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Introduction

We see extraordinary possibilities to increase our positive impact. Our environmental, social, and governance (ESG) efforts, combined with the passion of our 90,000+ employees, drive better outcomes for our world through a healthier society and healthier planet.

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About this report

This report reflects the Medtronic material ESG topics in alignment with leading reporting frameworks and standards, including the Global Reporting Initiative; the Sustainability Accounting Standards Board; the Task Force on Climate-Related Financial Disclosures; and the World Economic Forum Stakeholder Capitalism Metrics, which are detailed in our ESG Disclosure Index.

Unless otherwise stated, all performance reporting covers our fiscal year 2021 (FY21), from April 25, 2020 through April 30, 2021. This report includes data from Medtronic plc and its consolidated subsidiaries. Environmental, health, and safety data are from our manufacturing and research and development facilities. A third party has verified our FY19, FY20, and FY21 health and safety data, shared on page 57.

In some instances, reported data may be best estimates or rounded. We have omitted Medtronic subsidiaries whose impact on overall data is less than 10%. All financial information is reported in U.S. dollars.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties, including risks related to competitive factors; difficulties and delays inherent in the development, manufacturing, marketing, and sale of medical products; government regulation and general economic conditions; and other risks and uncertainties described in our periodic reports. These reports are on file with the U.S. Securities and Exchange Commission, including our most recent Annual Report on Form 10-K. In some cases, you can identify the forward-looking statements by words or expressions, such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “looking ahead,” “may,” “plan,” “possible,” “potential,” “project,” “should,” “going to,” “will,” and similar words or expressions, the negative or plural of such words or expressions, and other comparable terminology. Actual results may differ materially from anticipated results. We do not update our forward-looking statements or any of the information contained in this report, including updates to reflect future events or circumstances.

To provide feedback or request further information, please email integratedreport@medtronic.com.
Letters to our stakeholders

Chairman and CEO address

The past year brought intense, ongoing, global challenges. The COVID-19 pandemic, the fight for social justice and equity, and the climate crisis demanded not just a will to endure, but a willingness to act. Driven by our Mission to improve human welfare, we answered this call.

We accelerated innovation to create better experiences for patients, customers, and employees. Restructuring our business into 20 nimble operating groups, we got closer to our customers and delivered groundbreaking solutions faster in markets around the world. And our evolved culture – the Medtronic Mindset – empowers our 90,000+ employees in over 150 countries to move quickly and decisively to answer any challenge.

We see extraordinary possibilities to further increase our positive impact in the world. In FY21, we focused our environmental, social, and governance (ESG) efforts to drive measurable impact on issues including protecting our planet, accelerating access to healthcare technology, and advancing inclusion, diversity, and equity (ID&E).

Protecting our planet

The actions we take today to improve the health of the planet will contribute to the health of future generations. That’s why we apply our engineering mindset to innovate for environmental sustainability - from reducing our carbon footprint, water usage, and waste to building sustainability into product design.

In FY21, we made strides to help counter the effects of the global climate crisis. We:

- Remained committed to achieving carbon neutral operations by FY30. And to drive progress and hold ourselves accountable, we set FY25 interim targets
- Reduced greenhouse gas emission intensity by 11% (and sourced 25% of our energy from renewable and alternative sources)
- Diverted 217 metric tons of product waste from landfills, collecting more than 4 million products through takeback programs

Accelerating access to healthcare technology

We are at a pivotal moment in human health. Healthcare budgets are severely stressed, access to quality care is limited, and for too many there remains pervasive and systemic healthcare inequities. Technology will be part of the solution to drive better outcomes for our world and dismantle global disparities in healthcare. With a greater focus on health equity in FY21, we:

- Devoted $69.9 million to healthcare capacity training, reaching 974,000+ global medical professionals who advance access to quality care in their communities
- Invested $2.5 billion in R & D to bring new healthcare technologies to the world and had 300+ ongoing clinical studies, with a focus on greater gender, racial, and ethnic diversity
- Contributed $52.9 million to COVID-19 relief efforts since the beginning of the pandemic in partnership with the Medtronic Foundation, through these efforts, Medtronic Foundation’s partners reached 34,000 global health workers and 289,000 patients

Advancing inclusion, diversity, and equity

The fight for social justice and equity was deeply personal for me and many of our employees. We learned from and stood alongside our colleagues to unequivocally denounce racism, discrimination, and other systemic inequities that limit the potential of so many.

Our evolved ID&E strategy is focused on driving equity at the individual, company, and community level. To help drive meaningful change in FY21, we:

- Created accountability for employees at all levels, including connecting ID&E performance to the annual incentive plans for our executive leadership team starting in FY22
- Focused on inclusive leadership training, as of FY21 we’ve trained 70% of U.S. people managers on how to recognize and mitigate unconscious bias
- Achieved 100% ethnically diverse pay equity in the United States and sustained 100% gender pay equity in many countries, including the United States, and 99% gender pay equity globally
- Directed $2.4 billion to small and diverse suppliers — totaling 35% of our U.S. supplier spend. We also expanded our Supplier Diversity Program globally, with an initial focus on engaging more women-owned businesses

Moving forward

Advancing our ESG strategy is increasingly important to achieving our bold ambition to be the global healthcare technology leader. We’re resetting our expectations of what technology can achieve. And even as we raise the standard of care and accelerate health equity by expanding access for millions of people around the world, our motivation to help even one person live a fuller, healthier life will never end.

On behalf of the entire Medtronic family, my heartfelt respect and gratitude go out to every medical worker tirelessly fighting COVID-19. Our company remains steadfast in supporting you through this crisis.

I also thank our employees worldwide. Even in the face of this global challenge, you’ve shown how strong and impactful Medtronic can be. Working together, we will engineer the extraordinary to alleviate pain, restore health, and extend life for many more patients worldwide.

Geoff Martha
Chairman and CEO, Medtronic
Letters to our stakeholders

A Message from our CFO
Medtronic closed FY21 with strong financial performance and notable progress on our ESG strategy. This is not a coincidence. To succeed in today’s world, businesses must operate sustainably and act transparently for the benefit of all stakeholders.

We take our leadership role in responsible healthcare technology seriously. Our ESG strategy reinforces our efforts to tackle the world’s most challenging health issues and expand health access for underserved patients. It underscores our approach to deliver results the right way, drives greater efficiencies across our operations, and fortifies our commitment to inclusion, diversity, and equity inside and outside our walls. As the leader of our company’s sustainability steering committee, I’m pleased to share that we’ve announced new ESG performance targets for our priority ESG issues: innovation and access; patient safety and product quality; and inclusion, diversity, and equity.

We know our continued financial success, trust among stakeholders, and ability to improve the lives of patients hinges on maintaining our high standards of transparency. In FY21, we joined other leading companies in adopting 21 core Stakeholder Capitalism metrics identified by the World Economic Forum International Business Council. In addition, we align our disclosures with leading global frameworks and standards, including the Global Reporting Initiative, Sustainability Accounting Standards Board, and the Task Force on Climate-Related Financial Disclosures.

We regularly evaluate and refocus our ESG ambitions, and we look forward to uncovering new opportunities for our ESG initiatives to generate even stronger business results as we continue to boldly tackle the most challenging health problems facing humanity.

Karen L. Parkhill
Executive Vice President and
Chief Financial Officer, Medtronic
At a glance: A year of impact

Environmental sustainability

**Goal**
- to be carbon neutral in our operations by FY30
- 11% reduction, compared to FY20, in greenhouse gas emission intensity toward our FY25 goal of 50%
- 25% energy sourced from renewable and alternative sources toward our FY25 goal of 50%
- 4M+ products collected through takebacks and 217 metric tons diverted from landfill

**Social impact**
- $2.5B invested in research and development
- 300+ ongoing clinical studies, with a focus on gender, racial, and ethnic diversity representation to ensure our products benefit everyone who needs them
- $69.9M invested in healthcare capacity training, reaching 974,000+ medical professionals
- 100% ethically diverse pay equity in the United States; maintained 100% gender pay equity in many countries, including the United States, and 99% gender equity for employees globally

**Governance and accountability**
- 25% of board members are women
- 17% of board members are from ethnically diverse backgrounds
- $30.1B revenue generated, with 68% of free cash flow returned to shareholders
- $2.9B total strategic investment and acquisition spend

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**FY21 RECOGNITION**

| 3BL Media | 2021 100 Best Corporate Citizens |
| DiversityInc | 2021 Top 50 Companies for Diversity |
| DiversityInc | 2021 Top Companies for Supplier Diversity |
| Dow Jones Sustainability Indices (DJSI) | DJSI North America Composite Index |
| Fast Company | 2021 World Changing Ideas Award Finalist and Honorable Mentions |
| Forbes | 2020 World's Best Employers |
| Forbes | 2021 America’s Best Employers for Diversity |
| Fortune | 2020 “Change the World” List |
| Fortune | 2021 World’s Most Admired Companies |
| FTSE4Good | FTSE4Good Index |
| Human Rights Campaign | 2021 Corporate Equality Index |
| JUST Capital | 2021 America's Most JUST Companies |
| JUST Capital | Top 100 U.S. Companies Supporting Healthy Families and Communities |
| Product Development and Management Association | 2020 Outstanding Corporate Innovator Award |

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1 Includes acquisitions; additions to property, plant and equipment; and purchases of investments.
Our business: Engineering the extraordinary

Who we are

We are a global healthcare technology leader, boldly tackling the most challenging health problems facing humanity. Our Mission – to alleviate pain, restore health, and extend life – unites a global team of 90,000+ passionate people, serving physicians, hospitals, patients, and communities in more than 150 countries. Our work transforms the lives of two people every second.

What we do

By fusing the latest science, medicine, and an unmatched understanding of the body, we develop new therapies and treatments to solve unmet patient and healthcare needs. Purpose guides our innovation. Through our technologies, we aim to restore hope and possibility, improving and redefining the treatment of over 70 conditions, with solutions spanning consumable and implantable products. Our focus on improving health outcomes remains constant in the face of evolving global challenges. We are committed to creating: healthcare technology that transforms lives; experiences that put people first; insight-driven care; and better outcomes for our world.
The Medtronic Mission

Six words have motivated us to engineer the extraordinary for 60 years and counting: Alleviate pain. Restore health. Extend life.

We live our Mission through actions across six interwoven tenets:

1. To contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life.

2. To direct our growth in the areas of biomedical engineering where we display maximum strength and ability; to gather people and facilities that tend to augment these areas; to continuously build on these areas through education and knowledge assimilation; to avoid participation in areas where we cannot make unique and worthy contributions.

3. To strive without reserve for the greatest possible reliability and quality in our products; to be the unsurpassed standard of comparison and to be recognized as a company of dedication, honesty, integrity, and service.

4. To make a fair profit on current operations to meet our obligations, sustain our growth, and reach our goals.

5. To recognize the personal worth of all employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity, and means to share in the company’s success.

6. To maintain good citizenship as a company.
Our business strategy and culture

Achieving our Mission requires bold thinking, diverse perspectives, a desire to win, speed and decisiveness – and delivering results the right way.

We realigned our corporate structure and enhanced our company culture in FY21 with a focus on improving patient care and simplifying how we do business. The new structure consists of 20 operating units designed to promote greater innovation, more autonomous decision-making, and faster, more effective delivery of our therapies.

MEDTRONIC OPERATING STRUCTURE AND NET FY21 SALES

Cardiovascular portfolio
$10.8B

Diabetes operating unit
$2.4B

Surgical portfolio
$8.7B

Neuroscience portfolio
$8.2B

GLOBAL FOOTPRINT
FY21 net sales to external customers

United States†
$15.5B
52%

emerging markets‡
$4.8B
16%

non-U.S. developed markets§
$9.8B
32%

† Includes the United States and U.S. territories.
‡ Includes the countries of Africa, Eastern Europe, the Middle East, Latin America, and the countries of Asia not included in the non-U.S. developed markets, as defined below.
§ Includes Australia, Canada, Japan, Korea, New Zealand, and the countries of Western Europe.
In addition to our new organizational structure, we are evolving our business strategy to:

• Accelerate innovation-driven growth by delivering technology and services that better satisfy patient needs

• Bring our technologies to emerging markets by providing targeted support, along with broad autonomy for regional teams to respond quickly to local needs

• Create better experiences for patients, customers, and employees by listening more closely to understand challenges and using that insight to shape solutions

• Turn data, artificial intelligence, and automation into action across our products and services – including tailoring therapies in real time, facilitating remote monitoring and care delivery, and bringing robotics into more surgical suites around the world

OUR COMPANY – FY21 SNAPSHOT

94,860 employees
49,000 active patents
150+ countries in worldwide operations
72M+ patients served
$2.5B invested in R & D

Medtronic 2021 Integrated Performance Report
Our ongoing COVID-19 response

COVID-19 spurred collaboration and inspired us to reach new levels of innovation. We moved quickly and decisively, in partnership with the Medtronic Foundation, to lessen the impact of the pandemic on our employees, patients, and healthcare professionals, and global communities.

An overview of our key actions follows, with more details about our pandemic response included throughout this report.

$52.9M contributed to COVID-19 relief since the onset of the pandemic by Medtronic and the Medtronic Foundation

Employees and their families

At the outset of the pandemic, we swiftly distributed resources to support our global workforce. Our broad response prioritized safety, flexible work arrangements, work-life balance, and employees’ overall well-being. Actions in FY21 include:

- **Employee telehealth services**: were expanded in many countries and no-cost COVID-19 testing and treatment were provided through employees’ Medtronic medical plan; employees also participated in more than 5,300 virtual counseling sessions provided through the Medtronic Employee Assistance program.

- **Medtronic Employee Emergency Assistance Fund**: provided more than 600 grants to employees experiencing financial hardship, including help with childcare, medical, and day-to-day expenses.

- **Childcare stipend and call-to-action bonuses**: were provided for onsite, business-critical employees in the United States to help cover alternative childcare costs due to school and daycare closures.

- **Emergency leave pay**: was provided to employees unable to perform their jobs remotely or during quarantines, school or childcare closures, or a COVID-19 diagnosis.
Patients and healthcare professionals

To meet the staggering demand for some of our lifesaving medical devices — such as ventilators, remote patient monitoring technologies, pulse oximeters, and more — we created new ways to work safer, smarter, and faster. In addition to making the design files for our Puritan Bennett™ 560 (PB560) ventilator system publicly available, we increased ventilator manufacturing fivefold to meet time-sensitive demand. Actions in FY21 include:

Telehealth solutions to help clinicians deliver remote quality care, including Bluetooth-enabled heart devices and remotely operable ventilators

COVID-19 Recovery Resource Center for online access to solutions, programs, and best practices for communities and partners as they navigate evolving challenges

Support for “Don’t Die of Doubt,” a public health education campaign led by the American Heart Association on the risks of delaying emergency treatment for signs of a heart attack or stroke

Securing an Emergency Use Authorization from the United States FDA for several of our medical devices to help treat COVID-19 patients, including the PB560 ventilator

Global communities

Medtronic and the Medtronic Foundation continue to partner with nonprofits, government agencies, and other companies on COVID-19 relief. Support is focused on underserved communities and those disproportionately impacted by the pandemic, such as Black, Indigenous, and People of Color communities in the United States, and countries that experienced explosive surges of COVID-19, such as Brazil and India. Actions in FY21 include:

Medtronic and Medtronic Foundation partner’s assistance to underserved and disproportionately affected communities that included emergency meals, ongoing hunger relief, mental health support, health worker grants, operational support, in-kind personal protective equipment (PPE), and more

Medical equipment and supply deliveries to the nonprofit International Medical Corps for COVID-19 response in the United States and Puerto Rico, including 1.1 million surgical masks and more than 400,000 KN95 masks

Expanded access to Medtronic Assurance, with a new option to support customers with diabetes who lost health insurance due to a COVID-19-related job loss

The Medtronic Foundation continued to invest in and empower community health workers to assist with the COVID-19 pandemic response, including equitable access to vaccines

COVID-19 RELIEF PROVIDED BY MEDTRONIC FOUNDATION PARTNERS

<table>
<thead>
<tr>
<th>Health workers supported</th>
<th>Patients reached</th>
<th>Meals, disinfectants, PPE, and COVID diagnostic tests and treatments distributed</th>
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<tr>
<td>34,000</td>
<td>289,000</td>
<td>60M+</td>
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Advancing social justice and equity

From the killings of George Floyd, Breonna Taylor, and other Black Americans, to the increase of hate crimes and xenophobia involving Asian communities worldwide, we stand united to combat racism and discrimination.

Our unwavering commitment to inclusion, diversity, and equity (ID&E) means working toward zero barriers to opportunity and promoting a culture where all employees feel they belong and are respected and valued. Because achieving equity is much bigger than our workplace, we also actively address systemic inequities in our communities.

Our steadfast commitment over many years has prepared us to meet this moment with focus, determination, compassion, and swift action.

Throughout FY21, we identified new ways to energize our progress internally, while also participating more actively and visibly in our communities to address systemic inequities.

Highlights of selected investments, advocacy, and initiatives taken to accelerate our ID&E progress follow. Find additional details throughout this report.

**Accelerating progress within our workplace**

Our refreshed approach to ID&E emphasizes visible action, personal accountability to achieve results, and collaboration to amplify our impact. Examples of actions in FY21 include:

- **Making bold commitments to further diversify our workplace**, including strengthening our accountability model by linking compensation and advancement incentives to ID&E goals for all executive leadership beginning in FY22 and establishing ownership of ID&E priorities by these leaders in each business group; and standardization of our measurements for short and long-term progress, which will be overseen by our board.

- **Setting new diverse representation goals** that by FY26, 45% of global manager-and-above roles be held by women and 30% of U.S. manager-and-above roles be held by ethnically diverse talent.

- **Training on how to be an inclusive leader and give effective career-development support** in conversations with diverse employees was completed by 70% of U.S. people managers.

- **Designating July 29, 2020, as an all-company Day of Action for Racial Equity Progress**, when we engaged employees through Q&A sessions on racial equity and inclusion and more than 2,000 employees across 24 countries volunteered 3,825 hours for racial equity progress.

- **Supporting our Asian colleagues amid an increase in anti-Asian racism and violence**, including through our Power of We event, where employees shared their experiences with systemic inequities and conversed to drive meaningful change.
Addressing systemic inequities through partnerships

We put financial resources, creative energy, and our voice behind initiatives to advance equity in our communities. Our diverse supplier base drives sustainable economic change in communities with every contract and job created. We focus on increasing gender and ethnic diversity in science, technology, engineering, and mathematics (STEM) fields and providing pathways for diverse recruitment and employment. We also take an active role in reducing healthcare disparities, both in terms of access to care and outcomes. Examples of actions in FY21 include:

- A $16 million multiyear commitment, beginning in FY20, by the Medtronic Foundation to support organizations working to eliminate racial disparities in STEM education and healthcare access.

- Global expansion of our Supplier Diversity program, with an initial focus on engaging more women-owned businesses – and directing $2.4 billion to small and diverse suppliers – totaling 35% of our U.S. supplier spend.

- Being a founding member of OneTen, an initiative providing educational and workforce skill-building opportunities that will move at least one million Black Americans into livable-wage jobs over the next decade; in support of this initiative, we have committed $30 million over the next 10 years.

- Support for the Multiple Pathways Initiative, a multiyear effort to foster equity and diversity in workplace cultures by rewarding the value of skills – not just educational credentials – in recruitment, hiring, and career advancement.

- Forging stronger relationships with historically Black colleges and universities through participation by Medtronic and the Medtronic Foundation in the Thurgood Marshall College Fund Partnership to bring more diverse talent into the employment pipeline.

Although we’re proud of our progress toward achieving greater equity, we believe the pace of change must accelerate. We will stay on the forefront of breaking down barriers to equity, respect, and opportunity for all – starting in our workplace and extending globally.

No one company alone can solve long-standing systemic and racial inequities. However, we can work in partnership with others, leveraging our collective size and scale to tackle the broader challenges that face our communities.

Dr. Sally Saba
Chief Inclusion and Diversity Officer, Medtronic
Expanding opportunities for diverse suppliers

John Taylor, Senior Director of Supplier Outreach, sums up the importance of supplier diversity. “This is a business imperative because supplier diversity drives better business results.”

Our Supplier Diversity program engages with businesses at least 51% owned and operated by one or more members of an ethnic minority or other historically underrepresented group, including women, veterans, LGBTQ+, and people with a disability. In FY21, our spend with U.S. small and diverse suppliers was $2.4 billion, totaling 35% of our U.S. supplier spend.

Taylor’s team helps diverse suppliers:
- Get listed in our supplier registration platform
- Navigate our supplier standards and expectations
- Be considered for contracts

Our FY21 Supplier Diversity Economic Impact Study, covering the United States and Puerto Rico, found that the program supported more than 27,000 jobs, with a combined $1.6 billion in wages and benefits, and generated $1.4 billion in local, state, and federal taxes.

In FY21, Taylor helped launch our International Diverse Supplier program. He is growing spend with suppliers owned by historically underrepresented groups at a rate of 5% year over year.

Learn more about how we advance supplier diversity.

“\nWhen we work with diverse businesses, economic impact ripples through whole communities. It’s more than a financial contract. It’s new wealth, new jobs, and new skills that impact the root causes of systemic inequities.\n
Geoff Martha
Chairman and CEO, Medtronic\n“
Driving equitable healthcare

Maribel Baker’s passion for bridging socioeconomic disparities in healthcare access comes naturally. Her parents were tireless advocates after doctors recommended amputating her leg to treat a life-threatening infection during her childhood in Panama. Baker’s parents convinced the medical board in Panama to issue a grant allowing Baker to have surgery in the United States. “I have both legs today because of their persistence,” she says.

Today, as Director of Healthcare Equity and Community Programs for Medtronic Diabetes, Baker is well aware of Medtronic studies showing that African-American, Latino, and Asian patients are up to three times less likely to use diabetes technologies than non-minority patients. Using her parents’ brand of persistence, she coordinates efforts to raise awareness of diabetes technologies among communities of color and their healthcare providers.

• In FY21, the Diabetes Health Equity Task Force, led by Baker and the T1D Exchange Research Collaborative, launched a 10-month quality improvement pilot at several U.S. diabetes sites.

• Internally, Baker’s team focuses on more inclusive product development and clinical study processes.

Learn more about efforts to reduce healthcare disparities.

Addressing the climate crisis

Having seen technology transform healthcare, Daniel Sterner knows it can help Medtronic operate more sustainably.

“We are experiencing a convergence of technologies that make it possible for companies like ours to have an even greater positive impact within corporate environmental stewardship,” says Sterner, Director of Global Energy, Water and Utility Infrastructure. “As a healthcare technology company with manufacturing operations in many countries, we must be part of the solution.”

Sterner oversees our energy consumption, carbon emissions, and water usage and guides strategy to make operations carbon neutral by FY30. His approach, using incremental changes supported by smarter tools, led to two significant installations in FY21:

• A new 4-megawatt solid-oxide fuel cell farm in the United States that will generate 33 million kWh of electricity and save more than $2.5 million annually, when compared with purchasing from the local utility

• A new cogeneration system in Italy that is roughly twice as efficient at converting natural gas into usable forms of energy, when compared with the local utility

Together, we project these initiatives will cut approximately 9,000 metric tons of CO2e annually and reduce water use and nitric oxide and sulfur dioxide emissions.

Learn about other efforts in Reducing our operational footprint.

"We are experiencing a convergence of technologies that make it possible for companies like ours to have an even greater positive impact within corporate environmental stewardship.

Daniel Sterner
Director of Global Energy,
Medtronic"
ESG strategy

Our environmental, social, and governance (ESG) strategy drives our social impact and sustainability efforts. We apply a disciplined approach with: a concentrated focus on material issues; proactive change management and risk assessments; and ongoing dialogue with stakeholders.

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Material issues and targets

Our material issues
We regularly monitor and assess our top ESG matters and prioritize our response to issues that:

- Have the potential to significantly affect our business growth, finances, or reputation
- Are important to our stakeholders
- Are aligned with our Mission

In FY20, we updated our list of material issues after communicating with a broad range of internal and external stakeholders. This included conversations with key Medtronic leaders, investors, policymakers, governments, customers, industry association representatives, and nongovernmental organizations.

The table right shows how our material issues align with the tenets of our Mission.

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### MATERIAL SUSTAINABILITY ISSUES AND OUR MISSION

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<tr>
<th>Mission</th>
<th>Material issue</th>
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| **Tenet 1**: Contribute to human welfare by alleviating pain, restoring health, and extending life | • Innovation and access  
• Integrated care |
| **Tenet 2**: Direct growth in areas of biomedical engineering through education and knowledge assimilation | • Patient safety and product quality  
• Technology and device security  
• Data privacy and security  
• Ethics in sales and marketing  
• Corruption and bribery  
• Transparency |
| **Tenet 3**: Strive without reserve for the greatest possible reliability and quality in our products and recognition as a company of dedication, honesty, integrity, and service | • Affordability and fair pricing  
• Climate risk and resilience  
• Responsible supply management  
• Product stewardship |
| **Tenet 4**: Make a fair profit by meeting our obligations, sustaining our growth, and reaching our goals | • Inclusion, diversity, and equity  
• Talent |
| **Tenet 5**: Recognize the personal worth of all employees by advancing opportunity |  
| **Tenet 6**: Maintain good citizenship as a company | As a good corporate citizen, we use all of our resources, including philanthropy and community investment, to address our material ESG issues. |

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2 Throughout this report, we use the Global Reporting Initiative (GRI) Standards’ definition of materiality which is different from the definition used for filings with the Securities and Exchange Commission (SEC). Topics identified as material for purposes of this report may not be considered material for SEC reporting purposes.
New ESG targets

As part of our materiality assessment, we identified three focus areas where we have a particular opportunity to drive positive change: innovation and access, patient safety and product quality, and inclusion, diversity, and equity. In early FY22, we set new performance targets across each area. A senior executive champion for each focus area is responsible for setting appropriate company-wide performance objectives, monitoring our progress, and collaborating internally to advance these targets.

Innovation and access

We are increasing the availability of treatment by expanding access through capacity building, infrastructure improvement, regulatory approval, and remote diagnosis or treatment. Read more in the Global healthcare access, Philanthropy, and Our economic impact sections of this report.

- To benefit more patients around the world through innovative products and therapies, we aim to increase our vitality index, with a goal that by FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months.
- We commit to use access strategies to serve 85 million patients annually by FY25.
- We are also evaluating future access targets on healthcare professionals trained and patients served in emerging markets.

Patient safety and product quality

We address product quality as it relates to patient safety through our design, reliability, and manufacturability approach. Read more in the Patient safety and product quality section of this report.

- Medtronic will enhance product quality and patient experience by achieving a 10% reduction in aggregate product complaint rate for identified product families3 by FY25, compared to FY20.

Inclusion, diversity, and equity

We are advancing the fair treatment and adequate representation of ethnicities and genders through equitable professional opportunities and pay and proactive inclusion of groups facing barriers. Read more in the Inclusion, diversity, and equity and Supplier diversity sections of this report.

- We aim to have 45% of global manager-and-above positions held by women by FY26.
- We aim to have 30% of U.S. manager-and-above positions held by ethnically diverse talent by FY26.

3 The goal covers the following products: Transcatheter aortic valves and delivery systems, HeartWare Ventricular Assist Device (HVAD) System, ClosureFast™ catheter, spinal cord and pelvic health stimulation systems, Signia™ handles, and Puritan Bennett™ 980 ventilators. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified, we may expand the scope of this commitment in future years.
Sustainability governance

The Nominating and Corporate Governance Committee of our board of directors oversaw our ESG practices and included ESG agenda topics in each of its quarterly meetings during FY21. Other board committees also engaged in ESG-related discussions as appropriate.

We embed sustainability throughout our operations, guided by our Sustainability Steering Committee (SSC). Our SSC is led by our CFO and comprises executive committee members from across the company who oversee our ESG issues. They are joined by vice presidents who lead ESG focus areas or whose work is informed by ESG.

In FY21, we established an SSC subcommittee to govern ESG disclosures and strengthen data controls. This move reflects an increased focus, both within our company and among key stakeholders, on using ESG data to guide strategic business decisions.

We also partner with external organizations working to further standardize and improve ESG data gathering and reporting practices across various industries. In FY21, we participated in an Enterprise Data Management Council working group charged with identifying persistent challenges that companies face in gathering and analyzing ESG-related data and recommending best practices. In addition, we participate in a World Economic Forum effort to drive broader adoption of 21 core ESG performance metrics.

Managing risks, creating opportunities

We continually monitor emerging sustainability issues to help leadership anticipate risks and create value from opportunities. The table right and the table on the following page highlight several current ESG risk and opportunity areas, along with our response.

We include more detail about our most significant business risks in our 2021 Form 10-K and quarterly 10-Q filings with the U.S. Securities and Exchange Commission.

### MANAGING RISK THROUGH ESG

<table>
<thead>
<tr>
<th>Risk</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient safety and product quality issues</td>
<td>We embed design, reliability, and manufacturability (DRM) best practices in our product design and development processes. We use standardized systems to ensure a consistent approach to quality in manufacturing processes and at our facilities. We track product use and collect patient outcome data to measure and improve safety and to inform future design. When alerted to regulatory or field safety issues with one of our products, we promptly assess the situation and implement corrective measures as appropriate, working to understand and resolve underlying issues and root causes.</td>
</tr>
<tr>
<td>Climate risk and resilience</td>
<td>We manage transitional risks by monitoring climate change regulation and treaties, as well as regulations on carbon emissions (including carbon taxes), and continue to install renewable and alternative energy sources as they become more cost-effective and readily available. In preparation for the global transition to a zero carbon economy, we announced a goal to be carbon neutral in our operations by FY30. We manage physical location risks through business continuity management, including hurricane readiness planning, infrastructure improvement, and risk-exposure analyses that encompass hurricanes, earthquakes, and water stress impacts.</td>
</tr>
<tr>
<td>Business impact of unforeseen ethical, social, and environmental regulations</td>
<td>Our Government Affairs; Human Resources; Communications; Environmental, Health and Safety; and Procurement groups monitor relevant regulations in global markets. Our Legal and Compliance teams oversee regulatory compliance. We engage industry organizations and regulators to share our perspectives and prepare for potential and pending regulations.</td>
</tr>
<tr>
<td>Failure to meet stakeholder or regulatory expectations of our ESG performance</td>
<td>We strive to meet or surpass expectations and requirements on our ESG and sustainability performance. We actively solicit input from stakeholders concerning our performance, spanning product stewardship, human rights, ethical conduct, environmental responsibility, climate change, healthcare access, diversity, inclusion, equity, and more. For example, we maintain a strong Global Cybersecurity program, aligned with national and international standards, designed to safeguard personal data, intellectual property, and other sensitive information. And in times of crisis, such as the COVID-19 pandemic, we acted swiftly to help relieve impacts on our employees, partners, communities, and other stakeholders. We regularly train employees on our Code of Conduct and have clear processes for reporting and acting on ethical concerns. We also set consistent expectations on key issues for employees and suppliers, such as through our Global Human Rights and Responsible Supply Management programs.</td>
</tr>
</tbody>
</table>
## ESG AS A VALUE DRIVER

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading the industry in meaningful, innovation and value-based healthcare,</td>
<td>We stay alert to emerging technological innovations and invest in R &amp; D to bring effective, value-driven products and services to market.</td>
</tr>
<tr>
<td>partnerships, and business efficiency</td>
<td>We work across healthcare pathways to develop efficient, effective systems and business models that improve lives.</td>
</tr>
<tr>
<td></td>
<td>We continue to increase our operational efficiency, sharing our learning with partners and suppliers.</td>
</tr>
<tr>
<td>Increasing accessibility and availability of our products and services</td>
<td>We form bold, impactful partnerships with local, national, and international organizations to challenge our thinking and accelerate global access to lifesaving therapies.</td>
</tr>
<tr>
<td></td>
<td>We invest in programs to improve healthcare infrastructure and educate patients and healthcare professionals.</td>
</tr>
<tr>
<td>Deepening support and expanding growth opportunities for our employees</td>
<td>We make robust and broad-ranging professional development programs available to all employees, and we champion inclusion, diversity, and equity throughout our organization and in our communities.</td>
</tr>
<tr>
<td></td>
<td>We recognize and reward employees’ talents and dedication through competitive pay and comprehensive benefits. These efforts help us attract and retain diverse top talent so we can continue to offer innovative healthcare solutions.</td>
</tr>
<tr>
<td>Capturing cost savings and building organizational resilience through</td>
<td>We work to increase the proportion of our operational energy supply from renewable sources and onsite generation. Doing so delivers cost savings, reduces our carbon footprint, and makes our business more resilient to external shifts in energy pricing and supply.</td>
</tr>
<tr>
<td>environmentally responsible operations</td>
<td>We implement new programs and improved practices targeting water conservation and reducing the amount of waste generated by our manufacturing and commercial locations.</td>
</tr>
<tr>
<td>Open engagement with community organizations, nonprofits, patients, and</td>
<td>We work to open the dialogue across our value chain to listen, learn, and adapt our response to what is right for the community and address issues of inequity worldwide.</td>
</tr>
<tr>
<td>health systems</td>
<td></td>
</tr>
</tbody>
</table>
Stakeholder engagement

By working with and learning from our stakeholders and peers, we meet challenges more effectively, amplify our positive impact, better understand what is expected, and are more accountable.

The myriad of sustainability challenges tied to COVID-19 influenced stakeholder engagement. For example, as global demand for ventilators soared in FY21, we enlisted help from SpaceX to temporarily produce a highly complex valve integral to one of our most advanced ventilator models. We also collaborated with several other companies to accelerate ventilator production and supplied open-source access to design specifications for our compact ventilator.

We engaged with key stakeholders through a range of mechanisms and for a variety of purposes, including to:
- Share information, hold ourselves accountable, and seek feedback on our approach and performance
- Communicate our expectations and standards to employees, suppliers, and partners
- Share expertise and knowledge through training, capacity building, and more
- Provide support through Medtronic Foundation programs, volunteerism, giving, disaster relief, and other channels
- Work with others to develop new products and broaden healthcare access

The table right and the table on the following page share examples of stakeholder engagement and resulting outcomes. Further examples are provided throughout this report.

### KEY FY21 STAKEHOLDER ENGAGEMENT

<table>
<thead>
<tr>
<th>Stakeholder and administrators</th>
<th>Activities</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare professionals</td>
<td>Invested $69.9 million in healthcare professional capacity building and training</td>
<td>Trained more than 974,000 medical professionals</td>
</tr>
<tr>
<td>Patients and patient advocacy groups</td>
<td>Supported patients, through Medtronic Care Management Services (MCMS), with solutions developed to monitor COVID-19 symptoms at home</td>
<td>Served more than 96,000 unique patients and processed more than 1 million COVID-19 monitoring transmissions through MCMS</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Held quarterly calls about business health, including updates to our innovation pipeline and ongoing response to COVID-19</td>
<td>Incorporated feedback into our decision-making processes</td>
</tr>
<tr>
<td>Suppliers and distributors</td>
<td>Communicated our standards, analyzed risk, and – when necessary – discussed areas for improvement in our supply chain</td>
<td>Saw a 34% decrease in the number of suppliers reporting “red flag” smelters or refineries, which are at higher risk for conflict mineral concerns</td>
</tr>
<tr>
<td>Employees</td>
<td>Expanded volunteer opportunities for employees, with a focus on virtual programs and projects</td>
<td>Employees logged a total of 174,000 volunteer hours</td>
</tr>
<tr>
<td></td>
<td>Invested $44.8 million in employee learning and development.</td>
<td>Employees had access to over 25,000 learning opportunities</td>
</tr>
<tr>
<td></td>
<td>Engaged employees through our Organizational Health Pulse Survey</td>
<td>Eighty-five percent of survey respondents reported feeling they belong at Medtronic</td>
</tr>
<tr>
<td>Government regulators and policymakers</td>
<td>Worked with healthcare regulators in the United States and other countries to speed development and delivery of medical equipment for COVID-19 treatment</td>
<td>Obtained Emergency Use Authorization approvals from the U.S. Food and Drug Administration for our Puritan Bennett™ 560 ventilator</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Activities</td>
<td>Outcomes</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Nongovernmental organizations</td>
<td>Partnered with the Medtronic Foundation in responding to COVID-19 in health systems and underserved populations, strengthened health worker capacity in low resource settings, and improved care delivery for diabetes, heart disease and stroke</td>
<td>Medtronic Foundation partners served 34,000 health workers and 289,000 patients by distributing more than 60 million meals, disinfectants, PPE, and COVID-19 diagnostic tests and treatments Medtronic and the Medtronic Foundation made $103 million in philanthropic contributions</td>
</tr>
<tr>
<td>Local communities</td>
<td>Continued to cocreate healthcare delivery with local stakeholders and communities through Medtronic LABS, Dr. equity within our communities through Medtronic and the Medtronic Foundation partnerships and initiatives led by our employee resource groups (ERGs) Enabled employee volunteerism through the Medtronic Foundation</td>
<td>Since FY14, Medtronic LABS has trained 2,400 healthcare workers, screened 960,000 patients, and helped 38,000 patients achieve better clinical outcomes Medtronic made a $30 million, 10-year commitment to support OneTen, with the aim of moving at least one million Black Americans into livable-wage jobs over the next decade More than 26,000 employees across 70+ countries supported equity within and beyond our walls through participation in our ERGs Mobilized more than 12,000 employees to give back within their communities</td>
</tr>
<tr>
<td>Peers and partners</td>
<td>Partnered with peers, academics, and others to increase access to vital treatments</td>
<td>Together with The Foundry - an incubator for MedTech startups - we created a new company focused on developing a unique, minimally invasive repair technology for mitral heart valves Piloted the delivery of PillCam™ SB capsules to U.S. patients for at-home administration during the COVID-19 pandemic in collaboration with Amazon Reduced stroke diagnosis time from one hour to two minutes by facilitating a partnership with Apollo Hospitals Group in India to integrate AI into stroke management</td>
</tr>
</tbody>
</table>
Contribution to the UN Sustainable Development Goals

Our Mission-driven approach keeps us well-positioned to fulfill stakeholder expectations. We align companywide ESG efforts to specific UN Sustainable Development Goals (SDGs) where we can make the greatest impact.

Highlights of our FY21 ESG initiatives tied to the SDGs follow and are shared throughout this report.

### KEY FY21 CONTRIBUTIONS TO THE SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>What we do</th>
<th>Our FY21 impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>We create breakthrough medical outcomes for patients and health systems and improve access to vital treatments and therapies – transforming standards of quality care, driving economic value, and dismantling structural and social barriers to health equity.</td>
<td>• Served over 72 million patients, helping to address some of the world’s most complex noncommunicable diseases &lt;br&gt;• Spent $69 million+ on education for medical professionals, training more than 974,000 medical professionals on topics such as cardiovascular disease, cancer, diabetes, respiratory disease, and more &lt;br&gt;• Screened more than 960,000 patients since FY14 through Medtronic LABS, working to diagnose and treat chronic conditions such as hypertension, diabetes, and ear disease &lt;br&gt;• Piloted a public-private partnership to develop cardiac and general surgery capacity and skills in sub-Saharan African countries &lt;br&gt;• Sponsored the Technology Access Project with $1 million pledged over FY21-FY23 to increase inclusive access to, and availability of, diabetes technology &lt;br&gt;• Advocated for universal healthcare coverage through our CEO’s participation in the B20 Health &amp; Life Sciences Task Force &lt;br&gt;• Supported 65+ nonprofits through the Medtronic Foundation to deliver health services to the underserved.</td>
</tr>
<tr>
<td>5</td>
<td>We innovate to improve the health of all women through our therapy design and research. In addition, we support female talent through our hiring practices and in our broader inclusion, diversity, and equity efforts.</td>
<td>• Met our calendar year 2020 organizational representation goals to have at least 40% of global manager-and-above positions held by women &lt;br&gt;• Achieved 100% gender pay equity in many countries, including the United States, and 99% gender equity for employees globally &lt;br&gt;• Had 25% female representation on our board of directors &lt;br&gt;• Spent $265 million with women-owned businesses &lt;br&gt;• Launched our International Diverse Supplier program and have started engaging women-owned businesses globally.</td>
</tr>
</tbody>
</table>
## KEY FY21 CONTRIBUTIONS TO THE SDGs (continued)

<table>
<thead>
<tr>
<th>SDG</th>
<th>What we do</th>
<th>Our FY21 Impact</th>
</tr>
</thead>
</table>
| 8   | We strive to eliminate economic inequities by contributing to sustainable economic growth. We employ and develop talent from underrepresented communities, protect human rights in our supply chain, support diverse suppliers, and extend our economic impact through volunteerism. | • Spent $2.4 billion with small and diverse suppliers in the United States and Puerto Rico, supporting 27,000 jobs and generating $4.3 billion in economic activity  
• Employed 90,000+ people in more than 150 countries, adding more than $5.9 billion in salary and wages to local economies  
• Had 24% of our U.S. manager-and-above positions held by ethnically diverse talent  
• Continued to bring greater attention and a more powerful voice to our employees from underserved populations through our Diversity Networks  
• Encouraged employee volunteerism of 174,000 hours (including skills-based volunteering) in 61 countries  
• Provided Responsible Supply Management training to more than 1,000 employees on topics that included labor, human rights, human trafficking, and slavery  
• Audited select high-risk suppliers against our labor standards, including wages and health and safety  
• Committed $30 million over the next 10 years to OneTen, an initiative to move at least one million Black Americans into livable-wage jobs |
| 9   | We partner with community experts to build cutting-edge healthcare technologies and promote inclusive and sustainable local innovation. The infrastructure we invest in aims to create a resilient, sustainable health system and foster the next generation of talent in emerging markets. | • Invested $2.5 billion in R & D  
• Launched the Engineering and Innovation Center in India, our largest R & D center outside of the United States  
• Developed our Hugo™ robotic-assisted surgery system, which we plan to roll out in FY22, with the goal of expanding access to surgical care globally  
• Received a Product Development and Management Association Outstanding Corporate Innovator Award — recognizing sustained and quantifiable business results from new products and services  
• Improved the infrastructure for minimally invasive surgeries in Rwanda through a training, advocacy, and technology partnership with their government and health system  
• Advanced our product pipeline, with over 230 regulatory approvals in the United States, Europe, Japan, and China |
| 12  | We strive to maximize patient safety and reduce the environmental impact of our operations as well as our product design and manufacture. | • Worked toward carbon neutrality in our operations by FY30  
• Reduced carbon emissions 11%, compared to FY20  
• Sourced 25% of our energy from renewable and alternative sources  
• Collected more than 4 million products and diverted 217 metric tons of product waste from landfill |
| 17  | To drive greater collective change inside and outside the health system, we partner with businesses, the United Nations, health systems, and local governments. | • Helped create the Global Respiratory Infection Partnership, a collaboration between the World Health Organization and the healthcare technology sector in response to COVID-19  
• Started using the UN Economic Commission for Europe self-assessment tool for “people first” public-private partnerships to help us evaluate our partnerships against key issues, such as access and equity, fiscal and environmental sustainability, replicability, and stakeholder engagement  
• Engaged in partnerships with nonprofits and governments via Medtronic Foundation to ensure underserved access to health and social services |
Environmental sustainability

We are dedicated to reducing our environmental impact because we recognize the connection between a healthy planet and human health. Our efforts include finding innovative ways to reduce our operational carbon footprint, cut water usage and waste, and build sustainability into product design.

FY21 environmental sustainability highlights 28
Climate risk and resilience 29
Reducing our operational footprint 30
Product stewardship 34
FY21 environmental sustainability highlights

Goal

to be carbon neutral in our operations by FY30

11%

reduction in greenhouse gas emissions intensity, compared to FY20

25%

of our energy from renewable and alternative sources

4M+

products collected through takeback initiatives, diverting 217 metric tons from landfill

Scope 3

carbon emissions reduction program launched for global distribution and logistics
Climate risk and resilience

By understanding how the climate crisis can affect our business, we can mitigate our risk, reduce business disruption, safeguard our financial capital, and improve our resilience.

The climate crisis is one of the world’s biggest challenges, with significant implications for individuals, communities, organizations, and the natural environment. We are working to significantly reduce our greenhouse gas emissions and understand and improve our climate resilience across our business footprint.

Assessing climate risks

We must understand the risks of climate change to our infrastructure, the implications of transitioning to a low-carbon economy, and potential impacts on our ability to deliver our products and services to patients. We report our climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). More detail is available in our FY21 TCFD, 2021 CDP disclosure, and Climate Change Statement.
Reducing our operational footprint

Environmental performance goals
We are pursuing FY25 environmental performance goals to reduce our environmental footprint. Our goals are focused on greenhouse gas (GHG) emissions, energy, water, and waste — measured against an FY20 baseline.

Most of our energy and water use and waste generation arise from our manufacturing facilities. Office closures during the pandemic increased the portion of the relative impact from our manufacturing facilities compared with previous years. Our significant reduction in waste intensity in FY21 is largely due to commercial office closures during COVID-19.

PROGRESS TOWARD OUR FY25 ENVIRONMENTAL PERFORMANCE GOALS

<table>
<thead>
<tr>
<th>FY21 progress</th>
<th>FY25 goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>50%</td>
</tr>
<tr>
<td>4%</td>
<td>20%</td>
</tr>
<tr>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>8%</td>
<td>15%</td>
</tr>
</tbody>
</table>

* FY20 baselines are: GHG emissions intensity 9.70 metric tons CO2e/$ million revenue; Energy use intensity 29.43 MWh/$ million revenue; Energy sourced from renewable and alternative sources 121 MWh/14% (excluding REC’s/offsets); Total waste intensity 1,170 metric tons/$ billion revenue; Water use intensity 65 cubic meters/$ million revenue.

Adding business value

We are committed to implementing policies and responsible practices to minimize operational impacts on the environment and play our part in safeguarding the planet. Guided by our Environmental Health and Safety (EHS) Policy, we focus on using resources responsibly and reducing the energy, emissions, water, and waste footprints of our operations.

Reducing our environmental footprint and using resources responsibly helps preserve precious natural capital, reduces our operating costs, and maintains positive relationships with our stakeholders.

We are pursuing FY25 environmental performance goals to reduce our operational footprint. Our goals are focused on greenhouse gas (GHG) emissions, energy, water, and waste — measured against an FY20 baseline.

Most of our energy and water use and waste generation arise from our manufacturing facilities. Office closures during the pandemic increased the portion of the relative impact from our manufacturing facilities compared with previous years. Our significant reduction in waste intensity in FY21 is largely due to commercial office closures during COVID-19.

Environmental performance goals

- Reduction in GHG emissions intensity
- Reduction in energy intensity
- Energy sourced from renewable and alternative sources
- Reduction in waste intensity
- Reduction in water usage intensity

* FY20 baselines are: GHG emissions intensity 9.70 metric tons CO2e/$ million revenue; Energy use intensity 29.43 MWh/$ million revenue; Energy sourced from renewable and alternative sources 121 MWh/14% (excluding REC’s/offsets); Total waste intensity 1,170 metric tons/$ billion revenue; Water use intensity 65 cubic meters/$ million revenue.

Adding business value

We are committed to implementing policies and responsible practices to minimize operational impacts on the environment and play our part in safeguarding the planet. Guided by our Environmental Health and Safety (EHS) Policy, we focus on using resources responsibly and reducing the energy, emissions, water, and waste footprints of our operations.
Managing GHG emissions and energy use

Our climate strategy

Our ambition is to become carbon neutral in our operations by FY30. Our approach includes:

- Continuing to reduce energy use by increasing efficiency
- Increasing our use of clean energy through onsite renewable and alternative generation
- Expanding our share of cleaner electricity through utility partnerships
- Investing in more renewable energy credits (RECs) and carbon offsets (the graph right illustrates how we plan to combine these actions to achieve carbon neutrality).
- Shifting to virtual green power purchase agreements (VPPAs) in the long term to maintain neutrality

Read how our employees are helping us go carbon neutral in the Introduction to this report.

GHG emissions

Our combined Scope 1 and 2 GHG emissions for FY21 were approximately 271,000 MT CO\(_2\)e — a 3.4% absolute decrease from last year and an 11% decrease in intensity over the same time period. We are currently seeking external assurance for our emissions data.

Energy efficiency

Our FY21 total energy use of approximately 853,000 megawatt hours (MWh) was virtually unchanged from last year. Our energy use did not drop significantly amid COVID-19-related office closures because our manufacturing facilities remained open.

Harnessing the natural energy of Lake Geneva

We are partnering with Energie 360° to develop a 100% renewable energy supply for our Tolochenaz campus in the Morges municipality of Switzerland.

The EnerLac sustainable energy network uses heat pumps and heat exchangers to harness the natural thermal energy of water from Lake Geneva. In addition to providing heating and cooling to our buildings, 1,000 nearby households could potentially benefit from this innovative system.

Once the network is complete, we will immediately save nearly 480 metric tons of carbon dioxide equivalent (MT CO\(_2\)e) per year, with the potential for savings to reach 1,620 MT CO\(_2\)e annually once full capacity is reached.
To keep our manufacturing employees safe during the pandemic, we increased the use of air ventilation systems, leading to more energy consumption at those locations. We continue to invest in energy efficiency measures across our operations. Our Global Energy and Corporate EHS teams review and approve projects that align with our environmental performance goals.

In FY21, we completed 82 projects that will save more than 18,000 MWh per year and reduce our operating costs by $2.2 million. The projects tackled the energy consumption of lighting; heating, ventilation, and cooling; and chilled water, as well as a range of other energy saving initiatives. The savings generated by these projects equal 2% of our total energy use in FY21.

Renewables and onsite generation

A key part of our journey to become carbon neutral is sourcing renewable or alternative energy and increasing onsite generation capabilities.

At the end of FY21, 15% of our electricity was generated onsite, compared to 12% in FY20. New installations included solar panels, cogeneration plants, and an aquathermy plant. We have 11 projects currently underway and expect to bring an additional 22,179 MWh of capacity online in FY22.

In FY21, we used 127MWh of renewable electricity. This represents 15% of our total energy use for the year and was a significant driver of progress toward our FY25 environmental performance target on energy sourced from renewable and alternative sources.

Our electricity supplier in Ireland, Electric Ireland, is now providing 100% renewable electricity to our three Ireland sites, increasing our annual renewables footprint by 5,700 MWh. In Italy, all Medtronic sites are supplied with 100% renewable electricity through accredited Guarantees of Origin certificates.

### ENERGY CONSERVATION

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy conservation projects</td>
<td>133</td>
<td>79</td>
<td>82</td>
</tr>
<tr>
<td>Energy conservation savings</td>
<td>41,000</td>
<td>20,920</td>
<td>18,450</td>
</tr>
<tr>
<td>GHG emissions avoided (MT)</td>
<td>15,824</td>
<td>14,791</td>
<td>12,657</td>
</tr>
<tr>
<td>Savings from energy rebates ($ million)</td>
<td>0.8</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Operating cost savings ($ million)</td>
<td>4.3</td>
<td>2.8</td>
<td>2.2</td>
</tr>
</tbody>
</table>

### ONSITE ENERGY GENERATION

<table>
<thead>
<tr>
<th>Location</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northbridge CT</td>
<td>1,840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mystic CT</td>
<td></td>
<td></td>
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<tr>
<td>Twin Cities MN</td>
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<tr>
<td>Santa Rosa CA</td>
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<tr>
<td>Juncos Puerto Rico</td>
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<tr>
<td>Athlone</td>
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<tr>
<td>Galway Ireland</td>
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<tr>
<td>Tollochenaz Switzerland</td>
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<tr>
<td>Mirandola-Bellco ITALY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Haven CT</td>
<td>75,535</td>
<td>76,250</td>
<td>79,066†</td>
</tr>
<tr>
<td>Tijuana MEXICO</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† FY21 figure does not include the new aquathermy plant in Switzerland because this is scheduled to come online toward the end of calendar year 2021.
We also invested in carbon offsets in FY21 totaling more than 12,500 MT CO₂e from a wind power project in China and delivery of renewable energy credits of more than 53,000 MWh from a hydroelectric project in Austria.

**Reducing emissions in our logistics supply chain**

We are tackling transportation carbon emissions through our new Scope 3 emissions reduction program for global distribution and logistics. Our first step is to establish a baseline, and then work with suppliers to set reduction goals.

While this work is underway, we will continue to reduce logistics emissions through ongoing initiatives, including participation in the U.S. Environmental Protection Agency SmartWay program. Additionally, our General Surgery and Market Access Operating Network worked with a leading logistics provider to offset freight emissions. As a result, our Medical Surgical portfolio offset 50% of its calendar year 2020 global freight emissions with that carrier, equivalent to 24,448 MT CO₂e.

Read [Supply chain responsibility](#) to learn about how we assess the environmental impacts of our suppliers.

**Reducing water use and waste**

We are increasing efforts to reduce our water and waste footprints, with a focus on efficiency, minimization, and infrastructure projects across our operations.

**Reducing water use**

In FY21, we used approximately 1.8 million cubic meters (m³) of water, a nearly 16% reduction from FY20. The COVID-19 pandemic impacted this year’s figures because more employees worked from home.

Although our operations are not generally water intensive, we recognize the global issue of water scarcity and the potential for water availability to become a critical issue in some regions. This year, we refreshed our water risk assessment and updated objectives for our 15 sites that use the most water. We also require all sites in water-stressed regions to establish water targets.

In FY21, we began collecting data on well water usage from relevant sites so we can better monitor water consumption at our sites and at select supplier sites. We are working to ensure accurate, up-to-date water and energy metering at all sites so we can alert managers of abnormal use, catch leaks earlier, and improve efficiency. We also began reusing nonproduction water at several sites, saving more than 27,000m³ per year. In FY22, we will expand this initiative and expect to save more than 63,000m³ annually.

More detail is available in our [2021 CDP water disclosure](#).

**Reducing waste**

In FY21, we produced approximately 30,000 MT of total waste, a 10% decrease from last year.

Our approach to nonhazardous waste reduction is focused on prevention and minimization. The shift to working from home during the COVID-19 pandemic was responsible for much of our waste decrease in FY21. We are assessing what the longer-term impacts might be so we can adapt our workplace waste and recycling services accordingly.

We proactively manage hazardous waste to prevent negative environmental impacts and reduce liability risks. To ensure vendors meet or exceed our standards, we monitor their waste management processes prior to contracting and throughout our relationship.

Although our operations are not generally waste intensive, we recognize the global issue of waste availability and the potential for waste availability to become a critical issue in some regions. This year, we refreshed our waste risk assessment and updated objectives for our 15 sites that use the most waste.

In FY21, we were responsible for much of our waste decrease in FY21. Working from home during the COVID-19 pandemic was responsible for much of our waste decrease in FY21. We are assessing what the longer-term impacts might be so we can adapt our workplace waste and recycling services accordingly.

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Environmental management and oversight

We take a consistent global approach to goal setting, measurement, and integration of sustainability into decision-making, guided by our environmental performance management system. Our corporate EHS team oversees all activities in this area, collaborating internally to make programs and policies consistent across our worldwide operations.

We use management systems based on the ISO 14001 and OHSAS 18001 standards to track and improve performance at manufacturing sites. Currently, 12 sites have ISO 14001-certified management systems and three have ISO 18000/45000-certified systems. We always aim to comply with environmental laws and regulations and investigate any noncompliance issues identified in FY21 and addressed process changes where possible to avoid future issues.

We manage 24 cleanup sites where remediation is required due to historical discharges that were permissible during past operations. None of these sites are included in our ongoing operations and many result from historic acquisitions. Nine of the U.S. sites are multiple-party sites, meaning Medtronic entities are one of multiple potentially responsible parties addressing site remediation under the applicable state or federal program.

<table>
<thead>
<tr>
<th>Water use (Cubic meters (thousands))</th>
<th>Total waste (Metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19: 2,109</td>
<td>FY19: 33,824</td>
</tr>
<tr>
<td>FY20: 2,092</td>
<td>FY20: 30,330</td>
</tr>
<tr>
<td>FY21: 1,763</td>
<td>FY21:</td>
</tr>
</tbody>
</table>

Notes: Nonregulated waste accounts for nearly 90% of total waste, so in FY20, Medtronic moved to a total waste reduction goal by FY25. As a result, we do not have comparable data for FY19.
Product stewardship

Our increasing focus on product stewardship helps us preserve financial, social, and natural resources. We prioritize patient safety while reducing the environmental impacts of our products and packaging. This approach helps us address current and emerging regulations and maintain customer satisfaction.

We are experiencing shifting demand toward more sustainable products and packaging as stakeholders examine the global environmental impacts of a product's full life cycle. Because medical devices are complex and have specific limitations around material use and disposal, we seek opportunities to reduce environmental impacts at every stage of the product life cycle, while also maintaining our high standards for product quality and safety.

EXTERNAL PRODUCT STANDARDS

We align our product stewardship activities with the following standards and regulations:

- California Proposition 65
  See Medtronic disclosures at www.medtronic.com/caprop65
- E.U. Directive on Restriction of Hazardous Substances (RoHS)
- E.U. Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH)
- E.U. Medical Device Regulation
- Waste Framework Directive requirements for substances of concern, via the SCIP database
Product footprint and the circular economy

To reduce the environmental footprint of our products and packaging wherever possible, we will establish a product stewardship center of expertise in FY22 that will focus on packaging renovations in high-volume products to reduce waste and the elimination of targeted materials of concern in all new product and packaging development. As part of this effort, in early FY22, we set two new product stewardship targets:

- By FY25, Medtronic will complete packaging improvements to reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing) compared to a FY21 baseline.
- By FY27, Medtronic will minimize the impact of Instructions for Use (IFUs) through a 35% paper reduction, compared to a FY21 baseline.

We also look for opportunities to give products a second life by collecting them for recycling, refurbishing, and reprocessing. For example, we collect:

- Nellcor™ pulse oximetry devices to recycle or remanufacture
- MyCareLink™ heart monitors to refurbish and redeploy
- Surgical technologies for energy generation from waste

In FY21, we collected more than 4 million products and diverted 217 metric tons of product waste from landfill. We follow international guidelines and regulations for the disposal and recycling of electronic waste. Read more about our approach to waste disposal.

Our Sustainable Packaging Working group continues to integrate environmental considerations into our packaging development process. For example, in FY21, we shrank the sterile packaging volume for our spinal cord stimulation needles, reducing GHG emissions related to this product.

We extend our impact by working with suppliers that focus on sustainable packaging. We also work with partners and experts to find innovative solutions. For example:

- We are on the board of CBP, a university-led collaboration developing products from agricultural and forestry feedstock, and we help fund its research into bioplastics and compostable materials.
- We partner with other companies, such as Amazon and 3M, to research sustainable packaging, and we work with new suppliers to bring innovative ideas to market.
- As active members of the Healthcare Plastics Recycling Council (HPRC), we participate in packaging-related projects, including the development of packaging design guidance and research on advanced recycling technologies.

Materials of concern

We work to minimize the use of materials of concern, as defined under a variety of global regulatory requirements. Materials of concern include substances with the potential – if not managed correctly – to negatively impact people or the environment.

Our internal Materials of Concern policy guides our approach, which includes requiring our suppliers to responsibly manage and disclose any such materials used in our manufacturing processes, final products, or packaging.

We evaluate alternative material components where possible to mitigate environmental impacts. We continue to work to reduce the amount of ethylene oxide (EO) used in sterilization processes and participate in the U.S. Food and Drug Administration’s (FDA) Innovation Challenge to reduce and mitigate any impacts from the use of ethylene oxide (EO) while maintaining product sterility. We are one of several medical device companies working to identify and evaluate new sterilization methods and technologies, as well as reduction efforts. In FY21, we completed a submission to the FDA and other relevant regulatory bodies for our first EO optimization project for a product manufactured and sterilized in Galway, Ireland. We have other optimization projects ongoing in the Dominican Republic, Puerto Rico, and the United States.

### PRODUCTS COLLECTED THROUGH TAKEBACK

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of products</td>
<td>Metric tons</td>
<td>Number of products</td>
</tr>
<tr>
<td>Nellcor™ sensors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remanufactured</td>
<td>5,037,000</td>
<td>114.3</td>
<td>1,782,368</td>
</tr>
<tr>
<td>Recycled</td>
<td>–</td>
<td>–</td>
<td>3,950,200</td>
</tr>
<tr>
<td>MyCareLink™ monitors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refurbished and redeployed</td>
<td>60,000</td>
<td>68.3</td>
<td>75,000</td>
</tr>
<tr>
<td>Advanced energy project zero collections program for surgical technology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy from waste incineration</td>
<td>396,442</td>
<td>32.8</td>
<td>341,331</td>
</tr>
<tr>
<td>Annual totals</td>
<td>5,493,442</td>
<td>215.4</td>
<td>6,148,899</td>
</tr>
</tbody>
</table>
We strive to advance the health, economic, and societal opportunities of patients, employees, and communities. We do this by accelerating global access to care, making philanthropic contributions, engaging and developing our employees, and promoting greater inclusion, diversity, and equity. We put patient safety first by prioritizing quality and security and extend our Mission through collaboration with our trusted suppliers.

FY21 social impact highlights
- Global healthcare access
- Philanthropy
- Inclusion, diversity, and equity
- Supporting a global workforce
- Patient safety and product quality
- Data privacy and security
- Supply chain responsibility
FY21 social impact highlights

$2.5B invested in research and development

$103M in philanthropic investments by Medtronic and the Medtronic Foundation collectively

$69.9M invested in healthcare capacity training, reaching 974,000+ medical professionals

40% of global manager-level-and-above roles held by women and 24% of U.S. manager-level-and-above roles held by ethnically diverse talent – meeting our 2020 calendar year organizational representation goals

$2.4B of U.S. supplier spend directed to small and diverse-owned companies
Global healthcare access

We are committed to improving access to vital treatments that deliver better clinical, economic, and societal outcomes. By expanding our range of products and services, as well as access to them, we maintain and enhance our financial, intellectual, and social capital.

As we engineer extraordinary medical discoveries, we also develop new ways to expand their reach. These innovations transform standards of quality care, drive economic value, and dismantle structural and social barriers to health equity.

960,000 patients screened since FY14 through Medtronic LABS

308 ongoing clinical studies at the end of FY21

96,000 unique patients served and more than 1 million COVID-19 monitoring transmissions processed through Medtronic Care Management Services
Technology innovation

We continuously look for opportunities to harness technology’s power to improve lives. For example, we:

• Monitor trends and turn insights into action in areas such as artificial intelligence, data analytics, advanced sensors, miniaturization, connectivity and automation
• Leverage emerging technologies, such as visual computing and 5G communications
• Investigate the potential of innovations in areas including battery power, biomaterials, intelligent systems, minimally invasive solutions, and surgical solutions

In the spirit of continuous innovation to benefit more patients around the world, in early FY22 we set two new performance targets. By FY25:

• Twenty percent of Medtronic revenue will flow from products and therapies released in the prior 36 months; in FY21 this number, known as our vitality index, was 17%.
• Eighty-five million patients will be served annually through our increased access strategies; in FY21, this number was 72 million.

We are also evaluating future access targets focused on healthcare professionals trained and patients served in emerging markets.

Our current focus areas include data analytics, artificial intelligence (AI) and machine learning, simulation and modeling, and robotics. In addition, we remain focused on remote and virtual innovation in the wake of the COVID-19 pandemic.

In FY21, we received a Product Development and Management Association (PDMA) Outstanding Corporate Innovator (OCI) Award — recognizing sustained and quantifiable business results from new products and services.

Ventilator innovation

To address the global need for ventilators, throughout FY20 and FY21 we formed new partnerships and worked with the U.S. FDA to develop and roll out vital equipment. For example, we:

• Increased ventilator manufacturing fivefold at our Ireland facility
• Received FDA Emergency Use Authorization for the Puritan Bennett™ 560 (PB560) ventilator — a compact, lightweight, portable ventilator that can be used in clinical settings and at home, providing U.S. clinicians another ventilator option. We also made the designs for the PB560 publicly available
• Helped form and currently chair the Ventilator Training Alliance, which trains and supports those working with ventilators
• Collaborated with Intel Corporation to develop a remote management capability for our Puritan Bennett™ 980 (PB980) ventilator, allowing clinicians to adjust ventilator settings outside of the intensive care unit – potentially reducing clinician exposure to COVID-19
• Partnered with the University of Minnesota, Boston Scientific, United Health Group, and others to produce the Coventor. We took this inexpensive, easy-to-build ventilator from idea to FDA-approved production in 30 days

<table>
<thead>
<tr>
<th>OUR INNOVATION PIPELINE</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
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<tbody>
<tr>
<td>Total R &amp; D investment ($ billion)</td>
<td>2.33</td>
<td>2.33</td>
<td>2.49</td>
</tr>
<tr>
<td>Clinical studies completed</td>
<td>63</td>
<td>54</td>
<td>49</td>
</tr>
<tr>
<td>Ongoing clinical studies at end of FY21</td>
<td>279</td>
<td>277</td>
<td>308</td>
</tr>
<tr>
<td>New products launched†</td>
<td>-</td>
<td>-</td>
<td>225</td>
</tr>
</tbody>
</table>

† FY21 is the first year Medtronic is disclosing the number of new products launched.
Research and clinical trials

We take potential new treatments through a rigorous process of design, development, and testing. Predictive engineering helps us look at how a product will work in the field, supported by advanced statistical methodology and modeling simulations. The most promising innovations progress through systematic preclinical or clinical trials. We prioritize safety, effectiveness, patient experience and diversity, and clinical outcomes throughout development. Read more about our approach to human-centered design.

FY21 R & D highlights include:

• Completing development of our Hugo™ robotic-assisted surgery system, which we plan to roll out globally in FY22, with the aim of reaching 4 million patients over the next 10 years

• Launching our new Technology Development Centers, bringing scientific and technical teams together to facilitate innovation and helping us stay nimble and focused on customer needs

• Opening an expanded Engineering and Innovation Center in Hyderabad, India — the largest Medtronic R & D center outside the United States

• Creating a virtual solution for hands-on device research and world-class medical training at our U.S.-based Physiological Research Laboratory

• Using 3D printing to create realistic models of human organs – enhancing the work of our activities in research, testing, medical education, and sales and marketing

Current clinical trials include studies on new treatments for brain aneurysms, chronic subdural hematomas, and advanced-stage superficial venous disease, as well as a pre-market study of a revolutionary extravascular implantable cardioverter defibrillator.

New products

In FY21, we released 225 new products. Some highlights include:

• The MiniMed™ 770G pump system with smartphone connectivity for people with Type 1 diabetes. The system enables caregivers and care partners to see user data remotely on their smartphones (with internet access), with proactive in-app notices sent when sugar levels are out of range. This is cited by the FDA as the first automated4 insulin delivery and monitoring system for use in young pediatric patients.

• The Empirion™ Ablation Catheter Kit for use with the Empirion microwave generator and Medtronic lung navigation platform. The kit provides a minimally invasive, localized treatment of malignant lesions in the lung. It is a CE marked device approved for use in Europe and Hong Kong.

• The Carpecter™ system that provides continuous renal replacement therapy (CRRT) over an extended time period, compared to traditional dialysis sessions that run three times per week. It is intended for pediatric patients weighing between 5.5 and 22 pounds (2.5 to 10 kilograms).

Read more about our new FY21 product launches in the Medtronic Newsroom.

Partnerships for innovation

Partnership is an important foundation for innovation and enables us to increase access to healthcare solutions matched to local needs.

In FY21, we participated in several new partnerships, including:

• Partnership between our Structural Heart business and The Foundry – an incubator for MedTech startups – for rapid development of a unique, minimally invasive repair technology for mitral valves (one of four valves in the heart)

• Collaboration with Amazon in the United States to pilot the delivery of PillCam™ SB4 capsules directly to patients for at-home administration during the COVID-19 pandemic

• Partnership with Apollo Hospitals Group in India to integrate AI into stroke management, reducing diagnosis time from one hour to two minutes

We also increased access by investing in innovative companies. Read about our approach to acquisitions.

Affordable, sustainable healthcare

Our pricing approach

Affordability is vital to making our products and solutions more widely available to patients globally. We have designed our Mission-driven pricing programs and policies to account for local circumstances and market dynamics, as well as the product’s value to the healthcare system. Offering a range of price points across a given therapy category enables us to match different affordability levels and willingness to pay.

Our pricing models are based on the principles of fairness and sustainability, aligned with the local market environment, and include:

• Volume pricing or rebate options for hospitals

• Adaptive pricing for treating long-term conditions

• Programs to assist new and existing patients

Our Healthcare Economics Policy and Reimbursement (HEPR) function operates across all our portfolios to oversee our reimbursement strategy and systems. HEPR ensures close coordination and cooperation across business units and markets, which allows us to adapt to local needs.

Value-based healthcare

Healthcare leaders are facing increased pressure to improve clinical outcomes and reduce costs. Yet traditional systems of payment for a volume of product or therapy do not incentivize value and tend to be based on short-term transactions rather than long-term results.
Addressing healthcare disparities
We work to reduce the disparities across healthcare systems, enabling more people to access care. We develop and scale programs to expand access to our products and services in underserved communities, focusing on the prevention, detection, and treatment of noncommunicable diseases.

Medtronic Care Management Services
Medtronic Care Management Services (MCMS) offers at-home remote patient monitoring — combining patient engagement technology, care management services, data analytics, and reporting. Patients are enrolled in MCMS programs for chronic conditions or post-procedure recovery. They complete routine health checks from home, answer condition-specific symptom questions, submit vital signs, and receive education to support self-management where relevant.

MCMS clinical monitoring software analyzes the securely transmitted patient-submitted data, alerting the care team if the data falls outside of established thresholds. The program gives insights into patient health over time, allowing providers to identify trends and intervene if needed, including via video visits with the patient. MCMS patient engagement technologies include tablet-style devices and an application that can be used with MCMS tablets or personal devices.

In FY21, MCMS supported customers, patients, and employees with solutions developed to monitor COVID-19 symptoms at home. MCMS served more than 1 million COVID-19 monitoring transmissions. We use our learning to improve planning and reduce risks associated with future market development investments. Specifically, we are integrating machine learning models to help predict how many patients could be treated by our therapies and technologies.

Our Patient Access Insights (PAI) consulting service identifies local needs and barriers to access. Around the world, we partner with hospitals to apply PAI to specific services and pathways of care, helping them develop appropriate solutions based on our findings.

The demand for virtual care in the past year has accelerated the MCMS vision to improve millions of lives by redefining the healthcare experience. Going forward, MCMS will continue to develop a suite of modular, personalized telehealth products — integrated into patients’ everyday lives and providers’ workflows.

Patient access acceleration
In developed and emerging markets, we are identifying barriers to access and quantifying treatment needs using our Patient Access Acceleration (PAA) methodology. This data-driven approach guides our market development strategy and helps identify investment opportunities to remove barriers to access. For example, access may be improved by generating more evidence or expanding economic coverage, capacity building, training and education, or disease and therapy awareness. Each year, we combine data from thousands of PAA assessments across countries and therapies. We use our learning to improve planning and reduce risks associated with future market development investments. Specifically, we are integrating machine learning models to help predict how many patients could be treated by our therapies and technologies.

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The transition to value-based healthcare (VBHC) models offers an opportunity to integrate products and services into solutions that improve patient outcomes while reducing the cost of care. The COVID-19 pandemic has stretched care systems globally, emphasizing the need for models that elevate both clinical and economic outcomes.

Our VBHC collaborations enable practitioners at healthcare systems globally to apply the right therapy at the right time to patients who will benefit most.

For example, in FY21, we announced a VBHC collaboration with Spectrum Health, based in Grand Rapids, Michigan. The initial focus is on patients who receive our cardiac resynchronization therapy device with the AdaptivCRT™ algorithm. The algorithm adjusts the device’s therapy according to minute-by-minute evaluations of a patient’s heart rhythms. This technology has been shown to reduce the likelihood of 30-day heart failure hospital readmissions,6 and improve patient survival.7

In FY21, the World Economic Forum named the Netherlands-based Medtronic Diabeter clinic as a Global Innovation Hub, a best-in-class example of a proof of concept for VBHC. In addition, Diabeter was awarded the Prize for Innovation in Pediatric Diabetes (Abstract B-AB37-06).

Adolescent Diabetes.
Care by the International Society for Pediatric and Adolescent Diabetes.

Removing bias in diabetes care
According to the U.S. Centers for Disease Control and Prevention, more than 1 in 10 people in the United States — totaling 34.2 million — live with diabetes. Marginalized racial and ethnic groups have a higher burden of diabetes, with Black and Hispanic people twice as likely to die from complications of their disease. We are taking holistic approaches to reducing these disparities, including:

- Sponsoring the American Diabetes Association’s Technology Access Project with $1 million over the next three years. The project aims to increase access to, and availability of, diabetes technology, regardless of gender, race, income, or location
- Partnering with T1D Exchange to test interventions in the healthcare pathway and determine their implications on diabetes technology use among people of color, who have lower rates of adoption
- Supporting a study on improving glycemic control in Black individuals with Type 1 diabetes who had not previously used technology to manage the disease

Read more about how we reduce healthcare disparities.
Capacity building

Healthcare systems, treatments, and technology are evolving rapidly. Patients and healthcare professionals must stay up-to-date to seek and provide the most effective products and services.

We build healthcare capacity by training patients and medical professionals and contributing to better patient outcomes, greater access to healthcare, and more efficient health systems. We have dedicated global Innovation Centers to provide specialist training to healthcare professionals wanting to expand and update their skills and knowledge. In FY21, more than 18,600 healthcare professionals participated in training at our Innovation Centers or with selected partners — a decrease from last year due to COVID-19 restrictions impacting onsite training activities.

<table>
<thead>
<tr>
<th>HEALThCARE CAPACITY BUILDING</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Education for medical professionals ($ million)</td>
</tr>
<tr>
<td>Education for patients ($ million)</td>
</tr>
<tr>
<td>Medical professionals reached</td>
</tr>
<tr>
<td>Capital investment ($ million)</td>
</tr>
</tbody>
</table>

† Spend on education for medical professionals decreased in FY21, largely due to the shift to online training.
‡ Spend on education for patients decreased in FY21, partly because of the impacts of the COVID-19 pandemic, including the shift to using more internal training resources.
§ The number of medical professionals reached increased in FY21, partly due to the shift to online training and partly due to additional time available when many medical professionals were not allowed to operate during the COVID-19 pandemic. We expect this figure to decline in FY22.
Ω In FY21, we began reporting capital investment, such as funding toward internal systems, such as the Medtronic Academy.

To support customers during the COVID-19 pandemic, we launched our COVID-19 Recovery Resource Center (RRC) in May 2020 to connect U.S. health system leaders with best practices, industry resources, and Medtronic solutions to help them adapt to the rapidly evolving realities of patient care. The RRC content is organized around key health system needs during pandemic recovery, including patient engagement, hospital productivity, virtual care, and financial solutions.

In FY21, we also supported the American Heart Association (AHA) and the American Stroke Association’s (ASA) public health campaign Don’t Die of Doubt to educate Americans on the risks of delaying critical or emergency treatment for signs of a heart attack or stroke.

Lifelong caregiver now on the receiving end

Deloise Jenkins spent her life caring for others –19 siblings and between 75-100 children she fostered over 24 years.

But when challenged by heart failure and diabetes, Jenkins was the one needing care. She turned to MCMS’ remote patient monitoring program, provided by SummaCare. Jenkins regularly completes a MCMS health questionnaire. MCMS’ clinical monitoring software processes her health data, generates trends, and sends alerts to a Medtronic Patient Advocacy and Support Services (PASS) nurse if something doesn’t look right. These nurses escalate issues to care teams, take a holistic look at a patient’s lifestyle, and encourage healthy choices.

In 2019, PASS nurse Sara Wheeler noticed Jenkins’ blood pressure was dropping below prescribed ranges. Wheeler reported the drop and the doctor adjusted Jenkins’ medication.

Another time, Wheeler noted that Jenkins’ blood glucose was fluctuating. Wheeler notified Jenkins’ doctor, who prescribed a continuous glucose monitoring device to monitor her blood glucose throughout the day, without finger pricks.

"Knowing that if something is not looking right, the nurse is going to call me. If needed, she is going to send it to my doctor’s office, this is comforting," Jenkins explains. "It feels good to have someone there for me."
Medtronic LABS

With more than 100 employees working across the globe, Medtronic LABS is an independent, public benefit corporation funded by Medtronic that creates healthcare solutions for some of the world’s most disadvantaged communities. Working with local partners, Medtronic LABS removes barriers to quality healthcare such as cost, access, and social isolation. Digital technology is at the core of these healthcare solutions, which can be scaled up for maximum impact and efficiency. Solutions are built on five principles:

- Design with, and for, communities to address local barriers across the care continuum
- Employ evidence-based practices and protocols for uncompromising clinical excellence
- Address the social determinants at the root of poor health
- Integrate digital and product technologies for high-tech, high-touch models of care
- Innovate operational models that enable efficiency at scale

In FY21, Medtronic LABS continued building its three current programs, focusing on refining operational capabilities, preparing to scale, and developing local private and public partnerships.

At times COVID-19 lockdowns disrupted Medtronic LABS activities, limiting our ability to see patients. Despite these interruptions, Medtronic LABS achieved revenue growth of 39% in FY21. COVID-19 also led to program modifications, including virtual patient monitoring and support groups, many of which will be retained post-pandemic given their success.

### FY21 Medtronic Labs Programs

**Empower Health**
Improves the efficiency and effectiveness of care for people living with hypertension or diabetes in Ghana and Kenya. In FY21, the focus for Empower Health was on developing screening and management programs through key partnerships.

**Shruti**
Addresses ear disease and hearing loss in underserved communities in Bangladesh and India. In FY21, Shruti continued to expand through work with audiology clinics and the associated sales of hearing aids (right).

**Prema**
Offers a comprehensive healthcare delivery model for people living with, or at risk of, Type 2 diabetes, hypertension, and comorbid diseases. In FY21, Prema expanded to new areas of India and to the Philippines.
across the medical, humanitarian, and private sectors. It advocates to advance solutions for equitable and ethical access to critical biomedical technologies during the COVID-19 pandemic, as well as future outbreaks.

In FY21, we accelerated our dialogues and cooperation with governments and international organizations to address medical equipment procurement needs. In the United States, for example, modernization of the healthcare fraud and abuse laws have set new parameters to protect value-based arrangements which generally exclude medical device manufacturers except under narrow conditions. We continue to advocate for the removal of this exclusion to safeguard our future value-based healthcare agreements and to ensure more patients get access to our life-improving technologies.

Public-private partnerships

Every culture, community, and health system has unique challenges and opportunities. We partner with local governments and health systems to understand patient needs and expand access to healthcare knowledge and technology.

We develop long-term, public-private partnerships to create sustainable, scalable projects in four areas:

- R & D
- Manufacturing for market access
- Clinical training and education
- Health system strengthening

Our Public-Private Partnership Council guides our efforts. In FY21, the Council began using a United Nations Economic Commission for Europe (UNECE) self-assessment tool for “people first” public-private partnerships. Aligned with the UN Sustainable Development Goals, the tool will help us evaluate our partnerships against key issues, such as access and equity, fiscal and environmental sustainability, replicability, and stakeholder engagement.

In FY21, we began piloting partnerships to develop cardiac and general surgery capacity and skills in sub-Saharan African countries. The pilots are part of an overarching arrangement with a major international organization, which leverages our infrastructure and education expertise to scale training in some of the area’s least-developed countries.

For example, in Rwanda, we partner across the health system to accelerate the country’s transition to minimally invasive surgery. We contribute surgical equipment and laparoscopic trainers to teaching hospitals. For surgeons, our Guided Learning Pathway training curriculum builds skills to help improve patient outcomes. And for patients, our partnerships with all stakeholders lift financial burdens and make the future of minimally invasive surgery more effective and accessible.

Because the Medtronic LABS model for diagnosing and treating chronic conditions has proven successful, we plan to scale programs in FY22 and beyond into new countries and clinical spaces.

**Partnersing for impact**

**Advocating for increased access**

We work with peers and partners to advocate for public policy that enables increased access to vital treatment. The COVID-19 pandemic has emphasized the need for policies to enable equitable access to respiratory technologies. Read more about our broader public policy work.

Medtronic was instrumental in the creation of the Global Respiratory Infection Partnership (GRIP), a collaboration between the World Health Organization (WHO) and the healthcare technology sector. Omar Ishrak, former Chairman and CEO of Medtronic, co-chairs the group with Dr. David Nabarro, WHO Special Envoy for COVID-19 response. The GRP joins stakeholders along with governments, the private sector, civil society, and others to increase access to respiratory technologies and build and scale essential capacities.

**Public-private partnerships**

Every culture, community, and health system has unique challenges and opportunities. We partner with local governments and health systems to understand patient needs and expand access to healthcare knowledge and technology.

We develop long-term, public-private partnerships to create sustainable, scalable projects in four areas:

- R & D
- Manufacturing for market access
- Clinical training and education
- Health system strengthening

Our Public-Private Partnership Council guides our efforts. In FY21, the Council began using a United Nations Economic Commission for Europe (UNECE) self-assessment tool for “people first” public-private partnerships. Aligned with the UN Sustainable Development Goals, the tool will help us evaluate our partnerships against key issues, such as access and equity, fiscal and environmental sustainability, replicability, and stakeholder engagement.
The ongoing COVID-19 pandemic and social justice movement continue to bring to light societal inequities and disparities in care. For Medtronic and the Medtronic Foundation, FY21 was a year of responsive philanthropic action and investment in underserved communities and healthcare systems through fund deployment, volunteerism, and bold leadership to drive measurable results.

In FY21, Medtronic Foundation partnered with over 65 nonprofits globally. More than 50% of those organizations have diverse leadership, reflecting communities they serve. Local impact through diverse-led organizations drives sustainable, meaningful social impact across areas such as COVID-19 relief, education, and social justice.

Our Mission to alleviate pain, restore health, and extend life drives our philanthropic partnerships and activities. Together, Medtronic and the Medtronic Foundation work to improve lives of underserved populations by expanding economic opportunities, improving access to vital treatment, and building fairer healthcare systems and communities.

Read more on how the Medtronic Foundation is advancing care in underserved communities in the Stanford Social Innovation Review Series.
Our contributions

In FY21, Medtronic and the Medtronic Foundation contributed more than $103 million in combined philanthropic investments.

• **Cash contributions.** Funding medical professionals and fellowship positions, clinical research grants, third-party sponsored health education programs, and other health-related activities

• **Medtronic Foundation grants.** Improving the health of underserved populations worldwide and supporting communities where Medtronic employees live and give

• **Product donations.** Supporting disaster recovery efforts with product donations distributed to nonprofit organizations and in-country clinics

• **Year-round employee volunteering opportunities.** Giving time, skills, and resources to our communities

### Advancing equity through philanthropy

Philanthropy can be a powerful lever for change. We have focused investment on activities that advance social justice and reduce inequities in healthcare systems and communities where we operate.

In FY21, the Medtronic Foundation committed $16 million to health and education partnerships to address racial disparities and advance social justice in Black communities in the United States. These include a national partnership with the Thurgood Marshall College Fund, as well as local partnerships with the Northside Achievement Zone and People’s Center Clinics & Services in Minneapolis.

These partnerships combine employee skills and a passion for giving back with financial support. Investment in science, technology, engineering, and mathematics (STEM) education, in particular, can help to advance more equitable economic opportunities for underserved and underrepresented populations.

Read more about our work to develop a diverse and inclusive talent pipeline.

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### PHILANTHROPIC CONTRIBUTIONS BY TYPE ($ million)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate cash donations†</td>
<td>57.2</td>
<td>56.4</td>
<td>48.9</td>
</tr>
<tr>
<td>Medtronic Foundation giving</td>
<td>29.3</td>
<td>34.2</td>
<td>36.4</td>
</tr>
<tr>
<td>Product donations</td>
<td>9.2</td>
<td>10.1</td>
<td>13.2</td>
</tr>
<tr>
<td>Value of employee volunteering‡</td>
<td>4.4</td>
<td>4.3</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total giving†</strong></td>
<td>100.1</td>
<td>105.1</td>
<td>103.0</td>
</tr>
</tbody>
</table>

† The reduction in cash contributions year over year reflects our strategy to focus on impacts and outcomes rather than dollar amount.
‡ Calculated with an hourly rate of $28.54 provided by Independent Sector. Volunteer hours reflect hours that are self-reported by Medtronic employees and hours of volunteering during a normal workday.
§ Row totals may not add up due to rounding.

### SPLIT OF PHILANTHROPIC CONTRIBUTIONS IN FY21

**Medtronic plc**

64.7%

$103M+

contributed by Medtronic and the Medtronic Foundation in combined philanthropic investments in FY21

**Medtronic Foundation grants**

35.3%
**Pandemic support for communities**

In FY21, we continued to support communities and healthcare systems impacted by the COVID-19 pandemic. We increased our support for organizations with diverse leadership that reflect the communities the organizations serve.

- Medtronic and the Medtronic Foundation partnered to provide emergency food assistance and hunger relief programs, mental health support, health worker grants, organization operational support, and donations of in-kind personal protective equipment (PPE).
- Medtronic and the Medtronic Foundation focused on underserved communities and those disproportionately impacted by the pandemic, such as Black, Indigenous, and People of Color communities in the United States, and countries that experienced explosive surges of COVID-19, such as Brazil and India.
- Medtronic product donations included a range of solutions to support patients with severe respiratory illness, those undergoing cardiopulmonary bypass surgery, and those receiving dialysis treatment.
- The Medtronic Foundation continued to invest in and empower community health workers to assist with the COVID-19 pandemic response, including equitable access to vaccines.

Read more about COVID-19 recovery work.

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### CUMULATIVE CONTRIBUTIONS FOR COVID-19 RELIEF

($ million) March 2020–April 2021

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medtronic plc total giving</td>
<td>36.6</td>
</tr>
<tr>
<td>Cash donations</td>
<td>6.1</td>
</tr>
<tr>
<td>Product donations</td>
<td>26.6</td>
</tr>
<tr>
<td>Other contributions</td>
<td>3.9</td>
</tr>
<tr>
<td>Medtronic Foundation total giving</td>
<td>16.3</td>
</tr>
<tr>
<td>Health grants</td>
<td>6.1</td>
</tr>
<tr>
<td>Community grants</td>
<td>4.9</td>
</tr>
<tr>
<td>Employee-matched giving/assistance</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Total contribution</strong></td>
<td><strong>52.9</strong></td>
</tr>
</tbody>
</table>

**Numbers represent cumulative payments through April 30, 2021. Since April 30, 2021, an additional $1.9 million in pledges have been made (and subsequently paid).**

**Amount represents estimated matched donations supporting COVID-19 relief efforts.**
Medtronic Foundation programs

The Medtronic Foundation builds strategic relationships with local and national partners, leveraging a mix of resources to support meaningful health outcomes. Combining grant partnerships with strategic advice and skills-based employee volunteering helps deliver long-term change in a way that one-off interventions cannot.

The Medtronic Foundation funds a range of programs to invest in healthcare systems and workers. These include global health programs, as well as new patient-centered programs for the management of chronic conditions in primary care in three U.S. states and in India, Bangladesh, South Africa, Kenya, and Uganda.

In FY21, the Medtronic Foundation’s strategic chronic care, acute care, and health equity partners trained 1,700 health workers and served a total of 12,500 patients – 70% of whom saw clinically meaningful improvements in health outcomes.

70% of patients reached by Medtronic Foundation partners saw improved health outcomes

In FY21, all Medtronic Foundation partners adapted their care models throughout the COVID-19 pandemic. For example, health workers at the BRAC organization in Bangladesh and the Karnataka Health Promotion Trust (KHPT) blended virtual and in-person offerings. Through our skills-based partnership program, Global Innovation Fellows, Medtronic employees helped KHPT develop digital health tools for community health workers and link patients to primary care.

Helping children in underserved communities

Every child with congenital heart disease has the right to access quality treatment, but many cannot. Together, the Medtronic Foundation and Children’s HeartLink® (CHL) are working to change this.

In FY21, the Medtronic Foundation announced a $2.5 million, 3-year partnership with CHL, focused on addressing inequalities in congenital heart surgery access 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
- Supporting CHL’s strategic growth and innovation, enabling CHL to scale in underserved countries by adding five new partner hospitals
- Reducing health disparities in access to care for 150,000 children through a mixed-method study with partner hospitals
- Harnessing Medtronic employees’ skills and talents in areas such as clinical and medical education and training, technology development, market access, data science, and analytics

Watch this short video for more about this groundbreaking partnership.

MEDTRONIC FOUNDATION GLOBAL HEALTH PROGRAMS IN FY21

<table>
<thead>
<tr>
<th>Program</th>
<th>FY21 Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Health Equity</td>
<td>Deepening our commitment to addressing racism and social justice, the Medtronic Foundation partnered with five U.S. nonprofits providing health education and management for predominantly Latinx and Black communities. To date, these programs have enrolled 2,672 patients with diabetes and/or hypertension and have raised their voices in collective advocacy through a Stanford Social Innovation Review Series.</td>
</tr>
<tr>
<td>HealthRise</td>
<td>Following the end of the Medtronic Foundation investment in HealthRise in FY19, sustainability grants smoothed the transition to local partners through FY20 and FY21. Several peer-reviewed publications have evaluated the impacts to date, including BMJ Global Health and Frontiers in Pharmacology.</td>
</tr>
<tr>
<td>HeartRescue</td>
<td>FY21 was the final year of the Medtronic Foundation funding for HeartRescue, a program to measure and improve care globally for sudden cardiac arrest and certain types of heart attacks. During its final year, HeartRescue Global tracked more than 2,000 STEMs among underserved patients and 112,000 sudden cardiac arrests, reduced time to treatment, and increased the proportion of patients receiving reperfusion and evidence-based treatment. In total, the program trained 1,170 physicians, 6,300 nurses and clinical staff, 650 emergency medical service dispatchers and first responders, and 1,800 students on signs, symptoms, and bystander response to cardiac events.</td>
</tr>
<tr>
<td>RHD Action</td>
<td>FY21 was the final year of funding for RHD Action, a global movement to reduce the burden of rheumatic heart disease (RHD) in vulnerable populations of all ages throughout the world. The program is transitioning to its founding partners – the World Heart Federation and RheACh. To date, the program has succeeded in elevating awareness of the global burden of RHD, culminating in the World Health Assembly (WHA) resolution on RHD and rheumatic fever.</td>
</tr>
</tbody>
</table>

* STEMI (ST-Elevation Myocardial Infarction) is a serious type of heart attack in which one of the heart’s major arteries is blocked.
In FY22, the Medtronic Foundation will continue to deliver equitable outcomes and impact for underserved communities with a focus on:

- Deepening its philanthropic presences in key communities with a demonstrated need and where Medtronic has a large footprint
- Empowering and engaging Medtronic employees to be agents of change
- Ensuring a diverse mix of nonprofit partners that represent the community we aim to serve and helping them deliver and sustain community improvements

Employee volunteering

The Medtronic Foundation helps our employees volunteer and give to their communities. The online shift of activities due to COVID-19 meant fewer volunteers and volunteer projects in FY21.

Project 6 is our annual volunteering kickoff that encourages 365 days of giving to causes that mean the most to our employees. The Medtronic Foundation offers a variety of year-round opportunities to help employees; they can visit a dedicated online portal to match their skills to available opportunities.

We also offered two new volunteering options for FY21:

- **Volunteer power hours.** Employees may give an hour of time from anywhere in the world because we believe simple actions make a difference. For example, our employees participated in Power Hours organized by the Medtronic Foundation to support social justice organizations such as Amnesty International, the American Civil Liberties Union, and many others. More than 2,700 employees from 44 countries logged more than 4,000 volunteer hours in just one day.

  In addition, the Medtronic Foundation offers:

  - **Matched giving.** The Medtronic Foundation matches employee and retiree donations made to any eligible nonprofit; up to $5,000 per calendar year.
  
  - **Volunteer grants.** A revamped program enables employees to volunteer with eligible nonprofits to earn money for causes important to them. For every 10 volunteer hours, employees can earn $200 (up to 50 hours, $20 per volunteer hour, maximum amount $1,000 per calendar year).

  - **Skilled service.** The Medtronic Foundation curates skills-based volunteerism through programs like the Global Innovation Fellows, virtual consulting, cross-corporate challenges, and a program pilot that helps employees develop and implement skills-based projects with local community organizations. In FY21, the Medtronic Foundation engaged 210 employees to implement 20 skills-based volunteer projects with 32 international organizations across 10 countries.

Read more about employee volunteering.

Medtronic volunteers support COVID-19 relief

Medtronic employees stepped up in a time of crisis by lending their skills, time, and resources to a wide range of organizations. The Medtronic Foundation offered thousands of virtual volunteering opportunities globally through its Volunteer and Giving website, enabling people to search for activities aligned with their interests.

From sewing masks and tutoring children to mobilizing frontline healthcare workers and collecting food donations for families in crisis, more than 12,000 Medtronic employees donated more than 174,000 hours in total volunteering efforts across the year.

For example, the Medtronic Foundation piloted a train-the-trainer model with its disaster response partner, Project HOPE. At the height of the pandemic, 14 employees were trained to deliver a COVID-19 response program developed by Brown University for health workers in at-risk countries. These employees trained nearly 300 clinicians, first responders, and health ministry officials in how to treat COVID-19. More than 2,700 additional healthcare workers were trained through cascade trainings resulting from the train-the-trainer model.
Disaster response

The COVID-19 pandemic has been the focus of our disaster-response efforts over the past year. Alongside supporting efforts to address this global challenge, we continue to respond to other issues like natural disasters and extreme weather that impact the health of communities around the world.

Medtronic and the Medtronic Foundation build long-term partnerships with local and global organizations that can aid in recovery. The Medtronic Foundation works with organizations to identify suppliers, build staff capacity, and distribute grants to enable timely, strategic response to disasters.

Medtronic employees can take five days of paid time off each year to support relief and recovery efforts by volunteering with nonprofits and nongovernmental organizations. When employees' own communities are impacted, the Medtronic Employee Emergency Assistance Fund offers financial support.

Employee volunteering and community engagement

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year-round volunteerism</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteers</td>
<td>17,371</td>
<td>14,000</td>
<td>12,200</td>
</tr>
<tr>
<td>Countries</td>
<td>47</td>
<td>49</td>
<td>61</td>
</tr>
<tr>
<td>Employee-led projects</td>
<td>493</td>
<td>934</td>
<td>502</td>
</tr>
<tr>
<td>Project 6 volunteer hours</td>
<td>60,246</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total volunteer hours</strong></td>
<td><strong>170,000</strong></td>
<td><strong>174,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Volunteer grants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer grants</td>
<td>1,409</td>
<td>1,271</td>
<td>689</td>
</tr>
<tr>
<td>Volunteer grants ($ raised)</td>
<td>704,500</td>
<td>635,500</td>
<td>450,000</td>
</tr>
<tr>
<td><strong>Global matching grants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medtronic Foundation match of employee contributions ($ million)†</td>
<td>6.6</td>
<td>8.1</td>
<td>13.6</td>
</tr>
</tbody>
</table>

† In FY20, we began measuring total year-round volunteering efforts rather than those specific to Project 6. We did not track volunteer hours outside of Project 6 in FY19.
‡ Medtronic Foundation matches are usually made on a 1:1 basis up to $5,000. As a result, matches are not the same amount as employee contributions. In response to COVID-19, Medtronic Foundation matches were increased to 2:1 from April 1 through October 30, 2020.

Disaster relief contributions

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster relief contributions</td>
<td>2.9</td>
<td>2.2</td>
<td>2.1</td>
</tr>
</tbody>
</table>

† Contributions vary year over year depending on the number and nature of disasters requiring response. Figures do not include contributions relating to the COVID-19 pandemic.
Inclusion, diversity, and equity

ID&E accelerates our competitiveness, financial strength, talent acquisition, innovation, and social impact. Through steadfast commitment, ownership, and accountability, we gain a strategic advantage to compete and win in the marketplace through smarter teams, higher engagement, and elevated performance.

Our unwavering commitment to inclusion, diversity, and equity (ID&E) means we strive toward zero barriers to opportunity within Medtronic. We seek to create a culture where all employees belong, are respected, and feel valued for who they are and the life experiences they contribute. ID&E is not a “program” at Medtronic or the sole responsibility of our human resources team. These values are central to our identity and our business strategy for sustainable growth in a global landscape.

Our Mission includes a commitment “to recognize the personal worth of all employees” – in ways that support and motivate people to realize their full potential. We foster an inclusive workplace culture that attracts exceptional talent. We amplify employees’ diverse perspectives to fuel our healthcare innovation and business growth. And we embrace our responsibility as a global company to help drive solutions to systemic inequities.

Of our global workforce are females

50%

Of our global management are females

40%

Of our U.S. workforce are ethnically diverse

38%

Of our U.S. management are ethnically diverse

25%
**ID&E strategy**

In FY21, our ID&E strategy focused on three areas:
- What we do as individuals – being accountable role models of inclusion and diversity in our daily work
- What we do as an organization – embedding inclusion and equity into our DNA through our training, policies, and practices
- What we do in our communities – amplifying our impact beyond our walls

Recognizing that this journey is never finished, we continually seek opportunities to drive ID&E inside our company and in society. We also hold ourselves accountable for achieving results and transparently sharing our progress.

**ID&E 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

**Inclusive workplace culture**

Cultivating a strong sense of belonging improves the well-being of our employees, helping them to unleash their collective creative power. An inclusive work environment is instrumental to our ability to create innovative solutions to the world’s most pressing healthcare needs.

In early FY22, we introduced a leader-driven approach to ID&E. We support leaders with access to data, best practices, and an enterprise strategy to ensure meaningful change is embedded at a local level. Leaders are provided additional guidance through our employees’ active engagement in Diversity Networks and Employee Resource Groups (ERGs). Beginning in FY22, ID&E performance is now incorporated directly in the annual incentive plan for our executive leadership team. This will be measured using comprehensive metrics, including representation, employee survey metrics, and detailed leadership action plans specific to ID&E.

**Diversity Networks**

Medtronic Diversity Networks bring greater attention and amplify the voice of employees from underserved populations. We currently have five Diversity Networks: African Descent Network, Asian Impact @ Medtronic Network, Hispanic Latino Network, Medtronic Women’s Network, and PRIDE Network. We invite all employees to participate in Diversity Networks, with the goal of building allyship and a greater appreciation for diverse perspectives.

Each Network has chairs selected by our CEO and our chief human resources officer, plus a sponsor from our executive committee. The CEO, together with other members of the executive team, attends a Quarterly Diversity Review to assess the progress being made and review strategies that are underway across the business and the Networks. These full-day reviews have the same rigor and time commitment as quarterly business reviews.

**Employee Resource Groups**

In addition to our five Diversity Networks, we have 12 employee resource groups (ERGs) with more than 240 chapters. Many ERGs serve as local affiliates of a Network, while other groups offer opportunities for members to focus on community building. Open to all employees, our ERGs also provide mentorship and advocacy. In FY21, we had 26,000+ participants across more than 70 countries. Groups for young professionals, veterans, religious faiths, employees with disabilities, and American Indian employees help strengthen connections that span cultures, backgrounds, and affinities.

**Employees’ sense of belonging**

We assess the impact of our ID&E efforts through our Organizational Health Survey (OHS). While we were unable to administer our annual all-employee OHS in FY21 due to the pandemic, we did distribute a pulse OHS. This survey reached more than 51,000 employees. The results include:

- Employee inclusion, broken down by total workforce (81%), females globally (81%), and U.S. ethnically diverse talent (79%)
- Employee engagement, broken down by total workforce (82%), females globally (82%), and U.S. ethnically diverse talent (80%)

The survey also showed promising results for belonging, with 86% of females globally and 83% of U.S. ethnically diverse employees responding they feel they belong at Medtronic.

**Employee engagement,**

The OHS findings help us adjust our employee-focused programs, communications, and overall approach to fostering a healthier workplace culture.

Learn more about our employee engagement efforts.

**Support for Asian-American colleagues**

As tensions over the COVID-19 pandemic fueled a rise in anti-Asian racism and violence during FY21, we moved swiftly to support our employees experiencing this backlash.

Along with messages of solidarity from CEO Geoff Martha and other senior leaders, we worked with the Asian Impact at Medtronic (AIM) Employee Network to organize The Power of We event. This virtual speaker series in August 2020 featured perspectives from prominent Asian authors, filmmakers, journalists, entrepreneurs, and healthcare professionals. More than 1,000 of our employees attended the events.

We also invited select employees to participate in Open Air Dialogues on racial equity and related issues. Facilitated by a licensed psychologist or diversity professional, the sessions provided a safe space for people to express their feelings and concerns as a crucial step toward building equitable communities.
Building workforce diversity

In FY21, we continued to increase female representation globally and ethnically diverse employee representation at our U.S. locations. This progress came amid changes to our operational model and despite the impact of the COVID-19 pandemic, which has driven a disproportionate number of women and minorities from the global workforce.

In 2015, we set 2020 organizational representation goals: To increase women in management-and-above positions globally to at least 40% and to increase ethnically diverse talent in management-and-above roles in the United States to at least 20%. At the end of calendar year 2020, we met both targets, achieving 40% women in manager-and-above roles globally and 24% ethnically diverse talent in manager-and-above roles in the United States.

While we are proud to have met these 2020 goals, we want to make more progress. In early FY22, we set new organizational representation goals. By FY26, we aim for women to hold 45% of our manager-and-above positions globally and ethnically diverse talent to hold 30% of manager-and-above positions in the United States.

Diversity in recruitment

Our dedicated Diversity Career Events team creates opportunities to recruit and hire top candidates from traditionally underrepresented populations. The team meets with candidates at diversity-oriented hiring events organized by groups such as the Society of Asian Scientists and Engineers. In FY21, 50% of our global new hires were women and 46% of our U.S. new hires were ethnically diverse.

Diverse leadership

Our focus on embracing diverse experiences and perspectives extends to every level of our company.

GLOBAL FEMALE TALENT REPRESENTATION

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female employees</td>
<td>50%</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Manager-and-above positions held by females</td>
<td>38%</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td>Management positions in revenue generating functions (i.e., sales) held by females</td>
<td>31%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnically diverse employees</td>
<td>36%</td>
<td>37%</td>
<td>38%</td>
</tr>
<tr>
<td>Manager-and-above positions held by ethnically diverse talent</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
</tr>
</tbody>
</table>

NEW EMPLOYEE HIRES

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female (global)</td>
<td>53%</td>
<td>51%</td>
<td>50%</td>
</tr>
<tr>
<td>Ethnically diverse (U.S.)</td>
<td>53%</td>
<td>52%</td>
<td>46%</td>
</tr>
</tbody>
</table>

By FY26, we aim for women to hold 45% of our manager-and-above positions globally and ethnically diverse talent to hold 30% of manager-and-above positions in the United States.

To achieve even broader representation, we provide an array of professional development and leadership training initiatives geared toward diverse talent. Select examples include:

- **Leadership Inclusion from Mentorship Toward Sponsorship (LIFT).** During this nine-month experience, employees partner with senior-level sponsors for coaching, take skill-building courses, and collaborate on a project that solves a real business challenge.

- **Efficacy.** Now in its 16th year, Efficacy coaches Medtronic employees and managers to reach their career goals by honing specific skills and strategies for professional growth.

- **Women in Science and Engineering (WISE).** Based out of our Research and Development group, this initiative focuses on increasing gender diversity in technical leadership roles.

In FY21, we recognized that our people managers needed more effective training and tools to support their career conversations with diverse employees. Our key priorities included helping leaders lead inclusively.

We launched an Inclusive Leader training for our U.S. people managers where participants learned the nuances involved in giving effective and inclusive reviews, how to create a safe environment for diverse employees to offer feedback, and how to listen more attentively during these conversations.

Around 70% of our U.S. people managers, totaling nearly 4,900 individuals, completed the training as of FY21. We plan to continue this program throughout FY22 and expand it globally.
Pay equity

We are committed to ensuring that our compensation policies and practices reflect our ID&E values. We conduct an annual pay equity analysis in the United States and adjust to close gaps not based on job-related factors. Since FY19, we have also completed country-level gender pay equality analyses in Mexico, the Dominican Republic, China, Ireland, Germany, Italy, and the Netherlands. Essential elements of our analyses include job responsibilities and competitive labor market benchmarks. We also complete pay gap analyses where required by law, including in the U.K. and France.

In the United States, we achieved 100% pay equity for gender and 100% pay equity for ethnically diverse employees. Globally, we achieved 99% pay equity for gender. Also, we now share key equal employment opportunity (EEO-1) data publicly as further evidence of our commitment to nondiscrimination.

We continue to expand our pay equity analyses globally, prioritizing countries where we have the most employees. We provide training and resources required by law, including in the U.K. and France.

In the United States, we achieved 100% pay equity for gender and 100% pay equity for ethnically diverse employees. Globally, we achieved 99% pay equity for gender. Also, we now share key equal employment opportunity (EEO-1) data publicly as further evidence of our commitment to nondiscrimination.

100% ethnically diverse pay equity in the United States, and maintained 100% gender pay equity in many countries, including the United States, and 99% gender equity for employees globally.

Advancing equity

We strive to create a level playing field with broad opportunities for employees throughout Medtronic. However, championing ID&E within our own workplace is not enough. We must play a role in addressing systemic inequities in our communities if we hope to make a meaningful difference.

Our actions to advance ID&E around the world include supplier diversity efforts, community partnerships, and industry contributions. In FY21, the Medtronic Foundation committed $16 million to health and education partnerships to address racial disparities and advance social justice in Black communities in the United States. These include a national partnership with the Thurgood Marshall College Fund, as well as local partnerships with the Northside Achievement Zone and People’s Center Clinics & Services in Minneapolis.

Partnerships break down barriers

We participate in a broad range of organizations dedicated to accelerating progress on ID&E. Much of our collaboration in FY21 centered on creating greater educational and career opportunities for underrepresented groups through partnerships such as:

- **OneTen.** As a founding member, we joined with more than 30 companies to provide the educational and workforce skill-building resources needed to upskill, hire, and advance one million Black Americans into livable-wage jobs over the next decade. In support of this initiative, we committed $30 million to OneTen over 10 years.
- **Multiple Pathways.** This multiyear initiative of the Business Roundtable aims to recognize and reward the value of skills – not just educational credentials – when hiring and advancing employees.
- **Thurgood Marshall College Fund Partnership.** We are developing stronger relationships with historically Black Colleges and Universities as a means of bringing more diverse talent into the STEM talent pipeline.
- **Valuable 500.** We joined this global business-to-business movement to catalyze disability inclusion within and outside our company.

Preventing discrimination

We are a global company dedicated to equal employment opportunity. We uphold workforce equality and fair employment in our Code of Conduct, Global Human Rights and Labor Standards Policy, and other companywide policies, and regularly assess these policies and practices to help ensure that neither bias nor discrimination plays a role in employment decisions.

We encourage employees to report any issues of discrimination to their manager; Human Resources, Legal, or Compliance representatives; or the Voice Your Concern Line. We comply with employment laws by having an objective party investigate all claims of discrimination. We have a zero-tolerance policy and respond to all confirmed claims with disciplinary action, up to and including termination.

For more on how we work to prevent discrimination against vulnerable groups, see our [Global Human Rights Program Report](https://www.medtronic.com/pdf/2021_HR_Report.pdf).
Supporting a global workforce

The skills and dedication of our employees drive our business performance, spur new technology, and bring our Mission to life. Our strong culture of safety and wellness fosters a more engaged workforce, higher productivity due to lower rates of absence, and decreased healthcare costs.

We invest in our employees’ success at all levels. Our professional development programs and market-competitive compensation and benefits help us attract and retain world-class talent. Our culture of safety and comprehensive well-being offerings ensure employees can thrive.

$44.8M spent on learning and development for employees in FY21

85% of respondents to our FY21 Organizational Health Pulse Survey reported feeling they belong at Medtronic

95% of respondents to our FY21 Organizational Health Pulse Survey feel we actively encourage employees to work safely
Development and engagement

With many of our employees working remotely in FY21, we updated nearly all in-person learning and development programs for virtual delivery. Nearly 100% of our workforce have access to Medtronic learning resources. In FY21, we spent $44.8 million on learning and development – an average of $478 per full-time employee – and provided more than 25,000 prerecorded lessons, live webinars, self-paced training tools, podcasts, or other on-demand resources tailored to different learning styles. This approach enabled us to reach more employees in more locations, yielding an average of 27 hours of training per employee in FY21.

In FY21, we hosted our second annual Grow Your Career Week (GYCW), an event featuring career workshops, keynote presentations, panel discussions, and more. We also launched a GYCWW-themed Yammer social networking channel for employees to continue having career development conversations and learning opportunities beyond the weeklong event. The Yammer site features regular podcasts, discussion boards, and access to self-guided resources.

We also help our employees grow their careers by hiring internally. In FY21, we filled 31% of all open positions and 91% of VP positions with internal candidates.

In FY21, we updated nearly all in-person learning and development programs for virtual delivery. Regular and structured feedback is pivotal to employee growth. We require managers and employees to connect at least three times per year to discuss career aspirations, share ideas on inclusion, set and align goals, and assess job performance. Every employee has access to an annual performance review; in FY21, 97% of our workforce participated in this process.

In FY21, we updated our employee goal setting to align with our organizational priorities of:

- Innovation-driven growth and financial performance
- Simplification
- Inclusion, diversity, and equity
- Ethical and competitive culture

Leadership development

We create opportunities for our people managers and executives to hone their leadership skills. We also help prepare high-potential employees to succeed in future management roles.

In FY21, we launched a new curriculum, Being an Inclusive Leader, which is mandatory for all U.S. managers and global HR managers. The digital and personalized approach focuses on recognizing and mitigating unconscious bias in workplace conversations and decision-making. Managers also learn techniques for guiding supportive and meaningful career conversations with employees from diverse backgrounds.

Our other leadership programs include:

- **Edge.** Develops skills of all people leaders
- **Elevate.** Helps managers and senior managers develop executive leadership skills
- **Emerge.** Accelerates personal and professional development of emerging leaders
- **Ignite.** Prepares high-potential directors and senior directors for executive leadership
- **Internal Coaching Certification.** Equips leaders to help other employees unlock their potential
- **VP Onboarding.** Supports a successful transition for new vice presidents

Our Diversity Networks also provide sponsorship and development opportunities, such as our **Leadership Inclusion from Mentorship Toward Sponsorship (LIFT) program.**

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**INTERNAL HIRING**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total roles filled with internal candidates</td>
<td>32%</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>VP roles filled with internal candidates</td>
<td>87%</td>
<td>91%</td>
<td>91%</td>
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</tbody>
</table>

**ALL-EMPLOYEE ORGANIZATIONAL HEALTH SURVEY**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement score</td>
<td>76%</td>
<td>77%</td>
<td>-</td>
</tr>
<tr>
<td>Employees who reported feeling they belong at Medtronic</td>
<td>81%</td>
<td>82%</td>
<td>-</td>
</tr>
</tbody>
</table>

† Our all-employee OHS was postponed in FY21 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email. Results from this survey are shared in text. We will reinstate our all-employee OHS in FY22.

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Young Saudi careers

In Saudi Arabia, we are fueling our growth – and greater opportunities for early career professionals – through an internship focused on leadership and business skills.

The Saudi Young Talent Program (SYTP) creates a path to full-time employment for recent university graduates in biomedical technology, pharmacy, and other technical fields. Since its FY17 launch, 27 young people enrolled. Twenty-one SYTP participants transitioned to permanent roles at our company, including 16 women.

We designed the SYTP internship to increase gender diversity as well as overall Saudi representation in our sales, commercial, and technical ranks. Participants improve their knowledge and skills as they collaborate on real business projects.

SYTP also aligns with two Saudi government initiatives, the National Transformation Program 2020 and Saudi Vision 2030, to support women entering science, technology, engineering, and math fields. We have achieved the highest level of the Nitaqat Saudization Program, allowing us to expand and further localize our business in Saudi Arabia.
Employee engagement

Through our Organizational Health Survey (OHS), we gain valuable insight into our employees’ experience and identify areas to improve. During the pandemic, we were unable to conduct our annual all-employee OHS, but distributed an online pulse OHS, reaching all employees with access to a Medtronic email. In FY21, nearly 51,000 employees (68% overall response rate) participated in the survey.

Our overall employee engagement score was 82 out of 100. Employees’ sense of belonging continues to be a key driver of engagement. Overall, 85% of those surveyed reported feeling they belong here. Ninety-two percent of employees surveyed feel proud of Medtronic and 93% actively look for ways to improve their work.

Through the pulse survey, employees reported receiving greater performance recognition, feeling more empowered to share their voice, and having greater confidence in senior leaders. They also reported the opportunity to improve the ease of getting work done and identify areas to improve. During the pandemic, we doubled down our efforts to safeguard employees’ physical, mental, and emotional health. We also helped educate and support our global teams in getting vaccinated, including hosting dozens of on-site vaccination clinics and covering the cost for vaccinations in countries where it was not free. Learn more about our response to COVID-19.

85% of employees who responded to our survey reported feeling they belong at Medtronic.

Health and well-being

More than 90,000 employees and their families rely on us to maintain a safe workplace and provide resources to support their overall wellness. Our Mission-driven commitment to recognize the personal worth of all employees guides our strategy to ensure health and safety.

As the COVID-19 pandemic persisted throughout FY21, we doubled our efforts to safeguard employees’ physical, mental, and emotional health. We also helped educate and support our global teams in getting vaccinated, including hosting dozens of on-site vaccination clinics and covering the cost for vaccinations in countries where it was not free. Learn more about our response to COVID-19.

Occupational health and safety

Preventable harm in our workforce is not acceptable. We have integrated this expectation into our environmental, health, and safety (EHS) vision: Exceed expectations to protect people, the environment, and sustainable growth.

Our strategic approach spans six areas:

- Setting annual performance goals
- Proactively identifying and managing risks
- Implementing safety training and compliance programs
- Monitoring regulatory trends
- Auditing sites for compliance and completing corrective actions
- Reporting progress and continuous improvement opportunities to senior management

This approach drives improvements in our health and safety performance and our employees’ attention to workplace safety. In FY21, our injury incident rate and lost/restricted workday case rates decreased for the second straight year. However, we recorded one work-related fatality, resulting from a motor vehicle collision. We follow up on serious cases to determine if we should take any corrective action to avoid future incidents.

In FY21, we set new performance targets focused on workplace safety. In FY21, our injury incident rate and lost/restricted workday case rates decreased for the second straight year. However, we recorded one work-related fatality, resulting from a motor vehicle collision. We follow up on serious cases to determine if we should take any corrective action to avoid future incidents.

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Health-and-safety mindset

All employees are responsible for upholding our safety standards. Our workplace safety training in FY21 included a focus on avoiding distracted behaviors, particularly those triggered by stress, which can result in accidents or injuries.

We also encourage employees to report hazards – from water leaks to potential fire risks – and near-miss incidents as part of our safety culture. Increased awareness of, and access to, our automated reporting tools significantly increased our employees’ hazard reporting. In FY21, employees submitted more than 34,300 hazard observations and logged 533 near-miss reports, compared with approximately 25,000 and 471, respectively, in FY20. We use this information to inform future EHS communications and training.

<table>
<thead>
<tr>
<th>SAFETY RECORD††</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee injury incident rate¹</td>
<td>0.31</td>
<td>0.26</td>
<td>0.20</td>
</tr>
<tr>
<td>Employee lost/restricted workday case rate²</td>
<td>0.19</td>
<td>0.15</td>
<td>0.13</td>
</tr>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>1 ††</td>
<td>1 ††</td>
</tr>
</tbody>
</table>

¹ Our safety records include employees and contingent workers.
² Safety data has been verified externally.
§ The number of work-related injuries or illnesses serious enough to require treatment beyond first aid, per 100 employees working a full year.
‡ 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.
†† Motor vehicle collision.
Employee well-being

We support employees in performing at their best through programs that promote holistic wellness and a healthy lifestyle.

We designed our Healthier Together program to elevate employees’ physical, emotional, social, and financial well-being. Nearly 100% of employees globally have access to this program, and nearly half participated in FY21.

The pandemic heightened the importance of nurturing employees’ well-being. We had more requests for assistance and saw a greater need for remote access to wellness resources. In response, we rebranded Healthier Together to offer virtual outreach and events in FY21.

For example, our Wellness Center staff created a Healthier Together channel on YouTube, offering daily live workouts, meditations, and stretch breaks. The staff also created more than 700 recorded playlists for self-care, exercise, nutrition, and more. The channel gained more than 2,000 active members, 56,000 views, and 7,200 viewing hours.

Our employees are reporting positive results from the Healthier Together program. In FY21, 59% of participants deemed it high-risk, such as those who are overweight, reported being more active. In addition, 86% of participants who are at a healthy weight have maintained that status.

Two additional programs support employees:

- The Medtronic Employee Assistance program (MEAP) provides need-based grants to employees struggling financially. Typically, donations from fellow employees, matched dollar-for-dollar by the Medtronic Foundation, support the grants.

Compensation, benefits, and recognition

Attracting and retaining top talent is essential to our ability to innovate and deliver lifesaving technologies and therapies. We reward employees for channeling their skills and ingenuity into our Mission. Our compensation and benefits, along with our company culture, are key drivers in making us an employer of choice.

We designed our retirement, health, and other benefits so our employees and their families can thrive. Our benefits are flexible, affordable, and competitive within our industry. Employees can access their benefits through on-demand, web-based tools, including 24/7 access to an HR portal and our AskHR support function. Employees in the United States and Puerto Rico also have access through a website, the MyChoice mobile app, and Sofia, our virtual benefits assistant.

Benefits vary by country, but typically include:

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

Employees who work fewer than 20 hours per week — roughly 1% of our workforce — are eligible for a select set of benefits.

Family care leave

In FY21, we expanded the Medtronic Family Care Leave benefit to employees in more than 70 countries. This benefit provides up to six weeks of time off at 100% of pay for:

- Employees to care for sick family members
- Bereavement if a parent, spouse, or child passes away
- Parents — including birth, adoptive, surrogate, and non-birth parents — to spend time bonding with a new child; this is separate from and in addition to maternity leave
- Employees in the United States and Puerto Rico after a spouse, child, or parent is called to active military duty

Eligible employees can combine Family Care Leave with other leave benefits and incentives.

Compensation

Our compensation framework is designed to celebrate the value and contributions of our employees. We strive to create a feeling of personal and professional security at Medtronic and are committed to transparent communications on compensation.

We reflect industry benchmarks and local market standards when setting employees’ pay. Our programs include annual and long-term incentives that provide the means to share in our success. Our competitive cash and equity incentives help attract the best leaders. We also reward high-performing employees with an ownership stake in the company through restricted stock. Further, all employees can purchase stock at a significant discount.

The same programs and principles govern our executive and non-executive compensation. The Medtronic board of directors Compensation Committee evaluates and
approves executive compensation. A discussion and analysis of executive compensation is available in our Proxy Statement.

We seek to ensure that all employees receive equitable compensation based on policies and practices that reflect our inclusion, diversity, and equity commitments. To stay accountable, we publish a yearly U.K. Gender Pay Gap report. In FY21, due to COVID-19, the U.K. government postponed its deadline for employers to publish this report. We will continue to monitor U.K. employee compensation and publish our next U.K. Gender Pay Gap report in FY22.

See our approach to pay equity in Inclusion, diversity, and equity.

Recognition

We value our employees' excellence in quality, innovation, integrity, and leadership. To honor their efforts, our global Recognize! program empowers managers and employees to reward achievements, celebrate milestones, share appreciation, and sustain our culture.

We also have several formal award programs that recognize outstanding contributions, with a focus on technology, quality, ethics, and leadership.

Examples include:

• Bakken Fellowship. Honors employees who have made multiple technical contributions to the company and to the biomedical device industry
• Compass Award. Recognizes employees who live out the Medtronic Mission by demonstrating high-integrity behavior that champions our Code of Conduct
• Global Inclusion, Diversity, and Equity Leadership Award. Recognizes our vice presidents for championing an inclusive work environment
• Star of Excellence. Our highest recognition for quality and innovation
• Environmental, Health, and Safety Award. Celebrates projects that exemplify the many ways that Medtronic contributes to a sustainable business, workforce, and environment
• Wallin Leadership Award: One of our most prestigious awards, it recognizes leaders who actively foster an inclusive and diverse work environment and successfully develop leadership talent to enable superior business outcomes.

Parental and caregiving benefits

We offer employees a growing spectrum of health and family-related needs. In FY21, we added several new programs and resources for employees in the United States and Puerto Rico, including:

• Wellthy. A concierge service for employees and family members with complex, chronic, or ongoing care needs
• Ovia Health. A resource for family planning, fertility, and parenting support
• Bright Horizons. Assistance with ongoing child or elder care, subsidized backup care, and virtual tutoring

LGBTQ+ benefits

We were also among the first U.S. companies to launch Included Health, a concierge service dedicated to the health and wellness needs of LGBTQ+ employees and family members. Available free to our U.S. workforce, Included Health services include:

• Finding culturally competent, high-quality, local providers such as primary care physicians, ob-gyns, endocrinologists, transgender health specialists, and mental health counselors
• Connecting with a dedicated LGBTQ+ care coordinator for help accessing transgender benefits available through our medical plan
• Helping locate community support groups or advocates on topics such as coming out at work and parenting an LGBTQ+ youth

Examples include:

• Included Health: A concierge service dedicated to the health and wellness needs of LGBTQ+ employees and family members.
Patient safety and product quality

Our business success and growth of our financial capital depend upon our ability to provide safe and effective products and services. By paying close attention to product quality, we build and maintain trust with our key stakeholders and uphold our reputation with patients and healthcare professionals.

The quality, safety, and reliability of our products are essential to the well-being of patients receiving our treatments and vital to delivering on our Mission. We never compromise on quality, and we monitor it throughout every stage of our value chain.

Adding business value

- **22,000** employees participated in product security training
- **New** FY25 target set for patient safety and product quality
- We are increasing the gender and ethnic representation in our clinical trials around the world to ensure our products benefit everyone who needs them

We are increasing the gender and ethnic representation in our clinical trials around the world to ensure our products benefit everyone who needs them.
Our approach to patient safety and product quality

Quality throughout the life cycle

From design and manufacturing through product testing and post-market surveillance, we monitor compliance with our quality standards at every point in a product's life cycle. Our risk management process -- aligned to ISO 14971 -- enables us to identify and escalate potential issues immediately. Our quality management systems are aligned to relevant regulations and international standards, including ISO 13485.

Safety

We take our responsibility to patients and caregivers seriously. Our robust quality management system ensures we maintain high-quality manufacturing practices and all new products adhere to rigorous internal and external regulatory standards for design, testing, and safety.

Our Medical Safety Council oversees and promotes a culture of safety across Medtronic. Internal medical safety clinicians evaluate actual and potential safety issues, harm, and health risks to patients or users of Medtronic products and therapies. Our new quality panels, comprised of independent external physicians and healthcare practitioners, provide expert, unbiased clinical input on patient safety.

Quality culture

Our “Quality Begins with Me” culture requires everyone at Medtronic to share responsibility for quality and uphold four key expectations:

- Put the patient first
- Be courageous
- Strive to prevent issues before they arise
- Hold each other accountable

Formal oversight of quality ultimately sits with our board and executive leadership. The board’s quality committee oversees risks relating to product quality and safety, cybersecurity, and research. Our chief quality officer sits on the executive committee and reports directly to the CEO on all quality matters.

Our companywide assessment model enables a consistent measure of quality culture, helps us identify root causes, and tracks improvement. We reinforce this approach through regular employee communications and training. In FY21, 120,000 employees were assigned training on “Quality Begins with Me.”

Ensuring quality and value

Safeguarding quality is vital, especially as we develop more value-based healthcare (VBHC) models with partners around the world. Our quality team works with all businesses using our Quality Framework to ensure the design of VBHC partnerships minimizes compliance risk and delivers consistent processes, capabilities, and measures of success.

Product design and development

Design, reliability, manufacturability

Our design, reliability, manufacturability (DRM) methodology is a set of best practices that drive product quality, safety, and reliability. We embed DRM in every stage of the product design and development process through:

- Customized DRM training for project development teams
- Project assessments to assure consistent use across our project portfolio
- Annual assessments and improvement plans at product development locations
- Skills and capability development for key functions, such as Research and Development, Operations, Quality, and Marketing
- Progressive training and certification to improve companywide skills

Our DRM methodology includes best practices for all types of Medtronic medical devices, including stand-alone software products and those that include software. DRM sits at the heart of our predictive engineering process, which our engineers use to simulate product use, forecast performance, and pinpoint potential improvements. At the end of FY21, we assessed more than 64% of all new products in our pipeline using this approach.

In FY21, due to COVID-19, we delivered all DRM training virtually through a mix of prerecorded video lectures and virtual workshops.

Product security

We take the risk of cyberattacks on medical devices seriously and proactively work to identify and address vulnerabilities in our products.

Our Product Security Office manages our product security program and promotes rigorous product development, including vulnerability testing, updates, and remediation, as well as impact assessment for device functionality and patient safety. We engage internally and externally to monitor current practices and emerging risks — including with employees, regulators, peers, healthcare organizations, and security researchers.

Our Global Quality Management System integrates security requirements. Subject matter experts within each business are responsible for integrating security considerations throughout the product life cycle.

Transparent communication is vital to identify and address security measures effectively. In FY21, we publicly disclosed eight security vulnerabilities through our Coordinated Disclosure Process. These vulnerabilities included original bulletins, updates to previous bulletins, and security notices responding to third-party risks that were not applicable to Medtronic, but helped address customer inquiries.

We publicly recognize the work of independent security researchers who have demonstrated ethical behavior and followed coordinated disclosure processes to advance our product security. We encourage anyone with questions or concerns, or who believes they have identified a potential security vulnerability in one of our products or services, to contact us via Medtronic.com/security.

In FY21, we finalized our new product security strategy and roadmap, which includes a focus on pre- and post-market product security rigor and engagement in industry activities to help shape regulations, standards,
technology, and practices. We participate in several industry bodies, including the Health Information Sharing and Analysis Center and the Medical Device Innovation Consortium. Many of our team members lead initiatives in these groups to help advance product security for the entire industry.

Also, in FY21, we:
- Conducted our seventh Product Security Symposium, online this year, with a focus on regulatory, clinical, and patient security matters
- Helped sponsor the Biohacking Village at the virtual DEFCON event, volunteering products, technology, and hours to ensure active engagement from attendees
- Developed product security overview training, which was viewed by over 22,000 employees in functions related to product security
- Collaborated with academia on several medical device security projects, helping to develop an industry pipeline of security professionals

**Facility quality and compliance**

We assess quality management systems at our manufacturing, design, and distribution centers through Medtronic Corporate-wide Assessment for Regulatory Excellence (MCARE). Our MCARE assessments — undertaken remotely in FY21 — focus on maintaining consistently high-quality management levels and complying with evolving regulatory requirements. External regulatory audits help keep us accountable, aware of regulatory priorities, and focused on making necessary changes to policies and practices. We share learnings and actions from these assessments via our Knowledge Management process. In FY21, external audits were primarily conducted remotely.

In FY21, we received an average of 0.02 findings per regulatory inspection and 0.02 findings per U.S. Food and Drug Administration (FDA) inspection — continuing to demonstrate year-on-year improvements. These figures were impacted by a reduction in FDA inspections during the COVID-19 pandemic and we expect them to increase in FY22. However, the overall number of inspections in FY21 remained consistent with previous years, as we still conducted notified body audits remotely and saw an increase in E.U. Medical Device Regulation audits.

**Preclinical research**

Preclinical research lets us examine how potential new treatments will function in practice, prior to evaluating them in clinical trials. Our biomedical research sometimes involves human cadaver and modeling work, animal-related research, and the use of animal-derived stem cells, but does not involve use of human embryonic stem cell lines.

**Animal-related research**

Animal research and testing is sometimes a regulatory requirement for the development of new medical products. We use animals in research activities only when it is necessary to support a medical device under development.
when no acceptable alternatives exist, as described in our Policy Regarding the Use of Animals. The policy applies to:

- Research that contributes significantly to patient welfare
- Work specifically mandated by regulatory agencies to ensure patient safety or effectiveness

Any animal-related research or testing is first externally approved by the Institutional Animal Care and Use Committee. We comply with the U.S. Animal Welfare Act and other relevant standards and requirements set by the National Academy of Sciences Guide for the Care and Use of Laboratory Animals.

We are committed to a respectful, humane approach and take the welfare of animals used in research seriously. Our work with scientists, veterinary surgeons, and other experts helps refine our methods, always aiming to alleviate or minimize harm and distress.

### Alternatives to animal-related research

Where possible, we reduce the use of animals and replace animal-related research with other methods, including:

- Submitting research findings to inform the world of the International Organization for Standardization (ISO) on a standard for the testing of human skin cell-based irritation without the use of animals
- Investiging in our Corporate Research Group’s fundamental modeling work to reduce the number of animals used in future research

### Clinical trials

Following preclinical research, we advance the most promising innovations to clinical trials. Our Clinical Research and Medical Science functions collaborate on trials that are a vital step in establishing the safety and effectiveness of our products. More than 2,000 clinical research and medical science employees work to ensure robust, ethical practices in our studies.

With a focus on both gender and racial and ethnic diversity, we are increasing the representation in our clinical trials around the world to ensure our products benefit everyone who needs them.

#### 2,000+
clinical research and medical science employees work to ensure robust, ethical practices in our clinical trials.

### COVID-19 impact

In FY21, the COVID-19 pandemic continued to impact our clinical trials. We shifted to remote study monitoring in many cases, with nearly 95% of visits in the United States and approximately 40% in Europe, the Middle East, and Asia completed remotely. We also utilized direct-to-patient follow-up via telehealth solutions.

This shift has been positively received by clinical sites and has improved efficiency by 20%, mainly because travel was avoided. There has been no difference in the level of monitoring report action items or internal audit observations compared to in-person monitoring. We expect to maintain a significant level of remote monitoring activities post-COVID-19.

### Standards and regulations

Our internal Code of Conduct and Global Business Conduct Standards Policy guide our approach to clinical trials. We adhere to all relevant laws and regulations, including the E.U. Medical Device Regulation and the revised ISO 14155:2020 standard for clinical research.

### Collaboration, engagement, and data sharing

Effective medical research depends upon transparent data sharing and collaboration. We share knowledge in several ways:

- Along with other companies operating in the United States, we disclose information on applicable trials to the U.S. Clinical Trials Registry – a database of more than 380,000 studies.
- We publish trial findings in peer-reviewed journals.
- We collaborate with research scientists, institutions, and physicians to advance our clinical trials practice.
- We contribute to the advancement of clinical standards by working with the Association for the Advancement of Medical Instrumentation, the Clinical Trials Transformation Initiative, and the Medical Device Innovation Consortium.

### Product use and performance

#### Post-market surveillance

Once we launch a product, we monitor its use and performance to measure and improve safety and inform future designs. Through our post-approval clinical surveillance process, we collect patient outcome data in partnership with hospitals, physicians, clinics, governments, and third parties. We also gather data from:

- Post-market clinical studies on specific products and therapies
- Customer feedback analyzed via our global complaint handling system – now consolidated into a single companywide organization to improve our ability to detect product performance issues and resolve them quickly

We develop standardized models to measure and improve patient safety and clinical outcomes. We regularly engage the U.S. FDA and other regulators to make sure we meet our post-market surveillance expectations.

### Caring for patients

We work to improve the patient experience through many avenues, including how patients interact with our products and the outcomes they experience. For example:

- The PillCam™ is the only noninvasive diagnostic test that directly visualizes the colon for the evaluation of polyps in patients who are at major risks for colonoscopy or moderate sedation. This vitamin-sized capsule endoscope is taken orally and does not require sedation, anesthesia or radiation, making it more convenient than other invasive colon exams.
- The TYRX™ Absorbable Antibacterial Envelope reduces the rate of significant infection by 40% and pocket infection by 61% in patients with cardiac implantable electronic devices, compared to standard-of-care preoperative antibiotics.10

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10 Worldwide Randomized Antibiotic Envelope Infection Prevention Trial (WRAP-IT).
An important indicator of patient experience and product quality are complaint rates. We continuously strive to reduce complaints. For example, we achieved a greater than 40% reduction in customer reported complaint rate for our pacemaker/defibrillator devices and lead systems during a previous multi-year period.

As we seek to enhance product quality and patient experience, we set a new performance target to achieve a 10% reduction in aggregate product complaint rate by FY25, compared to a FY20 baseline, for key product families.\footnote{The goal covers the following products: Transcatheter aortic valves and delivery systems, HeartWare Ventricular Assist Device (HVAD)\textsuperscript{TM} System, ClosureFast\textsuperscript{TM} catheter, spinal cord and pelvic health stimulation systems, Signia\textsuperscript{TM} handles, and Puritan Bennett\textsuperscript{TM} 980 ventilators. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified, we may expand the scope of this commitment in future years.}

**Product-related regulatory actions**

We take prompt action whenever we are alerted to regulatory or field-safety issues with a Medtronic product. Following immediate assessment, we take corrective action, including voluntary product recalls, when needed. We examine underlying issues and root causes and work to resolve these to avoid recurrence.

Our new Design Quality Center of Expertise works to implement quality and reliability improvements via our product-development process, including incorporating lessons learned from post-market surveillance. Our Risk Management Center of Expertise provides oversight of the post-market safety process, ensuring consistency of decision-making across Medtronic.

In FY21, 10 Medtronic products were subject to voluntary Class I recalls. This represents 0.005% of product models offered by Medtronic in FY21.

There is nothing more important than the safety and well-being of patients. Anytime a signal is identified that calls product performance into question, Medtronic acts swiftly to engage in transparent communications, reduce risk, and ensure optimal patient management.

A recent example of this can be found in the Valiant Navion recall. In this case, Medtronic investigated and assessed the risk of the issue, resulting in removal of the product from the market and communication to existing users within just weeks of receipt of the first signal.

With each recall, we not only focus on correcting safety issues, we conduct rigorous root-cause investigations focused on the product and our processes. Through these root-cause investigations we have not identified common root causes that reflect a systemic issue. There is no goal more important to us than continuing to strive for perfection in quality and continuous improvement in patient safety. More detail on recalls is available on the FDA List of Device Recalls.

Further detail on calendar year recalls and a full list of recalls are provided in our ESG Disclosure Index.
By investing in information security, product security, and data privacy, we comply with regulations, build investor confidence, retain customer trust, and respect patients.

We are in a time of rapid adoption of connected data devices and powerful data analysis that is contributing to innovative products, therapies, and delivery modalities, as well as faster research. In parallel, we have seen an unprecedented volume and scale of ransomware attacks and vulnerability announcements across many sectors within the past 12 months. Therefore, it is essential that we safeguard information, assets, and systems in the ever-evolving data and cybersecurity landscape. Our programs are designed to protect data and systems, comply with global regulations, and maintain the safety and privacy of the people who use our products.
Privacy and security approach

Our Global Cybersecurity program operates under strong governance, risk, and compliance processes that are aligned with the National Institute of Standards and Technology Cybersecurity Framework (NIST), the ISO/IEC 27001 standard, and other relevant international security standards. The Audit Committee of the Medtronic board of directors has oversight of cybersecurity risk within our organization and our companywide security policies, standards, and procedures ensure consistency across our organization. We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives. We secure information, including intellectual property and personal data, with a suite of physical, technical, and administrative controls.

To advance data security practices, we collaborate with third-party organizations such as the Health Information Center (H-ISAC), AdvaMed, and the European Union Agency for Cybersecurity. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups.

Our data privacy policies, standards, and procedures define our principles and approach for stewardship of personal data. They are aligned to common and evolving privacy principles derived from privacy laws such as HIPAA and the E.U. General Data Protection Regulation (GDPR). This approach provides a high level of data protection for our patients, participants in clinical trials, customers, employees, vendors, and partners. We also meet local data privacy requirements where those are stricter than our Medtronic-wide standards.

As with any company, Medtronic employees and contingent workers play a crucial role in safeguarding data. We train all employees and contingent workers on security and privacy so that they understand how to identify, protect, and preserve sensitive data and prevent cyber intrusions. In FY21, we expanded and improved our global training programs to raise employee awareness of privacy and security obligations. Our annual training includes:

- Privacy and security training for global employees and contingent workers
- U.S. privacy law training for U.S. employees, including supplemental California Consumer Privacy Act training, beginning in FY21
- Privacy by Design training for employees in key global functions, such as Legal and IT, as well as the vast majority of E.U. employees
- General Data Protection Regulation training for select global corporate employees, as well as noncorporate E.U. employees

Additionally, we expect our vendors to adhere to our data privacy and security standards, and we evaluate these risks as part of our vendor assessment process.

When we acquire a company, we conduct privacy and security due diligence and implement an integration plan that includes training as well as policy and procedure standardization. Medtronic adheres to state, federal, and, where applicable, international data breach notification requirements. As an example, in accordance with HIPAA-related data breach requirements, Medtronic self-reports incidents involving loss of, or inappropriate access to, patient information to the Office for Civil Rights of the U.S. Department of Health and Human Services (HHS).

Looking ahead, we are focused on reducing risks related to data security, product security, and privacy by raising the ‘data and security intelligence’ of employees and continuously improving:

- Processes and technology for threat detection and response
- Processes and technology for privacy risk assessments and data subject request execution
- Guidelines and training on data security, product security, and privacy

For more information on product security, see Patient safety and product quality.
Supply chain responsibility gives us a competitive advantage. By improving the resiliency of our supply and increasing innovation, we can continue to create high-quality, life-improving products and services and minimize disruptions and quality issues.

We rely on our suppliers to help us fulfill our Mission. We uphold responsible practices in our supply chain through strong policies, risk monitoring and mitigation, supplier due diligence, and disclosure and reporting.

- $12.5B spent
- with 65,000+ partners
- across 134 countries

Added business value
Delivering high-quality products to customers and patients is only possible through collaboration with our trusted suppliers. We procure materials and services from more than 65,000 partners across 134 countries, spending more than $12.5 billion with suppliers globally in FY21.

**Sustainability and responsibility in our supply chain**

Our Global Supply Management function is responsible for extending our high standards for excellence and citizenship to our suppliers. This function oversees our Responsible Supply Management program, which integrates responsible business practices into processes such as supplier selection and supplier performance management.

Through formal company policies, we communicate our expectation that suppliers demonstrate respect for human rights, labor standards, business ethics, and the environment. These policies include:

- **Global Supplier Standards**, which describe the minimum social, ethical, and environmental requirements and expectations for our suppliers
- **Global Human Rights and Labor Standards Policy**, which guides us to conduct our business in a manner that demonstrates respect for internationally recognized human rights and the dignity of all people
- **Global Anti-Human Trafficking and Forced Labor Policy**, which outlines our commitment to a work environment free from human trafficking, slavery, unlawful child labor, and forced labor of any kind
- **Code of Conduct**, which states our companywide standard for behavior and applies to employees, officers, directors, and anyone conducting business on our behalf, including contractors, consultants, and distributors

We also adhere to supply chain transparency and due diligence regulations. See our disclosures on the **U.K. Modern Slavery Act**, the **California Transparency in Supply Chains Act**, and the **Australia Modern Slavery Act**. As the regulatory landscape expands, we are committed to meeting future requirements.

### Training and collaboration

We provide comprehensive Responsible Supply Management training for employees in procurement and sourcing, and – beginning in FY21 – to our supplier quality group. Trainings address environmental and social issues and focus on topics that include labor, human rights, human trafficking, and slavery. In FY21, we launched a new version of our Responsible Supply Management program training that was delivered through e-learning and completed by more than 1,000 employees.

While we expect suppliers to implement their own human rights and labor standards, we also train them on our standards. We describe our social, ethical, and environmental requirements for suppliers in our Global Supplier Standards and reference them in supplier agreements. All new suppliers must agree to these standards before working with us.

In FY21, we provided intensive training for suppliers who did not demonstrate full compliance with our Global Supplier Standards. We held 35 one-on-one training sessions to describe our standards and expectations and provided samples of policies suppliers can integrate into their operations.

To learn, benchmark, and collaborate with peers on issues that impact our industry, we participate in the **Sustainable Purchasing Leadership Council** and the **The Conference Board’s Responsible Sourcing Council**.

### Supply Chain Spend

<table>
<thead>
<tr>
<th>Location</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>$80.2</td>
<td>$67.3</td>
<td>$54.1</td>
</tr>
<tr>
<td>Canada</td>
<td>$118.6</td>
<td>$126.8</td>
<td>$118.9</td>
</tr>
<tr>
<td>China</td>
<td>$378.4</td>
<td>$465.7</td>
<td>$596.5</td>
</tr>
<tr>
<td>France</td>
<td>$152.2</td>
<td>$188.0</td>
<td>$204.7</td>
</tr>
<tr>
<td>Germany</td>
<td>$353.5</td>
<td>$285.5</td>
<td>$270.7</td>
</tr>
<tr>
<td>Ireland</td>
<td>$230.7</td>
<td>$272.9</td>
<td>$408.2</td>
</tr>
<tr>
<td>Israel</td>
<td>$52.4</td>
<td>$65.9</td>
<td>$133.9</td>
</tr>
<tr>
<td>Japan</td>
<td>$169.3</td>
<td>$176.7</td>
<td>$178.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>$170.8</td>
<td>$156.2</td>
<td>$191.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$256.4</td>
<td>$252.8</td>
<td>$266.2</td>
</tr>
<tr>
<td>Singapore</td>
<td>$108.5</td>
<td>$122.2</td>
<td>$176.0</td>
</tr>
<tr>
<td>Switzerland</td>
<td>$130.0</td>
<td>$251.5</td>
<td>$114.3</td>
</tr>
<tr>
<td>United States</td>
<td>$7,032.4</td>
<td>$8,754.8</td>
<td>$8,040.4</td>
</tr>
<tr>
<td>Total for locations listed</td>
<td>$10,133.4</td>
<td>$11,186.3</td>
<td>$10,753.8</td>
</tr>
<tr>
<td>Total spend</td>
<td>$11,560.0</td>
<td>$12,835.6</td>
<td>$12,536.9</td>
</tr>
</tbody>
</table>

In FY21, we set a new supply chain target. By FY26, we will assess suppliers representing **80%** of our annual managed spend on sustainability performance.

*Managed spend, also known as addressable spend, is the spend that Medtronic actively manages through a category management process.*
In FY21, we engaged third-party partners to advance our supplier assessment program. We now use a leading sustainability assessment provider’s platform to evaluate the environmental, labor and human rights, ethics, and sustainable procurement practices of our suppliers. In FY21, we evaluated 128 suppliers using this platform.

COVID-19 restrictions delayed the start of our supplier audit program by six months. The seven suppliers our program targeted for onsite audits were prioritized due to the high-risk score they received on their online assessment surveys. We conducted these audits in partnership with a third-party audit provider. The scope of the audits included labor, wages and hours, health and safety, management systems, environment, and business practices. We issued corrective action requests when we identified a nonconformance and we found no zero-tolerance issues.

We encourage our suppliers to report on their environmental and social performance. Every two years, we assess the sustainability reporting of our top suppliers. In our FY21 review, we assessed the top 200 suppliers by spend and confirmed that 37% of those publish sustainability reports, 8% have sustainability goals published online, and 26% had information relating to sustainability on their website. In total, seven suppliers published new sustainability reports, two suppliers shared new goals, and five suppliers shared new information on sustainability in the past year. In FY21, we issued corrective action requests to all suppliers that were identified as medium- or high-risk. We expect suppliers to address high priority noncompliances in a timely manner.

### Conflict minerals

Some of our products contain tin, tungsten, tantalum, or gold. In the Democratic Republic of Congo and neighboring countries, mining and processing these metals have been linked to funding armed conflict. To promote the use of responsibly sourced minerals, we continue to:

- Support the U.S. Dodd-Frank Act, which requires companies to disclose the use of any such conflict minerals
- Require suppliers to comply with the law and uphold responsible sourcing practices
- Reference conflict minerals in supplier agreements and purchase orders
- Participate in the Responsible Minerals Initiative
- Follow the Organization for Economic Cooperation and Development (OECD) guidance on conflict minerals – including surveying suppliers to collect data on smelters in their supply chains

We report our supplier survey results to the U.S. Securities and Exchange Commission annually in a dedicated Conflict Minerals Report. In calendar year 2020, we saw a 34% decrease in the number of suppliers reporting red flag smelters or refineries. We attribute this improvement to our engagement with suppliers on responsible sourcing.

More information on our approach to conflict minerals is available in our Conflict Minerals Policy.

### Supplier quality management

Our ability to improve lives depends on product quality. We share this responsibility for quality with our suppliers, communicating our expectations through our Supplier Quality Excellence Manual.

We help suppliers meet our standards through:

- Continuous improvement programs, facilitated onsite at supplier manufacturing locations
- Collaboration with suppliers to improve the design, reliability, and manufacturability of components and products
- Support of supplier business-continuity management planning initiatives – building their capability to proactively identify and mitigate global operational risks

Onsite FY21 supplier quality audits were impacted by COVID-19 travel restrictions. We mitigated this impact through remote audits, and we plan to return to regular onsite auditing practices in FY22.

In FY21, to globalize our approach to supplier quality, we made structural changes to our Supplier Quality program that enable and communicate our single standard of quality across the supply chain. The reorganization allowed for the standardization of supplier control procedures, including the creation of a single approved supplier list, as well as further leveraging shared audits.

### Supplier diversity

Working with diverse-owned businesses stimulates long-term economic benefit; creates jobs and opportunities for communities; and builds more innovative, resilient, and agile supply chains. We gain a competitive advantage through the different perspectives and innovation that diverse-owned suppliers provide. Each of our businesses is expected to support suppliers owned by women, ethnically diverse groups, people with disabilities, LGBTQ+ individuals, veterans, and those located in historically underutilized or disadvantaged business zones.

In FY20, Medtronic added the position of chief inclusion and diversity officer (CIDO), leading to full alignment between workforce diversity and supplier diversity efforts under a unified diversity and inclusion strategy. Our CIDO is a member of our Supplier Diversity Steering Committee, which, in combination with our Supplier Diversity and Executive Management teams, govern our Supplier Diversity program, strategy, and goals.
Impact of diverse-owned firms

To modernize a 25-year-old product line, we sought out an innovative partner and found PMC SMART Solutions. As a women-owned business in a male-dominated manufacturing industry, PMC SMART Solutions is not only unique in its ownership, but also in ideas.

PMC SMART Solutions had the flexibility and expertise to meet difficult contract manufacturing needs across a variety of Medtronic therapies. They also stepped up to redefine the device’s technical specs, source new materials, and improve how the product was built.

Beyond providing best-in-class solutions, PMC also helps to build the next generation of female STEM leadership through internships and flexible work schedules.

“We have the technology to set us apart from other suppliers. So, being a women-owned business speaks for itself — and to other businesses — that there are diverse businesses who bring better value to the table”

Lisa Jennings, CEO PMC SMART Solutions (pictured above)

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**U.S. DIVERSE SUPPLY CHAIN SPEND**

By category ($ million)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ U.S. spend</td>
<td>$1,144</td>
<td>$1,896</td>
<td>$1,776</td>
</tr>
<tr>
<td>$ U.S. spend %</td>
<td>17%</td>
<td>26%</td>
<td>27%</td>
</tr>
<tr>
<td>Small business</td>
<td>$133</td>
<td>$113</td>
<td>$133</td>
</tr>
<tr>
<td>$ U.S. spend %</td>
<td>1.9%</td>
<td>1.6%</td>
<td>2%</td>
</tr>
<tr>
<td>Veteran-owned</td>
<td>$245</td>
<td>$273</td>
<td>$265</td>
</tr>
<tr>
<td>business enterprise</td>
<td>3.7%</td>
<td>3.8%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Minority-owned</td>
<td>$177</td>
<td>$172</td>
<td>$172</td>
</tr>
<tr>
<td>business enterprise</td>
<td>2.6%</td>
<td>2.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Women-owned</td>
<td>$133</td>
<td>$113</td>
<td>$133</td>
</tr>
<tr>
<td>business enterprise</td>
<td>1.9%</td>
<td>1.6%</td>
<td>2%</td>
</tr>
</tbody>
</table>

† Data is based on calendar year 2020.
Governance and accountability

Robust corporate governance instills a culture of ethical behavior, contributes to our financial success, and guides our growth. It also sets the foundation for investor confidence and underpins our stakeholder engagements.

FY21 governance and accountability highlights 72
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Ethics in sales and marketing 79
Our economic impact 81
FY21 governance and accountability highlights

- 25% of board members are women
- 17% of board members are from ethnically diverse backgrounds
- 100% of U.S. employees certified as having read and understood the Code of Conduct

- $30.1B revenue generated and 68% of free cash flow returned to shareholders
- $2.9B total strategic investment and acquisition spend

*Includes acquisitions, additions to property, plant and equipment, and purchases of investments.*
Corporate governance

**Adding business value**

**Strong corporate governance protects our company while maintaining our stakeholders’ trust, allowing us to continue improving patients’ lives.**

Our corporate governance, defined through clear policies and procedures, provides independent oversight of the company that strengthens our financial health, ethical accountability, and growth.

**OUR BOARD’S SIX STANDING COMMITTEES**

- Audit
- Compensation
- Finance and Financial Risk
- Nominating and Corporate Governance
- Quality
- Technology and Value Creation

Each comprised of independent directors
Board of directors

We are governed by a board composed of 11 independent directors and our CEO. In FY21, Medtronic CEO Geoff Martha was appointed Chairman of the Board, while Scott Donnelly continues to serve as lead independent director.

Our board has six standing committees, each comprised of independent directors. The committees are:

• Audit
• Compensation
• Finance and Financial Risk
• Nominating and Corporate Governance
• Quality
• Technology and Value Creation

The Nominating and Corporate Governance Committee oversees our environmental, social, and governance (ESG) performance. More detailed information on our ESG governance is shared in ESG strategy.

Our board members have diverse experience, skills, and backgrounds essential to understanding and responding to stakeholder needs and enhancing the quality of discussions and decisions. When evaluating director candidates, we consider a variety of factors, including diversity of skills, experience, and community involvement. Our Board Diversity Policy and Principles of Corporate Governance outline the principles and processes through which the Nominating and Corporate Governance Committee assesses the appropriate mix of board diversity and evaluates candidates for directorship.

At the end of FY21, 25% of board members were women, and 17% of members were from ethnically diverse backgrounds.

Enterprise risk, continuity management

Unexpected events such as COVID-19, political turmoil, extreme weather, and civil unrest can disrupt our business and prevent us from serving those who need our products. Our Enterprise Risk & Continuity team helps us remain resilient in the face of uncertainty.

We stay nimble and prepared through four key programs:

• Enterprise risk management. Our overarching approach helps ensure risk management activities are consistent across Medtronic and that none function in isolation
• Business continuity management. We prioritize critical products and services based on patient impact and our strategic plans, focusing on resiliency and the identification and effective management of key operational risks
• Crisis management (CM). The CM team prioritizes and coordinates resources and our response to crises that affect our people, operations, and/or reputation. The executive committee sponsors the CM program, with more support for operational response from the Medtronic Global Command Center and leadership
• Supply risk management. We use this process to identify threats our extensive supply chain could pose and determine how to best mitigate them. We work closely with our suppliers to ensure their understanding and action regarding risks

Read more about the philanthropic support provided by Medtronic and the Medtronic Foundation during global crises and natural disasters.
Public policy

Public policy shapes the future of healthcare and can significantly impact the patient experience. We believe transforming healthcare – by improving access, quality, efficiency, and outcomes – will produce long-term societal benefits.

Our Government Affairs, Health Economics and Reimbursement, and Regulatory Affairs teams work with governments, peers, and other stakeholders to:

• Enable technology innovations
• Facilitate access to lifesaving therapies and devices
• Generate economic value for healthcare system stakeholders
• Promote outcome-driven and value-based healthcare
• Harmonize and coordinate international regulatory requirements
• Realize the potential of digital health technology

Digital health continued to be a public policy focus for us in FY21. We believe that as technology and healthcare become increasingly interconnected, the quality of patient care will improve. We are helping to shape the digital health policy landscape on issues including device security, data privacy and security, product regulatory issues, and coverage and reimbursement.

Medtronic makes contributions to federal political candidates that align with our company values, and we comply with all relevant country and state laws on political contribution disclosures. Read more about our Political Contribution Policy.

Collaborations

Our Mission compels us to partner with others to advance access to quality, affordable healthcare. We consider patients, physicians, treatment facilities, health system administrators, government officials, public policymakers, nonprofits, nongovernmental organizations, and advocacy groups to be our stakeholders and potential partners. Like us, they have a vested interest in improving healthcare and overcoming industry challenges. By working with them, we can realize this vision.

The world’s current healthcare systems do not serve all patients equally. To address this disparity, a growing number of nations are implementing universal health coverage (UHC) to provide everyone access to health services without risk of financial ruin. According to the World Health Organization, countries with UHC have less poverty and stronger economic development, as well as improved health indicators. We are well-positioned to support governments as they drive for UHC and we look for ways to contribute to this progress.

Our CEO, Geoff Martha, is a co-chair of the B20 Health & Life Sciences Task Force, which is currently preparing a health policy paper for G20 health ministers and heads of state. In FY21, the task force organized roundtable conferences with health ministers and other policy officials from various G20 countries to discuss healthcare issues. We have continued to promote value-based healthcare discussions at meetings of G20 health officials and in other policy discussions. We also promote other policies to increase access to care and innovation, including the application of digital technology to improve diagnosis, therapy, and care management.

Additionally, we continue to participate in business and MedTech industry trade organizations because we believe collaboration is necessary to advance global health. We share expertise and advocate for a more sustainable healthcare model through forums in the United States and elsewhere. This includes serving on the boards of industry organizations, such as AdvaMed, APACMed, and MedTech Europe.
Ethical business conduct

Acting ethically is critical to our business success. When our people act with integrity, they safeguard our reputation, protect the best interests of patients, and minimize our exposure to risks.

We expect our employees to think critically, make ethical decisions, and seek support when faced with a dilemma.

99% of new employees received Code of Conduct training and certification in FY21

100% of U.S. employees certified as having read and understood the Code of Conduct in FY21
We articulate our expectations for ethical behavior through policies and principles, including our Code of Conduct, which is accessible, explicit, and relevant to day-to-day work. To ensure every employee understands and is accountable for our Code, we:

- Provide the Code in 22 languages so 99% of employees can read it in their first language
- Deliver multilingual Code training for new employees and those joining Medtronic through acquisitions
- Retrain employees on the Code annually and require everyone at Medtronic – including our board – to certify their understanding of its contents

In FY21, we updated our U.S. Business Conduct Standards Playbook — our policy that governs how employees interact with healthcare providers and other stakeholders in a position to influence purchasing decisions. Our revised policy was simplified to ensure stakeholders in a position to influence purchasing decisions. Our revised policy was simplified to ensure employees understand its content. We articulate our expectations for ethical behavior to everyone at Medtronic — including our board — to certify their understanding of its contents.

To monitor ethical sentiment among employees, we include ethics questions in our annual organizational health survey. We also conduct a dedicated all-employee ethics survey every three years. This survey assesses performance toward our ambition to be the unsurpassed standard for integrity. Our last ethics survey, conducted in FY20, identified four opportunity areas where we can enhance our ethical culture:

- Tone at the top; comfort speaking up; openness of communication; and trust and team cohesion. Our CEO and executive committee address this feedback, and we will reevaluate our performance in the FY23 survey.

Employee ethics

We want ethical behavior to be second nature to employees. Our new Medtronic Mindset includes “Delivering Results...the Right Way” as a fundamental element embedded into our ethics communications. We continuously expand and improve ethics touch points across the organization and employ adult learning best practices to enable employee understanding and adherence. In FY21, we split a key training into interactive modules, making it more digestible and relevant to specific roles. We also launched new trainings on conflicts of interest, anti-harassment, and insider trading, and refreshed our Code of Conduct training to highlight emerging issues.

Ethics and Integrity Week is our annual weeklong event that engages employees on ethics and compliance. We also engage employees year-round through our Ethics Circles program, which brings individuals together to discuss ethical issues ranging from hypothetical scenarios to personal experiences. While the number of these events was reduced in FY21 due to COVID-19 restrictions, many continued remotely. We will leverage the “virtual” communication best practices we learned during the pandemic to conduct programming in FY22 and beyond.

To monitor ethical sentiment among employees, we include ethics questions in our annual organizational health survey. We also conduct a dedicated all-employee ethics survey every three years. This survey assesses performance toward our ambition to be the unsurpassed standard for integrity. Our last ethics survey, conducted in FY20, identified four opportunity areas where we can enhance our ethical culture: tone at the top; comfort speaking up; openness of communication; and trust and team cohesion. Our CEO appointed two members of the executive committee to address this feedback, and we will reevaluate our performance in the FY23 survey.

ENSURING COMPLIANCE WITH OUR CODE OF CONDUCT

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees receiving Code of Conduct training and certification</td>
<td>94%</td>
<td>90%</td>
<td>69%†</td>
</tr>
<tr>
<td>New employees receiving Code of Conduct training and certification</td>
<td>99%</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>Employees joining through acquisitions receiving Code of Conduct compliance and ethics training within 90 days of the transaction</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>U.S. employees certified as having read and understood the Code of Conduct</td>
<td>100%</td>
<td>100%</td>
<td>95%</td>
</tr>
<tr>
<td>Employees terminated for ethical and compliance-related infractions‡</td>
<td>200</td>
<td>194</td>
<td>270</td>
</tr>
</tbody>
</table>

† In-person trainings at manufacturing facilities were suspended in FY21 due to COVID-19 restrictions, leading to a decrease in the number of employees who completed training.
‡ Based on calendar years 2019, 2020, and 2021.

An ethical culture

Our Office of Ethics and Compliance (OEC) is responsible for ethics policies and programs, including our global risk-assessment process. The OEC provides an annual ethics report for the board of directors, supplemented by quarterly briefings for the board’s Audit Committee. Our chief ethics and compliance officer has an independent reporting line into the Audit Committee and meets in executive session with members of the Committee.

We design our communication and training to prevent the occurrence of unethical issues. Because even a comprehensive program cannot completely eliminate the risk of unethical behavior, we proactively monitor our activities and processes. If we uncover an ethical issue, we investigate and remediate it through a formal, consistent, and fair review process.

Our annual risk-assessment process includes the OEC’s rigorous review of internal and external data and trends, including regulatory enforcement actions, hotline reports, investigations, internal auditing, and data analyses to identify high-risk areas for investigation and remediation. We conduct root-cause analyses on confirmed issues and take appropriate corrective action to prevent recurrences.

The OEC also processes and thoroughly investigates all reported concerns of alleged misconduct. When employees need ethical guidance or have concerns about potential violations, we strongly encourage them to speak up through one of the following channels:

- Their manager
- Human Resources
- Legal or Compliance representatives
The board of directors' email inbox (monitored by staff who bring pertinent matters to the board's attention)

Voice Your Concern Line

Exit interviews (employees who leave the company are invited to share ethical concerns)

In FY21, we added a new position, chief counsel of global compliance investigations, to elevate support for these processes. We also enhanced our Voice Your Concern Line by improving language accessibility and access for global employees. Of the 789 concerns received in FY21, 84% were mild-risk, 14% were moderate-risk, and 2% were elevated-risk. The most common issues reported concerned workplace misconduct (56% of inquiries). We closed 73% of the moderate-risk matters and 59% of the elevated-risk matters. We will investigate and close the remaining items.

If our investigations confirm employee misconduct, we take corrective actions, including coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or, in serious cases, dismissal. During calendar year 2021, Medtronic terminated 270 employees for ethical and compliance-related infractions, up from 194 in calendar year 2020. This increase is due to our larger focus on how employees interact with healthcare professionals, as well as how we capture and record terminations. In FY21, we created an Organizational Justice program to enhance consistency in our internal processes around alleged misconduct, including how we remediate misconduct globally.

In FY22, we will continue prioritizing ethics through communication and training campaigns to strengthen key skills. Additionally, we will institute new technology systems to better enable our employees to report their interactions with healthcare professionals. We also will report all transfers of value to healthcare practitioners to comply with the recently expanded Physician Payments Sunshine Act.

### VOICE YOUR CONCERN LINE

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of inquiries</td>
<td>955</td>
<td>972</td>
<td>789</td>
</tr>
<tr>
<td>Mild-risk</td>
<td>91%</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Moderate-risk</td>
<td>7%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Elevated-risk</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### INQUIRIES BY ISSUE†

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace conduct</td>
<td>65%</td>
<td>63%</td>
<td>56%</td>
</tr>
<tr>
<td>Concerns or questions</td>
<td>14%</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>EHS concerns</td>
<td>1%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Quality/regulatory</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Fraud and accounting</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>HCP interactions</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Patient relations</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Privacy/security</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Antitrust/fair dealing</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Theft</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Import/export</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Security concerns</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

† Some columns may not add up to 100% due to rounding.
Ethics in sales and marketing

Ethical sales and marketing practices build trust with our stakeholders, safeguard our reputation, and reduce legal and regulatory risks and fines.

Patient safety is our top priority. We take responsibility for ensuring that our sales and marketing professionals act with the highest standard of integrity when marketing or labeling our products and when interacting with healthcare professionals.

215 employees supporting anti-corruption efforts (full-time employee equivalents) in FY21

99% third-party distributors completing anti-corruption training in FY21

18,400+ marketing and sales employees trained on product promotion
**Responsible marketing**

All Medtronic employees are required to adhere to the sales and marketing practices outlined in our **Code of Conduct, Global Business Conduct Standards Policy**, and industry codes of ethics. Further, we expect employees to follow all local laws and regulations.

We require our employees to uphold our high ethical standards, whether interacting with customers in person or remotely. In response to COVID-19 restrictions, we provided sales and marketing employees with guidance and training on how to conduct ethical interactions in virtual settings.

The Internal Investigations program, managed by the Medtronic Office of Ethics and Compliance (OEC), is a critical part of our system for ensuring that our marketing practices comply with our policies and external regulations.

In FY21, Medtronic settled a matter concerning noncompliance with anti-corruption laws relating to the interaction between sales employees and a neurosurgeon in South Dakota. We paid a settlement of $9.2 million, although the settlement agreement did not contain an admission of liability.

**Ethical interactions**

We work with healthcare providers to expand patient access to our products and therapies. Our **Physician Collaboration Policy** establishes our companywide standard for employee interactions with healthcare professionals. Through this policy, we preserve the integrity of physician-patient relationships and avoid conflicts of interest. Our physician collaborations include:

- Inventing new devices and therapies
- Developing educational materials and campaigns
- Conducting clinical research
- Providing training on how to use our devices and therapies

Medtronic does not engage in new physician collaborations unless we can verify that the partnership meets a legitimate purpose. We follow a rigorous process to assess physician collaboration opportunities and ensure that any consulting payments reflect fair market value for services performed.

We transparently disclose transfers of value to healthcare professionals in each country where required by law. In FY21, we further enhanced our policy and programs to increase transparency on payments to physician-owned entities. In the United States, payment disclosures are published on the **U.S. Centers for Medicare and Medicaid Services** open payments site.

**Countering corruption**

The Medtronic board of directors oversees our Anti-Bribery and Anti-Corruption program. The program is strengthened by information from regulators, third-party auditing, and best practices. We have 215 (full-time equivalent) employees with expertise in anti-corruption enforcement.

Our Code of Conduct prohibits bribery or facilitation payments and, in most countries, prohibits gift exchange. Through our policies, guidelines, and training programs, we clearly communicate our ethical standards to our full-time and part-time employees, as well as to contractors.

We train internal and external stakeholders on anti-corruption to make them aware of applicable regulations and to help them address ethically challenging scenarios. Anti-corruption practices are covered in our required Code of Conduct training cycle, and, in FY21, we launched a new training program to familiarize new sales employees with our ethical sales practices.

- Support and monitor compliance, including conducting onsite monitoring of distributors
- Assess corruption potential prior to renewing or entering contracts

To increase Distributor Code of Conduct compliance, we established commercial Distributor Relationship Owners (DROs). DROs hold distributors accountable to anti-corruption requirements and meet with distributors to discuss and certify their understanding of ethical requirements. Distributors must assign a team member to manage ethical responsibilities within their organization and set a related performance goal.

Where possible, we are expanding our direct sales infrastructure in specific markets to reduce our reliance on third-party distributors, decrease risk, and improve customer service.

**Distributors and partners**

Sometimes we partner with third-party entities to distribute our products to customers. We hold these entities to our high standards and require them to implement their own anti-corruption programs. In FY21, we worked with AdvaMed to produce a best-practices tool kit that all industry companies can provide to their distributors.

To ensure that distributors adhere to our ethical standards, we:

- Require an annual commitment to abide by our Distributor Code of Conduct and complete anti-corruption training at least every two years

**Countering corruption**

**Responsibility marketing to customers and patients**

<table>
<thead>
<tr>
<th>Fines or settlements related to improper marketing or sales of products†</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,236</td>
<td>18,753</td>
<td>18,416†</td>
<td></td>
</tr>
</tbody>
</table>

† Fines noted represent the year the fine was paid.
‡ Settlement was related to improper marketing and sales of our Infuse™ product.
§ $9.2 million settlement related to the interaction between sales employees and a neurosurgeon in South Dakota.
‡ Year-over-year decrease attributed to removal of non-sales/marketing employees inadvertently included in the FY20 audience.

**Countering corruption**

**Employees supporting anti-corruption efforts**

<table>
<thead>
<tr>
<th>Third-party distributors receiving anti-corruption training</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>95%</td>
<td>98%</td>
<td>99%</td>
<td></td>
</tr>
</tbody>
</table>

**Third-party distributors receiving onsite monitoring**

<table>
<thead>
<tr>
<th>Third-party distributors receiving onsite monitoring</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.2%</td>
<td>11.8%</td>
<td>13.4%</td>
<td></td>
</tr>
</tbody>
</table>
Our economic impact

We grow our business by advancing better patient outcomes through innovative healthcare technology. In turn, our financial success fuels broader economic prosperity for our employees, suppliers, and the communities to which we belong.

Our global operations create rewarding jobs, contribute to local communities, and seed opportunities for long-term economic prosperity. Our strong business track record enables us to return greater dividends to shareholders, and our continued growth provides financial benefits to employees and suppliers.

$30.1B
FY21 net sales

68% $4.8B
of free cash flow returned to shareholders in FY21
FY21 emerging market net sales
Financial performance

In FY21, we grew our revenue and market share while also stepping up support for customers, employees, and communities amid COVID-19.

Our FY21 revenue totaled $30.1 billion – an increase of approximately 2% on an organic basis, compared with FY20 – including sales of $4.8 billion in emerging markets. Although our non-GAAP operating profit of $7.2 billion declined by 5%, compared with FY20, we increased our R & D investments by 7% in FY21. Our FY21 revenue and profit were both affected by fewer elective procedure volumes globally as a result of COVID-19.

In FY22, we aim to boost R & D spending by more than 10% – the largest monetary increase in Medtronic history. This reflects our continued focus on innovation as the engine of our long-term revenue growth.

We also set long-term goals to grow our annual organic revenue by 5% or more and to grow our annual adjusted earnings per share by 8% or more.

See our 2021 Form 10-K for more detail on our financial performance.

Employment and compensation

We design our compensation framework to recognize and reward our 90,000+ employees in more than 150 countries for their ongoing commitment. Read more about our approach to pay equity and compensation and benefits.

Amid our restructure, the Medtronic Employee and Labor Relations team helped the organization, leaders, and employees through workplace transitions. We align our end-of-employment and restructuring support with the values expressed in the Medtronic Mission and Tenet 5 – recognizing the worth of all employees.

Return to shareholders

Our non-GAAP earnings per share of $4.44 in FY21 represents a 1.0% increase on a constant-currency basis. As part of our strategy for balanced capital deployment, we committed to return at least 50% of our annual free cash flow to shareholders. Out of our $4.9 billion total free cash flow in FY21, we returned $3.3 billion – or 68% – through dividends and net share repurchases.

Investment, expenditures, and taxes

We deliver direct economic benefit to individuals and communities through the wages and taxes we pay, and indirect benefit through our business with suppliers. We sustain this positive impact through ongoing capital investments and operating outlays.

Acquisitions and divestitures

We invest in or acquire other healthcare technology companies to access innovative technology, strategic skills, and expertise aligned with our Mission. When appropriate, we use divestitures to ensure our portfolio remains focused on our strategic priorities. In FY21, we did not divest any significant business operations.

Select FY21 acquisitions include:

- Avenu Medical. Provides a minimally invasive and cost-effective approach to vascular access for the treatment of patients with chronic kidney disease who require dialysis
- Medicrea. Furthers our strategic expansion into artificial intelligence, machine learning, and predictive analytics in Spine
- SonarMed. Delivers an innovative pediatric airway monitoring system that helps increase patient safety and reduce healthcare costs

Our total strategic investment and acquisition spend in FY21 was $2.87 billion.14

Dividends per share

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars</td>
<td>2.00</td>
<td>2.16</td>
<td>2.32</td>
</tr>
</tbody>
</table>

We remain in the S&P 500 Dividend Aristocrats Index, with FY21 marking our 43rd year of dividend increases.

14 Includes acquisitions, additions to property, plant and equipment, and purchases of investments.

† Number includes full-time and part-time employees. All counts are based on average calculations for the fiscal year; therefore, instances of rounding can cause the total count to vary by a small amount. Employee population data expressed here may vary from our 10-K form depending on the time of year we gathered data.

‡ All employee compensation and benefit amounts are based on the actual exchange rate. Total Employee Compensation includes salary and wages, incentives, overtime, severance pay, payroll taxes, retirement benefits, auto allowance, and other benefits.

§ Employee Retirement Benefits spend fluctuates based on a variable 401(k) match component, incremental to the standard 401(k) match.

Employee total compensation

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ million</td>
<td>90.1</td>
<td>92.7</td>
<td>94.9</td>
</tr>
</tbody>
</table>

Employee salary and wages

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ million</td>
<td>5,355</td>
<td>5,586</td>
<td>5,956</td>
</tr>
</tbody>
</table>

Employee retirement benefit plans

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ million</td>
<td>539</td>
<td>467</td>
<td>668</td>
</tr>
</tbody>
</table>
ESG Disclosure Index

Our FY21 environmental, social, and governance (ESG) Disclosure Index references disclosures for our material issues that align with reporting frameworks and standards from the Global Reporting Initiative; Sustainability Accounting Standards Board; Task Force on Climate-related Financial Disclosures; and the World Economic Forum Stakeholder Capitalism Metrics.

Global Reporting Initiative index 84
Sustainability Accounting Standards Board index 105
Task Force on Climate-Related Financial Disclosures 108
World Economic Forum Stakeholder Capitalism Metrics 112
Employee data summary 116
Global Reporting Initiative (GRI) index

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

Access

Definition and boundaries (GRI 103-1)
Ensuring product/therapy is accessible to patients – once it is available – through capacity building, training and education programs, infrastructure improvement, attention to legal and regulatory restrictions, and innovations in accessibility, such as remote diagnosis or treatment. Includes efforts to expand access in emerging markets.
Access, and our related impacts, are relevant for our customers, patients, and those who are not yet customers or patients but could benefit from our products or therapies.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic
We are guided by our Mission: to contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life.
Efforts to increase access to healthcare are embedded in the day-to-day operations of our entire company. The Medtronic board of directors and executive committee have primary responsibility for ensuring that we are maximizing our ability to reach patients who can benefit from our products and therapies. Each operating unit and region reports to the board regularly.
Each operating unit develops new products, therapies, and programs to reach more people with life-changing care. We work with strategic partners and explore emerging technologies to develop innovative solutions for unmet healthcare needs – including conditions that disproportionately affect people in emerging markets.
We work to bridge the disparities that exist across healthcare systems, enabling more people to access needed treatment. We develop and scale programs to expand access to our products and services in underserved communities, focusing on the prevention, detection, and treatment of noncommunicable diseases.
The Medtronic Foundation contributes to expanding access to healthcare by working in partnership with local nonprofits and governments to invest in impactful healthcare projects aimed at improving access for underserved communities and addressing healthcare disparities. The Medtronic Foundation is led by a board of directors that includes senior leaders from across Medtronic, including Geoff Martha, president and CEO of Medtronic plc.
Our efforts to increase access to our products and therapies are supported by our focus on innovation, affordability, and integrated care.

B. A statement of the purpose of the management approach
The accessibility of our products and solutions is critical to our Mission and our business success. Making our therapies accessible to people everywhere is inherent in our growth strategy. We view access to healthcare as a human rights issue and support the principle of universal access to health. Our Mission drives us to contribute to human welfare by improving health outcomes, and our access strategy is a key element of this. Through business and philanthropic activities, we assess local, unmet healthcare needs. We tailor new or existing products, solutions, and therapies to overcome barriers to care and reduce health inequality.

C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach
We develop strategies, programs, and business activities designed to maximize the value of our products and solutions and increase access to healthcare. These include:

- Our range of programs focused on integrated care
- Patient Access Acceleration – identifying market-level barriers to access
- Patient Access Insights – identifying local barriers to access
- Capacity building – upskilling healthcare professionals and patients
- Public-private partnerships – addressing gaps in healthcare systems
### Access (continued)

- Engagement with governments and other organizations to advocate for systemic, sustainable changes to healthcare systems
- Targeted initiatives to reduce healthcare disparities and remove biases in healthcare systems
- Medtronic LABS, a social business dedicated to expanding access to healthcare for underserved patients, families, and communities around the world
- Medtronic Foundation programs – scalable, sustainable solutions that invest in healthcare systems and workers, delivering lasting impact for underserved communities

In early FY22, we set a new performance target to use access strategies to serve 85 million patients annually by FY25.

### Affordability

**Definition and boundaries (GRI 103-1)**

Includes reimbursement strategy, differentiated pricing strategies, bottom-of-the-pyramid strategies, and patient assistance programs. Includes efforts to create new business models and drive value-based healthcare (VBHC) to improve the economic value and affordability of Medtronic products and therapies.

Affordability is relevant to all our customers, patients, and those who are not yet customers or patients but who could benefit from our products or therapies.

**The management approach and its components (GRI 103-2)**

**A. An explanation of how the organization manages the topic**

To increase affordability and value, we:

- Offer a variety of pricing models based on the principles of fairness and sustainability, aligned with the local market environment - these include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers
- Offer a range of price points across a given technology portfolio to match different affordability levels and willingness to pay

We define pricing strategies for our products and therapies considering the value delivered to our patients and healthcare systems, the type and level of service embedded in the agreement, and the innovation, as well as the natural market forces in each market.

**B. A statement of the purpose of the management approach**

Our goal is to make medical technology available to patients across the world. With that mindset, we develop specific pricing programs and policies to enable that aspiration.

**C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**

We leverage all relevant potential communication channels and technologies with customers and business partners to provide detailed, accurate price information across the world.

We take a VBHC approach – integrating products and services into solutions that improve patient outcomes while reducing the cost of care. Value is measured by long-term patient outcomes rather than short-term transactions. To accelerate the transformation of healthcare systems towards VBHC, we collaborate with others and advocate the advantages of this model.

**Evaluation of the management approach (GRI 103-3)**

We monitor our VBHC partnerships on a case-by-case basis – tracking patient outcomes and efficiencies.
### Climate risk and resilience

**Definition and boundaries (GRI 103-1)**

A holistic strategy for mitigating climate risks and for enhancing resilience inside the company, across the supply chain, and within vulnerable communities. Climate risks include both physical risks (e.g., extreme weather events, rising temperatures, drought, wildfires, rising sea levels), and transition risks (e.g., global regulations impacting energy costs and availability, shift in consumer preferences towards lower-carbon products). Also includes disaster response.

Climate risk and resilience is relevant to our company, investors, communities, patients, customers, and suppliers.

**The management approach and its components (GRI 103-2)**

A. **An explanation of how the organization manages the topic**

We acknowledge the challenges to global business posed by climate change, particularly those that can impede our ability to maintain operations that bring life-enhancing medical technology to patients around the world. Adapting to a changing climate requires us to build business resilience, and we are leveraging the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to demonstrate our understanding of climate-related risks and opportunities specific to our business.

Our approach to managing climate risk and building resilience includes strong governance, integrating climate risk assessment into business continuity and enterprise risk management processes, developing business strategies within our functional global operations areas, and finally, setting and assessing our performance against companywide environmental targets.

B. **A statement of the purpose of the management approach**

Understanding our climate risks and opportunities allows us to proactively engage in risk mitigation and resiliency planning designed to minimize business disruptions and related financial impacts.

C. **A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**

The relevant policies, programs, and governance of this topic are shared in detail in our Task Force on Climate-related Financial Disclosure Report and in the Reducing our operational footprint section of this report. Our FY25 environmental targets are focused on energy, emissions, water, waste, and our aim to be carbon neutral in our operations by FY30.

**Evaluation of the management approach (GRI 103-3)**

We have established companywide environmental targets since 2007, with a focus on reductions in energy use and greenhouse gas (GHG) emissions throughout our operations. In FY20, we met our latest long-term target and achieved a total GHG emissions reduction of 15%, compared to a 2013 baseline. We announced new targets through FY25 that call for additional GHG reductions and introduced our first long-term renewable energy target.

Corporate Environmental, Health, and Safety (EHS) leads quarterly meetings with vice presidents of operations from our business groups that are responsible for active monitoring of the status of environmental reduction targets.

### Corruption and bribery

**Definition and boundaries (GRI 103-1)**

Unethical business practices that violate state, federal, or international laws pertaining to healthcare fraud and abuse, including anti-kickback laws, anticompetitive practices, and the U.S. Foreign Corrupt Practices Act.

The risk of corruption is relevant to investors and employee interactions, including those with customers, healthcare professionals, and patients.

**The management approach and its components (GRI 103-2)**

A. **An explanation of how the organization manages the topic**

To reduce the risk of corruption, we articulate our expectations through policies and principles, provide communication and training to employees at all levels of the organization, and proactively monitor our business transactions for unethical behavior.

B. **A statement of the purpose of the management approach**

Our approach reduces the risk to Medtronic and ensures a consistent culture of ethics that is integral to maintaining our reputation. When our people act with integrity, they protect the best interests of patients and our company.
Corruption and bribery (continued)

C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach


The Medtronic Office of Ethics and Compliance (OEC) is responsible for our ethics policies and programs, including our global risk assessment process. The OEC provides an annual ethics report for the board of directors, supplemented by quarterly briefings for the board’s Audit Committee. Our chief ethics and compliance officer has an independent reporting line into the Audit Committee and meets in executive session with members of the Committee. The OEC also processes and thoroughly investigates all reported concerns of alleged misconduct.

Our communication and training measures are designed to prevent ethics issues from occurring, and we provide job-specific training to minimize corruption risk. We implement anti-corruption training to make internal and external stakeholders aware of regulations and to explain how to address ethically challenging scenarios. We cover anti-corruption practices in our required Code of Conduct training cycle.

When employees require ethical guidance or have concerns about potential violations, we strongly encourage them to speak up through the Voice Your Concern Line, human resources, their manager, Legal or Compliance representatives, the board of directors’ email inbox, and exit interviews. In FY21, we added a new position, chief counsel of global compliance investigations, to elevate support of these processes. We also enhanced our Voice Your Concern Line by improving language accessibility and access for global employees.

Evaluation of the management approach (GRI 103-3)

We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys. Every three years, we issue a dedicated ethics and compliance survey. These results help us assess our management approach and identify areas for improvement.

Our communication and training measures are designed to prevent ethics issues from occurring. We are aware that even our comprehensive program cannot completely eliminate the risk of unethical behavior, so we also proactively monitor our business. Our annual risk assessment process includes the OEC’s rigorous review of internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations. This review is coupled with internal auditing and data analysis to identify high-risk areas for investigation and remediation.

The OEC also processes and thoroughly investigates all reported concerns of alleged misconduct. If our investigations confirm any employee misconduct, we take corrective actions, including coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or in serious cases, dismissal.

Data privacy and security

Definition and boundaries (GRI 103-1)

Implementing appropriate physical, technical, and administrative safeguards to protect business and personal data from unauthorized access. Includes avoidance or mitigation of large breaches, effective electronic data privacy practices, employee training and education, and compliance with existing and emerging regulations, such as HIPAA and the General Data Protection Regulation (GDPR).

Data privacy and security is relevant to those who entrust us with their data, including employees, customers, and patients. Protecting data privacy and security is relevant to all Medtronic employees, contingent workers, and vendors.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic

Our global cybersecurity and privacy programs are designed to protect data in the ever-evolving technology and cybersecurity landscape. Our companywide approach drives consistency across our organization and compliance with global standards. Vendors and newly acquired companies are expected to comply with our standards.

B. A statement of the purpose of the management approach

We invest in data privacy and security to comply with regulations, build investor confidence, retain customer trust, and respect the patients who benefit from our products and therapies.
Data privacy and security (continued)

C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach

The Audit Committee of the Medtronic board of directors has oversight of cybersecurity risk, and our companywide security policies, standards, and procedures ensure consistency across our organization. Our Global Cybersecurity program is aligned to the National Institute of Standards and Technology Cybersecurity Framework and the ISO/IEC27001 standard. We drive consistency across our organization with companywide security policies, standards, and procedures.

We comply with international privacy regulations, including state, federal, and, where applicable, international breach notification requirements. We use technology to scan our operational environment for risks and we assess the risks of third-party projects and initiatives. Recognizing the crucial role employees play in safeguarding data, we deliver annual, localized privacy and security training. To advance data security practices, we collaborate with third-party organizations such as the Health Information Sharing and Analysis Center and AdvaMed.

Evaluation of the management approach (GRI 103-3)

Based on various regional requirements, Medtronic systems are regularly assessed or audited on a rolling, periodic basis (i.e., for HIPAA or GDPR compliance) by both the Privacy and Security teams, along with Corporate Audit. Additionally, the Global Security program at Medtronic is assessed every 18-24 months by a third party.

Ethics in sales and marketing

Definition and boundaries (GRI 103-1)

Upholding ethical behavior in the sales and marketing of Medtronic products, including the truthful, nonmisleading promotion of products to customers, medical professionals, and the broader scientific community. This includes active oversight of distributors and effective management of off-label promotion. Ethics in sales and marketing is relevant to all Medtronic employees, healthcare providers, industry partners, patients, distributors, investors, regulators, and governments.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic

To responsibly market our products, we articulate our expectations for employees through policies and principles, provide communication and training to employees in high-risk roles, and proactively monitor our business transactions for unethical behavior. In some cases, we partner with third-party entities to distribute our products to customers. We ensure our distributors and partners uphold our ethical standards in the sales and marketing of our products through our Distributor Code of Conduct and a related compliance program. To increase Distributor Code of Conduct compliance, we established Commercial Distributor Relationship Owners (DROs). DROs hold distributors accountable to anti-corruption requirements and meet with distributors to discuss and certify their understanding of ethical requirements. We also assess new physician collaboration opportunities to ensure that any consulting payments reflect fair market value for services performed.

B. A statement of the purpose of the management approach

Maintaining the trust of customers, patients, industry partners, healthcare providers, investors, regulators, governments, and employees is critical to our success. Our customers depend on our medical products, services, and therapies, and we must promote them factually, lawfully, and in a way that supports their approved or cleared use. Promoting our products ethically protects patient safety and preserves our reputation.

C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach

We promote our products based on their approved labeling and promote and sell our products through accurate and truthful communication of their efficacy, quality, safety, and price. Our guiding policies and principles include: Code of Conduct, Global Business Conduct Standards Policy, Code of Ethics for Senior Financial Officers, Code of Business Conduct and Ethics for Members of the Board of Directors, Physician Collaboration Policy, and Distributor Code of Conduct. Employees must also adhere to the AdvaMed Code of Ethics on Interactions with Healthcare Professionals.

The Medtronic Office of Ethics and Compliance (OEC) provides oversight for our Ethics program and is responsible for our policies and programs related to ethics, including our global risk assessment process. The OEC processes and thoroughly investigates all reported concerns of alleged misconduct, including those related to sales and marketing practices. If we uncover an ethical issue, we swiftly investigate and remediate it through our streamlined review process.
<table>
<thead>
<tr>
<th><strong>Ethics in sales and marketing (continued)</strong></th>
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<tbody>
<tr>
<td><strong>Evaluation of the management approach</strong></td>
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<tr>
<td>(GRI 103-3)</td>
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<tr>
<td>We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys. These results help us assess our management approach and identify areas for improvement.</td>
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<tr>
<td>Our annual risk assessment process includes the OEC's rigorous review of internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations. This review is coupled with internal auditing and data analysis to identify high-risk areas for investigation and remediation. We conduct root cause analysis on confirmed ethical issues and take appropriate corrective action to prevent recurrence.</td>
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<tr>
<td><strong>Inclusion, diversity, and equity</strong></td>
</tr>
<tr>
<td>Definition and boundaries</td>
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<tr>
<td>(GRI 103-1)</td>
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<tr>
<td>Employing a workforce that includes adequate representation of women and people from diverse ethnic backgrounds. Includes treating all employees fairly, without discrimination and providing equal professional opportunities and equitable compensation for work, irrespective of gender and ethnicity.</td>
</tr>
<tr>
<td>Inclusion, diversity, and equity (ID&amp;E) is relevant to our employees, patients, suppliers, investors, and communities.</td>
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<tr>
<td><strong>The management approach and its components</strong></td>
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<tr>
<td>(GRI 103-2)</td>
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<tr>
<td>A. An explanation of how the organization manages the topic</td>
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<tr>
<td>To increase the representation of women and ethnically diverse people in our workforce, we build a culture of inclusion to attract and retain diverse talent. We take a multifaceted approach to ensuring that our work environment is free from discrimination, including companywide policies and mechanisms to report concerns regarding discrimination. We are working toward racial and gender pay equity by analyzing our pay practices and adjusting compensation to be more equitable if we identify discrepancies. We also put financial resources, creative energy, and advocacy behind initiatives aimed at accelerating progress on racial equity and other social justice issues within our communities.</td>
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<td>B. A statement of the purpose of the management approach</td>
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<tr>
<td>ID&amp;E strengthens our workplace culture, drives innovation, and ultimately helps us meet global health needs. By hiring and developing diverse talent, creating a culture of inclusivity, setting ambitious goals, and measuring our performance on key indicators, we strengthen our company. However, championing ID&amp;E within our own workplace is not enough. We must play a role in addressing systemic inequities in our communities if we hope to make a meaningful difference in our organization.</td>
</tr>
<tr>
<td>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</td>
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<tr>
<td>Our policies related to ID&amp;E include the Medtronic Code of Conduct and the Global Human Rights and Labor Standards Policy.</td>
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<td>Our program is overseen by our chief inclusion and diversity officer, who evaluates and strengthens our ID&amp;E strategy, working to enhance our workplace culture and increase our diverse talent acquisition, retention, and promotion. Beginning in FY22, ID&amp;E performance is now incorporated directly in the annual incentive plan for select executives. This will be measured using comprehensive metrics including representation, employee survey metrics, and metrics for leadership actions specific to ID&amp;E.</td>
</tr>
<tr>
<td>We engage employees in ID&amp;E through ongoing training and communication, as well as employee resource groups and Diversity Networks. We assess the impact of our ID&amp;E efforts through our Organizational Health Survey.</td>
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<tr>
<td>To increase representation of diverse talent in leadership, we include diverse talent in every candidate pool and review hiring decisions with a panel of diverse employees. To ensure that we achieve appropriate representation, we leverage external data to monitor diversity and employment trends at the global, national, industry, and company level.</td>
</tr>
<tr>
<td>Nondiscrimination, workforce equity, and fair employment are addressed in our companywide policies. We follow employment law by ensuring that an objective party investigates all claims of discrimination. We have a zero-tolerance policy and respond to all confirmed claims with disciplinary action, up to and including termination.</td>
</tr>
<tr>
<td>We are also working toward new performance targets. By FY26, we aim for women to hold 45% of manager-and-above positions globally and ethnically diverse talent to hold 30% of manager-and-above positions in the United States.</td>
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<tr>
<td><strong>Evaluation of the management approach</strong></td>
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<tr>
<td>(GRI 103-3)</td>
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<tr>
<td>We evaluate ID&amp;E by measuring and reporting on key indicators related to diverse representation, including our FY26 targets and pay equity. We also monitor employee participation rates in initiatives, such as our employee resource groups and Diversity Networks. We assess the impact of our ID&amp;E efforts on employees through our Organizational Health Survey.</td>
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### Innovation

**Definition and boundaries (GRI 103-1)**
Innovating to increase the availability of treatments that address significant diseases through research and development (R & D) of new technologies, products, and therapies; new application/treatment or enhanced clinical outcomes with existing technologies; new processes and tools; and/or scientific cooperation/partnership.
Innovation is relevant for our investors, customers, patients, and those who are not yet customers or patients but could benefit from our products or therapies.

**The management approach and its components (GRI 103-2)**

- **A. An explanation of how the organization manages the topic**
  We innovate and increase the availability of our treatments by maintaining a strong product pipeline, focusing on new and emerging solutions alongside novel applications of existing technology.
  Through a program of preclinical and clinical trials, we bring promising new solutions to market. We partner with others at the product development and launch stages of new Medtronic products to address customer needs.
  Once our products are launched, our work to increase access furthers the availability of essential treatment to healthcare providers and patients.

- **B. A statement of the purpose of the management approach**
  Our Mission drives us to innovate and find new solutions to unmet health needs. We invest in R & D to maintain a strong product pipeline and continually improve the availability of essential treatments. We also invest in or acquire other healthcare technology companies to access innovative technology, strategic skills, and expertise aligned with our Mission.

- **C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**
  Our R & D program is the foundation of our efforts to increase availability of treatments. We monitor emerging and promising technologies, focusing our investments where they can make the most difference.
  Our product development process ensures we keep safety, quality, and effectiveness at the heart of our efforts to increase availability.
  In early FY22, we set a new performance target for 20% of Medtronic revenue to flow from products and therapies released in the prior 36 months by FY25.

**Evaluation of the management approach (GRI 103-3)**
We develop and test potential new solutions through a rigorous process of design, development, and preclinical and clinical studies.
Our development processes include predictive technology to enhance our understanding of how a product will work in the field. We generate cost-effective evidence using advanced statistical methodology and modeling simulations, while also bringing promising innovations to clinical trials. Our focus remains on safety and effectiveness, always with the patient experience and outcomes at the center.

### Integrated care

**Definition and boundaries (GRI 103-1)**
Efforts to partner with others to create healthcare technologies and new business models that improve patients’ lives. Bringing together inputs, delivery, management, and organization of services related to diagnosis, treatment, care, rehabilitation, and health promotion. Includes patient-centered care design and innovation.
Integrated care partnerships and systems are relevant for our customers, patients, and those who are not yet customers or patients but could benefit from our products or therapies.

**The management approach and its components (GRI 103-2)**

- **A. An explanation of how the organization manages the topic**
  We partner with others to find and extend innovative solutions to global healthcare challenges.
  This starts at the innovation and new product development stage, where we collaborate with peers, innovators, and academics. Through VBHC partnerships, we work with health systems to improve long-term patient outcomes per dollar spent. We partner with other healthcare pathways to develop new business models that improve patient outcomes and address healthcare disparities.

- **B. A statement of the purpose of the management approach**
  Health systems are complex. Through partnership and collaboration, we can find innovative solutions to tackle these complexities – improving efficiency of care and patient outcomes.
### Integrated care (continued)

#### C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach

Ongoing programs and activities to expand integrated care include:

- Integrated Health Solutions — helping healthcare facilities in Europe, the Middle East, and Asia optimize clinical and operational processes, improving efficiency and patient access to care
- VBHC partnerships — partnering with healthcare providers globally to implement VBHC programs that improve clinical outcomes and reduce costs
- Medtronic Care Management Services — providing remote patient monitoring solutions

### Evaluation of the management approach (GRI 103-3)

Integrated care is a key component of our overall approach to increasing global access to our products and services. We monitor and adjust each program and partnership on a case-by-case basis — tracking patient outcomes and efficiencies and applying what we learn to enable continuous improvement.

### Patient safety and product quality

#### Definition and boundaries (GRI 103-1)

Manage patient safety and product quality as it relates to all key stakeholders — patients, physicians, hospital administrators, and Medtronic businesses. Includes design, reliability, and manufacturability; supplier quality; and global compliance and corrective action. Also includes investments in personnel, training, IT tools, and automation.

Patient safety and product quality is relevant across the entire product life cycle. Within Medtronic, we manage patient safety and product quality in R & D, manufacturing and production, sales, distribution, post-market surveillance, complaint handling, and corrective action planning.

Patient safety and product quality is relevant to investors and customers, including the medical professionals and patients who rely on our products and therapies.

### The management approach and its components (GRI 103-2)

#### A. An explanation of how the organization manages the topic

At Medtronic, patient safety and product quality are everyone’s responsibility. We reinforce our “Quality Begins With Me” culture through regular communications and training, and use the Medtronic Corporate-Wide Assessment for Regulatory Excellence (MCARE) program to foster continual improvement in our quality systems.

Our Medical Safety Council oversees and promotes a culture of safety across Medtronic. Internal medical safety clinicians evaluate actual and potential safety issues, harm, and health risks to patients or users of Medtronic products and therapies. Our independent practitioner quality panels, comprised of independent external physicians and healthcare practitioners, provide expert, unbiased clinical input on matters related to patient safety.

We adhere to regulatory requirements, such as those set by the U.S. FDA, and we update our procedures in line with emerging regulations and standards.

Clinical trials are often the final test of effectiveness and safety for our products. We conduct clinical trials to the highest standards required by international and national regulations, regardless of where the trial is conducted.

#### B. A statement of the purpose of the management approach

We take our responsibility to patients using and benefiting from our products very seriously — safety is always our first priority. We ensure newly launched products adhere to rigorous internal and external regulatory standards for design, testing, and safety. Product quality covers each stage of our value chain, including design, manufacturing, preclinical and clinical trials, and post-market surveillance. Quality and reliability are important to ensure the safety of all the patients who depend on our products and therapies for their health and well-being.

#### C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach

Our global quality strategy takes a patient-centered approach and ensures that we deliver consistent companywide quality. Specific policies, processes, and programs implementing our strategy include:

- The “Quality Begins With Me” program that empowers employees and suppliers to promote excellence and show individual ownership and leadership of quality
- Our design, reliability, manufacturability (DRM) methodology that ensures product quality, safety, and reliability throughout new product design and development
- The Medtronic Operating System that improves manufacturing and supplier quality by building continuous improvement principles into production through Lean Six Sigma
Patient safety and product quality (continued)

- The First-Time Quality methodology that teaches employees to see the potential for error, develop strong controls, and identify where improvements can have the biggest impact on quality
- The Supplier Optimization and Risk Reduction program that enables strategic suppliers to identify and mitigate risks and design products and processes correctly
- The ISO 13485:2016 standard and Code of Federal (CFR) Regulation 820 that sets out requirements for quality management systems specific to medical devices
- The ISO 14255:2020 standard for clinical research
- Our Policy Regarding the Use of Animals
- Internal guidance to support clinical trials, including relevant content in our Code of Conduct and Global Business Conduct Standards Policy

We share our quality requirements with suppliers via our Supplier Quality Excellence Manual. We support suppliers in meeting our standards through:

- Continuous improvement programs, facilitated onsite at supplier manufacturing locations
- Collaboration with suppliers to improve the design, reliability, and manufacturability of components and products
- Support of supplier business-continuity management planning initiatives – building their capability to proactively identify and mitigate global operational risks

Evaluation of the management approach (GRI 103-3)

We use our “Quality Begins With Me” assessment model to score individual sites and functions for quality culture, identify root causes, and evaluate improvement year-on-year. External audits/inspections by regulatory agencies play an essential role in our sector. They ensure we remain accountable and alert to regulatory priorities and implement changes to our policies and procedures where needed. We also conduct our own internal audits. We share learnings or changes resulting from these audits/inspections via our Knowledge Management process.

When alerted to any regulatory or field safety issue with one of our products, we take prompt action. We assess the situation and implement corrective measures, including voluntary product recalls, when appropriate. To prevent recurrence, we work to understand and resolve underlying issues or root causes and implement corrective and preventive actions, as appropriate.

In early FY22, we committed to a new product quality target focused on improving patient outcomes and experiences:

- Enhance product quality and patient experience by achieving a 10% reduction in aggregate product complaint rate by FY25, compared to a FY20 baseline for key product families

Product stewardship

Definition and boundaries (GRI 103-1)

Developing and introducing innovative products and packaging with the goal of improving patient and community health and reducing life cycle environmental impacts. We are currently focused on the elimination of materials of concern, where possible, and are moving toward a focus on ecodesign, circularity concepts, and recyclability.

Product stewardship is relevant for our customers, the patients who benefit from our products, and the communities where we operate, as well as to the employees in operations, supply chain, R & D, regulatory, and quality.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic

In FY21, we moved the management and reporting of product stewardship from Environmental, Health, and Safety (EHS) to our Operations Quality team to align with our new operating structure. We advance product stewardship initiatives across the product life cycle to meet customer needs and expectations and work to reduce the environmental footprint of our products and packaging where possible. We have a standardized approach to help us meet regulatory requirements for products and product communications.

B. A statement of the purpose of the management approach

Above all, our product stewardship initiatives help us protect patient safety with a focus on quality, sterility, and compliance. They also help us align with our Mission and meet our customers’ expectations by promoting environmental stewardship across the life cycle of our products.

15 The goal covers the following products: transcatheter aortic valve and delivery systems, HeartWare Ventricular Assist Device (HVAD)™ System, CloSureFast™ catheter, spinal cord and pelvic health stimulation systems, Signia™ handles, and Puritan Bennett™ 980 ventilators. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified, we may expand the scope of this commitment in future years.
### Product stewardship (continued)

**C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**

The Medtronic Operations Quality team oversees our program standards for all businesses and regions. Product stewardship supports compliance with regulations designed to protect the environment and worker and patient safety, such as California Proposition 65, the E.U. Directive on Restriction of Hazardous Substances (RoHS), and the new E.U. Medical Device Regulation (MDR). Our corporate program management team supports our environmental compliance efforts and our EU MDR Hazardous Substance team — comprised of personnel from Corporate and other businesses — analyzes regulations, provides instructions for compliance, develops detailed implementation plans, and evaluates the effectiveness of our Compliance program.

Product stewardship includes mitigating impacts from materials of concerns in our products and packaging, including production activities across the life cycle of our products. The Medtronic Sustainable Packaging Working group is focused on reducing the environmental impact of our packaging.

**Evaluation of the management approach (GRI 103-3)**

Medtronic established working groups across the businesses and regions, including representatives from regulatory, quality, legal, supply chain, and operations, to address ongoing changes to product content requirements. We utilize education and training programs, metric tracking, and internal systems to address product content tracking and management.

In early FY22, we set two new product stewardship targets:

- **By FY25**, Medtronic will complete packaging improvements to reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing) compared to a FY21 baseline
- **By FY27**, Medtronic will minimize the impact of Instructions for Use (IFUs) through a 35% paper reduction, compared to a FY21 baseline

### Responsible supply management

**Definition and boundaries (GRI 103-1)**

Managing the social and environmental impacts of our supply chain and improving the sustainability performance of our suppliers. Includes setting expectations and requirements, increasing supplier transparency, monitoring performance, and building long-term relationships with partners to ensure they uphold human rights and labor standards and reduce their environmental impact.

Responsible sourcing is relevant to our suppliers, customers, and local communities.

**The management approach and its components (GRI 103-2)**

**A. An explanation of how the organization manages the topic**

Our Global Supply Management function is responsible for extending our high standards for excellence and citizenship to our suppliers. This function oversees our Responsible Supply Management (RSM) program, which integrates responsible business practices into processes like supplier selection and supplier performance management.

In FY21, to globalize our approach to supplier quality, we made structural changes to our Supplier Quality program. The reorganization allowed for the standardization of supplier control procedures, including the creation of a single approved supplier list, as well as enabling global audits.

Our chief inclusion and diversity officer is a member of our Supplier Diversity Steering Committee, which, in combination with our Supplier Diversity and Executive Management teams, governs our Supplier Diversity program, strategy, and goals.

**B. A statement of the purpose of the management approach**

Our global supply chain is central to our ability to provide high-quality, life-improving products and services. Our RSM program strives for supplier excellence, which includes responsible business practices that protect workers and the environment. This approach helps us meet regulatory requirements and ensure our supply chain conforms with customer expectations.

Our ability to improve lives depends on the quality of our products. We share this responsibility for quality with our suppliers, communicating our expectations through our Supplier Quality Excellence Manual.

Through our Supplier Diversity program, we stimulate long-term economic benefits; create jobs and opportunities for communities; and build a more innovative, resilient, and agile supply chain.

**C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**

Responsible supply management (continued)

We expect our suppliers to:

• Follow applicable laws related to governance, environmental responsibility, workplace health and safety, and human rights
• Meet the minimum social, ethical, and environmental requirements described in our Global Supplier Standards

We ensure our top suppliers and employees who manage our supply chain understand our requirements through ongoing communication and training initiatives.

Our Supplier Sustainability Assessment program, established in 2018, monitors our suppliers’ compliance and performance against our standards. The program focuses on suppliers where we have the highest spend, as well as on suppliers deemed to be highest social and/or environmental risk.

We require suppliers to responsibly manage and disclose any materials of concern used in our manufacturing processes, final products, or packaging. We also provide a Conflict Minerals Report to the U.S. Securities and Exchange Commission, based on an annual supplier survey.

We promote inclusive sourcing through employee training, business unit annual plans, and sponsorship of organizations that develop and promote small and diverse suppliers in the United States. This year, we formally launched our international Diverse Supplier program and have started engaging women-owned businesses globally. We will continue to advance our Supplier Diversity program through partnerships with our large Tier 1 partners to address supplier diversity with our Tier 2 supply base.

Evaluation of the management approach (GRI 103-3)

We evaluate the effectiveness of our RSM program through our Global Standards Compliance program. We measure success by the number of self-assessment questionnaires completed, as well as supplier performance improvement over time. We conduct onsite audits for select high-risk suppliers and issue corrective action requests when a noncompliance is identified. We also conduct an annual supplier survey to identify red flag smelters linked to conflict minerals. The results help us evaluate the effectiveness of our Conflict Minerals program and are reported annually to the U.S. Securities and Exchange Commission.

We conduct annual supplier quality audits to confirm compliance with our Supplier Quality Excellence Manual.

Key performance indicators tracked for our Supplier Diversity program include the number of diverse suppliers included in bids for new business and the amount of spend occurring with small and diverse suppliers. We also set a new target to increase our spending with suppliers owned by historically underrepresented groups by a minimum of 5% year over year. We measure and report on our supplier diversity impact in the United States and Puerto Rico through our annual Supplier Diversity Economic Impact assessment.

Talent

Definition and boundaries (GRI 103-1)

The recruitment, retention, and development of Medtronic employees. This includes employee training, career management and promotion, and leadership development, as well as compensation and benefits practices. Our approach to talent is relevant to current and prospective employees.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic

Our business is knowledge-based, and our success is dependent on attracting, developing, and retaining talent. Our employees’ skills and dedication drive our business performance and spur the creation of new technology that enhances healthcare for more people around the world. We support our growing workforce through global career development and training programs, career advancement opportunities, and competitive benefits and compensation practices, as well as programs that promote health and safety.

B. A statement of the purpose of the management approach

We recognize the personal worth of all employees by providing an employment framework that allows personal satisfaction in the work accomplished and provides security, advancement opportunity, and a means to share in the company's success.

C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach

Our Human Resources department has established programs and policies to attract, develop, and retain talented employees. Our chief human resource officer serves on the executive committee and has primary responsibility for talent and culture-related initiatives. The Medtronic Compensation Committee assists the board of directors in overseeing and evaluating employee benefit plans and stock programs.
Talent (continued)

It is in our best interest to ensure employees succeed in their jobs and are prepared for new, challenging roles. In FY21, we spent more than $44 million on professional development, making more than 25,000 learning resources available to employees. We offer a variety of leadership development programs to employees at various levels of the organization to strengthen the capabilities of our people managers and promote career advancement.

We reward employees for channeling their talent and ingenuity into the Medtronic Mission. Our competitive approach to compensation reflects industry benchmarks and local market standards. Our programs include annual and long-term incentives that provide the means to share in the company’s success. To attract the best leaders, we offer competitive benefits, cash, and equity incentives. The same programs and principles govern our executive and non-executive compensation.

Our retirement, health, and other benefits, including family care leave, are designed to help employees thrive. They are flexible, affordable, and competitive within our industry. We honor employee efforts through recognition programs that reward achievements, celebrate milestones, share appreciation, and sustain our culture.

We apply a highly disciplined approach to protect the health and safety of our employees — from offices to manufacturing sites. We set annual internal Environmental, Health, and Safety (EHS) goals, proactively identify and manage risks, implement training and compliance programs, monitor regulatory trends, conduct audits, and report opportunities for improvement to senior management. We continue to operate Healthier Together, our global wellness program to support the physical, emotional, social, and financial well-being of Medtronic employees.

Evaluation of the management approach (GRI 103-3)

Medtronic monitors the effectiveness of talent programs through internal feedback mechanisms, including our annual Organizational Health Survey and performance evaluations. The Medtronic Voice Your Concern Line is a website and toll-free hotline operated by a third party that provides employees, as well as anyone operating on behalf of Medtronic, a place to report and voice concerns. The Medtronic OEC evaluates all reported concerns and escalates as necessary.

We collect data through our EHS information systems to evaluate and improve our health and safety program. We monitor data including hazard and near-miss reports, as well as our injury incident rate and lost/restricted workday case rates.

Technology and device security

Definition and boundaries (GRI 103-1)

Manage security of products in use, including real-time monitoring of released products and software engineering to protect against device hacking. Includes prevention of hacking IT systems that connect Medtronic devices to hospital systems.

Device security is relevant across the entire product life cycle. Within Medtronic, we manage product quality and security in R&D, manufacturing and production, sales, distribution, and throughout all phases of a device’s life cycle.

Device security is relevant to external stakeholders, including customers, patients, regulators, security researchers, and the medical professionals who rely on our products and therapies.

The management approach and its components (GRI 103-2)

A. An explanation of how the organization manages the topic

Medtronic engages with external organizations and experts to maintain best practices and to provide feedback on developing global product security-related standards. We collaborate with organizations such as the U.S. FDA, the Health Information Sharing and Analysis Center, the Advanced Medical Technology Association, the Health Sector Coordinating Council Cyber Working Group, and several others. We also follow recognized standards, such as ISO 27001 and NIST standards.

Employees and vendors play an important role in protecting the security of devices and are required to complete annual training. Vendors must also adhere to our data privacy and security standards, and we review privacy and security risks as part of our vendor assessment process. When we acquire a company, we conduct privacy and security due diligence, implement policies and procedures, and deliver employee training.

Our Product Security Office manages our product security program and security requirements are integrated into our Global Quality Management System. Subject matter experts within each operating unit are responsible for integrating security considerations throughout the product life cycle.

Our product security program promotes rigorous product development, including vulnerability testing, updates, and remediation, as well as impact assessment for device functionality and patient safety. We engage internally and externally to monitor current practices and emerging risks – including with employees, clinicians, patients, regulators, peers, healthcare organizations, and security researchers.

In FY21, we finalized our new product security strategy and roadmap which includes a focus on engaging in industry activities to help shape regulations, standards, technology, and practices.
### Technology and Device Security (continued)

**B. A statement of the purpose of the management approach**

Device security and other potential threats to patient safety are taken very seriously at Medtronic. Protecting information is critically important for Medtronic, our customers, and, most importantly, the patients who use our products. We have designed our security and privacy programs to safeguard data in a rapidly evolving environment.

**C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach**

Medtronic has a formally approved companywide Global Product Security Policy that provides guidance on integrating security into product development. This policy governs the overall Product Security program. Security requirements are integrated into our Global Quality Management System. Our new product security strategy and roadmap focuses on engaging in industry activities to help shape regulations, standards, technology, and practices.

### Evaluation of the Management Approach (GRI 103-3)

| The Quality Committee and the Technology and Value Creation committee of the board of directors monitor and evaluate our quality systems and processes on an annual basis. Full details of committee responsibilities are available in the committee charters on the corporate governance portion of our website. The security researcher community brings an important and independent perspective to our work. Our Medtronic.com/security webpage publicly recognizes independent security researchers who have demonstrated ethical behavior and followed coordinated disclosure processes to advance our product security. We invite anyone with questions or concerns, or who believes they have identified a potential security vulnerability in our products or services, to contact us via Medtronic.com/security. Our Product Security team actively tracks, investigates, and responds to these inquiries. |

### Transparency

**Definition and Boundaries (GRI 103-1)**

Disclosure of financial and sustainability performance, including material risks and opportunities. Transparency is central to all our interactions within and outside our business—including with employees, investors, healthcare professionals, suppliers, regulators, and other stakeholders.

**The Management Approach and its Components (GRI 103-2)**

| A. An explanation of how the organization manages the topic We identify our material sustainability issues, track expectations and performance against them, and regularly report our progress and ongoing challenges through our annual Integrated Performance Report and 10-K filing. This includes reporting our key risk and opportunity areas. We engage with our key stakeholders to keep them up to date with relevant activities and performance. We also use our stakeholders’ input to update our list of material issues and to inform our strategy. Our Sustainability Steering Committee guides our companywide approach to sustainability, and we embed sustainability throughout our operations through a number of key roles and reporting lines. |

| B. A statement of the purpose of the management approach Transparent communication and collaboration enable us to meet challenges more effectively and amplify the positive impact of our business. Engaging openly with our stakeholders helps us to understand what is expected of us and holds us accountable for our actions. |

| C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach Our Mission serves as the roadmap for managing all of our ongoing sustainability activities and for dealing with new or unexpected issues. It ensures we focus our efforts and resources where we can make the greatest difference. |

**Evaluation of the Management Approach (GRI 103-3)**

We undertake regular reviews to keep track of our most significant sustainability issues, periodically updating our list of material issues by engaging with a broad range of internal and external stakeholders. We use external frameworks and benchmarks to guide our sustainability strategy and reporting, and to learn where we can do better. These include CDP, Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures, World Economic Forum, and UN Sustainable Development Goals.
## GRI-100 UNIVERSAL

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Disclosure requirement</th>
<th>Disclosure</th>
</tr>
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<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>Medtronic Public Limited Company</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>Our business: Engineering the extraordinary 2021 Form 10-K</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>20 Lower Hatch Street, Dublin 2, Ireland</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Our business: Engineering the extraordinary 2021 Form 10-K</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Medtronic plc is a publicly traded company on the New York Stock Exchange Inc. under the ticker symbol MDT.</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Our business: Engineering the extraordinary 2021 Form 10-K</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>Our business: Engineering the extraordinary 2021 Form 10-K Our economic impact</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>Employee data summary</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Supply chain responsibility</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>Our business: Engineering the extraordinary Supply chain responsibility 2021 Form 10-K</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>ESG strategy Patient safety and product quality Climate risk and resilience Reducing our operational footprint Product stewardship</td>
</tr>
<tr>
<td>Indicator</td>
<td>Disclosure requirement</td>
<td>Disclosure</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>Corporate governance, Data privacy and security, ESG strategy, Ethics in sales and marketing, Inclusion, diversity, and equity, Reducing our operational footprint, Patient safety and product quality, Supply chain responsibility</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>Corporate governance, Patient safety and product quality, Reducing our operational footprint, Supply chain responsibility</td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>Letters to our stakeholders</td>
</tr>
<tr>
<td>102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>Corporate governance, Data privacy and security, Ethical business conduct, Ethics in sales and marketing, Reducing our operational footprint, Patient safety and product quality, Product stewardship, Supply chain responsibility</td>
</tr>
<tr>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>Ethical business conduct, Ethics in sales and marketing</td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>Corporate governance, Corporate governance website, ESG strategy</td>
</tr>
<tr>
<td>102-19</td>
<td>Delegating authority</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>Indicator</td>
<td>Disclosure requirement</td>
<td>Disclosure</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>102-21</td>
<td>Consulting stakeholders on economic, environmental, and social topics</td>
<td>Corporate governance, ESG strategy</td>
</tr>
<tr>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
<td>Corporate governance, Corporate governance website</td>
</tr>
<tr>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td>Corporate governance, Corporate governance website</td>
</tr>
<tr>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>Corporate governance, Corporate governance website</td>
</tr>
<tr>
<td>102-25</td>
<td>Conflicts of interest</td>
<td>Ethics in sales and marketing, Corporate governance website</td>
</tr>
<tr>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td>Corporate governance</td>
</tr>
<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td>Corporate governance website</td>
</tr>
<tr>
<td>102-35</td>
<td>Remuneration policies</td>
<td>Corporate governance, Inclusion, diversity, and equity, Proxy Statement</td>
</tr>
<tr>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>Corporate governance, Inclusion, diversity, and equity, Proxy Statement</td>
</tr>
<tr>
<td>102-37</td>
<td>Stakeholders’ involvement in remuneration</td>
<td>Proxy Statement</td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Corporate governance, ESG strategy</td>
</tr>
<tr>
<td>Indicator</td>
<td>Disclosure requirement</td>
<td>Disclosure</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>Medtronic complies with global laws regarding freedom of association and collective bargaining agreements, including participation in work councils. In FY21, approximately 20% of our employees were covered by collective bargaining agreements.</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>Corporate governance, ESG strategy</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>ESG strategy</td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>About this report, Our business: Engineering the extraordinary, 2021 Form 10-K</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>About this report, ESG strategy</td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics</td>
<td>ESG strategy, Disclosure on management approach</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>Any restatements of information are noted in the relevant sections of our 2021 Integrated Performance Report.</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>Shared throughout our 2021 Integrated Performance Report.</td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>About this report</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>Our FY20 report was published in October 2020.</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Annual</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>About this report</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>This index has been prepared in accordance with the GRI Core Standard.</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>Global Reporting Initiative index</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>This report has not been independently verified except for our FY19-FY21 environmental, health, and safety data. We have practices in place to internally validate the data included in this report.</td>
</tr>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its boundary</td>
<td>Disclosure on management approach</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>Disclosure on management approach</td>
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## GRI-200 ECONOMIC

<table>
<thead>
<tr>
<th>Indicator</th>
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<th>Disclosure</th>
<th>Identified omissions</th>
<th>Explanation for omissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>Our economic impact, Philanthropy, 2021 Form 10-K</td>
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<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>Climate risk and resilience, ESG strategy</td>
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<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>Supporting a global workforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>Global healthcare access, Philanthropy, Supply chain responsibility, Our economic impact</td>
<td></td>
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</tr>
<tr>
<td>203-2</td>
<td>Significant indirect economic impacts</td>
<td>Global healthcare access, Supply chain responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>Supply chain responsibility</td>
<td>Percentage of the total procurement budget used for significant locations of operation spent on suppliers local to that operation</td>
<td>The information is currently unavailable. At this time, we do not collect full data on the percentage of the total procurement budget used for significant locations of operation spent on suppliers local to that operation. Medtronic collects total procurement spend at significant locations of operation.</td>
</tr>
<tr>
<td>205-1</td>
<td>Operations assessed for risks related to corruption</td>
<td>Ethics in sales and marketing</td>
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</tr>
<tr>
<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>Ethics in sales and marketing</td>
<td></td>
<td></td>
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<tr>
<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>Ethics in sales and marketing, 2021 Form 10-K</td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>We do not disclose confirmed incidents of corruption and actions taken due to the sensitive nature of this information. We do share detailed data on our Voice Your Concern Line which tracks reports of ethical concerns, including corruption.</td>
</tr>
<tr>
<td>206-1</td>
<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>2021 Form 10-K</td>
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## GRI-300 ENVIRONMENTAL

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<th>Explanation for omissions</th>
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<tr>
<td>301-3</td>
<td>Reclaimed products and their packaging materials</td>
<td>Product stewardship</td>
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<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>Reducing our operational footprint</td>
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</tr>
<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>Reducing our operational footprint</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>Reducing our operational footprint</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302-5</td>
<td>Reductions in energy requirements of products and services</td>
<td>Medtronic products consume relatively low energy as is, and safety requirements prevent us from reducing a product's energy use.</td>
<td></td>
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<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>CDP Water Disclosure, Reducing our operational footprint</td>
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<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Reducing our operational footprint</td>
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<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Reducing our operational footprint</td>
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<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>Reducing our operational footprint</td>
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<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
<td>Reducing our operational footprint</td>
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<tr>
<td>307-1</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>Reducing our operational footprint</td>
<td></td>
<td></td>
</tr>
<tr>
<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>Supply chain responsibility</td>
<td></td>
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<tr>
<td>308-2</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>Supply chain responsibility</td>
<td></td>
<td></td>
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<tr>
<td>Indicator</td>
<td>Disclosure requirement</td>
<td>Disclosure</td>
<td>Identified omissions</td>
<td>Explanation for omissions</td>
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<td>------------------------</td>
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<td>----------------------</td>
<td>--------------------------</td>
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<tr>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>Employee data summary</td>
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<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>Supporting a global workforce</td>
<td></td>
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<td>401-3</td>
<td>Parental leave</td>
<td>Supporting a global workforce</td>
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<tr>
<td>403-2</td>
<td>Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</td>
<td>Supporting a global workforce</td>
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<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Supporting a global workforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Our economic impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>Supporting a global workforce</td>
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<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Corporate governance</td>
<td></td>
<td>Inclusion, diversity, and equity</td>
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<tr>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>Inclusion, diversity, and equity</td>
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<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>Total number of incidents of discrimination and corrective actions taken.</td>
<td></td>
<td>The information is currently unavailable.</td>
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<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>Global Human Rights and Labor Policy Program Report</td>
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<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td>Global Human Rights and Labor Policy Program Report</td>
<td></td>
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</tr>
<tr>
<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>Supply chain responsibility</td>
<td></td>
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<tr>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>Supply chain responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>Supply chain responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>Disclosure requirement</td>
<td>Disclosure</td>
<td>Identified omissions</td>
<td>Explanation for omissions</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
<td>------------</td>
<td>----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Global healthcare access, Philanthropy, Our economic impact</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
<td>The information is currently unavailable. At this time, we do not quantify local community engagement activities as a percentage of operations and do not have plans to do so. Our products and therapies are available to patients all over the world. Our efforts to increase access through business and philanthropy are global. In addition, our philanthropic activities focus on where we have the largest employee presence as well as medically underserved communities where we believe we can reduce barriers to care. We collaborate with local governments, health systems, companies, and nonprofit organizations to assess local needs and develop locally appropriate healthcare solutions.</td>
</tr>
<tr>
<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
<td>Supply chain responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>Supply chain responsibility</td>
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<td></td>
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<tr>
<td>415-1</td>
<td>Political contributions</td>
<td>Corporate governance, Corporate governance website</td>
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<tr>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Patient safety and product quality</td>
<td></td>
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<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>Of the 242 inspections that occurred across Medtronic in FY21, there were four total findings across three sites.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>417-1</td>
<td>Requirements for product and service information and labeling</td>
<td>Product stewardship, Ethics in sales and marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>417-2</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td>Ethics in sales and marketing</td>
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<tr>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>Ethics in sales and marketing</td>
<td></td>
<td></td>
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<tr>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data.</td>
<td>This information is unavailable due to confidentiality constraints regarding the sensitive nature of this data. In all relevant regions Medtronic adheres to state, federal, and, where applicable, international data breach notification requirements.</td>
<td></td>
</tr>
<tr>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>2021 Form 10-K</td>
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</table>
## Affordability and Pricing

**SASB Code Metric Response**

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-240a.1</td>
<td>Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index</td>
<td>The U.S. Consumer Price Index measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, such as food, energy, and housing. In contrast, pricing at global medical technology companies that provide a breadth of therapies to health systems around the world moves on innovation, competition, and value. Consequently, Medtronic offers a variety of pricing models based on the principles of fairness and sustainability, aligned with the local market environment - these include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers.</td>
</tr>
<tr>
<td>HC-MS-240a.2</td>
<td>Description of how price information (such as average and median) for each product is disclosed to customers or their agents (e.g., group purchasing organizations or consultants)</td>
<td>Global healthcare access</td>
</tr>
</tbody>
</table>

## Product Safety

**SASB Code Metric Response**

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
</table>
| HC-MS-250a.1 | Number of recalls issued, total units recalled                        | Patient safety and product quality
In FY21, we had 47 total Class I and II recalls and retrieved approximately 364,000 recalled units.                                                                                                                                                                                                                                                                                                                                                           |

### U.S. FDA Recalls by Fiscal and Calendar Year

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDA Class I recalls</td>
<td>6</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>FDA Class II recalls</td>
<td>28</td>
<td>20</td>
<td>37</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CY19</th>
<th>CY20</th>
<th>CY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDA Class I recalls</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>FDA Class II recalls</td>
<td>21</td>
<td>25</td>
<td>16</td>
</tr>
</tbody>
</table>

* Medtronic Class II recall disclosure began in FY21.
### ETHICAL MARKETING

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-270a.1</td>
<td>Total amount of monetary losses as a result of legal proceedings</td>
<td>Ethics in sales and marketing</td>
</tr>
<tr>
<td></td>
<td>associated with false marketing claims</td>
<td></td>
</tr>
<tr>
<td>HC-MS-270a.2</td>
<td>Description of code of ethics governing promotion of off-label use of products</td>
<td>Ethics in sales and marketing</td>
</tr>
</tbody>
</table>

### PRODUCT DESIGN AND LIFECYCLE MANAGEMENT

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-410a.1</td>
<td>Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products and meet demand for sustainable products</td>
<td>Product stewardship</td>
</tr>
<tr>
<td>HC-MS-410a.2</td>
<td>Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies</td>
<td>Product stewardship</td>
</tr>
</tbody>
</table>

### SUPPLY CHAIN MANAGEMENT

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-430a.1</td>
<td>Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality</td>
<td>All Medtronic contract manufacturers and original equipment manufacturers are audited by regulators annually. Additionally, many of our direct material suppliers are ISO certified (ISO9001 or ISO13485) and go through certification audits. Medtronic is also a member of MedAccred – an industry managed, consensus-driven approach to ensuring critical manufacturing process quality throughout the medical device supply chain.</td>
</tr>
<tr>
<td>HC-MS-430a.2</td>
<td>Description of efforts to maintain traceability within the distribution chain</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Medtronic maintains traceability within the manufacturing and distribution chain through either serial or batch control of finished products. We:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Leverage product identification technologies, such as barcoding and radiofrequency identification to track identifying information of products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Utilize enterprise resource planning (ERP) solutions to support identification and control of products once they leave manufacturing sites — including supporting specific patient tracking if required. Our ERP solutions ensure compliance with regulatory, quality, and customs control requirements</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HC-MS-430a.3</th>
<th>Description of the management of risks associated with the use of critical materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unexpected events can cause both everyday and exceptional supply disruptions to materials critical to Medtronic. To protect and enable the Medtronic Mission, the company has developed and deployed a comprehensive supply risk management approach — including methodology, tools, and governance — to proactively identify, assess, prioritize, and mitigate supply risk.</td>
<td></td>
</tr>
<tr>
<td>• Supply risk management is a critical part of overall Medtronic business continuity, crisis management, and supply management strategies</td>
<td></td>
</tr>
<tr>
<td>• Supply critical to Medtronic is routinely identified via a risk assessment of suppliers and components required to make the finished product</td>
<td></td>
</tr>
<tr>
<td>• Medtronic continually monitors external risks, such as natural disasters, operational risk, political risk, and sustainability, and internal risks, such as single/sole-sourced suppliers, single manufacturing location, investigation of sub-tier suppliers, quality and delivery data, and capacity assessments</td>
<td></td>
</tr>
<tr>
<td>- Once risks are identified, Medtronic proactively implements mitigation strategies, including identification of alternate suppliers, adding additional supplier manufacturing locations, increasing inventory levels, and partnering with suppliers to improve quality and delivery</td>
<td></td>
</tr>
</tbody>
</table>

**BUSINESS ETHICS**

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-510a.1</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption</td>
<td>Ethics in sales and marketing</td>
</tr>
<tr>
<td>HC-MS-510a.2</td>
<td>Description of code of ethics governing interactions with healthcare professionals</td>
<td>Ethical business conduct, Ethics in sales and marketing</td>
</tr>
</tbody>
</table>

**ACTIVITY METRIC**

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC-MS-000.A</td>
<td>Number of units sold by product category</td>
<td>Not reported</td>
</tr>
</tbody>
</table>
Medtronic operates in a complex, dynamic, highly competitive, and regulated environment. The business and affairs of the Company are governed by a Board of Directors. Our approach to governance is detailed at https://www.medtronic.com/us-en/about/corporate-governance/overview.html. The Nominating and Governance Committee of the Medtronic board of directors oversees the company's environmental, social, and governance (ESG) practices and has featured ESG at each of its regularly scheduled quarterly meetings during FY20 and FY21. In addition, other committees (such as the Audit Committee) engage in climate-related discussions as appropriate. Climate-related issues that pose a significant risk to the company’s ability to meet our strategic goals and financial targets are escalated to the Medtronic board through our Enterprise Risk Management framework, as well through the Nominating and Corporate Governance Committee’s oversight of ESG. At the management level, embedding and evolving a strong sustainability strategy requires clear leadership and broad organizational participation. Coordinated leadership oversight and support for identifying and addressing sustainability priority issues, including climate-related risks and opportunities, are embedded into our organization. Our Sustainability Steering Committee (SSC) oversees our sustainability program, including strategic plans related to ESG performance, risk, engagement and disclosure, and recognition. Among other responsibilities, the SSC participates in the identification of material ESG issues and oversees the company's performance related to those issues, including establishing or monitoring metrics, commitments, and performance aspirations/targets. For example, the SSC contributes to our corporate environmental strategy, including our long-term targets for energy use, greenhouse gas (GHG) emissions reduction, renewable energy, and water conservation. The executive sponsor of the SSC is our chief financial officer, who serves on the company’s executive committee and is responsible for leading the Medtronic global finance organization and key supporting functions, including Treasury, Controllership, Tax, Internal Audit, Investor Relations, Corporate Strategy, Business Development, Enterprise Excellence, and IT. The SSC membership also includes other executive committee members and senior leaders of key operations and business functions who provide a broad range of perspectives and expertise for risk management; finance; legal and government affairs; investor relations; compliance; corporate governance; human resources; communications; philanthropy; quality; procurement; operations and supply chain; and environmental, health, and safety. Our Enterprise Sustainability Program, led by our vice president, chief counsel – corporate governance, and our director of sustainability, collaborates with the SSC and leaders from across the organization to conduct regular reviews of our ESG strategies, identify emerging trends, and monitor performance related to the company's material ESG issues. Routine reporting to the SSC includes progress on goals and targets, changes in the regulatory landscape, and updates on programs/operations designed to address key ESG issues, including those that are climate related. Enterprise Risk Management (ERM) works with senior leaders across the organization to enable risk identification, develop tolerances, establish key metrics to evaluate risk, escalate risk topics based on criticality, and drive mitigation plans for upcoming threats/weaknesses. ERM summarizes and creates a report on the critical risks to present to the ERM Steering Committee quarterly. This committee has ultimate responsibility for risk monitoring and auditing risk management performance and is made up of eight direct reports to the CEO: EVP and CFO, EVP global operation and supply chain, chief quality officer, general counsel, EVP and EMEA regional president, chief clinical and regulatory officer, EVP and president for medical surgical portfolio, functional leadership within Environmental, Health and Safety, Enterprise Risk and Continuity, Facilities, and Global Energy all report directly to the vice president of enterprise risk and facilities, who provides reporting on risk issues, projects, and results to the ERM Steering Committee. Additionally, EHS leads quarterly meetings with senior leaders of operations from networks and operating units that support active monitoring of environmental reduction target/goals status including for energy use, GHG emissions, regulated and non-regulated waste and water.
<table>
<thead>
<tr>
<th>Category and recommended disclosure</th>
<th>Medtronic disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Management</strong></td>
<td>Medtronic Enterprise Risk Management (ERM) uses a structured risk identification and assessment process that incorporates both quantitative and qualitative factors that support organizational alignment in risk scoring and prioritization of identified risks. The process assesses enterprise risks based on scored criteria that includes the potential negative impact to Medtronic, the likelihood of occurrence, the preparedness of the organization to address the potential risks, and the velocity or speed of onset for which Medtronic will realize the impact of the risk event. Each of these focus areas include specific evaluation criteria that lead to an overall inherent score, as well as to a residual score after implementing a mitigation and control plan. For example, although the impact score includes ratings based on financial impact, there are other considerations that drive the risk review, including organizational impacts relating to reputational/brand, quality, regulatory/legal/compliance, operations, and the ability to achieve strategic objectives. Examples of risk areas that are aligned to ERM processes are climate risks and Business Continuity Management (BCM). Climate-related risks surface through this review process and are evaluated in the same manner as other enterprise risk areas. The Medtronic BCM program focuses on operational risk - the risk of loss resulting from interruptions of internal processes, people, and systems or from external events - including climate risks associated with natural disasters, such as hurricanes and wildfires. The BCM program prioritizes Medtronic critical products and services’ end-to-end value streams, focusing on resiliency and the identification and effective management of key operational risks. Product and service criticality is evaluated based on patient and commercial impact. The program includes an annual risk assessment to determine and prioritize top risks overall and align on mitigation options and business continuity and resiliency strategies. The BCM program is governed by the Operational Risk and Continuity Team (comprised of VPs of global operations networks and leaders of Medtronic operations), ERM Steering Committee, and the Audit Committee of the board of directors. It is the collective responsibility of these groups to ensure that Medtronic’s critical operations are resilient and that key operational risks are being effectively assessed and managed. The Enterprise Sustainability program leads periodic risk assessments conducted by external experts to identify priority sustainability/ESG issues based on input from internal leadership, external customers, investors, NGOs, and industry associations. The most recent risk assessment was completed in late 2019 and included identification of a broad range of potential risk issues that could impact Medtronic long-term business success - including climate risk and resilience. Each identified issue was individually scored based on inputs from interviews, surveys, and the external expert’s analysis and insights. Factors assessed included importance to business based on revenue generation, operational efficiency/cost savings, regulatory risk, credibility, trust or reputation, innovation and growth, and employee productivity, hiring, or retention. This assessment focused on both sustainability risks and opportunities. We identify and address transitional risks through routine monitoring of carbon regulations, including carbon taxes, and GHG emissions data. Our Government Affairs, Human Resources, Environmental, Health, and Safety, and Procurement groups monitor relevant regulations in global market - including regulations relating to climate change, such as emissions limits. Our Legal and Compliance teams oversee compliance with those regulations.</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>The World Economic Forum’s annual Global Risks Report (2021) listed climate-related risks and environmental issues as five of the top six risks in terms of likelihood and impact. Climate inaction, human environmental damage, and extreme weather events are included in these top issues. <strong>Climate-Related Risks</strong> Significant physical climate risks to Medtronic are consistent with these findings and center on risks associated with natural disasters, such as hurricanes and wildfires, that can cause significant business disruption. For example, in 2017, Hurricane Maria shut down four Medtronic facilities and negatively impacted sales as production across all business lines was interrupted. Additional costs were incurred to restore operations in Puerto Rico and provide humanitarian aid to Medtronic employees. An analysis of potential physical climate risks at the company's highest impact sites also identified potential risks related to increased temperatures/heat stress, drought, and water stress. Medtronic global operations identifies climate-related risks and opportunities based on short-, medium-, and long-term time horizons. Short-term horizons are 1-3 years and specifically center on annual financial planning within global operations. Medium-term is 3-10 years and is primarily focused on operational footprint planning within global operations. Our long-term horizon is 10 years and beyond and primarily relates to operational footprint and global market risks and opportunities. We address climate-related risk predominantly through business strategies within our enterprise functional global operations areas, including Facilities; Environmental, Health, and Safety; Business Continuity Management; and Global Energy. For example, our hurricane readiness program prioritizes at potentially affected facilities and operations to ensure continued delivery of products and services. We also invest in energy and water efficiency projects, renewable and clean energy sources, onsite energy installations, and capital investments that improve facility resilience. The enterprise annual financial</td>
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<table>
<thead>
<tr>
<th>a) Describe the organization’s processes for identifying and assessing climate-related risks.</th>
<th>b) Describe the organization’s processes for managing climate-related risks.</th>
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<th>a) Describe the process for identifying, assessing, and managing climate-related risks.</th>
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</tr>
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</table>
b) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

planning process prioritizes enterprise and functional expenditures related to these types of projects. Medtronic has a dedicated budget for energy efficiency projects that can be utilized by all operations for qualified projects.

Applying our ERM framework, we have identified two additional climate risks:

- **Reputation:** Stakeholder concern or negative feedback regarding our climate impacts and strategy could result in unfavorable perceptions that could reduce shareholder investment and lead to a reduction in capital availability that allows Medtronic to execute on long-term business strategy. It could also affect the company’s position as a preferred supplier with customers.

- **Increased pricing of GHG emissions:** Medtronic operates globally, and in many countries where policy changes are under consideration, increased pricing could have an immediate impact on operating costs.

**Climate-Related Opportunities**

Physical climate opportunities are identified and addressed through a structured EHS management process that includes goal setting and strategic objectives. Through this process, Medtronic has identified multiple climate-related opportunities relating to energy sources, resilience, and product development, manufacturing, and distribution.

Medtronic operates numerous renewable energy installations, including solar, cogeneration, and fuel cell technologies totaling over 50,000 MWh of electricity. As the carbon markets mature, the environmental attributes of these installations grow, making the existing installations financially more attractive and future installations more feasible.

We view investments in onsite renewable and alternative energy such as solar, fuel cells, and cogeneration plants as strategic for building business resilience because of their potential to decrease interruptions to operations and reduce company dependence on utility providers. Medtronic continues to consider these installations as part of its overarching manufacturing footprint strategy and invests in them accordingly.

We see potential for innovations in sustainable product and packaging design and manufacturing network design to yield additional climate-related opportunities.

**Scenario Analysis**

Water stress is one of the largest global risks in terms of potential impact over the next decade. Changes in precipitation patterns and extreme variability in weather patterns can result in chronic increased temperatures, decreased water availability, and increased operations costs from increased cooling and restricted water use. We know that water stress and scarcity is a growing global concern, and Medtronic is preparing our business for a time when water resources are critically challenged in some regions. Assessing this risk allows us to identify the significance and potential impact to our business.

During FY20, we took an initial step toward incorporating scenario analysis into our climate-related strategies by conducting a water stress assessment using the World Resources Institute Aqueduct Water Risk Atlas.

With the Aqueduct online tool, we were able to assess current and future water stress through 2040 at Medtronic locations around the globe. The assessment, which was limited to Medtronic facilities that use five million gallons of water or more annually, leveraged the Aqueduct Risk Atlas “optimistic,” “business as usual,” and “pessimistic” scenarios that are based on specific global temperature pathways. We conducted a similar analysis of our top five contract manufacturers, scoping the assessment to locations relevant to Medtronic.

Results were shared with Enterprise Risk Management and internal stakeholders responsible for our business operations resilience strategies and resulted in the implementation of water conservation objectives at additional Medtronic sites in Mexico.

**Climate Action**

Our response to identified climate risks and opportunities includes strategic initiatives around carbon neutrality. In 2020, Medtronic announced a goal to be carbon neutral in our owned and operated facilities by 2030. Our approach will include a continued focus on energy efficiency, onsite renewable and clean energy installations, the purchase of renewable energy credits (RECs) and carbon offsets, and virtual power purchase agreements (VPPAs).

After successfully offsetting 100% of the calendar year 2020 freight-related carbon emissions associated with one of our business portfolios, we are establishing a baseline to enable enterprise-wide distribution and logistics reduction goals.

During FY22, we also are piloting the use of electronic vehicles with the sales staff of the Digital Surgery Products division of our Surgical Robotics operating unit. Our findings will inform next steps across the organization.
Category and recommended disclosure  
Medtronic disclosure

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We have established companywide environmental targets since 2007, with a focus on reductions in energy use and GHG emissions throughout our operations. In FY20, we reached the end of our second set of long-term targets and exceeded all of them. Progress compared to our FY13 baseline included:

- 23% reduction in energy intensity
- 36% reduction in GHG emissions intensity
- 32% reduction in metric tons of non-regulated waste intensity
- 13% reduction in metric tons of regulated waste intensity
- 20% reduction in water use intensity

In FY20, we also announced a goal to be carbon neutral in our owned and operated facilities (Scope 1 and Scope 2) by FY30, as well as FY25 targets for reductions in energy/GHG emissions intensity, water use intensity, and waste intensity, and increases in energy from renewable and alternative sources. We evaluate progress toward our environmental performance goals on an annual basis.

Our new emission and energy goals move us toward our ambition of being carbon neutral in our operations by 2030. We aim to reduce nearly 250,000 tons of emissions annually. Over the next decade, these reductions will be approximately equal to emissions generated by 80,000 U.S. homes over the same time period.

Information about our emissions targets and progress made against those targets, other climate targets, emission reduction initiatives, details of how we collect activity data, calculate emissions, and other relevant information is included in our metrics and targets disclosure as part of our annual CDP submission. Details are available in the Reducing our operational footprint section of this report and in our 2021 CDP disclosure.
GOVERNANCE

Theme                     Disclosure                                                                                                                                                                                                 | Response
Governing purpose          The company’s stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders. | Material issues and targets  
                           Corporate governance
Quality of governing body  Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or nonexecutive; independence; tenure on the governance body; number of each individual’s other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation. | Sustainability governance  
                           Corporate governance
Stakeholder engagement     A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.                                                                 | Material issues and targets
Ethical behavior           1. Total percentage of governance body members, employees, and business partners who have received training on the organization’s anti-corruption policies and procedures, broken down by region.  
                           2. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years  
                              b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.  
                           3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture in order to combat corruption.  
                           A description of internal and external mechanisms for:  
                           1. Seeking advice about ethical and lawful behavior and organizational integrity; and  
                              2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity. | Ethics in sales and marketing  
                           Ethical business conduct  
                           Ethics in sales and marketing
Risk and opportunity oversight Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time, and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship. | 2021 Form 10-K  
                           Sustainability governance
<table>
<thead>
<tr>
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</tr>
</thead>
</table>
| Climate change           | For all relevant greenhouse gases (GHG), e.g., carbon dioxide, methane, nitrous oxide, F-gases etc., report in metric tons of carbon dioxide equivalent (MT CO\textsubscript{2}e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. | Reducing our operational footprint  
We are actively developing a Scope 3 emissions reduction strategy and we will report on Scope 3 data as part of that strategy in the future. |
|                          | Fully implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, and to achieve net-zero emissions before 2050. | 2021 CDP Climate Disclosure FY21 TCFD  
We have announced our ambition to be carbon neutral in our Scope 1 and 2 emissions by FY30 and anticipate that our operational emissions will be in alignment with the goals of the Paris agreement by FY28.  
To achieve full implementation of the TCFD recommendations, we anticipate conducting more extensive scenario analysis by FY24. |
| Nature loss               | Report the number and area (in hectares) of sites owned, leased, or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).                                                                 | We are currently evaluating methods for tracking and reporting our adjacency to key biodiversity areas. |
| Freshwater availability   | Report for operations where material: megalitres of water withdrawn, megalitres of water consumed, and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate. | 2021 CDP Water Disclosure  
We assess water use at all Medtronic-owned sites and require all sites in water-stressed regions to have annual water objectives in place. We are currently developing the tracking and reporting capabilities to disclose the percentage of megalitres of water withdrawn and megalitres of water consumed in regions with high or extremely high baseline water stress. We will disclose this information in FY22. |
<table>
<thead>
<tr>
<th>Theme</th>
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<th>Response</th>
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</thead>
<tbody>
<tr>
<td><strong>Dignity and equality</strong></td>
<td>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g., ethnicity).</td>
<td>Employee data summary \ Additional information about ethnicity by employee category for U.S. employees is available in our EEO1 report on our website.</td>
</tr>
<tr>
<td></td>
<td>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</td>
<td>Inclusion, diversity, and equity \ We are currently on-boarding a new system that will give us the ability to aggregate employee data based on the WEF definition of remuneration and determine our capability to disclose it in the future.</td>
</tr>
</tbody>
</table>
|                              | 1. Ratios of standard entry-level wage by gender compared to local minimum wage.  
2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. | 2021 Proxy statement \ We do not currently disclose standard entry-level wage by gender compared to local minimum wage. |
|                              | An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: \ a) type of operation (such as manufacturing plant) and type of supplier; and \ b) countries or geographic areas with operations and suppliers considered at risk. | Supply chain responsibility \ Global Human Rights and Labor Policy Program Report |
| **Health and well-being**    | The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. \ An explanation of how the organization facilitates workers’ access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. | Supporting a global workforce \ In FY21, the most common work-related injuries were: slip, trip, or fall (19.6%); struck by/cut by sharp object (12.2%); injury through manual handling or lifting (10.7%); and ergonomic (7.4%). \ We follow OSHA injuries record keeping guidelines to classify workplace injuries into Recordable, Restricted days, and Lost days. Beginning in FY22, we will add high consequence injuries to our record keeping and will plan to disclose this data in next year’s report. |
| **Skills for the future**    | 1. Average hours of training per person that the organization’s employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).  
2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees). | Supporting a global workforce \ We do not currently track all training by gender and employee category. We are exploring solutions for tracking this information companywide in the future. |
### Employment and wealth generation

1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.
2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.

### Employee data summary

#### Direct economic value generated and distributed (EVG&D), on an accrual basis, covering the basic components for the organization’s global operations, ideally split out by:
- Revenue
- Operating costs
- Employee wages and benefits
- Payments to providers of capital
- Payments to government
- Community investment.

2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.

### 2021 Form 10-K

**Our economic impact**

At this time we do not disclose financial assistance received from the government.

### Employment and wealth generation

1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.
2. Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.

### SEC Filings

FY21 capital expenditures less depreciation were $439 million (CapEx additions of $1,355 billion; less depreciation of $916 million). Our capital investment strategy is focused on supporting revenue generation, R & D, and margin expansion initiatives. Our priority is to continue to fund critical strategic growth investments, such as product development and capacity expansion, while executing on existing initiatives.

### Innovation of better products and services

Total costs related to research and development.

### Community and social vitality

The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.

### Global healthcare access

Medtronic does not currently gather and aggregate all taxes paid by the identified categories on a global basis. We are evaluating the necessary processes and resources required to achieve this disclosure.
## Employee data summary

### MEDTRONIC GLOBAL WORKFORCE

<table>
<thead>
<tr>
<th>Region</th>
<th>FY19</th>
<th>FY20†</th>
<th>FY21Ω</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>91,945</td>
<td>93,919</td>
<td>95,612</td>
</tr>
<tr>
<td>Female</td>
<td>45,827</td>
<td>46,460</td>
<td>47,844</td>
</tr>
<tr>
<td><strong>Asia-Pacific</strong></td>
<td>12,967</td>
<td>13,619</td>
<td>13,728</td>
</tr>
<tr>
<td>Female</td>
<td>5,608</td>
<td>5,923</td>
<td>6,200</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>1,376</td>
<td>1,366</td>
<td>1,316</td>
</tr>
<tr>
<td>Female</td>
<td>809</td>
<td>801</td>
<td>788</td>
</tr>
<tr>
<td><strong>Europe/Central Asia/Middle East/Africa</strong></td>
<td>18,684</td>
<td>18,983</td>
<td>18,890</td>
</tr>
<tr>
<td>Female</td>
<td>9,385</td>
<td>9,516</td>
<td>9,391</td>
</tr>
<tr>
<td><strong>Latin America</strong></td>
<td>17,665</td>
<td>18,222</td>
<td>20,126</td>
</tr>
<tr>
<td>Female</td>
<td>11,119</td>
<td>11,013</td>
<td>12,375</td>
</tr>
<tr>
<td><strong>United States and Puerto Rico</strong></td>
<td>41,253</td>
<td>41,729</td>
<td>41,552</td>
</tr>
<tr>
<td>Female</td>
<td>18,906</td>
<td>19,207</td>
<td>19,090</td>
</tr>
</tbody>
</table>

---

### GLOBAL AND U.S. LEADERSHIP DIVERSITY

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19</th>
<th>FY20†</th>
<th>FY21Ω</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO and company global CEO direct reports who are female(s)</td>
<td>25%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>CEO and U.S. CEO direct reports who are ethnically diverse</td>
<td>15%</td>
<td>19%</td>
<td>25%</td>
</tr>
</tbody>
</table>

---

† At FY20 year end, we went through a transition phase and had two acting CEOs. Calculation was completed by capturing retiring CEO and Direct Reports. Calculation also includes our new CEO (who had reported to the retiring CEO) and his Direct Reports. Some employees were transitioned from the retiring CEO to the new CEO.

‡ Calculated as Actual Headcount at the end of the fiscal year. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.

§ Forty-eight records do not specify gender.

Ω Thirty-eight records do not specify gender.
### EMPLOYMENT TYPE

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support staff</td>
<td>37,989</td>
<td>38,325</td>
<td>39,118</td>
</tr>
<tr>
<td>Female</td>
<td>22,698</td>
<td>22,362</td>
<td>23,026</td>
</tr>
<tr>
<td>Professional</td>
<td>43,161</td>
<td>44,393</td>
<td>45,387</td>
</tr>
<tr>
<td>Female</td>
<td>19,071</td>
<td>19,749</td>
<td>20,357</td>
</tr>
<tr>
<td>Management</td>
<td>10,264</td>
<td>10,664</td>
<td>10,551</td>
</tr>
<tr>
<td>Female</td>
<td>3,909</td>
<td>4,183</td>
<td>4,284</td>
</tr>
<tr>
<td>VPs and higher</td>
<td>531</td>
<td>537</td>
<td>556</td>
</tr>
<tr>
<td>Female</td>
<td>149</td>
<td>166</td>
<td>177</td>
</tr>
</tbody>
</table>

### GLOBAL FULL-TIME

<table>
<thead>
<tr>
<th>Region</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>90,089</td>
<td>89,703</td>
<td>93,763</td>
</tr>
<tr>
<td>24 and under</td>
<td>5,703</td>
<td>5,588</td>
<td>6,118</td>
</tr>
<tr>
<td>25-39</td>
<td>41,646</td>
<td>41,523</td>
<td>42,896</td>
</tr>
<tr>
<td>40-54</td>
<td>32,527</td>
<td>32,452</td>
<td>34,142</td>
</tr>
<tr>
<td>55-69</td>
<td>10,041</td>
<td>9,980</td>
<td>10,479</td>
</tr>
<tr>
<td>70+</td>
<td>171</td>
<td>160</td>
<td>126</td>
</tr>
<tr>
<td>Female</td>
<td>44,288</td>
<td>44,904</td>
<td>46,329</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>5,530</td>
<td>5,844</td>
<td>6,123</td>
</tr>
<tr>
<td>Canada</td>
<td>796</td>
<td>789</td>
<td>772</td>
</tr>
<tr>
<td>Europe/Central/Asia/Middle East/Africa</td>
<td>8,166</td>
<td>8,235</td>
<td>8,131</td>
</tr>
<tr>
<td>Latin America</td>
<td>11,117</td>
<td>11,021</td>
<td>12,374</td>
</tr>
<tr>
<td>United States and Puerto Rico</td>
<td>18,679</td>
<td>19,015</td>
<td>18,929</td>
</tr>
</tbody>
</table>

---

1. Calculated as actual headcount at the end of the fiscal year. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.
2. Forty-eight employees do not have a job category designation.
3. Forty-five employees do not have a job category designation.
4. Thirty-eight employees do not have a job category designation.
5. Management = managers and above.
6. Numbers by region are based on female employees only.
### GLOBAL PART-TIME

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,856</td>
<td>1,853</td>
<td>1,849</td>
</tr>
<tr>
<td>24 and under</td>
<td>19</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>25-39</td>
<td>600</td>
<td>592</td>
<td>513</td>
</tr>
<tr>
<td>40-54</td>
<td>960</td>
<td>958</td>
<td>974</td>
</tr>
<tr>
<td>55-69</td>
<td>272</td>
<td>278</td>
<td>333</td>
</tr>
<tr>
<td>70+</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Female†</td>
<td>1,545</td>
<td>1,555</td>
<td>1,515</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>74</td>
<td>79</td>
<td>77</td>
</tr>
<tr>
<td>Canada</td>
<td>14</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Europe/Central/Asia/Middle East/Africa</td>
<td>1,218</td>
<td>1,277</td>
<td>1,260</td>
</tr>
<tr>
<td>Latin America</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>United States and Puerto Rico</td>
<td>238</td>
<td>187</td>
<td>161</td>
</tr>
</tbody>
</table>

### NEW EMPLOYEE HIRES

<table>
<thead>
<tr>
<th></th>
<th>FY19‡</th>
<th>FY20‡</th>
<th>FY21Ω</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>17,545</td>
<td>18,452</td>
<td>14,874</td>
</tr>
<tr>
<td>24 and under</td>
<td>4,586</td>
<td>4,784</td>
<td>4,373</td>
</tr>
<tr>
<td>25-39</td>
<td>9,559</td>
<td>10,334</td>
<td>7,876</td>
</tr>
<tr>
<td>40-54</td>
<td>2,927</td>
<td>2,843</td>
<td>2,251</td>
</tr>
<tr>
<td>55-69</td>
<td>453</td>
<td>478</td>
<td>368</td>
</tr>
<tr>
<td>70+</td>
<td>19</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Female††</td>
<td>9,226</td>
<td>9,465</td>
<td>7,470</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>1,220</td>
<td>1,177</td>
<td>1,031</td>
</tr>
<tr>
<td>Canada</td>
<td>217</td>
<td>103</td>
<td>94</td>
</tr>
<tr>
<td>Europe/Central/Asia/Middle East/Africa</td>
<td>1,225</td>
<td>1,193</td>
<td>680</td>
</tr>
<tr>
<td>Latin America</td>
<td>4,123</td>
<td>4,562</td>
<td>3,757</td>
</tr>
<tr>
<td>United States and Puerto Rico</td>
<td>2,441</td>
<td>2,430</td>
<td>1,908</td>
</tr>
</tbody>
</table>

---

† Calculated as actual headcount at the end of the fiscal year. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.

‡ Numbers by region are based on female employees only.

†† Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.

§ One record has values out of bounds (e.g., age=0).

Ω Seventy-two records do not specify gender.

† One record has values out of bounds (e.g., age=0).

‡ Numbers by region are based on female employees only.

Ω Thirty-four records do not specify gender.

Ω Numbers by region are based on female employees only.
## GLOBAL EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employee turnover rate (# employee turnovers/total employees)</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>24 and under</td>
<td>2,656</td>
<td>2,864</td>
<td>3,029</td>
</tr>
<tr>
<td>25-39</td>
<td>7,233</td>
<td>7,149</td>
<td>6,943</td>
</tr>
<tr>
<td>40-54</td>
<td>3,390</td>
<td>3,399</td>
<td>2,931</td>
</tr>
<tr>
<td>55-69</td>
<td>1,086</td>
<td>1,325</td>
<td>2,018</td>
</tr>
<tr>
<td>70+</td>
<td>29</td>
<td>46</td>
<td>98</td>
</tr>
<tr>
<td>Voluntary employee turnover rate (# voluntary employee turnovers/total employees)</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Female</td>
<td>7,114</td>
<td>7,488</td>
<td>7,399</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>797</td>
<td>872</td>
<td>907</td>
</tr>
<tr>
<td>Canada</td>
<td>98</td>
<td>95</td>
<td>125</td>
</tr>
<tr>
<td>Europe/Central/Asia/Middle East/Africa</td>
<td>1090</td>
<td>997</td>
<td>747</td>
</tr>
<tr>
<td>Latin America</td>
<td>3,158</td>
<td>3,411</td>
<td>3,413</td>
</tr>
<tr>
<td>United States and Puerto Rico</td>
<td>1,971</td>
<td>2,113</td>
<td>2,207</td>
</tr>
</tbody>
</table>

## U.S. EMPLOYEE DEMOGRAPHICS

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian or Alaska Native</td>
<td>136</td>
<td>138</td>
<td>133</td>
</tr>
<tr>
<td>Asian</td>
<td>5,447</td>
<td>5,664</td>
<td>5,647</td>
</tr>
<tr>
<td>Black or African American</td>
<td>2,161</td>
<td>2,109</td>
<td>2,208</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>3,064</td>
<td>3,010</td>
<td>3,169</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>138</td>
<td>125</td>
<td>131</td>
</tr>
<tr>
<td>White</td>
<td>21,459</td>
<td>20,486</td>
<td>19,863</td>
</tr>
<tr>
<td>Two or more races</td>
<td>719</td>
<td>751</td>
<td>812</td>
</tr>
<tr>
<td>Unspecified*</td>
<td>4,044</td>
<td>5,377</td>
<td>5,520</td>
</tr>
</tbody>
</table>

---

* Turnover calculated with Average Headcount for the fiscal year. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.

† Numbers by region are based on female employees only.

‡ Calculated actual headcount at the end of the FY21.

United States only, excluding Puerto Rico.

* Includes records coded as “Do Not Want to Disclose,” “Unspecified,” or “Blank.”
### U.S. Employee Turnover (Voluntary and Involuntary)† by Race and Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S. employee turnover rate (employee turnovers/total employees)</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>9%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Asian</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>White</td>
<td>10%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Two or more races</td>
<td>16%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>Unspecified†</td>
<td>14%</td>
<td>16%</td>
<td>14%</td>
</tr>
</tbody>
</table>

† Turnover calculated with Average Headcount for the fiscal year. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered.

‡ Includes records coded as "Do No Want to Disclose," "Unspecified," or "Blank."

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**Important Safety Information: InPen™**

The InPen™ is a home-use reusable pen injector for single-patient use by people with diabetes under the supervision of an adult caregiver, or by a patient age 7 and older for the self-injection of a desired dose of insulin and for calculating an insulin dose or carbohydrate intake based on user entered data. A healthcare professional must assist in dosage programming of the device prior to use, based on various patient-specific criteria and targets. The InPen™ requires a prescription. For additional product and safety information, please consult the Instructions for Use at [bit.ly/InPenSafety](bit.ly/InPenSafety).