

# Fiscal Year 2007

## 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

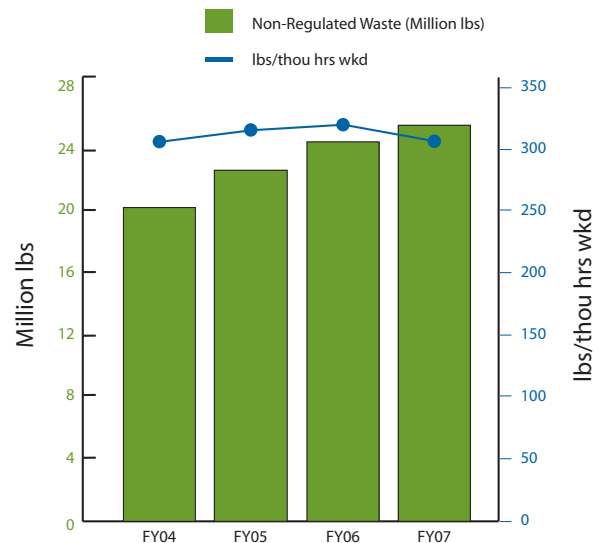
For fiscal year 2007, Medtronic generated approximately 26 million pounds of non-regulated solid waste, and exceeded its goal by achieving a 6 percent reduction in the generation rate (pounds per hours worked) as compared to the previous fiscal year.

Specific to regulated waste, the amount generated in fiscal year 2007 was approximately 2.6 million pounds. This category captures waste that is generated primarily 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.

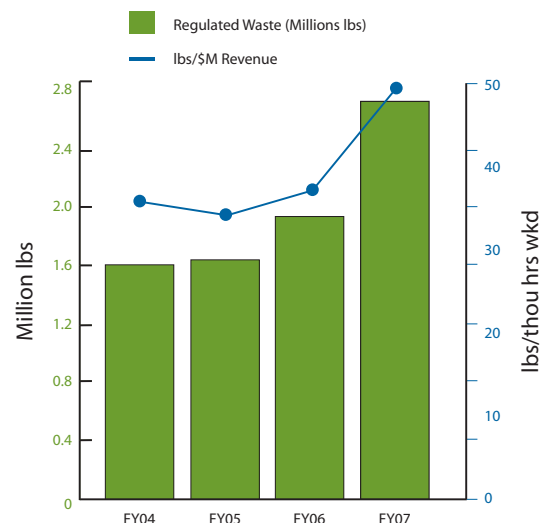
### NON-REGULATED WASTE REDUCTION LEADS TO NATURE HABITAT IN WARSAW, INDIANA

Medtronic’s Spinal and Biologics business in Warsaw, Indiana reduced non-regulated waste by more than 500,000 pounds by implementing recycling programs that divert the amount of waste going to landfills. As a result, they have increased material recycling, ranging from titanium scrap metal to wooden pallets, by 200,000 pounds. Through money raised by the recycling programs, employees also worked with Medtronic management to create a nature habitat at the Warsaw location.

NON-REGULATED WASTE



REGULATED WASTE



## ENCOURAGING RECYCLING

Recycling is a key component of Medtronic’s commitment to responsible waste management. 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, batteries, and other manufacturing materials.

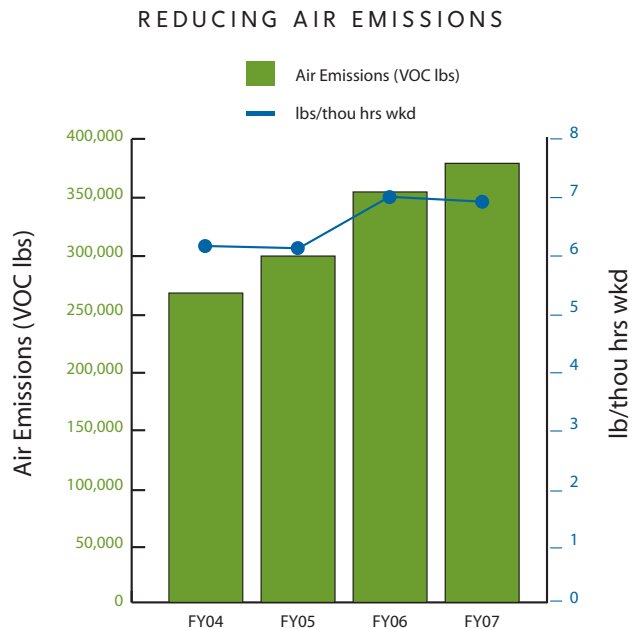
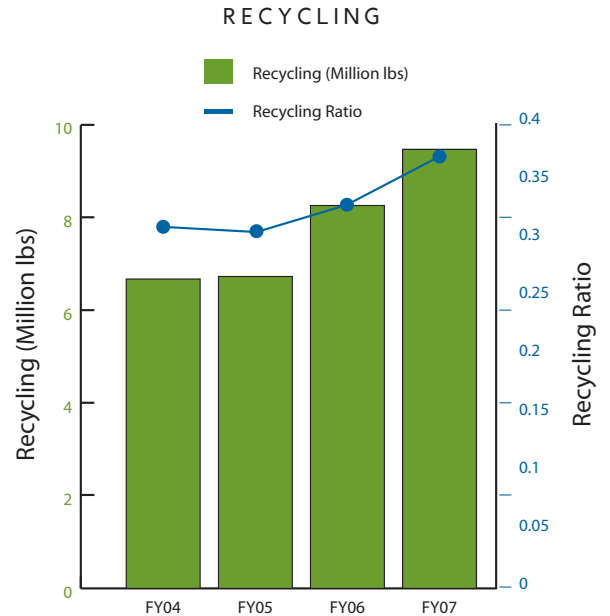
In fiscal year 2007, Medtronic recycled 10.5 million pounds of material. When adjusted for business growth, this represents a 5 percent increase as compared to the prior fiscal year.

### MEDTRONIC ENERGY AND COMPONENT CENTER INCREASES RECYCLED MATERIALS BY 75%

Located in Brooklyn Center, Minnesota, the Cardiac Rhythm Disease Management Energy and Component Center increased the amount of recycled materials, particularly production scrap plastics, by 75% or 100,000 pounds in fiscal year 2007.

## REDUCING AIR EMISSIONS

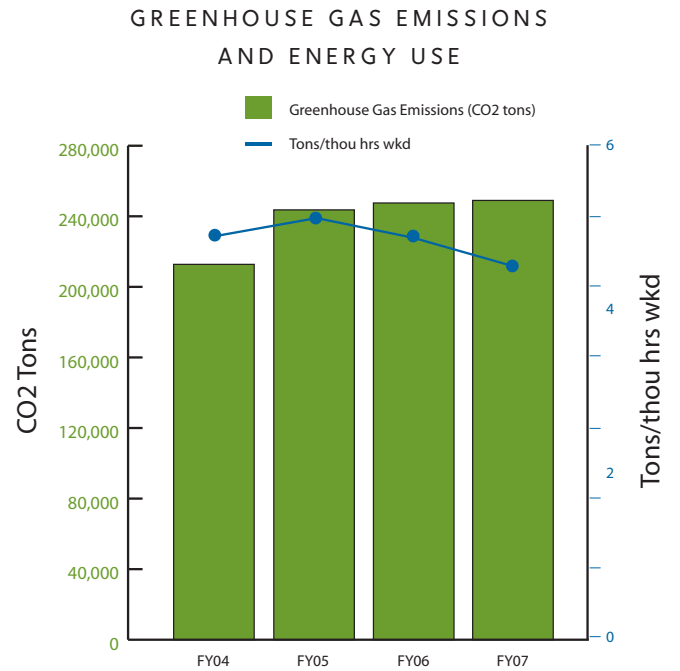
Volatile organic compounds (VOCs) are emitted as gases from certain solids or liquids. Medtronic’s VOC air emissions in fiscal year 2007 measured 377,000 pounds which represented a 2% decrease from the fiscal year 2006 emission rate. This decrease exceeded our fiscal year 2007 reduction goal.



## MINIMIZING GREENHOUSE GAS

Greenhouse gases (GHG), measured as carbon dioxide (CO<sub>2</sub>) produced from energy consumption (natural gas, fuel oil and electricity), contribute to global warming. Medtronic's greenhouse gas emissions are mainly from indirect energy use (the primary contributor is CO<sub>2</sub> emissions). It is estimated that approximately 252,000 tons of GHG emissions were emitted from indirect energy use in fiscal year 2007, representing a 6 percent decrease in our rate of emissions as compared to fiscal year 2006. 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 for responsible environmental practices, Medtronic intends to continue to seek ways to conserve energy and reduce both VOC and GHG emissions.



## 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.

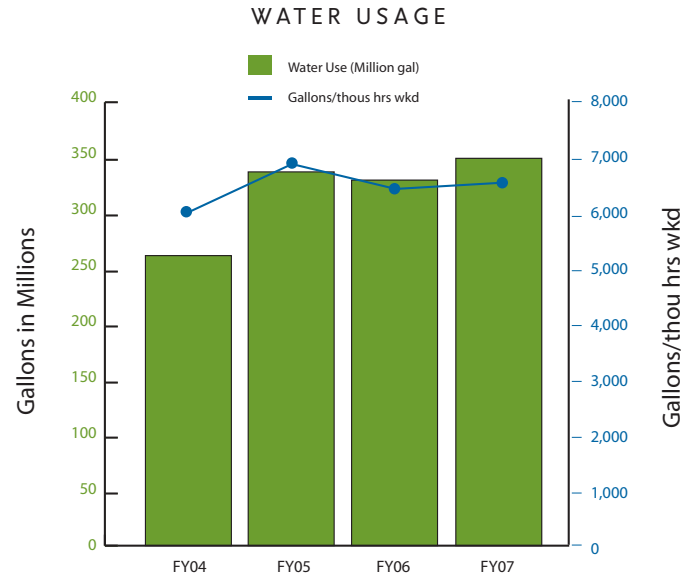
Medtronic used approximately 350 million gallons of water in fiscal year 2007. When adjusted for business growth (gallons per thousand hours worked), the rate of fiscal year 2007 water use was essentially level with that of fiscal year 2006.

### WATER USE REDUCTION IN SANTA ROSA, CALIFORNIA

The Medtronic CardioVascular facility in Santa Rosa, California reduced water usage by 2.7 million gallons in fiscal year 2007 by installing pulsed power water treatment systems in the cooling towers. The positive results have prompted the installation of this system at other Medtronic locations. Highly committed to an environmental sustainability roadmap and EHS Management System, employees at the Santa Rosa location also reached a 53% recycling ratio.

## 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 EPA's Energy Star Program and 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 tracked over time to measure performance in health and safety is the incident rate. In fiscal year 2007, the incident rate decreased very slightly to 1.62.

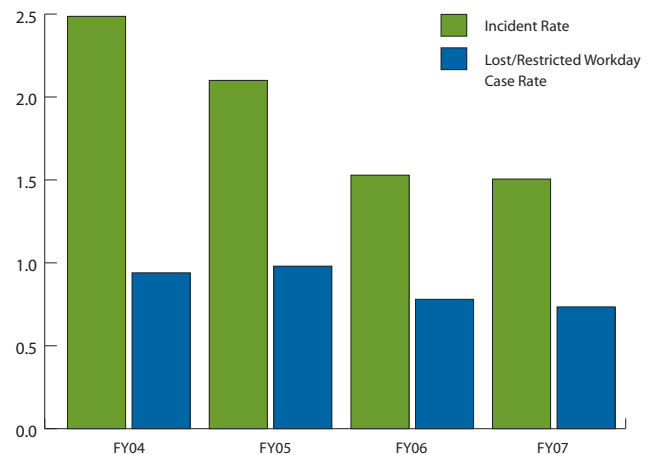
#### EMPLOYEE LOST WORKDAY CASE RATE

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 2007 the LWCR was 0.76, compared to 0.78 in fiscal year 2006.

#### INJURY RATES PLUMMET IN SPINAL AND BIOLOGICS BUSINESS AND AT MINNESOTA MANUFACTURING FACILITY

Medtronic’s Brooklyn Center, Minnesota manufacturing facility decreased its employee injury rate by more than 50% since FY03 by focusing on early reporting, analyses and corrective actions. High Performance Work Teams

#### EMPLOYEE INJURY AND LOST WORKDAY CASE RATE



have initiated participative ergonomic flex breaks and work area self-assessments.

The Spinal and Biologics business also had notable progress in this area. From fiscal year 2006 to fiscal year 2007 injuries were reduced by 43% and lost workday injuries by 76%. A core team of experts is integrating safety into the fabric of day-to-day business.