

Global Inclusion, Diversity & Equity 2021 Annual Report

# Zero Barriers

**Medtronic**



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## About this report

This report highlights our commitment and progress to advance inclusion, diversity and equity (ID&E) at Medtronic. Data reflected in this report aligns to the 2021 calendar year. For more detail on our fiscal year 2021 data, refer to the [2021 Integrated Performance Report: Engineering impact](#).

# Welcome

*Our unwavering commitment to inclusion, diversity and equity means we are working toward **zero barriers** to opportunity within Medtronic and a culture where all employees belong, are respected and feel valued for who they are and the life experiences they contribute. We know equity starts beyond our workplace and we must play a role in addressing systemic inequities in our communities if we hope to make a meaningful difference in our organization. We commit to this work because we know that ID&E will accelerate our innovation and help bring our lifesaving technologies to more patients around the world.*

Zero barriers is a lofty goal that will not happen overnight. This year's report shares some of the barriers we are breaking down and the impact these actions have on our people, industry and communities across the globe.



# A message from Chairman and Chief Executive Officer Geoff Martha

The Medtronic Mission calls us to improve the lives of millions of patients around the globe. This has never been more needed or important, and as CEO, I've never been more inspired to deliver on that commitment. The rate of change in our world and in healthcare has accelerated exponentially, and people in every walk of life expect and deserve more. As a global healthcare technology leader, we must be at the forefront of positive, purposeful change.



To get there, we see inclusion, diversity and equity (ID&E) as the key to unlocking the innovative edge we need to identify, develop, and deliver life-transforming products and therapies for more people in more places.

Innovation is a people-powered business. It comes from fostering an inclusive, diverse, and equitable workforce – empowering every individual to reach their highest potential. Our ability to serve

more patients is dependent on bringing diverse thinking to the table and, together, engineering extraordinary solutions.

ID&E empowers us to solve health inequities faster. Systemic socioeconomic, racial, geographic, and even generational factors all contribute to a person's ability – or inability – to achieve good health and reach their full potential as a contributing member of society. Our commitment to ID&E compels us to urgently address barriers to education, diagnosis, and treatment. The global crisis of health inequity will only be solved by accelerating access to healthcare technologies that put people first.

I am proud of the progress we made in 2021 to advance ID&E. But we are determined to do more – and won't stop until we reach zero barriers. You'll see throughout this report, we are intensely focused on creating and cultivating equity in our workplace, industry, and communities. We are building the infrastructure to help dismantle inequities faster than ever before. And we are guided by a global strategy that focuses us on

being accountable role models, weaving ID&E into how we operate, and amplifying our impact far beyond our walls.

Looking ahead, I know challenges exist. But I'm optimistic about the opportunities before us to create meaningful change. Powered by our Mission and our people, we are more determined than ever to help create a more equitable, healthier world.

**Geoff Martha**



# A message from Chief Inclusion and Diversity Officer Dr. Sally Saba

## Zero barriers.

Those two simple words have a profound impact on the ways we advance inclusion, diversity and equity (ID&E) at Medtronic.

Our commitment to this work means we remove barriers to opportunity at Medtronic, to lifesaving technologies around the world, and to opportunity for brighter futures for the members of our communities. It also means we build a culture where all our people belong, are respected and feel valued for who they are and what they contribute.

Zero barriers is a beautiful concept. It acknowledges that barriers to equity continue to persist, all around the globe. If barriers exist, so will inequities. It also keeps a bold goal in mind: To use the collective power of our company to break down the barriers standing between any individual and their opportunities to thrive. And, importantly, it recognizes that different groups of people face different barriers – and that we need to address those unique barriers if we hope to create real, systemic change.

In practice, zero barriers is a passionate employee whose allyship helps remove hurdles for women pursuing engineering careers. Zero barriers is a

scholarship that enables someone to go to college and end generational poverty for their family. Zero barriers is a supplier diversity program that not only increases revenue for a woman-owned business in South Africa but also creates local jobs and stimulates economic impact for a community.



**Zero barriers is why we do this work – and why we are picking up the pace.**

Through a global pandemic, a reckoning for social justice and equity, and new hybrid working models, we are moving faster toward a future where we more fully leverage all our collective strengths – from our Mission to our people, from our buying power to our influence – to remove barriers to equity in our workplace, healthcare, and communities we serve.

We've created this report to offer transparency on our progress, but also to highlight specific barriers to equity and what we are doing to address them. We recognize zero barriers is a lofty goal that will not happen overnight. Every action we take, big or small, helps us affect change. These collective changes, over time, make a big difference!

I hope you are as inspired as I am reading through the ways we are creating meaningful change. It's a testament to the power of our 90,000+ passionate employees who make an impact and are engaged every day.

And we won't stop until we get to zero barriers.

**Dr. Sally Saba**



# Building on our strong foundation

At Medtronic, inclusion, diversity and equity (ID&E) is not new. It has been rooted in our company since our co-founder, Earl Bakken, wrote our Mission more than 60 years ago. Through the years, we have built a strong foundation. And it has prepared us to act on the bold challenge in front of us: To remove barriers to equity across our workplace, industry and communities we serve.



# The Medtronic Mission

Our Mission powers our relentless push to remove barriers to equity. For 60 years and counting, it has inspired us to do the extraordinary to improve human welfare. Tenets 1, 5 and 6 highlight our commitment to remove barriers for our people, to do our part to break down inequities in our industry and communities, and to contribute to innovation that improves lives.

ID&E powers our Mission forward. When we empower diverse teams, build inclusive workplaces and remove barriers to equity, we unleash human potential in extraordinary ways – including ways that fuel our innovation to alleviate pain, restore health and extend life for more people.

## The tenets that our people live by:

- 1 To contribute to human welfare to alleviate pain, restore health, and extend life
- 2 To direct our growth in the areas of maximum strength and ability, and to continuously build on these areas through education and knowledge
- 3 To strive without reserve for the greatest reliability and quality, and to be recognized as a company of dedication, honesty, integrity, and service
- 4 To make a fair profit
- 5 To recognize the personal worth of all employees
- 6 To maintain good citizenship as a company



For more details on our Mission and tenets, refer to our [site](#).

# Why ID&E matters ...

## ... to us.

We commit to ID&E because it accelerates our innovation, improves the well-being of our employees, and creates more opportunities to bring our life-saving technologies to more patients around the world. The results? Better experiences for patients, customers, and employees.

## ... to you.

We lead global healthcare technology. And we know you – whether you're a patient, future or current employee, customer, partner or investor – have high expectations for us to step up and remove barriers to equity. We take these expectations seriously and have made ID&E a critical part of our company strategy – enabling our innovation, sustainable growth, talent strategy, and reputation.

## ... and benefits us all.

At Medtronic, ID&E is for and belongs to everyone. When we remove barriers to equity, we all thrive. That is why we are leaning in to do even more as a socially responsible, global corporate citizen – leaving a positive impact on the customers, patients, our stakeholders, and the communities in which we live and work.



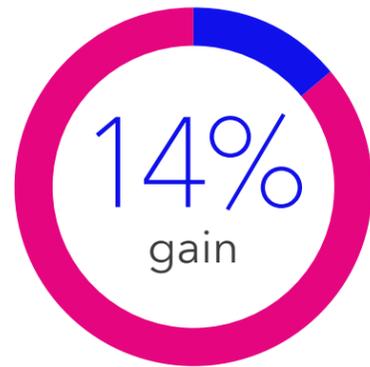
We are taking a holistic approach and working hard at addressing barriers to equity. That means breaking down obstacles not only in our workplace, but also in the healthcare technology industry and in communities we serve – all with the goal of creating meaningful & sustainable change.

**Carol Surface**

Chief Human Resources Officer

# Research shows inclusion, diversity and equity drives business performance.

Highly diverse and inclusive companies experienced a



in stock performance

Companies with diverse leadership have



percentage points higher

innovation-driven revenue than those with below-average leadership diversity

Inclusive teams improve team performance by



76% of job seekers say a diverse workforce is important when evaluating companies



The business case for inclusion, diversity and equity has never been stronger. ID&E means more creativity, better decision-making and enhanced innovation – ultimately helping our life-saving technology reach more people who need it. Removing barriers is one powerful way we can continue engineering the extraordinary.

**Geoff Martha**  
Chairman and CEO

# Milestones of our ID&E journey

1949

- **Medtronic founded** by Earl Bakken and Palmer Hermundslie

1960

- Bakken writes the **Medtronic Mission**

1984

- **First employee resource group (ERG)** formed

2012

- Measured engagement and inclusion
- Named to **DiversityInc Top 50** Companies for Diversity (#38)

2011

- Launched Global Inclusion, Diversity and Engagement (GIDE) team

2006

- **Nine ERGs launched**

1992

- Formed ERGs for women, Asian descent and African descent

2013

- CEO commissioned **four Diversity Networks**, each sponsored by Executive Committee leaders

2014

- CEO launched executive **Quarterly Diversity Reviews**

2015

- Set first **organizational representation aspirations** for women (global) and ethnically diverse (U.S.) talent in management

2020

- **Achieved** 2015 representation aspirations
- **100% pay equity** for women (U.S.)
- First-ever Day of Action for Racial Equity
- New partnerships to **advance equity** (OneTen, Multiple Pathways Initiative)

2019

- Won **Catalyst Award**
- Added PRIDE as fifth Diversity Network

2021

- Launched **global ID&E strategy**
- Tied **executive incentive compensation** to ID&E results
- **#11 on DiversityInc Top 50** Companies for Diversity
- **100% pay equity** for ethnically diverse talent (U.S.)
- New partnerships to **advance diversity in STEM** (Thurgood Marshall College Fund, Society of Hispanic Professional Engineers)



# Our strong foundation

One reason we are successful in breaking down barriers to equity: We are not starting from scratch. Through the years, we have intentionally built a strong ID&E foundation that empowers us to address systemic inequities today. With the building blocks in place, we can focus on removing barriers to equity across our workplace, industry and communities to create lasting change.



## Commitment from the top

Our Board of Directors, CEO and Executive Committee share an unwavering commitment to advancing ID&E.



## Governance

We treat ID&E like any other business objective and hold Executive Quarterly Diversity reviews, CEO and CIDO led, to keep us accountable.



## Inclusive talent management practices

We mitigate bias in our talent processes, from hiring to equitable advancement.



## Career development and education

Our world-class educational resources and development programs help us to remove systemic bias.



## Data analytics and transparency

We are committed to data transparency and use data to drive accountability for progress, highlight gaps and inform our actions.



## Diversity Networks and Employee Resource Groups

Our active engagement with Diversity Networks and ERGs inspires us to continue fostering belonging.

# Accelerating our progress

Accelerating the pace of change to advance inclusion, diversity and equity requires new approaches and ways of thinking. We have taken several strategic actions to help us move faster toward zero barriers to equity. This includes shifting to a leader-led model for ID&E, building stronger accountability across our organization, setting new five-year organizational diversity representation goals, measuring beyond representation, and being even more transparent publicly about our progress.



# Advancing to a leader-led model for inclusion, diversity and equity

Inside any organization, leaders are critical agents of change. When it comes to ID&E, holding leaders accountable for results can accelerate the pace of change.<sup>1</sup>

Many companies take a one-size-fits-all approach to holding leaders accountable: **Eight out of 10** organizations set organization-wide ID&E goals and ask leaders to execute on them, according to recent Gartner research. But when ID&E goals are simply cascaded from the top, it creates a barrier. Leaders are less effective in driving progress in their business units and teams, the research shows. It's because broad organizational goals often fail to address the specific and unique ID&E needs of each business unit.

At Medtronic, we are addressing this barrier by empowering our business leaders around the globe to drive meaningful, localized change in their parts of the organization. This approach calls on leaders to address the unique barriers in their organizations while also contributing to our companywide goals. We call this our **"leader-led model"** for ID&E.

Starting in FY21, each vice president and above is responsible for developing an individualized plan to drive diverse representation and foster belonging on their teams – in ways that prioritize the unique needs and local context of their business, region or functions. And each leader is equipped with support to drive localized change that contributes to our broader organizational goals.

<sup>1</sup>See Quereshi, Aliyah, Drive Leader Accountability by Setting Relevant, Actionable DEI Goals, Gartner, September 3, 2021.



An inclusive culture starts when leaders take responsibility for their team's success, ensuring every individual's voice is heard and values cherished.

## Bob White

Executive Vice President and  
President, Medical Surgical Portfolio  
Executive Sponsor, Medtronic  
Hispanic Latino Network

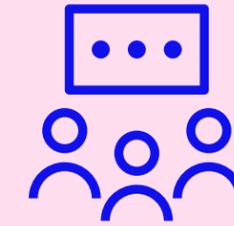
# Tying executive compensation to ID&E and strengthening accountability

Many organizations prioritize leadership accountability for inclusion, diversity and equity. But research shows there are barriers in execution: In a recent Gartner survey, about **60% of organizations** said leader accountability is the biggest obstacle to making progress in diversity and inclusion and only half of organizations said they were currently holding business leaders accountable for diversity and inclusion outcomes.<sup>2</sup>

At Medtronic, we are breaking down this barrier by creating meaningful incentives and governance processes for delivering ID&E results. It starts with the top leadership of our company.

Our new model also supports Executive Committee members with a dedicated diversity business partner to support each team's individual progress and address in real-time emerging challenges throughout the year.

<sup>2</sup>See Quereshi, Aliyah, Drive Leader Accountability by Setting Relevant, Actionable DEI Goals, Gartner, September 3, 2021.



In 2021, we **tyed annual incentive compensation** for our top executives – our CEO, his team and their direct reports – **to ID&E results.** We did this to strengthen ID&E as a priority for senior leadership and treat it like any other business priority.

## Setting new representation goals for 2026

After achieving our previous representation goals set back in 2015, we have set new goals to accelerate diverse representation in management and above.

By FY26, we aim for women to hold **45%** of manager-and-above positions globally and people from ethnically diverse groups to hold **30%** of manager-and-above positions in the U.S. Today, we are at **42%** women in manager-and-above roles globally and **26%** people from ethnically diverse groups in manager-and-above-roles in the U.S.

We will get there through a focus on inclusive hiring practices, career development and sponsorship programs for underrepresented talent, equitable talent management practices, leader accountability and more. Ultimately, we will not stop until we reach gender equity and equitably reflect market talent at all levels.

By FY26, our goal is:

Women hold

**45%**

of 12,000  
management roles  
globally

and

Ethnically diverse  
talent hold

**30%**

of 6,500 management  
roles in the U.S.

# 2021 by the numbers: highlights

## Representation

50%  
women in global  
workforce

42%  
women in global  
management

38%  
ethnically diverse in  
U.S. workforce

26%  
ethnically diverse in  
U.S. management

## Inclusion

79%  
women globally\*\*

80%  
ethnically diverse\*\*

## Pay Equity

gender  
100%  
in U.S.

gender  
99%  
globally

ethnically diverse  
100%  
in U.S.\*

## Engagement

Employees who regularly  
participate in Diversity  
Networks and ERGs are

2x

more likely to be engaged  
than those who do not

31,000+  
global employees in Diversity  
Networks and Employee Resource  
Groups (ERGs)

(\* Source: FY21 data)

(\*\* Source: FY22 Q1 data from all-employee survey)

# 2021 by the numbers: representation

# 150

Countries

# 90,000+

Employees

## Ethnically diverse (U.S.)

# 38%

Ethnically diverse employees

**Manager & above** (26% ethnically diverse total)



**VP** (22% ethnically diverse total)



**Director** (23% ethnically diverse total)



**Manager** (28% ethnically diverse total)

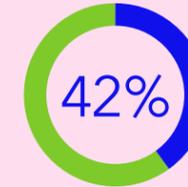


- U.S. African descent
- U.S. Asian descent
- U.S. Hispanic/Latino descent

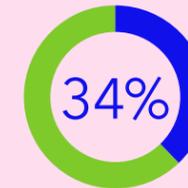
## Women (Global)



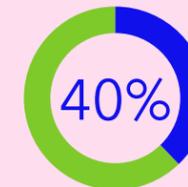
Employees



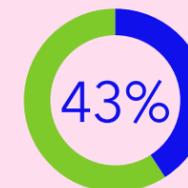
Manager-and-above



Vice Presidents

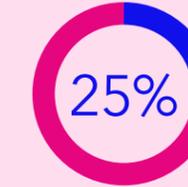


Directors

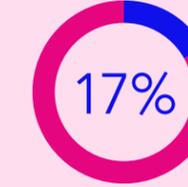


Managers

## Board of Directors

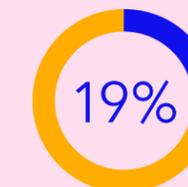


Women



Ethnically diverse

## Executive Committee



Women



Ethnically diverse

(Source: Medtronic 2021 data)

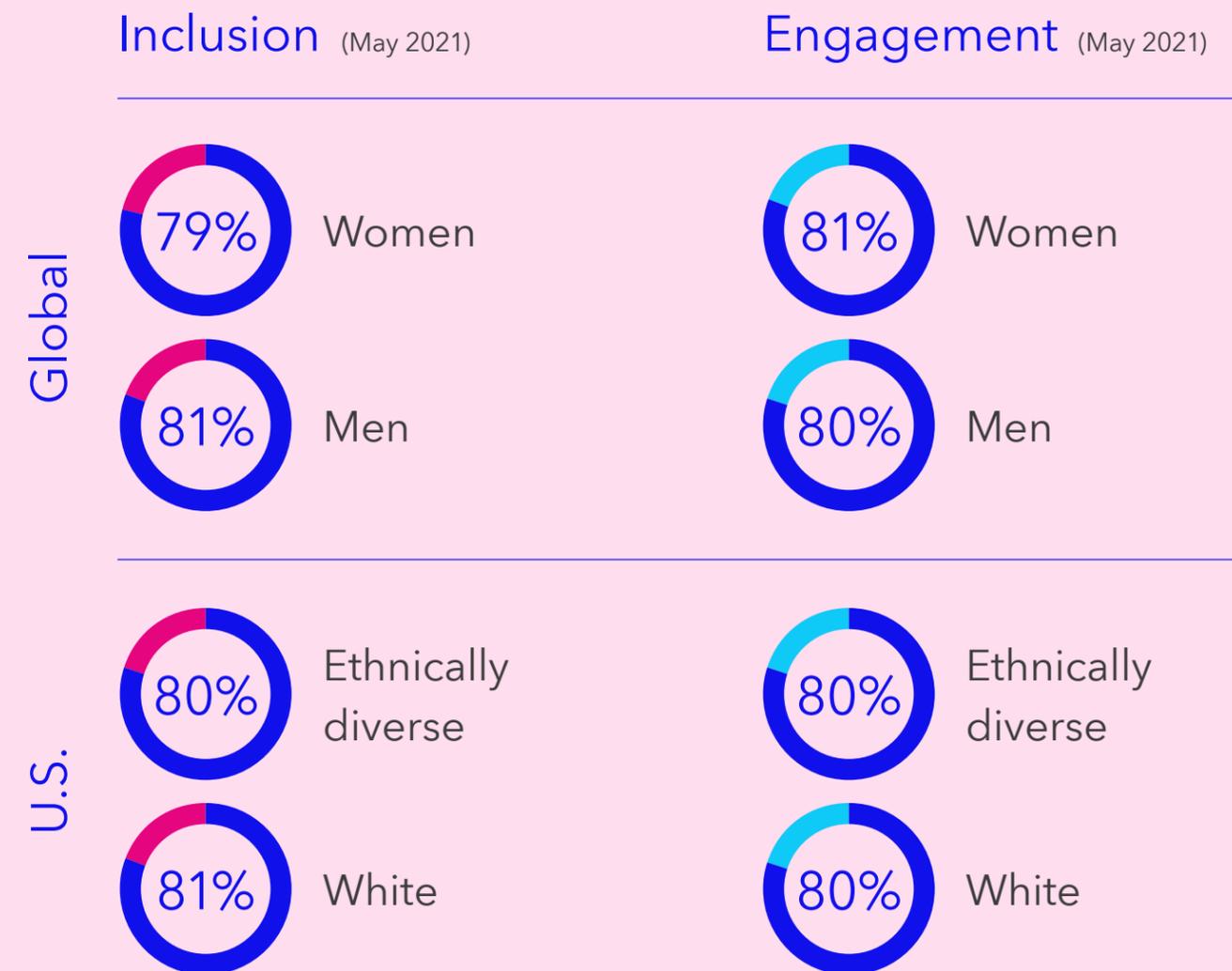
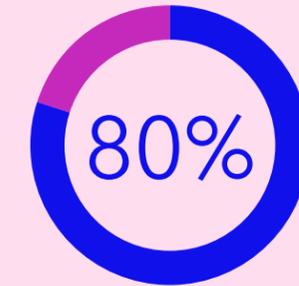
# Measuring beyond representation

While diverse representation is important, we also know we won't harness the power of our diversity if our employees don't feel like they belong in our workplace. Companies that aren't inclusive miss out on top talent: Research from McKinsey shows 39% of its global survey respondents said they have chosen to not pursue a job because of a perceived lack of inclusion.

What's more, people from underrepresented groups are more likely to feel less included at work.<sup>3</sup> And because inclusion and employee engagement are intertwined, it may leave them feeling less engaged in their work.

We aim to address these challenges by tracking employee engagement and inclusion scores against world-class benchmarks through annual surveys. We do this to identify where we can remove barriers for every Medtronic employee.

## World-class benchmark for inclusion and engagement



<sup>3</sup>See Bailinson, Peter; Decherd, William; Ellsworth, Diana; Guttman, Maital, Understanding organizational barriers to a more inclusive workplace, McKinsey, 2020.

(Source: FY2022 Q1 data) Note: Our all-employee Organizational Health Survey (OHS) was postponed in FY2021 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email. We reinstated our all-employee OHS in FY22.

# Going further with our new ID&E strategy

We are moving toward a new future – one in which we use all our strengths to remove barriers to equity in our workplace, industry and communities. It requires our people. Our hiring power. Our partnerships. Our influence. And all our other assets as a company. We have launched a new global strategy to help bring about this future, faster.

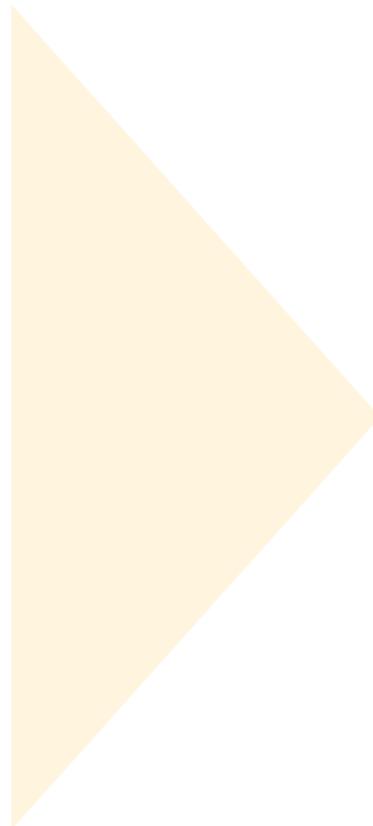


# Approach to our holistic equity strategy

As the global leader in healthcare technology, we are building toward a future where Medtronic will more fully use all its assets as a company to advance equity in our workplace, industry and communities.

## Leveraging our assets

-  Our 90,000 People
-  Buying Power
-  Hiring Power
-  Investment Power
-  Influence
-  Partnerships



At Medtronic, we have the collective power to drive lasting, systemic change. We do not take this responsibility lightly. We are determined to use our collective strength to advance equity and opportunity for all.

**Dr. Sally Saba**  
Chief Inclusion and Diversity Officer

# Our global strategy

In 2021, we launched a new global ID&E strategy to accelerate our progress and guide our efforts. Our new strategy propels us to live up to our unwavering commitment and to prioritize the most impactful ways to advance equity across our workplace, industry and communities we serve.

## Strategic Pillars



### Individual

Be accountable role models for inclusion and diversity



### Company

Ingrain inclusion and equity into our DNA



### Community

Amplify our impact beyond Medtronic

## Desired Outcomes



Culture of belonging



Reflect our global communities



Equity in opportunity and pay



World-class diverse talent destination



Measurable social impact

## OUR ID&amp;E STRATEGY

# Be accountable role models for inclusion and diversity

When we are embraced for who we are, feel safe, and are valued at work, we not only feel better but also do better at our jobs. And at Medtronic, that means alleviating pain, restoring health and extending life for more people. Creating that kind of environment isn't the responsibility of one team or leaders alone. It requires every single employee to be an accountable role model for inclusion and diversity.

To achieve this, we personally own inclusion for everyone and commit to practicing inclusive behaviors. We strengthen accountability by tying compensation and advancement opportunities to ID&E progress. We engage in opportunities for continuous learning and allyship through Networks, employee resource groups (ERGs) and how we show up each day. And we celebrate ID&E champions among us who are creating meaningful change around the globe.

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**Jim Borowick**, an engineering director at Medtronic, initiated a partnership between the University of Minnesota's College of Science and Engineering and the Medtronic Women in Science and Engineering (WISE) program. The partnership provides mentoring, events, scholarships and internships aimed at removing barriers and helping women thrive in engineering.

Jim Borowick



### BEING ACCOUNTABLE ROLE MODELS FOR INCLUSION AND DIVERSITY

## Feature: Information technology VP leads partnership that expands career access for underrepresented high school students

**Sarah Nieters** remembers walking into a conference for information technology (IT) executives and being the only woman in the room. She remembers her oldest daughter, a stellar student, being told by a college advisor to not bother applying to an engineering school.

These moments underscored for Nieters that barriers persist for women and others from other underrepresented groups in science, technology, engineering and math (STEM) careers. Nieters, an information technology vice president at Medtronic, chose to do something about it: She helps lead a Medtronic partnership with Genesys Works, a nonprofit that expands career pathways for talented high school students from underrepresented groups.

“One of the real barriers that I see is access,” said Nieters, the executive sponsor of the 12-year partnership and a board member of the Twin Cities chapter. “Once the door is opened, it’s up to the student to take advantage of that, and you can see that they do. It’s life-changing.”

Sarah Nieters



[Watch the video](#)



Veronica Venegas

**Veronica Venegas**, once a high school intern in the program, has come full circle. The college senior is slated to work full-time at Medtronic when she graduates in 2022 – the first in her family to graduate college and have a corporate job, she said.

She credits her internship experience at Medtronic as a pivotal moment.

“This kind of experience is life-changing to students like me,” she said. “I think that it’s a really awesome way to get students of color and also a lot of women into STEM fields.”

## Removing barriers, at a glance



### BARRIER

Women and people of color are underrepresented in many STEM careers. Young people from underrepresented groups lack access to professional networks, among other barriers.



### ACTION

Sarah Nieters, a Medtronic information technology (IT) vice president, leads a partnership to expand access to STEM careers for diverse students through internships with the company.

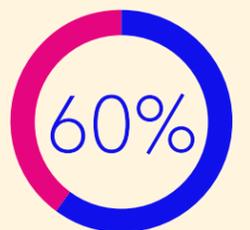


### IMPACT

275+

high school students have completed IT internships at Medtronic, earning more than \$2.4 million in wages

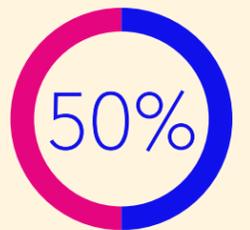
High school interns in 2021



Women

2021

Nieters earned a Global Inclusion, Diversity and Equity (GIDE) Award



Black or African American

# 2021 GIDE Award winners advance ID&E and remove barriers

Every year, our Global Inclusion, Diversity and Equity (GIDE) Awards recognize individual leaders who excel in fostering an inclusive, diverse, and equitable workplace as role models for others. In 2021, we selected 15 winners for their efforts. Below, we highlight a few who focused on removing barriers for others.



**Federico Gavioli**  
VP, Diabetes,  
Europe, Middle East,  
and Africa (EMEA)

Gavioli launched several initiatives to accelerate inclusion, diversity, and equity within Diabetes in the EMEA region. Gavioli's organization established quarterly awards to recognize actions linked to our cultural expectations – fostering adoption, recognizing diversity, increasing engagement and instilling meaningful recognition. His team also launched our first brand development campaign to raise Diabetes awareness, mitigate biases, encourage greater empathy, and increase inclusion for patients.



**Jason Weidman**  
President,  
Coronary and  
Renal Denervation

Weidman led and helped re-energize the Men Advocating Equity (MAE) employee resource group within the Medtronic Women's Network. MAE went from operating as a collection of uncoordinated grassroots efforts to a structured group with a unified vision and strategy. Its purpose is clear – “to bring awareness to men of the barriers faced by women and to take accountability for our distinct role in advocating for, and driving to, true gender equity at Medtronic.” Weidman also shares real-life “learning moments” in the Coronary and Renal Denervation organization's people leader forum.



**Joyce Wang**  
VP, Quality, Regulatory  
& Reimbursement,  
Greater China

Wang led her Greater China Regulatory Affairs leadership team to create an employee engagement task force to identify areas to improve inclusion and establish action plans. The task force actively sought out employee voices and then implemented initiatives based on the feedback. Over the past two years, the Greater China Regulatory Affairs team's organizational health scores vastly improved and now exceed world-class benchmarks in employee engagement and inclusion. Committed to developing talent, Wang also implemented measures that resulted in increased recruitment, development and retention of women.

## BEING ACCOUNTABLE ROLE MODELS FOR INCLUSION AND DIVERSITY

# Feature: Stepping up to support LGBTQ+ employees in Chile

Medtronic employees in Chile saw an opportunity to build a stronger, more inclusive culture for their LGBTQ+ colleagues. At the time, there was no Medtronic PRIDE Network presence in Chile and no overall strategy to address LGBTQ+ issues.

With company support, a small team of dedicated employees launched PRIDE Chile, the first Chilean hub of the global PRIDE Network, in June 2020. And since then, the PRIDE hub has led the charge in addressing several barriers to ensure members of the LGBTQ+ community at Medtronic Chile feel they belong, are respected and valued. The PRIDE Chile hub:

### Identified and addressed training gap

After identifying a gap in training about LGBTQ+ unconscious bias and diversity, the team developed educational programs to address those topics.

### Helped develop gender transition policy

To support employees and leaders, the team helped create the first Medtronic Chile gender transition policy.

### Joined the Pride Connection

A network of more than 60 companies that jointly advocate for LGBTQ+ employees in workplaces across Chile.

### Provided expansion support

Supported the expansion of the PRIDE Network in Brazil, Mexico, Costa Rica, Colombia and Peru.

As a result, Medtronic Chile earned Equidad CL 2021 by HRC in partnership with Fundación Iguales, Best Place to Work for LGBTQ+ Talent certificate and a Medtronic 2021 Human Resources Stewardship Award.



## OUR ID&amp;E STRATEGY

# Ingraining inclusion and equity into our DNA

Building an inclusive environment and removing barriers to equity is not just something we do. We strive to make it who we are – by **ingraining inclusion and equity into our DNA**. And that includes how we operate every day. So that ID&E doesn't need to be something we have to think about, it's simply how we do business.

This means growing employees' careers through best-in-class learning opportunities and offering differentiated development programs tailored for underrepresented groups. It means identifying and mitigating bias in our talent processes. And it means removing barriers to equitable pay, workforce practices and opportunities for our employees to thrive.



Inclusion, diversity and equity has been rooted in our company since its founding. Today, we are driving it even deeper into the fabric of our company because we believe it will help us advance equity and opportunity for all.

**Ken Fairchild**

Vice President, Global Rewards

## Pay Equity

Women and people from ethnically diverse groups in the U.S. have long faced discrepancies in pay.<sup>4</sup> Inequitable pay creates barriers not only for employees, but also to the families and communities they support.

We consistently address this barrier through compensation policies and practices that reflect our values. We conduct an annual pay equity analysis in the U.S. and several other countries. We compare our data to the public's, identify gaps, and continue to drive equity.

After reaching 100% gender pay equity in the U.S. in 2020, we achieved 100% pay equity for people from ethnically diverse groups in the U.S. in fiscal year 2021 and 99% global gender pay equity this year. We will not stop until we reach 100%. To get there, we are working with international experts that track pay for historically underrepresented groups in locations across the world.

<sup>4</sup>See Kochhar, Rakesh, and Bennett, Jesse, Despite the pandemic, wage growth held firm for most U.S. workers, with little effect on inequality, Pew Research Center, Sept. 7, 2021.



(Source: Medtronic FY21 data)

## INGRAINING INCLUSION AND EQUITY INTO OUR DNA

# Program spotlight: Investing in diverse talent through differentiated development and sponsorship

Time and again, research shows women and people from ethnically diverse groups often do not have the same opportunities to advance their careers at the same pace as their white counterparts. This barrier to advancement persists from hiring through talent management processes as people reach different stages in their careers.

We invest in differentiated development and sponsorship programs that address the specific barriers people from underrepresented groups often face.

## HIGH-POTENTIAL SPONSORSHIP



### LIFT

Nine-month development program for diverse, high-potential manager and senior managers.

## LEADERSHIP DEVELOPMENT



### Efficacy

Cohort-based leadership development program designed for Diversity Network and ERG members

## MENTORSHIP



### Impact

Year-long mentorship program for high-potential, individual contributors from historically underrepresented populations.

## SPONSORSHIP



### Accelerate

Year-long program that pairs directors and emerging talent of African descent with a vice president

## Results

# 42%

received promotions

# 95%

know how to effectively manage obstacles

# 80%

will apply concepts and skills in current or future roles

Closed the sponsorship gap for director-level talent of African descent

### Emerge

is a three-month leadership development program for individual contributors with management potential.

### Elevate

is an 18-week leadership development program for high-potential managers and senior managers.

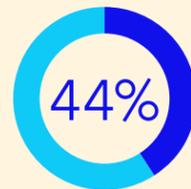
### Ignite

is an 18-week signature leadership program for high-potential directors and senior directors.

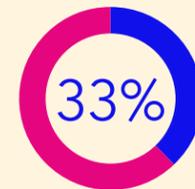
## Results



of participants (1,110+) have been promoted over the past three years



of participants (1,500+) have been promoted



of participants have been promoted



of promotions are women



of promotions are women



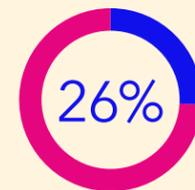
of promotions are women



of promotions are for people from U.S. ethnically diverse groups



of promotions are for people from U.S. ethnically diverse groups



of promotions are for people from U.S. ethnically diverse groups



When we remove barriers for our people, we unlock their full potential to do their jobs to the best of their ability. Inclusion, diversity and equity creates lasting impact for our employees, our business and the patients we serve each day.

**Patty McPhee**

Vice President, Global Talent and Leadership Development

(Source: Medtronic data)

## INGRAINING INCLUSION AND EQUITY INTO OUR DNA

# Program spotlight: Accelerate sponsorship program helps to close the gap for leaders of African descent

The number of Black senior executives has declined in recent years for many companies. At the same time there is a squeeze for such talent in succession pipelines, according to research.

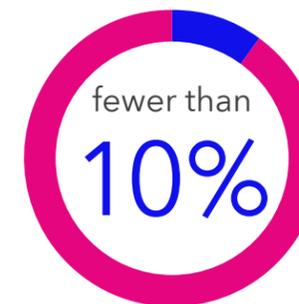
Sponsorship is one way to address this barrier toward advancement.

In 2021, Medtronic launched a new program, called Accelerate, to close the sponsorship gap for directors and emerging talent of African descent. To date, Accelerate has connected more than 50 participants of African descent with a U.S. vice president sponsor to accelerate career progression.

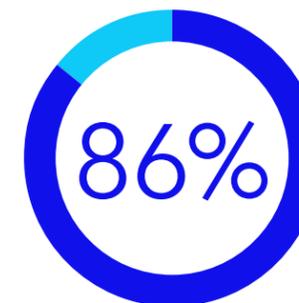
The 12-month sponsorship program, created in partnership with our African Descent Network, aims to address the unique challenges facing Black business leaders – such as microaggressions, unjust assumptions and disproportionate expectations – as they seek to advance into higher-level roles. The program includes monthly meetings with sponsors, development sessions with sponsees, and regular engagement with managers.

<sup>5</sup>See The Black P&L Leader: Insights and lessons from senior black P&L leaders in corporate America, Korn Ferry, 2019.

In 2019



of the Fortune 500's most senior profit-and-loss (P&L) leaders were Black<sup>5</sup>



of current Black P&L leaders said having a sponsor was indispensable to their career advancement<sup>5</sup>



We created the Accelerate program to ensure that leaders of African descent have the support they need to expand their impact.

### Kweli Thompson

General Manager,  
Defibrillation Solutions

Executive Sponsor, Accelerate

## INGRAINING INCLUSION AND EQUITY INTO OUR DNA

# Program spotlight: Sponsorship program supports, advances women VPs

As women climb up the corporate ladder, their representation falls lower and lower compared to men.<sup>6</sup>

To address this barrier and help women land more roles leading businesses, Medtronic piloted a sponsorship program in fiscal year 2020 to connect women vice presidents with senior-level sponsors. The 12-month pilot program, the first of its kind at Medtronic, sought out women who aspired to leadership roles that managed businesses.

**Raneewan Ramsiri**, then a vice president overseeing several Southeast Asia countries, was paired with **Majid Kaddoumi**, president of Central Europe, Middle East and Africa, in the first cohort. The program broadened her perspectives about her career and gave her much-needed global connections across Medtronic.

“It’s expanded my perception of what I can do and in which areas I can broaden my career,” said Ramsiri, now vice president and managing director of Medtronic Thailand. “The company will earn a deeper trust and more commitment from any employee who has a chance to participate in this program.”

Sponsorship is one of four factors linked to employees feeling a strong sense of inclusion and belonging.<sup>7</sup> Formal sponsorship programs can help increase the number of leaders from underrepresented groups.

More than 90% of women in the first cohort had job movement or a promotion during the program. This year the sponsorship program - currently underway - has expanded the cohort to more women and includes a focus on leadership in functional areas such as sales, engineering, research and development, and information technology.

As a sponsor, Kaddoumi not only supported Ramsiri but also learned more about how sponsors like him can partner to help advance women in leadership, he said.

“It was a learning for me to better understand where the struggle is for our women VPs and where as men do we stand in the way,” Kaddoumi said. “I feel it’s our responsibility as leaders to break down the barriers that advance more women into leadership.”

**Majid Kaddoumi**



**Raneewan Ramsiri**



<sup>6</sup>See Krivkovich, Alexis; Starikova, Irina; Robinson, Kelsey; Valentino, Rachel; and Yee, Lareina, Women in the Workplace 2021, McKinsey, September 27, 2021.

<sup>7</sup>See Bailinson, Peter; Decherd, William; Ellsworth, Diana; Guttman, Maital, Understanding organizational barriers to a more inclusive workplace, McKinsey, 2020.

## INGRAINING INCLUSION AND EQUITY INTO OUR DNA

# Feature: How emphasizing skills in career pathways can remove barriers

As a team lead at the Medtronic Energy and Component Center in Brooklyn Park, Minnesota, **Der Xiong** hoped to take the next step in her career and become a manufacturing supervisor. But she didn't have the college degree required for the role.

That all changed when Medtronic removed the degree requirement. The decision opened a door previously closed to Xiong and others who have the skills but not the college degree. After 15 years with the company, Xiong was hired as a manufacturing supervisor in August and now oversees a team of more than 20 people who produce batteries for our products.

"I was really excited because that was a great opportunity for someone like me," said Xiong, who started with Medtronic as an operator.

"That was the roadblock in my way," she said.

Focusing on skills instead of academic credentials in career pathways is the type of work Medtronic is doing through the Multiple Pathways Initiative - a multi-year effort to reform companies' hiring and talent management practices. In our initial pilot, Medtronic is focused on emphasizing skills, rather than just degrees, in hiring and promotion practices. We have removed

degree requirements for about 25% of our information technology workforce and replaced them with skills requirements for hiring and promotions.

Like Xiong, **Benita Robinson** was also hired recently as a manufacturing supervisor.

In her previous role as a team lead, Robinson worked hard to not only gain the skills to become a manufacturing supervisor, but also helped other colleagues without a college degree, like her, consider their own career trajectory.

"The people I've helped with their career development and coaching," Robinson said, "now they see it's possible."

[Watch the video](#)

**Benita Robinson**

**Der Xiong**

## Removing barriers, at a glance



### BARRIER

Requiring college degrees over skills and experiences when hiring and promoting employees can create a barrier for people from ethnically diverse groups and veterans in the U.S.



### ACTION

Medtronic joined the Multiple Pathways Initiative to reform hiring and talent management practices, including emphasizing skills in career pathways.



### IMPACT

We launched a pilot to remove college degree requirements and replace them with skills requirements for select jobs.

## OUR ID&amp;E STRATEGY

# Amplify our impact beyond Medtronic

We know we cannot break down systemic inequities if we are focused only on change within our organization. To create real change, we must address the barriers that impact our industry and communities we serve. That is how we will **amplify our impact beyond Medtronic**.

Our diverse supplier base drives sustainable economic change in communities with every contract signed and every job created. We're advancing gender and ethnic diversity in science, technology, engineering, and mathematics (STEM) careers to help ensure talent reflects the populations we aim to serve. And we're taking an active role in partnering to reduce healthcare disparities.



## AMPLIFYING OUR IMPACT BEYOND MEDTRONIC

## Feature: Our supplier diversity efforts go global

At Medtronic, we partner with diverse-owned suppliers to help bring our lifesaving technologies to patients who need them all over the world. We are honored to be named No. 3 on the DiversityInc Top Companies for Supplier Diversity list – and are motivated to expand our impact further around the globe.

In 2021, we launched our International Diverse Supplier program in the Europe, Middle East and Africa (EMEA) and Latin America (LATAM) regions. Although still in the early stages, we are focusing on partnering with women-owned businesses in those regions.

Working with diverse-owned businesses is not about altruism or compliance. It is about stimulating long-term economic impact by creating jobs and opportunities for the underserved communities. In the U.S. alone, we supported nearly 28,000 jobs for small and diverse-owned suppliers and stimulated \$4.3 billion in economic production activity. Building economic opportunity creates avenues to wealth, education and improved health for generations to come.



## Masoom Training Solutions

- Masoom is a woman-owned, Black-owned business in Johannesburg, South Africa.
- It provides human resources training to Medtronic and is one of our first global diverse suppliers.
- Partnering with suppliers like Masoom improves our competitiveness in the local market and provides businesses like Masoom more opportunities to grow, ultimately creating local economic impact.



Supplier diversity is a business imperative because it drives better business results and makes for more resilient supply chains.

**John Taylor**

Senior Director of  
Supplier Outreach

2021 U.S.  
supplier diversity  
economic impact

**\$2.4b** in purchases from small and diverse-owned businesses, including:

**\$278m** minority-owned businesses

**\$403m** women-owned businesses

**\$129m** veteran-owned businesses

**\$4.3b** in economic production activity

**\$1.6b** in wages and benefits through supported jobs

**\$1.3b** in local, state and federal taxes generated

**27,591** small and diverse supplier jobs supported in the U.S.

(Source: Medtronic CY2021 Supplier Diversity Economic Impact Study for the United States and Puerto Rico)

## AMPLIFYING OUR IMPACT BEYOND MEDTRONIC

# Program spotlight: Partnering to advocate for change

We believe we can remove more barriers to equity when we join with others who share our passion and commitment. Together, our strategic partnerships will help us go further in amplifying our impact beyond Medtronic and creating lasting, systemic change.



Supporting veterans with career guidance as they transition back to civilian life.



Unique access to benchmarking trends and best practices that help attract, develop and retain Asian American Pacific Islander (AAPI) and global Asian talent.



Advancing more women - particularly women of color - into senior leadership positions and boards.



Rallying the business community to support inclusive workplaces for employees, communities and society.



Advocating for LGBTQ+ communities, including signing the Human Rights Campaign's business statement on anti-LGBTQ legislation.



Improving equity, diversity and workplace culture, including recognizing and rewarding skills in hiring and promotion practices.



Working with other companies to close the opportunity gap and hire 1 million Black Americans into family-sustaining skilled jobs over the next 10 years.



Creating a culture where all LGBTQ people thrive and feel a sense of belonging.



Removing barriers through scholarships, internships and mentorships for Hispanic and Latino students.



Fostering stronger relationships with Historically Black Colleges and Universities and diversifying the STEM talent pipeline.



Putting disability inclusion on the business leadership agenda to ignite systemic change and unlock the business, social and economic value of people living with disabilities.



Pledging to adopt a set of metrics developed by the World Economic Forum and to emphasize the importance of transparency in reporting ESG progress.

## AMPLIFYING OUR IMPACT BEYOND MEDTRONIC

# Feature: An innovative partnership to advance Black talent in STEM – and at Medtronic

When LaTosha Harris received a job offer from Medtronic last summer, she didn't know how to process it.

A first-generation college student at North Carolina A&T State University, Harris called one of her brothers to share the news. His response: "I'm going to call you back. I think I'm about to cry."

"That showed that he was proud of me," said Harris, a sister to six brothers. "But for me specifically, what that full-time offer meant was the start of a legacy. All of my family members coming behind me can look up to that."

**LaTosha Harris**

A senior studying business IT, Harris was one of 41 summer interns hired in the inaugural class of the Medtronic | Thurgood Marshall College Fund (TMCF) Internship Program, part of a first-of-its-kind partnership to build and foster stronger relationships with Historically Black Colleges and Universities (HBCUs). Through the internship program, Medtronic hires students studying science, technology, engineering and math (STEM) to summer internships, provides development opportunities and ultimately aims to hire them full-time.

Black Americans are underrepresented in the STEM workforce, especially in life sciences and engineering.<sup>8</sup> They're also underrepresented among STEM college graduates.

Through the partnership, Medtronic has increased the number of interns of African descent to 20% in 2021 from 8% in 2020. We also converted nearly half of all eligible interns into full-time hires – a significant increase in our hiring from HBCUs.

<sup>8</sup>See Fry, Richard; Funk, Cary; and Kennedy, Brian, STEM Jobs See Uneven Progress in Increasing Gender, Racial and Ethnic Diversity, Pew Research Center, April 1, 2021.



## Removing barriers, at a glance



### BARRIER

Black Americans are underrepresented in the STEM workforce, comprising only 9% of professionals in those fields, according to the Pew Research Center.



### ACTION

Medtronic and the Medtronic Foundation are partnering with the Thurgood Marshall College Fund (TMCF) to foster stronger relationships with Historically Black Colleges and Universities and diversify the pipeline of STEM talent through both internships and scholarships.



### IMPACT

- Medtronic hired 41 summer interns from HBCUs and converted nearly half of eligible interns into full-time hires – a significant increase in hiring from HBCUs.
- The Medtronic Foundation and TMCF also provided 50 scholarships to HBCU students studying STEM.



## CarmenMichelle Flowers

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The internship program also opened doors for CarmenMichelle Flowers, a senior who accepted a full-time offer as a systems engineer after interning at Medtronic in the summer of 2021. Securing a career after graduation relieves financial pressure for her and her family, Flowers shared.

“I have the stress of, financially, sometimes helping out my family,” Flowers said, “but I think having this job will really just help me become less stressed about financial situations and maybe find a way for us to start building generational wealth.”

[Watch the video](#)

## Justin Tolbert

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Justin Tolbert, a sophomore studying chemical engineering, has a goal to graduate debt-free. Thanks to a scholarship funded by the Medtronic Foundation to help support HBCU students studying STEM, Tolbert is on track.

“It made me not feel like I had to take loans out or had to put the pressure of paying for college on my parents,” said Tolbert. “It took a lot of weight off my shoulders, financially and academically.”



## AMPLIFYING OUR IMPACT BEYOND MEDTRONIC

# Addressing healthcare disparities: Medtronic Foundation partnership helps children with congenital heart disease around the globe

Every child with congenital heart disease (CHD) has the right to quality treatment, but many (specifically 9 out of 10 children) who live in low income regions of the world cannot access it. The Medtronic Foundation and Children's HeartLink (CHL) are working together to change this.

In 2021, the Medtronic Foundation announced a multi-million-dollar, three-year partnership with CHL to reduce disparities in access to care and quality patient outcomes in congenital heart surgery by:

- Strengthening hospital capacity and training 10,000 health workers in Brazil, China and India to provide congenital heart disease surgery and quality outcomes for 10,000 children
- Understanding health disparities in CHD diagnosis and access to care through a mixed-method study with regional partner hospitals and development of equity dashboards by site to foster continuous quality improvement
- Harnessing Medtronic employees' skills and talents in areas such as clinical and medical education and training, technology development, market access, data science and analytics



Image courtesy of  
Children's HeartLink

# Removing barriers in care for diabetes, aortic stenosis

More than 34 million people live with diabetes. However, Black and Hispanic Americans with diabetes are two to three times less likely to use technology to treat the disease, compared to white Americans.<sup>9</sup>

Medtronic is working to remove some of the barriers that lead to this disparity through interventions in diabetes care, increasing diverse representation in clinical studies, partnering with provider centers, and educating patients. In one pilot clinical study, we have seen a 14% increase in ethnic and racial minority subjects. Another site that historically recruited an average of 8% Black patients for clinical trials increased its enrollment to 43%.

In cardiovascular care, up to 1.5 million Americans suffer from aortic stenosis (AS)<sup>10</sup>, a narrowing of the aortic valve opening that restricts blood flow in the heart. Transcatheter Aortic Valve Replacement (TAVR) therapy is a minimally invasive procedure to replace the aortic valve and a life-saving option for many with AS. However, patients of color are offered this minimally invasive option at significantly lower rates, according to research.

Medtronic has launched a pilot to address these disparities. We collaborated with several health systems to explore the root causes and are launching programs to address treatment barriers in African-American and Hispanic and Latino patients. The pilot will quantify the impact with insights and key learnings that can be applied in other markets.

While people from racial and ethnic groups make up 23% of the 65-or-older population in the U.S. racial or ethnic group<sup>11</sup>



of patients who had TAVR between November 2011 and June 2016 identified as a person from a racial or ethnic group.<sup>11</sup>

<sup>9</sup>See Agarwal Et Al., Racial-ethnic Inequality In Young Adults With Type 1 Diabetes, The Journal Of Clinical Endocrinology & Metabolism, Volume 105, Issue 8, August 2020, Pages E2960-e2969.

<sup>10</sup>See John Muir Health, U.S. Aortic Stenosis Disease Prevalence & Treatment Statistics.

<sup>11</sup>See Alkhouli, Holmes, Carroll, et al. Racial Disparities in the Utilization and Outcomes of TAVR: TVT Registry Report. JACC: Cardiovascular Interventions. 2019.



# Diversity Networks & Employee Resource Groups create lasting impact

Our survey data found employees who regularly participate in our Diversity Networks and Employee Resource Groups (ERGs) are twice as likely to be engaged than those who do not. At Medtronic, our Networks and ERGs help remove barriers to engagement by providing spaces for people with shared identities, backgrounds and interests, including people from underrepresented groups. A critical part of our ID&E efforts, we are proud of the more than 31,000 employees who are members of a Network or ERG.



## Diversity Networks and ERGs, at a glance



African Descent Network (ADN), Asian Impact at Medtronic Network (AIM), Hispanic Latino Network (HLN), PRIDE Network and Medtronic Women’s Network (MWN)



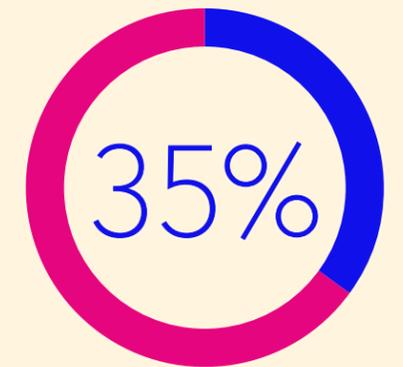
Awareness Benefitting Leadership and Employees About Disabilities (ABLED), American Indian Employee Resource Group, Christian Employee Resource Group, Muslims and Friends, Medtronic Jewish Community, Medtronic Young Professionals, Veterans Employee Resource Group

250+

Network and ERG hubs/chapters

31,000+

members across 70+ countries



growth in Network and ERG membership over the past year

In 2021, our Diversity Networks and ERGs continued to intentionally expand efforts to show solidarity, support diverse communities and empower change – inside and outside our walls.

### Hispanic Latino Network



When COVID-19 magnified health disparities for people from underrepresented groups, the Hispanic Latino Network helped champion a focus on addressing gaps in chronic diseases through representation, interventions, and advocacy.

### Asian Impact at Medtronic Network



During a rising tide of Anti-Asian sentiment and violence during the pandemic, the Asian Impact at Medtronic (AIM) Network held Open Air Dialogues with our CEO and other senior leaders to create a safe space for transparent conversations. Leaders shared enterprise-wide messages of solidarity to foster belonging and send a strong message that hate has no place within Medtronic. AIM also called on employees and allies to take a stand against anti-Asian hate through a variety of initiatives.

### PRIDE, Medtronic Women's Network and African Descent Network



The PRIDE Network hosted a companywide #LoveisLove campaign around Valentine's Day 2021 and reached people externally through social media. The same month, the Medtronic Women's Network and the African Descent Network joined forces to raise awareness of women's heart health and advocacy. The internal campaign they developed included global information sessions, panel discussions, patient stories, and local hub events.

# Recognition

We are honored to be recognized across the globe by world-class organizations. It reflects our people and partners' commitment to advancing inclusion, diversity and equity and removing barriers inside and outside our walls. And it also reflects the powerful impact we can make when we use the full strength of our company to drive meaningful, sustainable change.



# ID&E Recognition



Honored for most innovative employer, for outreach and inclusion to Asian Pacific American employees during the COVID-19 crisis and more.

## Best Workplaces™ for Women

Medtronic Canada named 2021 Best Places to Work for Women



Disability:IN and the American Association of People with Disabilities

- 2021 Best Places to Work for Disability Inclusion
- Scored 100% on 2021 Disability Equality Index survey



- Named #11 in DiversityInc 2021 Top 50 Companies for Diversity
- Named #3 in Supplier Diversity



2021 Secretary of Defense Freedom Award



Medtronic among top 20 companies around the world having a positive social impact through core business strategy



Received three 5-star recognitions from the Hispanic Association of Corporate Responsibility (HACR) in philanthropy, procurement and governance.



Human Rights Campaign Best Places to Work for LGBTQ Equality 2021



Named one of the Top 100 U.S. Companies Supporting Healthy Families and Communities (#13)



2021 Diversity & Inclusion Program Award



2021 United Nations Women's Empowerment Principles (WEP) Awards: Chile (Silver) and Brazil (Bronze)

Thank you for reading this report. Powered by our Mission,  
we will do even more to remove barriers to equity across  
our workplace, our industry and our communities.  
And we will not stop until we get to zero barriers.

# Thank you

**Medtronic**

[Read the report online](#)