

FY45

Decarbonization Roadmap

Recognizing the risks that climate change poses to human health and long-term global financial stability, Medtronic has set an ambition to achieve net zero emissions across scopes 1, 2, and 3 by fiscal year 2045 (FY45).

To achieve our ambition, we will pursue setting targets through the Science-Based Targets Initiative (SBTi), a multi-year process which provides companies with a clearly defined path to reduce greenhouse gas (GHG) emissions in line with the Paris Agreement. Signed by 191 countries, plus the European Union, the Paris Agreement aspires to limit global warming to 1.5 degrees Celsius compared to pre-industrial levels.

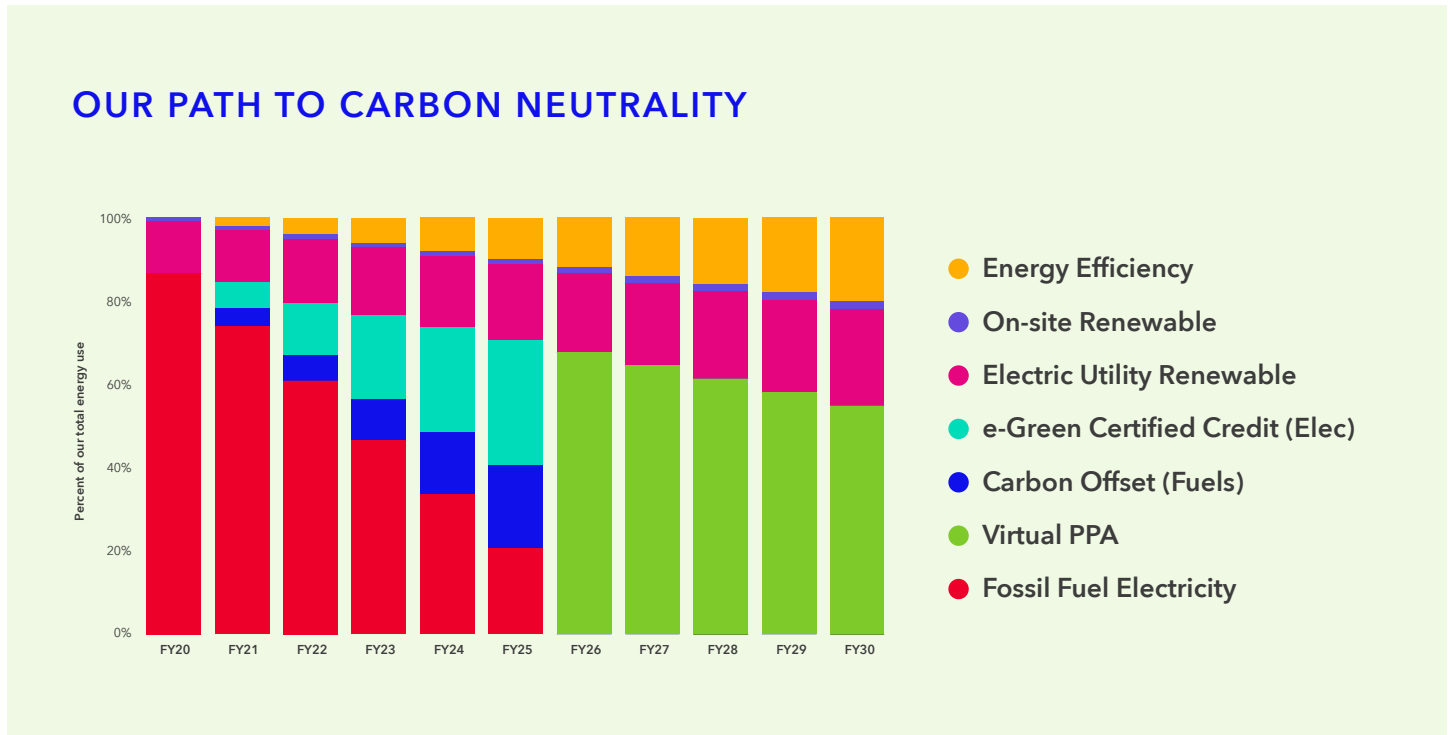
Our decarbonization focus areas:

1 Operational carbon neutrality by FY30

Medtronic announced an FY30 goal to achieve carbon neutrality in our operations (scope 1 & 2) by:

- Continuing to reduce energy use by increasing efficiency
- Increasing our use of clean energy through onsite renewable and alternative generation
- Expanding our share of cleaner electricity through utility partnerships
- Investing in more renewable energy credits (RECs) and carbon offsets
- Shifting to virtual green power purchase agreements (VPPAs) to maintain neutrality
- Developing an emissions reduction target in line with SBTi criteria, submitting it for validation, communicating it to stakeholders and disclosing our progress

The graph below illustrates how we plan to combine these actions to achieve neutrality.



2 Supply chain GHG emissions reduction

We plan to engage suppliers in emissions reduction initiatives and net zero ambitions by:

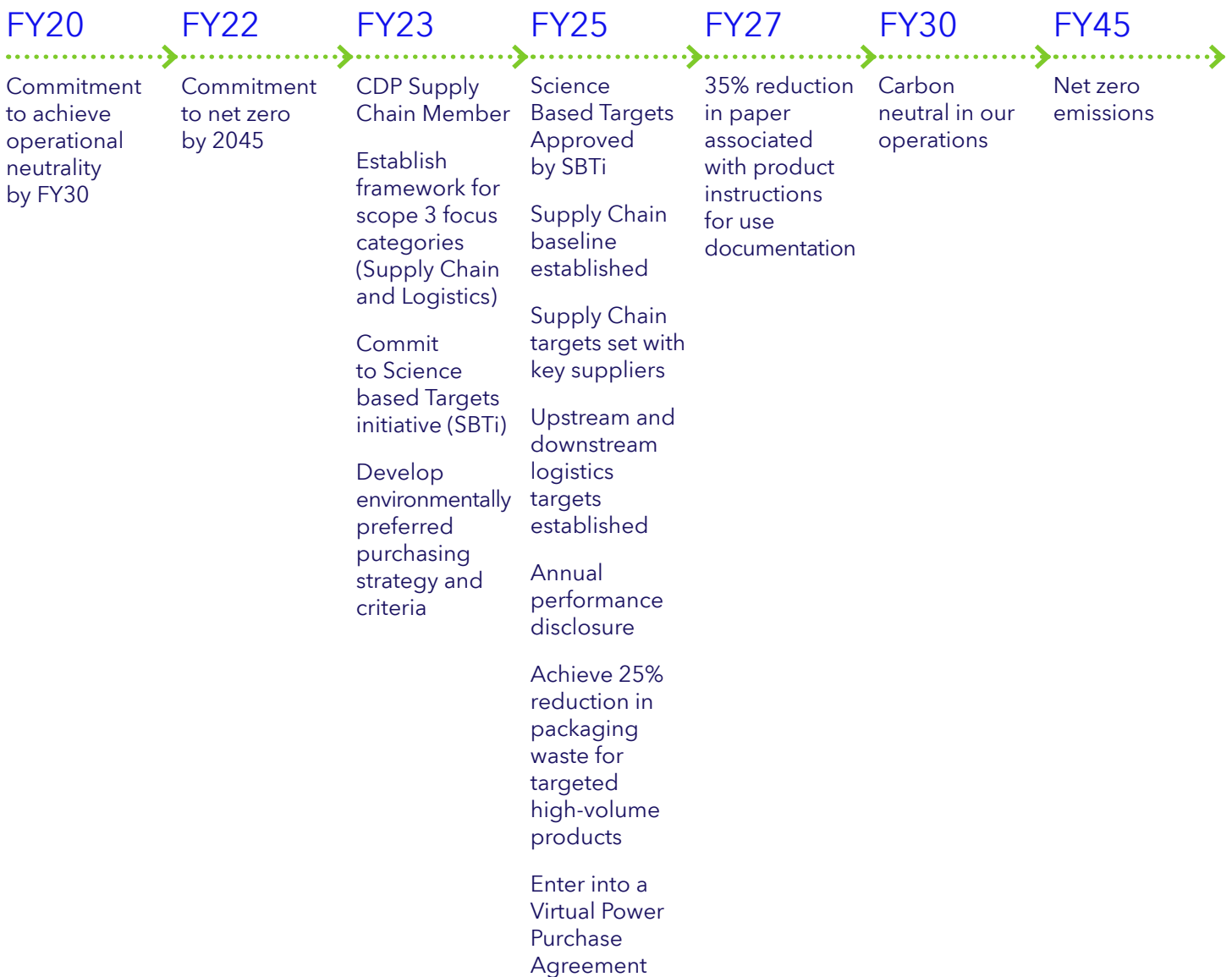
- Developing an emissions reduction target in line with SBTi criteria, submitting it for validation, communicating it to stakeholders and disclosing our progress
- Leveraging CDP Supply Chain membership to engage and educate up to 500 key suppliers (e.g., high-spend and critical) in carbon emissions reduction and reporting
- Recognizing employee contributions to improved environmental performance through various means such as Recognize Program and Medtronic Sustainability Awards
- Establishing environmentally preferred purchasing criteria to influence supplier selection based on environmental performance and climate impact
- Partnering with suppliers across our network to identify best practices to accelerate progress

3 Ongoing logistics improvements

We will execute continuous improvements in logistics by:

- Developing an emissions reduction target in line with SBTi criteria, submitting it for validation, communicating it to stakeholders and disclosing our progress
- Executing internal improvements in product network design, packaging weight reductions, order consolidation, modal shift and shipment density
- Pursuing partnerships with carriers that:
 - Meet our expectations for a defined carbon/GHG emissions net zero pathway
 - Report their own GHG emissions reduction targets and annual performance
 - Leverage new technologies, i.e., electric vehicles, route optimization, bio-fuels, etc.

Timeline



Industry Leadership

As a global medical technology leader, our goal is to transform industry expectations and behavior by achieving net zero emissions by FY45. To support our progress – as well as others’ – Medtronic is participating in the following industry initiatives:

International Leadership Committee for a Net Zero NHS: This committee comprised of global healthcare CEOs, including Medtronic Chairman and CEO Geoff Martha, announced its support of the U.K. National Health System’s plan to achieve net zero carbon emissions by 2045 through their own net zero commitments.

U.S. National Academy of Medicine (NAM) Action Collaborative to Decarbonize the Health Sector: Part of the NAM’s Grand Challenge on Human Health and Climate Change, the Action Collaborative is a public-private partnership bringing together interdisciplinary and multi-sectoral leaders from across the health system and related communities. The Collaborative will co-develop and implement a shared action agenda to reduce the environmental impacts of the health sector and strengthen its sustainability and climate resilience. The Action Collaborative key focus areas of opportunity include: healthcare infrastructure and supply chains; health care delivery; health professional education and communication; and policy, financing, and metrics. Greg Smith, Medtronic Executive Vice President of Global Operations and Supply Chain, serves as co-lead of the Infrastructure and Supply Chain Working Group.