



# Innovating for a Better World

Medtronic 2011 Corporate Citizenship Update



2011 UPDATE

View our complete 2011 Corporate Citizenship Update at:  
[www.medtronic.com/2011CitizenshipUpdate](http://www.medtronic.com/2011CitizenshipUpdate)



## A Message from Our Chairman and CEO

The Medtronic Mission to alleviate pain, restore health, and extend life is strengthened by a corresponding pledge to maintain good citizenship as a company. I believe citizenship plays an important role in achieving our goal to reach 25 million patients annually by 2020.

The need for what we do has never been greater. However, to successfully increase access to medical technology among large underserved populations around the world, we must address stakeholder expectations and external factors that impact our long-term sustainability.

Medtronic uses five citizenship pillars (summarized on page 3) to identify opportunities and risks that are material to our business; examples include the global growth of noncommunicable diseases (NCDs), healthcare reform, increased regulatory scrutiny, supply chain management, globalization of employee relations, and environmental requirements and expectations in the many countries where we operate.

In fiscal year 2011, the company established a cross-functional corporate citizenship management structure to drive performance across the enterprise by integrating citizenship priorities and goals into our long-term planning.

### FISCAL YEAR 2011 CITIZENSHIP RECOGNITIONS



CR Magazine 100 Best Corporate Citizens, 66<sup>th</sup>  
Newsweek Green Rankings, 37<sup>th</sup>  
Dow Jones Sustainability Index, North America  
FTSE4Good Index  
Forbes America's Most Reputable Companies, 57<sup>th</sup>

While Medtronic has issued biennial corporate citizenship reports since 2008, our desire to keep stakeholders apprised of our performance prompted us to share key fiscal year metrics and initiatives in this 2011 Corporate Citizenship Update. In addition, I'd like to highlight the following 2011 accomplishments:

- Launch of the *HeartRescue Project*, by the Medtronic Foundation, and the *Medtronic Global NCD Initiative*, a collective effort of the Medtronic Foundation and Medtronic, Inc. These signature programs seek to expand access to life-saving treatments and therapies through collaborative, systemic approaches.
- Introduction of the Medtronic Clinical Research Institute, which leverages our size, scale, and strengths to generate product performance and clinical outcomes that advance global adoption of our therapies and allow us to treat more patients.
- Membership in the Electronics Industry Citizenship Coalition and adoption of its code of conduct, which improves working conditions and environmental practices in global electronics supply chains.
- Implementation of *EHS Vision 2015*, which drives consistent management of environmental impacts across our global facilities, products and supply chain.

At Medtronic, our foremost responsibility is to the millions of patients we serve. But as a global company, we recognize our accountability to customers, employees, shareholders, and society as a whole. Through the alignment of corporate citizenship and business strategy, we leverage all of our corporate assets — product, people and philanthropy — to strengthen our long-term sustainability and maximize our social contributions.

Omar Ishrak  
Chairman and Chief Executive Officer



## Strategy and Management

In January 2011, Medtronic implemented a two-tiered, cross-functional management structure to drive corporate citizenship performance and reporting across the enterprise. Our Corporate Citizenship Leadership and Core Teams, comprised of individuals responsible for critical citizenship-related activities, are charged with fulfilling our vision to:

- operate responsibly in all facets where our business intersects with society, and
- leverage our resources, assets, and expertise to catalyze dramatic improvement in the lives of those affected by chronic disease.

Our Core Team takes action on citizenship priorities, corporate-wide goals, and ways to facilitate internal and external communications about our performance. The group, which meets twice a year, also monitors emerging trends and makes strategy recommendations to our Leadership Team.

Medtronic also added a fifth citizenship pillar, Responsibility in the Marketplace, to acknowledge the essential role customers and suppliers play in the long-term sustainability of Medtronic. Through proactive management of sourcing, quality, customer service, privacy and data protection, and responsible marketing, we are able to improve our performance and reduce related risks.

For additional insights to our corporate citizenship strategy, please read our 2010 report.

## Medtronic Corporate Citizenship Pillars

### Global Leadership in Addressing Chronic Disease

With expertise in treating a range of chronic illnesses — including heart disease and diabetes, two of the four leading chronic illnesses globally — Medtronic is uniquely positioned to help decrease the number of lives affected or lost worldwide.

### Collaborative Culture of Innovation

By promoting an innovative culture and fostering collaboration among our employees, physicians, regulators, and patients, we develop cutting-edge products, therapies, and programs that multiply our impact.

### Responsibility in the Marketplace

Through enterprise-wide programs, Medtronic continually drives product and service quality and best practices throughout our supply chain.

### Total Employee Engagement

We maintain a competitive advantage by attracting and retaining diverse and dedicated talent at every level of the company.

### Progressive Environmental Stewardship

By conserving natural resources, promoting energy efficiency, reducing waste, and enhancing new building construction and facility modification, we achieve environmental and business benefits.



Medtronic partners frequently with non-governmental organizations that are leading the fight against chronic diseases on a global level.



## Global Leadership in Addressing Chronic Disease

Chronic, noncommunicable diseases, such as diabetes and heart conditions, are surpassing communicable diseases as the world’s primary health concern. The World Health Organization estimates that national income losses associated with chronic disease could equal billions of dollars in developing countries from 2005 to 2015. In 2008, NCDs were responsible for 36 million deaths — more than 63 percent of all deaths worldwide — and are projected to reach 52 million by 2030.

At Medtronic, we are inspired to take action against the growing social and economic impacts of NCDs through our own initiatives and through support of the United Nations High-Level Meeting on global prevention and control. (See story next page.)

By collaborating with healthcare professionals, policy makers, regulators, government agencies, patient advocacy groups, non-governmental organizations, and other private sector corporations, we are creating innovative solutions that bring effective ideas, training, and treatments to those who need them.

Our corporate philanthropy is integral to this citizenship pillar. Through a combination of Medtronic Foundation giving and donations of cash and medical devices by Medtronic, Inc., we contributed \$59.9 million in fiscal year 2011.

The Medtronic Foundation, which contributed \$30.6 million dollars, focuses giving on three areas where we can make unique and positive contributions: Health, Education, and Community. In fiscal year 2011, 48 percent of Foundation dollars were given to Health, 27 percent to Education, and 25 percent to Community. In addition, 24 percent of Medtronic Foundation grants funded international initiatives.

Please read our 2011 Foundation Philanthropy Report for complete details on our giving.

# 48%

of total Medtronic Foundation programming supports health

### Medtronic Corporate Philanthropy

(dollars in millions)

	FY2007	FY2008	FY2009	FY2010	FY2011
Medtronic Foundation Grants	\$24.1	\$26.2	\$29.1	\$29.2	\$30.6
Medtronic Cash Giving	\$23.0	\$24.1	\$22.5	\$28.3	\$19.2
Medtronic Product Donations	\$6.0	\$5.1	\$6.8	\$18.0	\$10.1
<b>Total Contributions</b>	<b>\$53.1</b>	<b>\$55.3</b>	<b>\$58.4</b>	<b>\$75.6</b>	<b>\$59.9</b>

\*Medtronic Cash Giving includes support of medical conferences, charitable events, and research and public education programs.



## Alleviating the Global Burden of NCDs

Eighty percent of people dying from noncommunicable diseases (NCDs) reside in low- to middle-income countries without sufficient access to treatment. With nearly 50 percent of these individuals dying during their productive years, the impact on emerging economies is significant. Through our *Global NCD Initiative*, Medtronic is leveraging its products, people, and philanthropy to lead private sector involvement in addressing this global crisis. We are devoting our resources to global policy and advocacy, strengthening health systems, and therapy and healthcare delivery innovation designed to alleviate the global burden of NCDs.

## Increasing Sudden Cardiac Arrest Survival

This unprecedented initiative assembles leading U.S. emergency and resuscitation experts with a goal to improve out-of-hospital cardiac arrest survival rates by at least 50 percent within pilot states of Arizona, Minnesota, North Carolina, Pennsylvania, and Washington. The *HeartRescue Project's* select non-profit partners will promote a recognized, replicable, and measurable model that coordinates training and technologies for the general public, first responders and EMS, as well as effective post-resuscitation care in the hospital, to maximize survival rates.



## Preparing for UN High-Level Meeting on NCDs

In spring 2010, the General Assembly of the United Nations issued a resolution to convene a High Level Meeting on the prevention and control of NCDs worldwide. The Medtronic Foundation supported global preparation for the September 2011 meeting through:

- a \$1 million grant to the NCD Alliance, a coalition of nonprofit organizations that will lead civil society to develop data driven plans and recommendations around global NCDs.
- sponsorship of "Tackling the Endemic Noncommunicable Diseases of the Bottom Billion," a conference hosted by the Harvard Medical School Department of Global Health and Social Medicine, Brigham and Women's Hospital, Harvard School of Public Health, Partners in Health, and the NCD Alliance to develop recommendations specific to the poorest populations.
- sponsorship of "NCDs: Seizing the Moment — How Innovative, Multi-sector Partnerships are a Critical Part of the Solution," a Global Health Council 2011 panel presentation highlighting the critical importance of public, private, and nonprofit partnerships in addressing NCDs worldwide.

# 201

Number of organizations receiving Medtronic Foundation health grants

# 22

Number of countries receiving Medtronic Foundation health grants



Medtronic continues to push the boundaries of innovative care.

## Collaborative Culture of Innovation

At Medtronic, innovation reaches beyond our products. During fiscal year 2011, we harnessed technology to enhance customer processes, built internal capacity to launch new business models in emerging markets, established the Medtronic Clinical Research Institute, and led an effort to address industry challenges around innovation and collaboration by initiating a dialogue among stakeholders from all disciplines of U.S. healthcare.

To increase our responsiveness to global healthcare needs, Medtronic is dedicating both financial and human resources to enhance the company’s internal capabilities to design, test, and scale new business models, such as our *Healthy Heart for All* initiative in India, quickly and efficiently. (See story next page.)

The company is creating innovative processes and systems to guide market research, idea generation, piloting, refinement, and roll out, with the goal of increasing access to life-enhancing therapies in developing countries. As part of this commitment, we are opening an international Business Model Innovation department in our Singapore office during fiscal year 2012.

In 2010, Medtronic also accepted a leadership role as co-chair of the National Dialogue for Healthcare Innovation (NDHI), an interactive forum where leaders from across all disciplines of U.S. healthcare work toward consensus on the issues affecting healthcare innovation and patient care. In its inaugural event in October 2010, the NDHI convened more than 100 leaders from government, academia, industry, payers, providers, societies, and patient and consumer organizations for a Summit on Physician-Industry Collaboration in Washington, D.C.

Advancing our own efforts around transparent physician-industry collaboration, Medtronic began voluntary disclosure in June 2010 of annual payments (in excess of \$5,000) made to U.S. healthcare professionals and healthcare organizations for royalties and consulting services. We also developed web-based tools, training, and resources to further ensure our practice of principled collaboration.

For additional information about our management approach to innovation, please read our 2010 report.

1,498

Number of original patent applications filed by Medtronic in the United States and foreign jurisdictions during calendar year 2010

### Physician-Industry Collaboration

The principles, standards, and approaches which guide our physician partnerships include:

- an enterprise-wide procedure to assess the need for physician advisory services;
- a consulting agreement approval process;
- documented methodology for determining fair market compensation; and
- restrictions on physician participation in clinical research for products on which they earn royalties.



## Hospital of the Future Improves Care, Efficiencies

The Medtronic *Hospital of the Future* melds strategic customer partnerships with cutting-edge technology to improve quality of care, increase efficiencies, and drive cost savings. Through integrated healthcare solutions, such as automated inventory management, interactive educational materials, and remote consulting via high-definition videoconferencing, our *Hospital of the Future* technologies will allow Medtronic to improve quality and efficiency of patient care.

During 2011, Medtronic is launching several *Hospital of the Future* pilots at hospitals within the U.S., Europe, and China. These pilots will continue to explore the implementation approach, solution requirements, and future business models. During the pilots, we will set baselines and formally measure success criteria in order to guide decisions on the value that these solutions will bring to Medtronic, our customers, and ultimately, to patients.

## Product Performance, Clinical Outcomes Advance Therapy Adoption

Confronted with a disrupted global economy, broad healthcare reform, government cost containment mandates, and an aging population, our stakeholders are driving significant changes in global clinical research.

In fiscal year 2011, we launched the Medtronic Clinical Research Institute (MCRI) to proactively address these changes, which will include new regulatory standards, expanded post-market surveillance, and comparative effectiveness research.

Modeled after leading research institutes, MCRI leverages our size, scale, and strengths which will generate product performance and clinical outcomes that advance global adoption of our therapies, and build relationships throughout the healthcare ecosystem, through relevant clinical evidence.

By examining a broad spectrum of factors, from clinical safety and efficacy to cost effectiveness, societal value, benefits and harms of alternative methods, and quality of care, MCRI will help improve delivery of care in both developed and emerging markets.

## Healthy Heart for All Expands Access in India

A Medtronic initiative piloted in several cities across India, *Healthy Heart for All* successfully increased patient access to cardiac therapies. Public awareness campaigns guided individuals toward several entry points to the *Healthy Heart for All* care network, which included health hotlines, patient counselors, heart screenings, and other outreach activities. In addition, the *Healthy Heart for All* team worked closely with partner hospitals to develop a tiered service offering and financing programs to improve affordability.

Device implants to treat cardiac rhythm disease and cardiovascular conditions increased more than 100 percent during the pilot period, which started in September 2010. Medtronic plans to rollout the initiative to other locations in India during fiscal year 2012.

## Drug Delivery Collaborations Explore New Treatment Options

During fiscal year 2011, Medtronic embarked on joint collaborations with Eli Lilly & Company and Alnylam Pharmaceuticals, Inc. to develop treatments for Parkinson's and Huntington's diseases, respectively. Both projects involve engineering implantable pump and catheter systems that enable drug delivery to a targeted area of the brain, thereby circumventing the blood-brain barrier that currently restricts drug therapy for these diseases.

While development and testing of these therapies will take several years, potential applications include the treatment of Alzheimer's, amyotrophic lateral sclerosis (also known as Lou Gehrig's disease), and other brain-based diseases.

# \$1.5 billion

Amount invested in research and development in fiscal year 2011



Medtronic pursues responsible marketplace practices that promote long-term business sustainability.



## Responsibility in the Marketplace

Our decision to add a new citizenship pillar — Responsibility in the Marketplace — reflects the essential role customers and suppliers play in the long-term sustainability of Medtronic. By integrating this pillar in our citizenship strategy, we improve our ability to manage the significant impacts of ethical sourcing, product quality, customer service, patient privacy, and responsible marketing.

As we pursue our Mission “to be recognized as a company of dedication, honesty, integrity and service,” Medtronic introduced two ethics policies during fiscal year 2011 designed to supplement requirements already described in our Code of Conduct. In February, we instituted a written Global Anti-Corruption Policy that provides Medtronic employees and business partners with a clear statement of our standards and expectations prohibiting the payment of bribes or other unethical payments or benefits. We also launched a new global Conflicts of Interest Policy. Designed to supplement information already available in our Code of Conduct, the policy provides employees with practical guidance on how to avoid or disclose real or potential conflicts of interest with business partners, suppliers, vendors, and colleagues.

Throughout fiscal year 2011, Medtronic implemented an enterprise-wide quality strategy and increased associated investments in personnel, training, IT tools, and automation. The company adopted a systemic approach to quality and risk management, centralizing oversight of quality processes, resources, and standards in our Global Quality function. This approach ensures full alignment of our strategy, which has three focus areas: strategic initiatives, culture, and oversight/governance. (See related story next page.)

We also hired a Global Chief Privacy and Data Protection Officer during the first quarter of fiscal year 2011 to develop a comprehensive set of corporate policies, procedures, and programs that address risk assessment, governance, training and awareness, technology assessment, vendor management, government and industry relations, and product development and metrics. A Global Privacy and Data Protection Council was established to implement programs across the corporation and assess their effectiveness.

100%

Medtronic employees required to complete quality training

42.5%

Representation of small and veteran-, minority-, and women-owned businesses in total U.S.A. procurement



## EICC Membership Promotes Citizenship Throughout Our Supply Chain

In May 2010, Medtronic joined the Electronics Industry Citizenship Coalition (EICC). EICC promotes an industry code of conduct for global electronics supply chains to improve working and environmental conditions. The code provides guidance on five critical citizenship performance areas: labor practices, health and safety, environmental practices, management systems, and ethics.

As an applicant member, Medtronic must adopt the EICC code of conduct and achieve full membership within two years. The process includes engaging key Medtronic sourcing professionals in EICC training and incorporating EICC tools, such as risk assessment processes and audit checklists, in our corporate activities. In addition, our goal is to have our top 100 suppliers complete the self-assessment questionnaire and adopt the code.

## Supplier Advisory Board Facilitates Best Practices

In response to feedback from suppliers, Medtronic recently created its first Supplier Advisory Board comprised of a cross-section of companies representing several key commodities. The board, which meets quarterly, helps Medtronic benchmark best practices and provides instrumental feedback regarding development and execution of supplier best-in-class strategies. Nine companies committed to participate for two years; as we move forward new companies will be rotated onto the board to ensure fresh perspectives.

## Global Quality Strategy Drives Performance

Our global quality strategy focuses on three areas: strategic initiatives, culture, and oversight/governance.

Major strategic initiatives in fiscal year 2011 included:

- Design, Reliability and Manufacturability (DRM)
- Supplier quality processes and functional excellence
- Global complaint management processes and supporting technology
- Corrective Action Preventive Action (CAPA) timeliness, documentation, and effectiveness

In addition, we create a culture of quality by communicating expectations for every employee, which include company-wide collaboration, prevention, and accountability. During fiscal year 2011 all 45,000 employees completed multiple quality training programs, which were available in 11 languages.

Global Quality is led by our Senior Vice President of Quality and Operations and Vice President of Global Quality. In addition, each Medtronic business has a quality vice president. Quality performance and compliance is monitored by the Executive Committee and the Quality and Technology Committee of our Board of Directors.

## Supplier Diversity (dollars in millions)

Financial Value and % of Total U.S.A. Procurement by Gender and Minority

CATEGORY	FY2009		FY2010		FY2011	
	U.S. SPEND	% OF TOTAL U.S. SPEND	U.S. SPEND	% OF TOTAL U.S. SPEND	U.S. SPEND	% OF TOTAL U.S. SPEND
Small Business	\$1,279.4	33.2%	\$1,294.1	30.7%	\$1,403.0	33.6%
Veteran-owned Business	\$54.4	1.4%	\$53.2	1.3%	\$50.0	1.2%
Minority-owned Business Enterprise (At least 51% owned, controlled, and operated by one or more African-Americans, Asian-Indian Americans, Asian-Pacific Americans, Hispanic Americans, or Native Americans)	\$84.4	2.2%	\$89.4	2.1%	\$192.8	4.6%
Women-owned Business Enterprise (At least 51% owned, controlled and operated by one or more women)	\$182.1	4.7%	\$215.6	5.1%	\$183.6	4.4%



Medtronic strives to provide a positive work environment and engage employees in citizenship activities.



## Total Employee Engagement

Medtronic closed fiscal year 2011 with a global restructure that included reallocating human resources and streamlining HR processes to improve efficiencies and support the company's long-term sustainability. The process resulted in a 4 percent global workforce reduction affecting approximately 1,700 people.

These actions reinforce our commitment to employee engagement, as we acknowledge the value it generates in productivity, retention, customer satisfaction, and corporate financial performance.

To achieve engagement, Medtronic pursues global strategies in talent acquisition and management, learning and development, health and wellness, volunteerism and giving, and diversity and inclusion.

Responding to feedback from managers and employees around the world, we refined our employee performance review process and launched *Performance Acceleration* at the close of fiscal year 2011. *Performance Acceleration* replaces a numeric rating system, designed to differentiate performance among employees, with focused discussions about an individual's performance against specific business objectives. The process allows for quarterly feedback and goal setting between managers and employees and ensures that individual, team, and departmental objectives remain relevant to critical business activities.

We also conducted an employee survey on volunteerism and giving, which underscored our employees' commitment to community involvement. The global survey indicates that 95 percent of Medtronic employees give to charitable organizations, and nearly 74 percent participated in hands-on, skills-based, or Medtronic-sponsored volunteer projects during the past year. In addition, 70 percent indicated that they'd like their volunteering to impact their local communities. *Project 6* is one example of how Medtronic helps employees benefit their local communities. (See story next page.)

Other fiscal year 2011 highlights include programs to recognize performance and to foster diversity and inclusion in Medtronic workplaces around the world. (See stories next page.)

For additional information about our management approach to employee engagement, please read our 2010 report.

95%

of Medtronic employees give to charitable organizations



3 out of 4 Medtronic employees participated in hands-on, skills-based, or Medtronic-sponsored volunteer projects in the past year.



## Recognize! Acknowledges Employee Accomplishments

Medtronic introduced *eMpower* during fiscal year 2010 to drive three key elements of employee engagement: fostering participation, recognizing performance, and maximizing employee potential. As part of this initiative, *Recognize!* was rolled out globally during fiscal year 2011 to acknowledge individual and team accomplishments that help Medtronic achieve its Mission. The *Recognize!* framework includes peer-to-peer thank-yous and an awards program that allows managers to confer an array of points or cash rewards to employees based on a consistent set of guidelines. In total, nearly 24,000 thank yous were issued to employees from their managers or peers and more than 18,000 financial awards were given through the program during fiscal year 2011.

## Participation Soars in Employee Resource Group Mentoring Programs

Medtronic's Global Inclusion, Diversity and Engagement team supports 14 different employee resource groups (ERGs) around the world. Each ERG has a formal mentoring program, and in fiscal year 2011 the mentor programs were in high demand. For example, one ERG, the Medtronic Women's Council, supported 158 matched mentor/mentee pairs in fiscal year 2011, which was a 92% increase from the previous year.

## Diversity Training in India Provides Model for Emerging Markets

With a goal of creating a model for other emerging markets, Medtronic launched a diversity and inclusion training program in India in partnership with the Office of Workplace Inclusion. The training consisted of four all-day sessions held at each of our facilities in India. The training also generated an organization development effort that included creating a *Blueprint for Change* strategic plan for Medtronic India with goals to increase diversity and representation of women at professional and managerial levels and to develop initiatives around recruitment, development, retention, and recognition of individuals from diverse backgrounds. Medtronic launched an India Inclusion Council and plans to develop a Women's Employee Resource Group in conjunction with this program. To learn more about diversity and inclusion at Medtronic, please read our 2010 report.

## Project 6 Global Volunteerism Program Serves Local Communities

Our June 2010 *Project 6* global volunteerism event engaged more than 2,000 employees in 80 volunteer events in 22 countries in fiscal year 2011. Participation in the program doubled from its inaugural year in 2009, as did the various local outreach events which included collecting and packing food for the hungry, reading storybooks to preschoolers, cleaning local parks and wildlife areas, and building and repairing homes for those in need. At the outset of fiscal year 2012 participation continued to grow as *Project 6* inspired more than 4,200 employees from 36 countries to participate in 255 projects during June 2011.

# 49%

Representation of women in our global workforce

# 28%

Representation of minorities in our U.S. workforce

# \$52 million

Amount spent on employee development during fiscal year 2011



Medtronic is committed to conducting business in a safe and environmentally sustainable manner.



## Progressive Environmental Stewardship

During fiscal year 2011, the Environment, Health and Safety (EHS) Council at Medtronic began crafting a new five-year sustainability vision and strategic plan. Our *EHS Vision 2015* identifies four strategic imperatives:

- Strengthen compliance infrastructure and culture
- Continuously improve EHS and sustainability performance
- Develop a high performance organization
- Align with stakeholder expectations

These imperatives reflect our goal to achieve consistent and comprehensive management of our environmental impacts across our global facilities, products, and supply chain.

To realize this vision, we are aligning EHS strategies with the strategies of cross-functional partners in Research and Development, Operations, Global Sourcing, and Quality. Internal teams were appointed to develop goals, objectives, and action plans associated with each imperative, which were approved by the EHS Council during fiscal year 2011.

Implementation of the strategic plan will result in standardized tools and communications processes for EHS compliance, integration of EHS and sustainability into technology and product development, processes for assessing, understanding and responding to stakeholder requests, and continuous development of EHS talent across the enterprise.

The environmental impact of our facilities remains a central focus, as Medtronic continues to drive continual improvement in energy consumption, emissions, and water conservation through programs such as Green Globes certification. Green Globes is a green building performance evaluation and certification alternative to Leadership in Energy and Environmental Design (LEED).

During fiscal year 2011, Medtronic piloted the Green Globes assessment process at our World Headquarters in Minneapolis, Minnesota, USA, and discovered an 85 percent overlap with LEED criteria. Our 500,000 square-foot WHQ facility earned three out of four Green Globes, falling one percentage point shy of the highest rating. Our Global Facility Council is evaluating the results of our WHQ assessment to determine what best practices and standards can be applied to other Medtronic facilities.

For additional information about our management approach to environmental stewardship, please read our 2010 report.

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View Medtronic's most recent Carbon Disclosure Project submission at [www.cdproject.net](http://www.cdproject.net)

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## Spinal and Biologics Saves \$1 Million Through Sustainable Shipping

Switching from traditional shipping containers and materials to more sustainable options for our Infuse® Bone Graft product, the Spinal and Biologics business of Medtronic yielded financial savings in excess of \$1 million a year.

By reducing shipper sizes, foam insulation, and the number of pack configurations and gel packs required for cold chain shipments, Medtronic was also able to reduce the labor costs, energy requirements, and packaging waste associated with shipping this product.

According to Robin Turner, Director of Global Packaging Development at Spinal and Biologics, Medtronic is using similar techniques to ship additional temperature-sensitive items and exploring options with returnable packaging.

## Renewable Energy Investment Reaps Benefits for Facilities in California, Italy

In an effort to decrease greenhouse gas emissions from electricity consumption, Medtronic facilities in Santa Rosa, California, USA, and Roncadelle and Torbole, Italy, installed solar panels during fiscal year 2011.

The panels, which produce renewable energy, are projected to reduce electrical demand by 40 percent during peak hours at our Coronary, Peripheral and Endovascular facility in Santa Rosa, netting an anticipated savings of \$1.8 million over the next 20 years.

The photovoltaic conversion panels at Medtronic Invatec facilities in Italy produce 115000 kilowatts of renewable energy each year. In addition to lowering energy costs, Medtronic will receive €0.40 from the Italian government for each kilowatt produced by the panels over the next 20 years.

## Employee Ingenuity Increases Water Conservation at CRDM Headquarters

While inspecting the cooling/HVAC system atop our Cardiac Rhythm Disease Management facility in Mounds View, Minnesota, USA, Medtronic mechanic Kevin Asher noticed an excess amount of condensed water flowing into rooftop drains. He responded by designing a closed-loop sump system to capture and recycle the water back into the cooling system. The sump system, which was subsequently installed on all six rooftop cooling systems, cost only \$5,000 and is saving an estimated 1,000,000 gallons, or 3,785 cubic meters, of water per year. A Medtronic operations group is evaluating if this system can be used at additional facilities.

## Assessing Our Progress Against Our 2013 Goals

	% CHANGE FY2007 TO FY2011	FY2013 GOALS	
		REDUCTION	STATUS
<b>Non-Regulated Waste</b> <i>(Tonnes/\$Billion Revenue)</i>	-8.5%	-5%	ACHIEVED
<b>Regulated Waste</b> <i>(Tonnes/\$Billion Revenue)</i>	-2%	-5%	IN PROCESS
<b>Volatile Organic Compound Emissions</b> <i>(Tonnes/\$Billion Revenue)</i>	-40%	-10%	ACHIEVED
<b>Energy Use</b> <i>(MWh/\$Million Revenue)</i>	-15%	-10%	ACHIEVED
<b>CO<sub>2</sub> Emissions</b> <i>(Tonnes/\$Million Revenue)</i>	-15%	-10%	ACHIEVED
<b>Water Use</b> <i>(Cubic Meters/\$Million Revenue)</i>	-38%	-10%	ACHIEVED

**Note:** All percentage reduction goals are relative to Medtronic's fiscal year 2007 baseline.

To view our year-by-year performance, see Summary Data Table on page 14.

# Medtronic 2007–2011 Summary Data Table

(dollars in millions, unless otherwise noted)

	FY2007	FY2008	FY2009	FY2010	FY2011
<b>Net Sales</b>	\$12,299	\$13,515	\$14,599	\$15,817	\$15,993
U.S.	\$7,900	\$8,336	\$8,997	\$9,366	\$9,120
International	\$4,399	\$5,179	\$5,602	\$6,451	\$6,813
<b>Global Leadership in Addressing Chronic Disease</b>					
<b>Total Philanthropic Contributions</b>	\$53.1	\$55.3	\$58.4	\$75.6	\$59.9
<b>Percentage of Previous Year's Worldwide Profit Before Tax</b>	1.47%	1.50%	1.55%	1.89%	1.36%
<b>Giving by Type (% of Total)</b>					
Medtronic Foundation	46%	47%	49%	39%	51%
Medtronic Cash Contributions	43%	44%	39%	37%	32%
Medical Product Donations (Estimated Fair Market Value)	11%	9%	12%	24%	17%
<b>Foundation Giving by Focus Area (% of Total)</b>					
Health	43%	45%	43%	46%	48%
Education	15%	26%	29%	27%	27%
Community	42%	29%	28%	26%	25%
<b>Giving by Region (% of Total Foundation Grants and Expenses)</b>					
U.S.	85.0%	83.6%	80.8%	78.0%	76.0%
International	15.0%	16.4%	19.2%	22.0%	24.0%
<b>Collaborative Culture of Innovation</b>					
<b>Number of Patents Filed in the U.S. (Total, Calendar Year)<sup>1</sup></b>	1,344	1,022	731	618	N/A
<b>Number of Patents Filed in Foreign Jurisdictions (Total, Calendar Year)<sup>1</sup></b>	3,601	2,253	1,688	880	N/A
<b>Reinvestment in Research and Development</b>	\$1,239	\$1,275	\$1,355	\$1,460	\$1,508
<b>Responsibility in the Marketplace</b>					
<b>Supplier Diversity</b>					
Small Business	\$1,025.0	\$1,206.0	\$1,279.4	\$1,294.1	\$1,403.0
Veteran-owned Business	\$23.4	\$31.8	\$54.4	\$53.2	\$50.0
Minority-owned Business Enterprise <sup>2</sup>	\$52.2	\$61.6	\$84.4	\$89.4	\$192.8
Women-owned Business Enterprise <sup>3</sup>	\$127.9	\$159.8	\$182.1	\$215.6	\$183.6
<b>Total Employee Engagement</b>					
<b>Worldwide Employees (Does not include temporary or contract employees)</b>	37,430	38,518	39,198	39,986	43,234
<b>Employee Diversity</b>					
Women (% of Global Full-time Workforce)	46%	47%	47%	46%	48%
<b>Health and Safety</b>					
Incident Rate <sup>4</sup>	1.62	1.16	1.01	1.00	1.13
Lost/Restricted Workday Case Rate <sup>5</sup>	0.76	0.50	0.42	0.47	0.51
<b>Employee Volunteerism</b>					
Volunteer Grant Hours	55,123	46,025	57,097	56,221	60,708
Value of Employee Volunteer Grants (amount shown is actual total)	\$497,127	\$511,871	\$457,953	\$540,935	\$688,167
<b>Progressive Environmental Stewardship<sup>6</sup></b>					
<b>Non-Regulated Waste (Tonnes/\$Billion Revenue)</b>	883	906	853	771	808
<b>Regulated Waste (Tonnes/\$Billion Revenue)</b>	96	100	99	86	94
<b>Volatile Organic Compound Emissions (Tonnes/\$Billion Revenue)</b>	13.8	10.8	9.9	8.6	8.3
<b>Energy Use (MWh/\$Million Revenue)</b>	37.2	37.2	34.6	30.4	31.6
<b>CO<sub>2</sub> Emissions (Tonnes/\$Million Revenue)</b>	17.5	17.3	16.1	14.3	14.9
<b>Water Use (Cubic Meters/\$Million Revenue)</b>	111	105	86	76	69

<sup>1</sup> Medtronic patent families cited in PatBase by filing year.

<sup>2</sup> At least 51% owned, controlled, and operated by one or more African-Americans, Asian-Indian Americans, Asian-Pacific Americans, Hispanic Americans, or Native Americans.

<sup>3</sup> At least 51% owned, controlled, and operated by one or more women.

<sup>4</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>5</sup> The number of work-related injuries or illnesses serious enough to cause an employee to miss one or more work days or to have one or more work days of restricted duty, per 100 employees working a full year.

<sup>6</sup> Adjustments made to data previously reported for FY2007 Energy Use, FY2009 Water Use, and FY2010 Non-Regulated Waste and Volatile Organic Compound are due to internal validation process.

## About this Update

This Corporate Citizenship Update provides key metrics and highlights of citizenship activities and performance at Medtronic during fiscal year 2011. Issued as a complement to our 2010 report, it is designed to bridge the gap between our biennial reports.

Performance data in this update are from our fiscal years as noted, unless otherwise stated, and include Medtronic, Inc., and all of its consolidated subsidiaries, but do not include joint ventures or strategic alliances. Financial information is reported in U.S. dollars. Environment, health, and safety data are from both manufacturing and research and development facilities.

Our complete 2011 Corporate Citizenship Update can be viewed at [www.medtronic.com/2011CitizenshipUpdate](http://www.medtronic.com/2011CitizenshipUpdate).

Medtronic has not sought independent verification of this report but has practices in place to internally validate the data. Independent verification of future reports remains under consideration.

We encourage stakeholder feedback to assess the usefulness of this document and to provide suggestions regarding the content of future reports. To provide feedback or request additional information about this report, please email: [citizenshipreport@medtronic.com](mailto:citizenshipreport@medtronic.com).



## About Medtronic

Medtronic is a global leader in medical technology, redefining how technology is used in the management of chronic disease. Our deep understanding of human physiology yields unique insight into a range of therapeutic areas, including heart and vascular diseases, diabetes, neurological disorders, and spinal conditions. This breadth of offerings, combined with our years of experience, allows us to deliver therapies that are transforming the treatment of chronic disease and changing the lives of more than 7 million patients worldwide each year. We are headquartered in Minneapolis, Minnesota, USA.

View Medtronic's complete 2011 Corporate Citizenship Update at:  
[www.medtronic.com/2011CitizenshipUpdate](http://www.medtronic.com/2011CitizenshipUpdate)

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