Policies**

Our robust human rights policies provide a framework to protect the dignity of, and ensure equal opportunities for, each Medtronic employee. Our Code of Conduct, Global Human Rights and Labor Standards Policy, Global Inclusion and Equal Employment Opportunity Policy, and others safeguard employees from discrimination, harassment, retaliation, and more while protecting their right to fair compensation. We continuously monitor changes in the local, national, and international regulatory environment to ensure our policies remain up to date. Read more about these and our other [human rights policies](#).

**Pay equity**

At Medtronic, we address pay equity through equitable employment policies and practices. In addition, we conduct an annual pay equity audit in the United States and several other countries to continue to improve equity.

In FY22, we achieved 100% gender pay equity and ethnically diverse pay equity in the United States. Our current analysis shows that globally, gender pay equity is at 99%. We continue to work toward reaching 100%.

**Practices**

We drive diverse representation at all levels through outreach to diverse candidates, training to support diverse promotions, and mentorship to help diverse leaders overcome barriers to continued growth. We partner with leading external organizations to learn and adopt best practices for creating work environments where employees from diverse backgrounds and identities can thrive.

**Diverse recruitment**

We aspire for our teams to better reflect the communities they serve. We partner with our Diversity Networks and ERGs to help us create relationships with organizations aligned with our ID&E hiring goals, such as OneTen, and others, including:

- **Multiple Pathways Initiative** - Led by the Business Roundtable, this initiative is a multiyear effort to eliminate internal and external barriers to advancing diversity in STEM. As part of our pilot year, we replaced degree requirements with skills requirements for five IT job families, representing 25% of our IT roles.
- **Medtronic Advancement Pathways and Skill Building (MAPS)** - Research shows that underrepresented groups historically have limited access to a four-year college degree, so we set out to remove financial barriers to college education. We implemented a pilot at seven U.S.-based locations where we provided tuition for employees pursuing online undergraduate degrees. Following the success of the pilot, in FY23 we will launch the program across the United States and Puerto Rico.

## INCLUSION, DIVERSITY, AND EQUITY

- **Thurgood Marshall College Fund (TMCf)** – We partnered with TMCf to cultivate a pipeline of talent from Historically Black Colleges and Universities. Through the partnership, we hired 41 summer interns of African descent in FY22 – an increase from 8% in 2020 to 20% in 2021.
- **Society of Hispanic Professional Engineers (SHPE)** – Medtronic and the Medtronic Foundation partnered with SHPE to help remove barriers to Hispanic and Latino students studying STEM subjects. The Medtronic Foundation has committed more than \$3 million over the next four years for scholarships and Medtronic now offers internships and mentorship opportunities to SHPE students.

We also hold Diversity Career Events to connect with diverse candidates through professional societies, like SHPE. In FY22, we held 14 virtual Diversity Career Events for different demographic groups to hire for roles in sales, engineering, software, and more.

### Empowering diverse leaders

To increase representation of diverse employees in leadership roles, we offer several training and mentorship programs to promising talent. Our programs are tailored to address the specific barriers employees from underrepresented groups face, such as a lack of access to professional networks.

Our programs include:

- **LIFT** – a nine-month development program for high-potential managers with sponsorship and mentorship from senior executives. In FY22, the number of LIFT participants increased by over 60% and the program achieved a 93% retention rate among participants.
- **Efficacy** – a cohort-based leadership development program designed for Diversity Network and ERG members. In FY22, Efficacy trained 389 participants and received an average score of 97% on participant satisfaction.
- **Impact** – a year-long mentorship program for high-potential individual contributors from historically

underrepresented populations. Thirty-two percent of the FY22 participants received a promotion, of which nearly 100% were ethnically diverse.

- **Accelerate** – a new program that pairs directors and emerging talent of African descent with a VP-level sponsor. We look forward to sharing the results of this program upon the completion of its first year.
- **VP Women’s Sponsorship** – a year-long program in which 15 female VPs are paired with a high-level Medtronic executive as their sponsor. Our third cohort will launch in FY23.

### ID&E beyond Medtronic

To facilitate lasting change, we believe in amplifying our impact beyond our walls by investing in our local communities. Medtronic and the Medtronic Foundation partner with nonprofit organizations and business alliances to advance equity broadly across society. For example, as a founding member of **OneTen**, Medtronic is spearheading efforts in Minnesota to hire Black Americans for skilled jobs, with opportunities for advancement at Medtronic and across our home state.

We also leverage the scale of our company by working with women- and minority-owned suppliers. To read more about our approach to supplier diversity, see [Supply chain responsibility](#).

### STEM careers

Black and Hispanic workers continue to be underrepresented in STEM fields. With the rate of STEM job growth set to outpace non-STEM job growth by 2030, encouraging diverse students to enter STEM careers will be a key opportunity to meet hiring needs. Medtronic and the Medtronic Foundation are investing in opportunities to support students from underserved and underrepresented communities to pursue STEM education. The initiative has committed to support students from kindergarten through graduate programs across North America by covering tuition fees, providing internship and mentorship opportunities, and offering practical skill-building experiences. In FY21, we also partnered with TMCf to provide \$10 million in scholarship funding over the next 5 years to support 250 students.



## Advancing diversity in STEM

OneTen's mission is to hire, promote, and advance 1 million Black individuals who do not have a four-year degree into family-sustaining careers over the next 10 years.

As a founding member of OneTen, along with nearly 30 other companies, Medtronic has committed to advance OneTen's mission by working to close the “opportunity gap” faced by Black Americans without a four-year college degree. We are approaching this challenge with a skills-first model, creating new career pathways at Medtronic.

INCLUSION, DIVERSITY, AND EQUITY

ID&E recognition

We are proud to be recognized for our commitment to making our workplaces and communities more equitable. In May 2022, we were named as one of the top 10 Companies for Diversity by DiversityInc. Some of our other awards for ID&E are shown in the table.

Top 10

In May 2022, we were named as one of the top 10 Companies for Diversity by DiversityInc

Date	Award
2022	Ranked as #4 for mentoring; #5 for supplier diversity; #11 for environmental, social, and governance; and #13 for sponsorship by DiversityInc
	Best Places to Work for LGBTQ+ Equality and top score of 100 on the Human Rights Campaign’s Corporate Equality Index
	Campus Forward Award
	Brandon Hall Human Capital Management Award Gold Medal in the category Best Learning Program that Supports and Promotes ID&E for our Inclusive Leader Training
2021	Secretary of Defense Employer Support Freedom Award
	Society of Women Engineers Diversity & Inclusion Award
	Best Places to Work for Disability Inclusion and top score of 100 on the Disability Equality Index, a joint initiative of the American Association of People with Disabilities and Disability:IN
	America’s Best Employers for Diversity by Forbes



SOCIAL IMPACT

# Supporting a global workforce

Our global and diverse employees make innovation possible. We strive to take the same care with their health, safety, and well-being as we do for our patients – both on-site and at home. Our EHS system, a robust suite of health and wellness benefits, and fair and equitable pay foster employee health, safety, and well-being and inspire employees to engineer the extraordinary. We empower employees in their careers at Medtronic with regular performance reviews and training programs to build skills and celebrate their contributions.

### Adding business value

Safeguarding the well-being of our employees gives them the peace of mind to fully engage with their work. Our well-rounded employee support – at work and at home – results in higher productivity, engagement, and retention and lower rates of absenteeism.

5,000

new tools and resources for learning and training added

World-class

levels of employee engagement, as gauged by our Organizational Health Survey

\$49M+

spent on learning and development – roughly \$500 per employee

9%

decrease in near misses reported compared to the previous year, despite an increase in overall incident reporting due to our new automated hazard reporting system

We further expanded our robust benefit offerings, including enhanced fertility and family planning coverage

## SUPPORTING A GLOBAL WORKFORCE

**Development and engagement**

We design our learning and development programs to attract and retain world-class talent from global and diverse populations, sparking innovation and driving opportunity. Our investments in development help our talent embody the Medtronic Mindset, giving them the tools to act boldly, compete to win, move with speed and decisiveness, foster belonging, and deliver results. Employees at every level have access to training opportunities in multiple formats, meeting individual learning needs and enabling employees to grow in their career. As a global healthcare technology leader, we ensure programs are available at every Medtronic location and in languages relevant to our employees. In addition to our formal programs, we offer on-demand digital courses and resources for employees who want to direct their own learning or focus on a particular skill. We partner with several platforms to deliver digital learning to employees, including Degreed, Harvard ManageMentor, getAbstract, Cornerstone OnDemand, Adeption, and others.

In FY22, we delivered most of our professional development courses virtually due to the ongoing pandemic. We continued to grow our offerings in FY22, providing more than 32,000 learning resources, an increase of more than 5,000 tools and courses over the previous year. Some of the new learning tools we launched in FY22 include:

- **Skills Lab** - a new technology platform, powered by our partner Degreed, that enables employees to target and develop specific skills.
- **Mind Gym** - a set of tools based on behavioral science principles to help leaders solve problems more effectively.

In FY22, we spent more than \$49 million on learning and development – an average of nearly \$500 per employee. Our employees completed an average of 33 hours of training per person, enabled by these additional virtual resources. As employees return to the office, we plan to shift to a hybrid learning model, retaining many of these virtual tools while also returning to in-person training.

# \$49M+

spent on learning and development in FY22,  
an average of nearly \$500 per employee

**Another successful Grow Your Career Week!**

In FY22, we hosted our third annual Grow Your Career Week (GYCW), a series of events held globally to inform employees about the wide variety of leadership, learning, and career development opportunities offered at Medtronic. Features of GYCW include interactive workshops, panel discussions, podcasts, and a dedicated Yammer channel for networking. During our FY22 GYCW, over 97,000 learning activities occurred companywide – 40% more than the previous year – and included 60+ live sessions and 7,000+ digital interactions.

## SUPPORTING A GLOBAL WORKFORCE

### Leadership development

A good relationship between employee and manager is central to job satisfaction, retention, and promotion. We focus on identifying and promoting high-potential employees into managerial roles and equipping managers with the right leadership skills to engage and develop their team members.

We offer targeted leadership development programs for employees at different levels, including:

- **Edge** - teaches leadership skills for all managers focused on the Medtronic Mindset
- **Elevate** - prepares manager-level leaders for the next career step
- **Emerge** - accelerates professional development for emerging leaders
- **Ignite** - prepares director-level leaders to become executives
- **Internal Coaching Certification** - trains leaders to become certified coaches
- **VP Welcome** - supports new vice presidents as they make their career transition

We also offer dedicated programs to support employees from underrepresented groups to overcome barriers to career growth. An inclusive, diverse, and equitable workforce empowers everyone to reach their potential, enabling our success. Read more about these programs in [Inclusion, diversity, and equity](#).

### Career growth

Sharing feedback and providing guidance and support to employees is a key component of promoting our performance-driven culture in which everyone is motivated to perform and achieve organizational success. Employees meet with their managers three to six times per year to review goals and discuss performance, and managers hold themselves and their team accountable to goals by measuring results and impact. In FY22, 98% of employees participated in an annual performance review.

In FY22, in response to employee and manager feedback, we made two notable adjustments to our formal evaluation and check-in process. We changed the timeline for goal setting and mid-year career development conversations, holding both conversations earlier in the year. Based on feedback, we also separated conversations on performance from those on development and inclusion to clarify achievements and improvement areas.

We employ a forward-looking approach to career development through our Organization and Talent Planning (OTP) process, a critical program that enables us to achieve Tenet 5 of our Mission through the identification and development of our future leaders. This proactive process helps us plan for future talent needs and deliver on business outcomes.

### INTERNAL HIRING

	FY20	FY21	FY22
Total roles filled with internal candidates	34%	31%	29%
VP roles filled with internal candidates	91%	91%	79%

OTP has three key components that all people leaders are expected to follow:

- Assess the potential, retention risk, and career development actions for all direct reports.
- Mitigate business risk through the identification of successors for intentional talent movement.
- Ensure that focused development actions aligned to our talents' potential are executed for career and development growth.

In addition to our OTP process, we formally integrated Strategic Workforce Planning with our annual business strategic planning process in FY22. This framework ensures that we are proactively identifying the capabilities needed to deliver companywide strategies in partnership with the business and finance teams. Through this application and our OTP process, we will continue to advance leadership skills to more proactively assess and plan for organizational talent needs.

We also support employees' career ambitions by tracking our rates of internal hiring. Hiring from within not only encourages retention by providing internal pathways for career growth, but also helps us retain institutional knowledge. We maintain this emphasis on internal hiring in conjunction with our hiring initiatives that bring in external talent to fuel innovation and add more perspectives to our company culture.



SUPPORTING A GLOBAL WORKFORCE

Recognition

Recognizing a job well done is essential. Managers are encouraged to acknowledge employee achievements during formal evaluations and general check-ins. They may also reward notable contributions through our Recognize! Platform, which enables managers and employees to celebrate the achievements, accomplishments, and milestones of team members.

We also have a formal awards program to recognize exceptional achievements in technology, quality, leadership, and ethics, including:

- **Bakken Fellowship** - honors employees who have made multiple technical contributions to the company and to the biomedical device industry.
- **Compass Award** - recognizes employees who live out the Medtronic Mission by demonstrating high-integrity behavior that champions our Code of Conduct.
- **Global Inclusion, Diversity, and Equity Leadership Award** - recognizes VPs who champion an inclusive work environment.
- **Star of Excellence** - acknowledges quality and innovation of the highest level.
- **EHS Sustainability Award** - celebrates projects that exemplify the many ways Medtronic contributes to a sustainable business, workforce, and environment.
- **Wallin Leadership Award** - recognizes leaders who actively foster an inclusive and diverse work environment and successfully develop leadership talent to enable superior business outcomes.

Employee engagement

Effective feedback must include a two-way dialogue. We solicit input from employees through our internal social media channels and our Organizational Health Survey (OHS), which we conduct annually.<sup>1</sup> In FY22, a record 83% of full- and part-time employees responded to the OHS.

The survey indicated that 90% of employees who completed the survey feel proud to work at Medtronic and 93% feel Medtronic has a positive impact on the world.

To continuously improve the employee experience, we use OHS results and other employee feedback to adjust how we operate and interact with one another. For example, only 60% of respondents rated their stress levels as being reasonable. With this information, we are taking steps to support employees and lessen work-related stress, including:

- Introducing the Four Weeks from Anywhere program.
- Facilitating uninterrupted, protected work time.
- Focusing on task prioritization and meeting management.

<sup>1</sup> Our all-employee OHS was postponed in FY21 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email address.

ORGANIZATIONAL HEALTH SURVEY RESULTS

(excerpt)

	FY20	FY21 <sup>†</sup>	FY22
Employee engagement score	77%	-	80%
Percent of employees who reported feeling proud to work at Medtronic	89%	-	90%
Percent of employees who reported actively looking for ways to improve their work	91%	-	94%
Percent of employees who reported feeling Medtronic has a positive impact on the world <sup>‡</sup>	NA	NA	93%

<sup>†</sup> Our all-employee OHS was postponed in FY21 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email address.

<sup>‡</sup> This question first appeared in our FY22 survey; data is not available for FY20 or FY21.

90%

of employees report that they feel proud to work at Medtronic and 93% said they feel Medtronic has a positive impact on the world, according to our FY22 Organizational Health Survey

SUPPORTING A GLOBAL WORKFORCE

Health and safety

Our industry-leading healthcare technologies are developed and produced through harnessing the expertise of each employee. A safe and healthy work environment enables our workforce to innovate insight-driven care and experiences that put people first, driving better outcomes for our world.

Our approach

Medtronic is committed to a safe, healthy work environment that is in compliance with applicable laws and regulations. Through our **Environmental Health and Safety (EHS) Policy** and our EHS Management System (EHS MS), we establish enterprise-wide standards, objectives, and processes for health and safety risk evaluation, compliance, continual improvement, verification, communication, and education.

EHS management and performance systems

Our EHS MS is aligned with industry best practices including ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management). The management system helps us assess EHS impacts and risks in our organization by providing a:

- Systematic method for managing EHS and improving performance.
- Structure to address the impacts of the company’s products, services, and processes on the environment.
- Standard for allocating resources, establishing responsibilities, and evaluating practices, procedures, and processes.

All employees are expected to develop a proactive, cooperative attitude toward health and safety. Our

Environmental, Health, and Safety Performance System (EHS PS) helps us drive a culture of safety through the careful monitoring of our recordable incident rate, safety standards, employee training, and auditing. The EHS PS provides each employee with the practices and tools to reduce risks and employ the competencies and safe behaviors necessary to succeed. It also exemplifies the actions and behavior expectations to be displayed by leadership and employees alike and provides a heightened awareness and sense of ownership in EHS.

Our progress

In FY22, we maintained our best-in-class level of safety across our global operations and supply chain. Our overall safety record improved with rates of high-consequence work-related injuries and lost workdays declining compared to the previous two years. Our overall injury incident rate increased slightly in FY22, to 0.21 compared to 0.20 in FY21, primarily due to an increase in slips, trips, and falls. In response, we published and communicated slip, trip, and fall campaigns across all sites, improved outdoor walking surfaces and lighting where deficiencies were identified, emphasized use of stair rails while ascending or descending stairways, and promoted heightened awareness while walking on our premises.

To bring rapid companywide attention to hazards, we launched a Global Alert program. The program provides summary communications to relevant businesses of a high-risk or significant EHS incident that has the potential to result in, or has resulted in, major injury, illness, environmental release, or property damage. We also introduced our own EHS PS, including reducing high-consequence injury rates and increasing rates of hazard reporting.

SAFETY RECORD<sup>†‡§</sup>

	FY20	FY21	FY22
Employee injury incident rate <sup>¶</sup>	0.26	0.20	0.21
Employee lost/restricted workday case rate <sup>**</sup>	0.15	0.13	0.12
Fatalities	1 <sup>§§</sup>	1 <sup>§§</sup>	0
High-consequence work-related injuries (excluding fatalities)	5	5	1

<sup>†</sup> Our safety records include all employees as well as contingent workers working at Medtronic facilities.

<sup>‡</sup> Safety data has been verified by an external third party.

<sup>§</sup> FY22 injury incident, lost/restricted workday case rate, and fatalities have been **verified** by ERM CVS.

<sup>¶</sup> The number of work-related injuries or illnesses serious enough to require treatment beyond first aid, per 100 employees working a full year.

<sup>\*\*</sup> The number of work-related injuries or illnesses serious enough to cause an employee to miss one or more workdays or to have one or more workdays of restricted duty, per 100 employees working a full year.

<sup>§§</sup> Motor vehicle collision.



FY22 Health and Safety Recognition

All four of our Puerto Rico manufacturing sites received environmental and safety performance awards from the Puerto Rico Manufacturers Association (above).

Nine Medtronic sites in the state of Minnesota received the Governor’s Safety Award – recognizing these sites for their exceptional safety performance and program compared to national industry averages.

## SUPPORTING A GLOBAL WORKFORCE

### Continuous improvement

Employee involvement and feedback improves safety programs and performance. We provide several opportunities for employees to be involved in their personal, team, and company safety, as well as methods to provide feedback.

For example, our online hazard reporting system allows employees to identify and report hazards and support action to mitigate or eliminate the associated risks. We also encourage employees to report potential hazards, such as water leaks or fire risks, along with near-miss incidents. In FY22, our employees reported more than 57,000 potential hazards and 486 near misses, an increase of 66% and decrease of 9%, respectively, compared to FY21. Hazard reporting increased year over year due to wider companywide adoption of our new reporting tools.

As part of our annual corporate-wide Organizational Health Survey (OHS), we solicit feedback on workplace safety. Of the 83% of full- and part-time employees who responded to the FY22 survey, more than 90% reported feeling that:

- Medtronic provides a safe and healthy work environment and encourages safe working behaviors.
- They felt comfortable reporting safety concerns and injuries at work.

### Continued safety amid COVID-19

As an essential business during COVID-19, keeping our employees and customers safe while fulfilling our Mission was and continues to be a top priority. The protective measures we implemented, combined with the new ways of conducting business during this

unprecedented event, reduced COVID-19 related risks and impacts to our organization.

Our multifaceted approach to navigating the COVID-19 pandemic involves cross-functional efforts across the organization. Our Medical Affairs staff provides factual, science-based information to guide our decisions and actions. This internal guidance, paired with governmental requirements, enhances our governance approach, helping us create the necessary framework to direct our practices.

To maintain safe and healthy work environments amid the pandemic, we established cleaning protocols, paired with stringent facility-entry requirements. We also implemented a global system to manage and track employee COVID-19 cases and assist with case investigations. To keep employees informed and vigilant throughout the pandemic, we used communication campaigns, facility signage,

employee trainings, and educational sessions, as well as strongly encouraging vaccinations and holding on-site vaccination clinics.

### Health and safety assurance

As part of our efforts to drive continuous improvement and provide transparency, Medtronic retained an accredited and competent independent organization, ERM CVS, to **assess, verify, and certify** our FY22 health, safety, and environmental sustainability data. We proudly acknowledge the receipt of the following Letters of Assurance for Health and Safety data from ERM CVS:

- Letter of Accreditation for Medtronic’s FY22 Health & Safety program
- Letter of Assurance for Medtronic’s FY22 Integrated Performance Report



### COVID-19 controls

Include:

- Cross-functional COVID-19 Safety team
- Centralized COVID-19 Assessment Team and intake process
- Revised global pandemic standard
- Risk-based assessment tool to determine adequacy of site-level controls
- Utilization database tool to quickly communicate site cases
- Hybrid Return to Office Policy and program
- Ventilation efficiency and filtration upgrades
- Employee Vaccination Program

## SUPPORTING A GLOBAL WORKFORCE

### Compensation, benefits, and wellness

We support our 95,000+ passionate employees from onboarding through retirement with compensation, benefits, and wellness programs. Providing robust benefits and equitable compensation packages helps us attract and retain the industry-leading talent necessary to engineer the extraordinary. We continuously seek ways to improve our compensation and benefits offerings to be more inclusive and support a greater diversity of needs.

#### Compensation

We design our compensation framework to support a culture of performance and to recognize and reward our employees in more than 80 countries for their ongoing commitment. Our competitive compensation plans include base salary, cash incentives based on a variety of performance measures, retirement contributions, a stock purchase plan, and, for nominated employees, equity in the company. Our compensation is comparable with industry benchmarks and local market standards. We apply the same methodology to determining executive compensation, overseen by the board of directors' Compensation Committee. To learn more about executive compensation, see our [Proxy Statement](#).

We conduct pay gap analyses in the United States and 10 other countries and adjust to close any gaps not based on job-related factors. In FY22, we achieved 100% gender and ethnically diverse pay equity in the United States. Globally, gender pay equity is at 99%. Read more about pay equity in [Inclusion, diversity, and equity](#).

### Benefits

We round out our compensation plans with robust health and lifestyle benefits. Our benefits package provides care for employees and their families and, in many locations, includes:

- Health, dental, disability, and life insurance.
- Paid time off.
- Paid volunteer time.
- Medtronic Employee Assistance program.
- Sick and family care leave.
- Retirement plans.
- Access to our employee stock purchase plan.

We update our benefit package regularly by enhancing existing offerings and providing additional or improved benefits to meet the diverse needs of our employees. In the United States, we expanded our value-based health plan offering to provide lower-cost options. We also enhanced our fertility and family planning benefits to cover additional treatments and increased coverage for adoption, donor, and surrogacy reimbursement.

We continue to focus on embedding inclusion and diversity considerations into our global benefits portfolio. We are currently defining an essential health standard for all employees that considers topics such as access to vaccines, maternity care, mental health, and more. Employees in select countries can review their rewards package at any time through our online portal, MyRewards.



### Work flexibility

As our teams return to the office, we want to retain the lessons learned from our extended work-from-home period. To support work-life balance and continue the flexibility offered by remote work, we instituted a new hybrid work model – a combination of working on- and off-site by flexing between a Medtronic facility and an approved remote location. The program is dependent on the nature of the role and, to be eligible, employees must ensure business and customer needs are met. Due to the pandemic, in FY22, most employees continued working from home. The program will likely go into full effect in FY23.

Employees can also take advantage of our 4 Weeks from Anywhere program which allows them to work from anywhere in the world for one month out of the year, as long as business and customer needs can be met.

### Supporting growing families

We provide our employees with a suite of health services to support family planning. In FY22, we added several new and expanded services for U.S. employees, including personalized health coaching for new parents and fertility and parenthood articles through the LGBTQ+-inclusive Ovia Health app. We also increased our Adoption, Donor, and Surrogacy Reimbursement Program benefit to include donor egg and sperm expenses, including legal and adoption fees.

## SUPPORTING A GLOBAL WORKFORCE

### Wellness

Our wellness benefits promote a holistic approach to good health. Our Healthier Together program, available to nearly 100% of employees globally, supports the physical, emotional, social, and financial well-being of our employees. Amid the COVID-19 pandemic, we expanded the program’s virtual offerings to provide wellness support to employees working from home. Virtual resources included activities such as guided meditation, yoga, and workout sessions. Access to additional offerings is available to employees through our YouTube channel.

The program offers a wide range of services for employees. For example, in the United States, we offer a blood pressure management program through Hello Heart that helps members monitor their blood pressure and track medications. At office locations, we also provide on-site gyms with live classes to help employees stay fit.

In FY22, through our Healthier Together initiative, we held Rhythms That Move You, a wellness challenge to help employees build community and healthy habits together. Nearly 3,500 participants joined the challenge and nearly 54% of those engaged developed social connections as a result. Additionally, over 18,000 digital coaching sessions were completed.

Healthier Together members report high rates of success using the program. Of participants with high-risk health issues, 62% reported being more active.

In addition to Healthier Together, we offer employees access to two additional health and well-being programs:

- **Medtronic Employee Assistance program** – supplements our existing health and wellness benefits with services such as financial and legal advice and mental health counseling.
- **Medtronic Employee Emergency Assistance Fund** – supports employees in times of personal crisis, such as a serious illness or natural disaster. Donations to the fund are made by employees and matched dollar-for-dollar by the Medtronic Foundation.

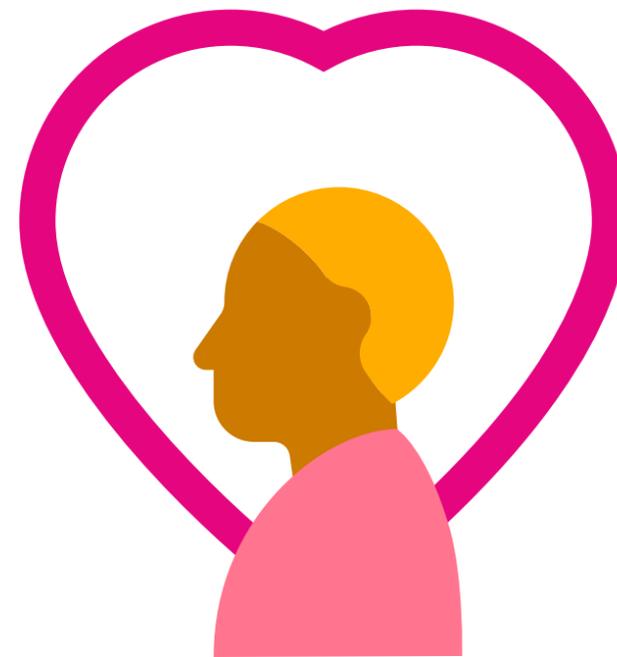


“The resources we have at Medtronic through Healthier Together are truly there for our benefit. We are lucky to have such resources at hand.”

**Riddhi Gandhi**  
Medtronic employee

### Stepping into better health

The COVID-19 pandemic was a wake-up call for Medtronic employee Riddhi Gandhi. “It helped me realize that my health is as much a priority as my family and my work,” she said. That’s when she decided to join the Wondr program through Healthier Together. Wondr helps participants achieve a healthier weight through behavioral changes. The program encouraged her to adopt healthy habits, like taking daily walks and staying hydrated. Riddhi lost 30 pounds, her weight loss goal, after one year in the program.



### Welcoming Ginger

In FY22, we added a new global benefit to our Medtronic Employee Assistance Program: Ginger, on-demand emotional health support. Ginger provides users with access to trained behavioral health coaches, licensed therapists and psychiatrists, and clinically validated resources. For U.S.-based employees, the first six counseling sessions are included with standard coverage and additional sessions are available based on medical benefits.

○ SOCIAL IMPACT

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● Patient safety and product quality  
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Our innovative technologies transform the lives of two people every second. Ensuring the quality, safety, and reliability of our products and therapies is essential to the well-being of those who depend on them. We extend our high standards for quality across our value chain to every employee, partner, and distributor.

**Adding business value**

Delivering safe and effective products is our responsibility as a global healthcare technology leader and is essential to our business success. We devote meticulous attention to product quality to keep patients safe, and, in turn, we maintain the trust of our stakeholders and uphold our reputation among patients and healthcare professionals.

2,000

employees dedicated to ensuring our clinical trials are robustly designed and efficiently conducted

78%

of new products in our pipeline are achieving high-maturity implementation of design, reliability, manufacturability methodology



## PATIENT SAFETY AND PRODUCT QUALITY

### Our approach to patient safety and product quality

We prioritize the needs and well-being of patients in all facets of our product quality initiatives. The safety of our patients is inextricably linked to the quality of our technology, and we consider the weight of this responsibility through every stage of development.

#### Patient safety

We take our safety commitment to patients, their families, and their clinicians seriously. We are committed to producing safe and effective healthcare technologies and advancing a culture of patient-centricity and quality.

Our operating units collaborate with the new Patient Safety and Risk Board – composed of senior medical, quality, and regulatory corporate leaders – to evaluate and advise appropriate action on safety and quality issues that pose risks to patients or users.

In FY22, we reorganized our Medical Safety group under the supervision of a new chief medical safety officer. The group matches teams of dedicated medical safety experts with various operating units and therapy areas. These internal experts use their clinical experience to assess the risk, benefit, and safety concerns throughout the product life cycle. They also engage with external practitioners in formalized panels to incorporate up-to-date, real-world data and expertise into how we evaluate safety issues.

We will continue to enhance our commitment to safety through Put Patients First, an imperative launching in FY23 that will further ensure quality and patient safety are embedded in our culture. Put Patients First will inspire and require employees to work with a sense

of purpose and ownership, knowing there is a human life on the other side of every decision.

#### Product quality

In FY22, we launched a cross-functional, enterprise-wide product quality plan to drive consistency and accountability across the company, ensuring we deliver on our Mission to alleviate pain, restore health, and extend life. The plan focuses on increasing consistency and rigor across the quality systems, including the areas of risk management and product design.

We monitor compliance with our quality standards at every point in a product's life cycle, from design and manufacturing through product testing and post-market surveillance. Our risk management process is aligned to the ISO 14971 standard for medical devices and enables us to rapidly identify and escalate potential issues. We also align our quality management systems with relevant regulations and international standards, including **21 CFR Part 820** and **ISO 13485**, and we regularly communicate with and train employees to reinforce our Put Patients First imperative.

#### Oversight

Our board and executive leadership ultimately oversee quality matters. The board's Quality Committee supervises risks relating to product quality and safety, cybersecurity, and research. Our chief quality officer sits on the executive committee and reports directly to the CEO.

### Product development

#### Design, reliability, manufacturability

Our design, reliability, manufacturability (DRM) framework is a set of best practices that drive product quality, safety, and reliability for all types of Medtronic medical devices, including standalone software products and those that include software. We work to embed DRM in every stage of the product design and development process through:

- Application of predictive engineering in the development of devices.
- A mandate from our company leadership for DRM accountability.
- Customized DRM training and certification for project development teams as well as progressive training and certification companywide.
- Project assessments to ensure consistent use across our project portfolio.
- Key performance indicators to help evaluate DRM progress.
- Annual assessments and improvement plans at product development locations.
- Skills and capability development for key functions such as Research and Development, Operations, Quality, Medical Safety, Regulatory, and Marketing.

DRM sits at the heart of our predictive engineering process, which our engineers use to simulate product use, forecast performance, and pinpoint potential improvements. At the end of FY22, 78% of new products in our pipeline are achieving high-maturity implementation of design, reliability, manufacturability methodology.

### Manufacturing and supplier quality

Our standardized manufacturing quality programs promote a consistent approach across product manufacturing processes. These programs include our First Time Quality (FTQ) methodology and our Supplier Optimization and Risk Reduction (SOAR) process.

FTQ instills quality awareness across the workforce, strengthens risk identification skills, and embeds a "Do Not Make Defects" mentality across the product life cycle. FTQ delivers a 90% reduction of high-business-impact risks and quality instabilities on targeted workflows.

In FY22, we expanded FTQ into the workflows of our new product development and other transactional processes across our business to further reduce the potential for errors. We also:

- Accelerated FTQ coach training to make the program self-sustainable at key manufacturing sites.
- Developed a new FTQ portal to track event execution and risk mitigation, as well as coach development.
- Established FTQ Communities of Practice to share knowledge, recognize top performance, and strengthen quality culture.

SOAR is a continuous improvement strategy that uses predictive and preventive risk assessments to reduce risk and optimize our supply base to avoid product supply disruptions. Through the program, we partner with our suppliers to identify potential hazardous situations and implement best-in-class processes and tools to prevent these hazards from becoming issues.

PATIENT SAFETY AND PRODUCT QUALITY

Facility compliance

We assess quality management systems at our manufacturing, design, and distribution centers through global internal audits and corporate excellence assessments. These focus on maintaining consistently high-quality management levels and complying with evolving regulatory requirements.

External regulatory audits help to keep us accountable, aware of regulatory priorities, and focused on making necessary changes to policies and practices. We share the findings and actions from these activities across the enterprise via our knowledge management process. In FY22, 95% of external regulatory inspections at Medtronic facilities globally resulted in no findings.

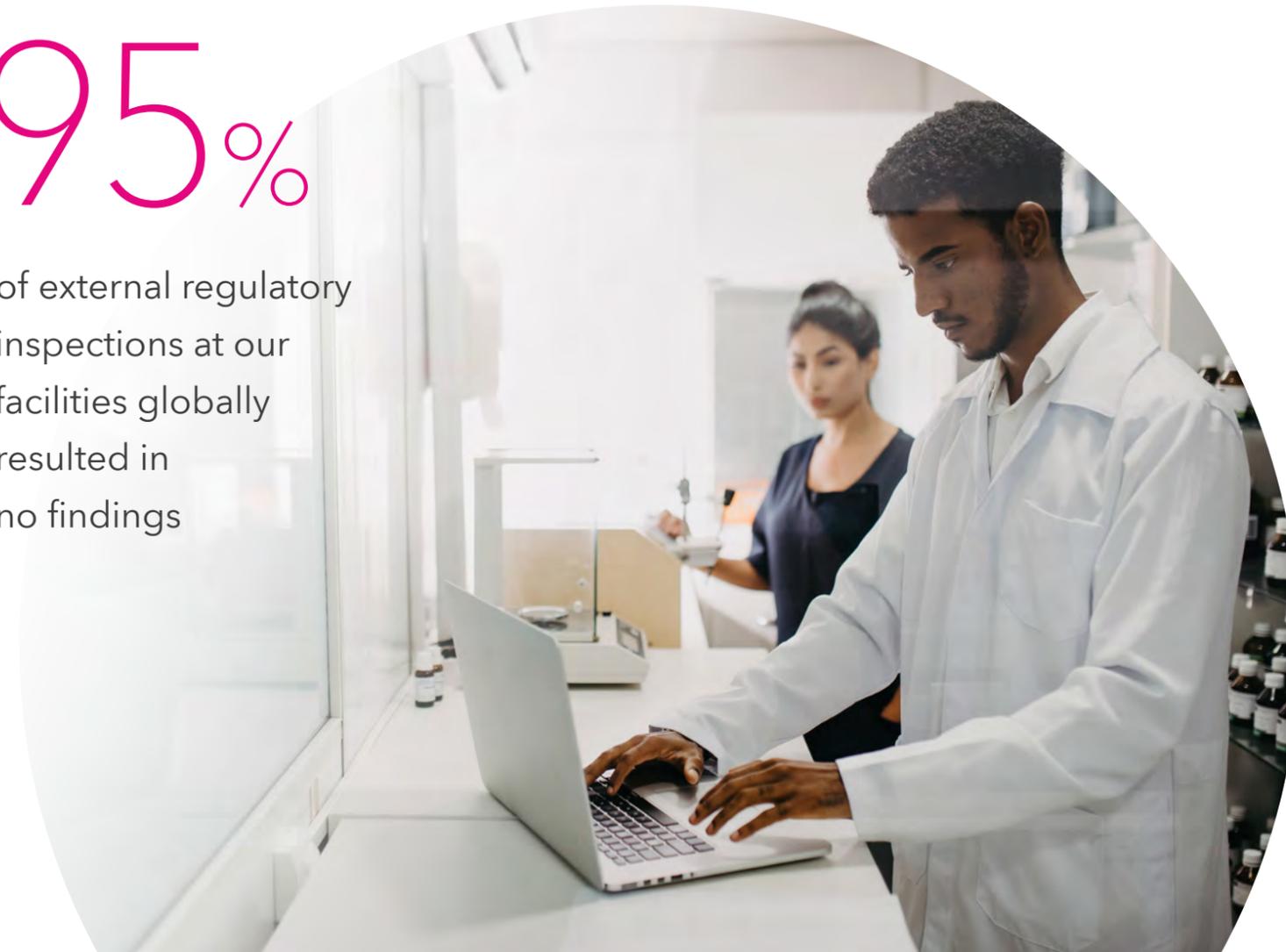
We received an average of 0.38 findings per regulatory inspection overall and 2.6 findings per U.S. FDA inspection in FY22. These figures were partially affected by an increase in FDA inspections after the lifting of COVID-19 restrictions. We expect the number of external inspections to remain high in FY23 and are working to ensure all of our sites are operating in a manner that will produce positive regulatory inspection outcomes.

REGULATORY INSPECTIONS AND INTERNAL ASSESSMENTS AT OUR FACILITIES

	FY20	FY21	FY22
External regulatory inspections at Medtronic sites globally	237	242	284
External regulatory inspections globally that resulted in no findings	95%	99%	95%
Average findings per external regulatory inspection	0.09	0.02	0.38
Average findings per FDA inspection	0.17	0.02	2.6
Internal assessments and supported improvements	46	21	28

95%

of external regulatory inspections at our facilities globally resulted in no findings



Product security

We work proactively to identify, address, and minimize vulnerabilities in our products that could expose them to cyberattacks or other potential risks.

Our Product Security Office manages our rigorous approach to security – including vulnerability testing, updates, and remediation – as well as impact assessment for device functionality and patient safety. We monitor current practices and emerging risks by engaging with employees, regulators, peers, healthcare delivery organizations, clinicians, and security researchers.

As part of our global quality management system, subject matter experts within each operating unit are responsible for integrating security considerations throughout the product life cycle. In FY22, we established new leadership groups to advise the Product Security Office on the execution of our Enterprise Product Security Strategy, which comprises three pillars: A mindset of excellence, industry participation, and pre- and post-market maturity. We also trained 450 employees on product security best practices in FY22.

In FY22, we publicly disclosed six security vulnerabilities, which included security bulletins, updates to previous bulletins, and security notices responding to third-party risks that may not be applicable to Medtronic but helped address customer inquiries. Also, we became a **CVE Numbering Authority**, which allows us to move more rapidly and decisively in the coordinated disclosure process.

We **publicly recognize** the work of independent security researchers who have demonstrated ethical behavior and followed coordinated disclosure processes to advance our product security. If anyone believes they have identified a potential security

## PATIENT SAFETY AND PRODUCT QUALITY

vulnerability in any of our products or services or has questions or concerns, we encourage them to contact us via [Medtronic.com/security](https://www.medtronic.com/security).

Our product security strategy includes a focus on pre- and post-market product security rigor and engagement in industry activities to help shape regulations, standards, technology, and practices. In FY22, we joined Optum, Boston Scientific, Abbott Laboratories, and others to help launch the new Center for Medical Device Cybersecurity (CMDC) at the University of Minnesota. We also serve on the steering committee for the center, which is a hub for discovery, outreach, and workforce training in the device security field.

Additionally, we participate in several industry bodies, including the Health Information Sharing and Analysis Center (H-ISAC), the National Capital Region Threat Intelligence Consortium, and the Medical Device Innovation Consortium. Many of our team members lead initiatives in these groups to help advance product security for the entire industry.

### Preclinical research

Preclinical research lets us examine how potential new treatments will function in practice, prior to evaluating them in clinical trials. Our biomedical research sometimes involves human cadaver and modeling work, animal-related research, and the use of animal-derived stem cells, but does not involve use of human embryonic stem cell lines.

### Animal-related research

Animal research and testing is sometimes a regulatory requirement for the development of new medical products. We use animals in research activities only when no acceptable alternatives exist, as described in our [Policy Regarding the Use of Animals](#). The policy applies to:

- Research that contributes significantly to patient welfare.
- Work specifically mandated by regulatory agencies to ensure patient safety or effectiveness.

Any animal-related research or testing is first externally approved by the [Institutional Animal Care and Use Committee](#). We comply with the U.S. [Animal Welfare Act](#) and other relevant standards and requirements set by the National Academy of Sciences' [Guide for the Care and Use of Laboratory Animals](#).

We are committed to a respectful, humane approach and take the welfare of animals used in research seriously. Our work with scientists, veterinary surgeons, and other experts helps refine our methods, always aiming to alleviate or minimize harm and distress.



## PATIENT SAFETY AND PRODUCT QUALITY

### Alternatives to animal-related research

Where possible, we reduce the use of animals and replace animal-related research with other methods, including:

- Submitting research findings to inform the work of the International Organization for Standardization (ISO) on a standard for the testing of human skin cell-based irritation without the use of animals.
- Investing in our Corporate Research Group’s fundamental modeling work to potentially reduce the number of animals used in future research.

### Clinical trials

As a key part of the product development process, we conduct clinical trials to provide the necessary evidence on product and therapy safety and effectiveness. We also conduct clinical trials to support market access activities after products are launched. More than 2,000 employees in our Clinical Research and Medical Science functions collaborate to ensure the trials are robustly designed and efficiently conducted in accordance with appropriate regulations and ethical practices.

Increasing diversity in clinical trials is a critical element of working within the current regulatory and social landscape to reduce health inequities and improve outcomes for a broader, more inclusive patient

population. We are committed to developing sustainable solutions that overcome barriers to achieving diverse representation across our clinical trials. This effort includes:

- Assessing race and gender representation across indications.
- Standardizing collection of demographics across Medtronic.
- Establishing an enrollment target methodology for targeted indications.
- Identifying opportunities to increase access to underrepresented patient populations.
- Developing processes and tools to reduce specific health equity gaps.

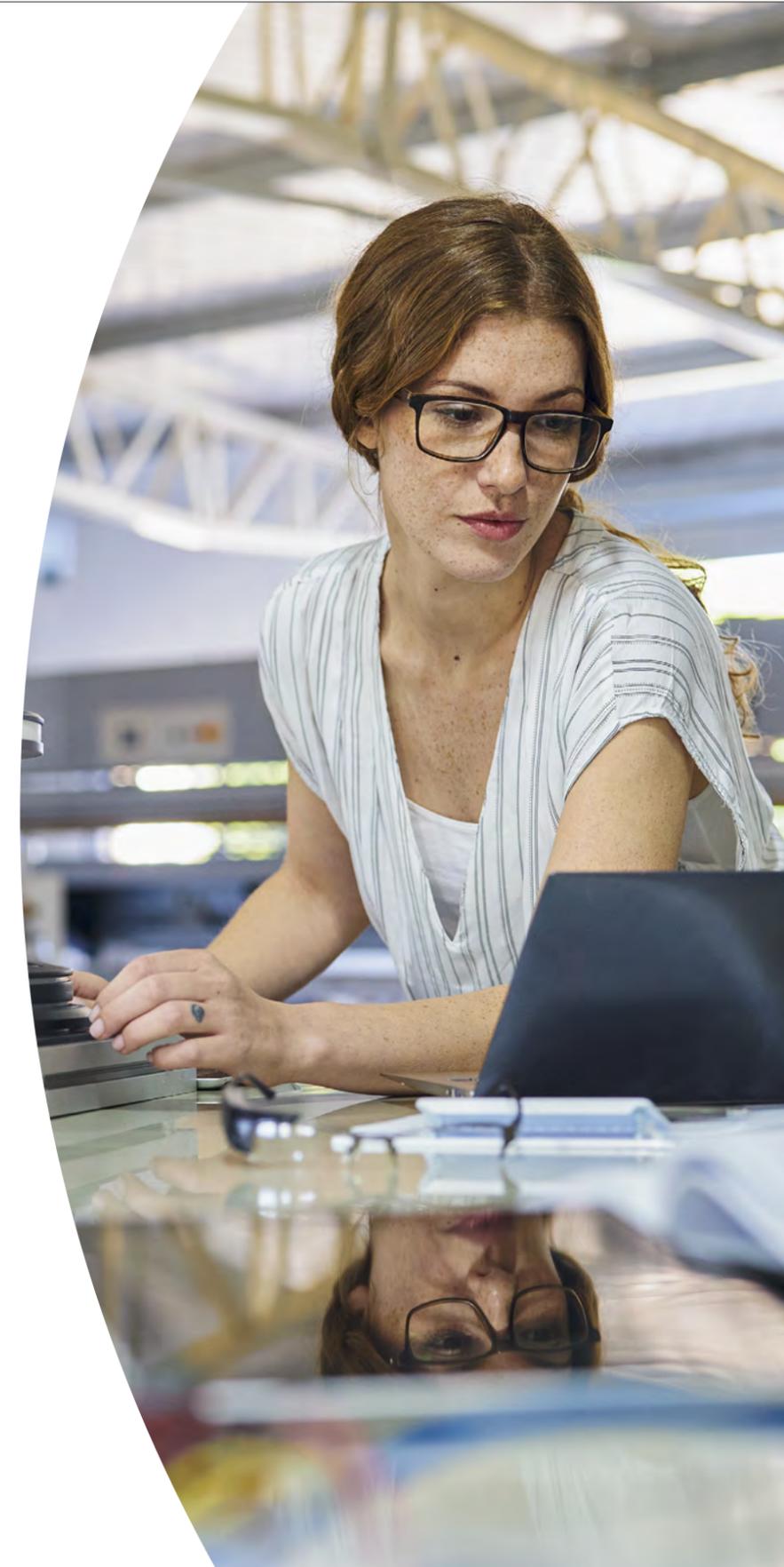
Amid the ongoing COVID-19 pandemic, we continue to implement new approaches to increase both patient engagement and efficiency in clinical trials. This includes continued deployment of remote technologies, as well as the use of apps and wearable devices for direct-to-patient data collection.

Our **Code of Conduct**, **Global Business Conduct Standards Policy**, and strict data privacy standards guide our approach to clinical trials. We adhere to all relevant laws and regulations, including the E.U. Medical Device Regulation and ISO 14155:2020 standard for clinical research.

### Collaboration, engagement, and data sharing

The advancement of medical research depends upon transparent data sharing and collaboration. We continue to share knowledge by:

- Disclosing information on applicable trials to the U.S. Clinical Trials Registry – a database of more than 422,000 research studies.
- Publishing trial findings in peer-reviewed journals.
- Collaborating with research scientists, institutions, and physicians to advance our clinical trials practice.
- Contributing to the advancement of clinical standards by working with the Association for the Advancement of Medical Instrumentation, the Clinical Trials Transformation Initiative, the Medical Device Innovation Consortium, the National Evaluation System for Health Technology Coordinating Center, and the Digital Health Measurement Collaborative Community.
- Participating in the MedTech Color Collaborative as we advance patient diversity in clinical trials at Medtronic.



PATIENT SAFETY AND PRODUCT QUALITY

Product use and performance

Once we launch a product, we monitor its use and performance to measure and improve safety and inform future designs.

Post-market surveillance

Through our post-market surveillance process, we collect patient outcome data in partnership with hospitals, physicians, clinics, governments, and third parties. We also gather data from:

- Post-market clinical studies on specific products and therapies.
- Customer feedback analyzed via our global complaint handling system – now consolidated into a single companywide organization to improve our ability to quickly detect and resolve product performance issues.

We also collect post-market surveillance data via an extensive internal Product Surveillance Registry that captures patients’ real-world experiences and outcomes with many of our products. Data from the registry is increasingly used to generate evidence to ensure continued market access through routine reporting shared with global regulators. We also use this valuable data to engage with payers and other stakeholders on maintaining access to critical products and therapies for the patients we serve.

We develop standardized models to measure and improve patient safety and clinical outcomes. In addition, we regularly engage the U.S. FDA and other regulators to make sure we meet their post-market surveillance expectations.

Caring for patients

We work to improve the patient experience through many avenues, including how patients interact with our products and the outcomes they experience.

Complaint rates are an important indicator of patient experience and product quality and we continuously strive to reduce this rate. Previously, our efforts resulted in a more than 40% decline in customer-reported complaints for our pacemaker/defibrillator devices and lead systems.

To further enhance product quality and patient experience, we are targeting a 10% reduction in aggregate product complaint rate by FY25, compared with a FY20 baseline, for key product families.<sup>1</sup> As of FY22, we are on track to achieve a 10% aggregate reduction by FY25.

Product-related actions

The safety and well-being of patients is our paramount concern. Any time product performance is called into question, we act swiftly to engage in transparent communications, reduce risk, and ensure optimal patient management.

We take prompt action whenever we are alerted to regulatory or field-safety issues with a Medtronic product. Our corrective actions include voluntary product recalls when needed. We examine underlying issues and root causes and work to resolve them to avoid recurrence.

Our Design Quality Center of Expertise supports our operating units in implementing quality and reliability improvements via our product-development process, including incorporating lessons learned from post-

U.S. FDA RECALLS

	FY20	FY21	FY22
FDA Class I recalls	6	10	9
FDA Class II recalls	25 <sup>†</sup>	46 <sup>†</sup>	46
Annual recall ratio normalized by revenue (FDA Class I and II recalls per \$1 billion in revenue)	1.07 <sup>†</sup>	1.86 <sup>†</sup>	1.74

<sup>†</sup> The data has been recast from our 2021 Integrated Performance Report due to recalls that occurred in a select fiscal year but were not confirmed until after the report was published.

U.S. FDA WARNING LETTERS

	FY20	FY21	FY22
Open FDA warning letters	4	1	2
Open FDA warning letters resolved during the year	3	0	0

market surveillance. Our Risk Management Center of Expertise provides oversight of the post-market safety process, ensuring consistency of decision-making across Medtronic.

In FY22, nine Medtronic products were subject to voluntary Class I recalls. This represents 0.005% of product models offered by Medtronic in FY22. Our ratio of recalls classified by FDA as either Class I or II per \$1 billion in revenue declined to 1.74 in FY22 compared with 1.86 in FY21.

With each recall, we focus on correcting safety issues but also conduct rigorous root-cause investigations focused on the product and our processes. More detail on recalls is available on the [FDA List of Device Recalls](#).

Further detail on calendar-year recalls are provided in our [ESG disclosure index](#).

<sup>1</sup> The goal covers the following products: Transcatheter Aortic valves and delivery systems, Venous Closure Systems, Spinal Cord Stimulation systems, Mazor Robot, Signia™ handles, Puritan Bennett™ 980 ventilator and Diabetes NGP pumps, and sensors. We are focusing on these product families because they represent strategic opportunities to positively influence complaint rate and patient experience through new product introductions and post-release changes. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified we may expand the scope of this commitment in future years. This target is an aggregate percent reduction from FY20 to FY25. Therefore, annual progress toward this target prior to FY25 does not represent achieving or missing the target.

## SOCIAL IMPACT

# Data privacy and security

Today, more patients and providers are turning to connected devices than ever before. And we've seen an unprecedented volume and scale of ransomware attacks and vulnerability disclosures across many sectors over the past year. It's critically important that we safeguard information, assets, and systems in the ever-evolving data and cybersecurity landscape.

Our programs are designed to protect data and systems, comply with global regulations, and maintain the safety and privacy of the patients who use our products.

**Adding business value**

By investing in information security, product security, and data privacy, we comply with regulations, build investor confidence, retain customer trust, and respect patients.



## DATA PRIVACY AND SECURITY

### Privacy and security approach

Our Global Cybersecurity program operates under strong governance, risk, and compliance processes that are aligned with the **National Institute of Standards and Technology** Cybersecurity Framework (NIST), the **ISO/IEC 27001** standard, and other relevant international security standards. The Audit Committee of the Medtronic board of directors has oversight of cybersecurity risk within our organization and our companywide security policies, standards, and procedures ensure consistency across our organization. We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives. We secure information, including intellectual property and personal data, with a suite of physical, technical, and administrative controls.

To advance data security practices, we collaborate with third-party organizations such as the **Health Information Sharing and Analysis Center** (H-ISAC), **AdvaMed**, and the **European Union Agency for Cybersecurity**. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups. We have processes in place for coordinated disclosure of potential security vulnerabilities when they are identified by third parties, and for notification or other remediation regarding vulnerabilities when necessary.

Our data privacy policies, standards, and procedures define our principles and approach for stewardship of personal data. They are aligned to common and evolving privacy principles derived from privacy laws such as HIPAA and the E.U. General Data Protection Regulation (GDPR).

This approach provides a high level of data protection for our patients, participants in clinical trials, customers, employees, vendors, and partners. We also meet local data privacy requirements where those are stricter than our Medtronic-wide standards.

As with any company, Medtronic employees and contingent workers play a crucial role in safeguarding data. We train all employees and contingent workers on security and privacy so they understand how to identify, protect, and preserve sensitive data and prevent cyber intrusions. We continue to expand and improve our global training programs to raise employee awareness of privacy and security obligations. Our annual training includes:

- Awareness around International Privacy Day.
- Privacy and security training for global employees and contingent workers.
- U.S. privacy law training for U.S. employees, including supplemental California Consumer Privacy Act training.
- General Data Protection Regulation training for select global corporate employees, as well as noncorporate E.U. employees.
- China privacy law training for Medtronic employees in China.
- Region-specific privacy training for Medtronic employees in Latin America.
- Privacy by Design training for employees in key global functions, such as Legal and IT, as well as the vast majority of E.U. employees.

Additionally, we expect our vendors to adhere to our data privacy and security standards, and we evaluate these risks as part of our vendor assessment process. When we acquire a company, we conduct privacy and security due diligence and implement an integration plan that includes training as well as policy and procedure standardization.

With regard to data breach reporting, Medtronic adheres to state, federal, and, where applicable, international data breach notification requirements. As an example, in accordance with HIPAA-related data breach requirements, Medtronic self-reports incidents involving loss of, or inappropriate access to, patient information to the Office for Civil Rights of the U.S. Department of Health and Human Services.

Looking ahead, we are focused on reducing risks related to data security, product security, and privacy by raising the 'data and security intelligence' of employees and continuously improving:

- Processes and technology for threat detection and response.
- Processes and technology for privacy risk assessments and data subject request execution.
- Guidelines and training on data security, product security, and privacy.

For more information on product security, see **Patient safety and product quality**.



SOCIAL IMPACT

# Supply chain responsibility

Our ability to boldly tackle the most challenging health problems facing humanity depends on a responsible, resilient supply chain. By enforcing strong policies, monitoring and mitigating risk, performing supplier due diligence, and disclosing and reporting appropriate matters, we ensure that our innovative technologies are manufactured and delivered responsibly and disruptions are managed effectively. In addition to streamlining our supply chain operationally, we also reinforce human rights, environmental stewardship, and ethical behavior.

**Adding business value**

In the past year, Medtronic therapies improved the lives of 76 million people. Responsibly managing our global supply chain makes that possible. By continuously improving our supply chain resiliency and engaging with a diverse pool of innovative partners, we are better able to create and deliver high-quality, life-improving products and services while also minimizing disruptions and quality issues.

\$13.5B

spent with more than

63,800

partners across

130

countries



SUPPLY CHAIN RESPONSIBILITY

Sustainability and responsibility

As a global healthcare technology leader, we attract and cultivate relationships with responsible, reliable suppliers who enable our delivery of high-quality products to customers and patients. We procure materials and services from more than 63,800 partners across 130 countries, spending more than \$13.5 billion with suppliers globally in FY22. Our long-standing commitment to sustainable and socially responsible supply management practices came to the forefront in the face of this year’s global challenges. Our commitment to excellence and persistent work with suppliers allowed us to remain strong and manage disruption amid the ongoing pandemic; global raw material constraints in key commodities, including semiconductors, resins, and metals; labor and energy shortages; rising inflation; and the war in Ukraine.

For years, our Global Supply Management team has developed relationships with suppliers, instilling our high standards for excellence and good citizenship. This team oversees our Responsible Supply Management program, which integrates responsible business practices into processes such as supplier selection and supplier performance management.

Our suppliers understand that Medtronic expects them to respect human rights, labor standards, business ethics, and the environment. Formal company policies are foundational to their understanding; they include:

- **Global Supplier Standards** – describes the minimum social, ethical, and environmental requirements and expectations for our suppliers.
- **Global Human Rights and Labor Standards Policy** – guides how we should conduct business to demonstrate respect for internationally recognized human rights and the dignity of all people.

- **Global Anti-Human Trafficking and Forced Labor Policy** – outlines our commitment to a work environment free from human trafficking, slavery, unlawful child labor, and forced labor of any kind.
- **Code of Conduct** – states our companywide standard for behavior and applies to employees, officers, directors, and anyone conducting business on our behalf, including contractors, consultants, and distributors.

Our Responsible Supply Management program aligns with international standards and guidelines, including those from the **Organization for Economic Co-operation and Development** and the **United Nations Guiding Principles on Business and Human Rights**.

Training and collaboration

To ensure a responsible supply chain, we provide comprehensive Responsible Supply Management training for employees in our procurement, sourcing, and supplier quality groups. Trainings focus on environmental and social topics such as greenhouse gas (GHG) emissions, labor conditions, human rights, human trafficking, and modern slavery. In FY22, more than 300 employees participated in our Responsible Supply Management training program, bringing the total number of employees trained since FY21 to more than 1,300.

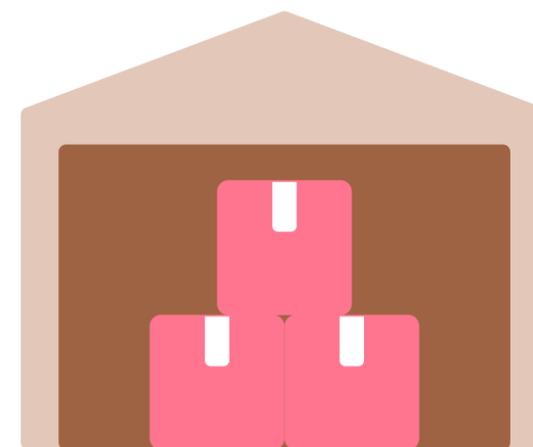
We expect suppliers to implement their own human rights and labor standards and also comply with our Global Supplier Standards, which are included in supplier agreements and purchase order terms and conditions. All new suppliers must agree to these standards before working with us.

SUPPLY CHAIN SPEND†

(\$ million)

	FY20	FY21	FY22
Australia	\$67.3	\$54.1	\$63.3
Canada	\$126.8	\$118.9	\$121.0
China	\$465.7	\$596.5	\$556.4
France	\$188.0	\$204.7	\$171.1
Germany	\$285.5	\$270.7	\$290.9
Ireland	\$272.9	\$408.2	\$328.3
Israel	\$65.9	\$133.9	\$185.4
Japan	\$176.7	\$178.8	\$231.0
Mexico	\$156.2	\$191.1	\$187.3
Netherlands	\$252.8	\$266.2	\$279.9
Singapore	\$122.2	\$176.0	\$161.5
Switzerland	\$251.5	\$114.3	\$113.2
United States	\$8,754.8	\$8,040.4	\$8,863.0
Total for locations listed	\$11,186.3	\$10,753.8	\$11,552.3
<b>Total spend</b>	<b>\$12,835.6</b>	<b>\$12,536.9</b>	<b>\$13,527.6</b>

† Totals may not add up due to rounding.



## SUPPLY CHAIN RESPONSIBILITY

Suppliers that do not fully comply with our Global Supplier Standards must undergo additional training. During FY22, we held 26 one-on-one training sessions on our standards and expectations. These suppliers also received sample policies to integrate into their operations.

To enhance supplier environmental sustainability, in FY22, we joined CDP Supply Chain, a consortium of global companies working to help 40,000 suppliers quantify their GHG emissions and other components of their environmental footprint. Our Responsible Supply Management and Environmental, Health, and Safety functions collaborate in the CDP Supply Chain membership, which will help us better understand our Scope 3 emissions and inform the development of science-based targets. This membership will also help our suppliers identify climate risks and reduce their environmental impact. We launched our CDP Supply Chain training program in FY22 and invited 101 suppliers to participate in the first year. As part of the launch, we provided training to 46 suppliers and 21 category managers. Learn more about our work with CDP in [Reducing our environmental footprint](#).

We collaborate with peers on issues that affect our industry, which in turn help us learn and benchmark our progress. Our collaboration in FY22 included engagements with the [Sustainable Purchasing Leadership Council](#) and the [Conference Board's Responsible Sourcing Council](#). We also participated in MedTech Europe working groups to discuss emerging human rights and environmental due-diligence laws.

### Monitoring compliance and performance

Setting strong standards is a good start, but meaningful monitoring and enforcement is necessary for our approach to be effective. Our Supplier Sustainability Assessment program monitors suppliers' compliance and performance against our standards, prioritizing suppliers where we have the highest spend and those deemed to be highest risk. To ensure suppliers' participation, we expanded this program in FY22 to involve our category managers in the assessment process.

In FY21, we set a FY26<sup>1</sup> target to assess the sustainability performance of suppliers representing at least 80% of our annual managed spend. In FY22, we exceeded previous years by completing sustainability assessments of 186 suppliers. This brings our total assessments of suppliers to 66% of our annual managed spend, keeping us on track to achieve our FY26 goal.

Using self-assessment surveys and on-site audits, we determine supplier risk in four areas: labor and human rights; environment; ethics; and sustainable procurement. Our risk determination dictates the frequency of a supplier's self-assessment. Low-risk suppliers complete assessments every three years, while medium- and high-risk suppliers complete assessments every two years and annually, respectively. We issue corrective action requests to all suppliers identified as a medium- or high-risk, and we expect them to promptly address high-priority incidents of noncompliance. We also conduct on-site workplace conditions inspections and audit the business practices of the majority of high-risk suppliers.

<sup>1</sup> Managed spend, also known as addressable spend, is the spend that Medtronic actively manages through a category management process.

### NUMBER OF SUPPLIERS COMPLETING SELF-ASSESSMENTS

FY20	FY21	FY22
170	128	186

### RESPONSIBLE SUPPLY MANAGEMENT FROM THE BOTTOM UP



<sup>2</sup> The risk score yielded by the algorithm is used to identify suppliers that require escalation to other sustainability programs.

## SUPPLY CHAIN RESPONSIBILITY

In FY22, we piloted a new Supplier Risk Mapping tool to analyze suppliers for risks related to their geographic location and industry, taking into consideration the amount we spend with them annually. This new tool incorporates a methodology for systematic analysis of all our Tier 1 suppliers and helps prioritize which suppliers should undergo third-party assessments and audits. During the pilot phase, we evaluated and assigned inherent risk scores to 6,000 of our Tier 1 suppliers.

### Supplier audits

In FY22, we worked with a third party to conduct on-site audits of six suppliers and three follow-up audits. Because COVID-19 limited the number of audits we could perform, we prioritized audits of suppliers that had received high-risk scores on their online assessment surveys. The scope of these audits included labor, wages, and hours; health and safety; management systems; environment; and business practices.

For certain suppliers that received a high-risk score from their online assessment, we accepted another third-party provider's audit report as an alternative to our own to help reduce supplier auditing fatigue.

We also encourage our suppliers to report publicly on their environmental and social performance. Every two years, we assess the sustainability reporting of our top suppliers by spend. In FY21, we assessed the top 200 suppliers and confirmed that 37% published sustainability reports, 8% had sustainability goals published online, and 26% had information relating to sustainability on their website. In total, seven suppliers published inaugural sustainability reports, two suppliers shared new goals, and five suppliers shared new information on sustainability in the past year.

### Conflict minerals

Some of our products contain tin, tungsten, tantalum, or gold. In the Democratic Republic of Congo and neighboring countries, mining and processing of these metals have been linked to funding armed conflict. To promote the use of responsibly sourced minerals, we continue to:

- Support the U.S. Dodd-Frank Act, which requires companies to disclose the use of any such conflict minerals.
- Require suppliers to comply with the law and uphold responsible sourcing practices.
- Reference conflict minerals in supplier agreements and purchase orders.
- Participate as a member of the Responsible Minerals Initiative.
- Follow the Organization for Economic Cooperation and Development (OECD) guidance on conflict minerals – including surveying suppliers to collect data on smelters in their supply chains.

We report our supplier survey results to the U.S. Securities and Exchange Commission annually in a dedicated **Conflict Minerals Report**. For calendar year (CY) 2021, 56 of our suppliers reported red-flag smelters or refineries in their supply chain, an increase of 125% compared with CY20. This increase occurred because a single, large gold refiner was added to the red-flag category in CY21. In such instances, we request that the supplier work to eliminate red-flag smelters from their supply chain.

More information on our approach is available in our **Conflict Minerals Policy**.



SUPPLY CHAIN RESPONSIBILITY

Supplier quality management

Because suppliers are our essential partners, we clearly communicate our quality expectations and specifications and provide support through our **Supplier Quality Excellence Manual**.

In addition, we help suppliers meet our stringent standards through:

- Continuous improvement programs, facilitated on-site at supplier manufacturing locations.
- Collaboration with suppliers to improve the design, reliability, and manufacturability of components and products.

Supplier diversity

Our growing base of high-quality, diverse-owned suppliers strengthens our ability to deliver on our Mission to alleviate pain, restore health, and extend life. We gain a competitive advantage through the different perspectives and innovations that diverse-owned suppliers provide. Improving our supplier diversity performance also stimulates long-term economic benefits; creates jobs and opportunities for communities; and builds more innovative, resilient, and agile supply chains. To further our commitment, in FY22 we stated our ambition to join the **Billion Dollar Roundtable** and have established a roadmap to achieve this goal.

Our Supplier Diversity program aligns with the companywide approach to inclusion, diversity, and equity (ID&E) and Global Supply Management. Our VP, chief inclusion and diversity officer (CIDO) serves on the Supplier Diversity Steering Committee, which, together with our Supplier Diversity and Global Supply Management leaders, governs our Supplier Diversity

program, strategy, and goals. The CIDO highlights our supplier diversity performance as part of the Quarterly Diversity Report to our CEO and executive leadership. In addition, our chief procurement officer leads visibility of the initiative within the Global Operations and Supply Chain organization.

The Supplier Advisory Board (SAB), composed of our strategic suppliers, is instrumental to the success of the Supplier Diversity program. The 12-member SAB includes two diverse-owned suppliers who, along with fellow members, inform our global sourcing strategy and our approach to supplier partnerships.

In FY22, we directed \$830 million to companies owned by people from diverse backgrounds. When combined with nondiverse small businesses, this figure reaches \$2.7 billion, approximately 36% of our total U.S. supplier spend. Medtronic operating units drive our performance and are expected to support diverse-owned businesses, which include those owned by women, people from ethnically diverse groups, people with disabilities, LGBTQ+ individuals, veterans, and those located in historically underutilized or disadvantaged business zones.

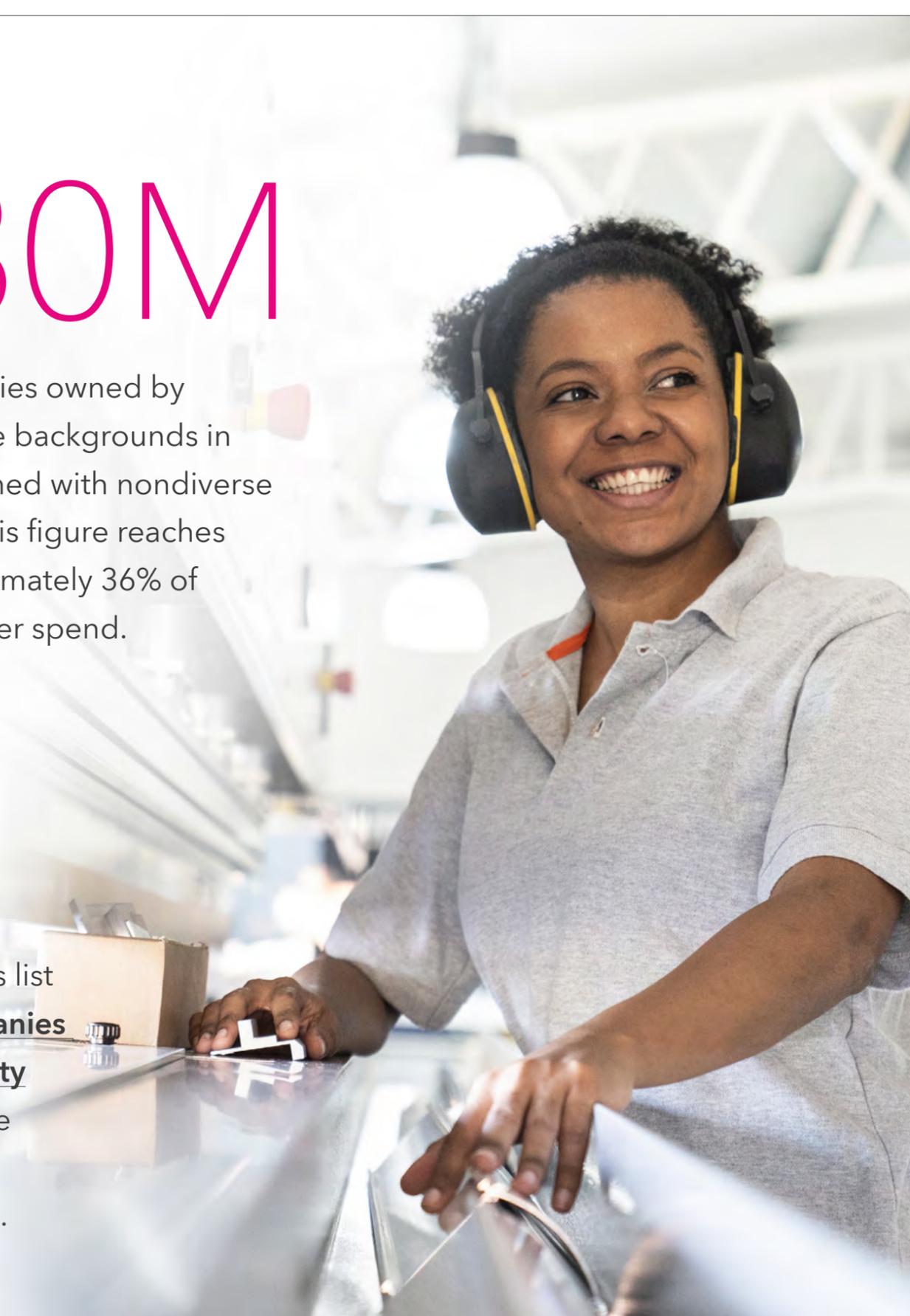
In FY22, we surpassed our annual goals to increase spending with diverse-owned suppliers by a minimum of 5% year over year, and to increase, year over year, the percentage of Medtronic requests for proposal that include a diverse-owned supplier, which ensures inclusion across the majority of sourcing events. Through these strategies, in FY22, we increased spend with diverse-owned firms by 29% compared with the previous year.

\$830M

directed to companies owned by people from diverse backgrounds in FY22. When combined with nondiverse small businesses, this figure reaches \$2.7 billion, approximately 36% of our total U.S. supplier spend.

5th

DiversityInc. ranked Medtronic 5th on its list of **2022 Top Companies for Supplier Diversity** and 11th among the overall 2022 Top Companies for ESG.



SUPPLY CHAIN RESPONSIBILITY

SUPPLIER DIVERSITY ECONOMIC IMPACT

\$2.7B

purchased from small and diverse-owned businesses

\$4.9B

in economic production activity

\$1.8B

in wages and benefits through supported jobs

29,303

small and diverse supplier jobs supported in the United States

Because ID&E is essential to our ongoing innovation, we work hard to increase supplier diversity globally. We expanded our International Supplier Diversity program in FY21, with a focus on engaging women-owned businesses in Europe, the Middle East, Africa, and Latin America. In FY22, supplier diversity leadership from the Europe, Middle East, and Africa region drove the adoption of goals to grow diverse spend within the region and ensure the inclusion of diverse-owned suppliers in new bid opportunities. These efforts led to new partners being added to our supply chain, including:

- **Advise Iletisim** – a marketing communications agency in Turkey and a certified Women Business Enterprise that provides digital marketing services to Medtronic.
- **Masoom Training Solutions** – a human resources training company and a certified Black Economic Empowerment and Women Business Enterprise that provides training for Medtronic in South Africa.

During our inaugural Medtronic Supplier Diversity Conference, held virtually in November 2021, more than 200 attendees joined for two days of knowledge sharing, training, and business networking. The event culminated in approximately 150 one-on-one sessions between diverse-owned suppliers and Medtronic sourcing managers.

In FY22, we also launched an Early Payment Program for Diverse Suppliers in partnership with a global provider of working capital solutions. This offering helped ease cash-flow pressures by accelerating more than \$19 million in payments to over 540 participating diverse-owned suppliers within the first six months of the program.

U.S. DIVERSE SUPPLY CHAIN SPEND

(\$ million by category)

	FY20		FY21		FY22	
	\$ U.S. spend	% U.S. spend	\$ U.S. spend	% U.S. spend	\$ U.S. spend	% U.S. spend
Small business enterprise	\$1,896	26.2%	\$1,776	27.2%	\$1,706	23.0%
Veteran-owned business enterprise	\$113	1.6%	\$133	2.0%	\$136	1.8%
Minority-owned business enterprise	\$273	3.8%	\$265	4.1%	\$320	4.6%
Women-owned business enterprise	\$172	2.4%	\$172	2.6%	\$498	7.2%

Impact of diverse-owned firms

LGBTQ+-owned **Reason Research** provides the "voice of the customer" to help us better understand the needs of patients and physicians so we can more quickly make our technologies accessible. Reason Research also amplifies diverse voices in its own operations by participating in the Diversity Alliance for Science, an organization that helps small and/or diverse businesses drive inclusive procurement practices in the life science and healthcare industries.



"Supplier diversity signals that companies aren't just talking about inclusion, they're doing it beyond their own walls."

**Gary White**  
CEO, Reason Research

# Governance and accountability

We uphold robust corporate governance practices and instill principles of ethical behavior across our business as essential drivers of Medtronic's financial success and responsible growth. Our uncompromising standard of accountability sets the foundation for investors' confidence and underpins our stakeholder engagements.

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GOVERNANCE AND ACCOUNTABILITY

# FY22 highlights

## 30%

of board members were women, and following the June 27, 2022 appointment of Lidia Fonseca as a new director, 36% of board members are women

## 20%

of board members were from ethnically diverse backgrounds, and following the June 27, 2022 appointment of Lidia Fonseca as a new director, 27% of board members are from ethnically diverse backgrounds

## ~100%

nearly all U.S. employees certified as having read and understood our Code of Conduct

## \$31.7B

revenue generated and 92% of free cash flow returned to shareholders

## \$1.7B<sup>1</sup>

total strategic investment and acquisition spend

<sup>1</sup> Includes acquisitions, additions to property, plant and equipment, and net purchases of investments.



GOVERNANCE AND ACCOUNTABILITY

# Corporate governance

Our principled approach to corporate governance is defined through clear policies and procedures. Independent oversight of the company strengthens our financial health and ethical accountability and enables us to fulfill our Mission.

**Adding business value**

Strong corporate governance upholds our company values, safeguards us against risks, and maintains our stakeholders' trust – which is essential to the continuing success of our business.



CORPORATE GOVERNANCE

Board of directors

We are governed by a board that comprises nine independent directors and our CEO, Geoff Martha, during FY22. Martha serves as Chairman of the Board, and Craig Arnold serves as lead independent director.

Our board has six standing committees, each composed of independent directors. The committees are:

- Audit
- Compensation
- Finance and Financial Risk
- Nominating and Corporate Governance
- Quality
- Science and Technology

Our board members have diverse experience, skills, and backgrounds essential to understanding and responding to stakeholder needs and enhancing the quality of discussions and decisions. At the end of FY22, 30% of our board members were women, and 20% of members were from ethnically diverse backgrounds. With the addition of new director Lidia Fonseca in early FY23, 36% of board members are women and 27% are from ethnically diverse backgrounds.

When evaluating director candidates, we consider a variety of factors, including diversity of skills, experience, and community involvement. Our **Board Diversity Policy** and **Principles of Corporate Governance** outline the principles and processes through which the Nominating and Corporate Governance Committee assesses the appropriate mix of board diversity and evaluates candidates for directorship.

The Nominating and Corporate Governance Committee also oversees our environmental, social, and governance (ESG) performance. More detailed information on our ESG governance is shared in **ESG strategy**.

Enterprise risk and continuity management

Unexpected events, such as COVID-19, political turmoil, extreme weather, and civil unrest can disrupt our business and prevent us from serving those who need our products and therapies. Our Enterprise Risk & Continuity team helps us remain resilient in the face of uncertainty.

We stay nimble and prepared through three key programs:

- **Enterprise risk management (ERM)** – Our overarching approach helps ensure risk management activities are consistent across Medtronic. In FY22, we continued to embed our ERM framework within our strategic planning and other core business processes and functions to continue to sharpen our focus on risk mitigation.
- **Business continuity management** – We prioritize critical products and services based on patient impact and our strategic priorities. End-to-end mapping of our value stream enables us to quickly identify and effectively manage key operational risks, with a strong focus on resiliency.
- **Crisis management (CM)** – The CM team prioritizes and coordinates our response, including resource allocation, to crises that affect our people, operations, and/or reputation. The executive committee sponsors the CM program, with more support provided from the Medtronic Global Command Center and leadership.

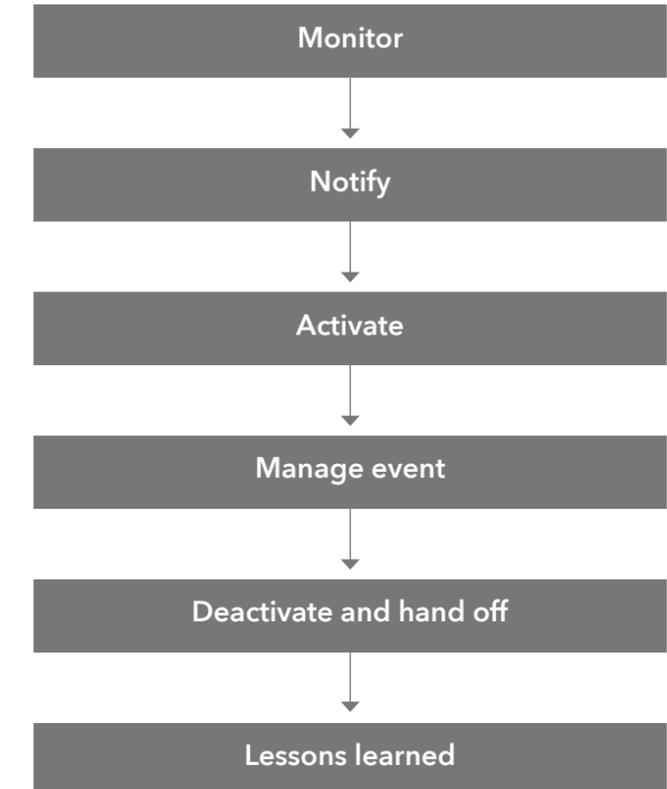
Read more about the **philanthropic support** provided by Medtronic and the Medtronic Foundation during global crises and natural disasters.

CRISIS MANAGEMENT PROCESS

Crisis management teams



Crisis management structure



## CORPORATE GOVERNANCE

### Public policy

We believe that through our public policy efforts, we can help produce long-term societal benefits by improving healthcare access, quality, efficiency, and outcomes for all patients.

Our Government Affairs, Health Economics, Policy and Reimbursement, and Regulatory Affairs teams work with governments, industry peers, and other stakeholders to:

- Realize the potential of digital health technology.
- Enable technology innovations.
- Facilitate access to lifesaving therapies and devices.
- Generate economic value for healthcare system stakeholders.
- Promote outcome-driven and value-based healthcare.
- Harmonize and coordinate international regulatory requirements.

Digital health remains among our top public-policy priorities. We are helping to shape the digital health policy landscape on issues that include device security, data privacy and security, access to data for research and development, product regulatory issues, and coverage and reimbursement.

We also seek to inform public policies aimed at narrowing disparities in healthcare access and promoting equitable patient care. For example, we provide resources and tools that help emergency medical service personnel more quickly and effectively assess and treat patients suffering an acute stroke.

Medtronic makes contributions to candidates for federal office that align with our company values, and we comply with all relevant laws regarding political contribution disclosures. Read more about our [Political Contribution Policy](#).

### Collaborations

Our Mission inspires Medtronic to partner with others to expand equitable access to quality, affordable healthcare.

Our partners in these efforts span patients, physicians, treatment facilities, health system administrators, government officials, public policymakers, nonprofits, nongovernmental organizations, and advocacy groups. Like us, they have a direct interest in improving healthcare and overcoming industry challenges.

A growing number of nations are implementing universal health coverage (UHC) to provide everyone access to health services without risk of financial ruin. According to the World Health Organization, countries with UHC have less poverty and stronger economic development, as well as improved health indicators.<sup>1</sup>

Medtronic is well-positioned to support governments as they work toward UHC, and we seek broader ways to contribute to this progress. For example, Medtronic LABS is part of the UHC2030 Private Sector Constituency and served on the UHC2030 Steering Committee in FY22. Also, our CEO, Geoff Martha, is a co-chair of the B20 Health & Life Sciences Task Force within the G20 forum for international economic cooperation.

<sup>1</sup> Arguing for Universal Health Coverage Report, The World Health Organization, page 10.

We continue to promote value-based healthcare conversations in policy discussions, including meetings of G20 health officials. We also promote policies to increase access to care and innovation, including the application of digital technology to improve diagnosis, therapy, and care management.

We also participate in business and MedTech industry trade organizations working to advance global health. We share expertise and advocate for a more sustainable healthcare model through forums in the United States and elsewhere. This includes serving on the boards of industry organizations such as [AdvaMed](#), [APACMed](#), and [MedTech Europe](#).



GOVERNANCE AND ACCOUNTABILITY

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# Ethical business conduct

Our commitment to “Delivering Results The Right Way” includes empowering our employees to think critically and equipping them with the insights and support they need to make ethical decisions.

### Adding business value

Our lasting success relies on maintaining strong trust among those with whom we work and the patients benefitting from our products and therapies. By ensuring our people act with integrity, we safeguard our reputation, protect the best interests of patients, and minimize our exposure to risks.

## 99%

of employees received Code of Conduct training in FY22

## ~100%

nearly all U.S. employees certified as having read and understood the Code of Conduct in FY22



ETHICAL BUSINESS CONDUCT

Building an ethical culture

Our Office of Ethics & Compliance (OEC) is responsible for ethics policies and programs. The OEC provides an annual ethics report for the board of directors, supplemented by quarterly briefings for the board’s Audit Committee. Our chief ethics and compliance officer also has an independent reporting line directly to the Audit Committee.

In addition, the OEC processes and thoroughly investigates reported concerns of alleged misconduct. As part of the process, a disciplinary action committee reviews the details to help ensure fair and equitable treatment of employees. The committee includes representatives from the OEC, HR, employee relations, and business leaders.

Code of Conduct and Business Standards

We articulate our expectations for ethical behavior through policies and principles that are accessible, explicit, and relevant to employees’ day-to-day work. Our **Code of Conduct** anchors this approach. To ensure every employee understands and is accountable for upholding our Code, we:

- Provide the Code in 22 languages so that 99% of employees can read it in their first language.
- Deliver multilingual Code training for new employees and those joining Medtronic through acquisitions.
- Retrain employees in multiple languages on the Code annually and require everyone at Medtronic – including our board – to certify their understanding of its contents.

We regularly refresh the training on our Code to stay current with emerging issues. In FY22, our updates included making the training more interactive and incorporating new ethical conduct scenarios. FY22 trainings also reinforced our expectation and support for employees to freely speak up about ethical concerns without fear of retaliation. Additional core training modules include conflicts of interest, anti-harassment, fair competition, and insider trading.

Our **Global Business Conduct Standards Policy** governs how employees interact with healthcare professionals and other stakeholders who are able to influence purchasing decisions. The policy aligns with industry best practices and the high ethical standards established by **AdvaMed**, including its recently updated Code of Ethics; **MedTech Europe**; and **APACMed**, the leading global medical device trade associations. We also embed an ethics and compliance review into our due diligence and integration processes for all mergers and acquisitions.

99%

of employees received Code of Conduct training in FY22

ENSURING COMPLIANCE WITH OUR CODE OF CONDUCT

	FY20	FY21	FY22
Employees receiving Code of Conduct training and certification	90%	69%†	99%
Employees terminated for ethical and compliance-related infractions‡	194	270	201

† In-person trainings at manufacturing facilities were suspended in FY20 and FY21 due to COVID-19 restrictions, leading to a decrease in the number of employees who completed training.

‡ Based on calendar years 2019, 2020, and 2021.



## ETHICAL BUSINESS CONDUCT

### Employee ethics

Our Medtronic Mindset of “Delivering Results the Right Way” is a fundamental element of our ethics communications. We continuously expand and improve our ethics touch points and learning opportunities to strengthen employees’ understanding and adherence.

In FY22, we introduced a new approach that ingrains ethics conversations into regular team meetings at our global manufacturing facilities. At least monthly, supervisors lead a discussion on a select aspect of ethical behavior. Supervisors can use one of our prepared discussion guides or tailor their conversations to address team-specific issues and interests. We are averaging more than 1,000 ethics conversations a month since this practice began in February 2022.

We also build awareness and engagement on ethics through initiatives such as:

- **Ethics and Integrity Week** – our annual event featuring educational activities and resources for employees companywide. A key theme for FY22 was enhancing trust across our interactions with patients, customers, employees, and healthcare professionals.
- **Ethics Circles** – a year-round series that brings small groups of employees together to discuss hypothetical scenarios, as well as their personal experiences. FY22 topics included ethical requirements in foreign business practices, sexual harassment, and pressure to perform.

To better understand employees’ perspectives on ethics, we include targeted questions in our annual Organizational Health Survey. In FY22, 86% of survey respondents gave a positive rating for Medtronic’s ethical culture – our highest-ever score in this category.

In addition, we periodically conduct a dedicated all-employee ethics survey to gauge our progress toward setting an unsurpassed standard for integrity. Our last ethics survey, conducted in FY20, identified four opportunity areas in which we can enhance our ethical culture: tone at the top; comfort speaking up; openness of communication; and trust and team cohesion. Our CEO appointed two members of the executive committee to address this feedback, resulting in new tools, resources, and approaches. We will reevaluate our performance in FY23.

### Excellence in ethical practices

Each year, our Compass Awards honor a select group of employees who exemplify the Medtronic Mission through actions that demonstrate high integrity and who champion our Code of Conduct. In FY22, a panel of leaders and peers from across Medtronic evaluated numerous nominations, from which they selected three individuals and two teams to receive our Compass Award.

The recipients included eight members of our Diabetes Operating Unit, who were recognized for their efforts to safeguard patient privacy and consent as the team rolled out marketing information for a new project. Team members balanced the need to move quickly and decisively with a staunch commitment to putting the interests of our patients first.



## ETHICAL BUSINESS CONDUCT

### Risk assessment and monitoring

While we design our communication and training to prevent unethical situations from occurring, even a comprehensive program cannot eliminate all risk of unethical behavior. Therefore, we proactively assess our risks and monitor our activities and processes. When we uncover an issue, we investigate and remediate through a formal, consistent, and fair review process. Our annual risk-assessment process includes a rigorous review of internal and external data and trends. Components of this review include regulatory enforcement actions, hotline reporting, investigations, internal auditing, and data analyses to identify high-risk areas for investigation and remediation. We conduct root-cause analyses on confirmed issues and take appropriate corrective action to prevent recurrences.

### Encouraging a speak up culture

When employees need ethical guidance or have concerns about potential violations, we strongly encourage them to speak up, even anonymously if they choose, through one of the following channels:

- Their manager
- Human Resources
- Legal or Compliance representatives
- The board of directors’ email inbox, which is monitored by staff who bring pertinent matters to the board’s attention
- Voice Your Concern Line
- Exit interviews, in which departing employees are invited to share ethical concerns

Our chief counsel of global compliance investigations is responsible for supporting these processes across Medtronic. Partnering with our colleagues in Employee Relations, we also maintain an Organizational Justice program to enhance consistency in our internal processes around alleged misconduct, including how we remediate misconduct globally. Our anonymity rate is below external benchmarks and is trending down over time, evidencing a positive “speak up” culture.

Employees globally can access our Voice Your Concern Line at any time to report potential ethics issues or seek guidance, and we updated our reporting portal to simplify access in local languages. Of the concerns received in FY22, 87% were deemed mild risk, 12% were moderate risk, and 1% were elevated risk. The most common inquiries pertained to workplace misconduct (63%), followed by general questions or concerns (14%). We closely monitor the number of days between reporting and closure to help ensure timely review of all concerns.

### Corrective actions

If an investigation confirms employee misconduct, we take corrective action, which may include coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or, in serious cases, dismissal. We also review root causes to assess for broader improvement actions. During calendar year 2022, 201 employees were terminated for ethical and compliance-related infractions, down from 270 in calendar year 2021.

## VOICE YOUR CONCERN LINE

	FY20	FY21	FY22
Number of inquires	972	789	873
Mild risk	84%	84%	87%
Moderate risk	14%	14%	12%
Elevated risk	2%	2%	1%

## INQUIRIES BY ISSUE†

	FY20	FY21	FY22
Workplace conduct	63%	56%	63%
Concerns or questions	15%	21%	14%
EHS concerns	7%	8%	8%
Quality/regulatory	4%	4%	3%
Fraud and accounting	4%	3%	4%
HCP interactions	4%	3%	3%
Patient relations	1%	3%	2%
Privacy/security	2%	1%	2%
Antitrust/fair dealing	1%	1%	0%
Theft	0%	0%	0%
Import/export‡	0%	0%	N/A
Security concerns‡	N/A	N/A	N/A

† Some columns may not add up to 100% due to rounding.

‡ N/A denotes 0 inquiries whereas 0% represents a near zero percent of inquiries.

GOVERNANCE AND ACCOUNTABILITY

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# Ethics in sales and marketing

We advance patient safety as our top priority by upholding the highest standards of integrity in our sales and marketing practices. Our uncompromising approach to ethical responsibility extends from how we label and promote Medtronic products to the ways our sales and marketing teams interact with healthcare professionals.



### Adding business value

Ethical sales and marketing practices are paramount in building and maintaining trust with our stakeholders, safeguarding our reputation, and reducing legal and regulatory risk.

# 179

employees (full-time equivalent) supporting anti-corruption efforts in FY22

# 99%

third-party distributors received anti-corruption training in FY22

# 99.5%

marketing and sales employees trained on ethical product promotion

## ETHICS IN SALES AND MARKETING

### Responsible marketing

All Medtronic employees are required to adhere to the sales and marketing practices outlined in our **Code of Conduct** and our **Global Business Conduct Standards Policy**. We also expect employees to comply with industry codes of ethics and to follow all local laws and regulations.

We continually evolve our responsible marketing practices in line with current and emerging market trends. This commitment helps shape our approach to ethics in marketing-related areas, such as social media communications, virtual interactions with customers, and off-label use of Medtronic products.

### Ethical interactions

We work with healthcare professionals to expand patient access to our products and therapies. Our Code of Conduct incorporates companywide principles and standards governing employee interactions with healthcare professionals.

Our policies include a strong focus on appropriate interactions and transparency around those interactions, including payments to physicians, physician-owned entities, and healthcare organizations. Through diligent adherence to ethical requirements, we preserve the integrity of physician-patient relationships and avoid conflicts of interest.

Our physician interactions include:

- Collaborating to develop new devices and therapies.
- Developing educational materials and campaigns.
- Partnering on clinical research.
- Providing training on how to use our devices and therapies.

All physician collaboration requires a verified legitimate business purpose. We follow a rigorous process to assess physician collaboration opportunities and ensure that any consulting payments reflect fair market value for services performed.

Our actions in FY22 included providing an updated mobile app to help our employees comply with spending limits on business meals with healthcare professionals. We also launched the Capital Equipment Optimization Project, which delivers consistent training and other guidance on appropriate practices governing capital equipment arrangements.

We transparently disclose transfers of value to healthcare professionals in each country where required by law. In the U.S., we publish our payment disclosures on the Centers for Medicare and Medicaid Services open payments site. Beginning with our calendar year 2021 disclosure, we expanded our U.S. reporting to include Physician Assistants and Advance Practice Registered Nurses and consolidated reporting under one entity to help reinforce our commitment to transparency.

Finally, we also ensure adherence to appropriate marketing practices through routine audits, monitoring, and our investigative processes.



## ETHICS IN SALES AND MARKETING

### Countering corruption

The Medtronic board of directors oversees our anti-bribery and anti-corruption (ABAC) program. We strengthen this program by periodically incorporating information from regulators, third-party audits, benchmarking, and best practices. We have 179 full-time equivalent employees supporting ABAC efforts.

Our Code of Conduct and ABAC policy prohibit bribery or facilitation payments and, in most countries, prohibits gift exchange. We clearly communicate these and other ethical standards to our full-time and part-time employees, as well as to contractors, through Medtronic policies, guidelines, and training programs.

We train internal and external stakeholders on ABAC to make them aware of applicable regulations and to help them address ethically challenging scenarios. All newly hired sales employees receive in-depth training on our ethical sales practices within their first 60 days, with multiple, focused touch points throughout their first year.

Additionally, in FY22, we rolled out expanded global training on fair competition practices for all Medtronic personnel who interact with customers and for employees in supporting roles.

### Distributors and partners

When partnering with third-party entities to distribute our products to customers, we hold these partners to our high standards and require them to implement their own anti-corruption programs. We also share resources such as a best-practices toolkit, which we co-developed with AdvaMed and has been translated into nine languages to enable consistent industry standards.

As a condition of working with Medtronic, all distributors must formally adopt a code of conduct that aligns with our ethical standards. We provide a **sample code of conduct** that distributors may use as a template, as well as other online resources in 13 languages to help distributors implement their own compliance program.

To further ensure that distributors adhere to our ethical standards, we:

- Require an annual commitment to abide by their adopted code of conduct.
- Require that they complete anti-corruption training at least every two years and implement their own anti-corruption programs.
- Support and monitor compliance, including conducting on-site monitoring of distributors.
- Assess corruption potential prior to renewing or entering contracts.

Our internal commercial Distributor Relationship Owners (DROs) are responsible for holding distributors accountable to ABAC requirements. Distributors must assign a senior leader from their management team to oversee their organization’s ethical practices, conduct employee training, ensure compliance with their code of conduct, and address Medtronic-specific reporting requirements.

DROs also meet regularly with distributors to discuss and certify their understanding of ethical requirements. In FY22, we held numerous training and communication activities involving distributors and their respective DROs on various topics, such as accounting transparency.

We continue to expand our direct sales infrastructure in specific markets to reduce our reliance on third-party distributors, decrease risk, and improve customer service.

### COUNTERING CORRUPTION

	FY20	FY21	FY22
Employees (full-time equivalent) supporting anti-corruption efforts	214	215	179 <sup>†</sup>
Third-party distributors receiving anti-corruption training	98%	99%	99%
Third-party distributors receiving on-site monitoring (life of program)	12%	13%	15%

<sup>†</sup> Beginning in FY22, we removed nonlegal/compliance employees from this count, leading to a decrease from prior years.

### RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

	FY20	FY21	FY22
Fines or settlements related to improper marketing or sales of products <sup>†</sup>	0	1 <sup>‡</sup>	0
Fines or settlements paid by Medtronic related to noncompliance with anti-corruption laws (#) <sup>§</sup>	-	-	0
Marketing and sales employees trained on product promotion	18,753	18,416	18,615

<sup>†</sup> Fines noted represent the year the fine was paid.

<sup>‡</sup> \$9.2 million settlement related to the interaction between sales employees and a neurosurgeon in South Dakota.

<sup>§</sup> FY22 is the first year for which Medtronic is reporting on this category.

GOVERNANCE AND ACCOUNTABILITY

# Our economic impact

Medtronic creates rewarding jobs and expands economic opportunity in local communities through our global operations. We deliver direct economic benefit to individuals and communities through the wages and taxes we pay, and indirect benefit through our business with suppliers. Our strong business track record and continued growth enables us to increase the dividends we return to shareholders.

**Adding business value**

Growing businesses need healthy economies to thrive. Our continued financial success fuels broader long-term prosperity for our employees, suppliers, communities, and shareholders, which collectively contribute to the wider economic health of society.

95,000+

full-time employees in more than 150 countries

\$31.7B

in revenue in FY22



OUR ECONOMIC IMPACT

92%

of free cash flow returned to shareholders in FY22

Financial performance

In FY22, we continued to increase our revenue and market share while contending with global supply chain issues and other ongoing impacts of COVID-19, including a revenue decline in our China operations due to recent lockdowns. Although these challenges had an impact on our financial performance, we maintained strong support for customers, employees, and communities in more than 150 countries.

Our FY22 revenue totaled nearly \$31.7 billion – an increase of approximately 5.5% on an organic basis, compared to FY21 – which excludes the \$75 million negative impact of foreign currency translation. Revenue from emerging markets comprised 17% of our total revenue and increased 13% on an organic basis compared to FY21.

Our non-GAAP, currency-adjusted operating profit of \$8.7 billion increased by nearly 22% compared to FY21, and we grew adjusted earnings per share by 26% in FY22. Our research and development (R&D) investments grew to an all-time high of \$2.7 billion in FY22 – a 10% increase compared to the previous fiscal year – which reflects our continued focus on innovation as the engine of our long-term revenue growth. For example, we are investing in capabilities such as renal denervation, surgical robotics, and additional breakthroughs in data and artificial intelligence.

We have set long-term goals to continue growing our annual organic revenue by 5% or more, return at least 80% of our free cash flow to shareholders, and increase our adjusted earnings per share by 8% annually.

See our [2022 Form 10-K](#) for more detail on our financial performance.

13%

increase in emerging market revenue on an organic basis compared with the previous year

Return to shareholders

Our non-GAAP diluted earnings per share of \$5.55 in FY22 represents a 26% increase compared to FY21. We paid dividends of \$2.52 per share in FY22, marking our 44th consecutive year of dividend increases. Out of our more than \$6.0 billion total free cash flow in FY22, we returned \$5.5 billion – or 92% – through dividends and net share repurchases.

DIVIDENDS PER SHARE

(\$ dollars)

FY20	FY21	FY22
2.16	2.32	2.52

44

years of consecutive dividend increases in the S&P 500 Dividend Aristocrats Index



OUR ECONOMIC IMPACT

Employment and compensation

We design our compensation framework to reward our 95,000+ full-time employees in more than 150 countries for their ongoing commitment and to drive a high-performance culture. We align our employment and compensation support with the values expressed in Tenet 5 of the Medtronic Mission – to recognize the worth of all employees.

Read more about our approach to pay equity and [compensation and benefits](#).

EMPLOYEES<sup>†</sup>

(thousands)

FY20	FY21	FY22
92.7	94.9	101.2 <sup>‡</sup>

<sup>†</sup> Number includes full-time and part-time employees. All counts are based on average calculations for the fiscal year; therefore, instances of rounding can cause the total count to vary by a small amount. Employee population data expressed here may vary from our Form 10-K depending on the time of year we gathered data.

<sup>‡</sup> We communicate “more than 95,000 full-time employees” publicly, including in this report, as a general statement of the employee population, which is always evolving.

TOTAL EMPLOYEE COSTS

(\$ million)

FY20	FY21	FY22
9,366	10,105	10,193

EMPLOYEE SALARY AND WAGES<sup>†</sup>

(\$ million)

FY20	FY21	FY22
5,628	6,003	6,334

<sup>†</sup> FY20 and FY21 data has been recast due to a change in how we report employee salary and wages.

EMPLOYEE RETIREMENT BENEFIT PLANS<sup>†</sup>

(\$ million)

FY20	FY21	FY22
467	668	459

<sup>†</sup> Employee Retirement Benefits spend fluctuates based on several factors, including a variable 401(k) match component that is incremental to the standard 401(k) match.

95K+

full-time employees at Medtronic in FY22

Investment, expenditures, and taxes

We deliver direct economic benefit to individuals and communities through the wages and taxes we pay, and indirect benefit through our business with suppliers. We sustain this positive impact through ongoing capital investments and operating outlays. Our commitment to maintaining good corporate citizenship includes paying taxes in every country in which we operate, as detailed in our [Tax Policy](#) statement.

In FY22, Medtronic paid more than \$2.2 billion in taxes. Our total tax contribution to governments on a global basis, including taxes collected from customers and employees related to the products we sell and the employment we provide, was \$6.0 billion in FY22.

Acquisitions and divestitures

We invest in or acquire other healthcare technology companies to access innovative solutions, strategic skills, and expertise aligned with our Mission. When appropriate, we use divestitures to ensure our portfolio remains focused on our strategic priorities. In FY22, we did not divest any significant business operations or finalize any significant acquisitions. We expect to finalize a number of acquisitions in FY23, and we continue to evaluate additional venture investing opportunities.

Our total strategic investment and acquisition spend in FY22 was \$1.7 billion.<sup>1</sup> Our investments included funding a new innovation campus in Colorado, United States, which will bring together 1,100 employees to further expand our R&D capabilities. In addition, we started work on our first core manufacturing facility in China to develop new cardiovascular device production lines in the Shanghai free trade zone.

<sup>1</sup> Includes acquisitions, additions to property, plant and equipment, and net purchases of investments.

TAX PAYMENTS IN FY22<sup>†</sup>

(\$ billion)

Type of tax	Taxes paid by Medtronic	Additional taxes collected by Medtronic
Corporate income, franchise, excise	1.1	N/A
Payroll, social insurance	0.8	2.4
Other <sup>‡</sup>	0.3	1.4
Total tax payments	2.2	3.8
<b>Total tax contribution</b>		<b>\$6.0</b>

<sup>†</sup> The tax information contained in this section is intended to provide the reader with an overview of all taxes paid by Medtronic plc. It should be read in conjunction with the Company's tax information filed with the U.S. Securities and Exchange Commission (SEC), including in the most recently filed Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. This tax information is supplemental to, and not a substitute for, the information reported in the Company's SEC filings. Taxes paid in a year can represent amounts accrued or owed related to prior tax years and paid in the current year, or prepayment of taxes that relate to a subsequent year.

<sup>‡</sup> Includes VAT, Sales & Use, Property, Customs/Duties, dividend withholding, Municipal/Local, and Stamp taxes.

# ESG disclosure index

Our FY22 environmental, social, and governance (ESG) disclosure index references disclosures for our material issues that align with reporting frameworks and standards from the Global Reporting Initiative; Sustainability Accounting Standards Board; Task Force on Climate-related Financial Disclosures; and the World Economic Forum Stakeholder Capitalism Metrics.

- Global Reporting Initiative index 102
- Sustainability Accounting Standards Board index 125
- Task Force on Climate-Related Financial Disclosures 128
- World Economic Forum Stakeholder Capitalism Metrics 133
- Employee data summary 138



# Global Reporting Initiative (GRI) index

## GRI 3-3: EVALUATION OF THE MANAGEMENT APPROACH

### Access

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Globally, too many people do not have access to the life-saving products, treatments, and services that are readily available for others<sup>1</sup> – particularly with respect to the prevention, detection, and treatment of noncommunicable diseases. The global health inequity crisis can only be solved by accelerating access to healthcare technologies that put people first. The accessibility of our products and solutions is critical to our Mission and our business success.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>A negative impact is created when those who need our products and therapies cannot access them or cannot use them. One of the many ways in which we are addressing this is by increasing the diversity in clinical trials and in the mix of healthcare professionals and others with whom we collaborate. Doing so informs our product development and innovation so we can create solutions that work for patients around the world.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>See policies and commitments in <a href="#">Global healthcare access</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li>a. Actions to prevent or mitigate potential negative impacts</li> <li>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</li> <li>c. Actions to manage actual and potential positive impacts</li> </ul>	<p>Our actions to manage the potential positive impacts toward access are shared in <a href="#">Global healthcare access</a>.</p>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li>a. Processes used to track the effectiveness of the actions</li> <li>b. Goals, targets, and indicators used to evaluate progress</li> <li>c. The effectiveness of the actions, including progress toward the goals and targets</li> <li>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</li> </ul>	<p>The ultimate measures of our success are the number of patients globally who benefit from our products and therapies as well as our ability to continue to reach underserved communities with new products and healthcare models. Medtronic has a goal that 85 million patients will be served annually through our increased access strategies by FY25. In FY22, we served more than 76 million patients.</p>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We partner with peers, innovators, healthcare systems, governments, and others to deliver solutions matched to local needs and develop new approaches to increase access to our treatments. Read more in <a href="#">Global healthcare access</a>.</p>

<sup>1</sup> World Health Organization, 2017.

## Affordability

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>We view access to healthcare as a human rights issue. One of the central levers for increasing access to life-saving products and solutions is affordability.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Affordability of healthcare products and solutions is an industry-wide challenge. Too often, the traditional systems of payment for a volume of product or therapy do not incentivize value and tend to be based on short-term transactions rather than long-term results. Additionally, affordability can be impacted by whether or not a product or therapy is approved to be covered by an insurance provider, and therefore reimbursed to the patient.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Global healthcare access</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>We take a VBHC approach – integrating products and services into solutions that improve patient outcomes while reducing the cost of care. Value is measured by long-term patient outcomes rather than short-term transactions. To accelerate the transformation of healthcare systems toward VBHC, we collaborate with others and advocate the advantages of this model.</p> <p>We also leverage all relevant communication channels and technologies with customers and business partners to provide detailed, accurate price information across the world.</p> <p>Medtronic offers a variety of pricing models based on the principles of fairness, sustainability, and value aligned with the local market environment; these include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers.</p>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization's operational policies and procedures</b></li> </ul>	<p>We monitor our VBHC partnerships on a case-by-case basis – tracking patient outcomes and efficiencies.</p> <p>Read more about VBHC in <a href="#">Global healthcare access</a>.</p>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>Our VBHC collaborations enable practitioners at healthcare systems globally to apply the right therapy at the right time to patients who will benefit most. Rather than receiving payment for a volume of product or therapy, we work with healthcare providers to integrate products and services into long-term solutions that elevate clinical and economic outcomes.</p> <p>Read more in <a href="#">Global healthcare access</a>.</p>

**Climate risk and resilience**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Societies globally are threatened by the accelerating impacts of climate change, such as severe weather events, droughts, flooding, wildfires, disease, migration, and food scarcity. Globally, the healthcare industry is responsible for 4.5% of carbon emissions, and that percentage jumps to 8.5% in the United States.<sup>2</sup></p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>The business activities that enable us to develop leading medical technologies also carry environmental impacts. These impacts include energy demand and emissions across our value chain, from supplier impacts during product manufacture, to our operations, to product end of life.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Reducing our operational footprint</a> and <a href="#">Climate risk and resiliency</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li>a. Actions to prevent or mitigate potential negative impacts</li> <li>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</li> <li>c. Actions to manage actual and potential positive impacts</li> </ul>	<p>One way we manage our climate risk and resilience is through our <a href="#">Decarbonization Roadmap</a>, which includes pursuing science-based targets for the following:</p> <ul style="list-style-type: none"> <li>• Achieving carbon neutrality in our operations by FY30.</li> <li>• Engaging suppliers to reduce their emissions.</li> <li>• Executing ongoing logistics improvements.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li>a. Processes used to track the effectiveness of the actions</li> <li>b. Goals, targets, and indicators used to evaluate progress</li> <li>c. The effectiveness of the actions, including progress toward the goals and targets</li> <li>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</li> </ul>	<p>We have the following goals to guide our climate progress:</p> <ul style="list-style-type: none"> <li>• Reduce operational greenhouse gas emissions intensity 50% by FY25 compared to a FY20 baseline. In FY22, we achieved a 35% reduction compared to FY20.</li> <li>• Reduce energy intensity by 20% by FY25 compared to a FY20 baseline. In FY22, we achieved 9% reduction compared to FY20.</li> <li>• Achieve carbon neutrality in our operations by FY30 and achieve net zero across our value chain by FY45.</li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>Medtronic communicates to all stakeholders on its approach to climate risk and resilience through our annual Integrated Performance Report and <a href="#">Task Force on Climate-Related Financial Disclosure (TCFD) report</a>. In FY22, we partnered with England’s National Health Service and the U.S. National Academy of Medicine to find ways to reduce the healthcare industry’s carbon emissions. Additionally, our ongoing engagement with investors and customers informed our climate goals and ambitions.</p> <p>Read more on our stakeholder engagement in <a href="#">Reducing our operational footprint</a>, <a href="#">Climate risk and resilience</a>, and <a href="#">Stakeholder engagement</a>.</p>

<sup>2</sup> Pichler PP, Jaccard IS, Weisz U, Weisz H. International comparison of healthcare carbon footprints. Environ Res Lett. 2019;14(6):064004.

**Corruption and bribery**

**A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights** Unethical business practices that violate state, federal, or international laws pertaining to healthcare fraud and abuse, including anti-kickback laws, anticompetitive practices, and the U.S. Foreign Corrupt Practices Act can result in economic, environmental, and societal disservices, among other impacts.

**B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships** Potential negative impacts could result from the actions of employees or our third-party distributors as it relates to the sale of our products and therapies, including interactions with healthcare professionals.

**C. Describe policies or commitments regarding the material topic** To reduce the risk of corruption, we articulate our expectations through policies and principles, provide communication and training to employees at all levels of the organization, and proactively monitor our business transactions for unethical behavior. See our policies and commitments in [Ethical business conduct](#) and [Ethics in sales and marketing](#).

**D. Describe actions taken to manage topics and related impacts, including**

- a. Actions to prevent or mitigate potential negative impacts**
- b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation**
- c. Actions to manage actual and potential positive impacts**

To reduce the risk of corruption, we:

- Articulate our expectations through policies and principles.
- Provide communication and training to employees at all levels of the organization.
- Proactively monitor our business transactions for unethical behavior.
- Prohibit bribery or facilitation payments and, in most countries, prohibit gift exchange.
- Incorporate information from regulators, third-party audits, and best practices into our Anti-Bribery and Anti-Corruption programs.
- Provide annual ethics report for the board of directors and quarterly briefings for the board's Audit Committee.
- Take corrective actions for any employee misconduct, including coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or in serious cases, dismissal.
- Require distributors to formally adopt a code of conduct that aligns with our ethical standards.
- Share resources, such as a best-practices toolkit, co-developed with AdvaMed and translated into nine languages, that all industry companies can provide to their distributors.
- Encourage employees to speak up through our Voice Your Concern Line.

**E. Report on tracking the effectiveness of actions taken**

- a. Processes used to track the effectiveness of the actions**
- b. Goals, targets, and indicators used to evaluate progress**
- c. The effectiveness of the actions, including progress toward the goals and targets**
- d. Lessons learned and how these have been incorporated into the organization's operational policies and procedures**

The following metrics illustrate the effectiveness of our actions and highlight our progress toward our goals and targets:

- 179 employees (full-time equivalent) supporting anti-corruption efforts in FY22.
- 99% third-party distributors receiving anti-corruption training in FY22.
- 99.5% marketing and sales employees trained on ethical product promotion.

Through our annual risk assessment process, we also:

- Review internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations.
- Perform internal auditing and data analysis to identify high-risk areas for investigation and remediation.

Read more about our goals and tracking in [Ethical business conduct](#).

**F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective** We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys. Employees globally can also access our [Voice Your Concern Line](#) at any time to report potential ethics issues or seek guidance, and we updated our reporting portal to simplify access in local languages. Read more about our stakeholder engagement on ethical issues in [Ethical business conduct](#).

**Data privacy and security**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>We are in a time of rapid adoption of connected data devices and powerful data analysis that is contributing to innovative products, therapies, and delivery modalities, as well as faster research. In parallel, there has been an unprecedented increase in ransomware attacks and vulnerability announcements across sectors. It is essential that we safeguard information, assets, and systems in the ever-evolving data and cybersecurity landscape.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Negative impacts related to data privacy and security could result from business activities and business relationships, but are continuously monitored and risk mitigations are applied.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Data privacy and security</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>Our Global Cybersecurity and privacy programs are designed to protect data in the ever-evolving technology and cybersecurity landscape. We take the following actions to address and mitigate impacts related to data privacy and security:</p> <ul style="list-style-type: none"> <li>• Use technology to scan our operational environment for risks.</li> <li>• Assess the risks of third-party projects and initiatives.</li> <li>• Train all employees and contingent workers on security and privacy so they understand how to identify, protect, and preserve sensitive data and prevent cyber intrusions.</li> <li>• Require our vendors to adhere to our data privacy and security standards, and evaluate these risks as part of our vendor assessment process.</li> <li>• Supervise risks relating to cybersecurity with our board’s Audit Committee.</li> <li>• Collaborate with third-party organizations, such as the Health Information Sharing and Analysis Center and AdvaMed.</li> <li>• Conduct ongoing privacy and security due diligence of IT systems and apply appropriate risk mitigations.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></li> </ul>	<p>We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives.</p> <p>We closely track our performance across data privacy and security to identify where programs are succeeding and areas of opportunity. We also collaborate externally to understand how others are addressing similar challenges and to find new solutions to implement.</p>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>To advance data security practices, we collaborate with third-party organizations, such as the <a href="#">Health Information Sharing and Analysis Center</a> (H-ISAC), <a href="#">AdvaMed</a>, and the <a href="#">European Union Agency for Cybersecurity</a>. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups.</p> <p>We also monitor current practices and emerging risks by engaging with employees, regulators, peers, healthcare delivery organizations, clinicians, and security researchers.</p> <p>Read more about how we engage with stakeholders in <a href="#">Data privacy and security</a>.</p>

**Ethics in sales and marketing**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Maintaining the trust of customers, patients, industry partners, healthcare providers, investors, regulators, governments, and employees is critical to our ability to provide life-transforming care. Our customers depend on our medical products, services, and therapies, and promoting them factually and lawfully supports their delivery to patients with intended outcomes. Promoting our products ethically protects patient safety. Unethical behavior could have a negative impact on patient safety and equitable health outcomes.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Potential negative impacts resulting from sales and marketing include misleading promotion of products to customers, medical professionals, and the broader scientific community and noncompliance with anti-corruption or anti-bribery laws.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>We promote our products based on their approved labeling and promote and sell our products through accurate and truthful communication of their efficacy, safety, and price. Read about our policies and commitments in <a href="#">Ethics in sales and marketing</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>To maintain our high level of ethics in our sales and marketing practices, we:</p> <ul style="list-style-type: none"> <li>• Investigate all reported concerns of alleged misconduct through our Office of Ethics and Compliance (OEC).</li> <li>• Remediate ethical issues swiftly through our streamlined review process.</li> <li>• Update our mobile app to help our sales teams ensure they comply with spending limits on meals with healthcare providers.</li> <li>• Deliver training and guidance on ethics policies governing sales of capital equipment through the Capital Program Optimization Project.</li> <li>• Provide training and guidance on promoting our products based on their approved labeling.</li> <li>• Hold distributors accountable to anti-corruption requirements through our Distributor Relationship Owners.</li> <li>• Require distributors to certify their understanding of ethical requirements.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></li> </ul>	<p>Our annual risk assessment process includes the OEC’s rigorous review of internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations. The following metrics illustrate the effectiveness of our actions and highlight our progress toward our goals and targets:</p> <ul style="list-style-type: none"> <li>• 179 employees (full-time equivalent) supporting anti-corruption efforts in FY22.</li> <li>• 99% third-party distributors receiving anti-corruption training in FY22.</li> <li>• 99.5% marketing and sales employees trained on ethical product promotion.</li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys and to express any concerns to our <a href="#">Voice Your Concern Line</a>. Learn more about our engagement on ethics in <a href="#">Ethics in sales and marketing</a>.</p>

**Inclusion, diversity, and equity**

**A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights**

Women and minority groups have historically been underrepresented in the science, technology, engineering, and math (STEM) workforce and in positions of influence across sectors. At Medtronic, we believe that diversity makes us stronger, so we work hard to treat employees and prospective employees equitably.

Beyond our workforce, we recognize that there are historical and ongoing inequities in healthcare. These inequities continue to be exacerbated by global challenges, including the COVID-19 pandemic, climate change, and conflict. Medtronic and the Medtronic Foundation are working to expand economic opportunities, improve access to vital treatment, and build fairer healthcare systems and communities. We also actively invest in our communities - advancing diversity in STEM education and careers and promoting local economies and jobs through our supplier diversity program. Internally, our ERGs and Diversity Networks encourage employee engagement, an outcome of our concerted ID&E efforts.

**B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships**

We are not aware of specific negative impacts related to our ID&E strategies.

**C. Describe policies or commitments regarding the material topic**

Read about our policies and commitments in [Inclusion, diversity, and equity](#).

**D. Describe actions taken to manage topics and related impacts, including**

- a. Actions to prevent or mitigate potential negative impacts**
- b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation**
- c. Actions to manage actual and potential positive impacts**

Our ID&E strategy takes into consideration Medtronic’s responsibility, as a collective organization and as individual employees, to promote ID&E in all of our spheres of influence. Hence, we account for our ability to positively impact the communities we operate in, hire from, and live in as well as the impact we can have internally within our company.

In FY22:

- The Medtronic Foundation donated over \$9 million to nonprofits, many of which address racial and social justice issues, through employee matches, volunteer grants, and program grants.
- We tied 15% of executive compensation to ID&E results.
- We offered Being an Inclusive Leader training to all U.S.-based managers.
- We built out a new, best-in-class operating mechanism to address social justice and societal issues management, called the Reputation Issues Management team.
- We directed \$2.7 billion of U.S. supplier spend to small and diverse-owned companies, approximately 36% of our total U.S. supplier spend.

You can read more about the actions we’ve taken in [Inclusion, diversity, and equity](#).

**E. Report on tracking the effectiveness of actions taken**

- a. Processes used to track the effectiveness of the actions**
- b. Goals, targets, and indicators used to evaluate progress**
- c. The effectiveness of the actions, including progress toward the goals and targets**
- d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures**

We have set goals to monitor our progress on ID&E:

- 45% of global manager-and-above roles held by women by FY26.
  - FY22 progress: 42% of global manager-and-above roles were held by women.
- 30% of U.S.-based manager-and-above roles held by ethnically diverse talent by FY26.
  - FY22 progress: 27% of U.S.-based manager-and-above roles held by people from diverse groups.

**Inclusion, diversity, and equity (continued)**

**F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective**

To further our ID&E goals, we engage with:

- Vice presidents and other senior executives by requiring them to develop individualized plans to drive ID&E in their business, region, or function.
- Employees through our Diversity Networks, Resource Groups, and our annual all-employee survey.
- New talent through our annual Diversity Career Events, where we engage with diverse candidates to hire for roles in sales, engineering, software, and more.
- External diversity leaders, such as DiversityInc, by participating in surveys and integrating shared knowledge into our approach.

Read more about how we engage stakeholders in ID&E in [Inclusion, diversity and equity](#) and [Stakeholder engagement](#).

**Innovation**

**A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights**

Maintaining a strong pipeline of innovative treatments and services is central to our Mission and supports the universal human right to healthcare. Our products and therapies help patients achieve positive health outcomes.

**B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships**

We are not aware of specific negative impacts related to our innovation strategies. Innovation focused on just the consumer without looking at human rights and the environment can have negative impacts. At Medtronic, we are driven by our mission to be patient-centric while focusing on sustainability and economic equity.

**C. Describe policies or commitments regarding the material topic**

Read about our policies and commitments in [Global healthcare access](#).

**D. Describe actions taken to manage topics and related impacts, including**

- a. Actions to prevent or mitigate potential negative impacts**
- b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation**
- c. Actions to manage actual and potential positive impacts**

We foster innovation through our actions, including:

- Maintaining a strong product pipeline, focusing on new and emerging solutions alongside novel applications of existing technology.
- Tailoring products and services to the unique needs of each patient.
- Taking our most promising innovations through systematic preclinical or clinical trials, always taking a human-centered approach.
- Leveraging the power of advanced computing and hyper-personalization to increase access to treatments.
- Prioritizing hiring diverse talent to spur innovation by broadening our perspective, backgrounds, and experiences.
- Partnering with, investing in, or acquiring other healthcare technology companies to provide broader access to innovative technology.

Today, Medtronic LABS is an independent Medtronic-funded nonprofit organization that accelerates healthcare access for underserved communities around the world through technology.

**E. Report on tracking the effectiveness of actions taken**

- a. Processes used to track the effectiveness of the actions**
- b. Goals, targets, and indicators used to evaluate progress**
- c. The effectiveness of the actions, including progress toward the goals and targets**
- d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures**

We have the following target in place:

- By FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months as a measure of the vitality of our innovation efforts.
  - FY22 progress: 19% of Medtronic revenue flowed from products and therapies released in the prior 36 months.

Through our tracking of product impacts and waste management, we identified that we could make improvements to our packaging. So, we have committed dedicated resources to innovations in packaging through our Sustainability Development Center.

**Innovation (continued)**

**F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective**

Our healthcare innovation team, a group of technologists, strategists, and designers, engages with Medtronic teams across every operating unit to turn innovative ideas into practical solutions, with a focus on human-centered design, high-quality deliverables, and hands-on learning.

We partner with peers, innovators, healthcare systems and others stakeholders to deliver solutions matched to local needs and develop new approaches that increase access to our treatments.

Read more about our stakeholder engagement in [Global healthcare access](#) and [Stakeholder engagement](#).

**Integrated care**

**A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights**

Healthcare systems are complex, and siloed approaches to care can result in higher costs and unsatisfactory outcomes for patients.

**B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships**

Our activities to develop integrated care focus on partnerships with others to create healthcare technologies and new business models that improve patients' lives. Through these partnerships, we bring together inputs, delivery, management, and organization of services related to diagnosis, treatment, care, rehabilitation, and health promotion.

**C. Describe policies or commitments regarding the material topic**

Read about our policies and commitments in [Global healthcare access](#).

**D. Describe actions taken to manage topics and related impacts, including**

- a. Actions to prevent or mitigate potential negative impacts**
- b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation**
- c. Actions to manage actual and potential positive impacts**

We partner externally to find and extend innovative solutions to global healthcare challenges. This starts at the innovation and new product development stage, where we collaborate with peers, innovators, and academics. Through VBHC partnerships, we work with health systems to improve long-term patient outcomes per dollar spent. We partner with healthcare organizations to develop new business models that improve patient outcomes and address healthcare disparities.

**E. Report on tracking the effectiveness of actions taken**

- a. Processes used to track the effectiveness of the actions**
- b. Goals, targets, and indicators used to evaluate progress**
- c. The effectiveness of the actions, including progress toward the goals and targets**
- d. Lessons learned and how these have been incorporated into the organization's operational policies and procedures**

Integrated care is a key component of our overall approach to increasing global access to our products and services. We monitor and adjust each program and partnership on a case-by-case basis – tracking patient outcomes and efficiencies and applying what we learn to enable continuous improvement.

Read more about our actions in [Global healthcare access](#).

**F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective**

Engagement with peers, innovators, healthcare systems, and governments forms the foundation for our actions to develop integrated healthcare solutions. We work with these stakeholders to identify local needs and create effective solutions.

**Patient safety and product quality**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Our products and therapies provide vital healthcare services to our patients. By ensuring the quality, safety, and reliability of our products, we elevate positive impacts and reduce negative outcomes.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Any positive or negative effects of our products are predominantly the result of our business activities but could also extend to the suppliers that manufacture our products.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>See our policies and commitments in <a href="#">Patient safety and product quality</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li>a. Actions to prevent or mitigate potential negative impacts</li> <li>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</li> <li>c. Actions to manage actual and potential positive impacts</li> </ul>	<p>Our approach to patient safety and product quality takes a patient-centered approach and ensures that we deliver consistent companywide quality. Our processes and programs are described in <a href="#">Patient safety and product quality</a>.</p>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li>a. Processes used to track the effectiveness of the actions</li> <li>b. Goals, targets, and indicators used to evaluate progress</li> <li>c. The effectiveness of the actions, including progress toward the goals and targets</li> <li>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</li> </ul>	<p>We monitor compliance with our quality standards at every point in a product’s life cycle. We track quality and safety by:</p> <ul style="list-style-type: none"> <li>• Evaluating actual and potential safety issues, harm, and health risks to patients or users of Medtronic products and therapies.</li> <li>• Simulating product use, forecasting performance, and pinpointing potential improvements.             <ul style="list-style-type: none"> <li>- FY22 progress: assessed more than 87% of all new products in our pipeline using this approach.</li> </ul> </li> <li>• Using predictive and preventive risk assessments to reduce risk and optimize our supply base to avoid product supply disruptions through SOAR.</li> <li>• Undergoing external regulatory audits helps to keep us accountable, aware of regulatory priorities, and focused on making necessary changes to policies and practices.             <ul style="list-style-type: none"> <li>- FY22 progress: 95% of external regulatory inspections at Medtronic facilities globally resulted in no findings.</li> </ul> </li> </ul> <p>We have the following goal in place for product quality and patient safety improvements:</p> <ul style="list-style-type: none"> <li>• 10% reduction in aggregate product complaint rate by FY25, compared with a FY20 baseline, for identified product families.             <ul style="list-style-type: none"> <li>- FY22 progress: 10% reduction in complaint rates compared to FY20.</li> </ul> </li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>The advancement of medical research depends upon transparent data sharing and collaboration. We continue to share knowledge with the greater medical community. We also engage with regulatory bodies like the FDA to inform our quality systems and shape our approach in line with current guidelines.</p> <p>Learn more about how we engage stakeholders in <a href="#">Patient safety and product quality</a> and <a href="#">Stakeholder engagement</a>.</p>

**Product stewardship**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Our business of developing and delivering products supports local economies through the taxes we pay, the people we employ, the suppliers we partner with, and the patients we serve. We recognize that although our products provide a social benefit by improving patient health and well-being, they also have environmental impacts across their life cycle.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>The majority of our product impacts occur within Medtronic during product design, with our suppliers during product manufacture, and with customers when they dispose of the product. These effects include, but are not limited to, raw material extraction, energy demand, transportation emissions, and disposal.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Product stewardship</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>The positive impacts of our business are reflected in the improved quality of life for those using our products or therapies. We aim to maintain and amplify these positive outcomes while minimizing our product environmental footprint.</p> <ul style="list-style-type: none"> <li>• In FY22, we launched the Sustainability Development Center (SDC) to focus on eliminating waste and materials of concern from our packaging.</li> <li>• We also continued our product takeback program – in FY22, we recycled or refurbished more than six million products, diverting more than 280 metric tons of waste from landfills.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></li> </ul>	<p>We have two product stewardship targets:</p> <ul style="list-style-type: none"> <li>• Reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing)<sup>3</sup> by FY25 compared to a FY21 baseline.</li> <li>• Minimize the impact of Instructions for Use through a 35% paper reduction by FY27 compared to a FY21 baseline.</li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We engage with customers, suppliers, and industry associates to shape our strategy for product stewardship. We have held meetings and symposiums as a means to open dialogue on this issue, and we have established the Sustainability Development Center and identified packaging waste reduction as a priority in response to these engagements.</p> <p>Read about how we engage stakeholders in <a href="#">Stakeholder engagement</a>.</p>

<sup>3</sup> The product families include: Tri-Staple; Polysorb; Absorbatack; Spinal Implants; Pulse Oximeter.

**Responsible supply management**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>By continuously improving our supply chain resiliency and engaging with a diverse pool of innovative partners, we are better able to create and deliver high-quality, life-improving products and services while also minimizing disruptions and quality issues. Partnerships within our supply chain stimulate economic benefits by the wages and taxes paid by suppliers as a result of our business with them. We also collaborate to mitigate potential negative impacts, such as the environmental impacts associated with manufacturing, and the human and labor rights concerns that are associated with supply chains.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Our ability to improve lives hinges on the quality of our products. We share this responsibility for quality and the associated impacts of product manufacture with our suppliers.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read more about our policies and commitments in <a href="#">Supply chain responsibility</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>To maintain our high standards for excellence and citizenship with our suppliers, we:</p> <ul style="list-style-type: none"> <li>• Adhere to our Responsible Supply Management program, which integrates responsible business practices into processes, such as supplier selection and supplier performance management.</li> <li>• Communicate our expectations and specifications to suppliers through our Global Supplier Standards and <a href="#">Supplier Quality Excellence Manual</a>.</li> <li>• Engage suppliers on measuring and reporting their greenhouse gas emissions and other impacts through CDP Supply Chain.</li> <li>• Monitor supplier compliance and performance through our Supplier Sustainability Assessment.</li> <li>• Require suppliers to responsibly manage and disclose any materials of concern used in our manufacturing processes, final products, or packaging.</li> <li>• Comply with U.S. Dodd-Frank Act on Conflict Minerals.</li> <li>• Conduct an annual supplier survey to identify red flag smelters linked to conflict minerals.</li> <li>• Piloted a new Supplier Risk Mapping tool to analyze suppliers for risks related to their geographic location, industry, and the amount we spend with them annually.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></li> </ul>	<p>We have the following goal in place:</p> <ul style="list-style-type: none"> <li>• Assess the sustainability performance of suppliers representing at least 80% of our annual managed spend by FY26. In FY22, we assessed the sustainability performance of suppliers representing 66% of our annual managed spend.</li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We are dedicated to collaborating with peers on issues that impact our industry, which in turn helps us grow our knowledge and benchmark our progress. Our collaboration in FY22 included engagements with the <a href="#">Sustainable Purchasing Leadership Council</a> and the <a href="#">Conference Board’s Responsible Sourcing Council</a>. We also participated in MedTech Europe working groups to discuss emerging human rights and environmental due diligence laws.</p> <p>Learn more about how we engage with our stakeholders in <a href="#">Supply chain responsibility</a> and <a href="#">Stakeholder engagement</a>.</p>

**Talent**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>Our ability to offer innovative products and therapies that serve two people every second is a direct result of our employees. We support our 95,000+ employees by offering competitive compensation and benefits and building a workplace where everyone is respected and offered development opportunities that allow them to thrive. Through these positive impacts, we aim to reduce potential negative effects on our employees, such as lack of engagement, low productivity, financial uncertainty, stress, and burnout.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Our impacts on talent stem from our own operations and how we support, promote, and empower our employees.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Inclusion, diversity and equity</a> and <a href="#">Supporting a global workforce</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <ul style="list-style-type: none"> <li><b>a. Actions to prevent or mitigate potential negative impacts</b></li> <li><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></li> <li><b>c. Actions to manage actual and potential positive impacts</b></li> </ul>	<p>We work hard to attract and retain world-class talent. For example:</p> <ul style="list-style-type: none"> <li>• In FY22, we spent more than \$49 million on learning and development – an average of \$496 per employee.</li> <li>• We offer robust healthcare and benefit plans.</li> <li>• The Healthier Together program, available to nearly 100% of employees globally, supports the physical, emotional, social, and financial well-being of our employees.</li> <li>• We design our compensation framework to support a culture of performance and to recognize and reward our employees in more than 150 countries for their ongoing commitment.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <ul style="list-style-type: none"> <li><b>a. Processes used to track the effectiveness of the actions</b></li> <li><b>b. Goals, targets, and indicators used to evaluate progress</b></li> <li><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></li> <li><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></li> </ul>	<p>We value employee safety and satisfaction and monitor the effectiveness of our actions.</p> <ul style="list-style-type: none"> <li>• In FY22, a record 83% of full- and part-time employees responded to our Organizational Health Survey.             <ul style="list-style-type: none"> <li>- FY22 progress: 90% of employees who took the survey reported that they feel proud to work at Medtronic and 93% of respondents indicated that they feel Medtronic has a positive impact on the world.</li> </ul> </li> </ul>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We engage with our employees to shape our approach to attracting and retaining talent through:</p> <ul style="list-style-type: none"> <li>• Formal evaluation and check-in processes.</li> <li>• Career development conversations.</li> <li>• Our Organizational Health survey.</li> </ul> <p>You can read more about how we engage in <a href="#">Supporting a global workforce</a>.</p>

**Technology and device security**

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>We work to identify, address, mitigate, and minimize vulnerabilities in our products that could potentially expose them to cyberattacks that could impact device security, patient data, or the effectiveness of our products.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</b></p>	<p>Our Product Security Office works to minimize the potential for negative impacts associated with product security matters that may stem from our business activities or those of our suppliers and directly or indirectly impact our products.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>Read about our policies and commitments in <a href="#">Patient safety and product quality</a> and <a href="#">Data privacy and security</a>.</p>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <p><b>a. Actions to prevent or mitigate potential negative impacts</b></p> <p><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></p> <p><b>c. Actions to manage actual and potential positive impacts</b></p>	<p>To avoid or mitigate technology and device security issues, we:</p> <ul style="list-style-type: none"> <li>• Build security into our products and stay current on external cybersecurity factors that could impact our products.</li> <li>• Perform vulnerability testing, updates, remediation, and impact assessment for device functionality and patient safety.</li> <li>• Integrate security considerations throughout the product life cycle.</li> <li>• Evaluate our quality systems and processes on an annual basis through our Quality Committee and Technology and Value Creation Committee.</li> <li>• Participate actively in external working groups and forums with companies like Joined Optum, Boston Scientific, Abbott Laboratories, GE, J&amp;J, Becton-Dickinson, and others to help to collaborate on industry topics that could impact product security in the healthcare industry.</li> <li>• Contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups.</li> <li>• Recognize independent security researchers who have demonstrated ethical behavior and followed coordinated disclosure processes to advance our product security.</li> <li>• Train employees on product security best practices.</li> <li>• Publicly disclose security vulnerabilities through our <a href="#">Coordinated Disclosure Process</a>.</li> </ul>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <p><b>a. Processes used to track the effectiveness of the actions</b></p> <p><b>b. Goals, targets, and indicators used to evaluate progress</b></p> <p><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></p> <p><b>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</b></p>	<p>In FY22, we publicly disclosed six security vulnerabilities, which included security bulletins, updates to previous bulletins, and security notices responding to third-party risks that may not be applicable to Medtronic but helped address customer inquiries.</p> <p>The Audit Committee of the Medtronic board of directors has oversight of cybersecurity risk within our organization and our companywide security policies, standards, and procedures ensure consistency across our organization. We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives.</p>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We engage with many stakeholders on technology and device security, including:</p> <ul style="list-style-type: none"> <li>• Employees, regulators, peers, healthcare delivery organizations, and security researchers to monitor current practices and emerging risks through our product security program.</li> <li>• U.S. FDA, the Health Information Sharing and Analysis Center, the Advanced Medical Technology Association, the Health Sector Coordinating Council Cyber Working Group, and several others.</li> <li>• Health Information Sharing and Analysis Center (H-ISAC), the National Capital Region Threat Intelligence Consortium, and the Medical Device Innovation Consortium.</li> </ul> <p>Read more about how we engage with stakeholders in <a href="#">Patient safety and product quality</a>, <a href="#">Data privacy and security</a>, and <a href="#">Stakeholder engagement</a>.</p>

## Transparency

<p><b>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</b></p>	<p>We maintain a proactive approach to transparency to avoid the negative impacts associated with limited disclosures, and we believe transparent communication and collaboration enable us to mitigate risks, meet challenges more effectively, and amplify the positive impact of our business.</p>
<p><b>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationship</b></p>	<p>We work within our business activities and our partnerships to minimize negative impacts stemming from limited transparency.</p>
<p><b>C. Describe policies or commitments regarding the material topic</b></p>	<p>We remain committed to meeting best practices on ESG transparency, which is an area of continuous improvement for many companies due to the evolving landscape of ESG disclosures.</p> <p>We use external frameworks and benchmarks to guide our sustainability strategy and reporting and to learn where we can do better. These include:</p> <ul style="list-style-type: none"> <li>• CDP</li> <li>• Global Reporting Initiative</li> <li>• Sustainability Accounting Standards Board</li> <li>• Task Force on Climate-Related Financial Disclosures</li> <li>• World Economic Forum</li> <li>• UN Sustainable Development Goals</li> </ul>
<p><b>D. Describe actions taken to manage topics and related impacts, including</b></p> <p><b>a. Actions to prevent or mitigate potential negative impacts</b></p> <p><b>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</b></p> <p><b>c. Actions to manage actual and potential positive impacts</b></p>	<p>During the development of our annual Integrated Performance Report, we assess our ESG disclosures for alignment with best practice and evolving stakeholder needs. We are enhancing our data collection and reporting processes in preparation to meet emerging regulatory expectations.</p>
<p><b>E. Report on tracking the effectiveness of actions taken</b></p> <p><b>a. Processes used to track the effectiveness of the actions</b></p> <p><b>b. Goals, targets, and indicators used to evaluate progress</b></p> <p><b>c. The effectiveness of the actions, including progress toward the goals and targets</b></p> <p><b>d. Lessons learned and how these have been incorporated into the organization's operational policies and procedures</b></p>	<p>Transparency is central to all our interactions within and outside our business – including with employees, investors, healthcare professionals, suppliers, regulators, and other stakeholders. Although we do not have external goals on transparency, we strive to meet stakeholder expectations related to sustainability/ESG disclosure and to comply with all related disclosure regulations.</p>
<p><b>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</b></p>	<p>We undertake regular reviews to keep track of our most significant sustainability issues, periodically updating our list of material issues by engaging with a broad range of internal and external stakeholders. Our annual disclosures are centered on our identified material ESG issues. In addition, we receive feedback on the quality and usefulness of our annual Integrated Performance Report during engagements with key stakeholders, such as investors, which informs our reporting.</p> <p>Learn more about how we engage with stakeholders in <a href="#">Stakeholder engagement</a>.</p>

# 2022 GRI Index

## GRI 1: FOUNDATION 2021

Disclosure number	Disclosure	Location
GRI 1	Statement of use	In accordance
	GRI 1 used	GRI 1 foundation 2021
	Applicable GRI Sector Standards	NA

## GRI 2: GENERAL DISCLOSURES 2021

Disclosure number	Disclosure	Location
2-1	Organizational details	Medtronic Public Limited Company 20 Lower Hatch Street, Dublin 2, Ireland <b><u>Our business</u></b> <b><u>2022 Form 10-K</u></b> Medtronic plc is a publicly traded company on the New York Stock Exchange Inc. under the ticker symbol MDT.
2-2	Entities included in the organization’s sustainability reporting	<b><u>2022 Form 10-K</u></b> <b><u>About this report</u></b>
2-3	Reporting period, frequency and contact point	<b><u>About this report</u></b>
2-4	Restatements of information	Any restatements of information are noted in the relevant sections of our 2022 Integrated Performance Report.
2-5	External assurance	This report has not been independently verified except for our FY20-FY22 <b><u>environmental, health, and safety data</u></b> and our FY22 <b><u>Scope 1 and 2 emissions data</u></b> . We have practices in place to internally validate the data included in this report.

Disclosure number	Disclosure	Location
2-6	Activities, value chain, and other business relationships	<a href="#">2022 Form 10-K</a> <a href="#">Our business</a> <a href="#">Our economic impact</a> <a href="#">Supply chain responsibility</a>  <b>Omission</b> <b>Item omitted:</b> Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period. <b>Reason:</b> We consider this information confidential.
2-7	Employees	<a href="#">2022 Form 10-K</a> <a href="#">Our business</a> <a href="#">Our economic impact</a> <a href="#">Employee data summary</a>
2-8	Workers who are not employees	<a href="#">Employee data summary</a>
2-9	Governance structure and composition	<a href="#">Corporate governance</a> <a href="#">Corporate governance website</a> <a href="#">ESG strategy</a>
2-10	Nomination and selection of the highest governance body	<a href="#">Corporate governance</a> <a href="#">Corporate governance website</a>
2-11	Chair of the highest governance body	<a href="#">Corporate governance</a> <a href="#">Corporate governance website</a>
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Corporate governance</a> <a href="#">ESG strategy</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">ESG strategy</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">ESG strategy</a>

Disclosure number	Disclosure	Location
2-15	Conflicts of interest	<a href="#">Ethics in sales and marketing</a> <a href="#">Corporate governance website</a>
2-16	Communication of critical concerns	<a href="#">Corporate governance website</a>
2-17	Collective knowledge of the highest governance body	<a href="#">ESG strategy</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">ESG strategy</a>
2-19	Remuneration policies	<a href="#">Inclusion, diversity, and equity</a> <a href="#">2022 Proxy statement</a>
2-20	Process to determine remuneration	<a href="#">Inclusion, diversity, and equity</a> <a href="#">2022 Proxy statement</a>
2-21	Annual total compensation ratio	<a href="#">2022 Proxy statement</a>
2-22	Statement on sustainable development strategy	<a href="#">Letters to our stakeholders</a>
2-23	Policy commitments	<a href="#">ESG strategy</a> <a href="#">Patient safety and product quality</a> <a href="#">Supply chain responsibility</a> <a href="#">Ethical business conduct</a> <a href="#">Ethics in sales and marketing</a> <a href="#">Corporate governance</a> <a href="#">Data privacy and security</a>
2-24	Embedding policy commitments	<a href="#">ESG strategy</a> <a href="#">Patient safety and product quality</a> <a href="#">Supply chain responsibility</a> <a href="#">Ethical business conduct</a> <a href="#">Ethics in sales and marketing</a> <a href="#">Corporate governance</a> <a href="#">Data privacy and security</a>
2-25	Processes to remediate negative impacts	<a href="#">Evaluation of the management approach</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Ethical business conduct</a>

Disclosure number	Disclosure	Location
2-27	Compliance with laws and regulations	<u>2022 Form 10-K</u> <u>Ethics in sales and marketing</u> <u>Reducing our operational footprint</u>
2-28	Membership associations	<u>Climate risk and resilience</u> <u>Reducing our operational footprint</u> <u>Global healthcare access</u> <u>Supply chain responsibility</u> <u>Philanthropy</u> <u>Inclusion, diversity, and equity</u>
2-29	Approach to stakeholder engagement	<u>ESG strategy</u> <u>Corporate governance</u>
2-30	Collective bargaining agreements	Medtronic complies with global laws regarding freedom of association and collective bargaining agreements, including participating in work councils. In FY22, approximately 9% of our employees were covered by collective bargaining agreements or independent trade unions where applicable.

### GRI 3: MATERIAL TOPICS 2021

Disclosure number	Disclosure	Location
3-1	Process to determine material topics	<u>ESG strategy</u>
3-2	List of material topics	<u>ESG strategy</u>
3-3	Management of material topics	<u>Evaluation of the management approach</u>

## TOPIC STANDARDS

Disclosure number	Disclosure	Location
201-1	Direct economic value generated and distributed	<u>2022 Form 10-K</u> <u>Our economic impact</u> <u>Philanthropy</u> <u>Compensation, benefits, and wellness</u>
201-2	Financial implications and other risks and opportunities due to climate change	<u>ESG strategy</u> <u>Climate risk and resilience</u>
201-3	Defined benefit plan obligations and other retirement plans	<u>Compensation, benefits, and wellness</u>
203-1	Infrastructure investments and services supported	<u>Philanthropy</u> <u>Supply chain responsibility</u> <u>Global healthcare access</u> <u>ESG strategy</u> <u>Our economic impact</u>
203-2	Significant indirect economic impacts	<u>Evaluation of the management approach</u> <u>Supply chain responsibility</u>
204-1	Proportion of spending on local suppliers	<u>Supply chain responsibility</u>
205-1	Operations assessed for risks related to corruption	<u>Ethics in sales and marketing</u>
205-2	Communication and training about anti-corruption policies and procedures	<u>Ethics in sales and marketing</u> <u>Ethical business conduct</u>
205-3	Confirmed incidents of corruption and actions taken	<u>Ethics in sales and marketing</u> <u>Ethical business conduct</u>
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>2022 Form 10-K</u>
301-3	Reclaimed products and their packaging materials	<u>Product stewardship</u>
302-1	Energy consumption within the organization	<u>Reducing our operational footprint</u>
302-2	Energy consumption outside of the organization	<u>Reducing our operational footprint</u>
302-3	Energy intensity	<u>Reducing our operational footprint</u>

Disclosure number	Disclosure	Location
302-4	Reduction of energy consumption	<a href="#">Reducing our operational footprint</a>
302-5	Reductions in energy requirements of products and services	Most Medtronic products consume relatively low energy as is, and safety requirements often prevent us from reducing a product's energy use.
303-1	Interactions with water as a shared resource	<a href="#">CDP Water Disclosure</a> <a href="#">Reducing our operational footprint</a>
303-5	Water consumption	<a href="#">CDP Water Disclosure</a> <a href="#">Reducing our operational footprint</a>
305-1	Direct (Scope 1) GHG emissions	<a href="#">Reducing our operational footprint</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Reducing our operational footprint</a>
305-4	GHG emissions intensity	<a href="#">Reducing our operational footprint</a> <a href="#">2022 TCFD</a>
305-5	Reduction of GHG emissions	<a href="#">Reducing our operational footprint</a>
306-3	Waste generated	<a href="#">Reducing our operational footprint</a>
306-4	Waste diverted from disposal	<a href="#">Product stewardship</a>
308-1	New suppliers that were screened using environmental criteria	<a href="#">Supply chain responsibility</a>
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Supply chain responsibility</a> <a href="#">Evaluation of the management approach</a>
401-1	New employee hires and employee turnover	<a href="#">Employee data summary</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Supporting a global workforce</a>
401-3	Parental leave	<a href="#">Supporting a global workforce</a>
403-1	Occupational health and safety management system	<a href="#">Supporting a global workforce</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Supporting a global workforce</a>
403-3	Occupational health services	<a href="#">Supporting a global workforce</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Supporting a global workforce</a>

Disclosure number	Disclosure	Location
403-5	Worker training on occupational health and safety	<a href="#">Supporting a global workforce</a>
403-9	Work-related injuries	<a href="#">Supporting a global workforce</a>
403-10	Work-related ill health	<a href="#">Supporting a global workforce</a>
404-1	Average hours of training per year per employee	<a href="#">Supporting a global workforce</a>
404-2	Programs for upgrading employee skills and transition assistance program	<a href="#">Supporting a global workforce</a>
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Supporting a global workforce</a>
405-1	Diversity of governance bodies and employees	<a href="#">Corporate governance</a> <a href="#">Inclusion, diversity, and equity</a>
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">Inclusion, diversity, and equity</a>
406-1	Incidents of discrimination and corrective actions taken	Omission <b>Topic omitted:</b> Total number of incidents of discrimination and corrective actions taken. <b>Reason:</b> The information is currently unavailable
407-1	Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk	<a href="#">Global Human Rights and Labor Policy Program Report</a>
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Global Human Rights and Labor Policy Program Report</a>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supply chain responsibility</a>
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Global healthcare access</a> <a href="#">Philanthropy</a> <a href="#">Our economic impact</a>
414-1	New suppliers that were screened using social criteria	<a href="#">Supply chain responsibility</a>
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Supply chain responsibility</a> <a href="#">Evaluation of the management approach</a>

Disclosure number	Disclosure	Location
415-1	Political contributions	<u>Corporate governance</u> <u>Corporate governance website</u>
416-1	Assessment of the health and safety impacts of product and service categories	<u>Patient safety and product quality</u>
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Of inspections that occurred across Medtronic in FY22, 95% resulted in no findings.
417-1	Requirements for product and service	<u>Ethics in sales and marketing</u>
417-2	Incidents of noncompliance concerning product and service information and labeling	<u>Ethics in sales and marketing</u>
417-3	Incidents of noncompliance concerning marketing communications	<u>Ethics in sales and marketing</u>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The company investigates all potential breaches and takes corrective and preventive action in order to ensure customer privacy and data protection and reduce potential risks.

# Sustainability Accounting Standards Board (SASB) index

## MEDICAL EQUIPMENT AND SUPPLIES

### AFFORDABILITY AND PRICING

SASB code	Metric	Response
HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	<p>The U.S. Consumer Price Index measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, such as food, energy, and housing. In contrast, pricing at global medical technology companies that provide a breadth of therapies to health systems around the world moves on innovation, competition, and value.</p> <p>Consequently, Medtronic offers a variety of pricing models based on the principles of fairness, sustainability, and value aligned with the local market environment – these include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers.</p>
HC-MS-240a.2	Description of how price information (such as average and median) for each product is disclosed to customers or their agents (e.g., group purchasing organizations or consultants)	<u>Global healthcare access</u>

### PRODUCT SAFETY

SASB code	Metric	Response												
HC-MS-250a.1	Number of recalls issued, total units recalled	<p><u>Patient safety and product quality</u></p> <p>In FY22, we had 55 total Class I and II recalls and retrieved approximately 35,506 recalled units.</p> <table border="1"> <thead> <tr> <th>U.S. FDA recalls by fiscal year</th> <th>FY20</th> <th>FY21</th> <th>FY22</th> </tr> </thead> <tbody> <tr> <td>FDA Class I recalls</td> <td>6</td> <td>10</td> <td>9</td> </tr> <tr> <td>FDA Class II recalls</td> <td>25</td> <td>46<sup>†</sup></td> <td>46</td> </tr> </tbody> </table>	U.S. FDA recalls by fiscal year	FY20	FY21	FY22	FDA Class I recalls	6	10	9	FDA Class II recalls	25	46 <sup>†</sup>	46
U.S. FDA recalls by fiscal year	FY20	FY21	FY22											
FDA Class I recalls	6	10	9											
FDA Class II recalls	25	46 <sup>†</sup>	46											

<sup>†</sup> The data has been recast from our 2021 Integrated Performance Report due to recalls that occurred in a select fiscal year but were not confirmed until after the report was published.

SASB code	Metric	Response
HC-MS-250a.1	Number of recalls issued, total units recalled	<b>U.S. FDA recalls by calendar year</b>
		CY20
		CY21
		CY22 <sup>†</sup>
		6
		12 <sup>‡</sup>
		34 <sup>‡</sup>
		52 <sup>‡</sup>
		23

<sup>†</sup> Data as of September 12, 2022.

<sup>‡</sup> The data has been recast from our 2021 Integrated Performance Report due to recalls that occurred in a select calendar year but were not confirmed until after the report was published.

HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	See the <a href="#">FDA's MedWatch Safety Alerts for Human Medical Products</a> database.
HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	We report all necessary data as required by the U.S. FDA. This information is available <a href="#">here</a> .
HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	In FY22, Medtronic received: <ul style="list-style-type: none"> <li>• 1 Warning letter</li> <li>• 0 Seizures</li> <li>• 0 Consent decrees</li> </ul>

**ETHICAL MARKETING**

SASB code	Metric	Response
HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	<a href="#">Ethics in sales and marketing</a>
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	<a href="#">Ethics in sales and marketing</a>

**PRODUCT DESIGN AND LIFECYCLE MANAGEMENT**

SASB code	Metric	Response
HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products and meet demand for sustainable products	<a href="#">Product stewardship</a>
HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	<a href="#">Product stewardship</a>

**SUPPLY CHAIN MANAGEMENT**

SASB code	Metric	Response
HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	All Medtronic contract manufacturers and original equipment manufacturers are annually audited by regulators. Additionally, many of our direct material suppliers are ISO certified (ISO9001 or ISO13485) and go through certification audits. Medtronic is also a member of MedAccred – an industry managed, consensus-driven approach to ensuring critical manufacturing process quality throughout the medical device supply chain.

SASB code	Metric	Response
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	<p>Medtronic maintains traceability within the manufacturing and distribution chain through either serial or batch control of finished products. We:</p> <ul style="list-style-type: none"> <li>Leverage product identification technologies, such as barcoding and radiofrequency identification, to track identifying information of products.</li> <li>Utilize enterprise resource planning (ERP) solutions to support identification and control of products once they leave manufacturing sites – including supporting specific patient tracking if required. Our ERP solutions ensure compliance with regulatory, quality, and customs control requirements.</li> </ul>
HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	<p>Unexpected events can cause both everyday and exceptional supply disruptions to materials critical to Medtronic. To protect and enable the Medtronic Mission, the company has developed and deployed a comprehensive supply risk management approach – including methodology, tools, and governance – to proactively identify, assess, prioritize, and mitigate supply risk.</p> <ul style="list-style-type: none"> <li>Supply risk management is a critical part of overall Medtronic business continuity, crisis management, and supply management strategies.</li> <li>Supply critical to Medtronic is routinely identified via risk assessment of suppliers and components required to make the finished product.</li> <li>Medtronic continually monitors external risks, such as natural disasters, operational risk, political risk, and environmental and social risks, and internal risks, such as single/sole-sourced suppliers, single manufacturing location, investigation of sub-tier suppliers, quality and delivery data, and capacity assessments.                     <ul style="list-style-type: none"> <li>Once risk mitigations are approved, Medtronic proactively implements mitigation strategies, including identification of alternate suppliers, adding additional supplier manufacturing locations, increasing inventory levels, and partnering with suppliers to improve quality and delivery.</li> </ul> </li> </ul>

**BUSINESS ETHICS**

SASB code	Metric	Response
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	<u>Ethics in sales and marketing</u>
HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	<u>Ethics in sales and marketing</u> <u>Ethical business conduct</u>

**ACTIVITY METRIC**

SASB code	Metric	Response
HC-MS-000.A	Number of units sold by product category	Not reported

# Task Force on Climate-Related Financial Disclosures (TCFD)

Category and recommended disclosure	Medtronic disclosure
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**Governance**  
 Disclose the Organization’s governance around climate-related risks and opportunities

- a) Describe the board’s oversight of climate-related risks and opportunities
- b) Describe management’s role in assessing and managing climate-related risks and opportunities

Medtronic operates in a complex, dynamic, highly competitive, and regulated environment. The business and affairs of the Company are governed by a board of directors. Our approach to governance is detailed at <https://www.medtronic.com/us-en/about/corporategovernance/overview.html>.

Although the full board of directors maintains ultimate risk oversight responsibilities, the Nominating and Corporate Governance Committee of the Medtronic board of directors is the lead committee responsible for environmental, social, and governance (ESG) oversight and regularly reviews ESG topics that are a priority for the company. In addition, other committees (such as the Audit Committee) engage in climate-related discussions as appropriate.

Medtronic includes the assessment and ranking of potential impacts associated with transitional and physical climate risks on Medtronic as part of our Enterprise Risk Management (ERM) program. This allows us a standard mechanism to elevate the most significant risks identified to Executive Management and the Medtronic Board of Directors, which recently completed a risk prioritization survey that included a number of climate-related risks identified through this process.

Climate-related issues that pose a significant risk to the company’s ability to meet our strategic goals and financial targets are escalated to the Medtronic board through our ERM framework as well as through the Nominating and Corporate Governance Committee’s oversight of ESG topics.

At the management level, embedding and evolving a strong sustainability strategy requires clear leadership and broad organizational participation. Coordinated leadership oversight and support for identifying and addressing sustainability priority issues, including climate-related risks and opportunities, are embedded into our organization.

Our Sustainability Steering Committee (SSC), which meets quarterly, oversees our sustainability program, including strategic plans related to ESG performance, risk, engagement and disclosure, and recognition. Among other responsibilities, the SSC participates in the identification of **material ESG issues** and oversees the company’s performance related to those issues, including establishing or monitoring metrics, commitments, and performance aspirations/targets. For example, the SSC contributes to our corporate environmental strategy, including our long-term targets for energy use/greenhouse gas emissions reduction, renewable energy, and water conservation.

The executive sponsor of the SSC is our Chief Financial Officer, who serves on the company's Executive Committee and ERM Steering Committee, and is responsible for leading the Medtronic global finance organization and key supporting functions, including Treasury, Controllershship, Tax, Internal Audit, Investor Relations, Corporate Strategy, Business Development, Portfolio Management, and IT. The SSC membership also includes other executive committee members and senior leaders of key operations and business functions who provide a broad range of perspectives and expertise in risk management; finance; legal; government affairs; investor relations; compliance; corporate governance; human resources; communications; philanthropy; quality; procurement; operations and supply chain; and environmental, health, and safety.

Our Enterprise Sustainability Program, led by our Director of Enterprise Sustainability, who reports to our Vice President, Chief Counsel Corporate Governance, collaborates with the SSC and leaders from across the organization to conduct regular reviews of our ESG strategies, identify emerging trends, and monitor performance related to the company’s material ESG issues. Routine quarterly reporting to the SSC includes progress on goals and targets, changes in the regulatory landscape, and updates on programs and operations designed to address key ESG issues, including those that are climate related.

**Category and recommended disclosure**   **Medtronic disclosure**

**Governance (continued)**   Our ERM function works with senior leaders across the organization to enable risk identification, develop risk tolerances, establish key metrics to evaluate risk, escalate risk topics based on criticality, and drive risk mitigation plans. Quarterly, ERM summarizes and creates a report on critical risks to present to the ERM Steering Committee. This committee has ultimate responsibility for risk monitoring and is made up of seven direct reports to the CEO: EVP and CFO, EVP Global Operation and Supply Chain, Chief Quality Officer, General Counsel, EVP and EMEA and APAC Regional President, Chief Clinical and Regulatory Officer, EVP and President for Medical Surgical Portfolio. Additionally, functional leadership within Environmental, Health and Safety, Enterprise Risk and Continuity, Facilities, and Global Energy all report directly to the Vice President of Enterprise Risk and Facilities, who oversees reporting on risk issues, projects, and other risk-related results to the ERM Steering Committee.

**Risk Management**   Medtronic Enterprise Risk Management (ERM) uses a structured risk identification and assessment process that incorporates both quantitative and qualitative factors to score and prioritize identified risks.

Disclose how the organization identifies, assesses and manages climate-related risks.

- a) Describe the organization’s processes for identifying and assessing climate-related risks.
- b) Describe the organization’s processes for managing climate-related risks
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

Medtronic ERM assesses established and emerging enterprise risks based on scoring criteria that includes the potential for negative impacts to Medtronic, the likelihood of risk occurrence, the preparedness of the organization to address potential risks, and the velocity or speed of onset for which Medtronic will realize the potential impact(s) of the risk event. Each of the scoring criteria include supporting evaluation elements that, when considered collectively, produce an overall inherent score as well as a residual risk score after considering the effectiveness of Medtronic’s preparedness and risk mitigation plans.

For example, although the impact score includes ratings based on financial impact, there are other considerations that drive risk assessments, including organizational impacts relating to reputational/brand, quality, regulatory/legal/compliance, operations, and the ability to achieve strategic objectives and maximize beneficial outcomes based on managed risks. Examples of risk themes/areas aligned to ERM processes include: Capacity for Innovation, Product Safety, Market Disruptions, Global Political and Regulatory Shifts, and Operations Interruption. ESG risks – inclusive of climate-related risks – are included in Medtronic’s ERM processes and are assessed consistently with other enterprise and emerging risks. As an example, physical and transitional climate risks were included in a recent ERM risk survey distributed to our ERM Steering Committee and other key Medtronic business and functional leaders.

Medtronic’s Business Continuity Management (BCM) program focuses on operational risk – the risk of loss resulting from interruptions of critical processes, supply, people, and systems or from internal or external events – including climate risks associated with natural disasters, such as hurricanes and wildfires. The BCM program prioritizes Medtronic's critical products and services end-to-end value streams, focusing on resiliency and the identification and effective management of key operational risks. Product and service criticality is evaluated based on patient and commercial market impact. The program includes an annual risk assessment to determine and prioritize top risks and align on mitigation options and business continuity and resiliency strategies. During FY22, Medtronic began integrating physical climate risk into its BCM risk assessment platform.

The BCM Program is governed by the ERM Steering Committee (comprising Executive Committee leaders) and the Audit Committee of the board of directors. It is the collective responsibility of these groups to ensure that Medtronic's critical operations are resilient and that key operational risks are being effectively assessed and managed.

The Enterprise Sustainability Program leads periodic risk assessments conducted by external experts to identify priority sustainability/ESG issues based on input from internal leadership, external customers, investors, NGOs, and industry associations. The **most recent risk assessment** was completed in FY19 and included identification of a broad range of potential risk issues that could impact Medtronic’s long-term business success – including climate risk and resilience. Each identified issue was individually scored based on input from interviews, surveys, and the external expert’s analysis and insights. Factors assessed included importance to business based on revenue generation, operational efficiency/cost savings, regulatory risk, credibility, trust or reputation, innovation and growth, and employee productivity, hiring, or retention and impact on stakeholders. This assessment focused on both risks and opportunities. We plan on conducting our next sustainability/ESG risk assessment during FY24.

We identify and address transitional climate risks through routine monitoring of carbon regulations, including carbon taxes and greenhouse gas emissions data.

Our Government Affairs; Human Resources; Environmental, Health, and Safety; and Procurement groups monitor relevant regulations in global markets – including regulations relating to climate change, such as emissions limits.

**Category and recommended disclosure Medtronic disclosure**

**Strategy**

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

- a) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.
- c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In the World Economic Forum’s 2022 Global Risks Report, climate action failure was identified as the most severe global risk over the next 10 years, followed by extreme weather and biodiversity loss. Human environmental damage and natural resource crises were ranked seventh and eighth.

**Climate-Related Risks**

Significant climate-related risks to Medtronic are consistent with these findings and center on transition risks, including rapid changes in customer and investor preferences, policy and regulations, such as those around carbon emissions and climate disclosure, and physical risks associated with natural disasters, such as hurricanes and wildfires, which can cause significant business disruption. For example, in 2017, Hurricane Maria **shut down four Medtronic facilities** and negatively impacted sales as production across all business lines was interrupted. Additional costs were incurred to restore operations in Puerto Rico and provide humanitarian aid to Medtronic employees. An analysis of potential physical climate risks at the company’s highest impact sites also identified potential risks related to increased temperatures/heat stress, drought, and water stress.

Medtronic global operations identifies climate-related risks and opportunities based on short-, medium-, and long-term time horizons. Short-term horizon is 1-3 years and specifically centers on annual financial planning within global operations. Medium-term horizon is 3-10 years and is primarily focused on operational footprint planning within global operations. Our long-term horizon is 10 years and beyond and primarily relates to operational footprint and global market risks and opportunities.

We address climate-related risk predominantly through business strategies within our enterprise global operations functions, including Facilities; Environmental, Health, and Safety; Business Continuity Management; and Global Energy.

For example, recent climate adaptation investments have included simple things, such as landscape design at a Colorado facility, to mitigate wildfire exposure or generator power for locations in Puerto Rico with hurricane exposure. We also invest in energy and water efficiency projects, renewable and clean energy sources, on-site energy installations, and capital investments that improve facility resilience. The enterprise annual financial planning process prioritizes enterprise and functional expenditures related to these types of projects. Medtronic has a dedicated budget for energy efficiency projects that can be utilized by all operations for qualified projects.

Applying our ERM framework, we have identified two additional climate risks:

- Reputation: Stakeholder concern or negative feedback regarding our climate impacts and strategy could result in unfavorable perceptions that could reduce shareholder investment and lead to a reduction in capital availability that allows Medtronic to execute on long-term business strategy. It could also affect the company’s position as a preferred supplier with customers.
- Increased pricing of greenhouse gas emissions: Medtronic operates globally, and in many countries where policy changes are under consideration, increased pricing could have an immediate impact on operating costs.

**Climate-related opportunities**

Physical climate opportunities are identified and addressed through structured EHS and Global Energy management processes that include goal setting and strategic objectives. Through this process, Medtronic has identified multiple climate-related opportunities relating to energy sources, resilience, and product development, manufacturing, and distribution.

Medtronic operates numerous renewable and alternative energy installations, including solar, cogeneration, and fuel cell technologies, totaling over 70,000 MWh of electricity. As the carbon markets mature, the environmental attributes of these installations grow, making the existing installations financially more attractive and future installations more feasible.

We view investments in on-site renewable and alternative energy, such as solar, cogeneration plants, and geothermal, as strategic for building business resilience because of their potential to decrease interruptions to operations and reduce company dependence on utility providers. Medtronic continues to consider these installations as part of its overarching manufacturing footprint strategy and invests in them accordingly.

We see potential for innovations in sustainable product and packaging design and manufacturing network design to yield additional climate-related opportunities. During FY22, we established a Sustainability Development Center to pursue packaging waste reductions aligned with our **public targets**.

Category and recommended disclosure	Medtronic disclosure
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<p><b>Strategy (continued)</b></p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p> <p>a) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p><b>Scenario analysis</b></p> <p>Medtronic leverages a third-party system to perform scenario analysis on natural hazards (tropical cyclone, extra-tropical cyclone, tornado, hail, wildfire, and flood). As an example, short-term wildfire is assessed with an exposure rating based on climatic condition and vegetation data linked with historical data. Long-term scenarios add heat stress, which could exacerbate or reduce the overall threat of wildfire. This allows us to prepare immediate climate adaptation based on the changing risk associated with the latest weather patterns and to understand where our exposure is changing over time.</p> <p>Water stress continues to be among the largest global risks in terms of potential impact over the next decade. Changes in precipitation patterns and extreme variability in weather patterns can result in chronic increased temperatures, decreased water availability, and elevated operations costs from increased cooling and restricted water use. We know that water stress and scarcity is a growing global concern, and Medtronic is preparing our business for a time when water resources are critically challenged in some regions. Assessing this risk allows us to identify the significance and potential impact to our business.</p> <p>We leverage our biennial operational water stress analysis to integrate scenario analysis into our climate-related strategies. Our FY22 analysis, which uses data from the World Resources Institute Aqueduct Water Risk Atlas, yielded information about current and future water stress (through 2040) at key Medtronic locations around the globe that use three million or more gallons per year. Assessment of future stress aligned with three specific temperature pathways: optimistic, business as usual, and pessimistic. In FY22, we expanded the scope of our assessment from Medtronic facilities that use five million gallons of water or more annually to Medtronic facilities that use three million gallons of water or more annually. We conducted a similar analysis of our top five contract manufacturers, scoping the assessment to locations relevant to Medtronic.</p> <p>Each outcome of these scenarios is included in risk assessments that support our Business Continuity Program. This program is leveraged to prioritize site investment in climate adaptation and risk mitigation, which led to the implementation of water conservation objectives at additional Medtronic sites in Mexico. In addition, the longer-term risks are incorporated into our global manufacturing network strategy beginning in FY23. This includes key contract manufacturers that have been assessed as high risk based on their location and shared conservation and preparedness strategies.</p> <p><b>Climate action</b></p> <p>Our response to identified climate risks and opportunities includes strategic initiatives around achieving carbon neutrality in our operations and net zero across our value chain. In FY20, Medtronic announced an ambition to be carbon neutral in our owned and operated facilities by FY30. Our approach includes a continued focus on energy efficiency, on-site renewable and clean energy installations, and purchases of renewable energy credits (RECs) and carbon offsets, which should transition to virtual power purchase agreements (VPPAs) by FY25.</p> <p>In 2021, we announced our ambition to be net zero across our value chain by FY45. Our <a href="#">Decarbonization Roadmap</a> provides a high-level overview of our strategy, which includes announcing science-based greenhouse gas (GHG) emissions reduction targets by FY25 in three key areas: operational carbon neutrality, supply chain GHG emissions reduction, and ongoing logistics improvements. We plan to work with the Science-based Targets initiative (SBTi) to ensure alignment with the Paris Agreement.</p>
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Category and recommended disclosure	Medtronic disclosure
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<p><b>Metrics and Targets</b></p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> <p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>We have established companywide environmental targets since 2007, with a focus on reductions in energy use and GHG emissions throughout our operations. In FY20, we reached the end of our second set of long-term targets based on an FY13 baseline and exceeded all of them. We set <b>new targets</b> through FY25, which include a 50% reduction in GHG intensity, 20% reduction in energy intensity, sourcing 50% of our energy from renewable and alternative sources, and 15% reduction in water and waste intensity from a FY20 baseline. We evaluate progress toward our environmental performance goals on an annual basis.</p> <p>Our new emission and energy goals move us toward our ambition of being carbon neutral in our operations by 2030. We aim to reduce nearly 250,000 tons of emissions annually. Over the next decade, these reductions will be approximately equal to emissions generated by 80,000 U.S. homes over the same time period.</p> <p>As part of our aspiration to be net zero across our value chain by FY45, in FY22, we began engaging our top 100 suppliers on GHG emissions measurement, disclosure, and reduction through <b>CDP Supply Chain</b>, which will help us establish baseline and move toward Scope 3 emissions targets. Medtronic also engaged our top five logistics partners around emissions reduction and partnered with one on a project to analyze order consolidation.</p> <p>Our annual CDP submission provides additional information about our GHG emissions targets and progress, emission reduction initiatives, and other climate-related activities. Other relevant information about how we collect data and calculate emissions is included in the metrics and targets disclosures in our 2022 CDP submission and on pages 30-34 of this report.</p>
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# World Economic Forum (WEF) Stakeholder Capitalism Metrics

## GOVERNANCE

Theme	Disclosure	Response
<b>Governing purpose</b>	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	<a href="#">Material issues and targets</a> <a href="#">Corporate governance</a>
<b>Quality of governing body</b>	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or nonexecutive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	<a href="#">Sustainability governance</a> <a href="#">Corporate governance</a> <a href="#">2022 TCFD</a>
<b>Stakeholder engagement</b>	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	<a href="#">Material issues and targets</a>
<b>Ethical behavior</b>	<ol style="list-style-type: none"> <li>Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.</li> <li> <ol style="list-style-type: none"> <li>Total number and nature of incidents of corruption confirmed during the current year, but related to previous years.</li> <li>Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> </ol> </li> <li>Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture in order to combat corruption.</li> </ol> <p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> <li>Seeking advice about ethical and lawful behavior and organizational integrity; and</li> <li>Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.</li> </ol>	<p>Nearly 100% of governance body members and employees have received training on our anti-corruption policies across all regions.</p> <p>We had zero incidents of corruption during the current year related to previous year, and zero incidents of corruption during the current year related to this year.</p> <p>Read <a href="#">Ethics in sales and marketing</a> for how we engage stakeholders to combat corruption.</p>
		<a href="#">Ethical business conduct</a>

**Risk and opportunity oversight**

Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.

[2022 Form 10-K](#)  
[Sustainability governance](#)

**PLANET**

Theme	Disclosure	Response
<p><b>Climate change</b></p>	<p>For all relevant greenhouse gases (GHG), e.g. carbon dioxide, methane, nitrous oxide, F-gases etc., report in metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p> <hr/> <p>Fully implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C - and to achieve net-zero emissions before 2050.</p>	<p><b><a href="#">Reducing our operational footprint</a></b></p> <p>In FY22, we joined the CDP Supply Chain, a consortium of more than 280 global companies, working to help 40,000 suppliers quantify their environmental impact. Our membership will help us better understand our Scope 3 emissions and inform the development of our science-based targets.</p> <hr/> <p><b><a href="#">2022 CDP Climate Disclosure</a></b>  <b><a href="#">2022 TCFD</a></b></p> <p>In FY22, we announced our ambition to reduce our carbon emissions to net zero across Scopes 1, 2, and 3 by FY45. To achieve this ambition, we created a <b><a href="#">Decarbonization Roadmap</a></b> that outlines our focus areas – operations, supply chain, and logistics – where we intend to set reduction targets through the Science-Based Targets initiative (SBTi).</p>
<p><b>Nature loss</b></p>	<p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>We are currently evaluating methods for tracking and reporting our adjacency to key biodiversity areas.</p>
<p><b>Freshwater availability</b></p>	<p>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<p><b><a href="#">2022 CDP Water Disclosure</a></b>  <b><a href="#">Reducing our operational footprint</a></b></p>

PEOPLE

Theme	Disclosure	Response											
<p><b>Dignity and equality</b></p>	<p>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g., ethnicity).</p>	<p><b>Employee data summary</b> Additional information about ethnicity by employee category for U.S. employees is available in our EEO1 report on <a href="https://www.medtronic.com">medtronic.com</a>.</p>											
	<p>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	<p><b>Inclusion, diversity, and equity</b> <b>Supporting a global workforce</b></p>											
		<p>Global gender pay equity by region (adjusted for job title)</p> <table border="1"> <thead> <tr> <th data-bbox="2415 656 2832 694">Region</th> <th data-bbox="2832 656 3165 694">Pay equity as of August 2022</th> </tr> </thead> <tbody> <tr> <td data-bbox="2415 731 2832 769">Asia-Pacific</td> <td data-bbox="2832 731 3165 769">101%</td> </tr> <tr> <td data-bbox="2415 787 2832 825">Europe, Middle East, Africa</td> <td data-bbox="2832 787 3165 825">98%</td> </tr> <tr> <td data-bbox="2415 844 2832 881">Latin America</td> <td data-bbox="2832 844 3165 881">97%</td> </tr> <tr> <td data-bbox="2415 900 2832 938">North America and Puerto Rico</td> <td data-bbox="2832 900 3165 938">100%</td> </tr> </tbody> </table>	Region	Pay equity as of August 2022	Asia-Pacific	101%	Europe, Middle East, Africa	98%	Latin America	97%	North America and Puerto Rico	100%	
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PEOPLE

Theme	Disclosure	Response
<p><b>Dignity and equality (continued)</b></p>	<p>1. Ratios of standard entry-level wage by gender compared to local minimum wage.</p> <p>2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p> <hr/> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to:</p> <ul style="list-style-type: none"> <li>a) type of operation (such as manufacturing plant) and type of supplier; and</li> <li>b) countries or geographic areas with operations and suppliers considered at risk.</li> </ul>	<p>Our CEO-to-employee annual total compensation ratio is disclosed in our <a href="#">2022 Proxy statement</a>.</p> <hr/> <p><b><u>Supply chain responsibility</u></b>  <b><u>Global Human Rights and Labor Policy Program Report</u></b></p>
<p><b>Health and well-being</b></p>	<p>The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</p> <p>An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p><b><u>Supporting a global workforce</u></b></p> <p>In FY22, the most common work-related injuries were: slip, trip, or fall (19.3%); injury through manual handling or lifting (12.6%); struck by/cut by sharp object (11.4%); and hit against something fixed or stationary (6.3%).</p> <p>In FY22, we maintained our best-in-class level of safety across our global operations. Our overall safety record improved with high-consequence work-related injuries and lost workdays declining compared to the previous two years. We experienced zero work-related fatalities.</p>
<p><b>Skills for the future</b></p>	<p>1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</p> <p>2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).</p>	<p><b><u>Supporting a global workforce</u></b></p> <p>We do not currently track all training by gender and employee category. We are exploring solutions for tracking this information companywide in the future.</p>

PROSPERITY

Theme	Disclosure	Response
<p><b>Employment and wealth generation</b></p>	<ol style="list-style-type: none"> <li>1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</li> </ol> <hr/> <ol style="list-style-type: none"> <li>1. Direct economic value generated and distributed (EVG&amp;D), on an accrual basis, covering the basic components for the organization’s global operations, ideally split out by:                             <ul style="list-style-type: none"> <li>• revenue</li> <li>• operating costs</li> <li>• employee wages and benefits</li> <li>• payments to providers of capital</li> <li>• payments to government</li> <li>• community investment</li> </ul> </li> <li>2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</li> </ol> <hr/> <ol style="list-style-type: none"> <li>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy.</li> <li>2. Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.</li> </ol>	<p><u><a href="#">Employee data summary</a></u>  <u><a href="#">Inclusion, diversity, and equity</a></u></p> <hr/> <p><b>2022 Form 10-K</b>                      Our economic impact                      At this time, we do not disclose financial assistance received from the government.</p> <hr/> <p><b>2022 Form 10-K</b>  <u><a href="#">SEC Filings</a></u>                      FY22 capital expenditures less depreciation were \$394 million (CapEx additions of \$1.368 billion; less depreciation of \$974 million). Our capital investment strategy is focused on supporting revenue generation, R&amp;D, and margin expansion initiatives. Our priority is to continue to fund critical strategic growth investments, such as product development and capacity expansion, while executing on existing initiatives.</p>
<p><b>Innovation of better products and services</b></p>	<p>Total costs related to research and development.</p>	<p><b>2022 Form 10-K</b>  <u><a href="#">Global healthcare access</a></u></p>
<p><b>Community and social vitality</b></p>	<p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.</p>	<p><b>2022 Form 10-K</b>  <u><a href="#">Our economic impact</a></u></p>

# Employee data summary

## GLOBAL AND U.S. LEADERSHIP DIVERSITY

	FY20 <sup>†</sup>	FY21	FY22
CEO and global CEO direct reports who are women	22%	22%	24%
CEO and U.S. CEO direct reports who are ethnically diverse	19%	25%	33%

<sup>†</sup> At FY20 year-end, we went through a transition phase and had two acting CEOs. Calculation was completed by capturing retiring CEO and Direct Reports. Calculation also includes our new CEO (who had reported to the retiring CEO) and his Direct Reports. Some employees were transitioned from the retiring CEO to the new CEO.

## GLOBAL FEMALE TALENT REPRESENTATION

	FY20	FY21	FY22
Woman employees	49%	50%	50%
Manager-and-above positions held by women	39%	40%	42%
Management positions in revenue-generating functions (i.e., sales) held by women	32%	32%	34%

## U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION<sup>†</sup>

	FY20	FY21	FY22
Ethnically diverse employees	37%	38%	39%
Manager-and-above positions held by ethnically diverse talent	23%	25% <sup>‡</sup>	27%

<sup>†</sup> United States, excluding Puerto Rico (excludes blank, no data, or did not disclose).

<sup>‡</sup> This number is based on fiscal year 2021 and therefore is different than the number reported for our calendar year 2020 target, where we achieved 24% ethnically diverse talent in manager-and-above positions.

## NEW EMPLOYEE HIRES<sup>†</sup>

	FY20	FY21	FY22
Woman (global)	51% <sup>‡</sup>	50% <sup>§</sup>	52% <sup>¶</sup>
Ethnically diverse (U.S.)	52%	46%	47%

<sup>†</sup> Employee population data expressed here may vary from our 10-K form depending on the time of year in which the data was gathered.

<sup>‡</sup> Zero records have values out-of-bounds (e.g., age=0). Forty-nine records do not specify gender.

<sup>§</sup> Zero records have values out-of-bounds (e.g., age=0). Thirty-four records do not specify gender.

<sup>¶</sup> Zero records have values out-of-bounds (e.g., age=0). Twenty-four records do not specify gender.

**MEDTRONIC GLOBAL WORKFORCE**

	FY20 <sup>†</sup>	FY21 <sup>‡</sup>	FY22 <sup>§</sup>
<b>Total</b>	<b>93,919</b>	<b>95,612</b>	<b>101,157</b>
Woman	46,460	47,844	51,007
<b>Asia-Pacific</b>	<b>13,619</b>	<b>13,728</b>	<b>14,967</b>
Woman	5,923	6,200	6,893
<b>Canada</b>	<b>1,366</b>	<b>1,316</b>	<b>1,293</b>
Woman	801	788	767
<b>Europe/Central Asia/Middle East/Africa</b>	<b>18,983</b>	<b>18,890</b>	<b>20,010</b>
Woman	9,516	9,391	10,019
<b>Latin America</b>	<b>18,222</b>	<b>20,126</b>	<b>21,306</b>
Woman	11,013	12,375	13,100
<b>U.S. and Puerto Rico</b>	<b>41,729</b>	<b>41,552</b>	<b>43,581</b>
Woman	19,207	19,090	20,228

<sup>†</sup> Forty-five records do not specify gender.  
<sup>‡</sup> Thirty-eight records do not specify gender.  
<sup>§</sup> Thirty-four records do not specify gender.

**EMPLOYMENT TYPE**

	FY20 <sup>†</sup>	FY21 <sup>‡</sup>	FY22 <sup>§</sup>
<b>Support staff</b>	<b>38,325</b>	<b>39,118</b>	<b>40,601</b>
Woman	22,362	23,026	23,881
<b>Professional</b>	<b>44,393</b>	<b>45,387</b>	<b>48,482</b>
Woman	19,749	20,357	22,061
<b>Management<sup>¶</sup></b>	<b>10,664</b>	<b>10,551</b>	<b>11,514</b>
Woman	4,183	4,284	4,872
<b>VPs and higher</b>	<b>537</b>	<b>556</b>	<b>560</b>
Woman	166	177	193

<sup>†</sup> Forty-five employees do not have a job category designation.  
<sup>‡</sup> Thirty-eight employees do not have a job category designation.  
<sup>§</sup> Thirty-eight employees do not have a job category designation.  
<sup>¶</sup> Management = managers and above.

**GLOBAL FULL-TIME**

	FY20 <sup>†</sup>	FY21	FY22 <sup>§</sup>
<b>Total</b>	<b>89,703</b>	<b>93,763</b>	<b>99,217</b>
24 and under	5,588	6,118	6,679
25-39	41,523	42,898	45,544
40-54	32,452	34,142	35,564
55-69	9,980	10,479	11,268
70+	160	126	162
<b>Woman<sup>‡</sup></b>	<b>44,904</b>	<b>46,329</b>	<b>49,451</b>
Asia-Pacific	5,844	6,123	6,821
Canada	789	772	750
Europe/Central/Asia/Middle East/Africa	8,235	8,131	8,710
Latin America	11,021	12,374	13,100
U.S. and Puerto Rico	19,015	18,929	20,070

<sup>†</sup> Zero records have out of bound values, so are not included in age breaks. Twenty-six records do not specify gender.  
<sup>‡</sup> Numbers by region are based on female employees only.  
<sup>§</sup> Thirty-four records do not specify gender.

## GLOBAL PART-TIME

	FY20	FY21	FY22
<b>Total</b>	<b>1,853</b>	<b>1,849</b>	<b>1,940</b>
24 and under	19	25	38
25-39	592	513	517
40-54	958	974	999
55-69	278	333	379
70+	6	4	7
<b>Woman<sup>†</sup></b>	<b>1,555</b>	<b>1,515</b>	<b>1,556</b>
Asia-Pacific	79	77	72
Canada	11	16	17
Europe/Central/Asia/Middle East/Africa	1,277	1,260	1,309
Latin America	1	1	0
U.S. and Puerto Rico	187	161	158

<sup>†</sup> Numbers by region are based on female employees only.

## NEW EMPLOYEE HIRES

	FY20 <sup>†</sup>	FY21 <sup>‡</sup>	FY22 <sup>§</sup>
<b>Total</b>	<b>18,452</b>	<b>14,874</b>	<b>21,431</b>
24 and under	4,784	4,373	5,097
25-39	10,334	7,876	12,283
40-54	2,843	2,251	3,409
55-69	478	368	634
70+	13	6	8
<b>Woman<sup>¶</sup></b>	<b>9,465</b>	<b>7,470</b>	<b>11,126</b>
Asia-Pacific	1,177	1,031	1,577
Canada	103	94	70
Europe/Central/Asia/Middle East/Africa	1,193	680	1,565
Latin America	4,562	3,757	4,395
U.S. and Puerto Rico	2,430	1,908	3,519

<sup>†</sup> Forty-nine records do not specify gender.

<sup>‡</sup> Thirty-four records do not specify gender.

<sup>§</sup> Twenty-four records do not specify gender.

<sup>¶</sup> Numbers by region are based on female employees only.

## GLOBAL EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY)

	FY20	FY21	FY22
<b>Total employee turnover rate (total employees/# employee turnovers)</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
24 and under	2,864	3,029	3,187
25-39	7,149	6,943	8,194
40-54	3,399	2,931	3,343
55-69	1,325	2,018	1,313
70+	46	98	26
<b>Voluntary employee turnover rate (total employees/# voluntary employee turnovers)</b>	<b>13%</b>	<b>13%</b>	<b>15%</b>
<b>Woman<sup>†</sup></b>	<b>7,488</b>	<b>7,399</b>	<b>8,140</b>
Asia-Pacific	872	907	858
Canada	95	125	110
Europe/Central/Asia/Middle East/Africa	997	747	943
Latin America	3,411	3,413	3,830
U.S. and Puerto Rico	2,113	2,207	2,399

<sup>†</sup> Numbers by region are based on female employees only.

U.S. EMPLOYEE DEMOGRAPHICS<sup>†</sup>

	FY20	FY21	FY22
American Indian or Alaska Native	138	133	150
Asian	5,664	5,647	6,060
Black or African American	2,109	2,208	2,437
Hispanic or Latino	3,010	3,169	3,141
Native Hawaiian or Other Pacific Islander	125	131	127
White	20,486	19,863	20,419
Two or More Races	751	812	861
Unspecified <sup>‡</sup>	5,377	5,520	10,386

<sup>†</sup> Calculated actual headcount at the end of the FY21. United States only, excluding Puerto Rico.

<sup>‡</sup> Includes records coded as "Do Not Want to Disclose," "Unspecified," or "Blank."

**U.S. EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY) BY RACE AND ETHNICITY**

	FY20	FY21	FY22
<b>Total U.S. employee turnover rate (total employees/# employee turnovers)</b>	<b>11%</b>	<b>12%</b>	<b>10%</b>
American Indian or Alaska Native	11%	16%	9%
Asian	10%	12%	11%
Black or African American	14%	13%	13%
Hispanic or Latino	13%	13%	10%
Native Hawaiian or Other Pacific Islander	19%	8%	11%
White	11%	11%	9%
Two or more races	15%	9%	13%
Unspecified <sup>†</sup>	16%	14%	11%

<sup>†</sup> Includes records coded as "Do Not Want to Disclose," "Unspecified," or "Blank."