

PUTTING PURPOSE INTO ACTION

INTEGRATED PERFORMANCE REPORT 2020



Medtronic

REPORT CONTENTS



COMPANY OVERVIEW

- A MESSAGE FROM OUR CEO 3
- THE MEDTRONIC MISSION 5
- OUR BUSINESS 6
- FY20 SNAPSHOT 7
- A MISSION AS A ROADMAP: OUR RESPONSE TO COVID-19 8
- SUSTAINABILITY STRATEGY AND REPORTING 10

3

SUPPORTING A GLOBAL WORKFORCE

- INCLUSION, DIVERSITY, AND EQUITY 38
- DEVELOPMENT AND ENGAGEMENT 43
- HEALTH AND WELL-BEING 45
- COMPENSATION, BENEFITS, AND RECOGNITION 47

1

ADDING VALUE TO SOCIETY

- GLOBAL HEALTHCARE ACCESS 16
- PHILANTHROPY 22
- THE ECONOMIC IMPACT OF OUR BUSINESS 27

2

PROMOTING ENVIRONMENTAL STEWARDSHIP

- CLIMATE RISK AND RESILIENCE 30
- REDUCING OUR OPERATIONAL FOOTPRINT 31
- PRODUCT STEWARDSHIP 35

4

WORKING RESPONSIBLY

- PRODUCT QUALITY 50
- CORPORATE GOVERNANCE 54
- ETHICAL BUSINESS CONDUCT 56
- ETHICS IN SALES AND MARKETING 58
- DATA PRIVACY AND SECURITY 61
- SUPPLY CHAIN RESPONSIBILITY 63

- ABOUT THIS REPORT 68

ESG DISCLOSURE INDEX

- CONTENTS 70
- GRI 71
- SASB 92
- TCFD 95
- EMPLOYEE DATA SUMMARY 99

A MESSAGE FROM OUR CEO



Over the past months, we've seen ties between health, progress, and prosperity strain in real time due to the hardships brought on by the pandemic. Life as we know it changed dramatically, as did the role of the private sector in many ways.

It's never been clearer: our future depends on companies that not only innovate boldly, but ones that act with integrity. For much of our fiscal year 2020 (May 2019 – April 2020), Omar Ishrak and I worked hand-in-hand to lay the foundation for my transition to the CEO role at Medtronic. We discussed the opportunities and challenges ahead, building resilience for the future and protecting our first priority — an unwavering pursuit of our Mission to alleviate pain, restore health, and extend life for patients around the world. The path is clear because our purpose is clear.

Our deep commitment to global corporate citizenship will continue to drive everything we do: adding value to society through the development of innovative, life-saving medical devices and therapies; promoting environmental stewardship; supporting our global workforce; and working responsibly with, and on behalf of, our partners, suppliers, and shareholders.

Adapting to COVID-19: A roadmap for change

Guided by our Mission, Medtronic mobilized and quickly mapped out a course of action to help global healthcare professionals and partners continue to treat patients and also protect themselves in the face of COVID-19. We rapidly increased our internal ventilator production five-fold from 200 a week pre-pandemic to over 1,000 a week in June. Early on, we realized we couldn't meet the global demand alone and took the unprecedented step in March to make our ventilator designs available to manufacturers around the world by publishing

open-source design specifications for our portable, compact ventilator. Within the first few weeks, the design files were accessed 200,000 times.

I am very proud of how our team around the world was able to move at the speed of a start-up and execute with the confidence of a seasoned expert. We operated with a high sense of urgency and conviction to accelerate innovation and unlock the power of our lifesaving technologies to help patients globally. With clear and decisive plans, and powerful collaboration beyond our walls, work that could have taken months or years instead took days and weeks.

New partnerships with Intel Corporation, Foxconn, SpaceX, and others broke down barriers between industry segments to enhance care — helping with the critical global need for ventilators, speeding development, optimizing a strained supply chain, and harnessing the expertise of NGOs. We contributed to innovations in virtual and remote care to introduce safer COVID-19-related and routine treatments. And between Medtronic and the Medtronic Foundation, we donated \$18.5 million in FY20 to COVID-19 relief efforts — part of a larger pledge of more than \$36 million.

From engineers working on the next breakthrough to those in our factories making lifesaving products; from field representatives on the frontline to those virtually changing lives, I'm deeply grateful for the way our people chose to stay on the frontlines and contribute to the healthcare professionals, facilities, and systems that

have been fighting this pandemic. Despite enduring personal hardships, they stepped up their support for our healthcare partners, so we stepped up our [support for them](#).

Throughout this pandemic, we've shown what Medtronic does best: forge the trail ahead in service of putting patients first, proving a 60+ year old Mission can still inspire innovative thinking.

Supporting a global workforce: Global inclusion, diversity, and equity

A new spotlight is shining on injustices that weigh down our ability to truly progress as an equitable society globally. The senseless killing of George Floyd in our home town of Minneapolis, MN, was a wake up call. The effect of Floyd's death combined with the death of countless others created a ripple effect, lifting the issues of systemic racism and inequities beyond the U.S. As we support our global workforce, we're actively leaning into actions and policies that further advance our global inclusion, diversity, and equity work for our employees and in support of the communities where we live and work.

In FY20, we achieved important performance targets in our workforce and economic impact through our supply chain:

- 100% gender pay equity in many countries including the U.S. and 99% gender pay equity globally; and 99% ethnic pay equity in the U.S.

A MESSAGE FROM OUR CEO

- 50% of our workforce and 39% of our global management are women
- 37% of our U.S. workforce and 23% of our U.S. management are ethnically diverse
- One of three companies recognized this year by [Catalyst](#), a global nonprofit focused on accelerating progress for women
- \$2.4 billion purchased from small and diverse businesses

When it comes to inclusion and diversity, we're committed to playing an active role in driving progress. In FY21 and into FY22, we will be implementing a holistic program of changes. We will establish a new governance framework for inclusion and diversity. Executive leadership will own its success and define unified standards to measure long-term progress, which will be reported and overseen by the Medtronic Board. We will tailor representation goals to each region, driving equity in ways that meet the unique concerns of our employees around the world. We will expand training to address unconscious bias and make ally-ship the expectation for all. We will unify performance measures, linking them to equal compensation and advancement opportunities for all people managers. And, we are committed to reporting on our progress.

Promoting environmental stewardship: Raising the bar

As we look ahead, we recognize the need to tackle climate change to preserve a healthy society. We've stepped up our program for reducing our global environmental

footprint and protecting the natural resources we all rely on. I'm proud to share that we achieved all our FY20 Environmental Performance Goals established against our FY13 baseline. These include significant reductions in energy use, greenhouse gas (GHG) emissions, regulated and non-regulated waste, and water use.

While we are pleased with these results, we know there is more that can be done. That's why we set a goal to be carbon neutral in our operations by FY30. To achieve this, we've set aggressive [new FY25 targets](#) on emissions and energy in addition to targets on water and waste. Adapting to a changing climate requires us to build business resilience, and the actions we are taking are reflected in our first Task Force on Climate-related Financial Disclosures, located in the environmental, social, and governance (ESG) Disclosure Index at the end of this report.

Working responsibly in everything we do

As stewards of human health and well-being, and with an aspiration to be the undisputed leader in healthcare technology, we need to prioritize sustainability to create a better world. We consider it a strategic imperative, and we've shown leadership and commitment to these principles. Going forward, we will continue to invest in the ESG factors that are most aligned to our Mission while also driving long term growth and profitability. We'll apply the highest standards of ethics, quality, safety, security, and reliability. And we'll act with a renewed purpose to operate as responsible corporate citizens—because it is the right thing to do.

I want to again thank the frontline healthcare workers fighting COVID-19 every day, those caring for the many other needs of patients worldwide, and all the Medtronic employees who've gone the extra mile during this difficult time. I'm thankful beyond words for their sacrifice and tireless resolve. They are an inspiration to all of us in healthcare — and to our communities around the world.

If there's one lesson FY20 taught our team, it's that when we focus energy on our Mission to alleviate pain, restore health, and extend life, we can make a meaningful difference to patients and customers around the world. Medtronic has never been more focused on our purpose or clearer on our role as a responsible corporate citizen. I'm honored to be Medtronic's CEO following in the footsteps of so many strong and inspiring leaders. The future we make is up to us, and we must seize the opportunities ahead in our next chapter to continue to fulfill the Medtronic Mission.



Geoff Martha

Chief Executive Officer, Medtronic

THE MEDTRONIC MISSION

Medtronic delivers medical technology to alleviate pain, restore health, and extend life. We harness the power of innovation and partnership to build more effective healthcare systems and get treatment to those who need it most.



For more than 60 years, our Mission has guided everything we do, and our focus on improving health outcomes remains constant in the face of evolving global challenges:

- 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.

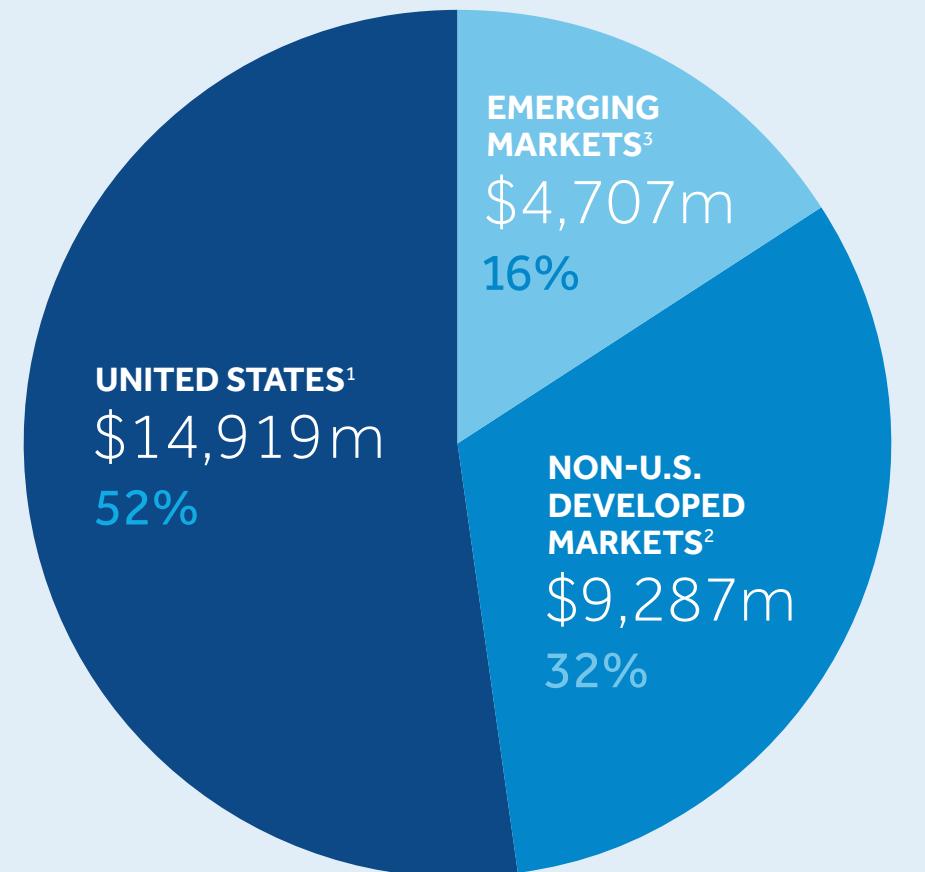
OUR BUSINESS

We deliver medical technologies, therapies, services, and solutions through our four operating groups: Cardiac and Vascular, Diabetes, Minimally Invasive Therapies, and Restorative Therapies.

In early FY21, we announced that we will be reorganizing our business groups into more autonomous operating units by the start of our fourth quarter of FY21. Through this change we aim to accelerate growth, fuel innovation, and focus our efforts in specific therapy areas where we can make the greatest impact for patients.

GLOBAL FOOTPRINT

FY20 NET SALES TO EXTERNAL CUSTOMERS BY REGION



¹ The United States includes the U.S. and U.S. territories.

² Non-U.S. developed markets include Australia, Canada, Japan, Korea, New Zealand, and the countries within Western Europe.

³ Emerging markets include the countries of Africa, Eastern Europe, the Middle East, Latin America, and the countries of Asia that are not included in the non-U.S. developed markets, as defined above.

MEDTRONIC OPERATING GROUPS AND FY20 SALES

CARDIAC AND VASCULAR

\$10,468m

- Cardiac Rhythm and Heart Failure
- Coronary and Structural Heart
- Aortic, Peripheral, and Venous



MINIMALLY INVASIVE THERAPIES

\$8,352m

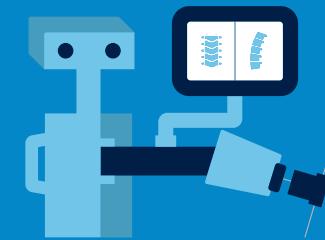
- Surgical Innovations
- Respiratory, Gastrointestinal, and Renal



RESTORATIVE THERAPIES

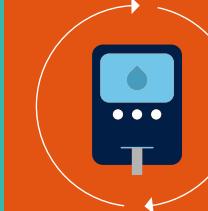
\$7,725m

- Spine
- Brain Therapies
- Specialty Therapies
- Pain Therapies



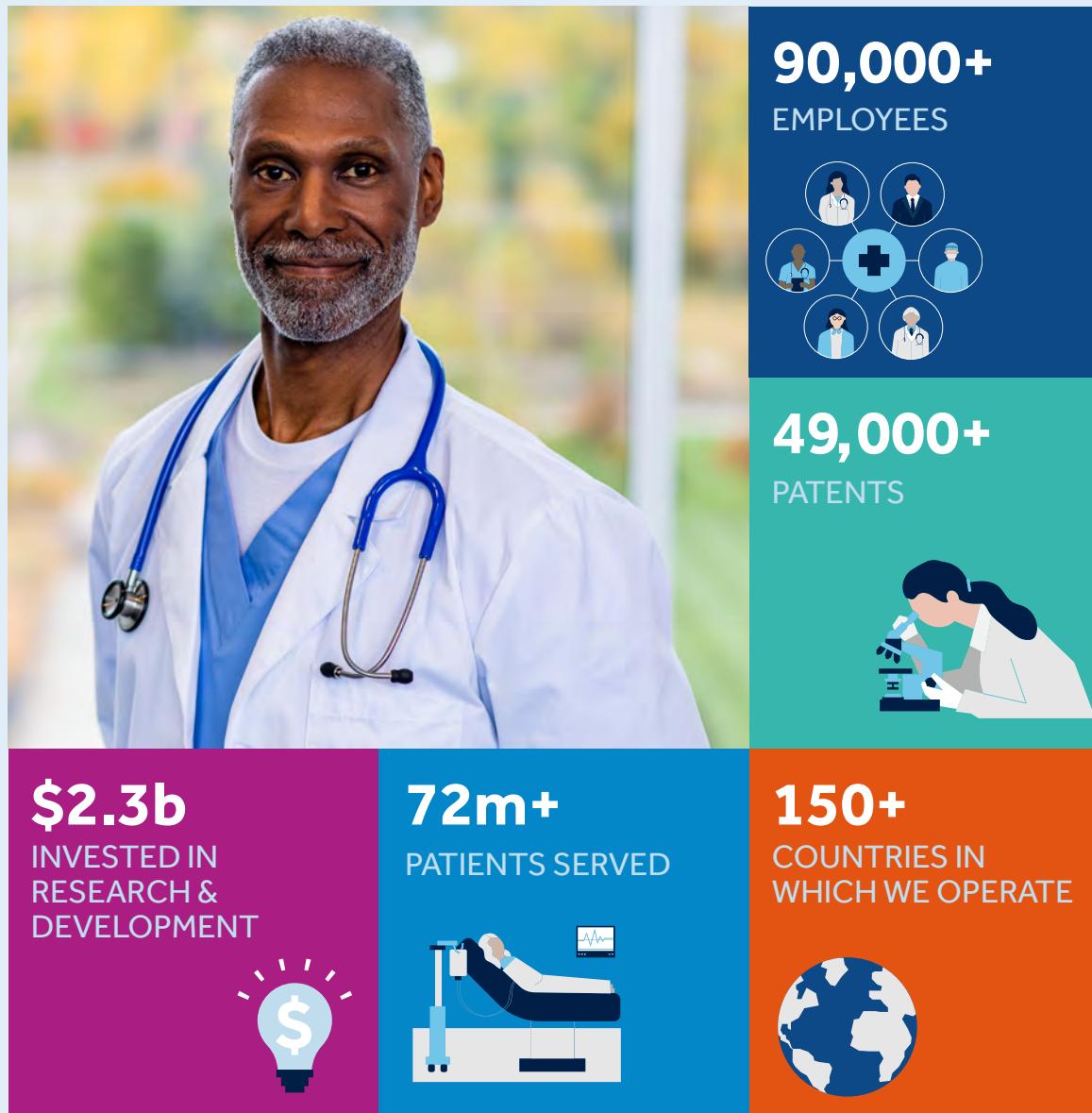
DIABETES

\$2,368m



TOTAL SALES
\$28,913m

FY20 SNAPSHOT



FY20 RECOGNITION FOR CORPORATE CITIZENSHIP AND INNOVATION



2020 CATALYST AWARD

for Inspiring Change and Accelerating Progress for Women in the Workplace

FTSE4GOOD INDEX

recognizes companies with strong environmental, social, and governance performance

3BL ASSOCIATION

100 Best Corporate Citizens of 2020

DISABILITY EQUALITY INDEX

2020 Best Places to Work for Disability Inclusion

DIVERSITYINC

2020 Top 50 Companies for Diversity

EDISON AWARD

2020 Best New Products

FORBES

America's Best Employers for New Graduates

FORBES

Best Employers for Diversity

FORTUNE

World's Most Admired Companies 2020, second in Medical Products and Equipment Industry

HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

100% score as a Best Place to Work for LGBTQ Equality

DOW JONES SUSTAINABILITY NORTH AMERICA COMPOSITE INDEX

13th consecutive year

REFINITIV

2019 Global Diversity and Inclusion Index

WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL

America's Top Corporations for Women-Owned Businesses 2019

A MISSION AS A ROADMAP: OUR RESPONSE TO COVID-19

The COVID-19 pandemic has placed extraordinary pressure on healthcare systems, communities, economies, and organizations of all sizes.

Using our Mission as a guide, we mobilized quickly to prioritize the well-being of our employees and their families. We partnered with others around the world to deliver essential products and support to the patients, healthcare professionals, and communities that need them most.

Here we summarize some of our key responses to the pandemic that occurred during fiscal year 2020 (FY20). We also include more detail in relevant sections of this report. Our crisis response to COVID-19 will continue as long as needed, while we also work toward a sustainable recovery in the aftermath of this global emergency.

SAFEGUARDING OUR EMPLOYEES

Our employees are the heart of our business. To address the unique needs of the 90,000+ people in our workforce during the pandemic, we focused on targeted programs to ensure their safety and provided direct financial, health, and well-being support.

Our cross-functional Crisis Response team managed and coordinated our companywide response in line with our [crisis management system](#).

Protecting critical employees

To help limit exposure to the virus, we acted to ensure employees in business-critical functions who cannot work from home were protected — including those in research and development, quality, manufacturing, distribution,

and the field. We implemented precautionary measures such as providing personal protective equipment (PPE), increased sanitation, social distancing guidance, and facility updates such as one-way hallways, partitions at cafeteria tables, and extra sinks.

Employee programs and benefits

To support our employees who were able to work from home, we offered flexible working hours and provided a guide to thriving virtually. Mental health support and new well-being tools — focused on food, finance, stress reduction, and fitness — were made available to all Medtronic employees. Companywide programs included:

- The Medtronic Emergency Leave Pay Policy, which allows employees to take up to 30 days of pay for certain scenarios related to COVID-19, unless local law or policy require otherwise
- The Medtronic Employee Emergency Assistance Fund, which provides financial need-based grants to employees experiencing financial hardship, including childcare and any uncovered medical costs

In addition to temperature checks and testing for employees working onsite, we offered all employees in the United States and Puerto Rico a free Medtronic Care Management Services (MCMS) Virtual COVID-19 Care Evaluation and Monitoring Solution.

SUPPORTING PATIENTS AND HEALTHCARE PROFESSIONALS

Our Mission to alleviate pain, restore health, and extend life is more relevant than ever. We are helping to address the crisis by ensuring healthcare professionals can [access vital equipment](#) to achieve better outcomes for COVID-19 patients.

Delivering critical products and therapies

We accelerated production and distribution of essential products such as ventilators, pulse oximeters, and extracorporeal membrane oxygenation machines. As of June 2020, we increased ventilator production fivefold from pre-pandemic production levels of less than 200 per week to 1,000 per week.

We put our Mission above competitive advantage and formed new collaborations to meet the critical global need for ventilators, resulting in partnerships with Foxconn, SpaceX, and others. At the end of March, we published open-source design specifications for our portable, compact ventilator, the Puritan Bennett 560 (PB560). In the first few weeks, there were more than 200,000 downloads of the blueprint. We also worked with the U.S. Food and Drug Administration to authorize emergency use of this ventilator in the United States.

Partnering with our suppliers

As countries began closing borders and restricting imports and exports to limit the spread of the virus, our [global supply chain](#) confronted extraordinary challenges.

FY20 COVID-19 RESPONSE HIGHLIGHTS



30 DAYS OF PAY OFFERED

to employees for certain scenarios related to COVID-19 through the Medtronic Emergency Leave Pay Policy



200,000+

downloads of the open-source design blueprint for our portable, compact ventilator in the first few weeks it was available



\$18.5m

DONATED to COVID-19 relief efforts by Medtronic and the Medtronic Foundation

We worked to help suppliers continue operating and ramp up production of critical components. Some invested millions in new equipment and infrastructure. Many hired more employees and shifted to 24/7 production to make parts. Together, Medtronic and supplier teams worked quickly to:

- Secure government permission to operate as essential businesses
- Obtain the paperwork needed to let employees travel to work
- Increase production by acquiring additional raw materials and expanding workforces

Carriers have prioritized medical product shipments, and some offer dedicated personnel to work exclusively with Medtronic freight.

Providing remote tools, essential services, and capacity building

To help healthcare professionals reduce exposure and conserve limited resources such as PPE, we accelerated the development of a remote management capability of our Puritan Bennett™ 980 (PB980) ventilator. This software upgrade — developed within a matter of weeks — enables clinicians to adjust the ventilator settings away from the patient.⁴

We have adapted several services and programs to support patients impacted by COVID-19 and those in high-risk groups, including:

- Expanding the Medtronic Assurance program to offer support to eligible diabetes customers who have lost health insurance due to COVID-19-related unemployment
- Offering MCMS solutions to remotely assess potential COVID-19 symptoms, including for our employees, customers, and U.S. health systems, health plans, and employers

- Extending the coverage and capability of our telehealth solutions, including remote monitoring of pulse oximeters, remote pacemaker programming, and CareLink — our internet-based remote monitoring service for patients with implanted cardiac devices

We have increased our focus on education for customers, patients, and healthcare professionals. Since the start of the pandemic, we have delivered dozens of virtual physician forums and training programs, including remote ventilator training through the newly formed Ventilator Training Alliance.

Public-private partnerships

Many communities lack the resources and infrastructure to respond effectively to a health emergency such as COVID-19. Medtronic and the Medtronic Foundation started working with key agencies and institutions, including the World Health Organization, FEMA, the G20, and the World Bank to:

- Assess and understand evolving needs
- Prioritize access to Medtronic and partners' products
- Provide additional assistance in the form of [product donations or financial contributions](#)

Product donation

We donated products to help a range of organizations and hospitals deliver lifesaving care to patients, including:

- Ventilators, respiratory filters, and pulse oximeters to help patients recovering from COVID-19
- PPE provided by our 3D Printing and Physiological Research Labs teams to protect healthcare workers



INVESTING IN HEALTH AND COMMUNITIES AROUND THE WORLD

IN FY20, MEDTRONIC AND THE MEDTRONIC FOUNDATION DONATED A COMBINED \$18.5 MILLION TO COVID-19 RELIEF EFFORTS

As the coronavirus pandemic unfolds, we are providing resources to help partners strengthen healthcare response and support underserved communities. In FY20, Medtronic and the Medtronic Foundation donated a combined \$18.5 million to COVID-19 relief efforts, part of a larger pledge of more than \$36 million that was announced in May 2020.

We recognize that minority communities are disproportionately affected by COVID-19. As a result, we will integrate our approach to [inclusion, diversity, and equity](#) in our response to the pandemic.

Medtronic Foundation giving

The Medtronic Foundation has made financial donations to:

- Dozens of global and local nonprofit organizations, equipping frontline health workers globally and investing in local response efforts to assist vulnerable populations
- Nearly 50 local community organizations and food banks providing critical resources and assistance to underserved populations worldwide

⁴ This feature has not been cleared by the US Food and Drug Administration (FDA). This feature was developed in accordance with the FDA Enforcement Policy for Ventilators and Accessories and other Respiratory Devices During the COVID-19 Public Health Emergency.

SUSTAINABILITY STRATEGY AND REPORTING



Sustainability is central to our Mission. By understanding and acting on our environmental, social, and governance (ESG) responsibilities, we can create positive change and deliver even greater long-term value for our business and stakeholders.

Our approach focuses on identifying our material sustainability issues, tracking expectations and performance against them, and reporting our progress and aspirations.

OUR MATERIAL ISSUES

We undertake regular reviews to monitor and assess our top sustainability issues — from product innovation to supplier and customer engagement.

We focus on issues that:

- Have the potential to significantly impact 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 engaging with a broad range of internal and external stakeholders. This included conversations with key internal stakeholders, investors, policymakers, governments, customers, industry association representatives, and nongovernmental organizations.

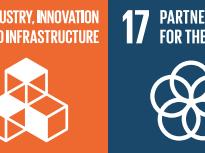
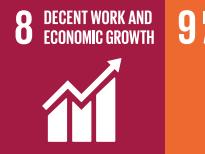
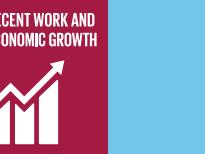
The table on page 11 shows how our material issues align with the various tenets of our Mission and, in turn, frame our contributions to the SDGs.

The three focus areas within our list of material issues, where we have a particular opportunity to make a difference, are listed below.

Innovation and Access—Increasing the availability of treatments through therapy innovation and new application of existing technologies, as well as accessibility to them through capacity building, infrastructure improvement, regulatory approval, and remote diagnosis or treatment. Read more in the [Global Healthcare Access](#), [Philanthropy](#), and [The Economic Impacts of Our Business](#) sections of this report.

Product Quality and Safety—Managing product quality as it relates to all key stakeholders through Design, Reliability, Manufacturability (DRM); supplier quality; and global compliance and corrective action. Read more in the [Product Quality](#) and [Supplier Quality Management](#) sections of this report.

Inclusion and Diversity—Advancing fair treatment and adequate representation of ethnicities and gender 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.

OUR MATERIAL SUSTAINABILITY ISSUES		
Mission	Material issue	SDG alignment
Tenet 1: Contribute to human welfare by alleviating pain, restoring health, and extending life	<ul style="list-style-type: none"> ■ Innovation and Access ■ Integrated Care 	  
Tenet 2: Direct growth in areas of biomedical engineering through education and knowledge assimilation		
Tenet 3: Strive without reserve for the greatest possible reliability and quality in our products and being recognized as a company of dedication, honesty, integrity, and service	<ul style="list-style-type: none"> ■ Product Quality and Safety ■ Technology and Device Security ■ Data Privacy and Security ■ Ethics in Sales and Marketing ■ Corruption and Bribery ■ Transparency 	 
Tenet 4: Make a fair profit by meeting our obligations, sustaining our growth, and reaching our goals	<ul style="list-style-type: none"> ■ Affordability and Fair Pricing ■ Climate Risk and Resilience ■ Responsible Supply Management ■ Product Stewardship 	  
Tenet 5: Recognize the personal worth of all employees by advancing opportunity	<ul style="list-style-type: none"> ■ Inclusion and Diversity ■ Talent 	 
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.	

STAKEHOLDER ENGAGEMENT

By working with and learning from our stakeholders and peers, we can meet challenges more effectively and amplify the positive impact of our business. Engaging with others also helps us understand what's expected of us and holds us accountable for our actions.

We engage with our key stakeholders through a range of mechanisms and for a variety of purposes, including:

- Sharing information, holding ourselves accountable, and seeking feedback on our approach and performance
- Communicating our expectations and standards with employees, suppliers, and partners
- Sharing expertise and knowledge, including through training and capacity building
- Providing support, for example, through Medtronic Foundation programs, volunteerism, giving, and disaster relief
- Working with others to develop new products, widen healthcare access, and advocate for change

The table on the right shows key examples of our engagement with various stakeholder groups in FY20 and some of the resulting outcomes. Further examples are provided throughout this report.

FY20 STAKEHOLDER ENGAGEMENT ACTIVITIES AND OUTCOMES

	Key FY20 Engagements	Outcomes
Healthcare Professionals and Administrators	<p>Worked with organizations such as the World Health Organization to distribute donated products to healthcare professionals in response to COVID-19</p> <p>Invested \$145.4 million on training for medical professionals to achieve better patient outcomes and access to healthcare through continuous learning and upskilling</p>	<p>\$8.4 million in product donations distributed to healthcare professionals</p> <p>Reached 62,889 medical professionals</p>
Patients and Patient Advocacy Groups	Invested \$18.9 million to deliver capacity building for patients	Spearheaded the Ventilator Training Alliance app in response to the COVID-19 pandemic, providing training and information on all ventilator types by all major manufacturers, including Medtronic
Shareholders and Institutional Investors	Held quarterly calls about business health, including a focus on COVID-19 and transition to our new CEO	Published our first Task Force on Climate-related Financial Disclosures index, available as part of our ESG Disclosure Index
Suppliers and Distributors	<p>Worked with suppliers to keep our global supply chains open during COVID-19</p> <p>Worked with a leading logistics provider to offset emissions</p>	<p>Suppliers secured government permission to operate as essential businesses and increased production of essential components and products</p> <p>Offset 100% of our Minimally Invasive Therapies Group's transportation emissions with a selected carrier in CY19, equivalent to 7,270 MT CO₂e</p>
Employees	<p>Continued our Project 6 volunteering program</p> <p>Invested in additional programs and benefits to support employees in the context of COVID-19</p> <p>Engaged employees through our biannual Organizational Health Survey</p>	<p>14,000 employees contributed 170,000 hours to 934 projects in 49 countries</p> <p>77% employee engagement rate, placing Medtronic 11% above the industry average</p>
Government Regulators and Policymakers	<p>Organized the first public-private sector roundtable on value-based healthcare (VBHC) at the June G20 meeting in Japan</p> <p>Attended the United Nations High-Level Meeting on Universal Health Coverage as the only private-sector panel member</p> <p>Supported Title VII of the U.S. Civil Rights Act, which protects both sexual orientation and gender identity from employment discrimination</p> <p>Continued to participate in business and trade organizations to collaborate for advancements in global health</p>	<p>Decisions by G20 governments to have a continual focus and dialogue on VBHC</p> <p>A shared political declaration was established among world leaders recognizing that all people should have access to quality, affordable healthcare</p> <p>A favorable ruling by the U.S. Supreme Court on Title VII, representing groundbreaking progress on this issue in the United States</p>
Nongovernmental Organizations	Supported COVID-19 response efforts through the Medtronic Foundation's partnership with approximately 50 global and local nonprofits	\$6.6 million distributed through health grants and community grants
Local Communities	Continued programs to expand access to healthcare for underserved communities through Medtronic LABS	More than 1,000 health workers trained and 235,000 patients screened
Peers and Partners	<p>Formed partnerships with Foxconn, Intel Corporation, SpaceX, and others to increase and improve access to ventilators in response to COVID-19</p> <p>Provided funding and research support for a CB² (a university-led research group) project on bio-based packaging</p>	Increased our internal ventilator production fivefold from pre-pandemic levels

SUSTAINABILITY MANAGEMENT AND GOVERNANCE

The Nominating and Governance Committee of the Medtronic board of directors oversees the company's ESG practices and has been including specific ESG agenda topics in each of its quarterly meetings during FY20. In addition, other committees engage in climate-related discussions as appropriate.

Our Sustainability Steering Committee (SSC) guides our companywide approach to sustainability, and we embed sustainability throughout our operations.

Managing risks and creating opportunities

We continually monitor emerging sustainability issues, so that we can anticipate risks and create value from opportunities. The table on the right lists some of our current risk and opportunity areas, describing our response to each.

We include more detail about our most significant business risks in our [2020 Form 10-K and 10-Q filings](#) with the U.S. Securities and Exchange Commission.

OUR RISK AREAS

Risk	Response
Product quality and patient safety issues	<p>We embed Design, Reliability, Manufacturability (DRM) best practices in product design and development processes. We use standardized systems to further a consistent approach to quality in manufacturing processes and at our facilities.</p> <p>We track product use and collect patient outcome data to measure and improve safety and to inform future design.</p> <p>When alerted to regulatory or field safety issues with one of our products, we take prompt action to assess the situation and implement corrective measures, as appropriate, working to understand and resolve underlying issues and root causes.</p>
Climate risk and resilience	<p>We manage transitional risks by monitoring carbon regulations including carbon taxes, and we continue to install renewable and alternative energy sources as they become more cost-effective and readily available.</p> <p>We manage physical risks through business continuity management. This includes hurricane readiness planning, infrastructure improvement, and risk-exposure analyses that encompass hurricanes, earthquakes, and water stress.</p>
Business impact of unforeseen ethical, social, and environmental regulations	<p>We monitor relevant regulations in global markets through our Government Affairs, Human Resources, Communications, Environmental, Health and Safety, and Procurement groups. Our Legal and Compliance teams oversee compliance with those regulations.</p> <p>We engage industry organizations and regulators to share our perspectives and prepare for potential and pending regulations.</p>
Failure to meet stakeholder or regulatory expectations of sustainability performance, ethics, and compliance	<p>We always aim to meet or exceed expectations and requirements on all aspects of sustainability and ethical conduct.</p> <p>We set consistent expectations on key issues for employees and suppliers, for example, through our Global Human Rights program and Responsible Supply Management program.</p> <p>We regularly train employees on our Code of Conduct and provide additional compliance training for employees in specific roles to further mitigate the risk of corruption and misconduct.</p> <p>We have clear processes for reporting and acting on ethical concerns.</p>

OUR OPPORTUNITY AREAS

Opportunity	Response
Leading the industry in meaningful innovation and value-based healthcare	<p>We stay alert to emerging technological innovations and invest in research and development to bring effective, value-driven products and services to market.</p> <p>We work across healthcare pathways to develop efficient, effective systems and business models that improve lives.</p>
Increasing accessibility and availability of our products and services	<p>We form bold, impactful partnerships with a range of national and local organizations to challenge our thinking and accelerate global access to lifesaving therapies.</p> <p>We invest in programs to improve healthcare infrastructure and develop the skills and knowledge of patients and healthcare professionals.</p>
Driving business efficiency	We continue to increase the efficiency of our own operations, sharing our learning with partners and suppliers.
Capturing cost savings and improving resilience from onsite and renewable energy	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.

Business continuity and crisis management

Preparedness for unexpected events is key to our resilience as a business. Incidents such as global health crises, political unrest, and extreme weather have the potential to impact our employees' lives and disrupt our operations or supply chain.

Our Business Continuity Management program helps us stay ready for the unexpected. It focuses on four key areas:

- **Business continuity.** We put resources and contingency plans in place so we can continue to operate and meet the needs of our patients and customers in adverse circumstances.
- **Crisis management.** The Medtronic Crisis Management team prioritizes and coordinates resources and response activities during crisis situations and is sponsored by members of our Executive Committee. The operational response is supported by the Medtronic Global Command Center and leadership across Medtronic.
- **Emergency response.** We prioritize keeping our people and assets safe and work to minimize environmental impact.
- **IT disaster response and recovery.** We respond quickly to technological failures and work to reinstate affected infrastructure.

Read more about the [philanthropic support](#) provided by Medtronic and the Medtronic Foundation during global crises and natural disasters.

CRISIS MANAGEMENT STRUCTURE

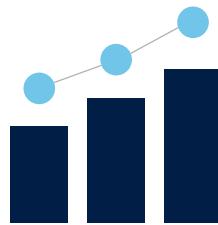
CRISIS MANAGEMENT TEAMS



CRISIS MANAGEMENT PROCESS



EXTERNAL REPORTING AND BENCHMARKING

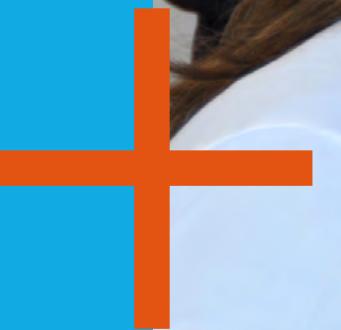


In addition to our Mission, we use external frameworks and benchmarks to inform our sustainability strategy and reporting and to learn where we can do better. These include:

- **CDP:** We submit data on climate and water annually to understand and improve our environmental impact relative to our peers.
- **Global Reporting Initiative, Sustainability Accounting Standards Board, and Task Force on Climate-related Financial Disclosures:** We report on relevant indicators and disclosures through this Integrated Performance Report and ESG Disclosure Index.
- **UN SDGS:** We map our contributions to the relevant goals.

ADDING VALUE TO SOCIETY

We develop innovative products and therapies to improve the lives of patients globally. But innovation alone is not enough. Our products must be accessible and affordable to those who need them most. This is the basis of our global healthcare access and strategic philanthropic programs.



- GLOBAL HEALTHCARE ACCESS
- PHILANTHROPY
- THE ECONOMIC IMPACT OF BUSINESS



GLOBAL HEALTHCARE ACCESS



ADDING BUSINESS VALUE

Our business success depends on our ability to make our products and therapies accessible to the patients who need them. We are working to improve the availability and affordability of our products by forming partnerships around new healthcare models and investing in critical skills and infrastructure. Our approach benefits society by increasing access to essential healthcare for underserved communities.

FULFILLING OUR MISSION

**IN FY20, WE CONTRIBUTED TO
POSITIVE HEALTH OUTCOMES FOR
MORE THAN 72 MILLION PATIENTS**

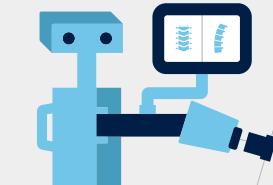


EXPANDING ACCESS TO QUALITY HEALTHCARE

Fulfilling our Mission requires that our products be accessible to as many people as possible. In FY20, we contributed to positive health outcomes for more than 72 million patients, but millions more still lack access to essential treatment.

We improve access to our products by developing innovative treatments for unmet healthcare needs, partnering with others to deliver new healthcare models and solutions, and investing in education and skills.

OUR INNOVATION PIPELINE



54
CLINICAL
STUDIES
COMPLETED

52
CLINICAL
STUDIES
STARTED

277
ONGOING
CLINICAL
STUDIES
AT THE END
OF FY20

TECHNOLOGY INNOVATION

We invest in meaningful innovation that will make a difference to patients and healthcare systems globally. We maintain a strong product pipeline by developing novel applications of existing technologies, investing in emerging innovations, and exploring new materials. The potential for medical technology to improve health outcomes is nearly boundless. We harness that potential to develop and deliver effective products and therapies to market.

Our current focus areas include:

- **Robotics**—for improving clinical outcomes, standardizing therapy delivery, and assisting with clinical decision workflow
- **Artificial intelligence (AI) and machine learning**—for a range of applications, including visual computing to aid clinical decisions and deep learning algorithms that adapt to patient needs
- **Simulation and modeling**—to develop validated methods in partnership with regulators and clinicians, enabling innovations to get to market faster
- **Remote innovation**—in response to the COVID-19 pandemic, we increased our focus on virtual and remote innovation, helping to maintain access to vital care while reducing exposure for patients and healthcare professionals

OUR INNOVATION PIPELINE

	FY18	FY19	FY20
Total R&D investment	\$2.3 b	\$2.3 b	\$2.3 b
Clinical studies started ⁵	72	55	52
Clinical studies completed ⁵	81	63	54
Ongoing clinical studies at end of fiscal year ⁵	320	279	277

⁵ We changed our methodology for calculating figures in FY20 to improve accuracy.

Research and clinical trials

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, however, remains on safety and effectiveness, always with the patient experience and outcomes at the center.

FY20 highlights include:

- Initiating a worldwide pivotal study to evaluate our Extravascular ICD, a novel implantable defibrillator system with a lead placed outside the heart and veins.
- Advancing work to help tackle the opioid crisis by developing innovative pain management therapies, including targeted drug delivery and a novel approach to spinal cord stimulation, both for the treatment of chronic pain.

New products

Selected new product launches in FY20 include:

- The CareLink SmartSync™ Device Manager allows physicians to program and download data from

compatible cardiac implants using an iPad.

- GI Genius Intelligent Endoscopy Module, offered through a strategic partnership with Cosmo Pharmaceuticals, is an AI-enhanced endoscopy system designed to detect colorectal polyps. This device is CE-marked and was launched in selected European markets. GI Genius does not have U.S. Food and Drug Administration approval or clearance and therefore is not available for sale in the United States.
- Micra™ AV is the world's smallest pacemaker with atrioventricular (AV) synchrony providing a leadless and minimally invasive implant procedure option for patients with AV block.

Read more about our new FY20 products at the [Medtronic Newsroom](#).

Partnerships for innovation

Partnership and collaboration play an essential role in enabling us to find and extend innovative solutions to local and global health challenges. FY20 highlights include:

- Continued contributions as a core partner in the European Institute of Innovation and Technology (EIT) health consortium, with a focus on innovation and business creation
- A strategic distribution partnership with Viz.ai for its applied AI software to help synchronize stroke care

— potentially saving time and increasing access to lifesaving stroke treatments

Read more about our approach to [acquisitions](#)—another way we increase access to groundbreaking healthcare solutions.

DEVELOPING AFFORDABLE, SUSTAINABLE HEALTHCARE MODELS

Affordability is just as important to improving access as the physical availability of a product or service, because the best treatment options are sometimes financially inaccessible for patients and healthcare providers. Driven by our Mission, our goal is to make medical technology available to any patient in the world, and we develop specific pricing programs and policies to enable this. We are creating new healthcare models—based on value, efficiency, and outcomes—that narrow the gap between what is available and what is affordable. Our pricing takes into account local structures and healthcare systems including the economic value that our products generate for the healthcare system, as well as market dynamics. We aim to price our products fairly and reasonably, and we offer a variety of pricing models, including:

- Volume pricing or rebate options for hospitals
- Adaptive pricing for treating long-term conditions
- Programs to assist new and existing patients

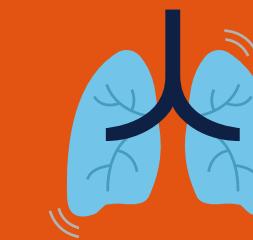
We provide a range of price points across a given technology portfolio to match different affordability levels and willingness to pay for the same technology.

Value-based healthcare

Healthcare providers, governments, and payers are under pressure to improve patient outcomes and reduce costs. Traditional models of payment by volume of product or therapy do not incentivize value. We believe the solution

HELPING PATIENTS AND HOSPITALS BREATHE EASIER

CASE STUDY



An estimated 1 in every 200 patients who receive pain medication after surgery develop breathing problems within a few hours.⁶ Yet this complication is often preventable.

Our Value-Based Healthcare Partnerships team and Minimally Invasive Therapies Group worked with the Lehigh Valley Health Network (LVHN) in the United States to develop a unique Enhanced Respiratory Monitoring program. This data-driven solution identifies and automatically monitors postsurgical patients or patients receiving opioids who may be at risk of developing breathing problems.

Nearly 18 months after we launched the program, we found a lower incidence of adverse events for patients receiving pain medication, and LVHN is achieving cost savings — demonstrating the dual benefit of a value-based approach to healthcare.

"We are seeing fewer code blues, fewer transfers to the ICU, fewer intubations," said Matt McCambridge, M.D., chief quality and patient safety officer at LVHN. "It's really early, but we think the monitoring tool, plus the work of our doctors and nurses, is taking us to another level in patient safety."

⁶ Fredrickson, TW & Lambrecht, JE. (2018). Using the 2018 Guidelines from the Joint Commission to Kickstart Your Hospital's Program to Reduce Opioid-Induced Ventilatory Impairment. APSF Newsletter, volume 33 (number 1). Page 1 & 8-10.

lies in a transition to value-based healthcare (VBHC) models. VBHC is an integrated approach to combining products, services, and solutions that improve patient outcomes per dollar spent in the healthcare system. Value is measured by long-term patient outcomes rather than short-term transactions.

The value-based approach is gaining traction globally, and to accelerate this transformation we continue to collaborate with others and advocate the advantages of this model.

In FY20, we organized the first public-private sector roundtable on VBHC at the June G20 meeting in Japan, followed by a larger session at the January G20 meeting in Saudi Arabia. This led to decisions by the G20 governments to have a continual focus and dialogue on VBHC matters. We also focused on VBHC during a meeting we hosted at the [United Nations High-Level Meeting on Universal Health Coverage](#).

As COVID-19 has profoundly changed the future for payers, health systems, and Medtronic, VBHC presents the opportunity to positively rethink how we define value and design programs to meet the challenges created by the pandemic.

EXPANDING GLOBAL HEALTHCARE ACCESS

Healthcare is advancing every day, but the benefits of these developments are not shared equally. Too many people still do not have access to the products, treatments, and services that are standard care for others. This is particularly true for preventing, detecting, and treating noncommunicable diseases.

We work across healthcare pathways to develop and scale programs that expand access to our products and services in underserved communities.

MEDTRONIC PROGRAMS TO INCREASE HEALTHCARE ACCESS

EXISTING MARKETS

Integrated Health Solutions

Working with healthcare facilities to optimize clinical and operational processes — improving efficiency and patient access to care



HEALTHCARE PROFESSIONALS

Capacity Building

Upskilling healthcare professionals and patients

POTENTIAL NEW MARKETS FOR OUR PRODUCTS

Patient Access Insights

Identifying local barriers to access

VBHC Partnerships

Partnering with healthcare providers globally to implement VBHC programs

PATIENT



Public-Private Partnerships

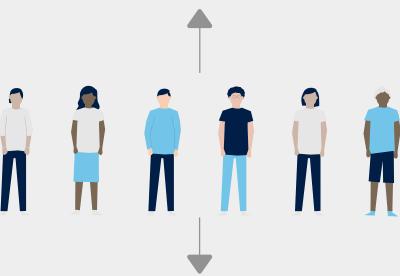
Addressing gaps in healthcare systems

Patient Access Acceleration

Identifying market-level barriers to access

Hub-and-Spoke Model

We apply a hub-and-spoke approach to connecting communities with effective healthcare systems in areas with limited resources and infrastructure. The hub is a state-of-the-art hospital, which connects with healthcare centers in the surrounding community — the spokes. This creates a defined, coordinated pathway from locally accessed diagnostics and care through to referrals for more complex treatment at the hub when needed



Designing, building, and scaling patient- and community-centric, technology-enabled healthcare delivery models

Medtronic Care Management Services

Remote health monitoring through digital platforms and telehealth offers a cost-effective⁷ way to improve outcomes⁸ and engage patients in monitoring their own symptoms and health data.

Medtronic Care Management Services (MCMS)

offers remote patient monitoring that combines care management services with patient engagement solutions, data analytics, and reporting. MCMS works with health systems, post-acute care providers, and health plans to integrate and scale monitoring programs for patients with complex, chronic, comorbid conditions.

In FY20, MCMS responded to the COVID-19 pandemic by developing and launching two new remote monitoring solutions:

- The [Respiratory Infectious Disease Health Check](#) is designed for patients with chronic, comorbid health conditions at the highest risk of complications associated with COVID-19. It is included as an add-on to all MCMS remote monitoring programs. Patients can track their respiratory infectious disease symptoms and body temperature through daily health checks.
- The [Medtronic COVID-19 Virtual Care Evaluation and Monitoring solution](#) combines a virtual assistant symptom survey with a registered nurse command center. It provides assessment, remote monitoring, and recommendations for patients with potential COVID-19 symptoms, based on U.S. Centers for Disease Control and Prevention (CDC) Guidelines. This stand-alone offering was designed for health systems, health plans, and large employers. It is also available to all U.S.- and Puerto Rico-based Medtronic employees and their eligible dependents.

MCMS will continue to invest in technologies to transform healthcare systems and the virtualization of care — focusing on home-based connectivity and high-quality, impactful clinical decision-making.

Patient access acceleration and insights

We quantify treatment needs and uncover key barriers to access in developed and emerging markets using our data-driven Patient Access Acceleration (PAA) methodology.

PAA insights help remove barriers by guiding our market development strategy and driving investment in key areas to remove those barriers — including evidence generation, economic coverage expansion, capacity building, training and education, and disease and therapy awareness.

We combine data each year from thousands of PAA assessments across countries and therapies, applying what we learn to improve planning and reduce risks associated with future market development investments.

Our Patient Access Insights (PAI) consulting service identifies local needs and barriers to access and informs the development of appropriate solutions.

We partner with hospitals around the world to apply PAI to specific services and pathways of care. Going forward, we aim to leverage our PAI service to better inform focus areas for our partnerships with hospitals.

Capacity building

With medical knowledge currently estimated to double every 73 days,⁹ it can be challenging for professionals and patients to stay on top of the latest developments.

We contribute to the collective knowledge of the healthcare ecosystem by supporting and delivering

capacity-building and training programs. Continuous learning and upskilling contribute to better patient outcomes, more efficient health systems, and improved access to healthcare.

Examples of our capacity-building work in FY20 include:

- Partnering with the Endoscopic and Laparoscopic Surgeons of Asia (ELSA), we launched a webinar series to update their 2,550 members on the latest surgical knowledge and interventions.
- Launching a patient-focused obesity education platform in Australia and New Zealand designed to combat myths about obesity and empower people to start conversations with their physicians.
- Spearheading the Ventilator Training Alliance app in response to the COVID-19 pandemic. The app is free to download and contains training videos and manuals for all ventilator types by all major manufacturers, including Medtronic.

In FY20 and into FY21 we will continue exploring new options for remote and virtual learning capabilities so we can continue to offer capacity building and knowledge sharing for healthcare professionals during COVID-19.

IN FY20, WE INVESTED \$145.4 MILLION IN CAPACITY BUILDING AND TRAINING FOR MEDICAL PROFESSIONALS (REACHING 62,889 PEOPLE) AND \$18.9 MILLION IN PATIENT EDUCATION



⁷ Stanhope, KM, et al. (2016). Telemonitoring reduced costs and inpatient visitation rates for patients with advanced cardiovascular disease: A matched cohort study.

⁸ Darkins A, Kendall S, Edmonson E, Young M, Stressel P. Reduced cost and mortality using home telehealth to promote self-management of complex chronic conditions: a retrospective matched cohort study of 4,999 veteran patients. *Telemed J E Health* 2015 Jan; 21(1):70-6. *This study is based on MCMS solutions and Medtronic data combined with third-party solutions and data, which are not necessarily identical to the MCMS solution or Medtronic data.*

⁹ Challenges and Opportunities Facing Medical Education, Peter Densen, *Trans Am Clin Climatol Assoc.* 2011; 122: 48–58.



Each year, we train thousands of doctors through our global network of Innovation Centers — providing specialist training to expand and update professional skills and knowledge.

We partner with local institutions to provide a combination of classroom-based learning, simulation training, hands-on product training, and web-based, on-demand sessions. In FY20, more than 26,500 healthcare professionals participated in training at our Innovation Centers or with selected partners.

We are investigating further options for remote and digital learning, so we can continue to offer a high level of educational support for healthcare professionals while COVID-19-related social distancing measures remain in place.

HEALTHCARE CAPACITY BUILDING

	FY18	FY19	FY20
Education for medical professionals	\$139.0 m	\$142.0 m	\$145.4 m
Education for patients	\$33.8 m	\$28.6 m	\$18.9 m
Medical professionals reached	89,220	83,123	62,889

MEDTRONIC LABS IMPACT

	FY18	FY19	FY20
Patients screened (to date)	400,000+	650,000+	850,000+
Health workers trained (to date)	130+	400+	1,500+
Patients with better clinical and social outcomes (to date)	9,500+	17,000+	23,000+
Operational sites throughout India, Ghana, and Kenya	34	65	90

Medtronic LABS

Medtronic LABS is a social impact business, funded by the **Medtronic Foundation**. Medtronic LABS works to expand access to healthcare for underserved patients, families, and communities across the world, with a focus on financially sustainable solutions that maximize social impact. It designs healthcare delivery models that integrate digital and product technologies across the care continuum.

Medtronic LABS solutions are built upon five principles:

- Design with and for communities to address local barriers across the care continuum
- Employ evidence-based practices and protocols for uncompromised 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

Building on progress in FY20, Medtronic LABS will continue to expand its three current programs through partnerships — with local technology entrepreneurs, healthcare providers, NGOs, governments, and other stakeholders — to amplify impact and scale.

Medtronic LABS is currently assessing modifications to its programs as a result of COVID-19. Its focus on innovative technology, including telemedicine and remote monitoring, means the business is well-positioned to adapt in the wake of the pandemic.

MEDTRONIC LABS IMPACT TO DATE

1,500+
HEALTH
WORKERS
TRAINED

850,000+
PATIENTS
SCREENED

23,000+
PATIENTS WITH
BETTER CLINICAL
AND SOCIAL
OUTCOMES

MEDTRONIC LABS PROGRAMS IN FY20



Empower Health enables clinicians and providers to manage a cohort of hypertensive or diabetic patients remotely, extending the reach of the health system directly into the community. The program has resulted in improved efficiency and effectiveness of care.

Location: Ghana and Kenya

FY20 HIGHLIGHT

The past year saw significant scaling of the Afya Dumu public-private partnership in Kenya. The project leverages the Empower Health technology and model of care to manage large cohorts of patients in three Kenyan counties.

It aims to improve patient outcomes and reduce county health system costs. In FY20, more than 16,000 patients were screened, and more than 8,000 were enrolled in the program.



Location: India

FY20 HIGHLIGHT

Medtronic LABS officially launched the Prerna program, screening more than 400 patients in Bangalore, India.

Location: Bangladesh and India

FY20 HIGHLIGHT

Medtronic LABS continued partnerships to provide affordable, high-quality hearing aids, and began to access the audiology market, including a partnership with Amplifon — the world's largest group of audiology clinics. Shruti patients receive comprehensive community-based diagnoses for ear diseases and hearing loss, with targeted referrals to a network of affordable therapies.

Public-private partnerships

Public-private partnerships play an important role in increasing patient access to our products and services in new markets around the world. We pursue partnerships that address gaps in healthcare, guided by the Medtronic Public-Private Partnership Council. Our aim is to develop longer-term contracts that enable sustainable, scalable projects and programs in four areas:

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

In FY20, for example, we initiated a partnership to enhance clinical training and education in a sub-Saharan country.

The partnership enables surgeons to develop existing laparoscopic skills, with a focus on general surgery and gynecology. Participants access an e-curriculum for training on basic laparoscopy before moving to hands-on learning. The program also provides surgical equipment and simulators, with ongoing maintenance services. This ensures that the trained surgeons have working equipment available to use with their newly acquired skills.

ADVOCATING FOR INCREASED ACCESS AND AWARENESS

Healthcare systems are complex and evolving. Sustained, collaborative effort is often necessary to remove systemic barriers to change and to develop new opportunities.

We engage with governments and other organizations to advocate for improved access to essential treatment and add our voice to the debate on key healthcare issues. Read more about our [public policy](#) work.

In FY20, Medtronic participated in the first United Nations High-Level Meeting on universal healthcare coverage, the most significant political meeting on the issue to date. World leaders made a shared political declaration recognizing that all people should have access to high-quality, affordable healthcare — a vision Medtronic shares.

Omar Ishrak, our CEO at the time, was the only private-sector representative to serve as a panelist at the meeting. Medtronic sponsored a side event on VBHC and universal healthcare coverage, attended by representatives from governments, businesses, and key international nongovernmental organizations. We also held one-to-one meetings with government officials to advance public-private partnerships aimed at expanding healthcare access.

PHILANTHROPY



ADDING BUSINESS VALUE

Our strategic philanthropic giving helps us deliver our Mission by serving as a good citizen worldwide. Medtronic and the Medtronic Foundation partner with organizations to make investments in underserved communities to achieve outcomes and meaningful impacts. Our philanthropic partnerships build trusting relationships with local and global organizations and engage our workforce through giving and volunteerism.

THE MEDTRONIC FOUNDATION

SINCE 1978, THE MEDTRONIC FOUNDATION HAS PARTNERED TO IMPROVE HEALTH FOR UNDERSERVED POPULATIONS AND SUPPORT COMMUNITIES WHERE MEDTRONIC EMPLOYEES LIVE AND GIVE.



A STRATEGIC APPROACH TO PHILANTHROPY

The global impact of noncommunicable diseases (NCDs) is significant. Each year, 15 million people between the ages of 30 and 69 die of an NCD, with more than 85% of these premature deaths occurring in low- and middle-income countries.¹⁰ This is compounded by the COVID-19 pandemic, with the greatest impacts affecting the underserved.

Our philanthropic activities are central to our ability to improve access to vital treatment, support, and care for underserved communities. Our partnership approach prioritizes organizations that share our vision for measurable and meaningful impact that delivers lasting change.

"Nonprofits, civil society, the private sector, and governments all share a desire for sustainable impact for the people they aim to serve. COVID-19 is a clear example that together, we can meet the moment and deliver meaningful change. Only when partnerships are built on a sharp focus on results can our collective investments address inequities to improve the lives of those in need."

PAURVI BHATT
PRESIDENT OF THE MEDTRONIC FOUNDATION
AND VP OF MEDTRONIC PHILANTHROPY

¹⁰ World Health Organization, June 2018; www.who.int/news-room/fact-sheets/detail/noncommunicable-diseases

OUR CONTRIBUTIONS

In FY20, Medtronic and the Medtronic Foundation contributed more than \$105 million in combined philanthropic investments. We focus our efforts on:

- **Cash contributions** — providing funding for medical professionals and fellowship positions, clinical research grants, third-party-sponsored health education programs, and other health-related activities
- **Medtronic Foundation grants** — working to improve health for underserved populations worldwide and support communities where Medtronic employees live and give
- **Product donations** — working with global partners to distribute products to nonprofit organizations and in-country clinics and to support disaster-recovery efforts
- **Employee volunteering** — inspiring and supporting employees to give back to communities year-round by contributing their time, skills, and resources

Supporting communities through the COVID-19 pandemic

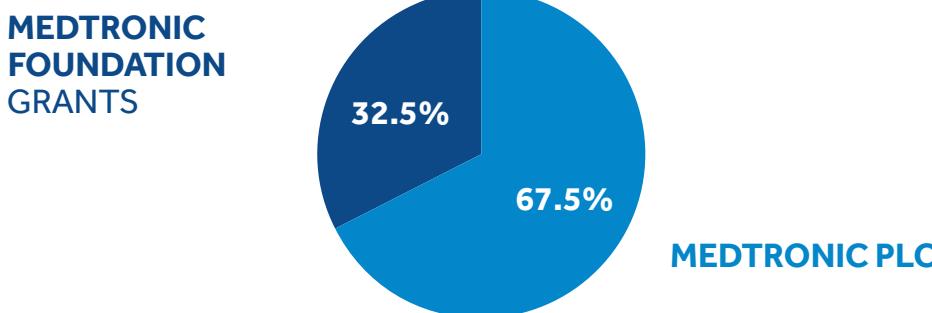
Amid the onset of the COVID-19 pandemic, a significant share of our philanthropic contributions were directed toward a global response.

The Medtronic Foundation's [financial contributions](#) through FY20 included grants to partners to equip frontline health workers, bolster local response efforts, and support community organizations and food banks.

Medtronic regions and business units provided cash contributions and product donations, including supplies for vulnerable diabetes patients and vital equipment for COVID-19 patients.

**TOTAL FY20
PHILANTHROPIC
GIVING**
\$105.1 m

SPLIT OF PHILANTHROPIC CONTRIBUTIONS IN FY20



PHILANTHROPIC CONTRIBUTIONS BY TYPE IN FY20

	FY18	FY19	FY20
Corporate cash donations	\$54.9 m	\$57.2 m	\$56.4 m
Medtronic Foundation giving	\$42.3 m	\$29.3 m	\$34.2 m
Product donations	\$15.4 m	\$9.2 m	\$10.1 m
Value of volunteering	\$1.4 m	\$4.4 m	\$4.3 m ¹¹
Total giving	\$114.0 m	\$100.1 m	\$105.1 m¹²

¹¹ Calculated with an hourly rate of \$25.43 provided by [Independent Sector](#). Volunteer hours reflect hours that are self-reported by Medtronic employees and represent hours of volunteerism during normal business hours.

¹² Row totals do not add up to \$105.1 million due to rounding.

CONTRIBUTIONS TO TACKLE THE COVID-19 PANDEMIC FY20

Medtronic plc total giving	\$10.2 m
Cash donations	\$1.8 m
Product donations	\$8.4 m
Medtronic Foundation total giving¹³	\$8.3 m
Contribution to China in February 2020	\$0.5 m
Health grants	\$3.4 m
Community grants	\$3.2 m
Employee matched giving / assistance ¹⁴	\$1.2 m
Total contribution	\$18.5 m

¹³ Numbers represent pledges made in FY20.

¹⁴ This amount represents all matched donations, not only those related to COVID-19.

FY20 CONTRIBUTIONS TO COMBAT COVID-19



The Medtronic Foundation partnered with nearly 50 global and local nonprofit organizations to:

- Support the safety of frontline healthcare workers — including provision of personal protective equipment
- Provide assistance to local communities through health, nutritional, and economic support
- Strengthen international efforts, including working with partners to help countries prevent, detect, and respond to COVID-19

Medtronic donated:

- Ventilators, respiratory filters, and pulse oximeters in response to the initial outbreak in China
- 3D-printed face shields for healthcare workers, in partnership with 3D printer maker Stratasys and a coalition of other manufacturers — read more [here](#)
- Open source design specifications for the Medtronic PB560 ventilator so other companies could utilize our technology free of charge

Advancing equity and reducing disparity

Our philanthropic activities are an important lever for social change, enabling targeted investment in communities and organizations that further inclusion and diversity and foster a greater focus on equity. For example:

- The Medtronic Foundation addresses inequity in access to healthcare by investing in health workers who focus on improving health outcomes for the underserved.
- The Medtronic Foundation invests in organizations that deliver improved care and economic well-being for diverse and underserved communities.
- Medtronic inspires diverse employees to connect in Employee Resource Groups and Diversity Networks through focused philanthropic initiatives.
- Medtronic employees volunteer their time with organizations dedicated to addressing inequities and empowering diverse communities.

DEEPENING OUR COMMITMENT TO ACTION: CONVERSATION, PARTNERSHIPS, CONTRIBUTIONS

The Medtronic Foundation and employees engaged together for greater understanding of social justice and the impacts on Black lives. The Foundation committed \$16 million to support Black and/or social justice organizations. This commitment was complemented by inspired action. During our first Day of Action for Racial Equity Progress, we extended a 2:1 employee match giving effort, paired with virtual volunteerism worldwide, resulting in the Foundation matching more than \$211,000 and nearly 2,000 employees across 24 countries volunteering 3,825 hours.



MEDTRONIC FOUNDATION PROGRAMS

The Medtronic Foundation focuses on scalable, sustainable solutions that deliver lasting impact for the underserved. This means our partners work alongside our teams to achieve meaningful outcomes in health and social issues that matter most to communities.

These investments combine financial support with skills-based [employee volunteering](#) to deliver much-needed resources along with high-level counsel. Stacking our resources creates strategic partnerships and supports longer-term change in a way that single, short-term interventions cannot.

Global health partnerships

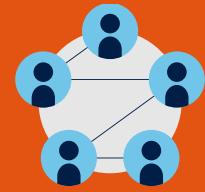
The Medtronic Foundation works to strengthen local healthcare systems and capacity, enabling more patients to get the treatment they need. This complements and amplifies the ongoing Medtronic focus on expanding global access to our lifesaving products and therapies.

In addition to funding the social enterprise Medtronic LABS, the Medtronic Foundation funds programs that strengthen health systems and invest in healthcare workers, making cumulative contributions of \$12.3 million to date. The five-year [HealthRise program](#) ended as scheduled in FY19 and transitioned to local partners in FY20. In Himachal Pradesh, India, the government screened 2 million patients for noncommunicable diseases, with more than 100,000 put on treatment and continuously supported using HealthRise protocols and its digital "HealthCard." This demonstrates the work of the Medtronic Foundation to scale successful projects and ensure the sustainability of the work even after initial funding is gone.

In FY20, Medtronic Foundation kicked off new patient-centered care programs for the management of chronic conditions in primary care. A competitive grant partner

INVESTING IN COMMUNITY HEALTH WORKERS

CASE STUDY



Community health workers play a vital role in connecting people to medical and social services, particularly in low-income areas or regions with limited primary care infrastructure or staff. They often serve a complex role of health counselor, social worker, and friend, and work to improve overall quality of life as well as health outcomes. The World Health Organization sees community health workers as a key strategy to address the growing shortage of clinical health workers such as doctors and nurses.

The Medtronic Foundation invests in community health workers to expand access to healthcare and ultimately improve health outcomes for underserved populations around the world.



"Often, the patient has no one to vent to, no one to talk to. In most cases, patients want to cry on my shoulder, get things off their chest. I listen and give guidance."

Creude Mendes de Souza

Teófilo Otoni, Brazil



"When patients come into the hospital or the clinics, they don't tell their doctor everything that's going on. They feel more comfortable telling us, sharing that they don't have food or transportation to get to the doctor or have other personal problems. We get to know what they need on a personal level and we can help them."

Tiffany Barnes Minneapolis, Minnesota, United States

selection process resulted in partnerships in three U.S. states and in India, Bangladesh, South Africa, Kenya, and Uganda. Medtronic Foundation uses a data-driven selection process to invest deeper in a smaller group of partners. Incremental financing based on milestones enables methods to be adapted based on what does and does not work. At all sites, programs are pivoting in response to COVID-19 to offer remote patient monitoring and virtual visits for more than 6,000 high-risk, vulnerable patients.

[HeartRescue](#) measures and improves care for sudden cardiac arrest (SCA) and certain types of heart attacks.

HeartRescue United States currently partners with 18 U.S. states, while HeartRescue Global ended its final full year of implementation in Brazil, China, and India, with results expected in FY21. In the United States, HeartRescue partners supported nearly 100,000 SCAs, a 30% increase since the program began. Across the program's global sites, partners treated approximately 2,000 STEMIs and assessed them for quality of care in the patient registries.¹⁵

¹⁵ STEMI (ST-Elevation Myocardial Infarction) is a serious type of heart attack in which one of the heart's major arteries is blocked.

IMPROVING OUTCOMES FOR CARDIAC PATIENTS IN INDIA

CASE STUDY



In Bangalore, India, infrastructure development — including healthcare access and traffic-free, safe roads — has not kept pace with the rapidly expanding population, limiting access to vital care for some patients. HeartRescue India provides localized solutions to address specific challenges to the cardiovascular care pathway, one of which is reaching emergency patients quickly through the busy, narrow streets of the city.

When someone has a sudden cardiac incident, HeartRescue India will deploy a trained first responder on a scooter. Each first responder carries an electrocardiogram (ECG) machine and a defibrillator. On arrival, the responder can transmit ECG results directly to the hospital and, if needed, treat the patient on the scene. The goal is to provide lifesaving care rapidly and treat the patient until an ambulance arrives, which often takes longer to navigate the crowded Bangalore streets.

The next steps are to expand the program and to ensure rapid response for more cardiac patients, ultimately saving more lives. HeartRescue India is working with a cohort of Medtronic Foundation Global Innovation Fellows, utilizing the skills and experience of Medtronic employees to explore options for scaling this and other initiatives.

RHD Action works to end rheumatic heart disease (RHD) in vulnerable populations. Approximately 320,000 people lose their life to this preventable disease each year, and 80% of the world's population continues to be at risk.¹⁶ In FY20, RHD Action concluded work in Tanzania, taking a holistic approach to stopping the spread of RHD through education, screening, referral, medical worker training, clinical support, and advocacy. The World Health Organization will require member countries to review global progress on RHD at its annual Assembly in May 2021.

EMPLOYEE VOLUNTEERING

The Medtronic Foundation offers a number of ways Medtronic employees can give back to their communities through volunteering and/or giving, including:

- **Matched Giving** — The Medtronic Foundation matches Medtronic employee and retiree donations made to any eligible nonprofit up to \$5,000
- **Volunteer Grants** — When employees reach 25 volunteer hours in a calendar year with an eligible nonprofit, that organization will receive a \$500 grant
- **Skilled Service** — The Medtronic Foundation curates skills-based volunteerism through programs like the Global Innovation Fellows
- **Project 6** — The annual kickoff in June for 365 days of giving back to causes that mean the most to Medtronic employees
- **Year-Round Volunteerism** — The Medtronic Foundation offers a variety of year-round opportunities to engage employees in their desire to give back, this includes responding to natural disasters

¹⁶ Carapetis JR. Rheumatic Heart Disease in Developing Countries. N Engl J Med 2007; 357:439-441. <https://www.nejm.org/doi/full/10.1056/NEJMp078039>. Aug. 2, 2007. Accessed Sept. 6, 2018.

EMPLOYEE VOLUNTEERING AND COMMUNITY ENGAGEMENT

	FY18	FY19	FY20
Project 6			
Volunteers	20,952	17,371	14,000
Countries	52	47	49
Employee-led projects	512	493	934
Project 6 volunteer hours ¹⁷	58,535	60,246	-
Total volunteer hours¹⁷	-	-	170,000
Volunteer grants			
Volunteer grants	1,154	1,409	1,271
Volunteer grants (\$ raised)	\$577,000	\$704,500	\$635,500
Global matching grants			
Medtronic Foundation match of employee contributions ¹⁸	\$14.5 m	\$6.6 m	\$8.1 m

¹⁷ In FY20, we began measuring total year-round volunteering hours rather than those specific to Project 6. We did not track volunteer hours outside of Project 6 in FY18 or FY19.

¹⁸ 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 the COVID-19 crisis, Medtronic Foundation Matches were increased to 2:1 from April 1 to April 24, 2020 in FY20, with this increase continuing into FY21.

GLOBAL INNOVATION FELLOWS

CASE STUDY



The Medtronic Foundation Global Innovation Fellows program matches the skills of Medtronic employees with nonprofits currently receiving Foundation grants. Combining funding with expertise helps drive lasting outcomes for underserved communities.

The nonprofits draw on the skills of Medtronic employees to help solve challenges the nonprofits often don't have the capacity or resources to tackle on their own — including business-model expansion, technology development, and overall program sustainability. Meanwhile, Medtronic employees gain the opportunity to put their skills to use while giving back in a meaningful way. Bringing these two components together ensures that we reach better outcomes for those in need.

In FY20, 30 Global Innovation Fellows participated in programs in three countries:

- Expanding access to care for patients in India
- Improving care coordination for chronic disease management in Minnesota, United States
- Help strengthen public-private partnerships in Ireland that provide societal value

Since 2013, there have been more than 130 [Global Innovation Fellows](#).

DISASTER RESPONSE

Natural disasters, pandemics, and extreme weather continue to impact the health of communities around the world. In response to these events, Medtronic and the Medtronic Foundation focus on building long-term partnerships with local and global organizations that can aid in recovery.

In response to the COVID-19 pandemic, we took immediate action to safeguard our employees who support our community, such as:

- Implementing safety measures for employees that could not work from home and making financial and well-being resources available to all employees
- Establishing partnerships between the Medtronic Foundation and nearly 50 local community organizations and food banks to provide critical resources and assistance to underserved populations worldwide

Read more about our [response to COVID-19](#) and how we [prepare our business](#) to respond to natural disasters and other crises.

Paid time off for volunteering

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.

The Medtronic Foundation organizes weeklong, hands-on volunteering opportunities to rebuild impacted communities. For example, earlier in FY20, seven Medtronic colleagues spent a week working with a global nonprofit to help rebuild in the town of Salinas del Marqués in Mexico, following a devastating 8.2 magnitude earthquake two years prior.

When their own communities are struck by disaster, Medtronic employees can seek assistance from the [Medtronic Employee Emergency Assistance Fund](#).

Grants

The Medtronic Foundation distributes grants to enable fast, strategic response to disaster. It works with organizations to preposition suppliers and build staff capacity.

VIRTUAL VOLUNTEERISM: SOCIAL IMPACT DURING COVID-19

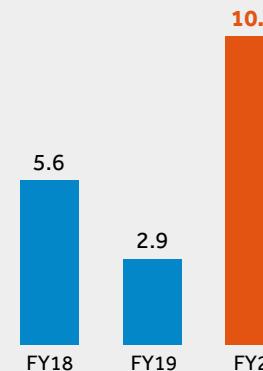
In light of the COVID-19 crisis, the Medtronic Foundation redesigned its approach to giving back, and beginning in FY21 will offer virtual volunteering opportunities to Medtronic employees.

This will include Volunteer Power Hours, where employees can devote an hour of their time to take simple actions of support. Virtual volunteering offers a way for Medtronic employees to continue to give back to their communities in a safe and meaningful way.



MEDTRONIC FOUNDATION DISASTER RELIEF CONTRIBUTIONS

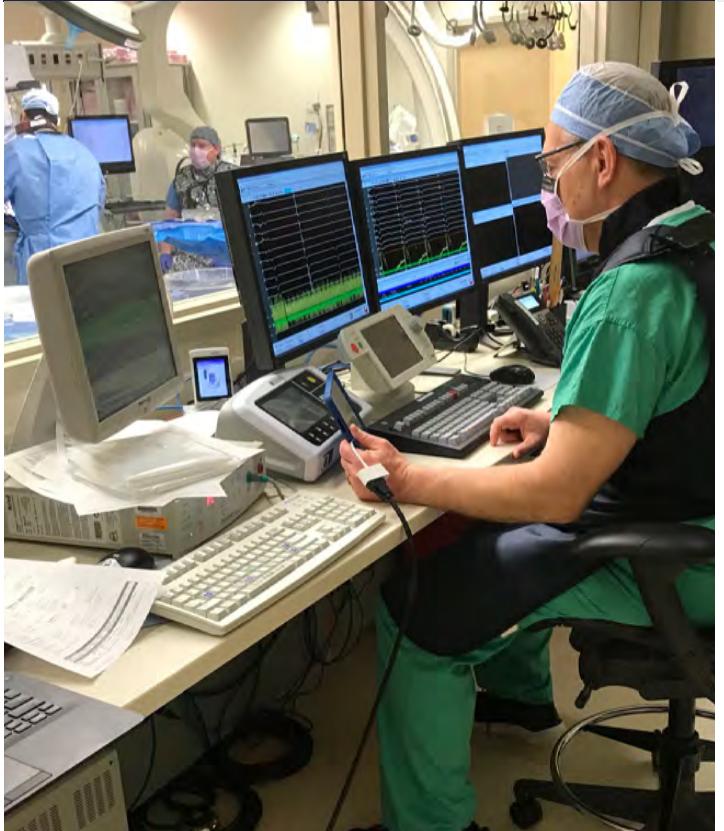
CONTRIBUTIONS \$ Million



Contributions vary year-on-year depending on the number and nature of disasters requiring response.

FY20 figure includes contribution of \$8.3 million in response to the COVID-19 pandemic.

THE ECONOMIC IMPACT OF OUR BUSINESS



ADDING BUSINESS VALUE

The impact of our business extends beyond our products and therapies. As a large global company, we contribute to the economic prosperity of the employees, suppliers, and wider communities that are essential to our continued business success.

WE REMAIN IN THE S&P 500 DIVIDEND ARISTOCRATS INDEX, MARKING OUR 43RD YEAR OF DIVIDEND INCREASES

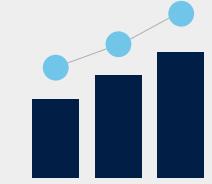


FINANCIAL PERFORMANCE

The COVID-19 crisis presents economic challenges for companies everywhere. It has led us to reaffirm our Mission, facilitated by new partnerships and innovations. Our FY20 fourth quarter revenue was negatively impacted as a result of a reduction in sales, yet we continued to increase our dividend per share to investors. We are emerging from the pandemic with a renewed sense of purpose, and in a strong financial position in which to continue investing in our pipeline and employees.

Our revenue-growth strategy remains centered on innovation. We prioritize delivering on our technology pipeline, while scaling and accelerating our market presence and competitiveness through our focus on globalization.

ECONOMIC HIGHLIGHTS FY20



\$28.9 b
NET SALES

59%
OF FREE CASH FLOW RETURNED TO SHAREHOLDERS

\$4.7 b
EMERGING MARKET NET SALES

In FY20, our net sales were \$28.9 billion. Our total company revenue decreased 5.4%, or 4.2% on an organic basis, with the decline driven by the significant decrease in sales in our fourth quarter due to the pandemic. Our emerging market sales grew by 2.8% organic, totaling approximately \$4.7 billion. We continue to find new opportunities for increasing access to our products and therapies in these markets through a combination of partnerships, localized research and development (R&D) and manufacturing, and optimization of our distribution channels.

See our [2020 Form 10-K](#) filed with the U.S. Securities and Exchange Commission for more detail on our financial performance.

RETURN TO SHAREHOLDERS

Our strategy for balanced capital deployment includes a commitment to return at least 50% of our annual free cash flow back to shareholders. In FY20, our free cash flow was \$6.0 billion. We returned 59% of this (\$3.5 billion) to shareholders through dividends and net share repurchase — meeting our commitment despite the economic uncertainty caused by the pandemic.

EMPLOYMENT AND COMPENSATION

In FY20, Medtronic employed approximately 90,000 employees in more than 150 countries. By hiring locally, we support the economies of communities near our operations.

EMPLOYEES

FY18	FY19	FY20
86,000+	90,000+	90,000+

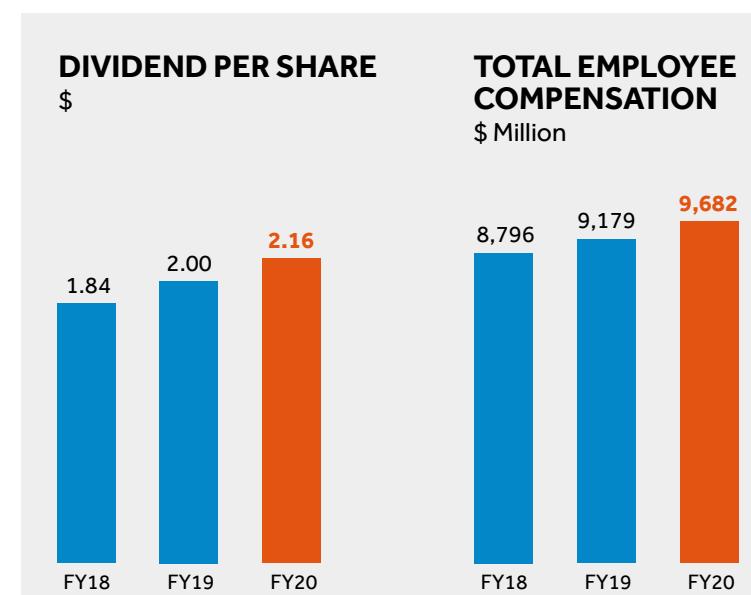
The talent, passion, and expertise of our people are pivotal to our continued success. We design our compensation framework to recognize and reward our employees for their ongoing commitment to Medtronic. Read more about our approach to [pay equity](#) and [compensation and benefits](#).

To support our people through the financial challenges of the COVID-19 pandemic, we invested in additional programs and benefits, including:

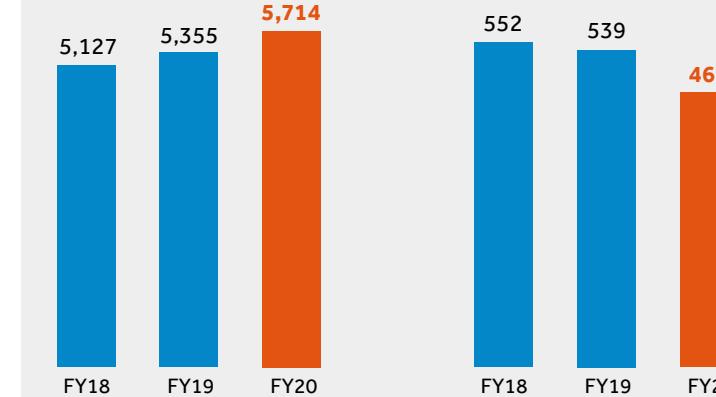
- Monetary awards for business-critical employees working onsite or in the field to manufacture and distribute products to healthcare systems and patients
- Measures to help protect field employees from significant impacts to their incentive compensation, which for many represents a large percentage of their regular income
- An Emergency Leave Pay Policy, offering up to 30 days¹⁹ of pay to employees whose roles cannot be performed remotely but who have to stay at home
- Increased contributions to our Employee Emergency Assistance Fund, providing needs-based financial grants to employees experiencing financial difficulties
- An offer of free services to Medtronic employees and household family members through the Medtronic Employee Assistance program — including help finding childcare, financial consultations, and confidential mental health counseling

INVESTMENT, EXPENDITURES, AND TAXES

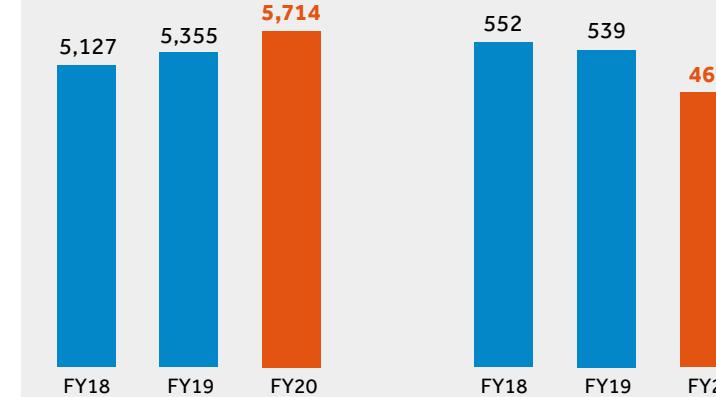
We deliver direct economic benefit to individuals and communities through the wages and taxes we pay, alongside indirect benefits from our business with suppliers. We sustain this positive impact through continued capital investments and operating expenses.



EMPLOYEE SALARY AND WAGES \$ Million



EMPLOYEE RETIREMENT BENEFIT PLANS \$ Million



All employee compensation and benefit amounts are based on 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.

We adapt our strategies to meet new challenges. For example, to improve and increase production of our lifesaving ventilators for the treatment of patients with COVID-19, we invested in partnerships with Foxconn, Intel, and SpaceX. We also made the design specifications for our Puritan Bennett™ (PB560) ventilator open source, so other companies could utilize our technology free of charge.

ACQUISITIONS AND DIVESTITURES

Alongside our continued R&D spend, we invest in or acquire other medical 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.

Our FY20 acquisitions included:

- **Digital Surgery** — strengthens our robotic-assisted surgery platform through expertise in surgical artificial intelligence, data and analytics, and digital education and training
- **Klue** — brings real-time behavioral insights to our diabetes management tools
- **Laser Associated Sciences** — enhances our ability to develop innovative treatments for vascular diseases
- **Stimgenics** — extends our portfolio of options for the treatment of chronic pain through pioneering spinal cord stimulation therapy
- **Titan Spine** — provides new expertise in titanium interbody implants for use during spinal fusion surgery

Our total strategic investment and acquisition spend in FY20 was \$3.2 billion.²⁰

¹⁹ In some cases, this was extended to more than 30 days.

²⁰ Includes acquisitions, additions to property, plant and equipment, and purchases of investments.

PROMOTING ENVIRONMENTAL STEWARDSHIP

Preserving the environment is inherent to our Mission and vital to improving global health. The natural resources we all rely on, such as clean air and water, sustain life and are the building blocks of thriving communities. We are working to reduce the environmental footprint of our business while continuing to deliver innovative medical solutions for patients.

- CLIMATE RISK AND RESILIENCE
- REDUCING OUR OPERATIONAL FOOTPRINT
- PRODUCT STEWARDSHIP



CLIMATE RISK AND RESILIENCE



ADDING BUSINESS VALUE

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

CLIMATE CHANGE TRANSPARENCY

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. We have aligned our disclosures to the TCFD framework pillars of governance, strategy, risk assessment, and metrics/targets. Our complete [TCFD report](#) is located in the ESG Disclosure Index at the end of this report.

PROMOTING ENVIRONMENTAL STEWARDSHIP

REDUCING OUR OPERATIONAL FOOTPRINT



ADDING BUSINESS VALUE

Actively managing our environmental impacts and reducing our footprint fosters positive relationships with stakeholders, reduces our operating costs, and sustains our ability to operate.

OPERATING SUSTAINABLY

Being a good environmental steward is part of our business strategy. We focus our efforts on reducing the energy, emissions, water, and waste footprint of both our operations and our products. Our global [Environmental Health and Safety \(EHS\) Policy](#) establishes our performance management system, which includes setting goals, measuring progress, and integrating sustainability into decision-making.

Our corporate EHS teams oversee our environmental management, compliance, remediation, health and safety, and training. They also collaborate with leaders who are responsible for policy and programs across our global regions.

Manufacturing facilities account for most of our energy consumption, water use, and waste generation. At those sites, we use management systems based on the ISO 14001 and OSHAS 18001 standards to track and improve EHS performance.

²¹ GHG emissions intensity is measured as Metric Tons/\$ Million Revenue, energy intensity is measured as kWh/\$ Million Revenue, water intensity is measured as Cubic Meters/\$ Million Revenue, and waste is measured as Metric Tons/\$ Billion Revenue.

FY25 ENVIRONMENTAL GOALS²¹

To continue reducing our environmental footprint, we have established new FY25 environmental performance goals that will be measured against a FY20 baseline.



↓ 50% REDUCTION IN GHG EMISSIONS INTENSITY

↓ 20% REDUCTION IN ENERGY INTENSITY

↑ 50% ENERGY SOURCED FROM RENEWABLE AND ALTERNATIVE SOURCES

↓ 15% REDUCTION IN WASTE INTENSITY

↓ 15% REDUCTION IN WATER USE INTENSITY

GOING CARBON NEUTRAL

Our new emissions and energy goals move us toward our ambition of being carbon neutral in our operations by FY30. We aim to reduce nearly 250,000 metric 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.



Environmental compliance

We strive for 100% compliance with applicable environmental laws and regulations. In instances where a noncompliance occurs, we investigate the cause and implement corrective actions to effectively address issues and establish processes to mitigate future risks.

In FY20, we had 40 environmental compliance inspections, with five resulting in noncompliance notices. None of these inspections resulted in fines. We completed corrective actions for all noncompliance identified in FY20.

Globally, Medtronic manages 24 cleanup sites where remediation is required due to historical discharges that were permissible during past operations. Many of these sites are from acquisitions, and none of these sites are part of our ongoing operations. Nine of the U.S. sites are multiparty sites, where Medtronic entities are one of multiple potentially responsible parties addressing the site remediation under the Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund.

Environmental performance goals

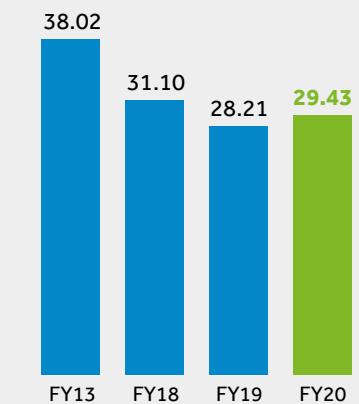
We evaluate progress toward our environmental performance goals on an annual basis. In FY20, we reached the end of our current goal cycle and exceeded all of our targets.

Progress compared to our FY13 baseline:²¹

- 23% reduction in energy intensity
- 36% reduction in greenhouse gas (GHG) emissions intensity
- 32% reduction in metric tons of nonregulated waste intensity
- 13% reduction in metric tons of regulated waste intensity
- 20% reduction in water use intensity

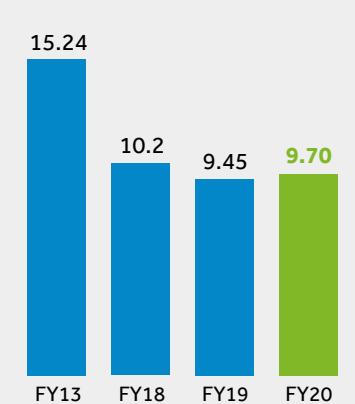
PROGRESS TOWARD OUR ENVIRONMENTAL PERFORMANCE GOALS

ENERGY USE kWh/\$ Million Revenue



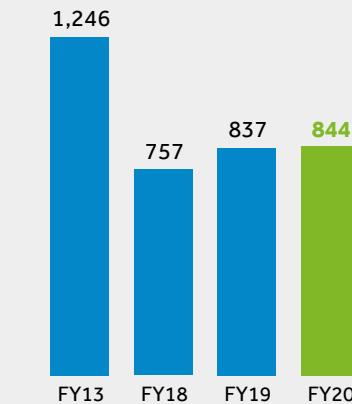
FY13-FY20 Goal: -15%
-23% change from FY13
ACHIEVED

GHG EMISSIONS Metric Tons/\$ Million Revenue



FY13-FY20 Goal: -15%
-36% change from FY13
ACHIEVED

NONREGULATED WASTE Metric Tons/\$ Billion Revenue



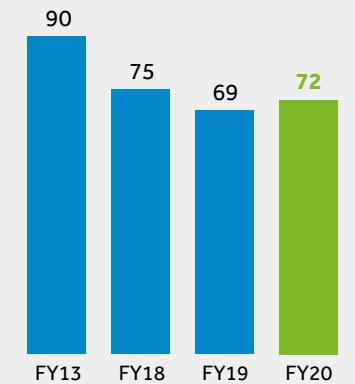
FY13-FY20 Goal: -15%
-32% change from FY13
ACHIEVED

REGULATED WASTE Metric Tons/\$ Billion Revenue



FY13-FY20 Goal: -10%
-13% change from FY13
ACHIEVED

WATER USE Cubic Meters/\$ Million Revenue



FY13-FY20 Goal: -10%
-20% change from FY13
ACHIEVED

5/5 OF OUR ENVIRONMENTAL GOALS MET

COMPARED TO FY13
WE ACHIEVED:²¹

23%
REDUCTION IN ENERGY INTENSITY

36%
REDUCTION IN GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

32%
REDUCTION IN NONREGULATED WASTE INTENSITY

13%
REDUCTION IN REGULATED WASTE INTENSITY

20%
REDUCTION IN WATER USE INTENSITY



²¹ GHG emissions intensity is measured as Metric Tons/\$ Million Revenue, energy intensity is measured as kWh/\$ Million Revenue, water intensity is measured as Cubic Meters/\$ Million Revenue, and waste is measured as Metric Tons/\$ Billion Revenue.

MANAGING GHG EMISSIONS AND ENERGY USE

From FY13 to FY20, our global energy strategy focused on reducing emissions through energy conservation, renewable energy sourcing, and onsite generation.

Our new goals to reduce emissions by 50% and energy intensity by 20% will move us toward our ambition of being carbon neutral in our operations by FY30. This milestone will increase the resilience, longevity, and sustainability of our business as we continue to improve patient health. To achieve our carbon neutrality goal, we will continue to reduce our energy consumption, increase our use of renewable and alternative energy, partner in virtual power purchase agreements, and invest in renewable energy credits and carbon offsets.

Emissions

In FY20, our combined Scope 1 and 2 GHG emissions were 281,000 metric tons of carbon dioxide equivalent (MT CO₂e), a 2.7% decrease from the prior year.

Investing in energy efficiency

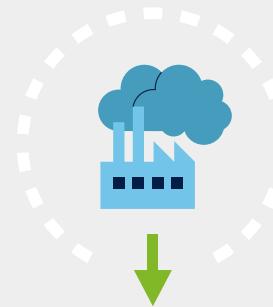
In FY20, our total energy use was 850,993 megawatt-hours (MWh), a 1.3% decrease from the prior year. A key component of our energy strategy is onsite generation of renewable and alternative energy, which reduces our operational emissions and reliance on grid electricity.

We generate 12% of our electricity onsite, including new capacity we added in FY20. Our new installations include solar panels, cogeneration plants, and fuel cells. We also completed the rebuild of our 17-acre solar farm at our Juncos site, which was decommissioned after Hurricane Maria in 2017. We have more than 40 projects currently underway and expect to bring an additional 67,000 MWh of capacity online in FY21.

100% REDUCTION OF TOTAL CARBON EMISSIONS FROM OPERATIONS TARGETED BY FY30 – LEADING TO EMISSIONS REDUCTIONS APPROXIMATELY EQUAL TO THE AMOUNT GENERATED BY 80,000 U.S. HOMES OVER THE SAME TIME PERIOD



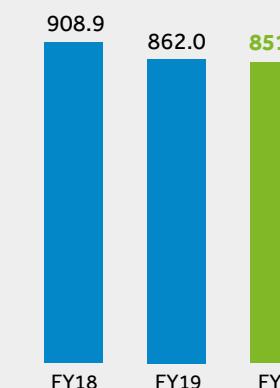
IN FY20, WE COMPLETED 79 PROJECTS THAT WILL CONSERVE MORE THAN 20,000 MWH PER YEAR AND REDUCE OUR OPERATING COSTS BY \$2.8 MILLION



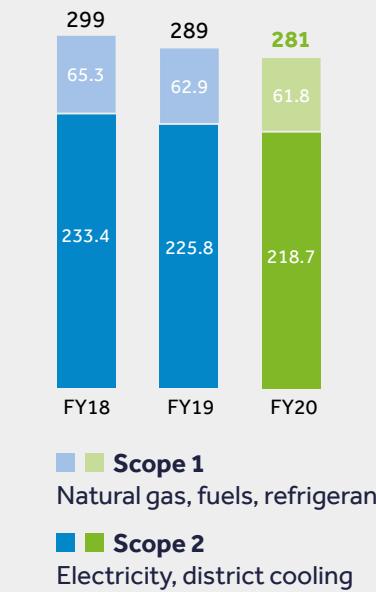
In FY20, we centralized our evaluation process for energy efficiency projects. In our streamlined approach, energy experts from our Global Energy and Corporate EHS teams review opportunities and approve projects that best support our environmental performance goals. In FY20, we completed 79 projects that will save more than 20,000 MWh per year and reduce our operating costs by \$2.8 million. The energy savings generated by these projects are equal to 2.4% of our total energy use in FY20. In FY21, we will implement projects to optimize our compressed air, building automation, and HVAC systems.

PERFORMANCE FY20

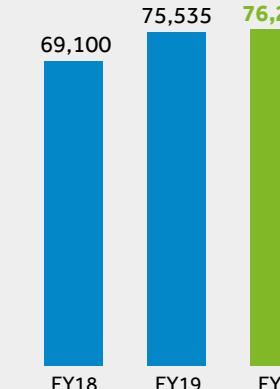
ENERGY USE MWh (Thousands)



GHG EMISSIONS Metric Tons/CO₂e (Thousands)



ONSITE ENERGY GENERATION MWh



MINIMALLY INVASIVE THERAPIES GROUP OFFSETS SHIPPING EMISSIONS

CASE STUDY



We work with trusted logistics partners to deliver Medtronic products to customers around the world. Shipping — by truck, train, ship, or plane — is a necessary part of our business that results in carbon emissions.

In FY20, the Medtronic Minimally Invasive Therapies Group (MITG) worked with one of their leading logistics providers to offset 100% of their calendar year 2019 freight emissions with that carrier, equivalent to 7,270 MT CO₂e. Through the carrier's program, Medtronic invested in verified offset projects, rendering MITG's shipping with that carrier carbon neutral.

"This project demonstrates how collaborative solutions can reduce our climate impact. We will pursue additional opportunities to minimize the impact of our operations. This project was the first step along that journey." —Flavio De Simone, Vice President Supply Chain, Medtronic MITG

Using renewable grid electricity has been part of our energy strategy since 2007. In FY20, we utilized 121 MWh of renewable electricity, a 9% increase compared to the prior year. We plan to significantly increase our use of renewable energy to achieve our goal of being carbon neutral. By FY25, we aim to have 50% of our energy from renewable and alternative sources.

REDUCING WASTE AND WATER USE

Responsible waste and water management practices help to reduce our environmental impact, operating costs, and risk of noncompliance. To achieve our FY25 waste and water goals, our strategy will focus on efficiency, minimization, and infrastructure projects.

Reducing waste

In FY20, we produced 24,414 MT of nonregulated waste and 2,669 MT of regulated waste, a 4.5% decrease and 11% decrease from the prior year, respectively. The decrease in waste was the result of reduction initiatives throughout our manufacturing operations.

Our nonhazardous waste reduction strategy focuses on waste prevention and minimization. As an example of our initiatives, our Strategic Meetings Management group partners with event planners to reduce the environmental footprint of meetings. During the course of normal business operations, which include in-person meetings, this project has the potential to save more than \$1 million annually.

Medtronic proactively manages hazardous waste to prevent negative environmental impacts and reduce liability risks. Prior to contracting with vendors, we assess their waste management processes against our requirements. We monitor vendors throughout our relationship to ensure that they meet or exceed our standards.

Reducing water use

Water scarcity is a growing global concern, and we are

ENERGY CONSERVATION

	FY18	FY19	FY20
Energy conservation projects ²²	149	133	79
MWh/year energy conservation savings	57,660	41,000	20,920
MT GHG emissions prevented	22,173	15,824	14,791
Savings from energy rebates	\$0.95 m	\$0.8 m	\$1.1 m
Operating cost savings	\$5.2 m	\$4.3 m	\$2.8 m

²² Represents ongoing projects during the fiscal year.

ONSITE ENERGY GENERATION

Type of project	Installation date	Energy generated (per year) (MWh)	Location
Fuel cell	FY18	2,600	North Haven, Connecticut
Fuel cell	FY18	1,700	North Haven, Connecticut
Fuel cell	FY17	12,400	Northridge, California
Fuel cell	FY15	3,500	Santa Rosa, California
Cogeneration	FY12	2,500	Mirandola, Italy
Cogeneration	FY11	3,400	Athlone, Ireland
Cogeneration	FY09	43,000	North Haven, Connecticut
Solar	FY20	6,000	Juncos, Puerto Rico ²³
Solar	FY20	585	Mystic, Connecticut
Solar	FY20	130	Tolochenaz, Switzerland
Solar	FY18	105	Tijuana, Mexico
Solar	FY16	110	Mirandola, Italy
Solar	FY13	220	Santa Rosa, California

²³ Site came online in January 2017 but was decommissioned after Hurricane Maria in September 2017. We rebuilt the site and recommissioned in October 2019.

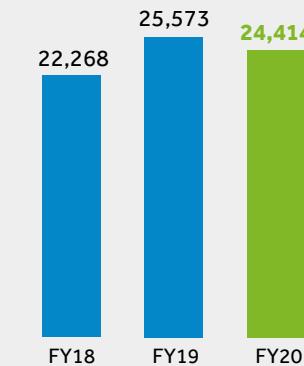
preparing our business for a time when water resources are critically challenged in some regions. Though our operations are generally not water-intensive, we strive to be water-efficient and understand our water risk. Through our biennial water risk assessment, we evaluate the impact to water resources from our sites that use more than 15,000 m³ a year. We share the findings with appropriate internal stakeholders to inform long-term business plans and efficiency projects that have the potential to minimize water usage across our operations.

In FY20, our total water use was 2,092,000 m³, a 1% decrease from the prior year. We achieved this reduction through continued investment in onsite water recycling systems and a multisite plant water optimization project. The FY20 optimization project assessed water consumption at 10 sites with significant water usage. We implemented more than 20 efficiency projects identified through the assessment, which we estimate will provide annual savings of 68,000 m³ per year.

PERFORMANCE FY20

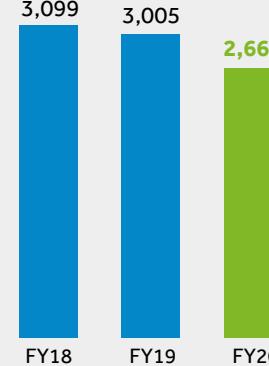
NONREGULATED WASTE

Metric Tons



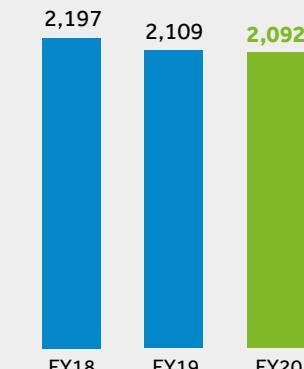
REGULATED WASTE

Metric Tons



WATER USE

Cubic Meters (Thousands)



PRODUCT STEWARDSHIP



ADDING BUSINESS VALUE

Patient safety is our absolute priority in manufacturing medical devices. This means we focus on quality, sterility, and compliance. Increasingly, in line with our customers' priorities, we are also working to reduce the environmental footprint of Medtronic products and packaging.

**WE AIM TO MEET
LEADING PRODUCT
STANDARDS
INCLUDING:**



CALIFORNIA PROPOSITION 65

Required product disclosures are available at www.medtronic.com/caprop65

E.U. DIRECTIVE ON RESTRICTION OF HAZARDOUS SUBSTANCES (ROHS)

E.U. REGISTRATION, EVALUATION, AUTHORIZATION, AND RESTRICTION OF CHEMICALS (REACH)

E.U. MEDICAL DEVICE DIRECTIVE (MDD)

ACTIVE IMPLANTABLE MEDICAL DEVICE DIRECTIVE (AIMDD)

Materials of concern

There is growing concern about certain materials and chemicals in medical products, as demonstrated by emerging regulations and customer requirements. Materials of concern (MOC) include those that have the potential, if not managed correctly, to negatively impact people or the environment. We require our suppliers to responsibly manage and disclose any such materials used in our manufacturing processes, final products, or packaging.

In FY20, we launched our new Materials of Concern Policy to streamline the way Medtronic manages MOCs. Our activities included developing working teams to address a variety of ongoing product content matters and developing web portals to facilitate access to information.

Innovation is an important part of the Medtronic Mission, and Medtronic is proud to be a part of the [U.S. Food and Drug Administration's \(FDA\) Innovation Challenge](#)

targeted to explore ways to reduce the amount of ethylene oxide (EO) used to sterilize lifesaving medical devices. Medtronic was selected in 2019 as one of several medical device companies to evaluate sterilization methods for the future. We are evaluating opportunities to streamline sterilization processes and decrease the amount of EO usage, in situations where it is possible to achieve equivalent sterilization effectiveness. Medtronic is developing strategic corporate partnerships and is engaged with the FDA to find effective solutions to deliver safe and sterilized medical equipment.

Product footprint and end of life

We are reducing the environmental impact of our products through product takeback and packaging initiatives. Where possible, we collect products for recycling, refurbishing, and reprocessing to give them a second useful life. Our initiatives include collecting:

- Nellcor pulse oximetry devices for recycling, reuse, and remanufacture

- MyCareLink heart monitors for refurbishing and redeployment
- Surgical technologies for energy generation from waste

In FY20, we collected more than six million products through takeback initiatives and diverted 250 metric tons from landfill.

In addition, Medtronic follows international guidelines and regulations for the disposal and recycling of electronic waste.

We also work with experts to create more sustainable packaging solutions. In FY20, our Cardiac Rhythm and Heart Failure (CRHF) Division partnered with [CB²](#), a collaborative university-led group developing high-value products from agricultural and forestry feedstock. CRHF provided funding and research support to CB² for a project on bio-based packaging that would be suitable for food or medical applications involving products that require sterilization.

The Medtronic Sustainable Packaging Working Group champions our efforts to integrate environmental factors into the packaging development process. One focus area is reducing secondary packaging—the packaging that protects but does not come into direct contact with products. In FY20, we redesigned the secondary packaging for three products, including two products that are used in minimally invasive spine therapy. The improvements to the spine products included removing an excess layer of barrier plastic and decreasing the size of product cartons. The changes yielded a 45%–85% decrease in package size among product SKUs. These enhancements improved sterilization while also reducing packaging landfill waste, shipping space requirements for transportation, and storage needed in healthcare facilities.

PRODUCT COLLECTED THROUGH TAKEBACK INITIATIVES

	FY18	FY19	FY20			
	Number of products	Metric Tons	Number of products	Metric Tons	Number of products	Metric Tons
Nellcor sensors						
Remanufactured	4,611,840	99.71 ²⁴	5,037,000	114.3	1,782,368	40.0
Recycled	-	-	-	-	3,950,200	87.4
MyCareLink monitors						
Refurbished and redeployed	28,000	31.9	60,000	68.3	75,000	85.3
Advanced Energy Project Zero Collections Program for Surgical Technology						
Energy from waste incineration	-	-	396,442	32.8	341,331	40.7
Annual totals	4,639,840	131.61	5,493,442	215.4	6,148,899	253.4

²⁴ Data has been restated from our 2018 Integrated Performance Report.



SUPPORTING A GLOBAL WORKFORCE

Our 90,000+ employees deliver on our Mission every day.

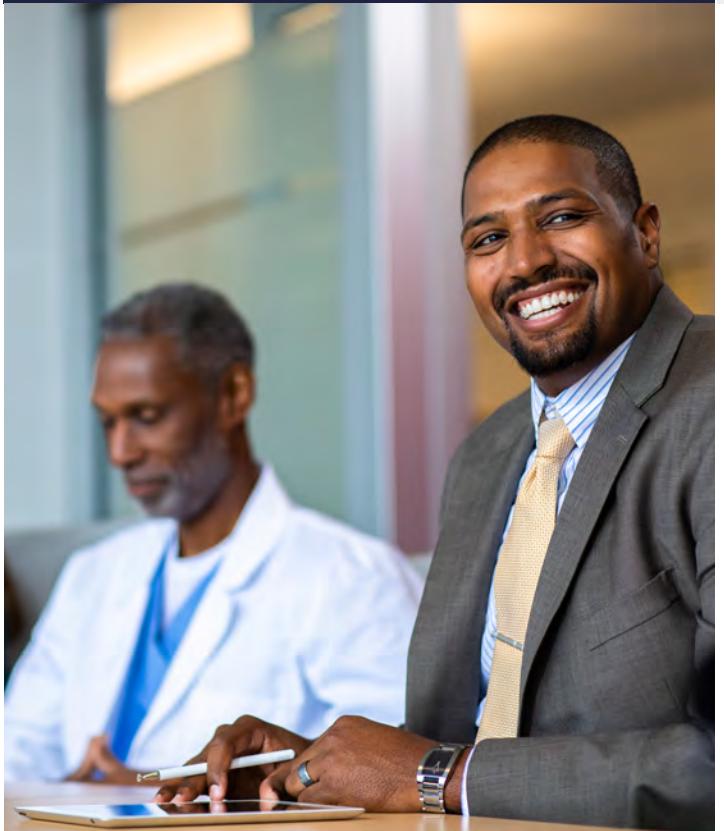
We strive to be the employer of choice for the best and brightest global talent where they can grow and develop fulfilling careers.

We aspire to create a truly inclusive, diverse, and equitable workplace that fosters innovation and creativity, and where every employee feels a sense of belonging and well-being.

- INCLUSION, DIVERSITY, AND EQUITY
- DEVELOPMENT AND ENGAGEMENT
- HEALTH AND WELL-BEING
- COMPENSATION, BENEFITS, AND RECOGNITION



INCLUSION, DIVERSITY, AND EQUITY



ADDING BUSINESS VALUE

An inclusive workplace, made stronger through the power of its diversity and a commitment to equity, shapes and strengthens our workplace culture. It drives innovation and creativity, and ultimately helps us to better meet global health needs and fulfill our Mission.

THE NUMBERS:



39%
OF OUR
GLOBAL
MANAGEMENT
ARE WOMEN

50%
OF OUR
GLOBAL
WORKFORCE
ARE WOMEN

12
EMPLOYEE
RESOURCE
GROUPS WITH
22,000+
EMPLOYEES

37%
OF OUR U.S.
WORKFORCE
IS ETHNICALLY
DIVERSE

23%
OF U.S.
MANAGEMENT
IS ETHNICALLY
DIVERSE

100%
GENDER PAY EQUITY

in many countries, including the U.S., and
99% gender pay equity for employees globally.
In the U.S. we also achieved 99% ethnicity
pay equity

BUILDING A CULTURE OF INCLUSION

We are a stronger, better company when we foster an inclusive workplace where employees can be their best selves, share their unique perspectives, and help us deliver technologies, services, and solutions that serve diverse patients. By creating an environment that embraces and celebrates individual identities and backgrounds, we nurture a healthy Medtronic community that truly reflects the world in which we live and work.

Our culture of inclusion enriches the work experience for employees and enhances our ability to employ world-class talent whose ideas fuel meaningful innovation.

In FY19, we focused our inclusion and diversity (I&D) efforts across three strategic imperatives:

- Creating truly inclusive work environments across our global footprint for employees to thrive and bring their best selves to work every day
- Closing the diversity gap at all levels of the organization to mirror the communities that we serve and attract the best and brightest talent all over the world
- Doing our part in building economic stability within our communities through a robust [supplier diversity program](#) and [community partnerships](#).

We have a clear path forward for achieving these imperatives. In FY21 and into FY22 we will advance our I&D strategy by:

- Linking I&D goals with compensation and advancement opportunities for all people managers
- Establishing diverse representation goals that are equitable and locally relevant by region
- Requiring training for all managers to eliminate bias and microaggressions, and foster inclusive behaviors and ally-ship

- Integrating proactive retention and inclusion mechanisms to help foster career growth at Medtronic
- Increasing manager capabilities and accountability by setting clear expectations on their role for advancing our I&D goals

A commitment to inclusion at every level

We actively engage employees in building a culture of inclusion through our five Diversity Networks, which are described in the graphic to the right. Closely aligned to our business strategies, these Networks are dedicated to helping employees succeed professionally and personally. The Networks are open to all employees with the aim of introducing others to diverse perspectives and encouraging ally-ship.

A chairperson, identified by our CEO and chief human resources officer, and a sponsor from our Executive Committee lead each Network. To help Networks make measurable progress, our CEO spends a full day every quarter meeting with Network leaders to assess their impact, review strategies, and provide support. These full-day reviews have the same rigor and time commitment as quarterly business reviews and are driven by the Network's Executive Committee sponsors and chairs.

Medtronic employee resource groups (ERGs) are employee-led affinity groups that provide career development and networking opportunities for members and strengthen ties between employees of many different backgrounds, cultures, and interests. In FY20, there were 12 ERGs across 65 countries with more than 22,000 members.

One way we gauge the effectiveness of our inclusion efforts is through our annual Organizational Health Survey. Across our last four surveys, the number of women reporting that they feel they belong at Medtronic increased from 79% to 83%, while U.S. ethnically diverse

MEDTRONIC DIVERSITY NETWORKS

GLOBAL

- MEDTRONIC WOMEN'S NETWORK
- PRIDE NETWORK

U.S.

- AFRICAN DESCENT NETWORK
- HISPANIC LATINO NETWORK
- ASIAN IMPACT @ MEDTRONIC



Our Networks play a critical role in our ability to:

- Attract and retain a diverse workforce
- Develop and advance the careers of ethnically diverse employees, women, and LGBTQ+
- Establish Medtronic as an employer of choice for diverse talent
- Provide a network and community to increase inclusion and feeling of belonging

ACROSS OUR LAST FOUR EMPLOYEE SURVEYS:

Women reporting that they feel they belong at Medtronic increased from

79% TO 83%

ENHANCING SUPPORT FOR VETERANS AT MEDTRONIC

CASE STUDY

Medtronic has a long history of recruiting, training, hiring, and supporting military veterans, whose unique experiences and skill sets enrich our workforce.

More than 1,200 U.S.-based Medtronic employees are military veterans. In FY20, the Medtronic Veterans Employee Resource Group celebrated our recognition as a [Beyond the Yellow Ribbon company](#) by the state of Minnesota. The achievement is the culmination of a three-year effort to assess and enhance our support of veterans through a comprehensive action plan. The award indicates that we meet the state's strict criteria for veteran support in areas such as company leadership, HR recruitment, and community outreach.

U.S. ethnically diverse talent reporting that they feel they belong at Medtronic increased from

75% TO 79%



TAKING ACTION FOR RACIAL EQUITY

The killing of George Floyd in Minneapolis, the metropolitan area of our operational headquarters, has shocked us just as it has millions around the world.

Upon deeper reflection, and acknowledging the pain expressed by our employees following this event, we are rethinking the effectiveness of our existing policies and procedures. We are asking ourselves if our genuine commitment to racial equity, and more broadly to I&D, is being fully achieved through our approach.

We are taking action to drive equity within our company and for our communities. In July 2020, the [Medtronic Foundation committed \\$16 million](#) for multiyear contributions to organizations focused on social justice and equity. It was important to us that these contributions be multiyear, because driving systemic change takes time and we are committed to being there for the long haul.

We also dedicated July 29, 2020 as an all-company Day of Action for Racial Equity Progress. We engaged employees through Q&A sessions on racial equity and inclusion and through keynote speakers, and the Medtronic Foundation arranged volunteer power hours and 2:1 matching opportunities. During the day, the Foundation matched more than \$211,000 and nearly 2,000 employees across 24 countries volunteered 3,825 hours.

Internally, we established significant and actionable steps to drive inclusion and equity for our employees. These are detailed on the previous page of this report, and include establishing executive leaders as owners of our I&D strategy, setting representation goals, and implementing proactive retention and inclusion mechanisms to foster career growth for diverse individuals.

"When it comes to inclusion and diversity, there is no room for complacency and there are no simple solutions to systemic inequities. We are committed to playing an active role in driving progress."

GEOFF MARTHA
CHIEF EXECUTIVE OFFICER, MEDTRONIC

CASE STUDY



talent reporting that they feel they belong at Medtronic increased from 75% to 79%. These results are similar to the percentages for our global male employees and white employees in the United States who reported an increase in belonging of 76% to 81% and 75% to 80%, respectively.

In addition to engaging employees through networks and ERGs, we also invest in targeted training. In FY20, we provided expert-facilitated training for people managers on unconscious bias — the unintended, subtle, and completely unconscious choices we make that affect our interactions with people from different backgrounds. In FY21, we will launch training on eliminating bias and microaggressions that will be required for all managers and made available to all employees.

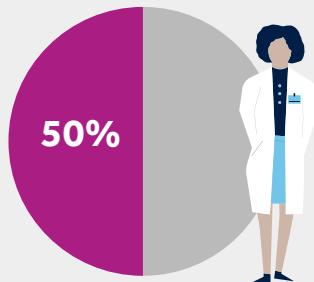
DIVERSITY

We are dedicated to advancing the processes, programs, and policies that influence inclusion, diversity, and equity at Medtronic. In 2015, we established diversity goals for 2020: achieving 20% or more ethnically diverse talent in manager level and above roles in the United States and 40% or more women in manager level and above roles globally.

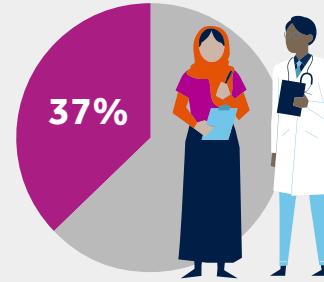
In FY20, ethnically diverse talent represented 37% of our U.S. workforce and held 23% of U.S. management and above positions at Medtronic, exceeding our 2020 target. We achieved this through programs and training that address the way we recruit and promote diverse employees.

To enhance the skills and careers of employees from diverse backgrounds, we offer a suite of development programs. For over 15 years, our Efficacy program has helped address the unique challenges of diverse groups, and in FY20, 171 employees at the individual contributor and manager levels participated. Our Leadership Inclusion from Mentorship Toward Sponsorship program, which launched in FY18, provides mentorship and structured

GLOBAL WOMEN TALENT REPRESENTATION FY20



U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION FY20



U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION²⁵

	FY18	FY19	FY20
U.S. ethnically diverse talent	34%	36%	37%
U.S. management positions held by ethnically diverse talent ²⁶	21%	22%	23%

²⁵ United States, excluding Puerto Rico (excludes blank, no data, or did not disclose)

²⁶ Management refers to managers and above

IN FY20, ETHNICALLY DIVERSE TALENT HELD 23% OF U.S. MANAGEMENT AND ABOVE POSITIONS AT MEDTRONIC, EXCEEDING OUR 2020 TARGET.

GLOBAL WOMEN TALENT REPRESENTATION

	FY18	FY19	FY20
Global female employees	50%	50%	50%
Global management positions held by women ²⁷	37%	38%	39%
Global revenue-generating management positions held by women ²⁷	28%	30%	32%

²⁷ Management refers to managers and above

professional development to prepare employees from diverse backgrounds for future leadership roles. In FY20, 50% of participants who graduated received a promotion. Of those who were promoted, more than 75% were women.

In FY20, women represented 50% of our workforce, 39% of our global management positions, and 32% of revenue-generating management functions. As a Catalyst award winner in FY20 (see case study right) Medtronic was recognized for its initiatives to empower women in the workplace. Specifically we were recognized for our work to close the gender pay gap, promote women into leadership positions, and increase efforts to attract and retain women in science and technology roles.

Our Women in Science and Engineering (WISE) program, led by the Medtronic Women's Network (MWN), is focused on increasing gender diversity in technical leadership to help drive innovation and business performance. In FY20, the MWN expanded the WISE initiative to our operations and quality groups.

For information about our efforts to provide equal opportunity for diverse businesses, see [Supplier Diversity](#).

Accountability for I&D

To increase accountability and drive results, we engage

senior leaders through data and performance goals.

All Executive Committee members are accountable for, and measured on, their contribution to achieving our diversity goals. In FY20, vice presidents who lead more than 150 employees received a customized diversity scorecard showing the diversity of their teams along with changes in representation compared to the prior year. Employees at the level of vice president and above include an I&D goal in their annual objectives and leaders often incorporate these into employee performance goals. Medtronic links executive promotion and compensation to I&D goals and performance.

Ensuring a diverse talent pipeline

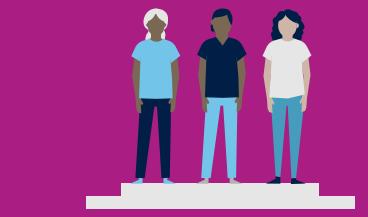
We are enhancing our workforce by including diversity among the criteria used to make hiring decisions. For director and above roles, we aim to include diverse talent in every candidate pool and are working to establish a diverse panel of employees to review hiring decisions. In FY20, we hired the most diverse group of interns in the company's history. Sixty-one percent of global internship positions were held by women, and in our Saudi Arabia location this number was 80%. In the United States, 52% of interns were ethnically diverse.

We broaden our U.S. talent pool by partnering with organizations, universities, and career fairs that target diverse talent. In FY20, we connected with candidates at 13 diverse career fairs in the United States and recruited at six universities that have historically served diverse student bodies. We also identified and interviewed high-potential candidates through our partnerships with the Society of Women Engineers and the Society of Hispanic Professional Engineers.

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. For more detailed workforce data, see our [ESG Disclosure Index](#).

MEDTRONIC HONORED WITH CATALYST AWARD

CASE STUDY



The women employed by Medtronic play a vital role in transforming healthcare. Recognizing the value of their contributions and future potential is key to our continued success.

In FY20, Medtronic was one of only three companies to [earn an award from Catalyst](#), a global nonprofit focused on accelerating progress for women.

The Global Medtronic Women's Network champions our acceleration efforts and ignites women to lead with a three-part strategy:

- Increasing the number of women in R&D functions and technical leadership to help drive innovation and business performance
- Advancing the cause of women in leadership through the Network, which delivers mentoring, career development, and other resources
- Ensuring support and accountability from the highest levels of our organization who set the tone at the top to drive progress

The award places the Medtronic approach to supporting and advancing women among an exclusive group of groundbreaking corporate initiatives; since 1987, only 89 organizations have been recognized with the Catalyst Award.

"We support our employees as they manage their career through different life stages. Our job is to ensure women are not walking away and leaving the workforce because they can't find balance or career advancement here."

CAROL SURFACE
CHIEF HUMAN RESOURCES OFFICER

Pay equity

We are committed to ensuring that our compensation policies and practices reflect our commitment to diversity and inclusion. Every year, we conduct an annual pay equity analysis and make pay adjustments when a pay gap is not based on job-related factors. We have created training and resources for managers to help build awareness around pay equity practices. In addition, we continue to assess our policies and practices to ensure that neither bias nor discrimination plays a role in employment decisions, including compensation.

In the United States, our female employees are paid 100% of what men are paid and for every \$1.00 a white employee earns, ethnically diverse employees with the same job responsibilities earn \$0.99. Globally, our female employees are paid 99% of what men are paid. We are working to close any remaining pay gaps by conducting an annual pay equity analysis for each country we operate in.

Preventing discrimination

Nondiscrimination is addressed in our companywide policies, including our [Code of Conduct](#) and our [Global Human Rights and Labor Standards Policy](#), which also addresses workforce equality and fair employment. We remain committed to [equal employment opportunity](#). For more on how our Global Human Rights program prevents discrimination against vulnerable groups, see the Medtronic [Global Human Rights Report](#).

We encourage our employees to report any issues of discrimination through their manager, Human Resources, Legal, or Compliance representatives, or the [Voice Your Concern Line](#). We comply with 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.

AWARDS AND RECOGNITION



CATALYST

2020 Catalyst Award

HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

2020 Best Places to Work for
LGBTQ Equality

DIVERSITYINC

2020 Top 50 Companies for Diversity
for the ninth consecutive year

FORBES

2020 Best Employers for Diversity

DOW JONES SUSTAINABILITY NORTH AMERICA COMPOSITE INDEX

For the 13th consecutive year

DISABILITY: IN DISABILITY EQUALITY INDEX

2020 Best Places to Work for
Disability Inclusion for the third
consecutive year

HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY

2019 Best Places to Work for
Hispanic Inclusion

STATE OF MINNESOTA

2020 Beyond the Yellow Ribbon
company

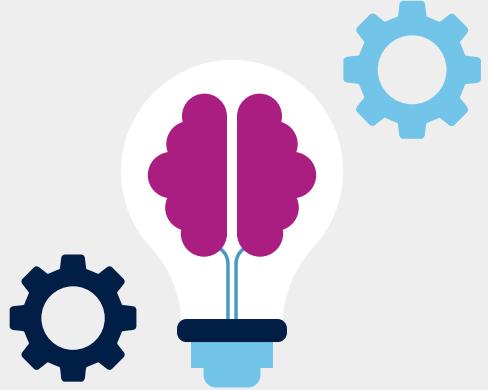
DEVELOPMENT AND ENGAGEMENT



ADDING BUSINESS VALUE

The skills and dedication of our employees drive our business performance. Our comprehensive professional development programs empower our people to build rewarding careers and help us attract world-class talent.

IN FY20, WE SPENT
\$72 MILLION ON
LEARNING AND
DEVELOPMENT



ENGAGING OUR WORKFORCE

Employees are our most valuable asset and investing in their success improves our business performance. By providing career development resources and regular performance conversations, we increase engagement and retention while strengthening our talent pipeline.

HIGHLIGHTS
FY20



22,000+
IN-PERSON
AND VIRTUAL
LEARNING
RESOURCES TO
OUR EMPLOYEES

34%
OF ROLES
FILLED WITH
INTERNAL
CANDIDATES

82%
OF EMPLOYEES
reported feeling they
belong at Medtronic,
a 5% increase across
surveys conducted in
the last five years

INVESTING IN THE PROFESSIONAL DEVELOPMENT OF OUR WORKFORCE

It is in our best interest to ensure employees succeed in their jobs and are prepared for new, challenging roles. Our suite of professional development programs ensures that our employees — regardless of level, location, language, or learning preferences — have access to opportunities to develop and grow.

In FY20, we spent \$72.3 million on professional development and offered more than 22,000 learning resources to employees. We extended these resources to manufacturing sites and in FY20, 97% of those employees had access to Medtronic learning resources. We also launched Grow Your Career Week, a midyear education event that engaged more than 30,000 employees with virtual and in-person activities.

Our approach supports employees in reaching their career potential while providing the company with a deep bench of highly skilled talent ready to contribute at higher levels. In FY20, we filled 34% of open roles with internal candidates, including 91% of open VP-level positions.

Our structured approach to performance management fosters development, celebrates accomplishments, and provides advancement opportunities. We require managers and employees to connect at least three times per year to discuss career aspirations, set and align goals, and review performance. In addition, 100% of our workforce receives an annual performance review.

Through our leadership development programs, we strengthen the capabilities of our people managers — benefiting employees at all levels of the organization. Selected programs from FY20 include:

- **EDGE** — develops leadership skills in all Medtronic people leaders, including ways to mitigate unconscious bias and coach for performance
- **EMERGE** — launched in FY20, the digital learning platform accelerates the personal and professional development of emerging leaders by improving capabilities such as emotional intelligence
- **Ignite** — accelerates readiness of high-potential directors and senior directors for leadership roles
- **Internal Coaching Certification** — provides advanced coaching skills for senior leaders to help other employees unlock their full potential
- **Vice President Onboarding** — supports a successful transition for new vice presidents, familiarizing them with the business, their team, and expectations of their role

Employee engagement

Through our annual Organizational Health Survey, we gain valuable insight into the Medtronic employee experience and identify areas where we can improve. In FY20, more than 72,000 individuals, representing 79% of employees, responded to the survey. Our overall engagement rate was 77%, placing Medtronic 11% above the industry average. Our female respondents had an overall engagement rate of 78%.

A key driver of engagement continues to be employees' sense of belonging at Medtronic, with 82% of those surveyed reporting favorable results. Ninety percent of employees surveyed feel proud of Medtronic and actively look for ways to improve their work. Compared to FY19, employees reported having more meaningful career conversations and feeling more recognition for their performance. However, ease of getting work done within our large organization remains an opportunity.

INTERNAL HIRING

	FY18	FY19	FY20
Overall roles filled with internal candidates	35%	32%	34%
VP roles filled with internal candidates	94%	80%	91%

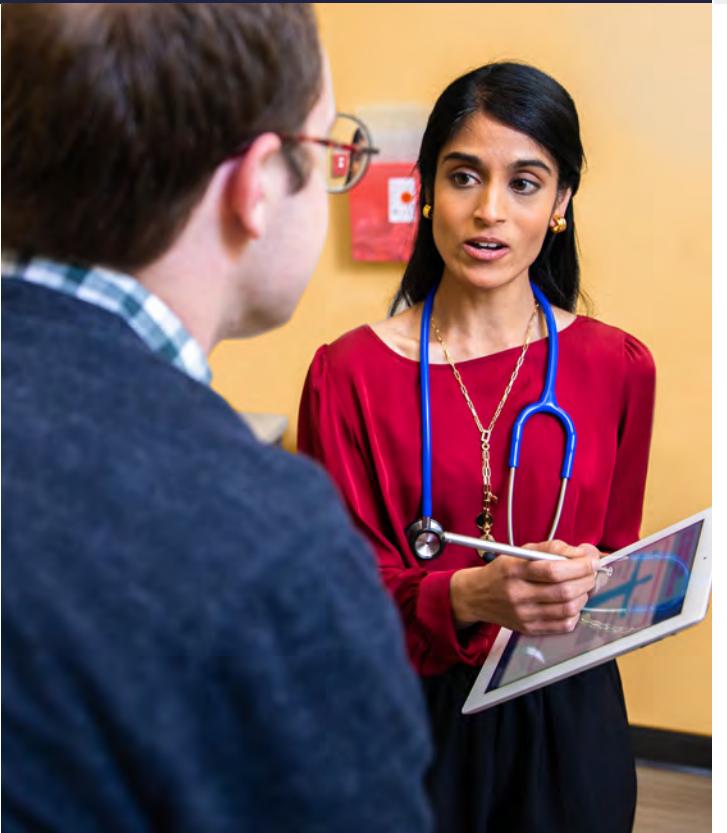
EMPLOYEE SURVEY

	FY18	FY19	FY20
Employee engagement score	75%	76%	77%
Employees that reported feeling they belong at Medtronic	80%	81%	82%

OUR EMPLOYEE ENGAGEMENT RATE IS **11% ABOVE THE INDUSTRY AVERAGE.**



HEALTH AND WELL-BEING



ADDING BUSINESS VALUE

Establishing a strong culture of safety, health, and wellness for our employees leads to a more engaged workforce, higher productivity due to lower rates of absence, and decreased healthcare costs.

OUR ORGANIZATIONAL HEALTH SURVEY SHOWED THAT **94%** OF RESPONDENTS FEEL WE ACTIVELY ENCOURAGE EMPLOYEES TO WORK SAFELY.



INVESTING IN THE WELL-BEING OF OUR EMPLOYEES

As a large, global employer, it is our responsibility to maintain a safe workplace and support the well-being of our employees. As we navigate the COVID-19 pandemic, we placed a high priority on employee health, providing accommodations and resources to support our workforce through this challenging time. We take a holistic view of personal well-being, and our programs address physical, social, emotional, and financial health as well as safety.

In FY20, we responded to the pandemic by implementing a work-from-home program for office employees to minimize the spread of the virus. At our manufacturing sites, we limited our onsite workforce to essential workers and introduced measures to reduce risks, including active health screenings and physical distancing.

IN FY20, **43%** OF EMPLOYEES PARTICIPATED IN OUR WELLNESS PROGRAM, **HEALTHIER TOGETHER**.

AT OUR GALWAY PARKMORE SITE, WE EXPANDED ONSITE WELLNESS OPPORTUNITIES TO REDUCE EMPLOYEE ABSENTEEISM AND INJURIES.



All employees have access to the [Medtronic Employee Assistance program](#) (MEAP) and the [Medtronic Employee Emergency Assistance Fund](#) (MEEAF). MEAP supports employees and their families when faced with difficult times by providing a variety of services such as mental health and financial counseling at no cost.

MEEAF was established in 2017 and provides need-based grants to support employees who are experiencing financial hardship. Typically, the grants are supported by donations from fellow Medtronic employees and matched dollar-for-dollar by the Medtronic Foundation. In response to the pandemic, the Medtronic Foundation increased its match to 2:1 and pledged an additional \$1 million to MEEAF for COVID-19 assistance. The fund provides relief for Medtronic families around the world, supporting a wide variety of needs, from grocery bills to childcare.

For more information, see [Our Response to the COVID-19 Pandemic](#).

Healthier Together

Healthier Together is our global wellness program, designed to support the physical, emotional, social, and financial well-being of Medtronic employees. Nearly every employee has access to the program globally. In FY20, more than 56,000 employees registered on our wellness platform and 43% of employees participated.

Our Healthier Together program is having a positive impact on our employees. In FY20, 63% of high-risk participants reported being more active and 86% of participants who are at a healthy weight have maintained that status. Twice yearly we host Global Wellness Challenges that encourage physical activity through themed competitions. Employee teams compete to accumulate the most steps, and in FY20, employees logged more than 4.2 billion steps during wellness challenges.

SUPPORTING EMPLOYEES THROUGH COVID-19 HARDSHIP

CASE STUDY



Candise, a Medtronic employee and a single mother of three children, balances her career with her family's needs.

During the pandemic, school closures caused financial strain for Candise, who struggled to find alternative childcare and purchase groceries for her young boys. Medtronic provided Candise with MEEAF funds to help her family overcome the unexpected economic hurdle.

Of the support, Candise said, "The fact that we even have the grants in place is a blessing. I've never been at a job and felt more appreciated. I love working for Medtronic."

A CULTURE OF HEALTH AND SAFETY

We apply a highly disciplined approach to ensuring health and safety in our workplaces — from offices to manufacturing sites. Our robust environmental, health, and safety (EHS) management system has six focus areas:

- Setting annual internal EHS goals
- Proactively identifying and managing risks
- Implementing training and compliance programs

- Monitoring regulatory trends
- Auditing sites for compliance and completing corrective actions
- Reporting progress and continuous improvement opportunities to senior management

The data we collect through our EHS information system helps us evaluate and improve our health and safety program. We encourage employees to report hazards and near-miss incidents as part of our safety culture. In FY20, employees reported nearly 25,000 hazard observations, which can range from water leaks to inadequate machine guarding, and logged 471 near-miss reports, which are used to improve workplace safety.

In FY20, our injury incident rate and lost/restricted workday case rates decreased. We attribute some of the decrease to a portion of our work population working from home during the last quarter of FY20 because of COVID-19 precautions. There was one work-related fatality of a field-based sales employee, which occurred in a motor vehicle collision.

In FY20, we continued to drive improved contractor safety performance for our high-risk contractors throughout the Americas. This focus area improved conformance with our prequalification criteria including insurance coverage, written safety programs, training, licensing, and safe work practices onsite.

Our Organizational Health Survey showed that 94% of respondents feel we actively encourage employees to work safely, and 92% of respondents are comfortable reporting safety concerns and injuries at work.

SAFETY RECORD²⁸

EMPLOYEE INJURY INCIDENT RATE²⁹

FY18	FY19 ³⁰	FY20
0.25	0.31	0.25

EMPLOYEE LOST/RESTRICTED WORKDAY CASE RATE³¹

FY18	FY19 ³⁰	FY20
0.12	0.19	0.13

FATALITIES

FY18	FY19 ³⁰	FY20
0	0	1 ³²

²⁸ Data includes employees and contingent workers.

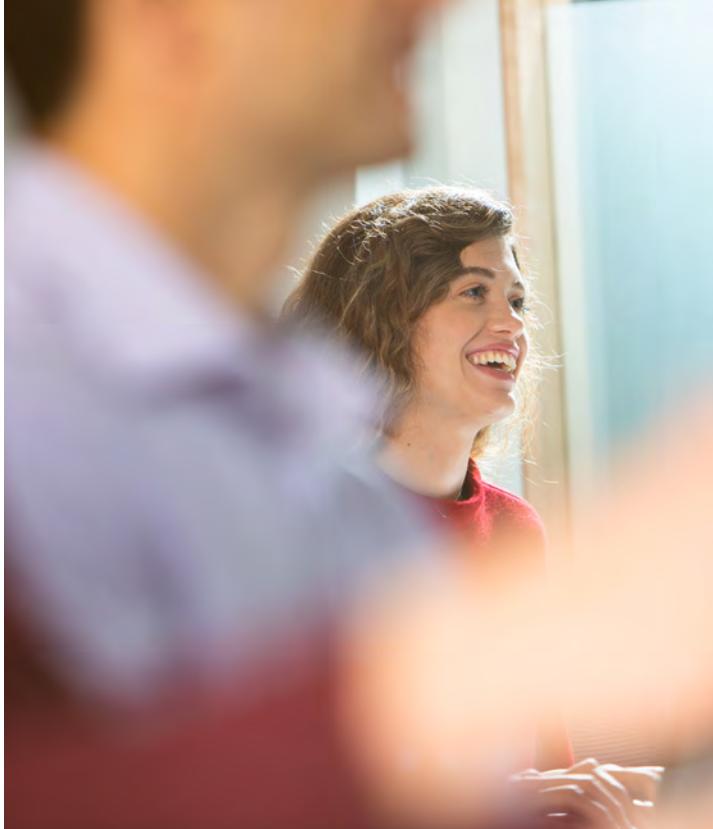
²⁹ The number of work-related injuries or illnesses serious enough to require treatment beyond first aid, per 100 employees working a full year.

³⁰ FY19 data has been updated from the 2019 Integrated Performance Report due to internal accounting and verification practices, including third-party data verification by ERM CVS. For details, see our [independent assurance statement](#).

³¹ 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.

³² Motor vehicle collision with a stationary object.

COMPENSATION, BENEFITS, AND RECOGNITION



ADDING BUSINESS VALUE

We reward employees for channeling their talent and ingenuity into the Medtronic Mission. By providing market-competitive compensation and benefits, we retain our talented workforce and attract new employees. We recognize individual and team accomplishments to motivate our people and enhance our culture.

SINCE LAUNCHING OUR FAMILY CARE LEAVE IN FY19, MORE THAN 3,500 U.S. EMPLOYEES HAVE ALREADY UTILIZED THE BENEFIT.



COMPENSATION AND BENEFITS

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

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. We reward high-performing employees with an ownership stake in the company through restricted stock, and all employees have the opportunity to purchase stock at a significant discount.

MEDTRONIC BENEFITS 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



Since launching our Family Care Leave in FY19, more than 3,500 U.S. employees have utilized the benefit. One of those employees is Heather.

Although Heather knew about Medtronic Family Care Leave, she never expected she would have to use it. But when her husband was in an accident that left him in a wheelchair for months, she needed the ability to take time away from work to focus on her family.

The Family Care Leave benefit allowed Heather to support her husband through his recovery and take care of their two kids. During that time, she also relied heavily on the Nurse Advocate benefit from BlueCross BlueShield to work through challenges associated with insurance. When recounting her experience, Heather shares, "I do not have words to describe how difficult those first two months were and could not have physically or emotionally maintained both home and work. I am sincerely thankful to have had the flexibility to focus on my family."

Heather is now back at work and her husband's recovery is going well. More information on the Family Care Leave benefit can be found [here](#).

The same programs and principles govern our executive and nonexecutive compensation. The board of directors Compensation Committee evaluates and approves executive compensation. A discussion and analysis of executive compensation is available in our [Proxy Statement](#).

In FY20, due to COVID-19, the U.K. government did not require employers to publish a gender pay gap report. We will continue to monitor U.K. employee compensation and publish a U.K. Gender Pay Gap report in FY21. See our approach to pay equity [here](#).

We have designed our retirement, health, and other benefits to help employees thrive. They are flexible, affordable, and competitive within our industry. Employees can engage with their benefits through on-demand, web-based tools and our AskHR support function. All employees have 24/7 access to an HR portal for timely and relevant benefits information. U.S. employees also have access to their benefit information through an internal

benefits site; 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, representing only 1% of our workforce, are eligible for a selected set of benefits.

Family Care Leave benefit

In FY19, we launched the Medtronic Family Care Leave benefit, which provides up to six additional weeks of paid time off for employees to care for sick family members or to support family after a spouse, child, or parent is called

to active military duty. The benefit covers parents bonding with a new child including birth, adoptive or surrogate, and non-birth parents. For a new mother, this time off can be combined with other leave benefits and incentives for up to 18 weeks of paid time off at 100% of their salary for the full leave. In FY21, we are expanding Medtronic Family Care Leave to employees in approximately 75 countries.

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. In FY20, 86% of employees received recognition from their managers or peers, a 17% increase from FY19.

We also have several formal award programs that recognize outstanding contributions by individuals and teams, with a focus on technology, quality, ethics, and leadership (see below).

EMPLOYEE AWARDS



BAKKEN FELLOWSHIP

The Bakken Fellowship honors employees who have made multiple technical contributions to the company and to the biomedical device industry.

COMPASS AWARD

The Compass Award recognizes employees who live out the Medtronic Mission by vigilantly demonstrating behavior that champions our Code of Conduct and reflects high integrity.

ENVIRONMENTAL, HEALTH, AND SAFETY SUSTAINABILITY AWARDS

The EHS Sustainability Awards honor Medtronic teams that have demonstrated EHS and sustainability excellence with significant contributions in the areas of safety and environmental impact.

GIDE LEADERSHIP AWARD

The GIDE Award recognizes Medtronic vice presidents who champion an inclusive work environment.

STAR OF EXCELLENCE AWARD

The Star of Excellence is our highest recognition for quality.

WALLIN LEADERSHIP AWARD

The Wallin Leadership Award recognizes employees who demonstrate world-class people leadership, including actively fostering an inclusive and diverse work environment and successfully developing leadership talent to enable superior business outcomes.

WORKING RESPONSIBLY

We are committed to delivering our products and therapies the right way. Our high standards for ethics and quality apply to people in every part of our value chain, from our leadership to our suppliers.

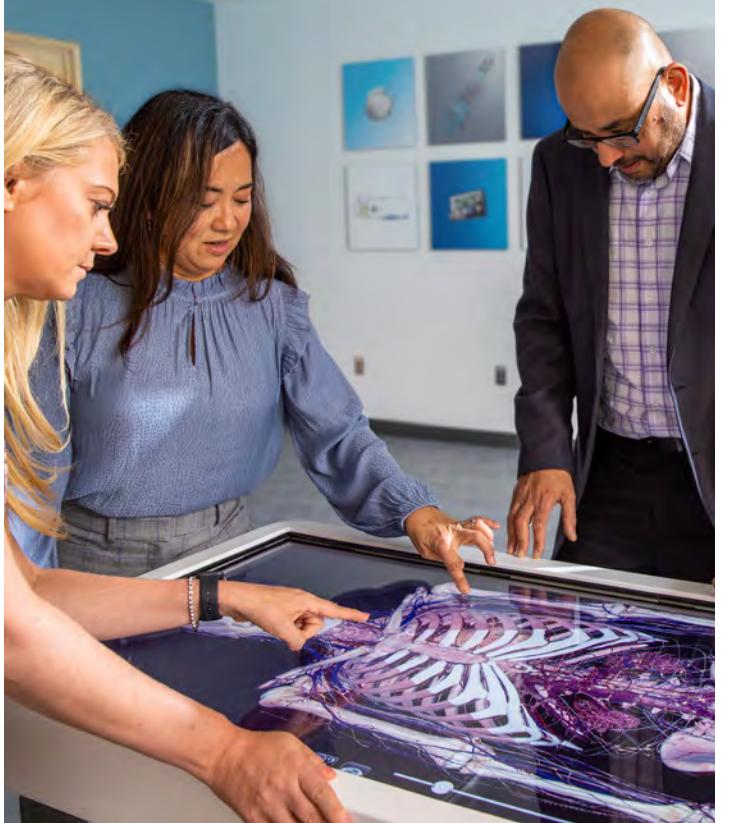


- PRODUCT QUALITY
- CORPORATE GOVERNANCE
- ETHICAL BUSINESS CONDUCT
- ETHICS IN SALES AND MARKETING
- DATA PRIVACY AND SECURITY
- SUPPLY CHAIN RESPONSIBILITY



WORKING RESPONSIBLY

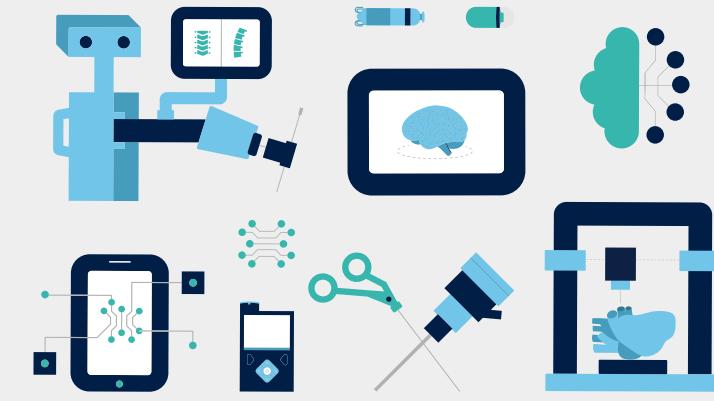
PRODUCT QUALITY



ADDING BUSINESS VALUE

The safety and effectiveness of our products are fundamental to our license to operate and to our ongoing business success. Our reputation depends on earning the trust of patients and healthcare professionals by meeting or exceeding their expectations for product quality.

WE TAKE OUR RESPONSIBILITY TO THE PEOPLE USING AND BENEFITING FROM OUR PRODUCTS VERY SERIOUSLY—**SAFETY IS ALWAYS OUR FIRST PRIORITY.**



A COMMITMENT TO QUALITY

Delivering on our Mission requires us to develop safe and reliable products and therapies that have positive health outcomes. Quality is nonnegotiable. We pay close attention to quality across our entire value chain—including design, manufacturing, preclinical and clinical trials, and post-market surveillance.

OUR QUALITY SYSTEMS:

FIRST-TIME
QUALITY
(FTQ)
METHODOLOGY

MEDTRONIC OPERATING SYSTEM (MOS)

SUPPLIER
OPTIMIZATION
AND
RISK-REDUCTION
(SOAR)

OUR APPROACH TO PRODUCT QUALITY

Guided by Tenet 3 of our Mission, our global quality strategy assesses the safety, security, and reliability of our products at each stage of their life cycle. We monitor compliance with our standards through our quality management systems, which are aligned to applicable regulations and international standards, including [ISO 13485](#). Our enterprisewide risk management process — aligned to [ISO 14971](#) — helps ensure early identification and prompt escalation of potential product or safety issues.

Putting safety first

We take our responsibility to the people using and benefiting from our products very seriously; safety is always our first priority. We launch new products when we have performed the applicable testing or assessments to help ensure their safety, and we manufacture products according to established requirements to achieve quality and product performance.³³

Our Medical Safety Council promotes a culture of safety across Medtronic. Our Medical Safety Clinicians are internal healthcare professionals who evaluate actual and potential safety issues, harm, and health risk to patients or users of Medtronic products and therapies. They partner with relevant functions to support patient safety through early identification and mitigation of actual and potential harm.

A culture of quality

We expect everyone at Medtronic to share responsibility for quality through our "Quality Begins With Me" culture. We reinforce our four fundamental expectations through regular communications and training:

- Put the patient first

³³ In the context of the medical condition at issue and based on the product meeting all appropriate regulatory requirements applicable in that market.

- Be courageous
- Strive to prevent issues before they arise
- Hold each other accountable

We use a companywide assessment model to score individual sites and functions for quality culture, identify root causes, and evaluate improvement year-on-year. In the final quarter of FY20, we introduced virtual assessments to account for COVID-19-related travel restrictions.

Embedding quality in new healthcare programs

Value-based healthcare (VBHC) is gaining momentum in health systems globally. Our quality team works with our businesses on the rigorous development and operation of VBHC programs in partnering health systems. Central to this guidance is our Quality Framework — designed to minimize compliance risks and ensure a consistent application of key processes, capabilities, and measures.

PRODUCT DESIGN AND DEVELOPMENT

Design, Reliability, Manufacturability

The Medtronic Design, Reliability, Manufacturability (DRM) methodology is a set of best practices that help to ensure quality, safety, and dependability at every stage of the product design and development process.

DRM enables our engineers to perform predictive engineering — a process for simulating product use to forecast performance and identify areas for improvement. At the end of FY20, we assessed more than 65% of all new products in our pipeline for predictive engineering outcomes. These measurements enable continuous improvement and reduce the time to market for vital treatments by helping us to reach our quality, cost, and performance targets.

We embed DRM practices in the product development process through:

- Ongoing skills and capability development with key functions including Research and Development, Operations, Quality, and Marketing
- Annual assessments at product development locations, followed by tailored improvement plans based on results
- Training and certification through a series of progressive levels to improve skills companywide
- Customized DRM training for project development teams

In FY20, we piloted and finalized our DRM for Software framework. This will enable DRM to be applied to new stand-alone software products, and those that have software as part of the system.

Product security

Some medical devices are potential targets of cyberattacks, a risk that continues to present itself in evolving ways. We must always stay alert and proactive in our approach to addressing vulnerabilities.

Our product security programs align with regulatory standards, protect patients, and help ensure the highest levels of product security and usability. The Medtronic Global Quality organization closely collaborates with the Global Security Office to manage our Product Security program. Subject matter experts within each business unit are responsible for integrating security considerations throughout the product life cycle.

We regularly engage with internal and external partners — including employees, regulators, peers, healthcare organizations, and security researchers — to monitor current security practices and emerging risks. Rigorous product development processes and vulnerability testing further inform our approach.

Among our product security achievements in FY20, Medtronic:

- Hosted our sixth annual Global Product Security Symposium, with guest speakers highlighting topics such as security culture, regulatory interaction, and manufacturer and public perspectives on security
- Appointed a new Vice President of Product Security to drive greater enhancements from a regulatory, technical, and process capability perspective

The security research community brings an important and independent perspective to our work. Our [Medtronic.com/security](#) webpage recognizes independent security researchers who have demonstrated ethical behavior by following coordinated disclosure processes and advancing product security.

In FY20, we publicly disclosed more than 10 security vulnerabilities. Some of these were broad cyber-vulnerabilities with an impact across industries. Others were specific to medical devices or to Medtronic products. We are committed to transparent communication on security matters, and we use a documented [Coordinated Disclosure Process](#).

We invite 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](#). Our product security team actively tracks, investigates, and responds to these inquiries.

Manufacturing quality

We use a set of standardized systems to further a consistent approach to quality in our manufacturing processes: Medtronic Operating System (MOS), First-Time Quality (FTQ) methodology, and Supplier Optimization and Risk Reduction (SOAR) strategies.

OUR MANUFACTURING QUALITY SYSTEMS

Medtronic Operating System (MOS)

MOS improves manufacturing and supplier quality by building continuous improvement principles into production through Lean Six Sigma. We develop our leaders to apply MOS within their teams.

First-Time Quality (FTQ) Methodology

As part of MOS, FTQ teaches employees to see the potential for error, develop strong controls, and identify where improvements can have the biggest impact.

Supplier Optimization and Risk Reduction (SOAR)

Through SOAR, we partner with strategic suppliers to ensure that risks are identified and mitigated, and products and processes are designed correctly. Read more about our approach to [supplier quality management](#).

REGULATORY INSPECTIONS AND INTERNAL ASSESSMENTS AT OUR FACILITIES

	FY18	FY19	FY20	GOAL
External regulatory inspections at Medtronic sites globally	253	217	235	-
External regulatory inspections globally that resulted in no findings	93%	94%	96%	-
Average findings per external regulatory inspection	0.19	0.17	0.09	Maintain <0.5
Average findings per FDA inspection	0.41	0.23	0.17	Maintain <1.0
MCARE assessments and supported improvements	45	51	46	-

Our FTQ methodology achieves up to 70% reduction in high business-impact risks and up to 90% reduction in certain quality instabilities.³⁴ Our updated FTQ 2.0 strategy focuses on building engagement across the workforce, developing targeted skills, and increasing deployment of FTQ across the product life cycle. For example, in FY20, we extended the use of FTQ to product development to identify early design and process changes prior to manufacturing.

In FY20, we expanded the number of SOAR partnerships to 42 strategic suppliers, compared to 23 in FY19. We use the outcomes of our work with SOAR to prioritize work with higher-risk suppliers, where our investment can have the greatest impact.

³⁴ Work-step quality instabilities such as nonconformances, field corrective actions, product hold orders, and CAPAs (Corrective Actions, Preventative Actions).

QUALITY AND COMPLIANCE AT OUR FACILITIES

The Medtronic Corporate-wide Assessment for Regulatory Excellence (MCARE) is our Global Compliance Oversight program to assess quality management systems at our facilities. MCARE guides our engagement with site leadership at manufacturing, design, and distribution centers, focusing on:

- Maintaining consistently high-quality levels
- Complying with regulations
- Preparing for new regulatory requirements

In the final quarter of FY20, in the context of the COVID-19 pandemic, we piloted remote MCARE

assessments. We plan to expand the use of these virtual assessments in FY21.

External assessments 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 share learnings or changes resulting from these assessments via our Knowledge Management process.

In FY20, we received an average of 0.09 findings per regulatory inspection and 0.17 findings per U.S. Food and Drug Administration (FDA) inspection — meeting both our goals and continuing to demonstrate year-on-year improvements.

PRECLINICAL RESEARCH

Before moving to clinical trials, we examine how a product will function in practice using preclinical research. Some of our biomedical research involves human cadaver and modeling work, animal-related research, and the use of adult-derived stem cells. Medtronic is not using human embryonic stem cell lines in its biomedical research.

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 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

Animal-related research or testing we carry out is first 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 take the welfare of the animals used in the research process extremely seriously, and we are committed to a respectful, humane approach. Working with scientists, veterinary surgeons, and other experts, we continually look to refine our methods to alleviate or minimize harm and distress.

Alternatives to animal-related research

We aim to reduce the use of animals and replace animal-related research with other methods where possible. In FY20, we continued our work in two key areas:

- Submitting research findings to inform the work of the International Organization for Standardization (ISO) on a standard for the testing of human skin cell-based irritation without the use of animals.
- Investing in our corporate research group's fundamental modeling work to reduce the number of animals used in future research

CLINICAL TRIALS

Our approach to clinical trials

Clinical trials are a key component in establishing the safety and effectiveness of Medtronic products. We are committed to robust, ethical practices in our studies, delivered by our team of more than 2,000 clinical employees.

In the final quarter of FY20, the COVID-19 pandemic had a significant impact on clinical trials worldwide, including ours. Pressure on healthcare systems and social distancing measures led to a number of trials being slowed or paused. We reacted quickly to safeguard our employees,

study patients, and healthcare partners, while minimizing impacts on the scientific integrity of our studies.

We have monitored and followed evolving guidance from regulators regarding the conduct of clinical trials during the COVID-19 pandemic. In addition, we have developed advanced, risk-based processes and remote monitoring and assessment options to support our studies within the COVID-19 landscape. We have largely resumed clinical trial activity in FY21, using many of the approaches developed within the COVID-19 landscape since they can improve efficiency, performance, and quality in a clinical trial setting. We are also exploring options for using existing clinical data sets to gain new insights into product performance.

Along with our existing [Code of Conduct](#) and [Global Business Conduct Standards Policy](#), we adhere to all relevant laws and regulations relating to clinical trials. We update our procedures in line with emerging regulations and standards, including:

- The E.U. Medical Device Regulation, effective in May 2021
- The revised [ISO 14155:2020](#) standard for clinical research, launched in July 2020

Collaboration, engagement, and data sharing

Transparent data sharing is a vital contributor to medical research. The more we know and share about trial findings, the faster we can deliver safe, effective, high-quality treatments to the patients who need them.

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 nearly 350,000 studies. We publish trial findings in peer-reviewed journals and collaborate with a range of researchers, institutions, and physicians to advance our clinical trials practice.

We also contribute to the advancement of clinical standards by working with the following organizations:

- **Association for the Advancement of Medical Instrumentation (AAMI)** — We participate in more than 100 AAMI committees and working groups focused on domestic and international standards. Medtronic employees hold 11 AAMI leadership positions, including co-chair of the Standards Board.
- **Clinical Trials Transformation Initiative (CTTI)** — Medtronic employees contribute as expert meeting participants, project team leaders, and executive committee members.
- **International Medical Device Regulators Forum (IMDRF)** — Subject matter experts from Medtronic attend biannual meetings and serve as industry representatives on IMDRF initiatives. We support IMDRF pilot programs such as the Medical Device Single Audit program.
- **Medical Device Innovation Consortium (MDIC)** — Our chief medical and scientific officer serves on the MDIC board of directors. We are involved with the MDIC Computational Modeling and Simulation project and the [National Evaluation System for health Technology](#) (NEST).

PRODUCT USE AND PERFORMANCE

Post-market surveillance

Our attention to quality continues once a product is launched. We monitor product use and collect patient outcome data to measure and improve safety and to inform future design. Mechanisms include:

- Our post-approval clinical surveillance process, collecting data in partnership with hospitals, physicians, clinics, governments, and third parties

FDA ACTIONS AND RECALLS

	FY18	FY19	FY20
FDA class I recalls	3	5 ³⁵	6
Open FDA warning letters	1	3 ³⁶	4 ³⁷
Open FDA warning letters resolved during the year	1	0	3

³⁵ This figure has been increased from the four recalls reported last year, due to one recall not being classified until FY20.

³⁶ One additional warning letter was received for HeartWare, prior to Medtronic acquisition of HeartWare International. This is not included in the figure for FY19.

³⁷ The HeartWare warning letter, acquired when we acquired HeartWare International in FY19, remains open. The other three warning letters received in FY19 have since been closed.

FY20 FDA CLASS I RECALLS AND SAFETY COMMUNICATION PRODUCT LIST FOR MEDTRONIC DEVICES

FDA Class I Recalls ³⁸	1. StealthStation Cranial Software™ 2. SynchroMed™ II 3. MiniMed™ 600 Series Insulin Pumps 4. HeartWare™ HVAD Charger Adapter 5. Pipeline™ Flex 6. HeartWare™ HVAD Quick Connect Outflow Graft System
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FDA Safety Communication for Human Medical Products Database ³⁹	1. MiniMed™ insulin pump cybersecurity risk 2. Premature battery depletion in CRT-P pacemakers
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³⁸ Recalls initiated in FY20. These recalls represent .0045% of product models offered in FY20.

³⁹ The FDA issues Safety Communications to provide the public with new safety information about a product. This includes some actions that have been classified as recalls by the FDA.

- Post-market clinical studies on specific products and therapies
- Customer feedback analyzed via our global complaint handling system
- Developing standardized models to measure and improve patient safety and clinical outcomes

We engage with global regulators and industry stakeholders to seek feedback and improve our post-market surveillance processes.

Product-related regulatory actions

The safety of the patients using our products is our priority. When alerted to regulatory or field safety issues with one of our products, we take prompt action. We assess the situation and implement corrective measures, including voluntary product recalls where appropriate. To prevent recurrence, we work to understand and resolve underlying issues or root causes.

In FY20, six Medtronic products were subject to voluntary Class I recalls, representing .0045% of product models offered by Medtronic in FY20. Read more detail on the [FDA List of Device Recalls](#).

CORPORATE GOVERNANCE



ADDING BUSINESS VALUE

Strong corporate governance, defined in clear policies and procedures, protects our company while maintaining the trust of our stakeholders, and allows us to continue improving the lives of patients.

OUR BOARD HAS SIX STANDING COMMITTEES: AUDIT, COMPENSATION, FINANCE AND FINANCIAL RISK, NOMINATING AND CORPORATE GOVERNANCE, QUALITY, AND TECHNOLOGY AND VALUE CREATION



BOARD OF DIRECTORS: LEADING WITH CLARITY AND CONSISTENCY

Medtronic is governed by an independent board with 12 members. In August of FY20, Geoff Martha was appointed to become CEO in a planned leadership succession, stepping into the role previously held by Omar Ishrak. Both Martha and Ishrak are on the Medtronic board of directors, with Scott Donnelly serving as the board's lead independent director. The board engages with our environmental, social, and governance (ESG) efforts, which deliver value to our employees, customers, investors, and the broader stakeholder group.

OUR BOARD IN FY20

25%
OF BOARD MEMBERS ARE WOMEN

17%
OF BOARD MEMBERS ARE FROM ETHNICALLY DIVERSE BACKGROUNDS



Our board has six standing committees led by independent directors, including:

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

Our board has diverse experience, skills, and backgrounds that are essential to understanding and responding to the needs of our various stakeholders. When a change in board membership occurs, we view it as an opportunity to broaden representation, and diversity is a key component of our director-selection process. At the end of FY20, 25% of board members were women and 17% were from ethnically diverse backgrounds.

The Nominating and Corporate Governance Committee is responsible for reviewing candidates and assessing qualifications and character. Our full board plays an active role in the candidate review and selection process and makes the final decision, selecting people who will steer the company with integrity and good judgment. The committee also oversees the company's ESG practices and has featured ESG at each of its regularly scheduled quarterly meetings during FY20.

Embedding and evolving a strong sustainability strategy requires coordinated leadership and broad organizational participation in identifying and addressing sustainability priority issues. Our Sustainability Steering Committee (SSC) oversees our corporate approach to sustainability, 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.

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 benefits for society. To create the change we want to see, we actively engage on policy issues that affect our business and the people who can benefit from our products. Our Government Affairs, Health Economics and Reimbursement, and Regulatory Affairs teams work with governments, peers, and other stakeholders to:

- Realize the potential of digital health technology
- 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

We expect digital health — the use of interconnected technologies in medicine — to dramatically improve healthcare. Recognizing our opportunity to influence the policy landscape, we've identified digital health as a focus area. In FY20, we mapped our policy strategy and priorities by evaluating how digital health opportunities such as telemedicine may intersect with our business in a world of evolving data regulations.

Medtronic complies with all relevant country and state laws on disclosing political contributions. Read more about our [Political Contribution Policy](#).

Collaborating to improve healthcare

Many interdependent stakeholders have a vested interest in improving healthcare and overcoming industry challenges. By working together, they have the power to do so. Those parties include patients, physicians, treatment facilities, health system administrators, regulators, nonprofits, nongovernmental organizations, and advocacy groups. These groups, and others, are Medtronic stakeholders.

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), a system that provides everyone access to health services, without risk of financial ruin or impoverishment. According to the World Health Organization, countries with UHC in place have less poverty and stronger economic development in addition to improved health indicators.⁴⁰

The Medtronic Mission compels us to partner with others to ensure people have access to quality, affordable healthcare. We are well positioned to support governments as they transition to UHC and look for meaningful ways to contribute to the conversation. In FY20, our engagements included a presence at two G20 meetings and activities at the UN High-Level Meeting on Universal Health Coverage.

- At G20 meetings in Tokyo and Riyadh, we convened representatives from the world's largest economies to discuss value-based healthcare. We facilitated an important milestone at the Tokyo meeting by organizing the first roundtable for parties from the public and private sector to discuss value-based healthcare.

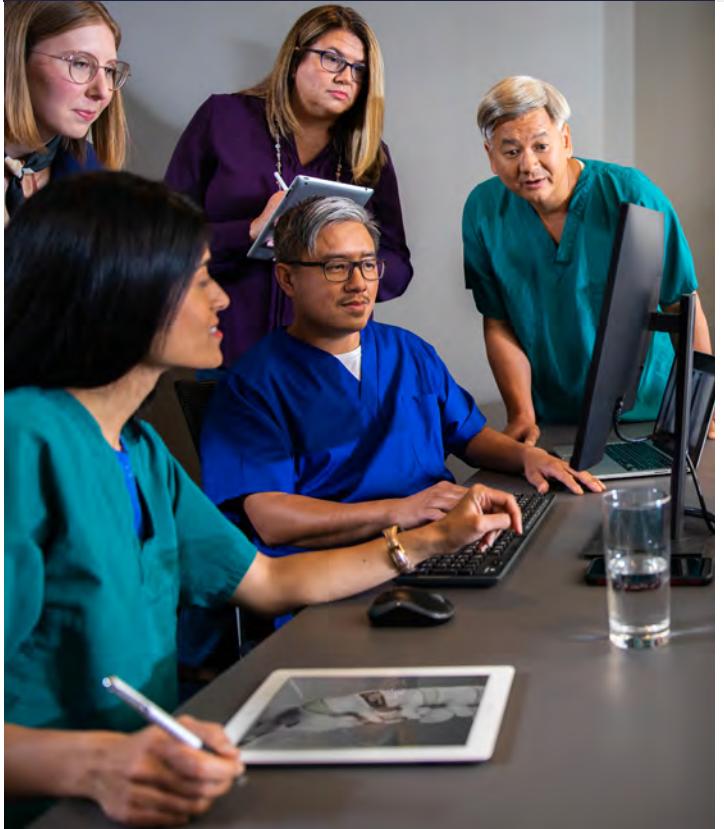
A promising outcome of the Riyadh session was a decision by G20 governments to have a continual focus and dialogue on the issue.

- At the UN meeting, Ishrak, our then-CEO, represented the private sector on a panel where he focused on the potential of increasing access and sustainability through value-based models. We hosted a side meeting, attended by more than a dozen health ministers, to advance the conversation.

We participate in business and trade organizations because we believe collaboration is necessary to advance global health. Medtronic shares expertise and advocates for a more sustainable healthcare model through forums in the United States and beyond. These include sitting on the board of industry organizations, including [AdvaMed](#), [APACMed](#), the [Healthcare Leadership Council](#), and [MedTech Europe](#).

⁴⁰ Arguing for Universal Health Coverage Report, The World Health Organization, page 10.

ETHICAL BUSINESS CONDUCT



ADDING BUSINESS VALUE

We require all Medtronic employees to abide by our high ethical standards. When our people act with integrity, they safeguard our reputation, protect the best interests of patients, and minimize our exposure to risk.

IN FY20, WE IMPLEMENTED OUR UPDATED GLOBAL BUSINESS CONDUCT STANDARDS POLICY, WHICH GOVERNS HOW OUR EMPLOYEES INTERACT WITH HEALTHCARE PROVIDERS AND OTHER STAKEHOLDERS.



ENSURING A SHARED APPROACH TO ETHICS

We expect our employees to think critically, exercise moral decision-making, and seek support if faced with a challenging ethical dilemma. We articulate our expectations through policies and principles, including our [Code of Conduct](#), which is written to be accessible, explicit, and relevant to day-to-day work.

GUIDING POLICIES AND PRINCIPLES



[CODE OF CONDUCT](#)

[CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS](#)

GLOBAL BUSINESS CONDUCT STANDARDS POLICY

[CODE OF BUSINESS CONDUCT AND ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS](#)

To ensure that 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 FY20, we implemented our updated [Global Business Conduct Standards Policy](#), which governs how our employees interact with healthcare providers and other stakeholders in a position to influence purchasing decisions. Our revised policy aligns with the high ethical standards established by [AdvaMed](#), a leading healthcare trade association.

We aim for ethical behavior to be second nature for employees. We look for ways to expand or improve ethics training each year to drive greater awareness and adherence across the organization. In FY20, the Medtronic Ethics and Compliance team enhanced the ethics portion of the annual, all-employee ethics and quality training. We also delivered new trainings to manufacturing managers on conflicts of interest and to senior leaders on insider trading. To support employees working remotely, we created videos on how to maintain ethical standards when working from home.

Ethics Circles and Ethics and Integrity Week, our signature employee engagement programs, continued their important function of promoting ethics in FY20. Through our Ethics Circles, employees meet to discuss ethical issues ranging from hypothetical scenarios to personal experiences. We celebrated our annual Ethics and Integrity Week in 75 countries with all-employee communications, reaching more than 52,000 people through in-person engagements that varied by region.

We incorporate ethics into performance management, linking behavior to compensation. As part of our annual process, every employee must set a personal ethics goal that managers will use to evaluate performance.

In FY20, we invited all Medtronic employees, including manufacturing employees, to respond to our dedicated ethics and compliance survey, which is distributed every three years. The purpose of the survey is to assess our performance toward our Mission to be the unsurpassed standard for integrity. More than 70,500 employees, representing 79% of our workforce, responded to the FY20 survey. Through the survey we identified opportunities to further enhance our ethical culture, including around "speaking up." Our CEO appointed a member of the Executive Committee to address the findings. We will reevaluate our performance in our next dedicated ethics survey, scheduled for FY23.

MONITORING ETHICS

Our communication and training measures are designed to prevent ethical 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 activities and processes. If we uncover an ethical issue, we swiftly investigate and remediate it through our fair and consistent review process.

The Medtronic Office of Ethics and Compliance (OEC) provides oversight for our Ethics program to ensure we meet our legal, compliance, and ethical obligations. The OEC provides an annual ethics brief for the board of directors, supplemented by quarterly briefings for the board's Audit and Executive committees. The OEC is responsible for our policies and programs related to ethics, including our global risk assessment process.

ENSURING COMPLIANCE WITH OUR CODE OF CONDUCT

	FY18	FY19	FY20
Employees receiving Code of Conduct training and certification ⁴¹	95%	94%	90%
New employees receiving Code of Conduct training and certification ⁴¹	99%	99%	99%
Employees joining through acquisitions receiving Compliance and Ethics training within 90 days of the transaction	95%	95%	95%
U.S. employees certified as having read and understood the Code of Conduct	100%	100%	100%
Employees terminated for ethical and compliance-related infractions ⁴²	193	200	194

⁴¹ Live training at manufacturing facilities was suspended due to COVID-19, which depressed the training completion amount.

⁴² Based on calendar years 2017, 2018, and 2019.

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.

The OEC also processes and thoroughly investigates all reported concerns of alleged misconduct. When employees require 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 FY20, we received 972 inquiries through the Voice Your Concern Line. Of those inquiries, 84% were mild-risk, 14% were moderate-risk, and 2% were elevated-risk. In FY20, we closed nearly 70% of the moderate-risk matters and 52% of the elevated-risk matters. We will investigate the remaining items until they are closed.

If our investigations confirm any employee misconduct, we take corrective action including coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or, in serious cases, dismissal. During calendar year 2019, Medtronic terminated 194 employees for ethical and compliance-related infractions. In FY20, the OEC tracked 1,503 allegations of misconduct, compared to 1,192 in FY19. The majority of allegations were related to workplace misconduct and interactions with healthcare professionals.

ETHICS IN SALES AND MARKETING



ADDING BUSINESS VALUE

A consistent culture of ethics is integral to maintaining our reputation and protecting patient safety. Our sales and marketing employees are responsible for upholding the highest ethical standards in every customer interaction, and we provide job-specific training to ensure employees understand applicable policies, navigate ethical dilemmas, and minimize compliance-related risks.

WE PROMOTE OUR PRODUCTS BASED ON THEIR APPROVED USE, AND EMPLOYEES MUST ADHERE TO THE POLICIES MADE EXPLICIT IN OUR **CODE OF CONDUCT** AND ADVAMED'S **CODE OF ETHICS ON INTERACTIONS WITH HEALTHCARE PROFESSIONALS**.



RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

Enduring customer relationships are built on trust, aligned values, and shared goals. Sales and marketing employees are ambassadors for our company, and we place the highest importance in ensuring integrity is at the core of their work.

COUNTERING CORRUPTION IN FY20



98%

THIRD-PARTY DISTRIBUTORS RECEIVING ANTI-CORRUPTION TRAINING

214

EMPLOYEES DEDICATED TO ANTI-CORRUPTION EFFORTS

12%

THIRD-PARTY DISTRIBUTORS RECEIVING ONSITE MONITORING

We promote our products based on their approved use, and employees must adhere to the policies made explicit in our [Code of Conduct](#) and industry Codes of Ethics (e.g., AdvaMed's [Code of Ethics on Interactions with Healthcare Professionals](#)). In FY20, we implemented an updated [Global Business Conduct Standards Policy](#) with refreshed guidelines for employees who interact with healthcare professionals and patients. We localized the policy to ensure it meets or exceeds in-country regulations and translates across cultures. Our regular training and ongoing communications educate employees on our requirements.

During the COVID-19 pandemic, we transitioned many of our in-person healthcare-professional education programs to online formats. We require our sales and marketing employees to uphold our high ethical standards when interacting with customers or partners — whether in face-to-face or remote meetings. To underscore the importance of this expectation, we trained sales and marketing employees on ethical virtual interactions. We also delivered training on how to avoid off-label use promotion, how to interact with U.S. government officials, and best practices for situations such as clinical research, therapy awareness, and interactions with certified product trainers. In FY20, our trainings reached 98% of employees in sales and marketing roles.

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 FY20, the OEC reviewed 55,000 transactions and interactions for risks. The review, which included live monitoring as well as retrospective reviews of documents and sales communications, identified 18 areas requiring remediation. Of the 18 remediation areas, 12 were fully addressed during FY20.

In FY20, Medtronic was not subject to any government investigations or compliance-related litigation that resulted in penalties, fines, or other significant payments. This includes fines or settlements related to improper marketing, sales, or product labeling.

ETHICAL INTERACTION WITH HEALTHCARE PROFESSIONALS

We work with physicians and healthcare systems to expand our positive impact on patients. Our [Physician Collaboration Policy](#) establishes our companywide standard for employee interactions with healthcare professionals. By following the policy, including compensation transparency, we preserve the integrity of physician-patient relationships and avoid conflicts of interest. Our [collaborations](#) focus on:

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

Medtronic does not enter into new physician collaborations unless we can verify that the partnership meets a legitimate purpose. We follow a rigorous process to assess new physician collaboration opportunities and to ensure any consulting payments reflect fair market value for services performed. This process is managed by our Office of Ethics and Compliance.

RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

	FY18	FY19	FY20
Fines or settlements related to improper marketing or sales of products ⁴³	1 ⁴⁴	3 ⁴⁵	0
Marketing and sales employees trained on product promotion	15,566	21,236	18,753

⁴³ Fines noted represent the year the fine was paid.

⁴⁴ Settlement was related to improper marketing and sales of our Infuse™ product.

⁴⁵ In FY19, we settled three matters related to alleged improper marketing or sales practices by entities acquired by Medtronic (legacy ev3/Covidien) concerning matters that took place either largely or entirely prior to Medtronic acquiring the business in which the activities took place. In two cases, Medtronic did not admit wrongdoing. The third settlement was a misdemeanor for alleged off-label promotion between 2005 and 2009 by the legacy ev3 entity. Medtronic paid \$17.9 million in fines and penalties on behalf of that entity, which was acquired first by Covidien and then by Medtronic.

WE REQUIRE OUR SALES AND MARKETING EMPLOYEES TO UPHOLD OUR **HIGH ETHICAL STANDARDS** WHEN INTERACTING WITH CUSTOMERS OR PARTNERS — WHETHER THEY ARE IN FACE-TO-FACE OR REMOTE MEETINGS.



We disclose payments made to physicians and teaching hospitals in every country where it is required by law. In the United States, payment disclosures are published on the [U.S. Centers for Medicare and Medicaid Services Open Payments site](#). In FY20, we improved our expense-reporting tool, which will allow us to better monitor employee expenses related to interactions with healthcare professionals.

Countering corruption

The Medtronic board of directors oversees our Anti-Bribery and Anti-Corruption program. The program is strengthened by feedback from regulators, third-party auditing, and benchmarks against other companies. We have 214 (full-time equivalent) employees with expertise in anti-corruption enforcement, including former U.S. Department of Justice prosecutors.

Corruption is a risk in our industry. Our Code of Conduct prohibits personnel from exchanging gifts, bribes, or facilitation payments. Through our policies, guidelines, and training programs, we clearly communicate our ethical standards to Medtronic employees. An employee can raise an ethical concern through our [Voice Your Concern Line](#), among other channels.

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. Our process ensures that new hires receive anti-corruption training upon joining the company and when employees transition into customer-facing roles.

Distributors and partners

In some cases, we partner with third-party entities to distribute our products to customers. We hold these organizations to the same standard to which we hold ourselves and require them to implement their own

anti-corruption programs. To ensure that distributors adhere to our ethical standards, we:

- Deliver annual anti-corruption training that covers our [Distributor Code of Conduct](#)
- Support and monitor compliance, including conducting onsite monitoring of distributors
- Assess corruption potential prior to renewing or entering contracts

To increase compliance with our Distributor Code of Conduct, we established commercial Distributor Relationship Owners (DROs) at Medtronic responsible for holding our distributors accountable to our anti-corruption requirements. The DROs meet with distributors to discuss and certify their understanding of ethical requirements. Distributors must assign a lead team member to manage ethical responsibilities within their organization and set a performance goal related to the initiative. In FY20, we expanded our Onsite Monitoring program to reach nearly 12% of our third-party distributors. Where possible, we are also expanding our direct sales infrastructure in specific markets to reduce our reliance on third-party distributors, decrease risk, and improve customer service.

In FY20, Medtronic was not subject to settlements or fines related to noncompliance with anti-corruption laws, nor was it subject to legal actions for anti-competitive, anti-trust behavior, or monopoly practices.

Our [2020 Form 10-K](#), on file with the U.S. Securities and Exchange Commission, includes a description of risk factors impacting our global business operations, including risks related to corruption and anti-competitive behavior.

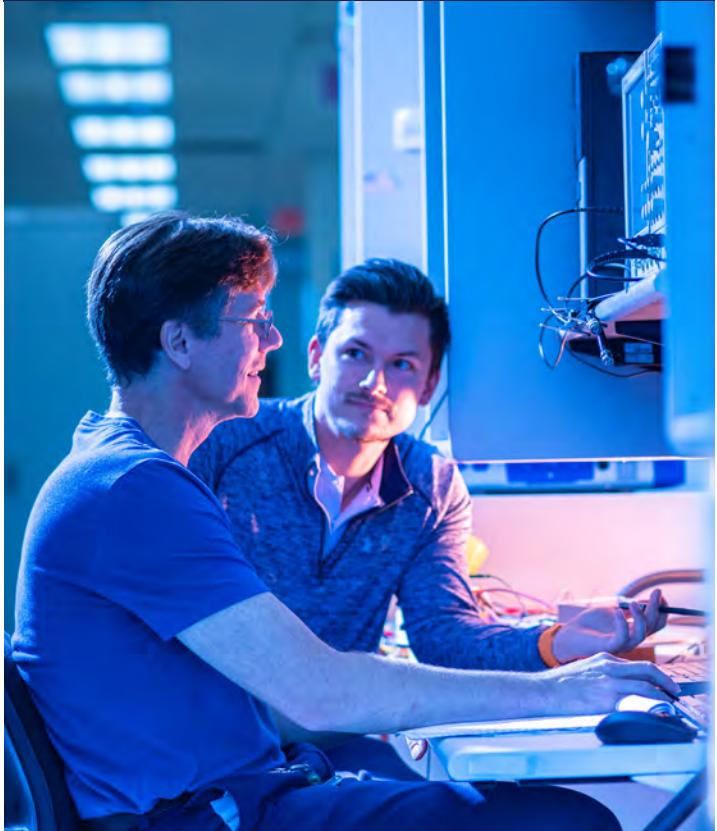
COUNTERING CORRUPTION

	FY18	FY19	FY20
Employees supporting anti-corruption efforts (full-time employee equivalents)	217	217	214
Third-party distributors receiving anti-corruption training	96%	95%	98%
Third-party distributors receiving onsite monitoring	2.5%	11.2%	11.8%

WE HAVE 214 EMPLOYEES WITH EXPERTISE IN ANTI-CORRUPTION ENFORCEMENT, INCLUDING FORMER U.S. DEPARTMENT OF JUSTICE PROSECUTORS.



DATA PRIVACY AND SECURITY



ADDING BUSINESS VALUE

By investing in information security, product security, and data privacy, we comply with regulations, build investor confidence, retain customer trust, and respect patients.

MEDTRONIC ADHERES TO STATE, FEDERAL, AND, WHERE APPLICABLE, INTERNATIONAL DATA BREACH NOTIFICATION REQUIREMENTS.



PRIORITIZING PRIVACY AND SECURITY

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. 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, comply with global regulations, and maintain the safety and privacy of the people who use our products.

Our Global Cybersecurity program is aligned to the [National Institute of Standards and Technology](#) Cybersecurity Framework and the [ISO/IEC 27001](#) standard. Our companywide security policies, standards, and procedures ensure consistency across our organization. We continuously scan our operational environment for risks and we also assess the risks of third-party 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 Sharing and Analysis Center](#) and [AdvaMed](#). We also contribute to global product security and cybersecurity standards in collaboration with the U.S. Food and Drug Administration and other regulatory advocacy groups.

Medtronic employees and contingent workers play a crucial role in safeguarding data. We train all employees and contingent workers on security and privacy, so they understand how to identify, protect, and preserve personal data. In FY19 and again in FY20, we expanded and improved our global trainings 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 global corporate employees as well as noncorporate E.U. employees

Additionally, we expect vendors to adhere to our data privacy and security standards, and we evaluate risk 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.

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 and for identity and access management
- Our data security, product security, and privacy guidelines and training

For information on product security, see [Product Quality](#).

OUR ANNUAL MEDTRONIC TRAINING INCLUDES:

PRIVACY AND SECURITY TRAINING for global employees and contingent workers

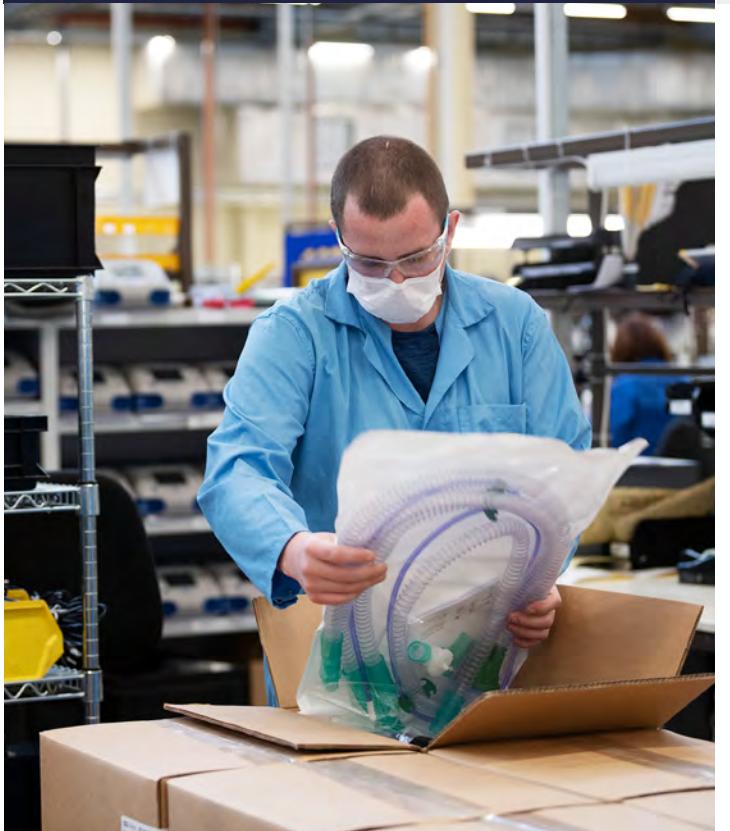
U.S. PRIVACY LAW TRAINING for U.S. employees, including supplemental California Consumer Privacy Act training, beginning in FY21

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

GDPR TRAINING for global corporate employees as well as noncorporate E.U. employees



SUPPLY CHAIN RESPONSIBILITY



ADDING BUSINESS VALUE

Our global supply chain is central to our ability to provide high-quality, life-improving products and services. Our supply chain management systems advance responsible business practices and minimize disruptions and quality failures.

DURING THE COVID-19 PANDEMIC WE COLLABORATED WITH SUPPLIERS TO SECURE PERMISSION FROM GOVERNMENT OFFICIALS TO OPERATE AS ESSENTIAL BUSINESSES, SUPPORT INVESTMENTS IN EQUIPMENT AND INFRASTRUCTURE, ADAPT LOGISTICS, AND INCREASE PRODUCTION TO MEET DEMAND.



OUR GLOBAL SUPPLY CHAIN

The capabilities, expertise, and talent of Medtronic suppliers are key to our business success, helping us advance our Mission and protect our reputation. We select suppliers that share our values, as well as our focus on quality, integrity, and responsible business practices.

We procure materials and services from 68,162 suppliers across 138 countries, spending more than \$12.8 billion with suppliers globally.

**OUR MATERIAL
AND SERVICES
PROCUREMENT
FY20**



\$2.4b
SPENT WITH SMALL
AND DIVERSE
SUPPLIERS IN
THE U.S. AND
PUERTO RICO

68,162
SUPPLIERS IN
138 COUNTRIES

\$12.8b
SPEND WITH
SUPPLIERS
GLOBALLY

SUPPLY CHAIN SPEND

	FY18	FY19	FY20
Australia	\$100.9 m	\$80.2 m	\$67.3 m
Canada	\$132.1 m	\$118.6 m	\$126.8 m
China	\$343.1 m	\$378.4 m	\$465.7 m
France	\$178.3 m	\$152.2 m	\$188.0 m
Germany	\$261.1 m	\$253.5 m	\$285.5 m
Ireland	\$251.5 m	\$230.7 m	\$272.9 m
Israel	\$86.5 m	\$52.4 m	\$65.9 m
Japan	\$182.7 m	\$169.3 m	\$176.7 m
Mexico	\$146.1 m	\$170.8 m	\$156.2 m
Netherlands	\$221.5 m	\$256.4 m	\$252.8 m
Singapore	\$114.2 m	\$108.5 m	\$122.2 m
Switzerland	\$178.8 m	\$130.0 m	\$251.5 m
United States	\$7,935.6 m	\$7,932.4 m	\$8,754.8 m
Total for locations listed	\$10,132.9 m	\$10,033.4 m	\$11,186.3 m
Total spend	\$11,670.7 m	\$11,560.4 m	\$12,835.6 m

Across sectors, supply chains are facing significant disruption during the COVID-19 pandemic. The measures that governments are taking to slow the spread of the disease, including workplace closures, present significant challenges to already complex global supply chains. It is imperative that we continue to manufacture and distribute lifesaving products—including those that can improve the health of COVID-19 patients—and we are working with our suppliers to anticipate and overcome barriers.

Our [supplier collaborations](#) include securing permission from government officials to operate as essential businesses, supporting investments in equipment and infrastructure, adapting logistics, and increasing production to meet demand. Working with partners, we are preserving the continuity of our supply chain so patients can continue to receive the medical supplies and devices that are critical to their health.

EMBEDDING SUSTAINABILITY AND RESPONSIBILITY IN OUR SUPPLY CHAIN

As Medtronic grows, so does the scale and complexity of our global supply chain. The Global Supply Management function is responsible for extending our high standards for excellence and citizenship to our suppliers. This includes our Responsible Supply Management program, which integrates responsible business practices that protect workers and the environment into supplier relationships, as well as our Supplier Diversity program.

We ensure our top suppliers and employees who manage our supply chain understand our requirements through ongoing communication and training initiatives. Through formal company policies, we communicate our expectation that suppliers demonstrate respect for human rights, labor standards, and the environment. Now in its second year, our Global Supplier Standards Compliance program is our mechanism for identifying and mitigating the potential risks in our supply chain. This approach helps us meet regulatory requirements and ensure our supply chain conforms with customer expectations.

In certain regions, we are required to meet regulations for supply chain transparency and due diligence. See our disclosures on the [U.K. Modern Slavery Act](#) and the [California Transparency in Supply Chains Act](#).

Training and collaboration

We provide comprehensive, responsible supply management training for employees in procurement, sourcing, and supplier quality roles. The training focuses on labor and human rights issues, including human trafficking and slavery, and addresses environmental topics.

MEDTRONIC CODES, POLICIES, AND STANDARDS RELEVANT TO OUR SUPPLY CHAIN



- [Global Supplier Standards](#) describe the minimum social, ethical, and environmental requirements and expectations for our suppliers. Supplier selection and management processes, supplier agreements, and purchase order terms and conditions all include reference to the Standards.
- [Global Human Rights and Labor Standards Policy](#) guides us to conduct our business in a manner that demonstrates a respect for internationally recognized human rights and the dignity of all people. It applies to all Medtronic locations and personnel and to any third-party labor agencies providing employees on our behalf.
- [Global Anti-Human Trafficking and Forced Labor Policy](#) outlines our commitment to a work environment free from human trafficking, slavery, unlawful child labor, and forced labor of any kind. The policy applies to all Medtronic locations and personnel and any third-party labor agencies providing services to Medtronic.
- [Code of Conduct](#) is our companywide standard for behavior, and applies to employees, officers, directors, and anyone conducting business on behalf of Medtronic, including contractors, consultants, and distributors.

Our social, ethical, and environmental requirements for suppliers are described in our Global Supplier Standards, referenced in our supplier agreements. We communicate the standards as part of the supplier selection process, and new suppliers must commit to comply before we conduct business with them. We also expect suppliers to implement their own human rights and labor standards.

We are active participants in the Sustainable Purchasing Leadership Council and the Conference Board. These groups allow us opportunities for learning, benchmarking, and collaboration with our peers on issues that impact our industry.

Monitoring compliance and performance

We launched our global standards compliance program in FY19 to identify and remediate social and environmental risks in our supply chain. The program focuses on a portion of our supply chain comprising top-spend⁴⁶ or inherent high-risk⁴⁷ suppliers and contract manufacturers.

To determine an initial baseline for supplier performance against our standards, we asked suppliers to participate in self-assessment questionnaires. In the first two years of the program, 320 suppliers completed our questionnaire.

SUPPLIERS THAT COMPLETED SELF-ASSESSMENT ACTIVITIES AGAINST THE GSS STANDARDS

FY19	FY20
150	228 ⁴⁸

We review supplier survey responses to identify instances of noncompliance and assign each supplier a risk score. Of the suppliers assessed, 116 suppliers with high- or medium-risk scores were issued improvement request forms (also known as corrective actions) that outline

performance gaps and opportunities for improvements. The majority of performance gaps identified were related to lack of policies and best practices. We held one-on-one training sessions with a significant number of suppliers to educate them on Medtronic expectations and provide samples of policies they can incorporate within their own operations. This work resulted in 34 suppliers improving their risk ratings in FY20.

If a supplier receives a high-risk rating, we require them to repeat the assessment the following year. Medium- and low-risk suppliers must repeat the assessment every two and three years, respectively.

In FY20 we focused on incorporating responsible supply management best practices into the existing new supplier selection policies and procedures and assisting businesses with adoption of such practices. We continued to provide best practice guidance to sourcing and category managers through individual and group training sessions. In FY21, we will launch a formal responsible supply management training program delivered via an e-learning platform that will reach 1,150 employees.

In FY20, we planned to conduct onsite audits of suppliers that were rated high-risk for two years in a row, but were unable to do so due to COVID-19. We intend to resume our in-person auditing as soon as it is deemed safe for our employees and supply chain workers. Alternatively, we will implement virtual audits.

We encourage our suppliers to report publicly on their social and environmental goals and performance. Every two years, we assess the sustainability reporting of our suppliers. In our FY19 review, we assessed 202 suppliers and confirmed that 35% of those publish sustainability reports, 10% have sustainability goals published online, and 29% had information relating to sustainability on their website.

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 for 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 the smelters in their supply chains

We report the results of our supplier survey to the U.S. Securities and Exchange Commission annually in a dedicated [Conflict Minerals Report](#). In FY20, 15% of suppliers surveyed reported a relationship with a "red flag" smelter, representing a 50% decrease in the last four years.

We will continue to uphold our [Conflict Minerals Policy](#) and work with suppliers to further reduce the risk of conflict minerals in our supply chain. In FY20, Medtronic earned recognition as a medical device industry leader in the Responsible Sourcing Network's [Mining the Disclosure Report](#).

In addition to conflict minerals, we also monitor materials of concern in our products and packaging. For more information see [Product Stewardship](#).

IN FY20, OUR RESPONSIBLE SUPPLY CHAIN MANAGEMENT PROGRAM DIRECTOR WAS NAMED IN THE 2019 ASSENT COMPLIANCE LIST OF TOP 100 CSR INFLUENCE LEADERS

The list recognizes people who use their influence to help others establish or improve corporate social responsibility programs, contributing to improvements throughout global supply chains.



⁴⁶ We classify a supplier as top spend if Medtronic spends \$1 million or more with the supplier.

⁴⁷ We classify a supplier as inherent high risk if they are located in a country where human rights or environmental violations are likely or where vulnerable workers are likely to be employed.

⁴⁸ Includes 58 suppliers reassessed from previous year.

SUPPLIER QUALITY MANAGEMENT

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.

We support suppliers in meeting our standards through:

- Regular quality audits based on product and supplier lists
- 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

In FY20, we focused on minimizing product quality risk, improving our monitoring processes, finding efficiencies in our IT and data systems, and optimizing our receiving inspection methods. Due to COVID-19, audits that we would typically conduct onsite were completed virtually.

SUPPLIER DIVERSITY

Diversity and community intersect in our supply chain, where we spend billions of dollars with historically underrepresented business owners. We diversify our supply chain by providing equal opportunities for businesses owned by women, ethnically diverse groups, people with disabilities, LGBTQ+ individuals, and veterans, among others. Our Supplier Diversity team, Supplier Diversity Steering Committee, and Executive Management team oversee this program, guiding our strategy and establishing goals.

"We believe diversity drives better business results. This includes creating a diverse supply chain — one that delivers exceptional quality while also benefiting the patients and physicians we serve and the broader communities in which we operate. Furthermore, we gain a competitive advantage through the product innovation and flexibility delivered by a diverse supplier base."

GEOFF MARTHA
MEDTRONIC CEO

OUR SUPPLIER DIVERSITY POLICY RECOGNIZES AND SUPPORTS 10 DIVERSE SUPPLIER TYPES, INCLUDING:

- Small businesses
- Businesses certifiably owned by women, ethnically diverse groups, people with disabilities, LGBTQ+ individuals, or veterans
- Disadvantaged businesses and those located in historically underutilized business zones



PARTNERING FOR IMPACT WITH DIVERSE-OWNED FIRMS

CASE STUDY



For more than 12 years, Medtronic has partnered with JIT Energy Information Services to reduce our environmental impact globally. JIT enables Medtronic to effectively manage our global energy and water consumption, delivering efficiencies by using data and technology that result in cost savings, sustainable impacts, and progress toward our environmental performance goals.

Located near our U.S. headquarters in Minneapolis, Minnesota, JIT is also one of our largest African American-owned supplier partners. The company was established in 1991 by Jaimie Aragon, and later acquired by Ravi Norman. Since its founding, JIT has earned an Energy Efficiency Partner Award and other recognition for their effectiveness in reducing energy consumption and environmental impact in key geographies.

Supplier diversity provides shared value for Medtronic and our communities. We gain excellent partners and access a broader pool of talent, unique perspectives, and community connections. By expanding the breadth of our supplier base and partnering with small businesses, our supply chain becomes more innovative, resilient, and agile. In FY20, we directed about \$627 million of our U.S. supplier spend to diverse-owned companies, an increase of more than 10% compared to the prior year.

We recognize the opportunity to expand our Supplier Diversity program beyond the United States. In FY20, we began laying the groundwork for a global expansion by building systems to identify and track our spend with diverse suppliers internationally. In FY21, we will formally launch an International Diverse Supplier program. An early objective is to increase our procurement with women-owned businesses, and we are working with an experienced third party to identify potential suppliers. This initiative aligns with UN Sustainable Development Goal (SDG) 8, to foster the full participation of women in the economy, including as business owners. More information on our contribution to the SDGs is available [here](#).

We also aim to support the economies in which we operate by using local suppliers where possible. For example, in FY20, our U.S. corporate office in Minneapolis spent \$796 million with suppliers within the state of Minnesota. Of this total spend, 31% was with small and diverse suppliers.

U.S. DIVERSE SUPPLY CHAIN SPEND BY CATEGORY⁴⁹

	FY18	FY19	FY20			
	\$ U.S. spend	\$ U.S. spend %	\$ U.S. spend	\$ U.S. spend %	\$ U.S. spend	\$ U.S. spend %
Small business	\$1,341 m	22%	\$1,144 m	17%	\$1,760 m	24%
Veteran-owned business	\$69 m	1.1%	\$133 m	1.9%	\$112 m	1.6%
Minority-owned business enterprise	\$270 m	4.4%	\$245 m	3.7%	\$270 m	3.7%
Women-owned business enterprise	\$122 m	2.0%	\$177 m	2.6%	\$171 m	2.4%

⁴⁹ This table includes U.S. addressable spend, which totaled approximately \$7.2 billion in FY20. Non-addressable spend includes employee-related benefits, health insurance, taxes, and royalties. Due to overlap between different categories of small and diverse suppliers, figures in this table do not add up to the total annual figures for spend with small and diverse companies.

SUPPLIER DIVERSITY ECONOMIC IMPACT⁵⁰

Annually, we undertake a detailed assessment of our impact with diverse suppliers in the United States and Puerto Rico. Our FY20 impact is shared below:

\$2.4b

Purchases from
small and diverse
businesses

\$4.1b

Economic
production
activity

24,257 jobs

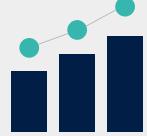
Jobs supported at small
and diverse suppliers,
lower-tier suppliers, and
community businesses

\$1.4b

Wages and
benefits

\$1.3b

U.S. federal, state,
and local taxes
generated



⁵⁰ Data represents spend on diverse suppliers in United States and Puerto Rico only.

IN FY20, THE WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL RANKED MEDTRONIC IN THE TOP 75 AMONG THE FORTUNE 500 FOR ITS SUSTAINED COMMITMENT TO WOMEN-OWNED BUSINESSES.



ABOUT THIS REPORT

This report was prepared in accordance with the Global Reporting Initiative Standards Core guidelines—an internationally recognized framework for sustainability reporting.

The content is also informed by the reporting guidelines set forth by the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies industry standard and the Task Force on Climate-related Financial Disclosures (TCFD). Detailed information is available in the [ESG Disclosure Index](#).

Scope and data

Unless otherwise stated, all performance reporting covers our fiscal year 2020 (FY20) from April 27, 2019, through April 24, 2020.

This report includes data from Medtronic plc and all its consolidated subsidiaries. Environmental, health, and safety data are from our manufacturing and research and development facilities. Our FY19 health and safety data, shared on [page 46](#), has been assured by a third party. All reported data are best estimates. Medtronic subsidiaries whose impact on overall data is less than 10% have been omitted. All financial information is reported in U.S. dollars.

Forward-looking statements

Any forward-looking statements are subject to risks and uncertainties, including those found in our periodic reports on file with the U.S. Securities and Exchange Commission. Actual results may differ materially from anticipated results.

We welcome your views as a valued stakeholder. To provide feedback or request further information, please email integratedreport@medtronic.com.

NON-GAAP AND OTHER FINANCIAL MEASURES

MEDTRONIC PLC GAAP TO NON-GAAP RECONCILIATIONS (UNAUDITED)⁵¹

	FY20	FY19	FY18
Net cash provided by operating activities	\$7,234 m	\$7,007 m	\$4,684 m
– Additions to property, plant, and equipment	(\$1,213 m)	(\$1,134 m)	(\$1,068 m)
Free Cash Flow⁵²	\$6,021 m	\$5,873 m	\$3,616 m

⁵¹ Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP.

⁵² Free cash flow represents operating cash flows less property, plant, and equipment additions.

MEDTRONIC PLC WORLDWIDE REVENUE: GEOGRAPHIC (UNAUDITED)⁵³

Fiscal Year	Constant currency					Fiscal Year
	FY20	FY19	Growth	Current impact ⁵⁴	FY20	Growth
U.S.	\$14,919 m	\$16,194 m	(7.9)%	–	\$14,919 m	(7.9)%
Non-U.S. Developed	\$9,287 m	\$9,631 m	(3.6)%	\$(261 m)	\$9,548 m	(0.9)%
Emerging Markets	\$4,707 m	\$4,732 m	(0.5)%	\$(156 m)	\$4,863 m	(2.8)%
Total	\$28,913 m	\$30,557 m	(5.4)%	\$(418 m)	\$29,331 m	(4.0)%

⁵³ U.S. includes the United States and U.S. territories. Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries of Western Europe. Emerging Markets include the countries of the Middle East, Africa, Latin America, Eastern Europe, and the countries of Asia that are not included in the non-U.S. developed markets, as previously defined.

⁵⁴ The currency impact to revenue measures the change in revenue between current and prior year periods using constant exchange rates.

ESG DISCLOSURE

INDEX 2020

CONTENTS

Our FY20 Environmental, Social, and Governance (ESG) Disclosure Index references disclosures for our 15 material issues that align with reporting standards from the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and guidelines from the Task Force on Climate-related Financial Disclosures (TCFD).

1

GLOBAL REPORTING INITIATIVE (GRI)

2

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

3

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

4

EMPLOYEE DATA SUMMARY

Page numbers and links correspond to the Medtronic Integrated Performance Report 2020 found on pages 1-68 of this document.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

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)	<p>A. An explanation of how the organization manages the topic</p> <p>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.</p> <p>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 business unit and region reports to the board regularly.</p> <p>Each business unit develops new products, therapies, and programs to extend life-changing care to more people. 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.</p> <p>The Medtronic Foundation also expands 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. 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.</p> <p>Our efforts to increase access to our products and therapies are supported by our focus on innovation, affordability, and integrated care.</p> <p>B. A statement of the purpose of the management approach</p> <p>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.</p> <p>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.</p> <p>Through business and philanthropic activities, we assess local, unmet healthcare needs.</p> <p>We tailor new or existing products, solutions, and therapies to overcome barriers to care and reduce health inequity.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>We develop strategies, programs, and business activities designed to maximize the value of our products and solutions and increase access to healthcare. These include:</p> <ul style="list-style-type: none">■ 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■ Engagement with governments and other organizations to advocate for systemic, sustainable changes to healthcare systems■ Medtronic LABS, our social impact business, funded in part by the Medtronic Foundation — expanding access to healthcare for underserved patients■ Medtronic Foundation programs — scalable, sustainable solutions that deliver lasting impact for underserved communities

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

Evaluation of the management approach (GRI 103-3)	Increasing access to life-improving treatment is our constant focus. The ultimate measure of our success is the number of patients benefiting from our products and therapies, and our ability to continue to reach underserved communities with new products and healthcare models.
<h3>AFFORDABILITY</h3>	
Definition and boundaries (GR1 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 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)	<p>A. An explanation of how the organization manages the topic</p> <p>To increase affordability and value, we:</p> <ul style="list-style-type: none">■ Offer a variety of pricing models, including volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients■ Offer a variety of price points across a given technology portfolio to match different affordability levels and different willingness to pay for the same technology <p>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.</p> <p>B. A statement of the purpose of the management approach</p> <p>Our goal is to make medical technology available to any patient in the world. With that mindset, we develop specific pricing programs and policies to enable that aspiration.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>We leverage all relevant potential communication channels and technologies with customers and business partners to provide detailed, accurate price information across the world.</p> <p>We take a VBHC approach — combining products, services, and solutions that improve patient outcomes per dollar spent in the healthcare system. Value is measured by long-term patient outcomes rather than short-term transactions. To accelerate the transformation of healthcare systems toward VBHC, we collaborate with others and advocate the advantages of this model.</p>
Evaluation of the management approach (GRI 103-3)	Each Medtronic region is responsible for developing and delivering its own VBHC activities, engaging with group-level VBHC councils for support with decision-making, investments, and specific programs. Our Global VBHC Council — including leaders from divisions, regions, and functions — steers our overall direction and ensures alignment of approach across all VBHC activities.
<h3>CLIMATE RISK AND RESILIENCE</h3>	
Definition and boundaries (GR1 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, rising sea levels) and transition risks (e.g., global regulations impacting energy costs and availability, shift in consumer preferences toward lower-carbon products). Also includes disaster response.
Climate risk and resilience are relevant to our company, communities, patients, and customers.	

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

■ Disclosure on management approach to material issues

- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

The management approach and its components (GRI 103-2)	<p>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, integration into enterprise risk management processes, development of business strategies within our functional global operations areas, and finally, assessment of our performance against companywide environmental targets.</p> <p>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 resilience planning designed to minimize business disruptions and related financial impacts.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach The relevant policies, programs, governance, and commitments related to this topic are shown in detail in our Task Force on Climate-related Financial Disclosure Report and in the Promoting Environmental Stewardship section of this report. In FY20, we set ambitious new FY25 environmental targets focused on energy, emissions, water, and waste and also set a FY30 carbon neutrality goal for our operations.</p>
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 GHG emissions throughout our operations. In 2020 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 2030 that call for additional GHG reductions and introduce our first long-term renewable energy target.

CORRUPTION AND BRIBERY

Definition and boundaries (GR1 103-1)	Unethical business practices that violate state, federal, or international laws pertaining to healthcare fraud and abuse, including anti-kickback laws, anti-competitive practices, and the U.S. Foreign Corrupt Practices Act. The risk of corruption is relevant to employee interactions, including those with customers, healthcare professionals, and patients.
The management approach and its components (GRI 103-2)	<p>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.</p> <p>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.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach Our policies related to ethics in sales and marketing include: the Medtronic 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 of our Ethics program. The OEC provides an annual ethics brief for the board of directors, supplemented by quarterly briefings for the board's Audit and Executive committees. The OEC is responsible for our policies and programs related to ethics, including our global risk assessment process. The OEC also processes and thoroughly investigates all reported concerns of alleged misconduct. If we uncover an ethical issue, we swiftly investigate and remediate it through our streamlined review process.</p>

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

■ Disclosure on management approach to material issues

- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

Our communication and training measures are designed to prevent ethical 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.

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 ethical 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 (GR1 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 and customers. 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 integrated to 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.

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

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.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

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)	<p>A. An explanation of how the organization manages the topic</p> <p>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.</p> <p>B. A statement of the purpose of the management approach</p> <p>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.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>We promote our products based on their approved labeling, and promote and sell our products through accurate and truthful communications about 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.</p> <p>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.</p>
Evaluation of the management approach (GRI 103-3)	<p>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.</p> <p>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.</p>

INCLUSION AND DIVERSITY

Definition and boundaries (GRI 103-1)	Employing a workforce that includes adequate representation of women and people from diverse ethnic backgrounds. Includes treating all employees fairly, without discrimination, providing equal professional opportunities and equitable compensation for work, irrespective of gender and ethnicity. Inclusion and diversity (I&D) is relevant to our employees, suppliers, and communities.
The management approach and its components (GRI 103-2)	<p>A. An explanation of how the organization manages the topic</p> <p>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.</p>

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

■ Disclosure on management approach to material issues

- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

B. A statement of the purpose of the management approach

I&D 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, and measuring our performance on key indicators, we strengthen our company.

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

Our policies related to I&D include the Medtronic Code of Conduct and the Global Human Rights and Labor Standards Policy.

Our program is overseen by our Chief Inclusion and Diversity Officer who evaluates and strengthens our I&D strategy, working to enhance our workplace culture and increase our diverse talent acquisition, retention, and promotion.

We engage employees in I&D through ongoing training and communication as well as Employee Resource Groups and Diversity Networks.

We use our diversity scorecard to track the diversity of teams along with changes in representation compared to the prior year. To increase representation of diverse talent in director and above roles, 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.

Nondiscrimination, workforce equality, 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.

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, though, remains on safety and effectiveness, always with the patient experience and outcomes at the center.

INNOVATION

Definition and boundaries (GR1 103-1)

Innovating to increase the availability of treatments that address significant disease burden 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 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.

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.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

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INTEGRATED CARE

Definition and boundaries (GR1 103-1) Efforts to partner with others to create medical 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. And we partner with others across healthcare pathways to develop new business models that improve patient outcomes.

B. A statement of the purpose of the management approach

Health systems are complex. Through partnership and collaboration, we can find innovative solutions to tackling these complexities — improving efficiency of care and patient outcomes.

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:

- Hub-and-spoke model — connecting communities with effective healthcare systems in areas with limited resources and infrastructure
- 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
- Medtronic Care Management Services — 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.

PRODUCT QUALITY AND SAFETY

Definition and boundaries (GR1 103-1) Manage product quality as it relates to all key stakeholders — patients, physicians, hospital administrators, and Medtronic businesses. Includes design, reliability, manufacturability; supplier quality; and global compliance and corrective action. Also includes investments in personnel, training, IT tools, and automation.
Product quality is relevant across the entire product life cycle. Within Medtronic, we manage product quality in research and development (R&D), manufacturing and production, sales, distribution, post-market surveillance, compliant handling, and corrective action planning.
Product quality is relevant to external groups including customers — the medical professionals and patients who rely on our products and therapies.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

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

A. An explanation of how the organization manages the topic

At Medtronic, product quality is everyone's responsibility. We reinforce our "Quality Begins With Me" culture through regular communications and training, and use the Medtronic Corporatewide Assessment for Regulatory Excellence (MCARE) to foster continual improvement in our quality systems.

Our Medical Safety Council promotes a culture of safety across Medtronic, and they partner with other functions such as quality and clinical to help ensure patient safety is protected.

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 the people using and benefiting from our products very seriously — safety is always our first priority. We will only launch new products when we have confirmed their safety and effectiveness. 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 under 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.
- 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 standard that sets out requirements for quality management systems specific to medical devices.
- The ISO14971 standard that establishes the framework and requirements for effectively managing and reducing product risks and ensuring that our product and therapy benefits outweigh residual risks.
- Our [Policy Regarding the Use of Animals](#).
- Internal guidance to support clinical trials.

We share our quality requirements with suppliers via our Supplier Quality Excellence Manual. We help suppliers meet our standards through:

- Regular quality audits based on product and supplier risk
- 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

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
- GRI-300: Environmental
- GRI-400: Social

Evaluation of the management approach (GRI 103-3)

We use our “Quality Begins With Me 2.0” assessment model to score individual sites and functions for quality culture, identify root causes, and evaluate improvement year-on-year.

External assessments 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 share learnings or changes resulting from these assessments via our Knowledge Management process.

We track product use and collect patient outcome data to measure and improve safety and to inform future design. We engage with global regulators and industry stakeholders to seek feedback and improve our post-market surveillance processes.

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.

PRODUCT STEWARDSHIP

Definition and boundaries (GR1 103-1)

Developing and introducing innovative products and packaging with the goal of improving patient and community health and reducing life cycle environmental impacts. Involves ecodesign, circularity concepts, and recyclability to meet regulations and customer requirements, including the elimination of materials of concern, where possible.

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

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

A. An explanation of how the organization manages the topic

Our Environmental, Health, and Safety (EHS) program advances our product stewardship initiatives across the product life cycle to meet customer needs and expectations. We also 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 demonstrating environmental stewardship across the life cycle of our products.

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

The Medtronic Corporate EHS Product Stewardship team oversees our program standards for all businesses and regions.

Product Stewardship supports compliance with regulations designed to protect patient safety, such as California Proposition 65 and the E.U. Directive on Restriction of Hazardous Substances (RoHS). Our corporate program management team supports our environmental compliance efforts and our Hazardous Substance team — comprising 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 involves mitigating impacts from materials of concern in our products and 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 regulatory, quality, EHS, legal, supply chain, and operations, to address ongoing changes to product content requirements. Corporate EHS has instituted numerous education and training programs, metric tracking, and the development of internal systems to address product content tracking and management as well as enable compliance with product stewardship goals and requirements.

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

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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)	<p>A. An explanation of how the organization manages the topic Our Responsible Supply Management (RSM) program strives for supplier excellence, including responsible business practices. Through formal policies, we communicate our expectation that suppliers demonstrate respect for human rights, labor standards, and the environment. Our Global Supplier Standards Compliance program is our mechanism for identifying and mitigating the potential risks in our supply chain. Additionally, our Supplier Diversity program expands our supplier base and supports our communities by building economic partnerships with historically underrepresented business owners.</p> <p>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. Through our Supplier Diversity program, we gain excellent partners that drive better business results through innovative solutions and increased flexibility and resilience.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach Our policies related to responsible supply management include our Global Supplier Standards, Global Human Rights and Labor Standards Policy, Global Anti-Human Trafficking and Forced Labor Policy, Conflict Minerals Policy, and Code of Conduct. We expect our suppliers to:<ul style="list-style-type: none">■ 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 StandardsWe ensure our top suppliers and employees who manage our supply chain understand our requirements through ongoing communication and training initiatives. Through our Global Standards Compliance program, we identify and remediate social and environmental risks in our supply chain. The program focuses on a portion of our supply chain composed of top-spend or high-risk direct material suppliers and contract manufacturers. We engage suppliers in self-assessment questionnaires, then review responses to identify instances of noncompliance. Each supplier is assigned a risk score and is required to repeat the self-assessment on a frequency determined by the risk score. 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. Our Supplier Diversity team, Supplier Diversity Steering Committee, and Executive Management team oversee our Supplier Diversity program. 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.</p>
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 noncompliances identified and resolved. In the future, we will expand our program to include onsite audits. 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. 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. These metrics are maintained for each of the 10 diverse and small supplier types detailed at www.medtronic.com/supplierdiversity .

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

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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)	<p>A. An explanation of how the organization manages the topic</p> <p>Our business is knowledge-based, and our success is dependent on attracting, developing, and retaining talent. We support our growing workforce through global career development and training programs, career advancement opportunities, competitive benefits and compensation practices, as well as programs that promote health and safety.</p> <p>B. A statement of the purpose of the management approach</p> <p>We recognize the personal worth of all employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity, and a means to share in the company's success.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>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.</p> <p>It is in our best interest to ensure employees succeed in their jobs and are prepared for new, challenging roles. We spend more than \$72 million on professional development, making more than 20,000 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.</p> <p>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 nonexecutive compensation.</p> <p>Our retirement, health, and other benefits 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.</p> <p>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.</p>
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 Office of Ethics and Compliance (OEC) evaluates all reported concerns and escalates as necessary.
	We collect data through our Environmental, Health, and Safety (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.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

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- GRI-100: Universal
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- GRI-400: Social

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 research and development, manufacturing and production, sales, and distribution. Device security is relevant to external groups including customers, patients, and the medical professionals who rely on our products and therapies.
The management approach and its components (GRI 103-2)	<p>A. An explanation of how the organization manages the topic</p> <p>Medtronic engages with external organizations and experts to maintain best practice and to provide feedback on developing global product security-related standards. We collaborate with organizations such as the U.S. FDA, the National Health Information Sharing and Analysis Center, and the Advanced Medical Technology Association. We also follow recognized standards such as ISO 27001 and NIST standards.</p> <p>Employees and vendors play an important role in protecting data and privacy and are required to complete annual privacy 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.</p> <p>Our Product Security program aligns with regulatory standards, protect patients, and ensure the highest levels of product security and usability. The Medtronic Corporate Quality organization manages our Product Security program in close collaboration with the Global Security Office. Subject matter experts within each business unit ensure security considerations are integrated throughout the product life cycle. We regularly engage with employees and industry partners — including regulators, peers, healthcare organizations, and security researchers — to keep track of current security practices and emerging risks.</p> <p>We invite 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. Our Product Security team actively tracks, investigates, and responds to these inquiries.</p> <p>B. A statement of the purpose of the management approach</p> <p>Device security and any 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.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>The Medtronic Corporate Quality organization manages our Product Security program — including relevant initiatives and policies — in close collaboration with the Global Security Office.</p> <p>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.</p>
Evaluation of the management approach (GRI 103-3)	The Quality Committee and the Technology and Value Creation Committee of the board of directors monitors and evaluates 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 research community brings an important and independent perspective to our work. Our Medtronic.com/security webpage recognizes independent security researchers who have demonstrated ethical behavior by following coordinated disclosure processes or advancing product security. We invite 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 . Our Product Security team actively tracks, investigates, and responds to these inquiries.

GLOBAL REPORTING INDEX (GRI)

DISCLOSURE ON MANAGEMENT APPROACH TO MATERIAL ISSUES

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TRANSPARENCY

Definition and boundaries (GRI 103-1)	<p>Disclosure of financial and sustainability performance, including material risks and opportunities.</p> <p>Transparency is central to all our interactions within and outside our business — including with employees, investors, healthcare professionals, suppliers, regulators, and other stakeholders.</p>
The management approach and its components (GRI 103-2)	<p>A. An explanation of how the organization manages the topic</p> <p>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 and to inform our strategy.</p> <p>Our Sustainability Steering Committee (SSC) guides our companywide approach to sustainability, and we embed sustainability throughout our operations through a number of key roles and reporting lines.</p> <p>B. A statement of the purpose of the management approach</p> <p>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's expected of us and holds us accountable for our actions.</p> <p>C. A description of the policies, commitments, goals, responsibilities, resources, grievances, processes, programs, and initiatives associated with the management approach</p> <p>Our Mission is 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.</p>
Evaluation of the management approach (GRI 103-3)	<p>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.</p> <p>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, and UN Sustainable Development Goals.</p>

GLOBAL REPORTING INITIATIVE (GRI)

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- **GRI-100: Universal**
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GRI-100 UNIVERSAL

Indicator	Disclosure requirement	Disclosure
102-1	Name of the organization	Medtronic Public Limited Company
102-2	Activities, brands, products, and services	Company Overview 2020 Form 10-K
102-3	Location of headquarters	20 Lower Hatch Street, Dublin 2, Ireland
102-4	Location of operations	Company Overview 2020 Form 10-K
102-5	Ownership and legal form	Medtronic plc is a publicly traded company on the New York Stock Exchange Inc. under the ticker symbol MDT
102-6	Markets served	Company Overview 2020 Form 10-K
102-7	Scale of the organization	Company Overview The Economic Impact of our Business 2020 Form 10-K
102-8	Information on employees and other workers	Employee Data Summary
102-9	Supply chain	Supply Chain Responsibility
102-10	Significant changes to the organization and its supply chain	Company Overview Supply Chain Responsibility 2020 Form 10-K
102-11	Precautionary principle or approach	Product Quality Promoting Environmental Stewardship Sustainability Strategy and Reporting
102-12	External initiatives	Corporate Governance Supporting a Global Workforce Ethics in Sales and Marketing Promoting Environmental Stewardship Data Privacy and Security Sustainability Strategy and Reporting Supply Chain Responsibility Product Quality

GLOBAL REPORTING INITIATIVE (GRI)

- Disclosure on management approach to material issues
- **GRI-100: Universal**
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- GRI-300: Environmental
- GRI-400: Social

Indicator	Disclosure requirement	Disclosure
102-13	Membership of associations	Corporate Governance Promoting Environmental Stewardship Supply Chain Responsibility Product Quality
102-14	Statement from senior decision-maker	Message from our CEO
102-15	Key impacts, risks, and opportunities	Sustainability Strategy and Reporting
102-16	Values, principles, standards, and norms of behavior	Corporate Governance Ethical Business Conduct Ethics in Sales and Marketing Data Privacy and Security Promoting Environmental Stewardship Supply Chain Responsibility Product Quality
102-17	Mechanisms for advice and concerns about ethics	Ethical Business Conduct Ethics in Sales and Marketing
102-18	Governance structure	Corporate Governance Corporate Governance Website Sustainability Strategy and Reporting
102-19	Delegating authority	Sustainability Strategy and Reporting
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Strategy and Reporting
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Sustainability Strategy and Reporting
102-22	Composition of the highest governance body and its committees	Corporate Governance Corporate Governance Website
102-23	Chair of the highest governance body	Corporate Governance Corporate Governance Website
102-24	Nominating and selecting the highest governance body	Corporate Governance Corporate Governance Website
102-25	Conflicts of interest	Corporate Governance Website
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Strategy and Reporting
102-30	Effectiveness of risk management processes	Sustainability Strategy and Reporting
102-31	Review of economic, environmental, and social topics	Sustainability Strategy and Reporting
102-33	Communicating critical concerns	Corporate Governance Website
102-35	Remuneration policies	Corporate Governance Supporting a Global Workforce Proxy Statement

GLOBAL REPORTING INITIATIVE (GRI)

- Disclosure on management approach to material issues
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- GRI-400: Social

Indicator	Disclosure requirement	Disclosure
102-36	Process for determining remuneration	Corporate Governance Supporting a Global Workforce Proxy Statement
102-37	Stakeholders' involvement in remuneration	Proxy Statement
102-40	List of stakeholder groups	Corporate Governance Sustainability Strategy and Reporting
102-41	Collective bargaining agreements	Medtronic complies with global laws regarding freedom of association and collective bargaining agreements, including participation in work councils. Approximately 35% of our European workforce is represented by work councils and roughly half is covered by collective bargaining agreements with trade unions. Our U.S. workforce is not unionized.
102-42	Identifying and selecting stakeholders	Sustainability Strategy and Reporting
102-43	Approach to stakeholder engagement	Corporate Governance Sustainability Strategy and Reporting
102-44	Key topics and concerns raised	Sustainability Strategy and Reporting
102-45	Entities included in the consolidated financial statements	Company Overview About This Report 2020 Form 10-K
102-46	Defining report content and topic boundaries	Sustainability Strategy and Reporting About This Report
102-47	List of material topics	Sustainability Strategy and Reporting Disclosure on Management Approach
102-48	Restatements of information	Any restatements of information are noted in the relevant sections of our 2020 Integrated Performance Report.
102-49	Changes in reporting	Shared throughout our 2020 Integrated Performance Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	Our FY19 report was published in November 2019.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	This index has been prepared in accordance with the GRI Core Standard.
102-55	GRI content index	Global Reporting Initiative Index
102-56	External assurance	This report has not been independently verified except for our FY19 environmental, health, and safety data . We have practices in place to internally validate the data.
103-1	Explanation of the material topic and its boundary	Disclosure on Management Approach
103-2	The management approach and its components	Disclosure on Management Approach

GLOBAL REPORTING INITIATIVE (GRI)

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GRI-200 ECONOMIC

Indicator	Disclosure requirement	Disclosure	Identified omissions	Explanation for omissions
201-1	Direct economic value generated and distributed	The Economic Impact of our Business Philanthropy 2020 Form 10-K		
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risk and Resilience Sustainability Strategy and Reporting		
201-3	Defined benefit plan obligations and other retirement plans	Supporting a Global Workforce		
203-1	Infrastructure investments and services supported	The Economic Impact of our Business Global Healthcare Access Philanthropy Supply Chain Responsibility		
203-2	Significant indirect economic impacts	Global Healthcare Access Supply Chain Responsibility		
204-1	Proportion of spending on local suppliers	Supply Chain Responsibility	Percentage of the total procurement budget used for significant locations of operation spent on suppliers local to that operation.	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.
205-1	Operations assessed for risks related to corruption	Ethics in Sales and Marketing		
205-2	Communication and training about anti-corruption policies and procedures	Ethics in Sales and Marketing		
205-3	Confirmed incidents of corruption and actions taken	Ethics in Sales and Marketing 2020 Form 10-K	Confirmed incidents of corruption and actions taken.	The information is currently unavailable. Medtronic currently tracks the total number of employees terminated for ethics- and compliance-related lapses.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2020 Form 10-K		

GLOBAL REPORTING INITIATIVE (GRI)

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- GRI-100: Universal
- GRI-200: Economic
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GRI-300 ENVIRONMENTAL

Indicator	Disclosure requirement	Disclosure	Identified omissions	Explanation for omissions
301-3	Reclaimed products and their packaging material	Promoting Environmental Stewardship		
302-1	Energy consumption within the organization	Promoting Environmental Stewardship		
302-3	Energy intensity	Promoting Environmental Stewardship		
302-4	Reduction of energy consumption	Promoting Environmental Stewardship		
302-5	Reductions in energy requirements of products and services		Medtronic products consume relatively low energy as is, and safety requirements prevent us from reducing a product's energy use.	
303-2	Water sources significantly affected by withdrawal of water	Promoting Environmental Stewardship		
305-1	Direct (Scope 1) GHG emissions	Promoting Environmental Stewardship		
305-2	Energy indirect (Scope 2) GHG emissions	Promoting Environmental Stewardship		
305-4	GHG emissions intensity	Promoting Environmental Stewardship		
305-5	Reduction of GHG emissions	Promoting Environmental Stewardship		
307-1	Noncompliance with environmental laws and regulations	Promoting Environmental Stewardship		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Responsibility		
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Responsibility		

GLOBAL REPORTING INITIATIVE (GRI)

- Disclosure on management approach to material issues
- GRI-100: Universal
- GRI-200: Economic
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- GRI-400: Social**

GRI-400 SOCIAL

Indicator	Disclosure requirement	Disclosure	Identified omissions	Explanation for omissions
401-1	New employee hires and employee turnover	Employee Data Summary		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Supporting a Global Workforce		
401-3	Parental leave	Supporting a Global Workforce		
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Supporting a Global Workforce		
404-2	Programs for upgrading employee skills and transition assistance programs	Supporting a Global Workforce		
404-3	Percentage of employees receiving regular performance and career development reviews	Supporting a Global Workforce		
405-1	Diversity of governance bodies and employees	Corporate Governance Supporting a Global Workforce		
405-2	Ratio of basic salary and remuneration of women to men	Supporting a Global Workforce		
406-1	Incidents of discrimination and corrective actions taken		Total number of incidents of discrimination and corrective actions taken	The information is currently unavailable. At this time, we do not track discrimination incidents for our suppliers. We do not plan to collect this specific information but expect our suppliers to follow local laws and regulations.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	The information is currently unavailable. Through our Global Supplier Standards Compliance program, we plan to track this information for our suppliers in the future.
408-1	Operations and suppliers at significant risk for incidents of child labor		Suppliers at significant risk for incidents of child labor	The information is currently unavailable. Through our Global Supplier Standards Compliance program, we plan to track this information for our suppliers in the future.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Suppliers at significant risk for incidents of forced or compulsory labor	The information is currently unavailable. Through our Global Supplier Standards Compliance program, we plan to track this information for our suppliers in the future.

GLOBAL REPORTING INITIATIVE (GRI)

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Indicator	Disclosure requirement	Disclosure	Identified omissions	Explanation for omissions
410-1	Security personnel trained in human rights policies or procedures		Security personnel trained in human rights policies or procedures	This information is not applicable to Medtronic. Security practices are relevant to the business as it relates to product security.
412-2	Employee training on human rights policies or procedures	Supply Chain Responsibility		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Supply Chain Responsibility		
413-1	Operations with local community engagement, impact assessments, and development programs	Global Healthcare Access The Economic Impact of our Business Philanthropy	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	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.
414-1	New suppliers that were screened using social criteria	Supply Chain Responsibility		
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Responsibility		
415-1	Political contributions	Corporate Governance Corporate Governance Website		
416-1	Assessment of the health and safety impacts of product and service categories	Product Quality		
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Of the 233 inspections that occurred across Medtronic in FY20, there were 22 total findings across 11 sites.		

GLOBAL REPORTING INITIATIVE (GRI)

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Indicator	Disclosure requirement	Disclosure	Identified omissions	Explanation for omissions
417-1	Requirements for product and service information and labeling	Promoting Environmental Stewardship Ethics in Sales and Marketing		
417-2	Incidents of noncompliance concerning product and service information and labeling	Ethics in Sales and Marketing		
417-3	Incidents of noncompliance concerning marketing communications	Ethics in Sales and Marketing		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Substantiated complaints concerning breaches of customer privacy and losses of customer data	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.
419-1	Noncompliance with laws and regulations in the social and economic area	2020 Form 10-K		

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

MEDICAL EQUIPMENT AND SUPPLIES

Affordability and pricing

Product safety

Ethical marketing

Product design and life cycle management

Supply chain management

Business ethics

Activity metric

MEDICAL EQUIPMENT AND SUPPLIES

AFFORDABILITY AND PRICING

SASB Code	Metric	Response		
		Month	Medtronic relative to all	Medtronic relative to medical care commodities
HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20	-330% -310% -290% -310% -330% -330% -340% -340% -360% -380% -280% -200%	-150% -60% 20% -90% -170% -130% -260% -190% -380% -300% -230% -180%
HC-MS-240a.2	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)	Partially reported in Adding Value to Society > Expanding Global Healthcare Access. Medtronic leverages all relevant potential communication channels and technologies with customers and business partners to provide detailed, accurate price information across the world.		

PRODUCT SAFETY

SASB Code	Metric	Response
HC-MS-250a.1	Number of recalls issued, total units recalled	Reported in Product Quality. In FY20, we had 77 recalls, affecting approximately 2.2 million units.
HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	Reported in Product Quality FDA's MedWatch Safety Alerts for Human Medical Products database
HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	We report all necessary data as required by the FDA. This information is available here .
HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	In FY20 Medtronic received: <ul style="list-style-type: none"> ■ 6 Form 483s ■ 0 Warning Letters ■ 0 Seizures ■ 27 Recalls (limited to reportable recalls) ■ 0 Consent decrees

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

MEDICAL EQUIPMENT AND SUPPLIES

- Affordability and pricing
- Product safety
- Ethical marketing**
- Product design and life cycle management**
- Supply chain management**
- Business ethics
- Activity metric

ETHICAL MARKETING

SASB Code	Metric	Response
HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Ethics in Sales and Marketing
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Ethics in Sales and Marketing

PRODUCT DESIGN AND LIFE CYCLE MANAGEMENT

SASB Code	Metric	Response
HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products and meet demand for sustainable products	In FY20, we launched our new Materials of Concern (MOC) Policy to streamline the way Medtronic manages MOCs in products. Our activities included developing working teams to address a variety of ongoing product content matters and developing web portals to facilitate access to information.
HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	Product Stewardship

SUPPLY CHAIN MANAGEMENT

SASB Code	Metric	Response
HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	All Medtronic contract manufacturers and original equipment manufacturers are audited by regulators. Additionally, many of our direct material suppliers are ISO certified (ISO9001 or ISO13485) and go through certification audits. Medtronic also subscribes to MedAccred — an industry-managed supply chain oversight program. This third-party accreditation focuses on improving process repeatability while reducing nonconformances. We have shared details of the program with suppliers and encourage them to pursue accreditation. In FY20, 100% of Medtronic manufacturing facilities were audited by external parties.
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Medtronic maintains traceability within the manufacturing and distribution chain through either serial or batch control of finished products. We: <ul style="list-style-type: none"> ■ Leverage product identification technologies such as barcoding and radio-frequency identification to track identifying information of products ■ 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. Our ERP solutions ensure compliance with regulatory, quality, and customs control requirements.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

MEDICAL EQUIPMENT AND SUPPLIES

- Affordability and pricing
- Product safety
- Ethical marketing
- Product design and life cycle management
- Supply chain management
- Business ethics
- Activity metric

HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	<p>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.</p> <ul style="list-style-type: none">■ Supply risk management is a critical part of overall Medtronic business continuity, crisis management, and supply management strategies.■ Materials critical to Medtronic are routinely identified via a risk assessment of suppliers and components required to make the finished product.■ 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.■ 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.
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BUSINESS ETHICS

SASB Code	Metric	Response
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reported in Ethics in Sales and Marketing
HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	Reported in Ethics in Sales and Marketing Reported in Ethical Business Conduct

ACTIVITY METRIC

SASB Code	Metric	Response
HC-MS-000.A	Number of units sold by product category	Not disclosed

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

- Governance
- Risk management
- Strategy
- Metrics and targets

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

- a) Describe the board's oversight of climate-related risks and opportunities
- b) Describe management's role in assessing and managing climate-related risks and opportunities

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. 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 (ERM) framework as well as through the Nominating and Corporate Governance Committee's oversight of ESG.

At the management level, embedding and evolving a strong sustainability strategy requires coordinated leadership and broad organizational participation in identifying and addressing sustainability priority issues, including climate-related risks and opportunities.

Our Sustainability Steering Committee (SSC) oversees our corporate approach to sustainability, 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 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, Controller, Tax, Internal Audit, Investor Relations, Corporate Strategy, ERM, and Business Development. The SSC membership also includes other Executive Committee members and senior leaders of key operations and business functions who provide a range of perspectives and expertise for risk management, finance, legal, government affairs, investor relations, compliance, corporate governance, human resources, communications, philanthropy, quality, procurement, operations and business services, and environmental, health, and safety.

Our Enterprise Sustainability program, led by our Vice President of Corporate Governance and Privacy 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.

Senior leaders from across the organization participate in the Enterprise Risk Council that liaises with the Executive Committee, groups, regions, and functions 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. Participants include, among others, the Vice President of Corporate Governance and Privacy, who leads the company Sustainability program, and the Vice President, Global Operational Risk & Facilities, who leads multiple functions that address climate-related risks including Business Continuity Management (BCM), Environment, Health and Safety (EHS), Global Energy, and Facilities.

Functional leadership within EHS, BCM, Facilities, and Global Energy all report directly to the Senior Vice President of Global Operations and provide routine reporting on risk issues, projects, and results. Additionally, EHS leads quarterly meetings with vice presidents of operations from our business groups that support active monitoring of the status of environmental targets/goals including for energy use, greenhouse gas emissions, regulated and nonregulated waste, and water use.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

- Governance
- **Risk management**
- Strategy
- Metrics and targets

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate-related risks

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 include 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 at which Medtronic will realize the impact of the risk event.

Each of these focus areas includes specific evaluation criteria that lead to an overall score. For example, although the impact score includes ratings based on financial impact, other considerations are integrated into the risk review, including: organizational impacts relating to reputational/brand, quality, regulatory/legal/compliance, operations, and ability to achieve strategic objectives. Climate-related risks surface through this review process and are evaluated in the same manner as other enterprise risks.

Based on the outcome of the ERM review, natural disasters such as hurricanes and wildfires have been identified as a risk for Medtronic. Additionally, The Medtronic Business Continuity Management (BCM) team conducts an enterprise-wide Business Impact Risk Assessment (BIRA) annually to quantify the potential impact of a business interruption at key locations.

The BIRA determines top business continuity risks — including physical climate risks resulting from natural disasters — and aligns on recovery time, gaps, mitigation options, and prioritization. This assessment incorporates a risk evaluation model based on the number of employees at the site, type of operation, uniqueness of the operation, and revenue impact. Identified risks are prioritized based on their critical business impact, and preparedness and resilience practices are implemented as appropriate. For example, a hurricane readiness program has been implemented.

The Enterprise Sustainability program also 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 our long-term business success — including climate risk and resilience. Each identified issue was individually scored based on inputs from interviews, surveys, and the external experts' 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 climate risks through routine monitoring of carbon regulations, including carbon taxes and greenhouse gas emissions data.

Our Government Affairs, Human Resources, Environmental, Health, and Safety, and Procurement groups monitor relevant regulations in the global market — including regulations relating to climate change such as emissions limits. Our Legal and Compliance teams oversee compliance with those regulations.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

- Governance
- Risk management
- **Strategy**
- Metrics and targets

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The World Economic Forum's annual Global Risks Report (2020) listed climate-related risks and environmental issues as the top five risks in terms of likelihood and impact. Climate events and natural disasters are included in these top five issues.

Climate-related Risks

Significant physical climate risks to Medtronic are consistent with these findings and center on long-term risks associated with natural disasters such as hurricanes and wildfires, which can cause significant business disruption. For example, 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.

Medtronic global operations identifies climate-related risks and opportunities based on short-, medium-, and long-term time horizons. Short-term horizons are 1-2 years and specifically center on annual financial planning within global operations. Medium-term is 3-5 years and is primarily focused on operational footprint planning within global operations. Our long-term horizon is 5-10 years 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 investments at potentially affected facilities and operations to ensure continued delivery of products and services. This has resulted in investments 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 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.

Climate-related Opportunities

Physical climate opportunities are identified and addressed through a structured Environmental, Health, and Safety (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.

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.

Scenario Analysis

Water scarcity was identified in 2019 by the World Economic Forum as one of the largest global risks in terms of potential impact over the next decade. 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.

This analysis will support our understanding of the impacts of water stress on our business and the associated business strategies to address any significant issues. Results will be shared with internal stakeholders responsible for our business operations resilience strategies and investments and with our ERM organization.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

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.

We have established companywide environmental targets since 2007, with a focus on reductions in energy use and greenhouse gas emissions throughout our operations. In 2020 we met our latest long-term target and have achieved a total GHG emissions reduction of 36% since 2013. We are announcing new targets through FY30 that call for carbon neutrality across our owned and operated facilities and introduced our first long-term renewable energy target.

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 on [pages 30-33](#) of this report and in our 2020 CDP disclosure.

- Governance
- Risk management
- Strategy
- **Metrics and targets**

EMPLOYEE DATA SUMMARY

MEDTRONIC GLOBAL WORKFORCE⁵⁵

	FY18 ⁵⁶	FY19 ⁵⁷	FY20 ⁵⁸
Total	91,109	90,108	92,742
Female	44,874	44,674	46,055
Asia-Pacific	12,873	12,653	13,286
Female	5,568	5,404	5,763
Canada	1,417	1,286	1,369
Female	806	745	803
Europe/Central Asia/Middle East/Africa	17,763	18,377	18,795
Female	8,883	9,216	9,424
Latin America	17,293	16,920	17,905
Female	10,800	10,661	11,050
United States and Puerto Rico	41,763	40,872	41,388
Female	18,817	18,648	19,016

⁵⁵ All counts are based on average calculations for the fiscal year, therefore there are instances of rounding that 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 when the data was gathered. Some data may be restated from our FY18 Integrated Performance Report and our original FY20 report publication due to updated data parameters.

⁵⁶ 75 records do not specify gender.

⁵⁷ 57 records do not specify gender.

⁵⁸ 53 records do not specify gender.

⁵⁹ 75 employees do not have a job category designation.

⁶⁰ 57 employees do not have a job category designation.

⁶¹ 27 employees do not have a job category designation.

⁶² Management = managers and above.

EMPLOYMENT TYPE⁵⁵

	FY18 ⁵⁹	FY19 ⁶⁰	FY20 ⁶¹
Support staff	39,459	37,061	38,007
Female	23,339	22,088	22,456
Professional	41,339	42,472	43,727
Female	17,872	18,664	19,384
Management⁶²	9,789	10,041	10,468
Female	3,520	3,772	4,054
VPs and higher	524	535	541
Female	143	150	161

EMPLOYEE DATA SUMMARY

GLOBAL FULL-TIME⁶³

	FY18 ⁶⁴	FY19 ⁶⁵	FY20 ⁶⁶
Total	89,231	88,258	90,852
24 and under	5,323	5,330	5,843
25-39	41,339	41,070	42,056
40-54	32,801	32,111	32,607
55-69	9,631	9,594	10,185
70+	137	154	163
Female⁶⁷	43,290	43,129	44,507
Asia-Pacific	5,451	5,330	5,684
Canada	785	732	791
Europe/Central Asia/Middle East/Africa	7,704	7,998	8,175
Latin America	10,799	10,660	11,051
United States and Puerto Rico	18,552	18,411	18,807

⁶³ All counts are based on average calculations for the fiscal year, therefore there are instances of rounding that 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 when the data was gathered. Some data may be restated from our FY18 Integrated Performance Report and our original FY20 publication due to updated data parameters.

⁶⁴ 0 records have out-of-bounds values so are not included in age breaks. 75 records do not specify gender.

⁶⁵ 1 record has out-of-bounds values so is not included in age breaks. 57 records do not specify gender. The age sub categories do not add up to the total due to rounding.

⁶⁶ 0 records have out-of-bounds values so are not included in age breaks. 9 records do not specify gender.

⁶⁷ Numbers by region are based on female employees only.

⁶⁸ 0 records have out-of-bounds values so are not included in age breaks. 0 records do not specify gender.

⁶⁹ 0 records have out-of-bounds values so are not included in age breaks. 0 records do not specify gender.

⁷⁰ 0 records have out-of-bounds values so are not included in age breaks. 0 records do not specify gender.

GLOBAL PART-TIME⁶³

	FY18 ⁶⁸	FY19 ⁶⁹	FY20 ⁷⁰
Total	1,879	1,850	1,873
24 and under	32	21	23
25-39	617	611	575
40-54	951	957	983
55-69	274	257	286
70+	6	5	6
Female⁶⁷	1,584	1,545	1,545
Asia-Pacific	117	74	79
Canada	21	14	12
Europe/Central Asia/Middle East/Africa	1,180	1,218	1,247
Latin America	1	2	1
United States and Puerto Rico	266	238	207

EMPLOYEE DATA SUMMARY

NEW EMPLOYEE HIRES⁷¹

	FY18 ⁷²	FY19 ⁷³	FY20 ⁷⁴
Total	18,166	17,545	18,452
24 and under	4,363	4,586	4,784
25-39	10,004	9,559	10,334
40-54	3,221	2,927	2,843
55-69	565	453	478
70+	13	19	13
Female⁷⁵	9,211	9,226	9,465
Asia-Pacific	1,085	1,220	1,177
Canada	127	217	103
Europe/Central Asia/Middle East/Africa	1,261	1,225	1,193
Latin America	3,847	4,123	4,562
United States and Puerto Rico	2,891	2,441	2,430

⁷¹ All counts are based on average calculations for the fiscal year, therefore there are instances of rounding that 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 when the data was gathered. Some data may be restated from our FY18 Integrated Performance Report and our original FY20 publication due to updated data parameters. Voluntary turnover excludes individuals that retired or were part of a divestiture.

⁷² 0 records have out-of-bounds values (e.g., age=0). 407 records do not specify gender.

⁷³ 1 record has out-of-bounds values (e.g., age=0). 72 records do not specify gender.

⁷⁴ 0 records have out-of-bounds values (e.g., age=0). 49 records do not specify gender.

⁷⁵ Numbers by region are based on female employees only.

⁷⁶ Turnover calculated with average headcount for the FY. Employee population data expressed here may vary from our 10-K form depending on the time of year when the data was gathered. Some data may be restated from our FY18 Integrated Performance Report due to updated data parameters.

⁷⁷ 0 records have out-of-bounds values (e.g., age=0). 204 records do not specify gender.

⁷⁸ 1 record has out-of-bounds values (e.g., age=0). 91 records do not specify gender.

⁷⁹ 0 records have out-of-bounds values (e.g., age=0). 33 records do not specify gender.

EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY)⁷⁶

	FY18 ⁷⁷	FY19 ⁷⁸	FY20 ⁷⁹
Total employee turnover rate	16%	15%	16%
24 and under	3,426	2,652	2,875
25-39	6,974	7,225	7,223
40-54	3,268	3,376	3,419
55-69	610	659	1,325
70+	10	13	46
Voluntary employee turnover rate	12%	12%	12%
Female⁷⁵	5,385	5,616	5,876
Asia-Pacific	849	678	692
Canada	68	75	73
Europe/Central Asia/Middle East/Africa	747	743	734
Latin America	2,195	2,819	3,110
United States and Puerto Rico	1,526	1,301	1,267

EMPLOYEE DATA SUMMARY

GLOBAL AND U.S. LEADERSHIP DIVERSITY

	FY18	FY19	FY20
CEO and CEO direct reports who are women	25.0%	25.0%	37.5%
CEO and U.S. CEO direct reports who are ethnically diverse	16.0%	15.4%	15.9%

U.S. EMPLOYEE DEMOGRAPHICS⁸⁰

	FY18	FY19	FY20
American Indian or Alaska Native	145	138	136
Asian	5,616	5,504	5,526
Black or African American	2,680	2,206	2,086
Hispanic or Latino	3,173	3,101	3,038
Native Hawaiian or other Pacific Islander	145	140	130
White	23,820	21,965	20,786
Two or more races	667	710	738
Unspecified ⁸¹	13,521	15,829	8,950

⁸⁰ Calculated as average headcount for the FY. United States only, excluding Puerto Rico. Some data may be restated from our FY18 Integrated Performance Report due to updated data parameters.

⁸¹ Includes records coded as Do Not Want to Disclose or Blank.