

Fiscal Year 2006

Environmental Health and Safety Highlights

“Medtronic is committed to doing business in an environmentally responsible manner and will strive to improve its performance to benefit its employees, customers, communities, shareholders, and the environment. All employees are responsible for making sure that Medtronic’s business is conducted in compliance with all applicable laws and in a way that is protective of the environment.”

*Medtronic Code of Conduct
on Environmental Management*

MANAGING WASTE

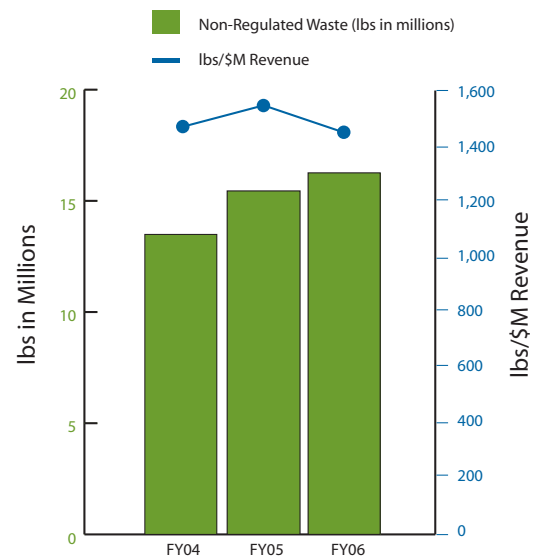
For fiscal year 2006, Medtronic surpassed its goal of reducing the generation rate (pounds per \$million revenue) of non-regulated waste by achieving a better than 5 percent decrease from the previous fiscal year.

Specific to regulated waste, the amount generated in fiscal year 2006 was approximately 2 million pounds. This category captures waste that is generated by manufacturing facilities, such as scrap metal and solvents used during manufacturing. Medtronic continually focuses on reducing the amount of waste by looking for more efficient manufacturing processes and finding alternatives for recycling materials.

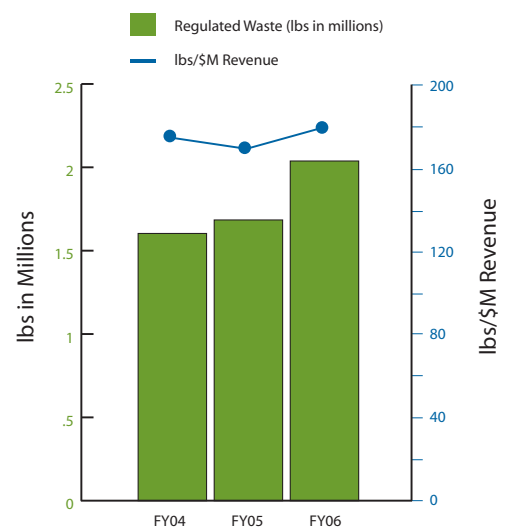
WASTE REDUCTION IN TEMPE, ARIZONA

The Medtronic facility in Tempe, Arizona, reduced the amount of regulated waste by 20 percent last fiscal year as part of an aggressive waste minimization program. The project involved taking spent photoresist and using it as feed stock in a solvent process. This is especially significant since the amount of regulated waste reduced in the previous fiscal year was 35 percent, which resulted in cutting the amount of regulated waste by almost half in two years. In addition, they accomplished a 28 percent reduction in air emissions from their wafer fabrication and ceramic operations by installing a more efficient solvent emission control system, which also uses less natural gas.

NON-REGULATED WASTE



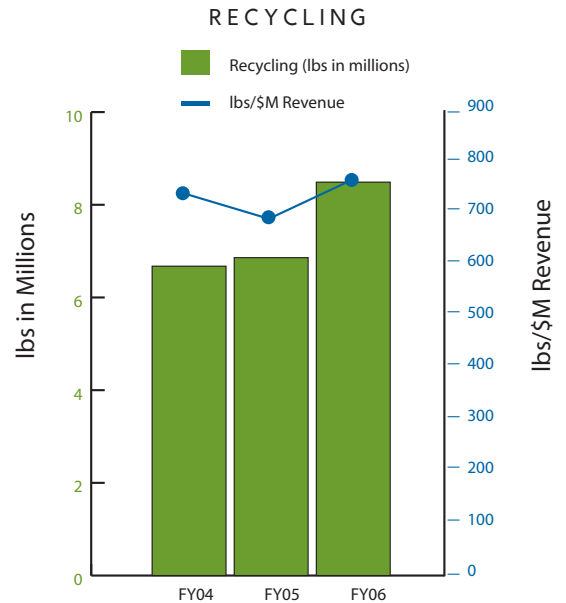
REGULATED WASTE



ENCOURAGING RECYCLING

Recycling is a key component of the company's commitment to reducing waste. Programs are in place to encourage recycling within plants and at individual workspaces. These programs encourage recycling of plastics, metals, beverage containers, fiber (printing paper, newspaper, cardboard, etc.), ink cartridges and batteries.

In fiscal year 2006, Medtronic recycled nearly 7.5 million pounds of material. When adjusted for business growth, this represents an increase of 10 percent from fiscal year 2005, or double the annual goal to increase recycling by five percent.



RECYCLING IN GALWAY, IRELAND

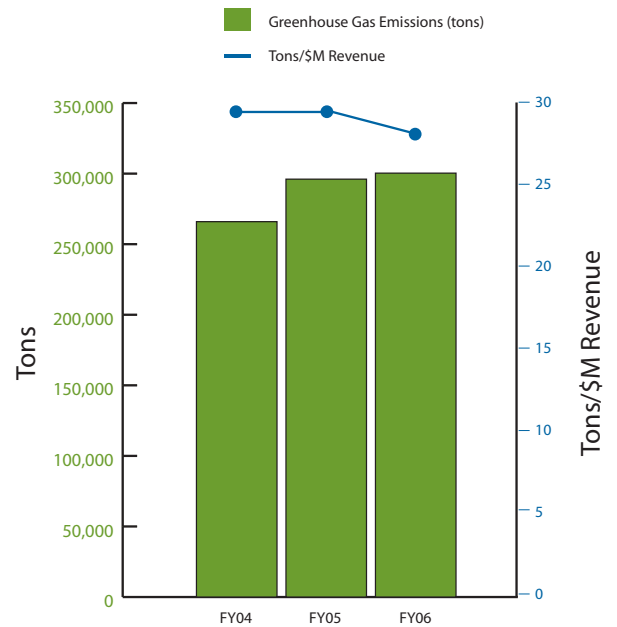
Medtronic's Galway, Ireland facility helps the company exceed its recycling goal by steadily increasing the amount of materials recycled. In fact, the employees have nearly doubled their recycling over the last several years, and they are now recycling nearly half of the total non-regulated waste generated. In addition, through a variety of energy conservation projects, they have decreased the amount of climate change emissions by more than 20 percent. They credit their success to management support for the environment, teamwork and their ISO 14001 certified Environmental Management System.

MINIMIZING GREENHOUSE GAS

Greenhouse gases, measured as carbon dioxide (CO₂) produced from energy consumption (natural gas, fuel oil and electricity), contribute to global warming. Given that Medtronic's greenhouse gas (GHG) emissions are mainly from indirect energy use (the primary contributor is CO₂ emissions), it is estimated that approximately 300,000 tons of GHG emissions were emitted from indirect energy use. The company is focused on energy conservation technologies to reduce emissions, and many of these technologies are already in place at Medtronic facilities, including energy efficient lighting, ventilation systems and the use of automated building controls. All facilities are also responsible for coordinating installation of energy efficient equipment in new construction.

In line with its commitment to responsible environmental practices, Medtronic intends to continue to seek ways to conserve energy and reduce GHG emissions.

GREENHOUSE GAS EMISSIONS AND ENERGY USE



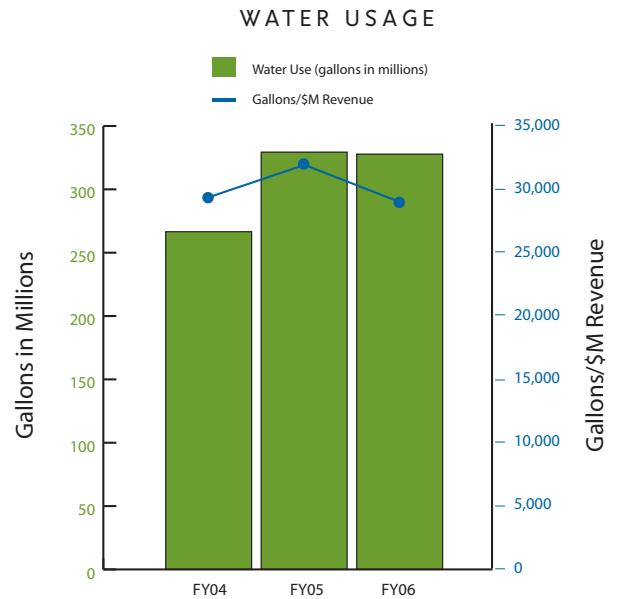
CONSERVING WATER

Water is an important resource for Medtronic's manufacturing facilities, both for human use and in production of life-saving and sustaining medical products.

Medtronic used approximately 29,000 gallons of water per million dollars of revenue in fiscal year 2006. Comparing fiscal year 2006 to fiscal year 2005, Medtronic's rate of water consumption decreased over 10 percent, resulting in an actual decrease of 1.5 million gallons of water use.

A COMMITMENT TO THE ENVIRONMENT OUTSIDE THE COMPANY

Medtronic also maintains its commitment to environmental responsibility outside of company walls. Medtronic is a member of the Minnesota Environmental Initiative's Clean Air Program, which strives to reduce air pollution, and also participates in key environmental projects such as the Carbon Disclosure Project.



FOCUSING ON HEALTH AND SAFETY

“Medtronic is committed to a safe, healthy work environment that is in compliance with all applicable laws and regulations. All employees are expected to develop a pro-active, cooperative attitude toward issues of health and safety throughout the Company.”

Medtronic Code of Conduct on Health and Safety

EMPLOYEE INJURY RATE

Medtronic tracks data on the percentage of employees who sustain work-related injuries or illnesses serious enough to require more than first-aid treatment. These data are analyzed to measure the frequency of injury and/or illness. The result that we track over time to measure performance in health and safety is the incident rate. In fiscal year 2006, the incident rate was 1.65, which has been consistently decreasing over the past four years, from a rate of 2.10 in fiscal year 2005 and 2.37 in fiscal year 2004.

EMPLOYEE LOST WORKDAY CASE RATE

Another measure related to health and safety is employee lost workday case rate (LWCR), which measures the severity of the illness or injury. In this case, the key measure is 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. In fiscal year 2006 the LWCR was 0.78, compared to 0.98 in fiscal year 2005 and 0.94 in fiscal year 2004.

EMPLOYEE INJURY AND
LOST WORKDAY CASE RATE

