

2019
GLOBAL
INCLUSION,
DIVERSITY,
AND EQUITY
REPORT



AS OF FY19,
WOMEN REPRESENTED
50%
OF OUR GLOBAL WORKFORCE

AND ETHNICALLY
DIVERSE TALENT REPRESENTED
36%
OF OUR U.S. WORKFORCE



Adding Business Value

Research shows that diversity increases innovation by nearly 20%. It strengthens our workplace culture, distinguishes us from competitors, and ultimately helps us meet global healthcare needs.

At Medtronic, our history of inclusion and diversity began with our Mission, written by co-founder Earl Bakken in 1960, well before diversity and inclusion efforts were proven to be key drivers of business innovation. Today, it continues to guide our global culture, directing us to serve all people in need of our therapies — to alleviate pain, restore health, and extend life. The fifth tenet of our Mission,

to recognize the personal worth of all employees, underlies our approach to inclusion and diversity.

We are a stronger, better company when we foster an inclusive workplace and bring diversity of thought to our work by employing a workforce that represents our patients and customers.



INCLUSION AND DIVERSITY HIGHLIGHTS

In fiscal year 2019 (FY19), we made significant progress toward our 2020 diversity goals, surpassing our 20% or more target for ethnically diverse leadership in the U.S. and on track to meet our 40% or more target for women leadership globally, putting us closer to our ultimate aspiration of 50% or more.



38%

OF GLOBAL
MANAGEMENT POSITIONS
HELD BY WOMEN



22%

OF U.S. MANAGEMENT
POSITIONS HELD BY
ETHNICALLY DIVERSE TALENT

From a pay perspective, we believe all people should be paid equally for the same work. In FY19, we achieved 99% gender pay equity globally, and 100% in several countries, including the United States. In the United States, for every \$1.00 Caucasian employees earn, ethnically diverse employees with the same job title earn \$0.99.



With diversity in the workplace that mirrors our communities, we have better insight into the experiences of our customers and other partners. Ultimately, we will be able to better deliver technologies, services, and solutions that serve patients because we understand the specific needs of different populations. However, having a diverse set of perspectives from employees is only valuable if they feel confident contributing and voicing their opinions without

anxiety or fear. This means making sure that employees feel confident knowing they can be their best selves and grow a fulfilling career at Medtronic by embracing and celebrating their individual identities and backgrounds. It also means creating an enriching work experience and a healthy, diverse Medtronic community that truly reflects the world in which we live and work.

“ We are focused on inclusion first, because we recognize that an inclusive culture is essential to attracting and retaining diverse talent and perspectives. ”

– Carol Surface
Chief Human Resources Officer, Medtronic

THE DRIVERS BEHIND OUR COMMITMENT

Creating an inclusive and diverse culture:

ENCOURAGES
EMPLOYEES
TO BE THEIR
BEST SELVES

CREATES
AN ENRICHING
WORK
EXPERIENCE

DRIVES
BETTER
DECISION-
MAKING &
BUSINESS
OUTCOMES

A holistic approach to inclusion, diversity, and equity

As a global company, our future depends on employing world-class talent whose ideas fuel meaningful innovation for patients and partners. Medtronic is implementing three strategic priorities to make inclusion and diversity a differentiator for our business and culture.

OUR THREE STRATEGIC PRIORITIES

LEADERSHIP COMMITMENT

Close the diversity gap through accountability

INTEGRATED AND HOLISTIC APPROACH

Create sustainable practices at all levels of the organization

MEASUREMENT

Leverage data and technology for powerful insight

We are dedicated to examining and advancing all the processes, programs, and policies that influence inclusion, diversity, and equity at Medtronic. In 2015, we created a transparent way to hold ourselves accountable by setting five-year diversity goals and publicly reporting progress each year.

By 2020, we aim to exceed 40% or more women in manager level and above roles globally, with an ultimate aspiration of achieving 50%, and exceed 20% or more ethnic diversity among manager level and above roles in the United States.

2020 TARGETS

By 2020, we aim for:

40%+
WOMEN
IN MANAGEMENT
POSITIONS
GLOBALLY

50%+
ASPIRATION

20%+
ETHNIC DIVERSITY
IN MANAGEMENT
POSITIONS
WITHIN THE U.S.

To increase accountability for results, the 2020 targets are embedded into every Medtronic senior leader's annual performance review. This ensures leaders create action plans that diversify talent at the leadership level, resulting in meaningful progress toward meeting our inclusion and diversity goals.

From a pay perspective, we believe that women and men should be paid equally for the work they do. Annually, we conduct a comprehensive analysis of pay between our male and female employees to address inequity. Globally, women are paid 99% of what men are paid¹² and 100% in several countries, including the United States.

At Medtronic, women and men are paid equally in several countries, including the United States.

The fifth tenet of our Mission calls on us to recognize the personal worth of all employees.

In the United States, for every \$1.00 Caucasian employees earn, ethnically diverse employees with the same job title earn \$0.99. While we are proud of our results, we will close any remaining gaps globally to reach 100% pay equity for all employees.

We take a holistic approach, integrating inclusion and diversity into talent attraction, hiring, assessment, development, promotion, and retention. Every part of our organization participates in our inclusion and diversity efforts,

creating an inclusive community and vibrant work environment where a broad range of talent and identities thrive. To ensure that we achieve appropriate representation, we leverage external data to monitor diversity and employment trends at the global, national, industry, and company level. For detailed workforce data, see our [**2019 ESG Disclosure Index**](#).

In FY19, Medtronic supported four Diversity Networks that aim to attract, develop, and accelerate the careers of women globally and U.S. ethnically diverse talent. These groups are dedicated to helping employees succeed both professionally and personally, and their objectives are closely aligned to our business

¹² Pay equity compares pay for males and females who work in the same country with the same job title.

“ The Mission unites employees from all corners of the world around a common purpose. The Mission also calls on us to foster an inclusive workplace where every employee can participate in an enriching personal work experience. ”

– Omar Ishrak

Chairman & Chief Executive Officer, Medtronic

strategies. The Networks are open to all employees and participation from everyone is encouraged to introduce others to diverse cultures and perspectives. In early FY20, we added our fifth Diversity Network — PRIDE — to support our LGBTQ+ employees.

A chairperson, identified by our CEO and chief human resources officer (CHRO), and a sponsor from our executive committee lead each of these Networks. All executive committee members are accountable for, and measured on, their contribution to achieving our diversity goals. To help Networks make measurable progress, our CEO spends a full day every quarter meeting with Network leaders to assess their impact, review strategies, and provide support. These full-day reviews have the same rigor and time commitment as quarterly business reviews and are driven by the Network’s executive committee sponsors and chairs.

MEDTRONIC DIVERSITY NETWORKS		THEIR IMPACT
GLOBAL	<ul style="list-style-type: none"> Global Medtronic Women’s Network 	Our Networks play a critical role in our ability to: <ul style="list-style-type: none"> Attract and retain a diverse workforce Develop and advance the careers of women and ethnically diverse employees Establish Medtronic as an employer of choice for diverse talent Provide a network and community to increase inclusion and feeling of belonging
U.S.	<ul style="list-style-type: none"> African Descent Network Hispanic Latino Descent Network Asian Impact @ Medtronic 	

The Global Inclusion, Diversity, and Engagement (GIDE) team supports our efforts to build a more inclusive culture and diverse workforce and plays a key role in helping us achieve our 2020 diversity targets.



Inclusion

An inclusive culture helps us attract and retain diverse talent. It cultivates a sense of belonging among people from diverse backgrounds and ultimately engages and inspires all employees to work toward a common goal and fulfill our Mission.

The annual Medtronic Organizational Health Survey helps us monitor the impact of our inclusion and diversity efforts among our 90,000 employees across 150 countries. In FY19, 82% of women globally and 79% of U.S. ethnically diverse talent reported that they feel they belong at Medtronic.

Employee Resource Groups (ERGs) are employee-led affinity groups at Medtronic that provide career development

and networking opportunities for members and strengthen ties between employees of many different backgrounds, cultures, and interests. First founded in 1984, our ERGs now have more than 19,000 members across more than 60 countries. They include groups for retirees, religious faiths, young professionals, LGBTQ+, women, veterans, employees with disabilities, and more. In FY19, a passionate employee

with Native American heritage led efforts to form our newest ERG — the American Indian Employee Resource Group. The group's vision is to enhance the professional development of our American Indian employees and support the American Indian community by promoting higher education for youth, raising disease awareness, and recruiting talent to work at Medtronic.

12+ **EMPLOYEE RESOURCE GROUPS**

19,000+ **MEMBERS**



60+ **COUNTRIES**

CASE STUDY

ENABLING THE NEXT GENERATION OF ASIAN WOMEN LEADERS

Across industries in the United States, Asians are underrepresented at the highest levels of leadership. To address this disparity, our Asian Impact @ Medtronic Network developed LEAP (Leadership Empowerment for Asian Female Professionals). LEAP is a 12-month program aimed at accelerating the professional growth of Asian female talent at Medtronic. The program fosters development through mentorship and coaching circles led by Asian women leaders. LEAP contributes to both of our diversity targets — to increase the number of women and ethnically diverse talent in management. In FY19, 33 women participated in LEAP.

CASE STUDY

WISE EMPOWERS WOMEN AT MEDTRONIC

We believe gender-diverse companies out-perform and out-innovate their peers — and research supports this view.

WISE (Women in Science and Engineering) is our holistic, data-driven road map to increase the number of women in science and technology roles at Medtronic. Our goal is for 30% or more of technical manager and above positions to be held by women by 2020. Since 2015, women's representation in technical leadership roles at Medtronic improved from 20% to 26%, exceeding the external industry benchmark of 18%. For all technical roles, female representation increased to 29%, exceeding the external industry benchmark of 24%.

WISE is a multi-pronged approach that encompasses the culture, outreach, acquisition, and development of women engineers. Just three years after launch, 90% of Medtronic R&D locations, including 72 global sites, have WISE deployment teams. Globally, we are implementing programs to acquire diverse technical talent, to develop employees and foster an inclusive culture. We are also focused on attracting talent through innovative programming such as our STEM outreach effort, which reached 9,000 students in FY19. Additionally, our hands-on internship program hosted 237 student interns throughout the year, 56% of whom were female and 48% represented ethnically diverse talent.



“ We are known for innovation, and we need women in the mix. Attracting and developing women — including female engineers — is a core strategy. We've put in place unique programs to do just that. ”

– Carol Malnati
Vice President, R&D, Medtronic



Diversity

We are determined to employ a workforce with varying backgrounds and experiences — matching those of patients and our communities. We champion diversity and appreciate all the ways people are unique. This approach reflects both our Mission and business strategy.

In FY19, Medtronic and our CEO joined [Catalyst CEO Champions for Change](#), committing to accelerate inclusion, diversity, and gender equality. The pledge reflects our strong desire for Medtronic leadership to be more representative and for people with diverse perspectives to take part in decision-making. Through CEO Champions for Change, we pledge to:

- Benchmark, track, and improve the culture of inclusion within our organization

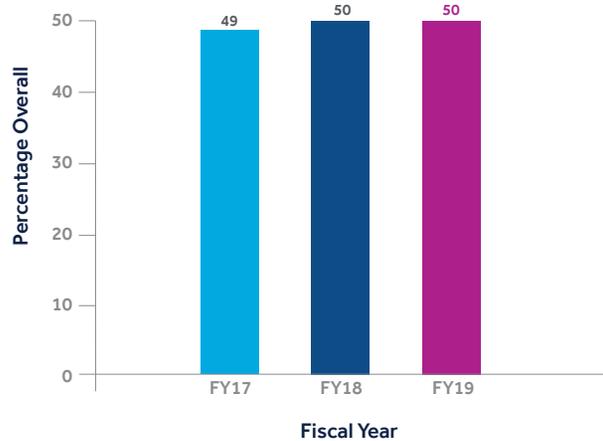
- Increase the representation of women, including women of color, in management positions and on our board of directors over five years
- Share metrics with Catalyst, to benchmark our collective, aggregate progress

GENDER DIVERSITY

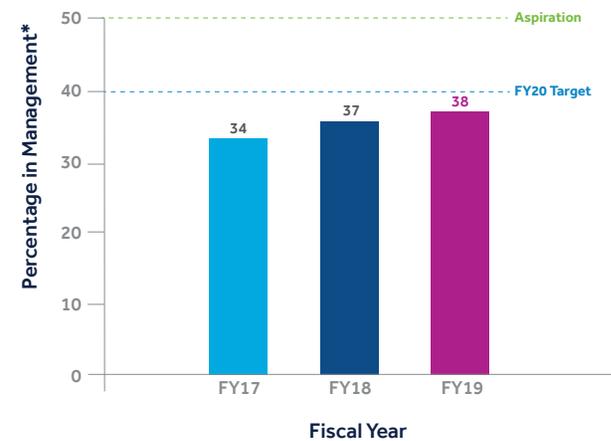
Our 2020 gender diversity target is for women to hold 40% or more of our global management and above positions. Our ultimate aspiration is to get this number to 50% globally, which would truly reflect the world in which we live and work. In FY19, women represented 38% of our global management positions and were directly responsible for \$6.8 billion of our annual revenue.

The Global Medtronic Women's Network (MWN) is employing a three-part approach to increase the number of women in leadership at the company:

WOMEN REPRESENTATION GLOBALLY AT MEDTRONIC



WOMEN IN GLOBAL MANAGEMENT AT MEDTRONIC



* Management = managers and above

- Women in Science, Technology, Engineering, and Math (STEM)** — In FY18, the network launched the WISE program — Women in Science and Engineering — focused on increasing gender diversity in technical leadership to help drive innovation and business performance. In FY19, women represented 26% of R & D management and above positions — on our way to achieving our goal of at least 30% by 2020.

- Global Impact** — As of FY19, the MWN has more than 14,000 members in 105 locations across 65 countries. MWN advances women’s leadership through local activations, such as mentoring, networking events, and career development.
- Tone at the Top** — The highest levels of our organization are accountable for driving inclusion and diversity at Medtronic. Actions and messaging from our board

of directors, CEO, CHRO, and executive committee set the example for the rest of the

company and reinforce the importance of advancing women at Medtronic.

“ Our ability to innovate relies on a constant stream of new ideas. To do this, we need a global workplace where people can truly be themselves and bring their diverse perspectives forward to tackle the world’s most pressing healthcare issues. ”

— Omar Ishrak
Chief Executive Officer, Medtronic

22% of U.S. management positions are held by ethnically diverse talent, exceeding our 2020 target of at least 20%.

U.S. ETHNIC DIVERSITY

In FY19, ethnically diverse talent represented 36% of our U.S. workforce. Twenty-two percent of U.S. management positions are held by ethnically diverse talent, exceeding our 2020 target of at least 20%. We are committed to continual improvement and strive to maintain or exceed this level of representation in FY20.

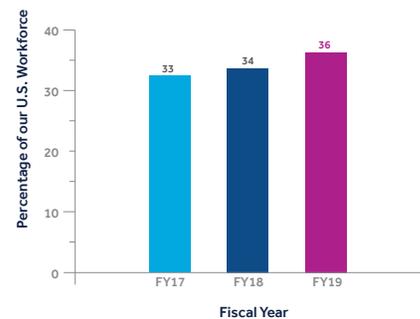
In FY18, we developed a diversity scorecard that managers use to identify gaps in hiring and representation. Based on scorecard results, in FY19 we developed shared objectives and streamlined processes across departments to increase collaboration and remove barriers that affect all candidates — including ethnically diverse talent.

There is a growing awareness of the impacts of unconscious bias — accidental, unintended, subtle, and completely unconscious choices, made by everyone, all the time. To counter this, expert-facilitated training provides tools to adjust automatic patterns of thinking to mitigate this bias. In FY19, Medtronic employees at the VP level and above participated in these sessions. We are in the process of delivering unconscious bias awareness training to all 10,000 people managers at Medtronic through our EDGE leadership program.

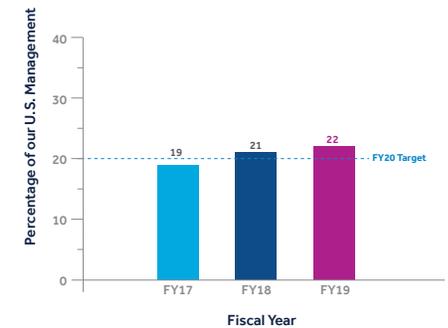
We are amending our recruitment and hiring process to accelerate hiring diverse, qualified talent and mitigate unconscious bias. For director and above roles, each candidate pool must include diverse talent, and we review every hiring decision with a panel of diverse employees.

Another focus area is our diverse high-potential talent. Launched in FY18, the Leadership Inclusion from Mentorship Toward Sponsorship (Lift) program provides executive sponsorship and structured professional development to prepare employees for future leadership roles. In Lift's first year, half of the African Descent Network participants earned a promotion.

U.S. ETHNICALLY DIVERSE TALENT OVERALL*



U.S. ETHNICALLY DIVERSE TALENT IN MANAGEMENT†



* United States, excluding Puerto Rico (excludes blank, no data, or did not disclose)

† Management = managers and above

CASE STUDY

DEVELOPING FUTURE LEADERS THROUGH SPONSORSHIP

Sponsorship programs are a proven way to increase diversity in management. According to research, Black, Hispanic, and Asian women are 18% more likely to hold a managerial position after participating in a sponsorship program. To harness this potential, in FY18 we launched **Lift — Leadership Inclusion from Mentorship Toward Sponsorship**. Lift accelerates the readiness of diverse talent for leadership roles through executive sponsorship, classroom learning, and experience-based challenges and supports them with greater visibility and exposure. Lift targets future leaders from the Medtronic Diversity Networks to accelerate their development and readiness for promotion into leadership roles. This will help us reach our goals of increasing the ethnic and gender diversity of talent in management and above positions.

“ It wasn't until I participated in Lift that my career went from neutral to drive! Lift has been invaluable to my career. ”
– Lift participant



CASE STUDY

MEETING THE NEEDS OF HEALTHCARE WITH FEMALE SURGEONS

By 2020, the United States will need at least 100,000 additional surgeons to meet healthcare demands. This challenge is compounded by the fact that only 13% of surgeons are women, despite women representing nearly half of all medical school applicants. For over 10 years, Medtronic has partnered with the [Association of Women Surgeons](#) to advance the careers of female surgeons. We support women in surgery by providing advanced education, access to innovative products, and professional development opportunities. To date, we have sponsored over 100 career conferences for female surgeons.



Preventing discrimination

We take a multifaceted approach to ensuring that our work environment is free from discrimination based on race, ethnicity, gender, gender identity, sexual orientation, disability, religion, and other identities. Nondiscrimination is addressed in our companywide policies, including our [Code of Conduct](#) and our [Global Human Rights and Labor Standards Policy](#), which also addresses workforce equality and fair employment. For more on how our Global Human Rights Program prevents discrimination against vulnerable groups, see the Medtronic [Global Human Rights Report](#).

We encourage our employees to report any issues of discrimination through their

manager, Human Resources, Legal, or Compliance representatives, or the [Voice Your Concern Line](#). We follow employment law by ensuring that an objective party investigates all claims of discrimination. We have a zero-tolerance policy and respond to all confirmed claims with disciplinary action — up to termination.

Outside of our company, we provide public support for human rights equality. In FY19, Medtronic supported the Equality Act, U.S. legislation to expand the Civil Rights Act of 1964 to protect LGBTQ+ people against discrimination. We also joined the Human Rights Campaign Business Coalition for the Equality Act along with more than 235 other companies.

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INCLUSION & DIVERSITY AWARDS

- **Asia Society** — 2019 (Best of the Best) Promoting Asian-Pacific American Women
- **DiversityInc** — 2019 Top 50 Companies for Diversity
- **Disability Equality Index** — 2019 Best Places to Work
- **Forbes** — 2019 Best Employers for Women List
- **Human Rights Campaign** — 2019 Corporate Equality Index
- **Indeed** — 2018 Top-Rated Healthcare Companies to Work For
- **JUST Capital** — 2018 Top 100 U.S. Companies Supporting Healthy Communities and Families
- **Thomson Reuters** — 2018 Top 100 Most Diverse & Inclusive Organizations Globally

