SECTION: SUPPORTING A GLOBAL WORKFORCE

Working together is our model for success and no partner is more important to Medtronic than our employees. Thus we work hard to fulfill the fifth tenet of our Mission — to recognize the dignity and the personal worth of all employees. We value an inclusive and diverse workforce and strive to advance their personal and professional growth, support their health and wellness, and reward them with competitive compensation, benefits, and recognition.

Medtronic Citizenship: 2018 Integrated Performance Report
INCLUSION AND DIVERSITY

Our efforts to create a powerfully inclusive and diverse workplace is essential to our purpose. A strong and united Medtronic translates to meaningful innovations that help our partners deliver better patient outcomes and contribute to human welfare.

Our Global Inclusion, Diversity, and Engagement (GIDE) team leads our effort to ensure that our workforce, at every level of the organization, reflects the world in which we live and work.

To further accelerate careers of women globally and ethnically diverse groups in the U.S., we have four Diversity Networks dedicated to helping employees succeed both professionally and personally. Networks are led by a chair and a sponsor from our Executive Committee. All committee members are accountable for, and measured on, their contribution to achieving our diversity goals. Medtronic CEO, Omar Ishrak, meets with the Networks quarterly to assess their impact, review activities, and provide support.

<table>
<thead>
<tr>
<th>Medtronic Diversity Networks</th>
<th>Business Strategy</th>
</tr>
</thead>
</table>
| **Global Medtronic Women’s Network** | - Inspiring leadership to develop and advance women  
- Establishing Medtronic as a best place for women to work  
- Empowering women to work and lead at Medtronic |
| **African Descent Network** | - Recruiting and retaining African descent talent at all levels  
- Engaging the African descent community internally while exploring external business partnerships  
- Developing African descent talent to manage and accelerate their careers at Medtronic |
| **Hispanic Latino Descent Network** | - Recruiting Hispanic leaders to accelerate our positioning as an employer of choice for Hispanics  
- Educating leaders to build an inclusive culture and grow the under-penetrated U.S. Hispanic market  
- Promoting key development opportunities to improve our leadership pipeline of Hispanic employees |
| **Asian Impact @ Medtronic** | - Accelerating individuals of Asian descent into leadership at all levels  
- Inspiring a confident and visible Asian community at Medtronic  
- Supporting our growth in Asian markets |
Diversity

GENDER DIVERSITY

At the end of FY18, Medtronic employed more than 86,000 people across 150 countries. This year, we hired nearly 16,000 new employees, of which 54% were women. In FY18, women held 37% of the management level or above positions globally — representing significant progress toward our 2020 aspirational goal of 40% or more. For more detailed workforce data, see our 2018 Standards Supplement.

Medtronic published its first gender pay gap report for U.K. employees as part of a new disclosure requirement. The pay gap differs from equal pay for equal work. The pay gap compares pay for all men and women, regardless of their job, which factors in representation across all job levels.

The report reveals that our pay parity is above the UK average and highlights how we can continue to improve.

The Medtronic Women’s Network comprises 12,000 members and 112 hubs across 60 countries. The network supports the GIDE team in improving the company’s ability to attract, retain, and advance female employees.

In FY18, we launched the Women in Science and Engineering (WISE) Road Initiative, which encourages more women to take on science and engineering roles. Popular programs include:

- Careers 2.0. This re-entry program helps women who have taken a break from their engineering careers get back into the workforce.
- Community Outreach. Medtronic employees meet with young women to help overcome stereotypes about science and technology careers and share the humanitarian side of engineering.

I am passionate about encouraging women in the industry and giving girls in high school and college a vision of a career in engineering. Medtronic has a wonderful Mission that can attract talented women.

— Carol Malnati, Vice President of Product Development and WISE Lead

<table>
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<tr>
<th>Women in Global Management*</th>
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</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>% Women</td>
</tr>
<tr>
<td>FY16</td>
<td>33%</td>
</tr>
<tr>
<td>FY17</td>
<td>34%</td>
</tr>
<tr>
<td>FY18</td>
<td>37%</td>
</tr>
</tbody>
</table>

*Management = managers, senior managers, directors, and senior directors
U.S. ETHNIC DIVERSITY

In FY18, ethnically diverse groups represented 34% of our overall workforce in the United States and held 21% of positions at the management level and above in the United States — surpassing our 2020 aspirational goal target of 20% or more. We remain focused on maintaining or exceeding this level of representation moving forward.

We also will continue investment in new diversity programs. For example, in FY18:

- We developed a harmonized diversity scorecard that managers use to identify and address gaps in representation.

- We launched Leadership Inclusion from Mentorship Toward Sponsorship (LIFT), a development cohort for high-potential and key talent of African Descent.

Inclusion

In FY18, nearly 16,000 employees participated in 13 Employee Resource Groups (ERGs) across 60 countries. ERGs foster an employee-driven approach to unite around a common identity and foster a culture of inclusivity.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>33%</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>Management</td>
<td>**</td>
<td>19%</td>
<td>21%</td>
</tr>
</tbody>
</table>

*United States, excluding Puerto Rico.
†Management = managers, senior managers, directors, and senior directors.
**FY16 cannot be reported because data includes Legacy Covidien employees whose titles utilized a separate definition of “management.”
DEVELOPMENT AND ENGAGEMENT

Recognizing that our workforce is our strongest asset, we invest in employee career development that also benefits our company, our customers, and our patients. We engage employees, inviting feedback and encouraging them to have a voice within Medtronic.

Investing in the professional development of our workforce

We support professional growth by facilitating career conversations and making development opportunities available to employees. These investments help accelerate careers while enhancing team expertise and productivity.

Medtronic managers meet with employees at least three times each year to discuss career aspirations, set goals, and review performance. In FY18, we invested more than $78.5 million in employee training and development programs. During the year, 59% of employees accessed these opportunities. To complement these programs, we offer more than 570 online learning tools and courses through our Performance and Career Development portal.

In FY18, we were recognized for our inclusive and diverse culture through:

- Forbes America’s Best Employers for Diversity
- A perfect 100% score for the ninth consecutive year on the Human Rights Campaign Foundation Corporate Equality Index
- Thomson Reuters Diversity and Inclusion Index
- DiversityInc’s Top 50 Companies for Diversity
- The Asia Society naming Medtronic Best Employer for Promoting Asian Pacific American Women and Best Employer for Marketing and Support to the Asian Pacific American Community
Our leadership development programs train leaders in the skills needed to develop their teams. These programs include:

- **EDGE** — embeds the topic of unconscious bias in our core leadership development curriculum as well as discussing it in large meetings and forums
- **Empower** — teaches operations supervisors leadership tools needed to strengthen their teams, ultimately achieving business results
- **Enrich** — helps new managers build essential leadership skills; more than 2,200 managers have participated since the program launched in June 2017
- **Ignite** — accelerates readiness for high-potential directors for higher-level leadership roles; 75 individuals have graduated since the program’s 2018 launch
- **Vice President Onboarding** — supports a successful transition for new vice presidents, familiarizing them with the business, their team, and expectations of their role; since the 2017 program launch, 147 people have participated

**Employee Engagement**

One of the ways we engage employees is through encouraging them to provide feedback on their experiences at Medtronic. In FY18, our Organizational Health Survey attracted the participation of more than 58,000 employees, a response rate of 65%.

The survey showed an overall engagement score of 75%, 10% higher than the industry average. When compared with FY17, the FY18 survey showed progress in several aspects of engagement. The largest gain was in the number of employees who reported feeling they have a voice at Medtronic. In FY18, employees also rated the company more favorably on inclusion, innovation, and ethical culture. As an area for improvement, the survey highlighted the day-to-day challenges our employees face getting work done due to the size and complexity of our organization. Managers use the survey results to identify strengths as well as areas where they can improve their work with teams.
HEALTH AND WELLNESS
We are dedicated to the safety, health, and wellness of our employees and continually address safety in our operations. We also support and encourage employees to take steps to promote their own physical, emotional, and financial well-being.

A Culture of Safety
We maintain a strong environmental, health, and safety (EHS) management system through the following mechanisms:
- Setting annual EHS goals
- Proactively identifying and managing risk
- Implementing training programs
- Monitoring regulatory trends
- Auditing sites for compliance

In FY18, we had no work-related fatalities. Our recordable incident rate was 0.25, a reduction of 14% compared to the previous year. During the year we also made meaningful progress on our internal 2020 health and safety improvement goals, including:
- Identifying injury trends and reducing injury risk by focusing on incident reduction practices and ensuring that proper protocols are in place
- Accelerating global employee training on EHS requirements
- Expanding our Ergonomic Playbook for manufacturing employees to include a variety of EHS considerations aimed at reducing hazards

In FY18, we designed a new EHS information system that will lead to better integrated safety reporting. Next year, we will expand our safety reporting to include near misses and employee-reported hazard observations, allowing us to monitor and learn from incident trends and continuous improvement practices.

<table>
<thead>
<tr>
<th>Safety Record*</th>
<th>FY16**</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Injury Incident Rate†</td>
<td>0.45</td>
<td>0.39</td>
<td>0.25</td>
</tr>
<tr>
<td>Employee Lost/Restricted Workday Case Rate††</td>
<td>0.22</td>
<td>0.21</td>
<td>0.12</td>
</tr>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Our safety records include employees and contingent workers.
†The number of work-related injuries or illnesses serious enough to require treatment beyond first aid, per 100 employees working a full year.
**FY16 data includes both legacy Medtronic and legacy Covidien employees.
††The number of work-related injuries or illnesses serious enough to cause an employee to miss one or more workdays or to have one or more workdays of restricted duty, per 100 employees working a full year.
IN FY18, 66% OF EMPLOYEES PARTICIPATED IN OUR WELLNESS PROGRAM, HEALTHIER TOGETHER

Investing in Wellness
We invest in the physical, emotional, social, and financial well-being of our employees through our global wellness program, Healthier Together. Nearly every Medtronic employee has access to this program; in FY18, 66% of employees participated.

COMPENSATION, BENEFITS, AND RECOGNITION
Our employment framework allows employees to share in the company’s success and feel secure both personally and professionally. We strive to support employees’ physical, financial, and emotional well-being through compensation, benefits, and recognition.

Compensation and Benefits
Our competitive compensation approach reflects industry benchmarks and local market standards and gives employees the opportunity to share in the success they help create. Our comprehensive portfolio of compensation programs includes annual and long-term incentive opportunities that provide the means to share in the company’s success. We are dedicated to creating a culture of equal gender representation and equal pay.

We strive for thorough and transparent communication on compensation at Medtronic. Our Proxy Statement includes discussion and analysis of our executive compensation. We use the same programs and apply the same principles and approach to nonexecutive compensation.

Our retirement, health, and other benefits are designed to help employees thrive. They are flexible, affordable, and competitive within our industry. Benefits vary by country but typically include:

- **Healthier Together**

  Employees Registered on the Wellness Platform

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Employees</th>
<th>%Workforce Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>50,769</td>
<td>57%</td>
</tr>
<tr>
<td>FY17</td>
<td>38,725</td>
<td>43%*</td>
</tr>
<tr>
<td>FY18*</td>
<td>57,434*</td>
<td>66%*</td>
</tr>
</tbody>
</table>

*Our new wellness website launched in FY17 Q4. All employees were required to re-register on the platform; as a result, our overall reported participation rate dropped in FY17 and increased in FY18 as more employees registered on the new platform.
For more information on our U.S. benefits program, please visit benefits.medtronic.com.

REWARDING GOOD LEADERSHIP

To employ the best people to lead Medtronic, we must attract executives who can think innovatively and deliver effectively. We combine competitive benefits with cash and equity incentives to ensure that we recruit talented executives with the experience to challenge and inspire.

Our Compensation Committee evaluates and approves executive compensation. Read more about our approach to compensation in our Proxy Statement.

- Health, dental, and vision coverage for employees and eligible dependents
- Retirement plans
- Life and disability insurance
- Paid time off and leaves of absence
- Stock purchase program

Employees can learn about and engage their benefits through in-person presentations; on-demand web-based tools; and AskHR support. Employees based in the United States have access to our virtual benefits counselor, “Alex.” All employees have 24/7 access to an HR Portal for timely and relevant benefit information in all countries in which we operate.

While our business continues to change, what remains constant is the importance of caring and being present for our families. Medtronic employees at various life stages have asked for greater flexibility to meet family commitments. In response, we introduced Family Care Leave for all U.S. employees in early FY19.

Family Care Leave provides up to six weeks of paid leave to:
- Bond with a new child (applies to birth, adoptive, surrogate, or non-birth parents)
- Care for family after a spouse, child, or parent is called to active military duty
- Care for an eligible family member’s serious health condition
- Care for an immediate family member who is terminally ill (previously Compassionate Leave)

Watch this video to learn more about Family Care Leave and how it provides benefits that exceed those offered by other leading, progressive employers.
Recognition

We value our employees’ diligence, innovation, and integrity. To honor their efforts, our global Recognize! program empowers managers and employees to reward achievements, celebrate milestones, share appreciation, and sustain our culture. In FY18, we recognized nearly 60,000 employees, including more than 3,000 for outstanding ethical behavior and 7,000 for quality.

We also administer awards to acknowledge employee achievements:

<table>
<thead>
<tr>
<th>Award</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakken Fellowship</td>
<td>The Bakken Fellowship honors employees who have made multiple technical contributions to the company and to the biomedical device industry. Seven employees were inducted into the Bakken Society in FY18.</td>
</tr>
<tr>
<td>Compass Award</td>
<td>The Compass Awards recognize individual employees who live out the Medtronic Mission by vigilantly demonstrating behavior that champions our Code of Conduct and reflects high integrity.</td>
</tr>
<tr>
<td>GIDE Leadership Award</td>
<td>The GIDE Award recognizes Medtronic vice presidents who champion an inclusive work environment. Six employees received the GIDE award in FY18.</td>
</tr>
<tr>
<td>Star of Excellence Award</td>
<td>The Star of Excellence is our highest recognition for quality and innovation. Nine Medtronic teams and two individual employees received this award in FY18.</td>
</tr>
<tr>
<td>Wallin Leadership Award</td>
<td>The Wallin Leadership Award recognizes employees who demonstrate world-class people leadership including actively fostering an inclusive and diverse work environment and successfully developing leadership talent to enable superior business outcomes.</td>
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</tbody>
</table>