



Medtronic

Engineering the extraordinary

2023 SUSTAINABILITY REPORT

Engineering impact



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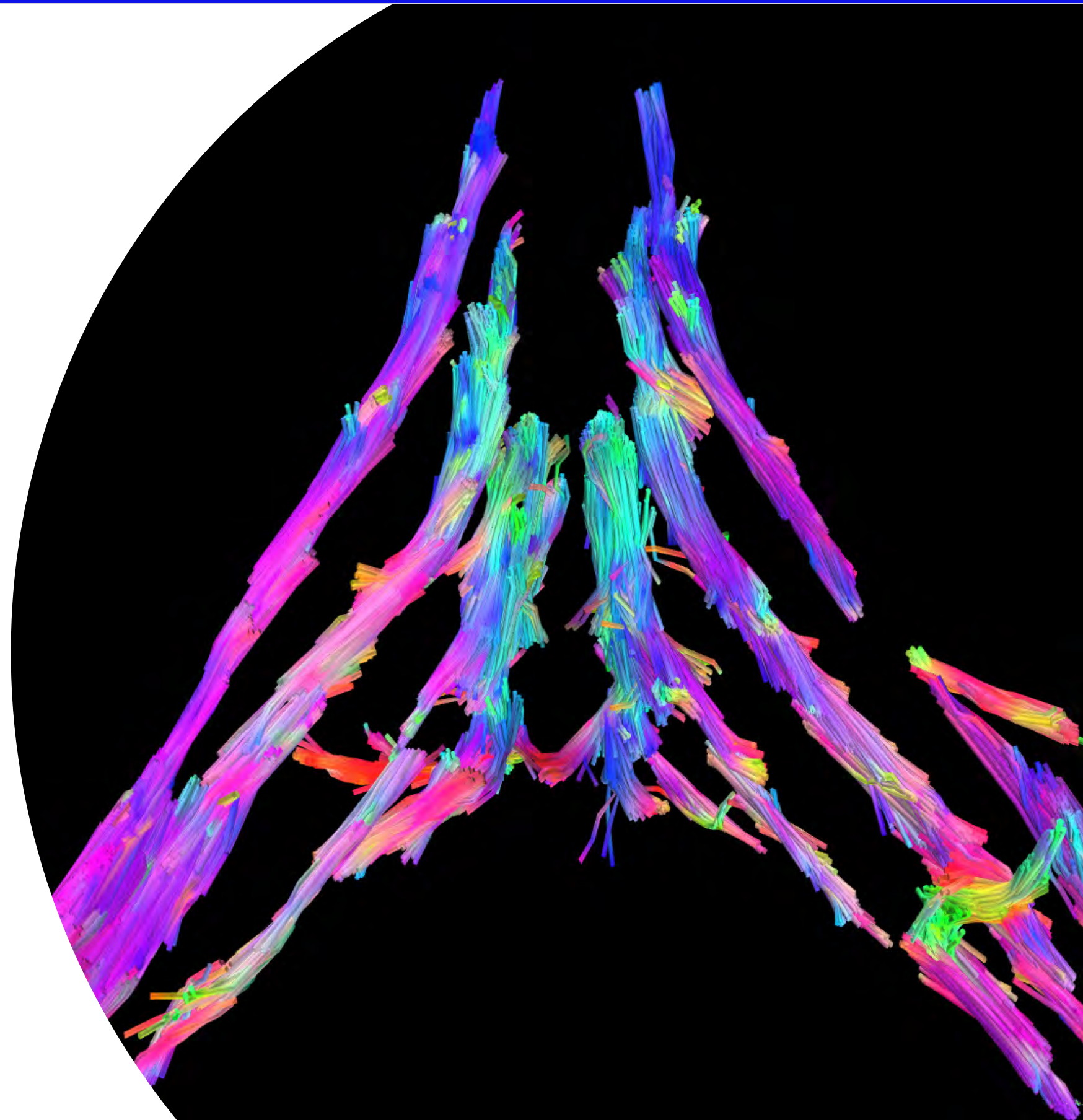
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Introduction

In times of global challenge and change, we remain dedicated to our Mission. Together with our more than 95,000 employees, we are engineering the extraordinary to tackle the most pressing health problems facing humanity.

- About this report
- A message from our leaders
- The year at a glance
- Our business: Engineering the extraordinary
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Image: "Spinal Nerve Razzmatazz" by Nikhil Mahendra, Rowena Vigh, and Yvan Paitel – image was in the top three selected at the Medtronic 2021 Art Within Science competition.



About this report

The Medtronic 2023 Sustainability Report reflects key environmental, social, and governance (ESG) topics in alignment with leading reporting frameworks and standards.¹

Unless otherwise stated, all performance reporting covers our fiscal year (FY) 2023 (FY23), which was April 30, 2022, through April 28, 2023. Any restatements of information are noted in the relevant sections of the report.

This report includes data from Medtronic plc and its consolidated subsidiaries. Environmental, health, and safety data are from our manufacturing, distribution, large commercial and office sites, and research and development facilities. We have received external, third-party **assurance** for our environmental, health, and safety; greenhouse gas emissions; and water data for FY20 through FY23.

In some instances, reported data may be best estimated or rounded. All financial information is reported in U.S. dollars.

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

To provide feedback or request further information, please email sustainability@medtronic.com.

¹ Our responses to the Global Reporting Initiative, the Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, and the World Economic Forum Stakeholder Capitalism Metrics can be found in our **ESG disclosure indices**. Due to the different standards used to identify key topics in this report compared to the materiality standard applicable to reports filed with the U.S. Securities and Exchange Commission (SEC), topics identified as key topics for purposes of this report may not be considered material for SEC reporting purposes.

The products referenced in this report may not be approved or available for sale for the referenced use in all geographies. See the product manual geographic-specific indications for use and risk/benefit information at <https://manuals.medtronic.com/manuals/>.

A message from our leaders

We believe everyone deserves access to quality healthcare, no matter who or where they are. At Medtronic, we have seen that healthcare technology can be a profound equalizer. From AI to connected care and beyond, technology is building a bridge to better health for more people.

For our people to make innovative ideas into life-changing healthcare technology, we need to invest in getting these ideas off the ground. We spent more than \$10 billion on R&D in the last four years, pursuing cutting edge solutions to enhance our existing products and treatments, while staying at the forefront of emerging product development.

Technology is critical in addressing global challenges, but our true power lies in our people. Their unwavering commitment is the driving force behind our Mission to alleviate pain, restore health, and extend life. Fostering a workforce comprised of diverse talents, backgrounds, and experiences puts our organization at a competitive advantage.

Diversity drives new ideas, more product innovations, and ultimately, helps us serve more patients. At Medtronic, we view our commitment to advancing inclusion, diversity, and equity as more than just the right thing to do, but as a critical business driver. This year, we were proud to have our efforts recognized by achieving the #2 spot on DiversityInc's Top 50 Companies for Diversity, our highest-ever ranking.

To truly invest in health for everyone, we recognize that no one solution or organization can make significant progress, alone. Impact requires:

- partnership across the public and private sectors to engineer and scale healthcare solutions with an equity mindset,
- an understanding of local community needs, and
- robust training and education programs.

This year, we joined nearly 80 other organizations in signing the Zero Health Gaps Pledge, committing to drive progress toward health equity by 2050. We also invested nearly \$66 million in training and education to expand the reach of our products and therapies to more people and communities.

We cannot have healthy communities without a healthy planet. Over the last year we have witnessed climate change impacts, such as extreme weather events, becoming more frequent. We recognize the responsibility that we have to reduce our impact on the environment, and how urgent this need has become.

In FY23, we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative. These goals align our environmental impact strategy with the global effort to mitigate the most severe impacts of climate change, as outlined in the Paris Agreement's 1.5°C warming scenario.

In the pages that follow, we share our journey to harness technology to bridge the healthcare divide, build an increasingly diverse, inclusive, and equitable workforce, and protect our precious planet. Each of us at Medtronic recognizes the immense responsibility and privilege we have as an organization, and as individuals, to improve the global health of patients and our planet. We are working to build a healthier, more equitable world for all - one person and one community at a time. We hope you'll join us.



Geoff Martha
Chairman and CEO, Medtronic



Karen L. Parkhill
Executive Vice President and
Chief Financial Officer, Sustainability
Committee Chair, Medtronic

The year at a glance¹

Environmental sustainability

35%

reduction in operational greenhouse gas emissions intensity compared to our FY20 baseline

6% reduction in energy intensity compared to our FY20 baseline

Committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative²

Social impact

74M+

patients served

\$110M combined philanthropic investment by Medtronic and the Medtronic Foundation

100% gender and ethnically diverse pay equity achieved in the United States for the third consecutive year and 99% gender pay equity globally

\$51.9M spent on employee learning and development

Governance and accountability

36%

of board members are women

27% of board members are from ethnically diverse backgrounds

17.5k+ marketing and sales employees trained on ethical product promotion

¹ All numbers are as of FY23 year end.

² Commitment was made March 15, 2023.

FY23 recognition

Bloomberg

- 2023 Gender-Equality Index

DiversityInc

- 2023 Top 50 Companies for Diversity: #2
- 2023 Top Companies for Supplier Diversity: #7
- 2022 Top Companies for Executive Women: #1

Dow Jones

- 2022 Sustainability World Index
- 2022 Sustainability North America Index

Ethisphere

- 2023 World's Most Ethical Companies

Great Place to Work

- World's Best Workplaces 2022

JUST Capital

- 2023 America's Most JUST Companies

LinkedIn

- Top Companies 2022: Health Care

Newsweek

- 2023 America's Greatest Workplaces for Women

Hispanic Association on Corporate Responsibility

- 2022 Corporate Inclusion Index

3BL Media

- 2022 100 Best Corporate Citizens

Human Rights Campaign

- 2022 Corporate Equality Index: Scored 100%

Our business: Engineering the extraordinary

Who we are

We are a global healthcare technology leader, boldly tackling the world's most challenging healthcare problems with groundbreaking innovation. Our Mission – to alleviate pain, restore health, and extend life – empowers our diverse global team to develop healthcare technologies that transform the lives of two people every second of every hour of every day.



What we do

We work to solve unmet patient and healthcare needs by engineering extraordinary solutions. Our products and therapies improve or redefine outcomes for more than 70 conditions. We combine a deep understanding of the human body with the power of advanced computing, the smallest-size solutions, and hyper-personalization to develop a range of consumable and implantable products, together with innovative tools and services. As the world continues to grapple with new and evolving healthcare challenges and a growing crisis of health inequity, our commitment is steadfast: create life-transforming technology; empower patient-centric, insight-driven care; and provide experiences that put people first to deliver better outcomes for our world.

The Medtronic Mission

We are guided by our Mission to alleviate pain, restore health, and extend life.

In pursuit of our Mission, we act across six interrelated tenets:

- 1** To contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life.
- 2** To direct our growth in the areas of biomedical engineering where we display maximum strength and ability; to gather people and facilities that tend to augment these areas; to continuously build on these areas through education and knowledge assimilation; to avoid participation in areas where we cannot make unique and worthy contributions.
- 3** To strive without reserve for the greatest possible reliability and quality in our products; to be the unsurpassed standard of comparison and to be recognized as a company of dedication, honesty, integrity, and service.
- 4** To make a fair profit on current operations to meet our obligations, sustain our growth, and reach our goals.
- 5** To recognize the personal worth of all employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity, and means to share in the company's success.
- 6** To maintain good citizenship as a company.



Our structure

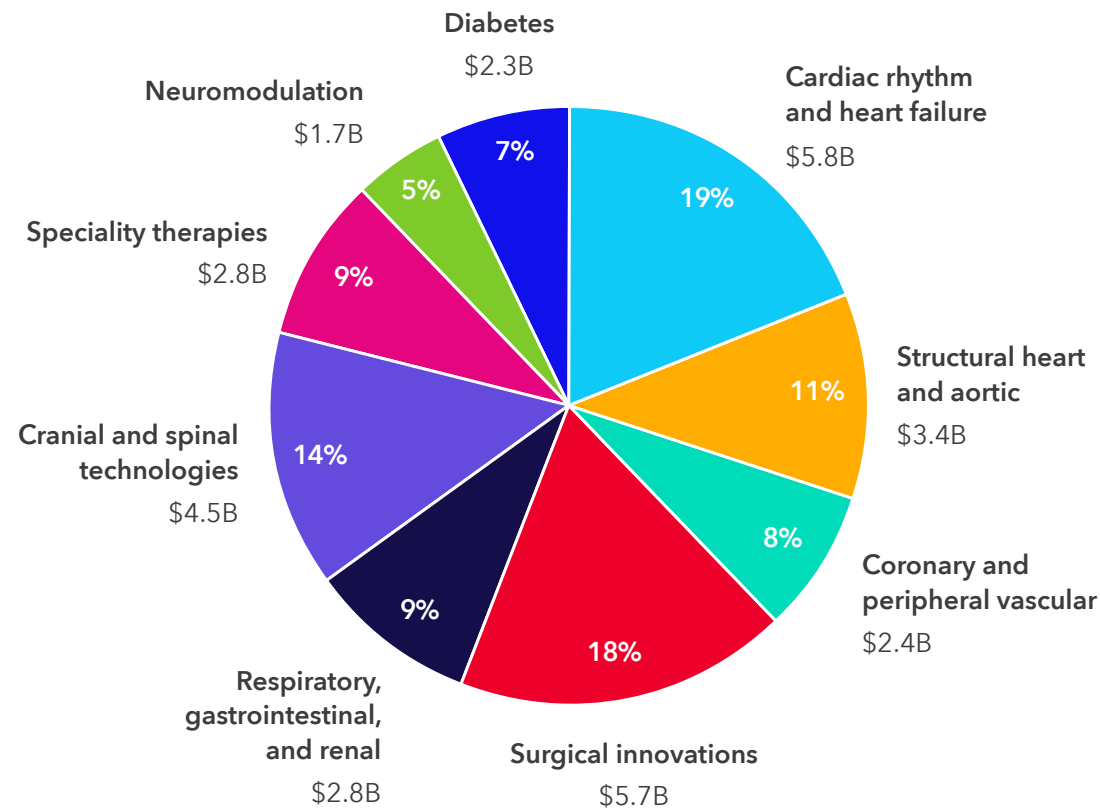
Our FY23 corporate structure consisted of three portfolios – cardiovascular, medical surgical, and neuroscience – each containing a range of operating units focused on different disease states or physician specialties, alongside the standalone diabetes operating unit. This structure was designed to enable autonomous decision-making and promote innovation, leading to timely delivery of effective therapies. Our operating unit presidents play a critical role in driving the development of new therapies and solutions and overseeing the work of each business.

MEDTRONIC OPERATING STRUCTURE AND NET SALES†

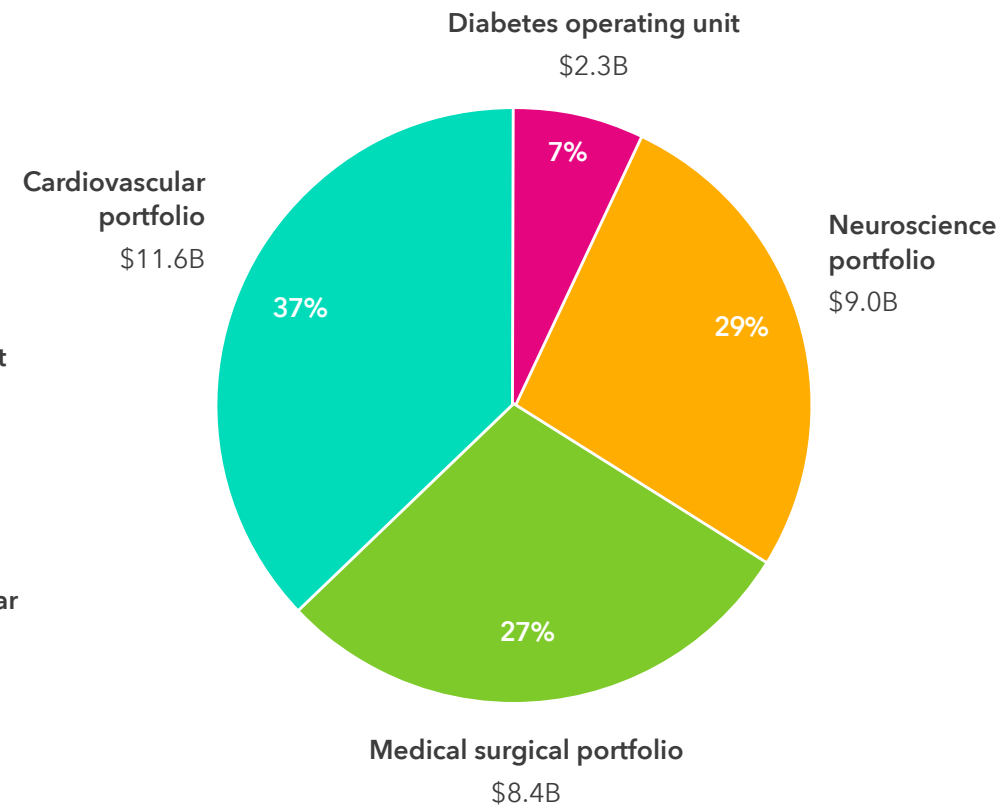
\$31.2B

REVENUE FY23

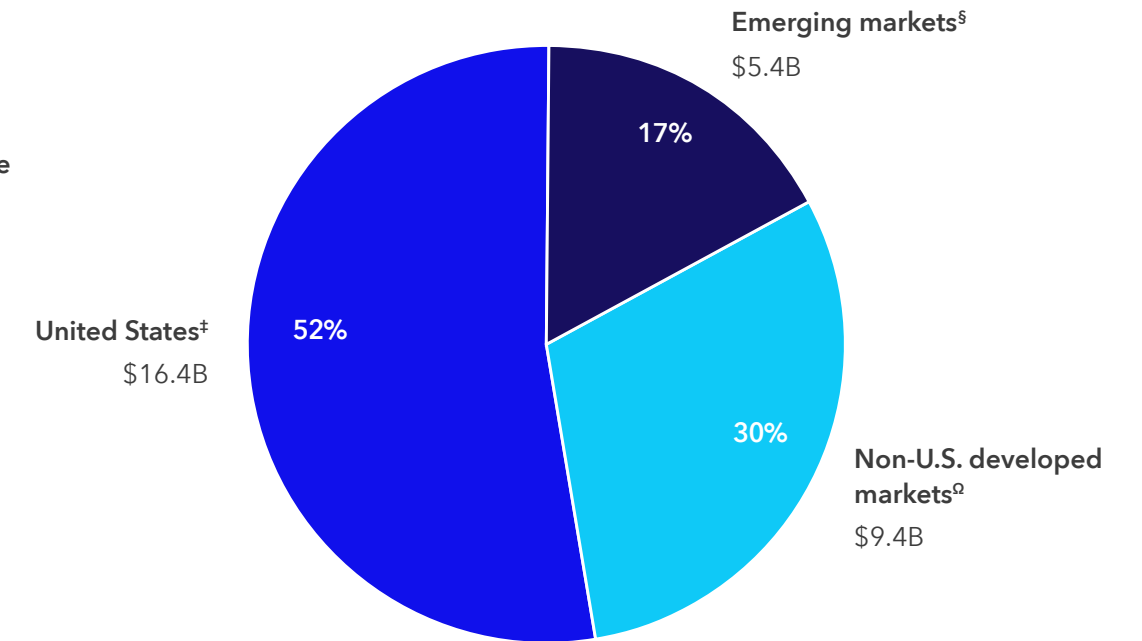
FY23 REVENUE BY DIVISION



FY23 MEDTRONIC OPERATING STRUCTURE



FY23 GLOBAL FOOTPRINT



† Totals may not add up due to rounding.

§ Includes the countries of Africa, Eastern Europe, the Middle East, Latin America, and the countries of Asia not included in the non-U.S. developed markets, as defined below.

‡ Includes the United States and U.S. territories.

Ω Includes Australia, Canada, Japan, Korea, New Zealand, and the countries of Western Europe.

Our focus

Across every operating unit, we encourage and enable our employees to share diverse perspectives, bold thinking, and a desire to win.

We leverage our business structure to:

- **Accelerate innovation-driven growth** – by delivering technology and services that better address patient needs.
- **Bring our technologies to emerging markets** – by providing targeted support, along with broad autonomy for regional teams to respond quickly to local needs.
- **Create better experiences for patients, customers, and employees** – by listening more closely to understand challenges and using that insight to shape solutions.
- **Turn data, artificial intelligence, and automation into action** – by tailoring therapies in real time, facilitating remote monitoring and care delivery, and bringing robotics to more surgical suites around the world.

OUR COMPANY – FY23 SNAPSHOT

74M+

PATIENTS SERVED



150+ countries



95,000+ employees



214 active clinical trials



\$2.7B R&D investments



45,855 patents
(issued & pending)



Our impact: Employee stories

Supporting conservation from the heart

Every year, Medtronic therapies improve the lives of over 70 million people – more than two people every second. Since 1999, we have also helped a different type of patient – wild animals – thanks to the work of Tim Laske, Ph.D., Vice President of Research in Medtronic Cardiac Ablation Solutions.

Tim combined his passions for engineering and wildlife biology to co-develop the Rhythm of Life study in partnership with the Smithsonian’s National Zoo and Conservation Biology Institute. The program donates **Reveal LINQ™ Insertable Cardiac Monitors** (ICM) to support species conservation efforts for an array of animals such as maned wolves, oryx, jaguars, gray wolves, mountain lions, American black bears, and grizzly bears. Using data collected by the monitors, Tim has helped conservation scientists understand stress and heart health in 23 species and counting.

The Wildlife Science Center in Minnesota breeds red and Mexican gray wolves to revitalize dwindling wild populations. Tim’s work helps them compare stress levels between wolves raised by other wolves and wolves raised by humans. Armed with this knowledge, scientists can adapt their management strategies to minimize stress.

At the Columbus Zoo and Aquarium in Ohio, six great apes that have exhibited symptoms of heart disease have ICMs, giving zoo scientists greater insight into their heart health. The data Tim helps collect is added to the world’s largest database for great ape cardiac health information, supporting global conservation work.

In FY23 alone, Tim’s team deployed 85 ICMs for 11 species of all shapes and sizes, ranging from jaguars to penguins.

“Part of our Mission at Medtronic is to be good global citizens. That means taking care of one another, the planet, and the species on it.”

Tim Laske, Ph.D.
Vice President of Research in Medtronic Cardiac Ablation Solutions



Expanding diabetes and hypertension care in Kenya

Medtronic LABS brings together data, technology, and passionate employees to help address some of the world’s most pressing health issues. In support of this mission, Eric Angula, head of Partnerships and Government Affairs in Africa for Medtronic LABS, has worked for seven years to drive healthcare capacity in Africa. During FY23, Eric kicked off the expansion of the LABS Empower Health program in Kenya. Implemented in partnership with the Kenyan government, the World Diabetes Foundation, and others, the program expands access to diabetes and hypertension care – chronic diseases that affect millions in the region and threaten to erase gains in life expectancy.¹

Empower Health drives healthcare access using a technology- and community-based approach. Over 300 community health volunteers trained by Eric’s team screen patients for hypertension and diabetes. Volunteers then visit patients twice monthly in their homes. During these visits, volunteers check each patient’s progress using a tablet equipped with LABS technology and a scale, blood pressure monitor, and blood glucometer. The work of the community health volunteers paired with monthly patient support groups has improved health outcomes and enabled more patients to maintain their care plans.

Under Eric’s leadership, Empower Health has helped over 42,000 patients in Kenya manage their diabetes and hypertension. When the program expands from a few counties to the entire country, that number is expected to jump to roughly 300,000 over three years.

¹ According to the [World Health Organization](#).

“Scaling this program in Kenya is just the beginning of strengthening the health system and eventually reaching 100% of affected people through multistakeholder partnerships.”

Eric Angula
Head of Partnerships and Government Affairs in Africa, Medtronic LABS



Advocating for the LGBTQ+ community in Latin America

Our inclusive, diverse, and equitable workforce enables our groundbreaking innovations and betters our communities. No one embodies this fact more than Medtronic Principal External Communications Specialist, Johnny Mendez.

As a gay man living in Chile, Johnny often felt he could be more vocal and active to promote an inclusive culture within the Chilean LGBTQ+ community. He and a team of other employees created PRIDE Chile – the first of our PRIDE Network hubs in Medtronic Latin America – focused on helping our Chile-based teams develop more inclusive policies for LGBTQ+ employees and their families. Sparked by the group’s success in Chile and inspired by Johnny’s leadership, PRIDE expanded to eight additional Latin American countries, supporting more than 4,000 employees.

Recognizing the power corporations have to create positive social change, Johnny lobbied Medtronic to join the “Yes, I do” movement. The coalition comprises more than 60 Chilean multinational companies supporting marriage equality. Chile’s Equal Marriage law went into effect in March 2022.

In recognition of his efforts, Johnny was among three finalists worldwide for the 2022 Global LGBTQ+ Advocate of the Year **Outie Award**, bestowed by Out & Equal, the premier LGBTQ+ workplace advocacy group.



“I am incredibly honored by this recognition from Out & Equal, but it’s not about me. It’s really about the work and making society a better place for LGBTQ+ employees and their families, especially in Latin America.”

Johnny Mendez
Medtronic Principal External Communications Specialist

Fueling clinical trial representation

Individuals from marginalized racial and ethnic groups, women, and other historically disenfranchised populations are significantly underrepresented in clinical trials across the enterprise. Tasha Ceass, Senior Internal Communications Specialist, identified increasing clinical trial representation as an opportunity to improve equity in healthcare, build trust with underserved populations, and boost confidence in our technology.

Tasha understood that when Medtronic prepared to study a product, we often partnered with the same institutions and leaders, many of which did not have access to diverse patient populations. That trend, and other challenges that limit our ability to fully understand how well our therapies impact affected patients, inspired her to act.

Tasha voiced this concern to Medtronic Clinical and Regulatory Solutions leadership, spurring them to build the foundation for what is now an enterprisewide initiative at Medtronic: to ensure patients in clinical trials mirror the impacted patient populations for our products. As a result, we launched a Diversity in Clinical Trials initiative dedicated to this issue. In addition to strategically identifying clinical trial institutions in areas of diverse patient populations, we are expanding our footprint with key opinion leaders. We’re prioritizing connections with diverse healthcare professionals to instill confidence in the effectiveness of our products.

Thanks to Tasha, we are ensuring collection of racial and ethnic data from U.S.-based trials, helping us understand any issues that exist and how to effectively address them. We are currently working to expand these efforts globally.

“As a Black employee, after the murder of George Floyd, it became even harder to separate your work life from your home life. I knew we could do better, especially at a time when our Black employees desperately needed support and inspiration. I wanted to stand up for our people – internally and externally.”

Tasha Ceass
Senior Internal Communications Specialist, Medtronic



ESG strategy

Every action we take impacts our employees, business, communities, and planet. Our environmental, social, and governance (ESG) strategy guides our broader sustainability efforts, and we prioritize action on our key issues, supported by robust governance, risk assessment, accountability, and ongoing dialogue with our stakeholders.

- Key issues and targets
- Sustainability governance
- Stakeholder engagement
- Contribution to the Sustainable Development Goals



Key issues and targets

Our key issues

Our ESG strategy is focused on issues that:

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

We regularly review key issues by monitoring and assessing internal and external expectations. During our most recent assessment, we consulted with internal and external stakeholders to update and prioritize our list of key issues. These stakeholders included Medtronic leaders, investors, policymakers, governments, customers, industry association representatives, and nongovernmental organizations. Using stakeholders' prioritization of industry issues, we determined which are most important to our business and to driving sustainable outcomes. We then validated the results of our assessment and the focus areas for our sustainability program through a workshop with internal stakeholders.

Our assessment highlighted three significant areas where we can drive positive change: innovation and healthcare access; patient safety and product quality; and inclusion, diversity, and equity (ID&E). The respective senior executives in each area advise our Sustainability Steering Committee (SSC) on what companywide performance objectives to set and then collaborate internally to monitor and advance progress.

The following table shows how our full list of key issues aligns with the tenets of our Mission.

KEY SUSTAINABILITY ISSUES AND OUR MISSION	
Mission	Key issue
<p>Tenet 1: Contribute to human welfare by alleviating pain, restoring health, and extending life</p> <p>Tenet 2: Direct growth in areas of biomedical engineering through education and knowledge assimilation</p>	<ul style="list-style-type: none"> • Innovation and access • Integrated care
<p>Tenet 3: Strive without reserve for the greatest possible reliability and quality in our products and recognition as a company of dedication, honesty, integrity, and service</p>	<ul style="list-style-type: none"> • Patient safety and product quality • Technology and device security • Data privacy and security • Ethics in sales and marketing • Corruption and bribery • Transparency
<p>Tenet 4: Make a fair profit by meeting our obligations, sustaining our growth, and reaching our goals</p>	<ul style="list-style-type: none"> • Affordability and fair pricing • Climate risk and resilience • Responsible supply management • Product stewardship
<p>Tenet 5: Recognize the personal worth of all employees by advancing opportunity</p>	<ul style="list-style-type: none"> • ID&E • Talent
<p>Tenet 6: Maintain good citizenship as a company</p>	<p>As a good corporate citizen, we use all of our resources, including philanthropy and community investment, to address our key sustainability issues.</p>

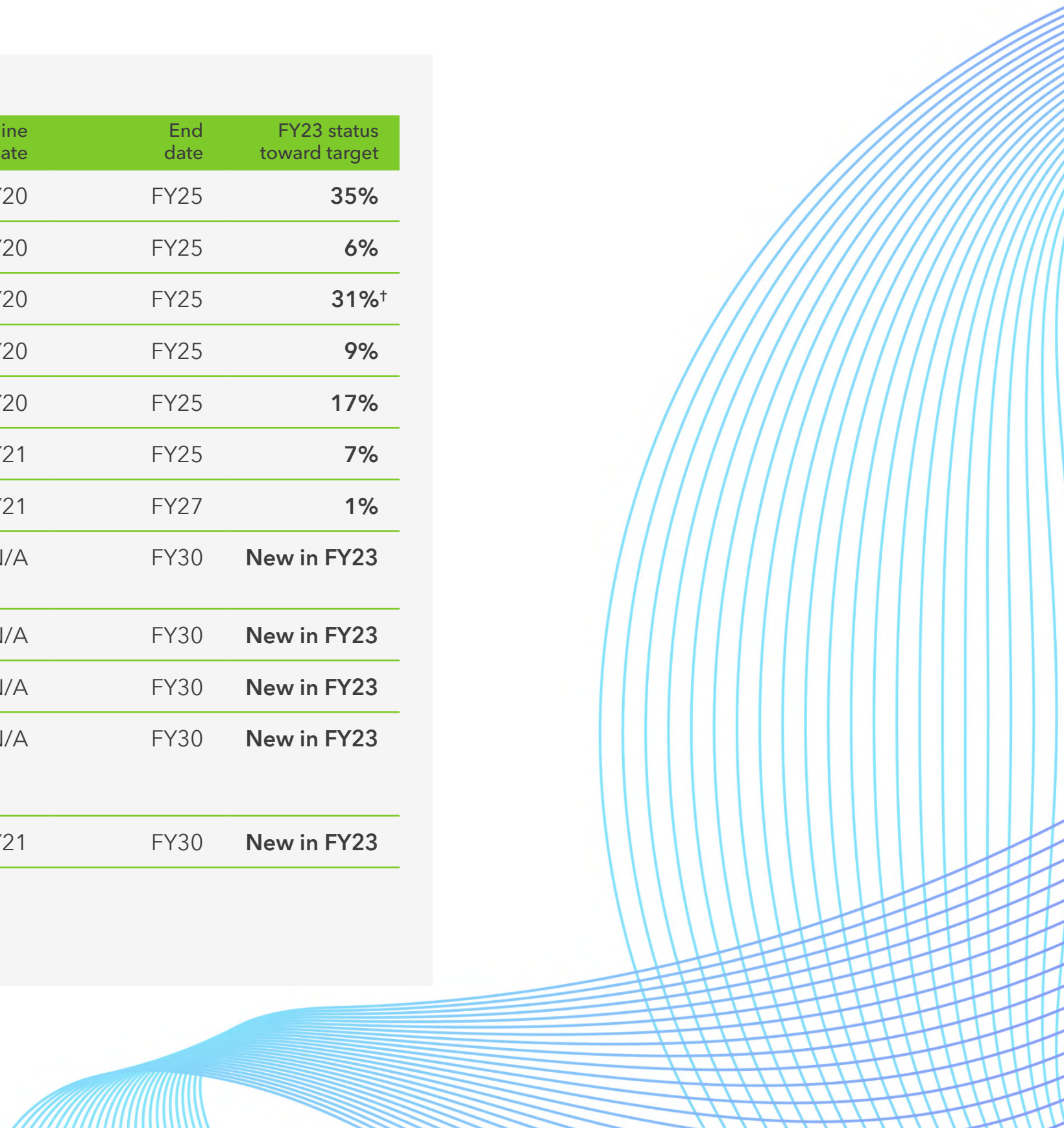
ESG TARGETS AND PROGRESS: ENVIRONMENTAL IMPACT

Target	Baseline date	End date	FY23 status toward target
Reduce greenhouse gas emissions intensity by 50%	FY20	FY25	35%
Reduce energy intensity by 20%	FY20	FY25	6%
Source 50% of energy from renewable and alternative sources	FY20	FY25	31%†
Reduce water usage intensity by 15%	FY20	FY25	9%
Reduce waste intensity by 15%	FY20	FY25	17%
Reduce packaging waste by 25% for four‡ targeted high-volume product families§	FY21	FY25	7%
Minimize impact of instructions for use (IFU) through a 35% paper reduction	FY21	FY27	1%
Publish partial life cycle assessments (LCA) for 100% of products and additionally publish full LCAs for 50% of products	N/A	FY30	New in FY23
Convert 50% of eligible product codes to electronic IFUs within applicable regions	N/A	FY30	New in FY23
Integrate circularity and eco-design criteria into the New Product Development process	N/A	FY30	New in FY23
Achieve one of the following qualities for 95% of eligible plastic packaging: is industrially recyclable, contains postindustrial recycled content, demonstrates optimized design (by volume, weight, or thickness)	N/A	FY30	New in FY23
Reduce packaging for 20 additional high-volume products for a total of 50% reduction	FY21	FY30	New in FY23

† Annual progress is cumulative and represented as the growth in sourcing over the FY20 baseline year. Value includes purchased renewable electricity credits.

‡ Last year, we reported that this goal applied to five product families: Tri-staple, Polysorb, Absorbatack, Spinal Implants, and Pulse Oximeter. In FY23, Pulse Oximeter dropped from this list due to the divestiture of the team responsible for these products. The change will not impede our ability to achieve this goal.

§ High-volume product families identified based on weight, material selection, and sourcing.

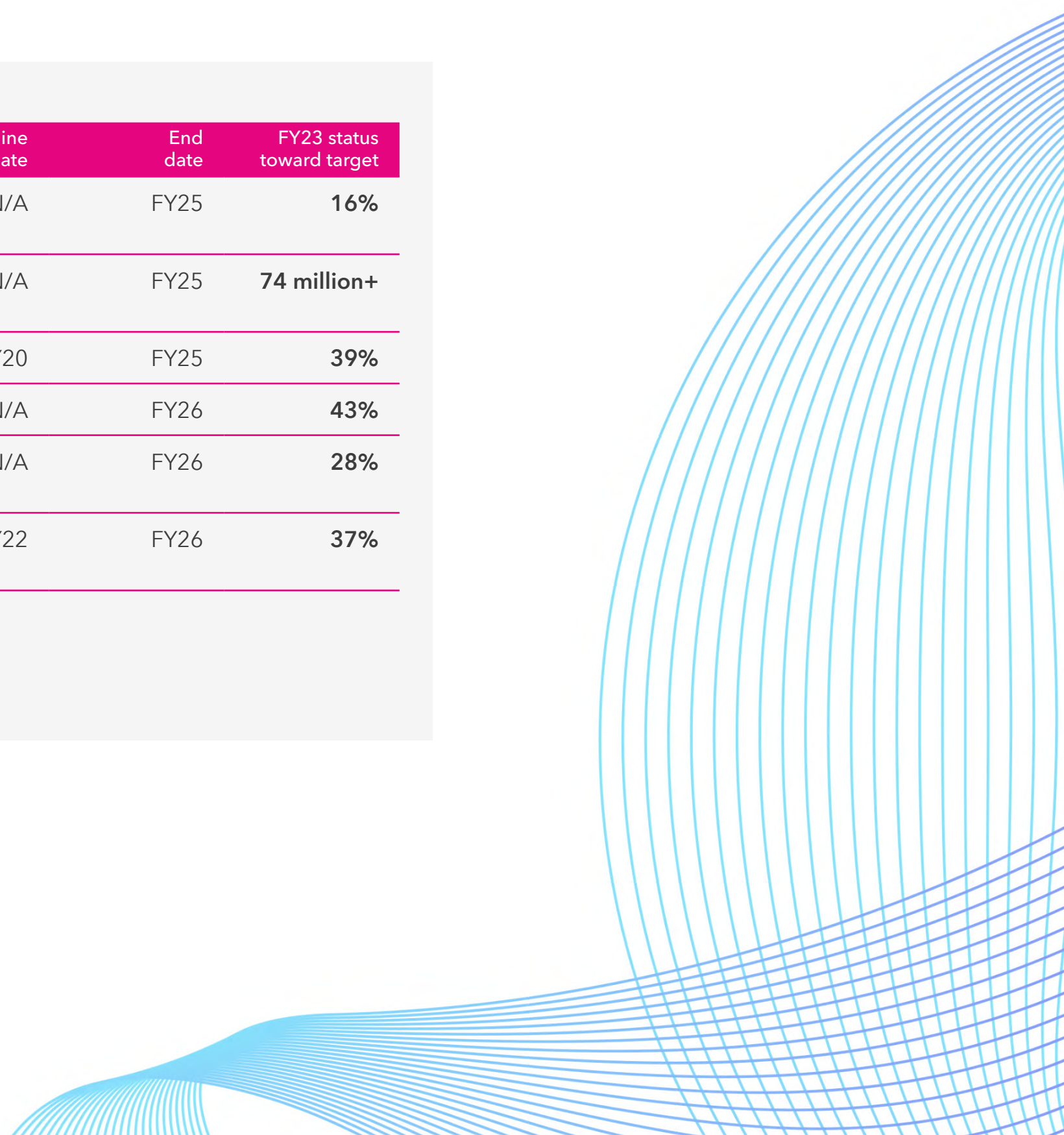


ESG TARGETS AND PROGRESS: SOCIAL IMPACT

Target	Baseline date	End date	FY23 status toward target
Flow 20% of revenue from products and therapies released in the prior 36 months (vitality index)	N/A	FY25	16%
Strive to serve 79 million patients annually through strategies that increase healthcare access [†]	N/A	FY25	74 million+
Reduce aggregate product complaint rate by 10% for identified product families [‡]	FY20	FY25	39%
Endeavor to reach 45% representation of women in manager-and-above roles globally	N/A	FY26	43%
Endeavor to reach 30% representation of people from ethnically diverse groups in manager-and-above roles in the United States	N/A	FY26	28%
Increase spend with U.S. diverse-owned suppliers by 5% year-over-year through FY26 by increasing diverse supplier participation in procurement RFPs	FY22	FY26	37%

[†] Target was adjusted in FY23 after announcement of plans to divest our patient monitoring and respiratory intervention businesses.

[‡] The goal covers the following products: Transcatheter Aortic valves and delivery systems, Venous Closure systems, Spinal Cord Stimulation systems, Mazor Robot guidance systems, Signia™ handles, Puritan Bennett™ 980 ventilators, and Diabetes NGP pumps and sensors. We are focusing on these product families because they represent strategic opportunities to positively influence complaint rate and patient experience through new product introductions and post-release changes. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified, we may expand the scope of this commitment in future years. This target is an aggregate percent reduction from FY20 to FY25. Therefore, annual progress toward this target prior to FY25 does not represent achieving or missing the target.



Sustainability governance

Robust governance structures and processes underpin our sustainability strategy:

- The **Nominating and Corporate Governance Committee** of our board of directors oversees our environmental, social, and governance (ESG) practices and regularly reviews priority ESG topics, as do other board committees, as appropriate.
- Our **Sustainability Steering Committee (SSC)** works to embed sustainability throughout our operations. Led by our chief financial officer, the SSC comprises executive committee members from across the company who oversee our ESG strategy, progress, and performance, alongside vice presidents who lead ESG focus areas or whose work is informed by ESG.
- The **ESG Disclosure Committee** governs ESG disclosures and strengthens data controls to aid more robust and effective reporting.

Managing risks and creating opportunities

By continually monitoring emerging sustainability issues, we can anticipate business risks and create value from opportunities. The following tables summarize our current key ESG risk and opportunity areas, along with our responses.

More detail about our most significant business risks is included in our [2023 Form 10-K and quarterly 10-Q](#) filings with the U.S. Securities and Exchange Commission.

MANAGING RISK THROUGH ESG

Risk	Response
Patient safety and product quality issues	<p>Aligned with our commitment to produce safe and effective healthcare technologies for patients, we examine end-to-end quality performance and are making sustainable improvements to ensure we deliver on our Mission.</p> <p>We work with a sense of purpose and ownership, knowing that there is a human life on the other side of every decision. In FY23, we launched our Put Patients First initiative with this idea as its core mission, further embedding quality and patient safety into our culture.</p>
Climate risk and resilience	<p>We manage transitional risks by monitoring climate change regulation and treaties, such as regulations on carbon emissions (including carbon taxes), and continue to install renewable and alternative energy sources as they become more cost effective and readily available. In preparation for the global transition to a zero-carbon economy, we announced our ambition to be net zero across our value chain by FY45. In FY23, we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative (SBTi). These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement's 1.5°C warming scenario.</p> <p>We manage physical location risks through business continuity management, including hurricane-readiness planning, infrastructure improvement, and risk-exposure analyses that encompass hurricanes, earthquakes, and water stress impacts.</p>
Business impact of unforeseen ethical, social, and environmental regulations	<p>Our Government Affairs; Human Resources; Communications; Environmental, Health, and Safety; and Procurement groups monitor relevant regulations in global markets. Our Legal and Compliance teams advise on compliance. We share our perspectives with industry organizations and regulators and prepare for potential and emerging regulations. For example, in FY23, we held a leadership role on a National Academy of Medicine (NAM) working group to help drive the decarbonization of the health sector.</p>
Failure to meet stakeholder or regulatory expectations of our ESG performance	<p>We strive to meet or surpass expectations and requirements in our ESG and sustainability performance. We actively solicit input from stakeholders concerning our performance related to product stewardship, human rights, ethical conduct, environmental responsibility, climate change, healthcare access, ID&E, and more.</p> <p>Annual and transparent communications on our ESG performance are key to meeting stakeholder expectations. During the development of our annual Sustainability Report, we assess our ESG disclosures for alignment with best practices and evolving stakeholder needs. We are enhancing our data collection and reporting processes in preparation for emerging regulatory expectations.</p>

DRIVING VALUE THROUGH ESG

Opportunity	Response
<p>Leading the industry in meaningful innovation; patient-centered, insight-driven healthcare; value-based partnerships; and business efficiency</p>	<p>We stay alert to emerging technological innovations and invest in research and development to bring effective, value-driven products and services to market. For example, our technology development centers (TDC) provide critical research and development (R&D) innovation for our operating units. As of FY23, we had seven TDCs globally that advance technology for the future in the areas of microelectronics, batteries, cardiac and neuromodulation implantables, textiles, robotics, and image-guided navigation.</p> <p>We work across healthcare pathways to develop efficient, effective systems and business models.</p> <p>We combine scientific and medical intelligence to advance innovation that impacts patients' lives.</p>
<p>Increasing accessibility and availability of our products and services</p>	<p>We form bold, impactful partnerships with local, national, and international organizations to accelerate global access to lifesaving therapies.</p> <p>We invest in programs to improve healthcare infrastructure and educate patients and healthcare professionals. For example, in FY23, we doubled our fleet of Mobile LABS to expand training to more healthcare providers across the United States.</p> <p>Our Diversity in Clinical Trials team works to make patient enrollment in clinical trials reflect the makeup of the populations we serve, enhancing equity in healthcare.</p>
<p>Deepening support and expanding growth opportunities for our employees</p>	<p>We make robust and broad-ranging professional development programs available to all employees, and we champion ID&E throughout our organization and in our communities.</p> <p>We recognize and reward employees' talents and dedication through competitive pay and comprehensive benefits. These efforts help us attract and retain diverse top talent so we can continue to offer innovative healthcare solutions. In FY23, we invested in a pay equity analysis and found that, for the third consecutive year, we achieved 100% gender pay equity and ethnically diverse pay equity in the United States.</p>
<p>Capturing cost savings and building organizational resilience through environmentally responsible operations</p>	<p>We work to increase the proportion of our operational energy supply from renewable sources and on-site generation. Doing so lowers costs, reduces our carbon footprint, and makes our business more resilient to external shifts in energy pricing and supply. In FY23, we saved 6,300 MWh through energy efficiency projects, reducing annual operating costs by \$2.1 million.</p> <p>We implement new programs and improved practices targeting water conservation and reducing the waste generated by our manufacturing and commercial locations.</p>
<p>Maintaining open engagement with community organizations, nonprofits, patients, and health systems</p>	<p>We work to open dialogue across our value chain to listen, learn, and adapt our response to what is right for the community and address issues of inequity worldwide. For example, in FY23, Medtronic LABS continued to partner with national, state, and local governments to deliver results aligned with government priorities and patient needs. This includes establishing a strong partnership with the Africa Centres for Disease Control and Prevention (CDC) to support healthcare in the African Union.</p>
<p>Meeting customer demand for more sustainable products and services</p>	<p>We prioritize product quality, safety, and reliability and seek opportunities to reduce product environmental footprints. To achieve this, understanding the total product life cycle is key. In FY23, we expanded the capability of our Sustainability Development Center to include life cycle assessment.</p> <p>We align our product stewardship activities with relevant standards and regulations.</p>

Stakeholder engagement

Collaboration and communication are essential to carrying out our Mission. We talk to, work with, and learn from our stakeholders and peers in several ways to amplify our impact. Specifically, we:

- Share information, hold ourselves accountable, and seek feedback on our approach and performance.
- Communicate our expectations and standards to employees, suppliers, and partners.
- Share expertise and knowledge through training and capacity building.
- Volunteer and give through Medtronic Foundation programs and other channels.
- Collaborate externally to develop new products and broaden healthcare access.

Environmental, social, and governance (ESG) covers a network of complex, interconnected issues spanning companies and industries. To drive our progress and facilitate broader adoption of ESG principles, we engage with a wide range of external and internal stakeholders. In FY23, we partnered with 3BL to cohost an ESG Forum that brought together external ESG leaders from peer companies to exchange ideas and best practices for critical dialogue on a diverse range of environmental sustainability and social impact issues. We engaged in lively discussions about collaborative solutions to some of the biggest challenges facing people and the planet today.

The table to the right shares additional examples of our stakeholder engagement in FY23 and the resulting outcomes. More examples are provided throughout this report.

KEY FY23 STAKEHOLDER ENGAGEMENT

Stakeholder	Activities	Outcomes
Healthcare professionals	Integrated customer feedback on product design and sustainability	Investigated alternatives to emerging materials of concern such as polyvinyl chloride (PVC) and phthalates Introduced last-mile customization for Attesta™ pacemakers after doctors expressed concern over the volume of packaging, saving an estimated five tons of plastic and 20 tons of paper annually
	Invested \$66 million in healthcare professional training	Trained more than 493,000 medical professionals
Patients and patient advocacy groups	Served on the boards of industry organizations such as AdvaMed, APACMed, and MedTech Europe	Worked to advance global health by collaborating with patient advocacy groups and industry trade organizations
	Spent \$220,000 on education for patients	Helped patients stay up to date with current treatments and technology to help them achieve better outcomes
Shareholders	Held quarterly calls about business health, including updates to our innovation pipeline and ongoing response to global issues Conducted ongoing dialogue with many of our institutional investors and held specific conversations regarding input on governance, executive compensation, and strategic issues	Incorporated feedback into our decision-making processes
Suppliers and distributors	Hosted a series of small, commodity-specific workshops and matchmaking events to prepare diverse suppliers to address specific business needs	Spent \$3.5 billion with small and diverse suppliers in FY23
	Assessed emissions data for 82 suppliers through CDP Supply Chain	Gained insight into the climate impacts from the goods and services we purchase

KEY FY23 STAKEHOLDER ENGAGEMENT

Stakeholder	Activities	Outcomes
Employees	Engaged employees through our Environmental Action Group (EAG) to support decarbonization goals	Completed four projects including a project to adjust travel policy to help travelers make more informed and responsible travel decisions Grew EAG to over 1,400 members in 15 active chapters worldwide
	Invested more than \$51.9 million on learning and development – an average of \$517 per employee	Provided employees access to new tools and resources for learning and training Received survey feedback that 91% of responding employees feel proud to work at Medtronic
	Supported learning, community events, and tailored development activities for all dimensions of diversity through our employee resource groups (ERGs) and Diversity Networks	Achieved world class scores for employee engagement and inclusion Engaged 35,800 employees across 75 countries through our ERGs and Diversity Networks
Government regulators and policymakers	Continued working with governments, peers, and other stakeholders	Helped to shape the digital health policy landscape and inform public policies aimed at narrowing disparities in healthcare access
Nongovernmental organizations	Joined the Global Health Equity Network (GHEN), a World Economic Forum initiative	Signed the Zero Health Gaps Pledge , committing to drive progress toward health equity across workforce, company, and communities by 2050
	Held leadership roles on supplier-diversity-focused industry groups hosted by nongovernmental organizations	Evaluated and advanced programming that drives supplier diversity in healthcare
	Signed a commitment letter with the Science Based Targets initiative (SBTi)	Committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by SBTi
Local communities	Continued to revolutionize community-based care with the power of digital health and data alongside governments and health systems through Medtronic LABS	Expanded Medtronic LABS with new programs in Tanzania, Sierra Leone, Rwanda, and Bhutan and broadened its reach in Kenya, Ghana, and India
Peers and partners	Launched the Medtronic Neurovascular Co-Lab™ Platform	Continued to bring together innovators, entrepreneurs, and physicians to collaborate, enhance, and share their breakthrough concepts to accelerate innovation in stroke treatment
	Collaborated with Zydus Hospitals to build a stroke care network in Gujarat, India	Promoted the timely diagnosis and treatment of stroke patients by facilitating the use of AI and providing tools and technologies to support the education and training of doctors in remote hospitals
	Shared packaging design improvements with healthcare sector peers at conferences including the MedTech Conference, the Packout, and the National Academy of Medicine	Contributed to upcoming publications on sustainable packaging materials and provided input to the UN Global Plastics treaty
	Medtronic and the Medtronic Foundation partnered with others to support disaster relief efforts	Activated \$1.2 million through Medtronic and the Medtronic Foundation in response to natural disasters, including earthquakes in Turkey and Syria




Contribution to the Sustainable Development Goals

Our ESG efforts drive progress toward the United Nations' Sustainable Development Goals (SDGs). Highlights of FY23 ESG initiatives that most strongly align with the SDGs are shared throughout the report and summarized in the tables.

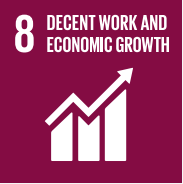






THE GLOBAL GOALS
For Sustainable Development

KEY FY23 CONTRIBUTIONS TO THE SDGs

SDG	What we do	Our FY23 impact
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We create breakthrough medical outcomes for patients and health systems and improve access to vital treatments and therapies, transforming the lives of two people every second of every hour of every day. Our efforts transform standards of quality care, drive economic value, and dismantle structural and social barriers to health equity.</p>	<ul style="list-style-type: none"> Served 74 million+ patients, helping to address some of the world's most complex noncommunicable diseases Spent \$66 million on education for medical professionals, training more than 493,000 individuals on cardiovascular disease, cancer, diabetes, respiratory disease, and more Medtronic LABS screened more than 398,000 patients globally in FY23, working to diagnose and treat chronic conditions such as hypertension, diabetes, and ear disease
 <p>4 QUALITY EDUCATION</p>	<p>We support STEM education through nonprofit partnerships providing programming, scholarships, and internships.</p>	<ul style="list-style-type: none"> Sustained partnerships between Medtronic Foundation and 25 STEM organizations in FY23, with the Foundation committing more than \$22 million in support of its STEM portfolio Provided 222 scholarships to scholars through partnerships with 10,000 Degrees, the Society of Hispanic Professional Engineers (SHPE), the Thurgood Marshall College Fund (TMCf), and Wallin Education Partners 77 interns joined us through our partnerships with TMCf and SHPE
 <p>5 GENDER EQUALITY</p>	<p>We innovate to improve the health of all women through our therapy design and research. We support women talent through our hiring practices and in our broader ID&E efforts.</p>	<ul style="list-style-type: none"> Achieved 43% women representation in global manager-and-above positions in FY23, toward our goal of 45% by FY26 Achieved 100% gender pay equity in the United States and 99% globally Achieved 36% women representation on our board of directors Spent \$732.8 million with women-owned businesses

KEY FY23 CONTRIBUTIONS TO THE SDGs

SDG	What we do	Our FY23 impact
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We work to eliminate economic inequities by contributing to sustainable economic growth. We employ and develop talent from underrepresented communities, protect human rights in our supply chain, support diverse suppliers, and extend our economic impact through volunteerism.</p>	<ul style="list-style-type: none"> Spent \$3.5 billion with small and diverse-owned suppliers through our Supplier Diversity Program, supporting nearly 30,000 jobs and generating \$6.4 billion in economic production activity[†] Employed 95,000+ people full-time in 150+ countries, adding \$5.9 billion in salary and wages to local economies Achieved 28% representation of ethnically diverse talent in manager-and-above positions in the United States, toward our goal of 30% by FY26 Trained 380 employees on Responsible Supply Management topics including labor, human rights, human trafficking, and slavery
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>We partner with community experts to build cutting-edge healthcare technologies and promote inclusive and sustainable local innovation. The infrastructure we invest in contributes to a resilient, sustainable health system and fosters the next generation of talent in emerging markets.</p>	<ul style="list-style-type: none"> Invested \$2.7 billion in R&D, totaling more than \$10 billion in the last four years Advanced our product pipeline with 230 product regulatory approvals in major geographies[‡] Designed and built our new distribution center in Rolo, Italy, with 290 kW of solar energy generation capacity, electric vehicle charging stations, a rainwater recovery system, green areas, and energy and lighting optimization systems
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>We strive to maximize patient safety and reduce the environmental footprint of our operations, product design, and manufacturing.</p>	<ul style="list-style-type: none"> Collected 5.8 million products and diverted 202 metric tons of product waste from landfill Saved five tons of plastic and 20 tons of paper annually through last-mile customization for Attesta™ pacemakers Expanded our optimized ethylene oxide (EtO) sterilization cycle to five sites
 <p>13 CLIMATE ACTION</p>	<p>We recognize the connection between a healthy planet and human health, and we work to find innovative ways to reduce our carbon footprint.</p>	<ul style="list-style-type: none"> Reduced operational carbon intensity by 35% relative to our FY20 baseline Committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by SBTi Sourced 31% of energy from renewable sources[§] Completed 71 projects to increase energy efficiency, saving 6,300 MWh of energy and \$2.1 million in operating costs annually Held a leadership role in the National Academy of Medicine Action Collaborative on Decarbonizing the U.S. Healthcare Sector
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>To drive greater collective change inside and outside the healthcare industry, we partner with businesses, the UN, health systems, and local governments.</p>	<ul style="list-style-type: none"> Joined the Global Health Equity Network (GHEN), a World Economic Forum initiative that brings together the public and private sectors to drive change in health Organized a panel at the UN's celebration for Universal Health Coverage to discuss health equity Medtronic LABS joined the WHO Global Diabetes Compact to partner with other voices in improving diabetes care globally

[†] Supplier.io employs the IMPLAN input-output model in developing estimates of spend, income and employment impacts, at the direct, indirect, and induced levels. Pandemic supply shortages and government stimulus policy followed by the recovery of our economy resulted in a decline in jobs and taxes despite an increase in economic production activity. Differing from previous years, this year's Economic Impact data (i.e. economic production activity, taxes, jobs, wages) does not include small and diverse spend from Puerto Rico.

[‡] Major geographies include China, Europe, Japan, and the United States.

[§] Annual progress is cumulative and represented as the growth in sourcing over the FY20 baseline year. Value includes purchased renewable electricity credits

Environmental impact

People can only live their healthiest lives on a healthy planet. We drive climate action within our operations, supply chain, and industry; reduce our environmental footprint; and build our products to be more sustainable.

- FY23 environmental impact highlights
- Climate risk and resilience
- Reducing our operational footprint
- Product stewardship

Image of Aoraki/Mount Cook National Park, New Zealand, taken by Lauren Seitz, Senior Materials Engineer at Medtronic and our 2023 Environmental Action Group Earth Week photo contest winner.



FY23 highlights

Committed

to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative¹

35% reduction in operational greenhouse gas emissions intensity compared to our FY20 baseline

17% reduction in waste intensity compared to our FY20 baseline, exceeding our goal of 15% by FY25

6,300 MWh of energy and \$2.1 million in operating costs saved through energy efficiency projects

20,000 MWh expected in additional renewable electricity generation capacity next year from 19 in-progress renewable projects

5.8M products taken back, diverting 202 metric tons of waste from landfill



¹ Commitment was made March 15, 2023.

Climate risk and resilience

Climate change affects our business, the healthcare industry, and the millions of patients we serve. Through an enterprise strategy, we mitigate risks, build resilience, and reduce emissions throughout our value chain.



Adding business value

Climate action helps us rise to meet evolving investor, customer, and regulatory expectations. By assessing business risks from climate change, we mitigate potential disruptions and strengthen the resilience of our operations. We also acknowledge that our business impacts the environment, so we set targets to reduce emissions and promote renewable energy adoption and waste reduction within Medtronic and throughout the healthcare sector.

We recognize the risks that climate change poses to human health and long-term global financial stability. Through partnerships with England's National Health Service and the U.S. National Academy of Medicine, we have solidified our dedication to reducing environmental impacts from the healthcare sector.

In FY22, we announced our [Decarbonization Roadmap](#) which outlines our ambition to achieve operational carbon neutrality by FY30 and net-zero emissions across Scopes 1, 2, and 3 by FY45. To drive progress, we are scaling up renewable energy use, enhancing energy efficiency, and, through [CDP's Supply Chain](#) program, partnering with suppliers to report their emission reduction activities. With these efforts, we are taking steps to reduce our direct and indirect emissions, build the resiliency of our supply chain, and achieve our goals.

In FY23, we reinforced our pledge to achieve our ambitions and harness the most up-to-date climate science. Through the [Science Based Targets initiative](#) (SBTi), we **committed** to:

- Set near-term science-based emission reduction targets in line with SBTi criteria and recommendations.
- Set long-term science-based targets to reach net-zero value chain greenhouse gas (GHG) emissions by no later than 2050, in line with the SBTi Net-Zero Standard.
- Submit our near-term and net-zero targets to SBTi for validation within 24 months.
- Join the Business Ambition for 1.5°C and the Race to Zero campaigns.

Commitment to climate action

On March 15, 2023, Medtronic submitted a Letter of Commitment to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by SBTi. These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement's 1.5°C warming scenario. We join over 4,600 organizations that are setting ambitious targets grounded in climate science to achieve carbon neutrality.

SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wildlife Fund for Nature (WWF) that drives ambitious climate initiatives in the private sector. [Read more about SBTi here.](#)

The healthcare sector is responsible for roughly 4.5%¹ of net global climate emissions. While we are committed to reducing impacts from our own operations, we know collective action is needed to drive meaningful, industrywide change. We collaborate with the National Academy of Medicine (NAM) to spur widespread efforts, and our executive vice president (EVP) for global operations and supply chain leads a NAM working group that drives carbon reductions in healthcare supply chains.

To learn more about our climate-related risks and opportunities, read our [FY23 Taskforce on Climate-related Financial Disclosures \(TCFD\) report](#), [2023 CDP Climate disclosure](#), and [Corporate Climate Change Statement](#). Read more about our decarbonization activities and emissions reduction efforts in [Reducing our operational footprint](#).

¹ This estimate is based on a [2020 study](#) by Eckelman et. al.

Reducing our operational footprint

We are dedicated to protecting the communities where we live, work, and operate. Our **Environmental, Health, and Safety (EHS) Policy** guides our approach to minimizing operational impacts, and our global EHS and Energy teams implement our reduction strategies for emissions, energy, water, and waste.

35%

reduction in operational greenhouse gas (GHG) emissions intensity compared to FY20

17% reduction in waste use intensity compared to our FY20 baseline, exceeding our goal of 15% by FY25

9% reduction in water use intensity compared to our FY20 baseline

6% reduction in energy intensity compared to our FY20 baseline

Adding business value

Proactively managing our natural resource use enables us to manufacture products more efficiently, increase the resiliency of our supply chain, and meet the expectations of our global stakeholders on environmental issues.

Environmental goals

We continue to pursue our FY25 goals to reduce our environmental footprint.

PROGRESS TOWARD OUR GOALS

(Compared to FY20 baseline)[†]

	FY21 progress	FY22 progress	FY23 progress	FY25 goal
Reduction in GHG emissions intensity ^{‡§}	6.5%	25.3%	35.0%	50%
Reduction in energy intensity	4%	9%	6%	20%
Energy sourced from renewable and alternative sources ^Ω	15%	33%	31%	50%
Reduction in water usage intensity	8%	14%	9%	15%
Reduction in waste intensity	14%	14%	17%	15%

[†] FY20 baselines are: GHG emissions intensity 12.6 metric tons CO₂e/\$ million revenues; energy use intensity 30.2 MWh/\$ million revenues; energy sourced from renewable and alternative sources 24.5%; water use intensity 72.36 cubic meters/\$ million revenues; and total waste intensity 1.2 metric tons/\$ million revenues.

[‡] The percent reduction includes actual reductions and purchased credits, normalized by revenue.

[§] Medtronic GHG emissions for FY20 (baseline) - FY22 have been adjusted to include previously undisclosed non-energy GHGs. Our FY23 data was **assured** by ERM CVS.

^Ω Annual progress is cumulative and represented as the growth in sourcing over the FY20 baseline year. Value includes purchased renewable electricity credits.

Employee-driven climate action

Thanks to the passion and dedication of our employee-led Environmental Action Group (EAG), we completed four projects and have an active pipeline of 11 more. As a result of a collaboration between the EAG and our Global Travel Team, in FY23, we added emissions data into our travel booking tool, adjusted our travel policy to encourage emissions considerations, and created an emissions equivalencies chart that helps travelers make more informed and environmentally-conscious travel decisions.

Started in FY22, the EAG connects employees with a shared passion for fostering a more environmentally-conscious culture and sustainable work practices at Medtronic. The EAG has grown to over 1,400 members across 15 chapters globally. Ten additional chapters are upcoming.



Curbing emissions and energy use

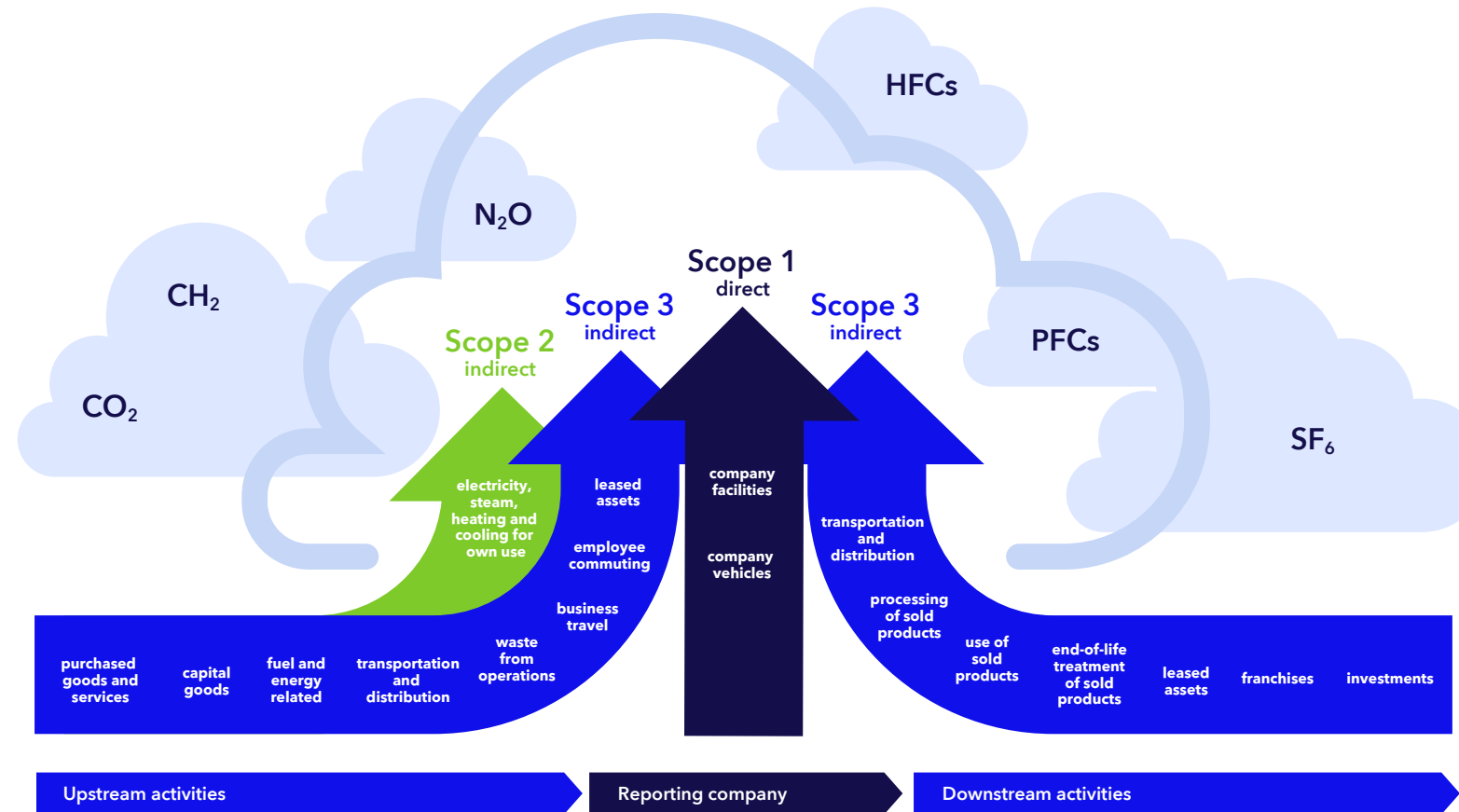
Net zero and decarbonization

We aim to achieve carbon neutrality in our operations by FY30 and net zero across our value chain by FY45. In FY23, we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by SBTi. These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement's 1.5°C warming scenario.

Our **Decarbonization Roadmap** covers our Scope 1 (i.e. facility and fleet fuel use), Scope 2 (i.e. operational electricity consumption), and Scope 3 (i.e. upstream and downstream activities).

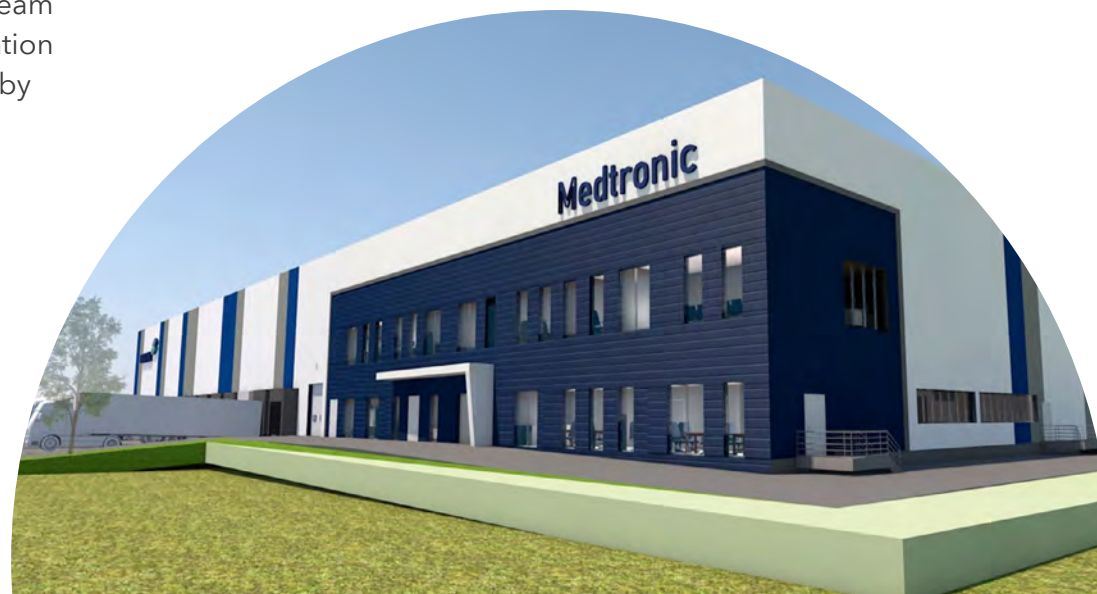
- **Operational carbon neutrality by FY30** – We plan to neutralize our Scope 1 and 2 emissions by increasing energy efficiency, electrifying activities to reduce fuel use, and transitioning to cleaner, more renewable sources of energy.
- **Supplier collaborations** – We will reduce our Scope 3 emissions from purchased goods and services by adjusting purchasing criteria, collaborating with suppliers, and more.
- **Logistics improvements** – We will curtail our Scope 3 emissions from upstream and downstream transportation and distributions through innovation in packaging, shipping, fuels, and vehicles and by working with aligned carriers.

SCOPE 1, 2, AND 3 EMISSIONS



- **Scope 1**
All direct GHG emissions from fuels and refrigerants
- **Scope 2**
Indirect GHG emissions from consumption of purchased electricity, heat, or steam
- **Scope 3**
Other indirect emissions, such as the extraction and production of purchased materials and fuels, procured transport-related services, electricity-related activities (e.g., T&D losses) that are not covered in Scope 2, outsourced activities, waste disposal, etc.

Source: Greenhouse Gas Protocol



Eco-conscious design at our new warehouse in Rolo, Italy

Our new distribution center in Rolo, Italy, was designed and built with the environment in mind. The 150,500 square-foot facility boasts 290 kW of solar energy generation capacity, electric vehicle charging stations, a rainwater recovery system, green areas, and energy and lighting optimization systems. Its heating, ventilation, and air conditioning system will run almost entirely on renewable energy generated on-site. This project demonstrates the many areas we target for impact reduction and highlights our commitment to environmentally conscious operations that make our business more resilient.

GHG emissions

We continue to make progress on both absolute and intensity reduction efforts for Scope 1 and 2 emissions. Our FY23 combined Scope 1 and 2 footprint amounted to approximately 256,700 metric tons of carbon dioxide equivalent (MTCO_{2e}),¹ a 14% absolute decrease from the previous year and a 13% decrease in intensity over the same period. An independent third-party provider completed a compliance review and provided a [Letter of Assurance](#) for our FY23 emissions data.

Supply chain

In the United States, GHG emissions are concentrated in the supply chain, with Scope 3 emissions contributing approximately four-fifths of the total GHGs from the healthcare sector.² Understanding the significance of the supply chain’s contributions to healthcare sector emissions, we collaborate with our suppliers to reduce emissions.

Direct emissions from suppliers – their Scope 1 and 2 – contribute to our Scope 3 total. We encourage supplier participation in reduction activities, reducing our upstream emissions and supporting achievement of our suppliers’ own goals.

In FY23, 82 of our suppliers, representing roughly 54% of our total spend, submitted emissions data to [CDP Supply Chain](#). Of the responding suppliers, 48% shared verified Scope 1 and 2 emissions and an additional 36% and 35% reported unverified Scope 1 and 2 emissions, respectively. We gained valuable insights about disclosing suppliers from this first year of reporting, including:

- 32% established a transition plan aligned with a 1.5°C climate scenario, and another 37% have plans to develop one within the next two years.
- 76% have emissions reductions initiatives in place.
- 71% are pursuing absolute and/or intensity reduction targets.
- 27% have SBTi-validated targets and 10% have committed to submit targets to SBTi for validation.
- 18% require climate commitments in their own suppliers’ contracts.

This information will be used to support our supplier engagement activities that encourage suppliers to set science-based targets, publicly disclose emissions via CDP Supply Chain, and increase their use of renewable energy. To learn more about how we engage suppliers on environmental management, read [Supply chain responsibility](#).

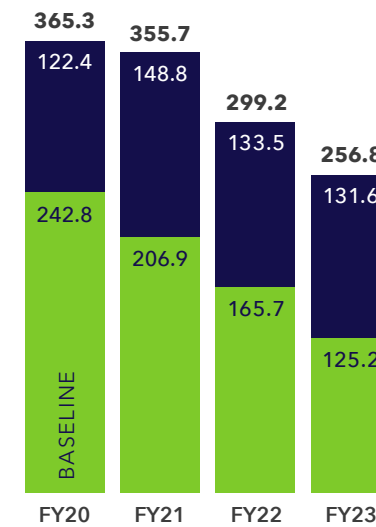
35%

reduction in GHG emissions intensity compared to our FY20 baseline

¹ Total Scope 1 and Scope 2 (market-based) emissions, including RECs, GOs, and carbon offsets.
² This claim is based on a [2020 study](#) by Eckelman et. al.

GHG EMISSIONS (ABSOLUTE)^{†‡}

MTCO_{2e} (thousands)



GHG EMISSIONS (INTENSITY)^{†‡}

MTCO_{2e}/\$ million revenue



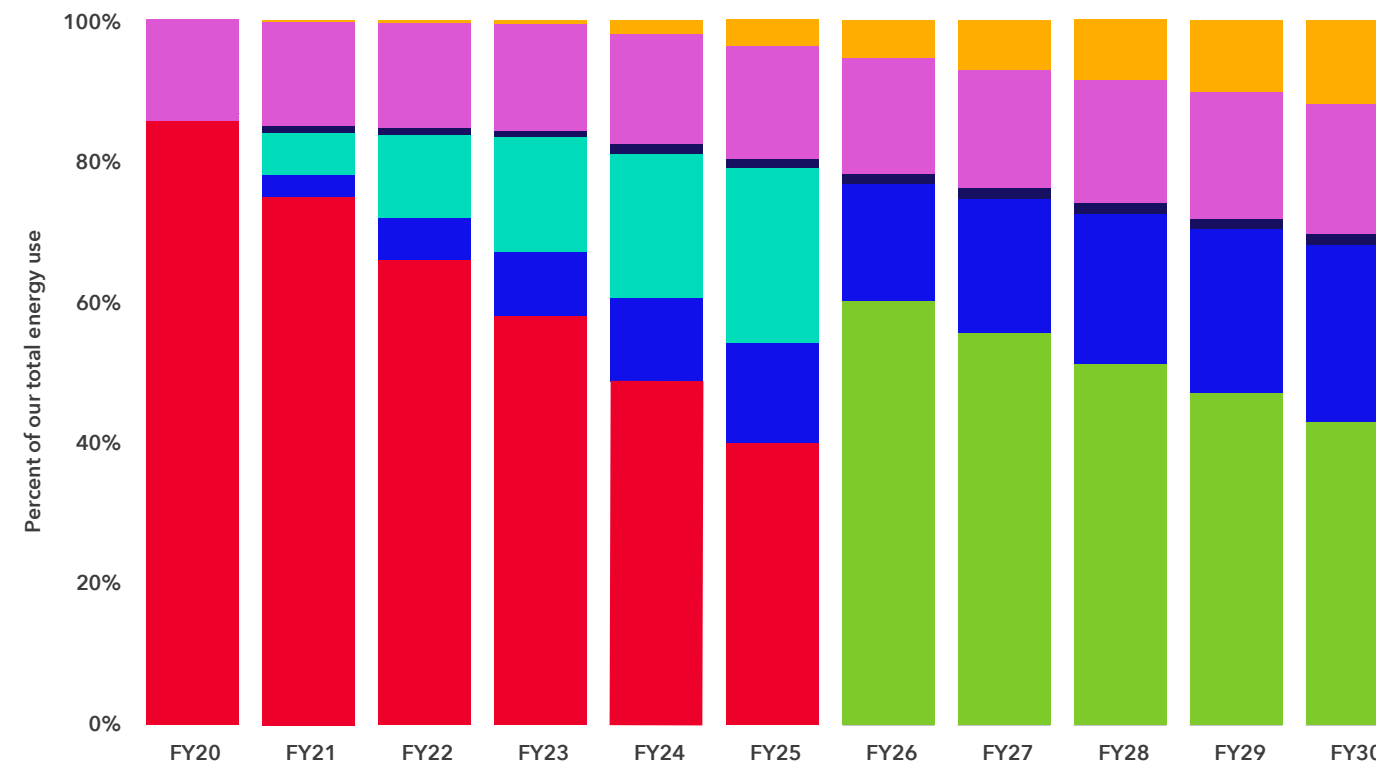
- Scope 1 (natural gas, LPG, diesel, gasoline, fuel oil, and refrigerants)
- Scope 2[§] (electricity, district cooling)

[†] GHG emissions for FY20-FY22 have been restated from previous reports to include previously undisclosed non-energy emissions. Our FY23 data was [assured](#) by ERM CVS.

[‡] Totals may not add up due to rounding.

[§] Scope 2 calculated following market-based methodology.

OUR PATH TO CARBON NEUTRALITY^Ω



- Energy efficiency
- Off-site renewable electricity
- On-site renewable electricity
- Electricity RECs
- Carbon offsets
- Virtual power-purchase agreements (VPPA)
- Fossil fuel energy

^Ω Updated January 19th, 2023.

Energy management

We continuously look for opportunities to conserve energy across our operations globally. Since FY20, we have completed more than 240 energy conservation projects that have collectively saved approximately \$10 million in operating costs. In FY23, we completed 71 projects to increase energy efficiency. These projects result in annual savings of 6,300 MWh of energy and \$2.1 million in operating costs.

To help understand current site performance, we implemented an energy, water, and GHG emissions analytics tool for 98 Medtronic facilities. The tool closely tracks our progress in each of these areas and helps us identify improvements, set site-specific emissions targets, and prioritize projects for the greatest impact. Additionally, we conducted 11 energy efficiency assessments to find site-level opportunities and implement projects. In FY23, the assessments identified nearly 80 opportunities to improve efficiency through lighting, heating, ventilation, cooling, and chilling water upgrades. Our Global Energy and Corporate EHS teams oversee the program and facilitate best practice sharing between facilities.

Renewables and on-site generation

Our long-standing commitment to sourcing and generating renewable energy predates our net-zero ambition and forms a key component of our path to carbon neutrality. We have invested in a diversified portfolio of low-carbon energy sources by purchasing green electricity from the grid, generating our own renewable electricity on site, leveraging renewable energy credits and carbon offsets, and pursuing virtual power-purchase agreements (VPPA).

In FY23, we used approximately 414,300 MWh of renewable electricity – nearly 46% of our total energy usage. This accomplishment was in part due to eight new

ENERGY CONSERVATION

	FY21	FY22	FY23
Energy conservation projects (#)	82	63	71
Energy conservation savings (MWh/year)	16,564	16,387	6,300
GHG emissions avoided (MTCO _{2e})	12,657	11,972	2,016
Savings from energy rebates (\$ million)	0.90	0.65	0.45
Operating cost savings (\$ million)	2.2	2.9	2.1

ENERGY USE

MWh (thousands)

	FY20	FY21	FY22	FY23
Non-renewable energy	788	779	762	482
Renewable energy	109	109	137	414
Total energy use	897	888	899	896 [†]
% renewable energy	12.1%	12.3%	15.2%	46%

[†] Our FY23 total energy use was **assured** by ERM CVS.

on-site solar arrays and one aquathermy project installed at Medtronic facilities around the globe, totaling 7 MW of new on-site generation capacity. Also, in FY23, we developed and constructed natural gas trigeneration capacity at four sites in Puerto Rico to be completed in FY24 that will collectively generate nearly 34,000 MWh of electricity annually. With these new FY23 projects and our existing on-site generation capacity, we produced almost 92,000 MWh of energy on-site across our global operations, an increase of 13% compared to FY22. In FY24, 10 more projects will come online and contribute an additional 9 MW of solar generation capacity.

As part of our efforts to expand renewable electricity use, we are electrifying sites around the world. In FY23, we approved projects to transition our Ireland and Italy sites to 100% renewable energy, amounting to approximately 89,000 MWh. While we work to establish more VPPAs and increase our renewable energy procurement, we purchase offsets, guarantees of origin, and renewable energy credits (REC) to mitigate operational emissions. In FY23, our carbon offset and REC purchases totaled nearly 34,000 MTCO_{2e} and 165,500 MWh, respectively.

Medtronic Pharma Laboratory achieves Gold Status My Green Lab Certification

The Green Labs team at the Medtronic Galway Pharma Laboratory is committed to a more sustainable future. The team implemented strategies to reduce the lab’s environmental impact, including recycling projects, chemical use reductions, and streamlined waste disposal. Thanks to these efforts, the Pharma Laboratory became the first Medtronic lab to receive **My Green Lab Certification**, thus setting a new global standard for sustainability within our workspaces. The team’s achievements are a step towards attaining carbon neutrality in our operations by FY30 and net-zero emissions by FY45.

Inspired by this success story and driven by our mindset of “Delivering results...the right way,” Medtronic Global Lab Services management will roll out similar projects on a global scale.

OPERATING ON-SITE ENERGY CAPABILITIES

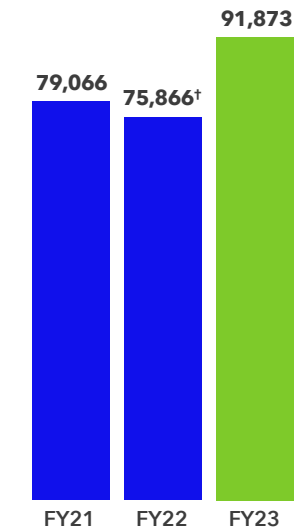
Type of project	Installation date	Energy generated (per year) (MWh)	Location
Cogen	2011	3,723	Athlone, Ireland
Trigen	2012	2,234	Mirandola, Italy
Trigen	2021	8,322	Mirandola-Bellco, Italy
Solar	2014	286	Santa Rosa, CA
Solar	2018	105	Tijuana, Mexico
Solar	2018	900	Kanghui, China
Solar	2019	130	Mirandola-Bellco, Italy
Solar	2021	29	Galway, Ireland
Solar	2021	130	Tolochenaz, Switzerland
Solar	2021	138	Tijuana, Mexico
Solar	2021	585	Mystic, CT
Solar	2021	7,500	Juncos, Puerto Rico
Solar	2022	168	Tijuana, Mexico
Solar	2023	260	Tolochenaz, Switzerland
Solar	2023	339	Tijuana, Mexico
Solar	2023	377	Rolo, Italy
Solar	2023	450	San Isidro, Dominican Republic
Solar	2023	455	Galway, Ireland
Solar	2023	520	Singapore MSO, Singapore
Solar	2023	675	Alajuela, Costa Rica
Solar	2023	1,300	Lafayette, CO
Fuel cell	2014	3,329	Santa Rosa, CA
Fuel cell	2018	12,483	Northridge, CA
Fuel cell	2019	4,161	North Haven, CT
Fuel cell	2021	33,288	North Haven, CT
Aquathermy	2023	9,986	Tolochenaz, Switzerland

UNDER CONSTRUCTION OR IN DEVELOPMENT, ON-SITE ENERGY CAPABILITIES

Type of project	Installation date	Energy generated (per year) (MWh)	Location
Trigen	2024	7,446	Juncos, Puerto Rico
Trigen	2024	7,446	Humacao, Puerto Rico
Trigen	2024	7,446	Villalba, Puerto Rico
Trigen	2024	7,446	Ponce, Puerto Rico
Solar	2024	597	Galway Parkmore, Ireland
Solar	2024	650	Danvers, MA
Solar	2024	750	Tijuana, Mexico
Solar	2024	1,000	Heerlen, Netherlands
Solar	2024	1,300	North Haven, CT
Solar	2024	1,300	Mounds View, MN
Solar	2024	1,300	Fridley, MN
Solar	2024	1,350	Santa Ana, CA
Solar	2024	1,501	Mirandola, Italy
Solar	2024	2,600	Fridley Rice Creek, MN
Solar	2025	750	Tijuana, Mexico
Solar	2025	1,128	San Isidro, Dominican Republic
Solar	2025	1,500	Villalba, Puerto Rico
Solar	2025	1,500	Humacao, Puerto Rico
Solar	2025	3,000	Ponce, Puerto Rico

ON-SITE ENERGY GENERATION

MWh



† The decrease in on-site energy generation between FY21 and FY22 is primarily a result of the retirement of our North Haven, Connecticut, cogeneration capability. This asset is being repurposed for use as an emergency backup generator in the infrequent event of a grid interruption.

OPERATING ON-SITE ENERGY GENERATION

MWh - by source

3,723

Cogen: Cogeneration plants produce electricity and heat, creating two useful forms of energy from a single source.

53,261

Fuel cell: A fuel cell converts the energy from a chemical reaction into electricity.

14,347

Solar: Solar panels convert energy from the sun into power.

9,986

Aquathermy: Aquathermy systems use thermal energy from bodies of water to heat or cool.

10,556

Trigen: Trigenation plants function similarly to cogen, but additionally channel energy into cooling – also called combined chilling, heat, and power.



Water and waste

We reduce our water and waste footprints by focusing on efficiency, minimization, and infrastructure projects across our operations.

Conserving water

While our operations are not considered water intensive, we recognize the global issue of water availability and importance of water conservation. As a concerned and responsible steward, we track water usage at all of our owned sites. All of our manufacturing facilities have set water reduction goals, and data analytics tools aid in tracking progress against their individual targets and our global water intensity reduction goal.

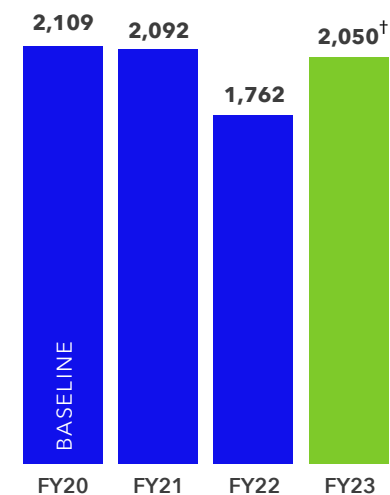
In FY23, we used 2.05 million cubic meters (m³) of water. This represents a 9% reduction in water use intensity compared to our FY20 baseline, putting us on track to meet our FY25 target to reduce by 15%. We received a **Letter of Assurance** from a third party for our FY23 water data.

Learnings from our FY22 water stress assessment, performed using tools from **WRI Aqueduct**, informed our actions in FY23. The assessment reviewed sites that use three million or more gallons of water per year to assign risk scores. We consulted with internal stakeholders from facilities, EHS, and business continuity and risk management to help sites located in severe- or high-risk areas establish plans for managing and responding to water risks. We conduct these assessments every two years to ensure we have appropriate strategies in place. The next assessment will take place in FY24.

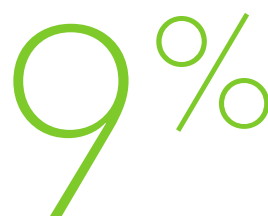
More detail on our water use is available in our [2023 CDP water disclosure](#).

TOTAL WATER USE

Cubic meters (thousands)



[†] FY23 water data was externally assured by ERM CVS.



9% water intensity reduction compared to FY20 baseline

Reducing waste

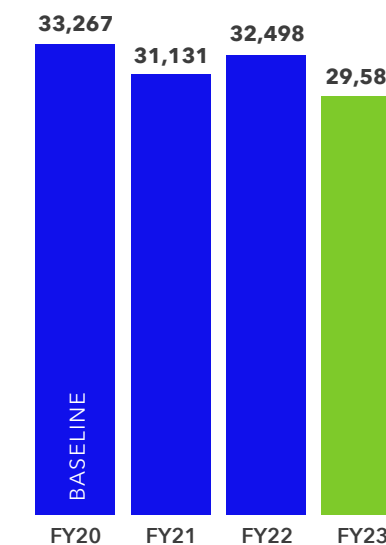
We continue to follow all local, regional, and national laws and regulations governing the management of hazardous and non-hazardous waste. In FY23, we generated approximately 30,000 MT of waste. This represents a 9% reduction from FY22 and an 11% absolute reduction and 17% intensity reduction from our FY20 baseline.

Though we exceeded our FY25 waste reduction target, we continue to identify opportunities to reduce waste sent to landfill through our reuse, recycling, and composting efforts. Our recycling rate in FY23 was 50%, 1.5% less than the recycling rate from FY22. This decrease can be attributed to our efforts to reduce waste generated in FY23.

We proactively manage hazardous waste to comply with local regulations, prevent negative impact to the environment, and reduce liability risks. We also collaborate with third parties to responsibly dispose of waste. For example, to repurpose obsolete equipment, our Australia and New Zealand (ANZ) region partners with Hoxton Industries, an e-waste recycler and social enterprise that employs people who face barriers to mainstream employment. In FY23, we expanded this partnership to additional facilities and increased the volume of waste processed by Hoxton by 40% compared to FY22. To ensure our vendors meet or exceed our standards, we monitor their waste management processes before contracting and throughout our relationship.

TOTAL WASTE GENERATED

Metric tons



17% reduction in waste intensity compared to our FY20 baseline

Diverting waste from landfill in Minnesota

The Waste Reduction Team at our Brooklyn Park, Minnesota facility earned a Medtronic EHS award in FY23 for their successful zero waste to landfill initiative. Their sitewide recycling program has diverted more than 770 metric tons of waste from landfill to recycling over four years, saving Medtronic nearly \$50,000 in landfill costs.

Regulatory compliance

To further our commitment to environmental, health, and safety compliance, 14 of our manufacturing sites are **ISO 14001** certified and an additional two manufacturing sites have received **ISO 45001/OHSAS 18001** certification. We have a thorough EHS audit program that evaluates site-level compliance with applicable regulatory requirements and conformance to the Medtronic EHS management system. The system aligns with industry best practices including the ISO 14001 (environmental management), ISO 45001 (occupational health and safety management), and the Occupational Health and Safety Assessment Series (OHSAS) 18001 (occupational health and safety) standards. Audits are conducted every three or more years based upon EHS risk and site activity. In FY23, we also underwent 23 environmental compliance inspections by relevant authorities.

We continue to manage 24 cleanup sites where remediation is required due to historical discharges that were permissible during past operations. The majority of these sites result from historical acquisitions. Eleven are multiparty sites, meaning Medtronic entities are one of multiple potentially responsible parties addressing site remediation under the applicable state or federal program.

Environmental sustainability assurance

As part of our efforts to drive continuous improvement and provide transparency, Medtronic retained an accredited and competent independent organization, ERM CVS, to assess and verify the environmental sustainability data in our FY23 Sustainability Report, our **FY23 CDP Water Security disclosure report**, and our **FY23 CDP Climate Change disclosure report**.

Having successfully completed this assessment, we proudly acknowledge the receipt of **Letters of Assurance** from ERM CVS for the following:

- **FY23 Sustainability Report - EHS**
- **FY23 CDP Water Security report**
- **FY23 CDP Climate Change report**

One of the eight new on-site solar arrays installed in FY23 sits on top of the carport at our site in Lafayette, Colorado. It provides covered parking and has a generation capacity of 1 MW annually.

Electrifying our company car fleet

In FY22, we launched a pilot program to understand how transitioning from internal combustion engine (ICE) vehicles to electric vehicles (EV) would impact employee satisfaction, total cost of ownership, and our carbon footprint. The U.S.-based initiative switched out ICE company cars for EVs for 11 employees. Through the pilot, we found that the use of EVs increased employee satisfaction, decreased total cost of ownership by \$100,000, and reduced carbon emissions by over 70%. We plan to offer EVs to more drivers, and by the end of FY24, we expect the company car fleet in the United States will be 20% electric.

This pilot adds to our growing international EV fleet. In FY23, we began offering EVs in most Western and Northern European countries, and we plan to expand this offering further in FY24.



Product stewardship

Patient trust in our ground-breaking technology solutions is essential to transforming lives. Our approach to product stewardship is designed to earn and maintain that trust. We achieve a high level of safety and quality while complying with frequently changing regulatory requirements and reducing product environmental impacts.

5.8M

products collected,
diverting 202 metric tons
of waste from landfill



Adding business value

By achieving the highest standards of quality and safety in our products, we enhance our reputation and minimize the risk of events that may damage it. With customer focus on product sustainability increasing, we are reducing the environmental footprint of our products and packaging to proactively meet their expectations.

Sustainability Development Center

Our Sustainability Development Center (SDC), launched in FY22, is dedicated to improving the sustainability of our product packaging and reducing waste.

We have ambitious waste reduction targets that shape our product stewardship priorities and track the success of our initiatives. Our targets focus on high-volume product families – where even a small change to the packaging will have a large effect – and minimizing impacts from Instructions for Use (IFU) to reduce waste and accelerate digitization. In FY23, the SDC validated the environmental benefits achieved from ongoing packaging alterations and developed a packaging evaluation strategy to inform future changes and drive progress toward our targets.

By FY25, we aim to reduce packaging waste by 25% for four¹ targeted high-volume product families² compared to an FY21 baseline. As of FY23, we have achieved a 7% reduction. To drive progress, we eliminated unnecessary packaging components, optimized packaging configurations, and harmonized materials for

multiple product lines within the Spine portfolio. We performed a packaging “teardown” for each product to identify opportunities for change or elimination – helping the SDC prioritize projects and progress toward the FY25 goal.

By FY27, we aim to minimize the impact of IFUs by 35% compared to FY21. During FY23, we went through the rigorous process of weighing and evaluating over 10,000 part numbers to establish our FY21 baseline and identify the top opportunities to meet the FY27 goal. With our baseline solidified, we confirmed that we have reduced paper IFU waste by 1% as of FY23. Our Spine operating unit (OU) contributed to this progress by eliminating over 40 tons of paper via a switch to electronic IFUs (eIFU) for select products. We expect to see significant progress toward this goal in the coming year as changes we have implemented come to fruition.

Understanding the full extent of a product’s impact requires consideration of the total product life cycle. In FY23, the SDC expanded its scope to include life cycle assessment (LCA), facilitating a more holistic approach

to reducing product impact. Before launching our first product LCA, the team is establishing a methodology and identifying an impact database partner.

Aligning our ambitions with our growing capability, we set additional FY30 goals:

- Publish partial LCAs for 100% of products and additionally publish full LCAs for 50% of products
- Convert 50% of eligible product codes to eIFUs within applicable regions
- Integrate circularity and eco-design criteria into the New Product Development process
- Achieve one of the following qualities for 95% of eligible plastic packaging: is industrially recyclable, contains postindustrial recycled content, demonstrates optimized design (by volume, weight, or thickness)
- Reduce packaging for 20 additional high-volume products for a total of 50% reduction against the FY21 baseline

FY25 Goal

Reduce packaging waste by 25% for four targeted high-volume products compared to a FY21 baseline

FY23 progress

7%

FY27 Goal

Achieve a 35% reduction in paper waste for IFUs compared to a FY21 baseline

FY23 progress

1%

¹ Last year, we reported that this goal applied to five product families: Tri-staple, Polysorb, Absorbatack, Spinal Implants, and Pulse Oximeter. In FY23, Pulse Oximeter dropped from this list due to the divestiture of the team responsible for these products. The change will not impede our ability to achieve this goal.

² High-volume product families identified based on weight, material selection, and sourcing.

Collaborating for greater impact

To more broadly drive sustainability in packaging, we collaborate with peers and industry organizations to accelerate the identification, implementation, and scaling of solutions.

In FY23, we shared our packaging design improvements with healthcare sector peer companies at conferences including the MedTech Conference, the Packout, and the National Academy of Medicine. Additionally, we worked with key customers and industry groups to break down sector-wide barriers to medical packaging recycling capability. Thanks to these activities, we have been able to:

- Participate with additional consortiums.
- Contribute to upcoming publications on sustainable packaging materials.
- Share best practices for evaluating packaging sustainability.
- Provide input to the UN Global Plastics treaty.

Minimizing product impacts

Our OUs design products to minimize waste and divert would-be waste from landfill. For example, designing smaller products decreases material demand which, in turn, minimizes waste. We also emphasize extending product life – keeping devices in circulation longer means they are disposed of and replaced by new materials less frequently. Additionally, OUs consider a product’s end of life during development and then build devices to be easily recycled, refurbished, or remanufactured where possible. In FY23, we took back 5.8 million products when patients no longer needed them. This effort directed 202 metric tons of materials back into use, saving raw materials and reducing waste sent to landfill.

Customer feedback informs the design innovations we prioritize, helping us remain a provider of choice while advancing the sustainability of our offerings. In FY23, our Global Operations and Supply Chain team introduced last-mile customization for Attesta™ pacemakers after doctors expressed concern over the volume of packaging coming with each device. Before we employed last-mile customization, devices were packaged with compact disc (CD) and paper instructions in multiple languages. Now, IFUs for Attesta™ are added at local distribution centers and provided only in the relevant language and format for the region. This customization is estimated to save¹ five tons of plastic and 20 tons of paper annually.

¹ Estimate is based on expected sales for the two devices.

202 metric tons collected through take back and diverted from landfill

PRODUCT REGULATIONS

Our ability to deliver lifesaving products and services to our global patient population depends on our adherence to local, national, and international regulations, including, but not limited to:

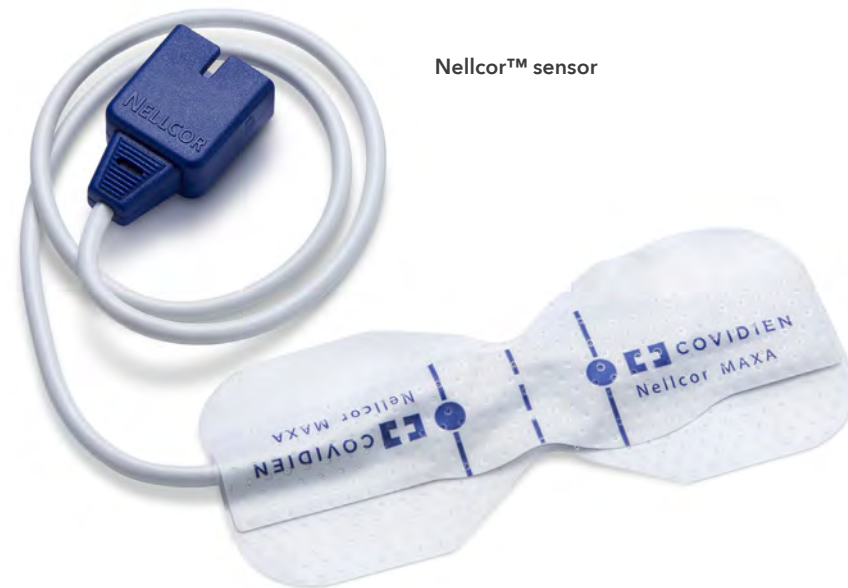


Attesta™ DR MRI SureScan™ pacemaker



PRODUCTS COLLECTED THROUGH TAKEBACK

	FY21		FY22		FY23	
	Number of products	Metric tons	Number of products	Metric tons	Number of products	Metric tons
Nellcor sensors						
Remanufactured	2,458,752	49.6	4,791,039	130.1	2,255,019	41.9
Recycled	1,174,553	32.3	1,226,952	33.9	3,357,659	62.4
Cardiac Rhythm Management patient monitors and accessories						
Refurbished or recycled	82,456	93.8	182,344	101.2	195,215	97.96



Materials of concern

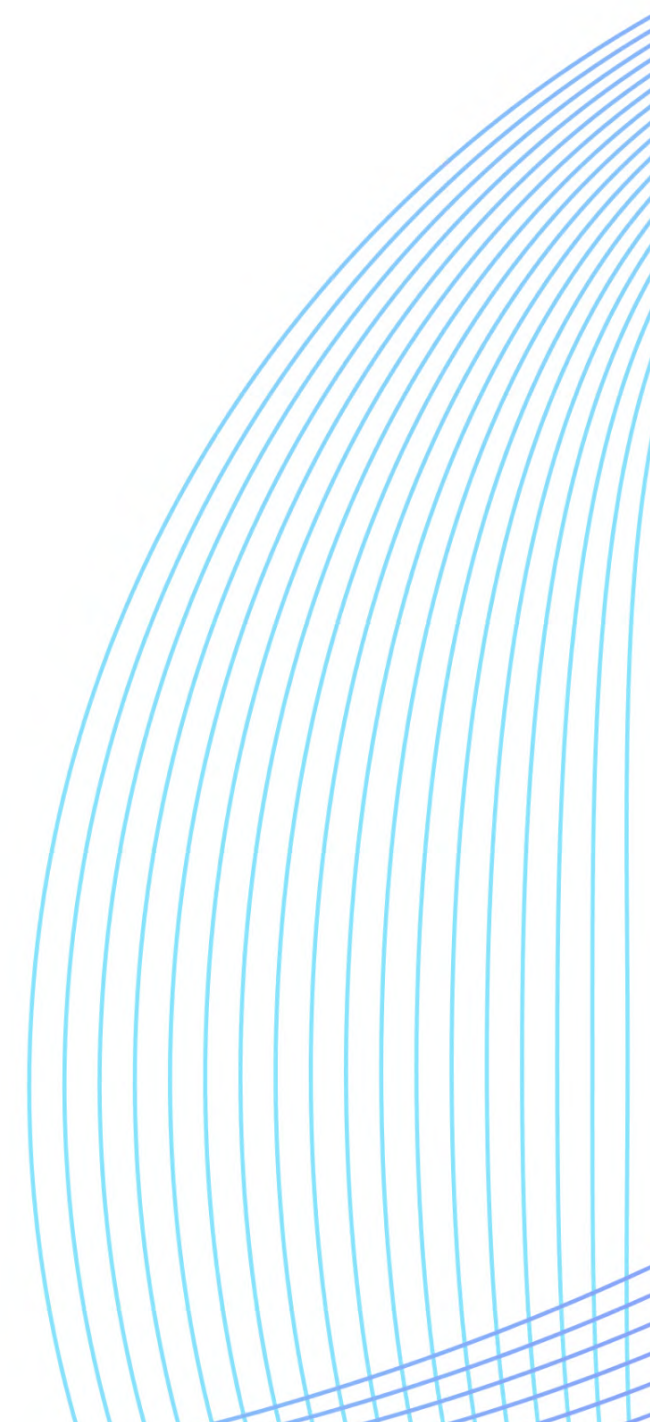
We closely adhere to global regulations governing the use of materials of concern (MOC). If not managed correctly, these substances have the potential to negatively impact people or the environment. Our internal MOC policy guides our approach to evaluating and managing MOC during product development.

Our understanding of how materials impact human and environmental health is always expanding. We take an active approach to managing MOCs to ensure compliance with evolving regulations. In doing so, we mitigate business risks and avoid reputational damage. MOCs may be present in our products when there is no practicable alternative. Even in these cases, our devices meet all relevant safety requirements.

In FY23, we worked to identify alternatives to per- and polyfluoroalkyl substances (PFAS) in anticipation of impending regulations. Also, after healthcare providers expressed concern over emerging MOCs in products, we began designing devices without phthalates and investigated polyvinyl chlorides (PVC) alternatives.

Ethylene oxide management

Ethylene oxide (EtO) is an extremely effective sterilant that can be used safely in a controlled environment. However, it is recognized as a MOC, so we minimize its use when feasible. Following a successful pilot program in FY22, we expanded implementation of our optimized EtO sterilization program to five sterilization sites in FY23. The optimized cycle right-sizes the dose of EtO applied to devices, providing the exact volume needed to deliver a safe, sterile product to patients. We will transition additional sterilization processes to low-EtO cycles going forward. To learn more about our approach to using EtO, visit [our website](#).



Social impact

As a global healthcare technology leader, we prioritize people above all else. Within and beyond Medtronic, we are advancing health equity, driving inclusion, and protecting human rights – all with the aim of achieving better outcomes for our world.

- FY23 social impact highlights
- Global healthcare access
- Philanthropy
- Inclusion, diversity, and equity
- Supporting a global workforce
- Patient safety and product quality
- Data privacy and security
- Supply chain responsibility



FY23 highlights

74M+

patients served

Nearly \$110M in combined philanthropic investment by Medtronic and the Medtronic Foundation

\$66M invested in healthcare capacity building, reaching 493,000+ medical professionals

43% of our global managers are women

28% of our U.S. managers are ethnically diverse

31% increase in U.S. supplier spend with small and diverse-owned companies compared to FY22

100% gender and ethnically diverse pay equity achieved in the United States for the third consecutive year



Global healthcare access

Half of the world's population lacks access to essential healthcare. Our pipeline and technology make prevention, care, and treatment more available and affordable – building a healthier, more equitable world for all.



\$2.7B

invested in R&D in FY23, totaling more than \$10 billion over the last four years

230 product regulatory approvals received across major geographies¹

398,000+ patients screened and more than 1,100 health workers trained by Medtronic LABS

¹ Major geographies include China, Europe, Japan, and the United States.

Adding business value

Inspired by our Mission and powered by our diverse knowledge, insatiable curiosity, and desire to help all those who need it, we deliver innovative technologies that transform lives. This contributes to our global business growth while also improving clinical, economic, and community-level outcomes for patients worldwide, with a focus on underserved and underrepresented communities.

Technology innovation

Extraordinary outcomes are made possible when technology is focused on each individual patient, leveraging the power of advanced computing, smallest-size solutions and hyper-personalization. Through our research and development (R&D) efforts, we're investing in these leading-edge technologies to drive better health access now and in the future. Our approach includes:

- **Emerging technologies** such as advanced computing and innovations in sensors.
- **Evolving trends** in areas such as regenerative medicine, 3D printing, sustainable materials, and new power sources.
- **New applications** for robotics, data analytics, and artificial intelligence (AI).

In FY23, we spent \$2.7 billion on R&D, approximately 8.6% of our annual revenue. This R&D spend is further supplemented by growth investments in smart mergers and acquisitions, minority investments, strategic

OUR INNOVATION PIPELINE

	FY21	FY22	FY23
Total R&D investment (\$ billions)	2.50	2.75	2.70
Clinical studies completed	49	51	45
Active clinical trials during the fiscal year†	244	239	214
Product regulatory approvals in major geographies‡	N/A	200	230

† In FY22, we updated this metric from ongoing clinical trials at the end of the fiscal year to active clinical trials during the fiscal year to provide a more meaningful picture. "Active" refers to any study that is recruiting subjects or is in the follow-up phase (all subjects have been recruited, follow-up visits are ongoing) during the fiscal year.

‡ FY22 is the first year Medtronic disclosed this metric. Major geographies include China, Europe, Japan, and the United States.

GOALS TO EXPAND GLOBAL HEALTHCARE ACCESS

	FY21	FY22	FY23
By FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months (vitality index)	17%	20%	16%
By FY25, strive to serve 79 million patients annually through our increased access strategies§	72.0M	76.3M	74.3M ^Ω

§ Target was adjusted in FY23 after announcement of plans to divest our patient monitoring and respiratory intervention businesses.

Ω The year-over-year reduction in patients served was primarily due to back order/supply chain challenges within our Medical Surgical product portfolio.

partnerships, and more that expand our capabilities and enable us to leverage innovative technologies at scale.

While knowledge of and investment in evolving and established technologies enables us to deliver life-transforming technology and insight-driven care, we also leverage these technologies to aid research and training. In FY23, we continued the use of digital twin technology – virtual representations of devices, physiology, or systems – that use real-time data, simulation, and machine learning to aid our decision-making on potential innovations.

Medtronic is driving a healthier, more equitable world by accelerating the development of, and expanding access to, innovative technology.

Addressing health inequities in aortic stenosis treatment using HCD

Significant disparities exist in the treatment of aortic stenosis. Our Structural Heart operating unit (OU) partnered with several health systems to explore the root causes of these disparities using a human-centered design (HCD) approach. The Innovation Lab supported these efforts by facilitating workshops with physicians and community leaders to identify challenges and co-create potential solutions to address inequities in their health system.

Healthcare providers and community leaders identified over 20 barriers, generated more than 100 solutions, and recognized 57 community partners who could drive these efforts. The Innovation Lab synthesized these findings to determine what barriers and solutions should be prioritized in local action plans based on the needs of healthcare providers and patients in those communities.

We are working toward two targets to further our efforts. Our FY23 progress includes:

- 16% of Medtronic revenue was from products and therapies released in the prior 36 months, progressing toward our target of 20% by FY25.
- 74 million-plus patients served through our increased access strategies, progressing toward our target of 79 million patients annually by FY25.

Our global innovation is supported by our Innovation Lab – a group of strategists, researchers, designers, and facilitators who are passionate about creating the future of healthcare. The group works with teams across the company, advancing our Mission and impact through custom collaborative engagements, proven methodologies, and expertise in HCD. In FY23, the teams completed approximately 65 projects, carried out more than 500 user interviews, and trained approximately 1,100 Medtronic employees in new skills and creative methodologies.

Research and clinical trials

R&D

Our rigorous process of design and development enables us to tailor products and services to unique patient needs. Predictive engineering supported by advanced statistical methodology helps us understand how a product will work in the field, while the use of digital twin systems allows us to model different use scenarios. We also use data science, AI, and machine learning to drive more predictable outcomes for our products.

R&D highlights from FY23 include:

- The MiniMed™ 780G system with the Guardian™ 4 sensor requires no fingersticks while in SmartGuard™ technology¹. This is the only system with Meal Detection™ technology² that provides automatic adjustments and corrections³ to sugar levels every five minutes⁴. The system provides insulin to help account for when users occasionally forget to bolus or underestimate the number of carbs in their meal.
- The Medtronic next generation Micra AV2 and Micra VR2 pacemakers are the world’s smallest pacemakers and provide easier programming and ~40% longer battery life than prior Micra pacemakers.

Our technology development centers (TDCs) provide critical R&D innovation for our operating units. As of FY23, we had seven TDCs globally that advance technology for the future in the areas of microelectronics, batteries, cardiac and neuromodulation implantables, textiles, robotics, and image-guided navigation.

¹ Fingersticks required in manual mode & to enter SmartGuard™. If symptoms don't match alerts & readings, use a fingerstick. Refer to user guide. Pivotal trial participants spend avg of > 93% in SmartGuard™.
² Taking a bolus 15 - 20 minutes before a meal helps to keep blood sugar levels under control after eating.
³ Refers to autocorrect, which provides bolus assistance. Can deliver all autocorrection doses automatically without user interaction, feature can be turned on and off.
⁴ Refers to SmartGuard™ feature. Individual results may vary.

Establishing a medical technology center of innovation

To further strengthen our global R&D and clinical capabilities, in FY23, we announced our plan to establish the Kanghui Changzhou Science and Technology Park in the heart of Changzhou National High-tech District.

Slated to serve as the nexus of medical technology innovation in the area, the 415,000 square foot park will employ more than 1,600 Medtronic team members and will host an array of facilities including a cutting-edge intelligent manufacturing center, a top-tier R&D center of excellence, a dynamic innovation incubation hub, and a dedicated clinical customer center.



“The Micra device is less than three centimeters in size, and it’s so small many people actually even forget that they have a device in place.”

Alan Cheng

M.D. Chief Medical Officer, CRM

Micra™ AV leadless pacemaker

Clinical trials

We take our most promising innovations through systematic preclinical or clinical trials, always taking a human-centered approach. Throughout the development process, we prioritize safety, effectiveness, patient experience, clinical outcomes, and diversity.

The Diversity in Clinical Trials team uses data to uncover inequities in clinical trials and develops toolkits and resources that can be used by employees to address the inequities. We also became a member of [MedTech Color](#), an industry organization advocating for diversity in the medical technology industry, including in leadership and clinical trials. Read more about our efforts on [clinical trial diversity](#).

Anteralign™ spinal system



New regulatory approvals

In FY23, we had approximately 230 product regulatory approvals in major geographies.¹ Highlights include:

- NIM Surgeon Control Probes: Allows surgeons to control key features on the NIM™ system from the surgical fields with stimulating probe.
- AccuRhythm™ AI: A groundbreaking platform that can seamlessly and remotely apply deep learning algorithms to already-transmitting LINQ II™ devices.
- Anteralign™ TL and Anteralign™ LS: 3D printed titanium cage for lateral and anterior lumbar surgery that incorporates Titan™ nanotechnology and navigation compatibility.

Read more about our FY23 approvals in [Medtronic Newsroom](#).

Diversity in clinical trials to advance equitable access to renal denervation

More than a billion people worldwide live with hypertension², with communities of color disproportionately affected. To help address this significant global health challenge, Medtronic undertook a clinical trial program to investigate the potential of renal denervation (RDN), performed with our Symplicity Spyral catheter, to reduce blood pressure. Black Americans, who have a 5x higher mortality rate from hypertension-related diseases compared to their White counterparts, represented 31% of study participants. This representation was aimed to ensure the study's findings would be applicable to the populations most in need of a solution.

Innovative partnerships

To advance our Mission and increase access to our treatments, we partner with peers, innovators, healthcare systems, and others to develop new approaches and deliver solutions matched to local needs.

FY23 partnership highlights include:

- Launching the Medtronic Neurovascular Co-Lab™ Platform, a virtual portal to accelerate innovation in stroke treatment by bringing together innovators, entrepreneurs, and physicians to collaborate, enhance, and share their breakthrough concepts.
- Joining a remote monitoring consortium with Cloud DX, a leading Canadian digital health platform, and other industry peers to create the Continuous Connected Patient Care (CCPC) digital platform, a remote patient monitoring system to improve outcomes and free up urgently needed hospital resources.

- Entering a strategic partnership agreement with CathWorks to expand the use of AI and advanced computational science to transform how coronary artery disease is diagnosed and treated, eliminating the need for drug stimulation and invasive pressure wires.
- Collaborating with Zydus Hospitals to build a stroke care network in Gujarat, India, to promote the timely diagnosis and treatment of stroke patients by facilitating the use of AI and providing tools and technologies to support the education and training of doctors in remote hospitals.

Investment in innovative companies is another route we pursue to increase access to treatments and therapies. Read about our approach to [acquisitions](#).

¹ Major geographies include China, Europe, Japan, and the United States.
² «Source: WHO. Hypertension fact sheet. September 13, 2019. Available at: <https://www.who.int/news-room/fact-sheets/detail/hypertension>. Accessed February 15, 2022.

Affordable healthcare

Our pricing approach

The Medtronic Mission calls us to engineer the extraordinary – products and solutions that can alleviate pain, restore health, and extend life. But engineering alone cannot make them accessible to patients – they must also be affordable. Our Mission-driven pricing programs and policies account for local circumstances and market dynamics, as well as the product’s value to the healthcare system.

The principles of fairness underpin our pricing models, which are aligned with local market environments. Our Healthcare Economics Policy and Reimbursement (HEPR) function oversees our reimbursement strategy across our portfolios. HEPR allows us to adapt to local needs by ensuring close coordination and cooperation across operating units and markets. Additionally, Medtronic has a tiered portfolio of products within select therapies to support access across a wide spectrum of ability to pay in low and lower-middle income countries. This combined approach aligns with Tenet 4 of the Medtronic Mission – to make a fair profit by meeting our obligations, sustaining our growth, and reaching our goals.

In FY23, Medtronic joined the **Global Health Equity Network (GHEN)**, a World Economic Forum initiative that brings together the public and private sectors to drive change in health equity. As part of GHEN, Medtronic has signed the **Zero Health Gaps Pledge**, committing to drive progress toward health equity across its workforce, company, and communities by 2050.

Addressing healthcare disparities

Inequity in healthcare is pervasive and destructive among underserved and minority communities. **Accelerating access** and removing structural and societal barriers to quality care requires engineering the extraordinary, scaling solutions with an equity mindset, understanding local community needs, and having an on-the-ground presence. We are helping by:

- Designing scalable, sustainable, and measurable partnerships and initiatives that remove biases in and barriers to healthcare technology.
- Partnering with health systems to identify populations most in need using data analytics and AI.
- Increasing diverse representation in healthcare and STEM programs.

The Medtronic Health Equity Advisory Committee (HEAC), launched in the United States in FY22, comprises leaders from across the company to determine how Medtronic can best address health disparities and advance equity in patient communities. More specifically, the HEAC provides companywide guidance to align language, share best practices, and inform OUs and functions on national health equity policy. In FY23, HEAC membership tripled over the course of its first year.

EFFORTS TO ADVANCE HEALTH EQUITY SPAN ALL ASPECTS OF OUR BUSINESS AND BEYOND

Medtronic-led initiatives

- The Medtronic HEAC created a framework for the OUs to ensure consistency across the enterprise and align with the key attributes our customers need for certain payment models. The HEAC continues to monitor the market and update our processes to improve access to care.
- We expanded our collaboration with Specialty Medical Societies to foster research efforts, clinical pathways, and access to care. Also, we plan to continue leveraging our relationships with providers to expand access to care for those most in need.
- Our dedicated Diversity in Clinical Trials team researches and addresses inequities in clinical trials.
- To break down barriers to health equity in their areas of expertise, OUs implement programs such as the GI Genius™ **Health Equity Assistance Program**.
- Our Supplier Diversity team drives billions of dollars to economically diverse communities and generates jobs with benefits, both of which have the potential to change a social determinant of health.
- Diversity Networks and Employee Resource Groups create tailored equity initiatives for their internal and external communities.

Efforts beyond Medtronic

- Medtronic LABS is a health systems innovator that develops community-based, tech-enabled solutions for underserved patients, families, and communities across the world.
- To address healthcare and socioeconomic disparities more effectively, Medtronic Foundation’s efforts align with the global initiatives of Medtronic LABS. The Medtronic Foundation also expands STEM education for youth in underserved geographies, contributing to diversity within our industry and healthcare broadly.



GI Genius™ intelligent endoscopy module

The device shall not be used as a stand-alone diagnostic device and is not intended to replace clinical decision making. [Learn more about GI Genius intelligent endoscopy module.](#)

Care access

In developed and emerging markets, we identify barriers to access and quantify treatment needs using our Patient Access Acceleration (PAA) methodology.

Our PAA data-driven approach guides our market development strategy and helps identify investment opportunities to remove barriers to access. For example, access may be improved by generating more evidence or expanding economic coverage; capacity building, training, and education; or disease and therapy awareness. Each year, we combine data from PAA assessments across countries and therapies. We use our learning to improve planning and reduce risks associated with future market development investments. Specifically, we are integrating machine learning models to help predict how many patients could be treated by our therapies and technologies.

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

Capacity building

We support better patient outcomes and expand access to our products and therapies by training and educating patients and healthcare professionals. Increasing the number of practitioners employing our therapies, particularly, but not only, in emerging markets, radically expands healthcare access and allows patients to receive treatment in their home countries. In FY23, we spent \$66 million educating medical professionals, reaching more than 493,000 people.

Across the United States we deploy our fleet of **Mobile Labs** to provide healthcare technology education and training to clinicians. The trucks are built to simulate an operating room and serve as a mobile, immersive training experience. In FY23, we doubled our fleet. With this expansion, we expect to train more than 5,000 healthcare providers annually across 38 U.S. states. Through Mobile Labs, we reduce customer travel time associated with training and help our OUs cut the cost of education and training for their products and therapies by up to 40%.

Additionally, our global Innovation Centers, with locations in South Korea, Turkey, and beyond, provide specialist training to healthcare professionals wanting to expand and update their skills and knowledge.

CAPACITY BUILDING

	FY21†	FY22	FY23
Education for medical professionals (\$ million)	69.9	69.1	66.0
Education for patients (\$ million)	7.82	6.70	0.22
Medical professionals reached	974,914	354,175	493,364
Capital investment (\$ million)	4.1	33.3	42.9

† The number of medical professionals increased from 62,889 in FY20 to 974,914 in FY21 partly due to the shift to online training and partly due to additional time available when many medical professionals were not allowed to operate during the COVID-19 pandemic. As COVID-19 restrictions were lifted, we saw a decrease in FY22 and FY23 numbers compared to FY21, however these numbers remain notably higher than FY20.



Medtronic LABS

Medtronic LABS, an independent, nonprofit funded by Medtronic, is a health systems innovator that develops community-based, tech-enabled solutions for underserved patients, families, and communities around the world. Medtronic LABS combines hyper-local services with cutting-edge technology, providing sustainable and localized healthcare solutions that produce measurable patient outcomes.

In FY23, Medtronic LABS was focused on program expansion and implementation, leading to notable results. Since its inception, Medtronic LABS has screened nearly 1.6 million patients and trained more than 4,000 healthcare workers.¹

Medtronic LABS' digital platform, SPICE, is the heart of its efforts. In FY23, the team invested in cutting-edge innovation, creating four new product lines: SPICE Core, SPICE Engage, SPICE Insights, and SPICE Connect, all aimed at achieving better health outcomes for patients and communities.

398k+

patients screened and 1,100+ health workers trained by Medtronic LABS in FY23

To revolutionize community-based care with the power of digital health and data, Medtronic LABS also continued to work alongside governments and health systems. In FY23, LABS launched new programs in Tanzania, Sierra Leone, Rwanda, and Bhutan, and expanded its reach in Kenya, Ghana, and India.

Public-private partnerships (PPPs) with governments to strengthen public health systems are key to sustainable

THE MEDTRONIC LABS APPROACH

integrates three core elements



Digital technology

Open-source software platform (SPICE) designed for patients, community health workers, and healthcare providers operating in low-resource settings



Health system strengthening

Community-based teams integrated with health systems to expand the use of digital tools for screening, diagnosis, treatment, and patient engagement



Partnerships

Collaboration with health systems, governments, local innovators, multinationals, and funders to drive sustainable system-level transformation

MEDTRONIC LABS IMPACT

	FY21	FY22	FY23
Patients screened	29,033	237,108	398,523
Health workers trained	663	912	1,113
Lives improved	7,335	16,745	85,726
Medtronic LABS operational sites	120+	150+	250+

population-health improvement. Medtronic LABS is building a track record of partnering with national, state, and local governments to deliver results aligned with government priorities and patient needs. For example, in FY23, Medtronic LABS:

- Formalized partnerships with the Ministries of Health in Rwanda and Sierra Leone.
- Established a strong partnership with the Africa Centres for Disease Control and prevention (CDC) to support healthcare in the African Union through its "Agenda 2063".
- Joined the WHO Global Diabetes Compact to partner with other stakeholders in improving diabetes care globally.
- Added SPICE to UNDP's Digital X Solution Catalogue, enabling countries to leverage UNDP support to implement Medtronic technology in partnership with health systems.

Looking forward, Medtronic LABS is focused on delivering value for health systems through improved population health outcomes, deepening partnerships with governments and health systems, expanding to reach a broad portfolio of integrated primary care conditions, and scaling up national-level programs in multiple regions.



¹ Data is cumulative from April 14, 2016, to FY23 year end.

Partnering for impact

Addressing health equity is critical. No one solution or organization can achieve health equity alone – strategic partnerships are essential to accelerating this work.

Advocacy

The most challenging health issues disproportionately impact marginalized populations. Improving their access to treatment requires appropriate policy frameworks that support and enable equitable healthcare systems and pathways. We work with peers and partners to advocate for public policy that enables increased access to vital treatment. In FY23, we focused our advocacy on promoting fair and equitable access to biomedical technologies, particularly where individuals can access technologies for the highest level of care.

Examples include:

- Organizing a side event at the UN High-level Meeting on Universal Health Coverage (image below) – the event brought together global healthcare leaders to discuss how the private sector can help achieve Universal Health Coverage, with a focus on the role that training and education can play in expanding health access and equity.
- Continuing to support Medtronic regions in winning UN tenders for products and therapies – resulting in expanded access to our technologies including ventilators and insulin pumps.

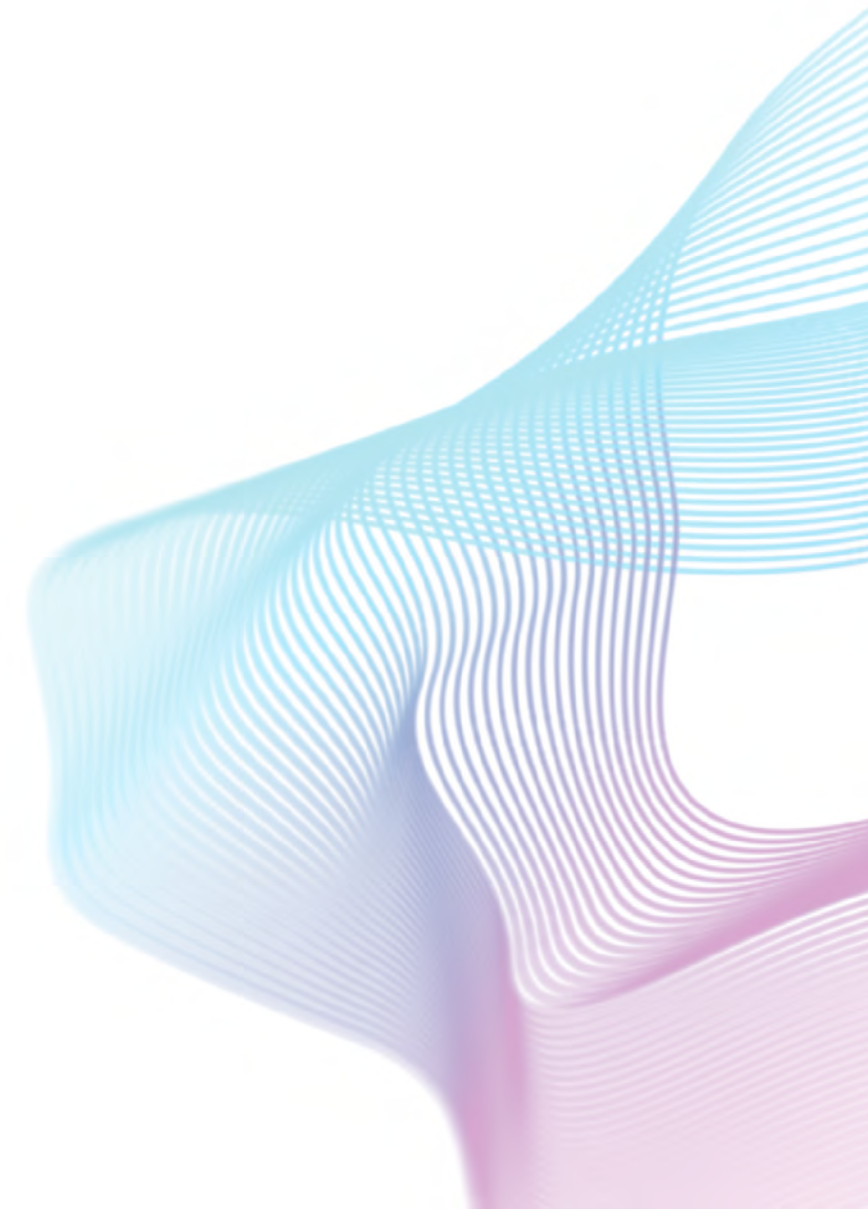
To enable procurement of medical equipment to address country-level needs, we continue to communicate and cooperate with the United States, other governments, and international organizations, such as multilateral development banks and UN agencies.

Public-private partnerships

We develop long-term partnerships with national, regional, and municipal governments and health systems in underserved communities to understand and address local needs and challenges. Through these partnerships, we expand access to healthcare knowledge and technology. Specifically, our aim is to create sustainable, scalable projects in four areas:

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

Our Public-Private Partnership Council guides our efforts. The council uses a United Nations Economic Commission for Europe (UNECE) self-assessment tool for “people first” PPPs. The tool helps us evaluate our partnerships against key issues, such as access. In FY23, the council expanded its engagement with the UNECE by contributing to its work creating international standards for telemedicine.



Philanthropy

Our philanthropic efforts support our Mission to contribute to human welfare. Medtronic and the Medtronic Foundation provide financial investment, volunteerism, and strategic guidance to improve the well-being and healthcare access of underserved and underrepresented populations worldwide.



~\$110M

combined philanthropic contributions by Medtronic and the Medtronic Foundation

190K+ employee volunteer hours

Adding business value

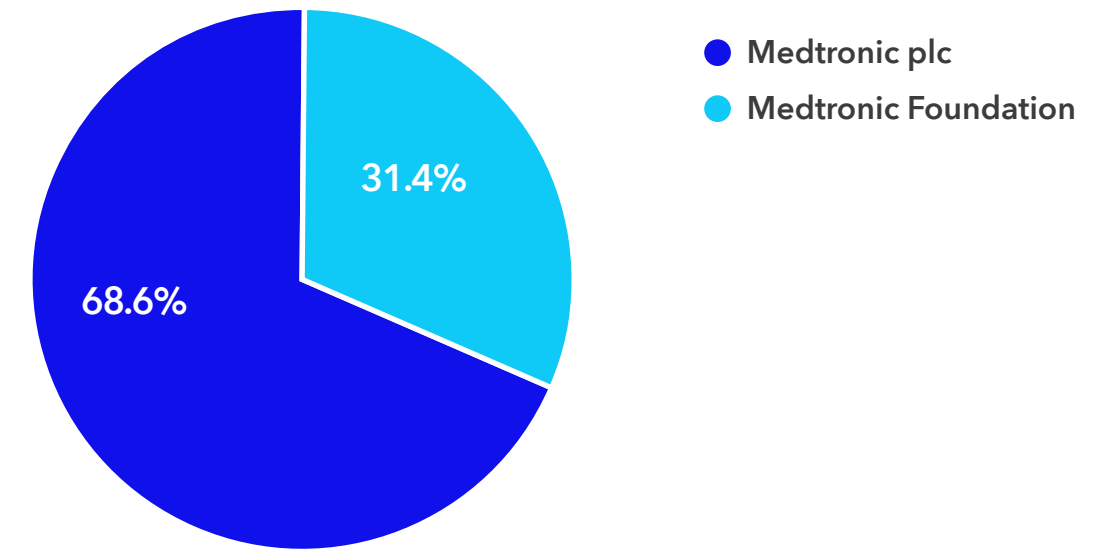
By giving our time, resources, and skills, we address inequities and improve lives in underserved communities around the world. Partnerships with local, national, and international organizations amplify the impact of our efforts and benefit our business by building trust and long-term social capital.

Our contributions

In FY23, Medtronic and the Medtronic Foundation contributed nearly \$110 million through:

- **Cash contributions** – funding medical professionals and fellowship positions, clinical research grants, third party-sponsored health education programs, and other health-related activities
- **Medtronic Foundation grants** – improving the lives of underserved populations worldwide and supporting communities in which Medtronic employees live and give
- **Product donations** – supporting disaster recovery and access to care through product donations distributed to nonprofit organizations and in-country clinics
- **Year-round employee volunteering and giving opportunities** – giving time, skills, and resources to the communities in which Medtronic employees live and work and those around the world

SPLIT OF PHILANTHROPIC CONTRIBUTIONS (FY23)



TYPE OF PHILANTHROPIC CONTRIBUTIONS

(\$ million)

	FY21	FY22	FY23
Corporate cash donations	48.9	50.5	53.2
Medtronic Foundation total giving ^{†‡}	36.4	30.3	34.5
Product donations	13.2	12.5	16.1
Value of volunteering	4.6	4.0	6.1 [§]
Total giving^Ω	103.0	97.1	109.9

[†] This represents giving from the Medtronic Communities Foundation and Medtronic Global Health Foundation.

[‡] Medtronic Foundation total giving also includes matching employee donations on a 1:1 basis up to \$5,000 to eligible nonprofits.

[§] Calculated with an hourly rate of \$31.80, provided by Independent Sector. Volunteer hours are self-reported by Medtronic employees.

^Ω Row totals may not add up due to rounding.

Medtronic Foundation programs

The Medtronic Foundation is exclusively funded by Medtronic plc. The Foundation improves the lives of underserved and underrepresented populations worldwide and supports communities where Medtronic employees live and give.

In FY23, the Foundation focused its efforts across three areas:

- **Equity-based science, technology, engineering, and math (STEM) programs for youth** – increasing the number of individuals from underrepresented and underserved populations in STEM studies and jobs by supporting their health and well-being and removing barriers to quality education
- **Employee engagement** – supporting communities, where more than 95,000 Medtronic employees live and work, through year-round, hands-on, and skills-based volunteerism, alongside Matched Giving and Volunteer Grants
- **Global disaster relief** – strengthening the capacity and resiliency of communities to prepare for, and recover from, global disasters and humanitarian crises

Advancing STEM equity for young scholars

Expanding access to STEM education and career paths creates opportunities for underrepresented populations, improves representation in the medical technology industry, and drives essential research and innovation.

The Foundation advances STEM equity and continues its commitment to underserved and underrepresented populations by providing STEM access to young scholars, and continuing support up to and through college.

The Foundation sustained partnerships with 25 STEM organizations in FY23, with the total commitment to its STEM portfolio exceeding \$22.4 million. To improve the efficacy of STEM programs, additional support was provided to reinforce mental health and basic needs programming. Read more about these partnerships in [inclusion, diversity, and equity](#).



SHPE goes to the White House

In FY23, five Medtronic interns, one Medtronic Foundation scholar, and one Society of Hispanic Professional Engineers (SHPE) representative were invited to the White House to meet with government department members. During the event, participants discussed the value of building the next generation of Hispanic Leaders in STEM, and how the SHPE-Medtronic program delivers significant student benefit.

Medtronic employees empower underserved students in STEM

Women of color make up only 12% of technology roles in the United States. Medtronic employees Takeria Chapman and Virginia Clay Chism share a passion for STEM and volunteer time with Girls Who Code. This organization is one of the Medtronic Foundation's STEM partners inspiring the next generation of women in technology. By sharing their experiences as women of color in the technology field, Chapman and Clay Chism showed students of color that tech can be a place for everyone and connected them with other professionals in the STEM field who share similar backgrounds.



Contributing time, skills, and resources

In keeping with our Mission, throughout the year, the Medtronic Foundation provides Medtronic employees with opportunities to use their time, skills, and resources to transform lives.

Through volunteering and community engagement beyond our day jobs, we can improve lives and opportunities for people across our global communities. It's one way we honor the tenet of the Mission that calls us to maintain good citizenship as a company. In FY23, more than 16,000 volunteers dedicated a total of 190,754 hours. In addition to volunteering time, more than 10,000 employees made financial donations through the Medtronic Foundation.

The talent and drive of Medtronic employees is endless. Recognizing this, the Medtronic Foundation promotes skills-based volunteerism. For example, the Medtronic Foundation facilitated virtual volunteer sprints, where partner nonprofits presented challenges they were facing and Medtronic employees used their unique skill sets to develop solutions. In FY23, 161 employees took part in skills-based volunteer projects with 29 organizations spanning two countries.

Matched Giving

The Medtronic Foundation matches employee and retiree donations made to any eligible nonprofit, up to \$5,000 per calendar year. In FY23, the Medtronic Foundation collaborated with five company Diversity Networks to launch 2:1 Matched Giving campaigns. The campaigns aligned with diversity and heritage celebrations, such as PRIDE, Black History, Asian Pacific Islander, and Hispanic Heritage months, as well as International Women's Day. This approach educated employees and maximized the impact of their donations.

Volunteer Grants

For every 10 volunteer hours a Medtronic employee logs, they can earn a \$200 grant from the Medtronic Foundation redeemable to an eligible nonprofit organization of their choice. Employees can generate a maximum donation of \$1,000 (for 50 hours) per calendar year. Through this employee grant initiative, the Medtronic Foundation distributed more than \$1.5 million in FY23 to the organizations supported by employees.

In April of FY23, the Medtronic Foundation introduced Volunteer Appreciation Month to recognize and celebrate employee volunteers. Throughout the month, the Medtronic Foundation used a social media campaign to highlight employee volunteers and the nonprofits they worked with. The Medtronic Foundation also provided toolkits to facilitate volunteering at home or with colleagues. As part of the appreciation month, a raffle was held where employees who volunteered or made donations were eligible to win a grant. Twenty five individuals were randomly selected and each received a \$1,000 grant, which was directed to the nonprofit organization of their choice.

GRANTS AND EMPLOYEE VOLUNTEERISM

	FY21	FY22	FY23 [†]
Year-round volunteerism			
Volunteers	12,200	11,283	16,054
Countries	61	84	61
Total volunteer events [‡]	502	4,943	6,332
Total volunteer hours	174,000	144,000	190,754
Volunteer Grants			
Volunteer Grants (\$ raised)	450,000	994,000	1,523,000
Global matching grants			
Medtronic Foundation match of employee contributions (\$ million) [§]	13.6	9.2	7.4

[†] Year-round volunteerism and volunteer hours data are based on reported FY23 data, correct as of May 15, 2023.

[‡] In FY22, we began reporting total volunteer events in place of employee-led projects.

[§] Medtronic Foundation matches donations on a 1:1 basis up to \$5,000 to eligible nonprofits.



More than murals: manufacturing employees drive equity within their communities

In efforts to engage manufacturing employees in the Dominican Republic and Mexico, the Medtronic Foundation partnered with Glasswing International, an organization that addresses the root causes and consequences of poverty through education and health programs that empower youth and communities. Almost 200 employees came together to give three schools a makeover in three days. They painted, built bookshelves, and planted trees – providing safe and healthy learning environments for more than 1,500 students. Read more about their efforts [here](#).

Disaster response

We are a global healthcare technology company committed to better outcomes for our world. When global disasters and humanitarian crises such as conflicts, natural disasters, and extreme weather events imperil health and well-being, Medtronic and the Medtronic Foundation step up. We depend on our cross-functional infrastructure to swiftly provide comprehensive support and resources to both our communities and employees affected by disasters.

Medtronic and the Medtronic Foundation establish long-term partnerships with local and global organizations to aid in recovery efforts. Additionally, the Medtronic Foundation continues to focus on responding to global crises within 48 hours by partnering with three global organizations: Project Hope, Americares, and International Medical Corps. These partnerships are in addition to our sustained commitment to the Medtronic Emergency Employee Assistance Fund (MEEAF), which offers financial support to employees whose communities are impacted by emergencies. The MEEAF supports employees in times of personal crisis, such as a serious illness or natural disaster. Donations to the fund are made by employees and matched dollar-for-dollar by the Medtronic Foundation.

In FY23, the Medtronic Foundation, together with Medtronic employees, supported global partners to address the impacts of natural disasters through direct funding, product donations, and Matched Giving. The Medtronic Foundation also shared key information with stakeholders and customers about how to make product donations and offer clinical volunteer support.

~4.8M

people reached through global partners

Responding to disaster with compassion

Concern for those impacted by the February 2023 earthquakes in Turkey and Syria has rippled across the globe. To provide critical health and mental health first aid services, the Medtronic Foundation responded within 24 hours of these events with grants to Americares and International Medical Corps as well as a 2:1 matching campaign. Within 30 days, the Medtronic Foundation and Medtronic employees committed \$1.2 million in direct grants, employee contributions, and product donations. Over 1,000 Medtronic employees contributed to this effort.



Inclusion, diversity, and equity

The key to our work is groundbreaking innovation – made possible by an inclusion, diversity, and equity (ID&E) strategy that empowers each of us to reach our highest potential. That potential transcends beyond our walls to advance equity for patients and communities globally.



51%

of our global workforce
are women

43% of our global managers
are women

40% of our U.S. workforce
are ethnically diverse

28% of our U.S. managers
are ethnically diverse

Adding business value

By fostering an environment where everyone feels included, all contributions are valued, and the playing field is level, we can recruit and retain the best talent and develop products and therapies that serve more people worldwide. We drive our ID&E strategy like any segment of our business – with sizeable investments, executive quarterly reviews, measurable goals, and specific metrics to track our progress.

ID&E STRATEGIC PILLARS



Individual

Be accountable role models for inclusion and diversity



Company

Ingrain inclusion and equity into our DNA



Community

Amplify our impact beyond Medtronic

ID&E is not a new concept for us; our founder embedded “to recognize the personal worth of all employees” in our Mission decades ago, and our leaders continue to recommit our efforts. Ensuring zero barriers to opportunity requires ongoing, purposeful, lasting change guided by a holistic approach. Because the urgency to eradicate systemic inequities worldwide has never been more intense, our ID&E strategy focuses on advancing equity for all.

This global strategy is built around three pillars – the individual, our company, and the communities we serve – and guides us toward five desired outcomes that represent how we define success in shaping a more equitable future.

Desired Outcomes



Culture of belonging



Reflect our global communities



Equity in opportunity and pay



World-class diverse talent destination



Measurable social impact

Our ID&E commitment

We are working toward zero barriers to opportunity within Medtronic and toward a culture where all employees belong, are respected, and feel valued for who they are and the life experiences they contribute.

FY26 Goal

45% of manager-and-above positions globally held by women

FY23 progress

43%

FY26 Goal

30% of manager-and-above positions in the United States held by people from ethnically diverse groups

FY23 progress

28%

Our progress

Accelerating the pace of change to advance ID&E requires new approaches and ways of thinking, and we have taken several steps to help us move faster toward zero barriers to equity. They include shifting to a leader-led model for ID&E, building stronger accountability across the company, and setting five-year organizational diversity representation goals, as well as inclusion and engagement goals for the organization.

In FY23, we made progress on our FY26 goals for diverse representation in management. Our goal is that women hold 45% of manager-and-above roles globally and that people from ethnically diverse groups hold 30% of those roles in the United States. As of FY23 year end, 43% of global manager-and-above roles were held by women and 28% of U.S. manager-and-above roles were held by people from ethnically diverse groups. During that same period, our new hire rate for women globally remained consistent with FY22 at 52% while our new hire rate for U.S. ethnically diverse talent increased by five percentage points from 47% in FY22 to 52% in FY23.

As of FY23, the total number of woman employees in our global workforce and ethnically diverse employees in the U.S. increased by one percentage point compared to FY22, to 50% and 40%, respectively.

Our approach to ID&E helped us surpass the corporate benchmark for inclusion, where our FY23 inclusion rating achieved world-class levels. It also earned us a top-two spot on DiversityInc’s 2023 Top 50 Companies for Diversity.

WOMAN TALENT GLOBALLY

	FY21	FY22	FY23
Woman employees	50%	50%	51%
Manager-and-above positions held by women	40%	42%	43%
Management positions in revenue-generating functions (e.g, sales) held by women	32%	34%	34%

U.S. ETHNICALLY DIVERSE TALENT[†]

	FY21	FY22	FY23
Employees from ethnically diverse groups	38%	39%	40%
Manager-and-above positions held by people from ethnically diverse groups	25% [‡]	27%	28%

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

[‡] This number is based on FY21 and therefore is different than the number reported for our calendar year 2020 target, where we achieved 24% ethnically diverse talent in manager-and-above positions.

NEW HIRES[†]

	FY21	FY22	FY23
Woman (global)	50% [‡]	52% [§]	52% ^Ω
Ethnically diverse talent (U.S.)	46%	47%	52%

[†] Employee population data expressed here may vary from our 10-K form depending on the time of year in which the data was gathered.

[‡] Zero records have values out-of-bounds (e.g., age=0). 34 records do not specify gender.

[§] Zero records have values out-of-bounds (e.g., age=0). 24 records do not specify gender.

^Ω Zero records that have values out-of-bounds (e.g., age=0). 3 records do not specify gender.

BOARD DIVERSITY

	FY21	FY22	FY23
Woman	25%	30%	36%
Ethnically diverse	17%	20%	27%

51% of Medtronic employees were women in FY23



Individual – be accountable role models for inclusion and diversity

Leadership’s role in ID&E

Motivating employees to become allies and driving ID&E progress begins with our leadership. In FY23, we built on our ID&E model led by our leaders, empowering them to recognize and tackle the specific obstacles faced by their respective teams.

To advance our strategy, vice presidents (VPs) and other senior executives create customized plans to promote ID&E within their respective operating units, regions, or functions. This approach recognizes and accommodates the distinct needs of each team, allowing leaders to facilitate local progress. Additionally, the CEO and members of the Executive team conduct Quarterly Diversity Reviews (QDRs) to evaluate ID&E progress. At QDRs, leaders devote a full day to evaluating progress on ID&E strategy, holding our top leaders

accountable while helping them better understand the big picture and nuances in our representation, inclusion, and promotion practices.

Leaders play a significant role in creating an inclusive environment. In FY23, we expanded inclusive-leader training to people managers worldwide, enabling them to mitigate biases and engage in performance and career development conversations with their teams. The trainings focus on the cornerstones of inclusive leadership: valuing variety, stepping up, reducing biases, and fostering a growth mindset.

These efforts set our expectations that company leaders model inclusion and empower each employee to become someone who actively creates the change they want to see.

1/3

One out of every three Medtronic employees were part of a Diversity Network or ERG in FY23 across 300+ hubs in 73 countries

Employees’ role in ID&E

We expect all employees to contribute to an environment where everyone, regardless of their position, feels safe and valued for who they are.

Our global Diversity Networks and Employee Resource Groups (ERGs) serve as a touchstone along our ID&E journey and help strengthen a sense of belonging across our company. In FY23, more than a third of our employees – 35,800 people – were involved in Diversity Networks and ERGs, which are open to all employees.

Diversity Networks

Our five Diversity Networks facilitate connections and development opportunities for employees from marginalized backgrounds and foster productive communication with leadership. All Diversity Networks focus on three strategic undertakings – talent development, education and community engagement, and partnerships – to help cultivate belonging in more impactful and localized ways.

To ensure advocacy at the highest levels, an executive committee member sponsors and senior-level global co-chairs lead each Network.

Brandon Hall Group Excellence Award

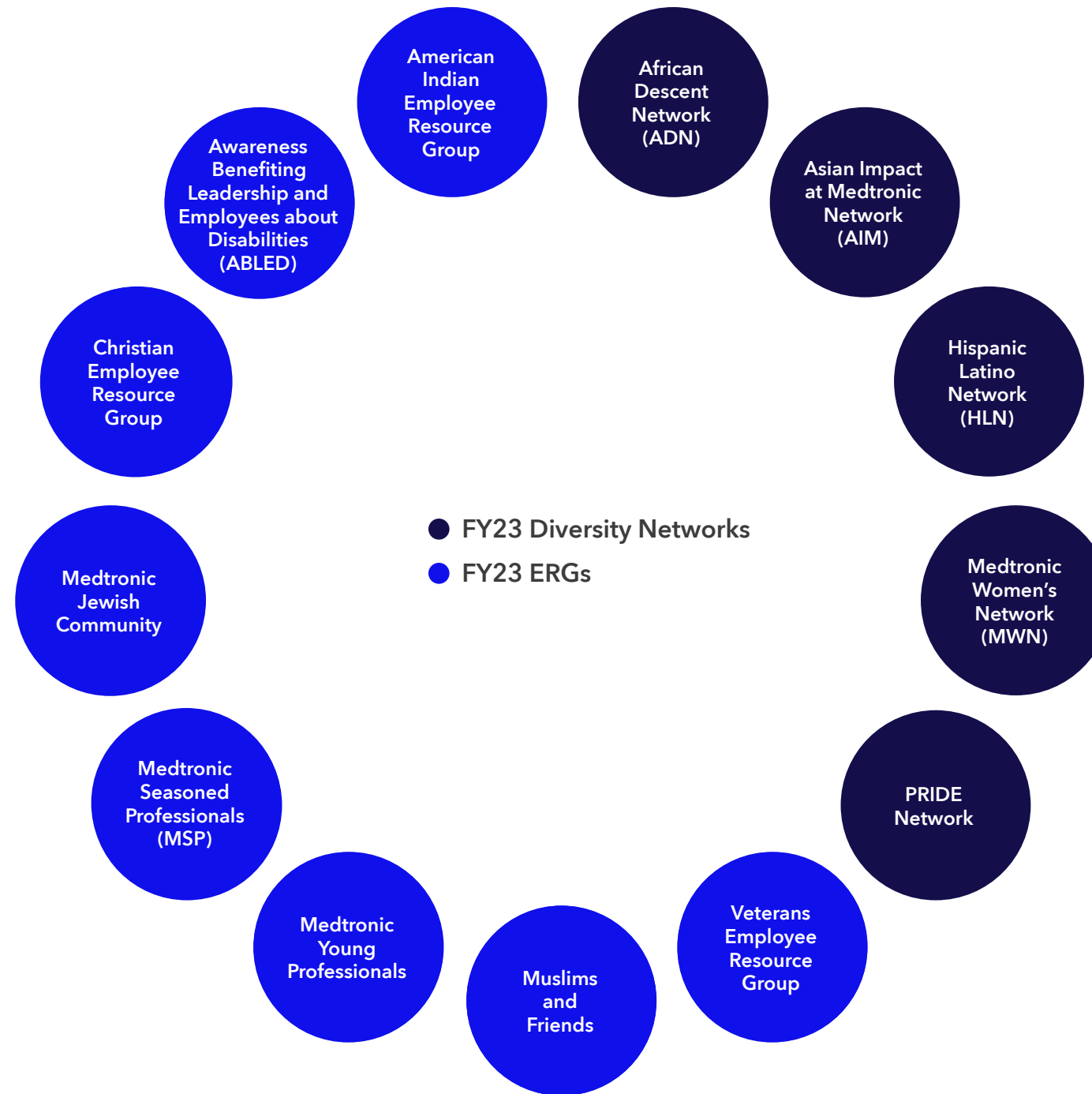
Our global inclusive-leader training received the 2023 Brandon Hall Group Excellence Gold Award in the Learning and Development category. Brandon Hall, a research and advisory firm, recognized the training as the “Best Learning Program that Supports and Promotes diversity, equity, and inclusion.”



Employee Resource Groups

ERGs drive our inclusive culture by providing spaces for employees to create community with those that share their identities, backgrounds, and interests, while also inviting allyship. They provide a safe community to share, learn, and support one another.

In FY23, the PRIDE Network won the Outie award for Best New ERG from Out & Equal. Out & Equal is the premier global nonprofit organization working on LGBTQ+ workplace equality.



Employee engagement

While diverse representation is a critical focus, we know diversity alone is not enough. From the outset, we want all employees to feel they belong and are respected, valued, and able to achieve their full potential at every stage of their career. To make sure we are proactive, we reference several metrics – including employees' reported feelings of inclusion and engagement. We also track inclusion-related issues early and develop plans to address them in a timely manner.

In our annual Organizational Health Survey, we ask employees to rate their sense of belonging and engagement so that we can better understand their experiences and needs. We use this feedback to adjust our communications and programs to provide employees with better support.

In FY23, 82% of employees completed the survey, with those who regularly participate in a Diversity Network or ERG 2.5 times more likely to feel engaged compared with those who do not. We achieved an overall employee engagement score of 79%, with global women and U.S. ethnically diverse talent ranking their engagement at 80% and 78%, respectively. We saw strong inclusion sentiment scores across ethnicity, achieving 78% for ethnically diverse employees and 78% for our overall workforce. Of the employees who completed the survey, 84% reported feeling they belong at Medtronic, and 93% felt that Medtronic embraces cultural differences. In addition, 86% reported feeling that Medtronic fosters a workplace that allows them to be themselves.

Company – ingraining inclusion and equity into our DNA

As part of our commitment to ingrain inclusion and equity into our DNA, we continually evaluate our talent management processes and take concrete steps to eliminate barriers to opportunity. Our investments in data transparency, differentiated development, skills-based hiring, and early career pipeline opportunities are some of the ways we have implemented our ID&E strategy.

Pay equity

Pay and opportunity gaps have a significant and often multigenerational impact on individuals, families, and communities. We promote fairness in employment policies and practices to ensure pay parity. In addition, we conduct an annual pay audit in the United States and several other countries to promote fairness in compensation.

In FY23, for the third consecutive year, we achieved 100% gender and ethnically diverse pay equity in the United States. Our current analysis shows that globally, gender pay equity is at 99%.

Recruitment of diverse talent

Hiring diverse talent creates equal opportunity and explicit pathways for historically marginalized groups. We use several mechanisms to increase diversity at all stages of the recruitment process to create a more diverse workforce that reflects the communities we serve.

We aim for all manager-level and higher roles to have a diverse slate of candidates and a panel of people from diverse backgrounds to interview each candidate. We also have a mandatory diverse interview panel policy for all VP-level hires.

We hold Diversity Career Events to expand our outreach to diverse groups. In FY23, we held five events to reach diverse talent for roles in sales, engineering, and software, among others.

We partner with our Diversity Networks and ERGs to help create relationships with organizations aligned with our ID&E hiring goals. In FY23, these organizations included:

- **Multiple Pathways Initiative** - Led by the Business Roundtable, this multiyear initiative aims to eliminate internal and external barriers to advancing diversity in STEM. In FY23, we modified our hiring and talent management practices to emphasize the value of skills, not just academic degrees, to improve equity, diversity, and workplace culture. Additionally, we re-credentialed jobs in IT, supply chain, and

manufacturing to reprioritize required job skills and offered a new debt-free degree program (see MAPS below). We also have partnerships with the Thurgood Marshall College Fund (TMCF) and Society of Hispanic Professional Engineers (SHPE). Read more about our efforts in [Philanthropy](#).

- **Medtronic Advancement Pathways and Skill Building (MAPS) program** - To help remove barriers for Medtronic employees in the United States and Puerto Rico who wish to pursue an undergraduate degree as part of their career development, we launched the MAPS program. Read more about MAPS in [Supporting a global workforce](#).

Policies

We have comprehensive human rights policies in place to safeguard the dignity of and equal opportunities for all employees. Our Code of Conduct, Global Human Rights and Labor Standards Policy, Global Inclusion and Equal Employment Opportunity Policy, and other policies are designed to protect employees from discrimination, harassment, retaliation, and ensure fair compensation. We actively monitor local, national, and international regulatory changes to keep our policies current and effective. Read more about these and our other [human rights policies](#).

Increasing diversity in leadership

Our array of leadership development programs are designed to prepare employees for future roles. The programs include several mentorship and sponsorship programs that are customized to address the unique challenges faced by employees from underrepresented groups with the goal of increased numbers of diverse talent prepared for future leadership positions. Examples include:

- **Emerge** - a global three-month program for individual contributors with management potential to grow. Over the past three years, we have promoted 47% of participants.
- **Elevate** - a global 18-week program for high-potential managers and senior managers to develop key skills. Over the past three years, we have promoted 64% of participants.
- **Ignite** - a global 18-week program to help high-potential directors and senior directors achieve their career aspirations. In the past three years, we have promoted 39% of participants.
- **Efficacy** - a program for Diversity Network and ERG members to participate in one of six cohorts for career development.

Community – amplifying our impact beyond Medtronic

To drive systemic change, we must widen our focus beyond our workplace to our communities. Through the “Community” pillar of our ID&E strategy, we tackle inequities outside the company, particularly those resulting from a lack of equitable access to financial and educational opportunity. We are leaning into this work by advancing diversity in STEM; driving economic impact through supplier diversity; and reducing health disparities.

Advancing diversity in STEM

Women, Black, and Hispanic workers tend to be underrepresented in most STEM careers.¹ We encourage diversity in STEM talent – in turn promoting equity across the broader industry.

Within Medtronic, we are intentional about recruiting top women and ethnically diverse talent and ensuring they have equitable access to opportunities for growth and advancement. Through our initiatives to reduce barriers to STEM education and facilitate career advancement, we have invested in relationships with key strategic partners who share our commitment to shaping more equitable pathways to success.

Medtronic and the Medtronic Foundation also promoted STEM equity by:

- Partnering with the Society of Hispanic Professional Engineers (SHPE) to launch a new college program designed to remove barriers for Hispanic and Latino students studying STEM. Launched in FY22, Medtronic and the Medtronic Foundation’s four-year combined commitment of more than \$3 million will help fund scholarships, internships, and mentorship opportunities for SHPE students. In FY23, select Medtronic SHPE members went to the White House to discuss the value of building the next generation of Hispanic leaders.
- Supporting the Thurgood Marshall College Fund (TMCf) to foster stronger relationships with historically Black colleges and universities and diversify the pipeline of STEM talent through internships and scholarships. In FY23, 24 TMCf interns went to Medtronic headquarters for a three-day in-person bootcamp, preparing them for their internship and meeting leaders and their fellow intern cohort.

\$3.5B

spent with small and diverse-owned companies in FY23

Driving economic impact through supplier diversity

Through our Supplier Diversity program, we leverage our partnerships to support diverse-owned businesses, including those owned by women, people from ethnically diverse groups, individuals with disabilities, LGBTQ+ individuals, veterans, and those located in historically underutilized or disadvantaged business zones. Growing our business with these suppliers stimulates long-term economic benefits, creates jobs and opportunities for communities, and builds more innovative, resilient, and agile supply chains.

In FY23, Medtronic was named by DiversityInc as the number seven company for excellence in supplier diversity.

Reducing health disparities

We believe everyone deserves access to quality healthcare. Our groundbreaking technology accelerates health access and helps tackle some of the world’s most challenging health disparities – including heart disease, cancer, and diabetes. Read more in [Global healthcare access](#).

ID&E recognition

Our commitment to and progress toward zero barriers to equity in our workplaces and communities has not gone unnoticed. We are particularly proud that in May 2023, we were named number two on DiversityInc’s Top 50 Companies for Diversity list, eight spots higher than in FY22. This is our highest-ever ranking on the prestigious list.

Select ID&E recognition (FY23)

DiversityInc

- **Named #2 for diversity on DiversityInc’s Top 50 Companies for Diversity List**
- **Ranked as #1 for executive women, Latino executives, and Native American/Pacific Islander executives; #2 for mentoring; #5 for ESG; #6 for sponsorship; #7 for ERGs, and #7 for supplier diversity**

Newsweek

- **America’s Greatest Workplaces for Women**

Bloomberg

- **Gender Equity Index**

¹ See “STEM Jobs See Uneven Progress in Increasing Gender, Racial and Ethnic Diversity,” Pew Research Center, 2021.

Supporting a global workforce

The work of our 95,000-plus team members transforms the lives of two people every second. We invest in them through development and training, a safe and healthy workplace, and competitive compensation and benefits.



\$51.9M

spent on learning and development

91% of employees reported feeling proud to work at Medtronic according to our Organizational Health Survey

Adding business value

Safeguarding the well-being of our employees creates an environment where they can contribute more fully to their work. Our well-rounded employee support – at work and at home – results in higher productivity, engagement, and retention, and lower rates of absenteeism.

Development and engagement

We design our learning and development programs to attract and retain top talent from global and diverse populations, sparking innovation and driving opportunity. Our investments in development help our talent embody the Medtronic Mindset, giving them the tools to act boldly, compete to win, move with speed and decisiveness, foster belonging, and deliver results the right way.

In FY23, we spent more than \$51.9 million on learning and development – an average of \$517 per employee. Our employees completed an average of 32 hours of training per person, enabled by our in-person and virtual training resources.

Employees at every level have access to training in various formats, meeting individual learning needs and helping employees grow in their careers. Our training programs are tailored to local and employee needs and are available in multiple languages. In addition to our formal programs, we offer on-demand digital courses and resources for employees who want to direct their own learning or focus on a particular skill. We leverage several platforms to deliver digital learning to employees, including Degreed, Harvard ManageMentor, LinkedIn Learning, Adeption, Cornerstone OnDemand, Emeritus, and Udemy.

We use a hybrid learning model for our professional development courses. This approach retains many of our virtual tools and uses in-person training where available, which increases the accessibility to a variety of development courses. Examples of resources offered in FY23 include, but are not limited to:

- **Harvard Business Publishing** – 26,000 videos, articles, case studies, and podcasts, including Harvard ManageMentor, an on-demand suite of tools for people leaders

- **Mind Gym** – tools based on behavioral science principles to help leaders solve problems more effectively
- **Hult Ashridge** – targeted workshops addressing current and up-and-coming organizational topics

A notable addition to our offerings is Skills Lab, a technology platform powered by our partner Degreed, which enables employees to target and develop the skills that mean the most to them and their careers. This technology has allowed us to:

- Build and distribute curated learning paths accessible to employees in several languages.
- Add a consistent, reliable digital component to in-person or virtual programming.
- Enable disparate learning teams across businesses to customize and digitize solutions to meet localized needs.
- Capture more than 127,000 skill data points to inform broader talent strategies.
- Enable managers to actively assign, track, and report on skill development across their teams.

We also support learning and development outside Medtronic. In FY23, we launched Medtronic Advancement Pathways and Skill-building (MAPS), an initiative to support the education and career development of our employees in the United States and Puerto Rico. The program provides 100% free tuition for employees to obtain one of over 75 undergraduate degrees from top-tier universities. The tuition is paid directly by MAPS, eliminating barriers to education that might exist for employees that cannot afford to pay out-of-pocket and wait for reimbursement.

In FY23, Medtronic was named one of the World’s Best Workplaces by Fortune and Great Place to Work, reflecting our commitment to treating employees fairly and investing in their growth and well-being.



Leadership development

A strong relationship between employee and manager is central to job satisfaction, retention, and promotion. We focus on identifying and promoting high-potential employees into managerial roles and equipping managers with the right leadership skills to engage and develop their team members.

We offer targeted leadership development programs for employees at different levels, including:

- **Ignite** – offers award winning leadership development for high-potential directors and senior directors
- **Forge** – provides directors and senior directors with a core leadership development program
- **Lift and Accelerate** – supports historically underrepresented manager and director talent through an award-winning sponsorship program
- **Coaching** – features a variety of individual coaching services to employees at all levels

We also offer dedicated programs to help employees from underrepresented groups overcome barriers to career growth. Read more about these programs in [Inclusion, diversity, and equity](#).

Career growth

Sharing feedback and providing guidance is a key component of advancing our performance-driven culture in which all employees are encouraged to achieve organizational success. Managers and employees meet to discuss career aspirations, performance, and coaching at least six times per year including:

- At the beginning of each year to set and align goals
- Midyear to discuss career aspirations
- Quarterly to check in on performance

- At year end for a formal performance assessment

These meetings facilitate accountability, provide feedback opportunities, and measure performance results. In FY23, 97% of employees participated in an annual performance review.

We enhanced a SMART (Specific, Measurable, Actionable, Relevant, and Time-bound) approach to goal-setting trainings and other resources to improve the goal-setting capability for the organization in FY23. In addition to performance reviews, employees and their managers can engage in separate strategic conversations on important career topics, such as development and fostering inclusion. These dedicated discussions allow for focused dialogue and planning to promote a more inclusive workplace.

We employ a forward-looking approach to career development through our Organization and Talent Planning (OTP) process. The OTP helps us continue to deliver on business outcomes by proactively identifying and developing future leaders.

OTP has three components that all people leaders are expected to follow:

- Assess the potential, retention risk, and career development for all direct reports
- Mitigate business risk by identifying successors for intentional talent movement
- Ensure that focused development actions aligned to our talents’ potential are executed for career and development growth

In FY23, we made progress in our multiyear journey to build Strategic Workforce Planning (SWP) capabilities across Medtronic. Expanding on our achievements in FY22, when we incorporated SWP into our annual business strategic planning process, we further refined our tools and resources based on stakeholder feedback.

INTERNAL HIRING

	FY21	FY22	FY23
Total roles filled with internal candidates	29%	29%	32%
VP roles filled with internal candidates	83%	79%	83%

Fourth annual Grow Your Career Week

In FY23, we hosted our 4th annual Grow Your Career Week (GYCW), a series of global development events to help employees advance their careers. The week showcased a variety of development opportunities offered at Medtronic. During GYCW, employees have access to keynote speakers, interactive workshops, panel discussions, podcasts, and a dedicated Yammer channel for networking. During FY23 GYCW, over 138,000 learning activities occurred companywide – 14% more than the previous year – and included nearly 60 live sessions and over 10,000 digital interactions.

Additionally, to enhance data-driven decision-making within SWP action plans, we added more talent-related data, such as talent movement, internal skills, predictive turnover, and retirement.

We also support employees’ career ambitions by tracking internal hiring rates. Encouraging internal pathways for career growth boosts retention and preserves institutional knowledge. Alongside internal hiring, we also hire externally to bring in diverse talent, perspectives, and capabilities – further driving innovation and enriching the company.



Recognition

Recognizing a job well done ensures employees feel their contributions are valued. Managers are encouraged to acknowledge employee achievements during formal evaluations and general check-ins. They may also reward notable contributions through our Recognize! Platform, which enables managers and employees to celebrate the achievements, accomplishments, and milestones of team members.

To recognize exceptional achievements in technology, quality, leadership, and ethics, we maintain numerous award programs that include:

- **Bakken Fellows** – honors employees who have made multiple technical contributions to the company and to the biomedical device industry
- **Compass Award** – recognizes employees who live out the Medtronic Mission by demonstrating high-integrity behavior that champions our Code of Conduct
- **Global Inclusion, Diversity, and Equity Leadership Award** – recognizes employees who champion an inclusive work environment
- **Star of Excellence Award** – acknowledges quality and innovation of the highest level
- **EHS Sustainability Award** – celebrates projects that exemplify the many ways Medtronic contributes to a sustainable business, workforce, and environment
- **Wallin Leadership Award** – recognizes leaders who actively foster an inclusive and diverse work environment and successfully develop leadership talent to enable superior business outcomes

Employee engagement

To create a workplace that will attract and retain the best talent, we must have open dialogue that allows for honest feedback. We regularly engage employees through our internal social media channels, leader town halls, and surveys.

Our Organizational Health Survey (OHS) is an all-employee survey to measure topics like engagement, inclusion, innovation, ethics, organizational culture, and other aspects that impact the employee experience. In FY23, we transitioned our OHS from annual¹ to twice a year to increase our touch points with employees and better assess enterprise trends.

In FY23, 82% of full- and part-time employees responded to the OHS – one of the highest response rates in the survey’s history – giving leaders valuable feedback to guide their decisions. For example, company leaders have stepped up efforts to help employees prioritize their work projects and maintain a good work-life balance after survey results reflected concerns regarding work-related stress. In FY23, we introduced an additional survey index to ask employees about the quality culture at Medtronic and how they feel they can contribute. This index aligns with our commitment to patient safety and quality across the organization by further integrating employee experience into all facets of our business.

¹ Our all-employee OHS was postponed in FY21 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email address.

ORGANIZATIONAL HEALTH SURVEY RESULTS

(excerpt)

	FY21 [†]	FY22	FY23
Employee engagement score	82%	80%	79%
Percent of employees who reported feeling proud to work at Medtronic	92%	90%	91%
Percent of employees who reported actively looking for ways to improve their work	93%	94%	93%
I am comfortable reporting safety concerns and injuries at work	93%	93%	92%

[†] Our all-employee OHS was postponed in FY21 due to the pandemic. Instead, we distributed an online pulse survey to employees with access to a Medtronic email address.

91%

of employees reported feeling proud to work at Medtronic and 84% reported feeling they belong at Medtronic in the FY23 Organizational Health Survey



Health and safety

Our approach

Providing our employees a safe and healthy work environment is a top priority. Through our Environmental Health and Safety (EHS) Policy and our EHS Management System (EHS MS), we maintain enterprise-wide standards, objectives, and processes for environmental, health and safety risk evaluation; compliance; continual improvement; verification; communication; and education.

EHS management and performance systems

We conduct our business in a safe and environmentally sustainable manner that promotes the health of our employees, customers, community, and environment and that ensures compliance with all applicable laws and regulations. Our EHS Program consists of the following:

- **EHS Policy** implements the principles of the environmental, health, and safety requirements which apply to all Medtronic organizations and employees worldwide, including contractors within Medtronic and agents working on behalf of Medtronic.
- **EHS Principles** provide the principles of personal accountability achieved through positive motivation of safe behaviors and responsible environmental protection.
- **Environmental, Health, Safety and Sustainability (EHS&S) Management System** aligns with industry best practices including the International Organization for Standardization (ISO) 14001 (environmental management), ISO 45001 (occupational health and safety management), and the Occupational Health and Safety Assessment Series (OHSAS) 18001

(occupational health and safety). The EHS&S management system helps us assess EHS impacts and risks in our organization by providing a:

- Systematic method for managing EHS and improving performance.
- Structure to address the environmental impacts of our products, services, and processes.
- Standard for allocating resources, establishing responsibilities, and evaluating practices, procedures, and processes.

- **Medtronic EHS Standards Manual** is a comprehensive set of EHS program standards, requirements, references, and practices. These standards follow U.S. Federal OSHA and U.S. EPA and account for any additional local or governmental requirements.
- **EHS Performance System** sets the expectation of all our employees to develop a proactive, cooperative attitude toward health and safety. Our Environmental, Health, and Safety Performance System (EHS PS) helps us drive a culture of safety by:
 - Monitoring our recordable incident rate, safety standards, employee training, and auditing.
 - Providing each employee with the skills and tools to reduce risks and employ the competencies and safe behaviors necessary to succeed in our manufacturing facilities.
 - Defining our expectations of leadership and employees.
 - Providing employees with a heightened awareness and sense of ownership in EHS.

SAFETY RECORD^{††§}

	FY21	FY22	FY23
Employee injury incident rate ^Ω	0.21	0.23	0.22
Employee lost/restricted workday case rate ^{††}	0.14	0.13	0.14
Fatalities	1 ^{§§}	0	0
High-consequence work-related injuries (excluding fatalities)	5	1	0

† Our safety records include all employees as well as contingent workers working at Medtronic facilities.

‡ Safety data has been verified by an external third party.

§ FY23 injury incident, lost/restricted workday case rate, and fatalities have been verified by ERM CVS.

Ω The number of work-related injuries or illnesses serious enough to require treatment beyond first aid, per 100 employees working a full year. FY21 and FY22 data have been restated from previous reports.

†† 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. FY21 and FY22 data have been restated from previous reports.

§§ Motor vehicle collision.

- **Global EHS Alert System** brings rapid companywide attention to hazards. The corporate EHS team reviews each significant incident, significant hazard observation, or near miss and determines urgency, applicability, and audience. They then issue a Global EHS Alert in the event of a high-risk or significant EHS incident that has the potential to result in, or has resulted in, major injury, illness, environmental release, or property damage. The alerts raise awareness and provide a chance to share best practices and preventative and corrective actions.
- **EHS&S Assessment and Audits** is overseen by the Medtronic EHS MS, which defines the EHS&S requirements that apply to all Medtronic sites and provides a consistency to conducting EHS&S site assessments and site audits. The EHS&S Audit Procedure defines the requirements for planning and conducting an EHS&S audit to evaluate compliance of conformance to applicable regulatory requirements and Medtronic EHS&S standards.
- **EHS&S Electronic Management System** is an integrated EHS&S risk management software platform that assists us in addressing workplace hazards; complying with requirements; preparing EHS&S reporting disclosures; conducting assessments and audits; and managing stakeholders.

Our progress

In FY23, we maintained our best-in-class level of safety across our global operations and supply chain. Our overall safety record has improved from that of our pre-COVID-19 records. This included improved performance in our employee injury incident rate and our employee lost or restricted workday case rate, with no high-consequence work-related injuries or fatalities in FY23.

The majority of our recordable injuries are attributed to slips, trips, and falls (STFs); ergonomics; and cuts, lacerations, and needle sticks. In FY23, we implemented projects to prevent injuries in these categories, including:

- **STFs** – Working to reduce instances of “distracted walking”
- **Ergonomics** – Increasing awareness and providing training on proper manual handling activities for our manufacturing, service-and-repair, and marketing and sales employees
- **Cuts** – Increasing cutting tool safety training for manufacturing employees and needle-stick prevention and blood-borne pathogen awareness training for our commercial employees who work in service-and-repair, laboratory, or hospital settings

SAFETY RECOGNITION

Our annual Medtronic Global Operations & Supply Chain Environmental Health & Safety Awards recognize the Medtronic facilities that demonstrate top health and safety performance.

Medtronic facilities also received external recognition for health and safety performance in FY23, including:

- **All four Puerto Rico manufacturing sites again received environmental and safety performance recognition from the Puerto Rico Manufacturing Association Sites**
- **Eight Medtronic sites in Minnesota received the Governor’s Safety Award – recognizing their exceptional safety programs and performance compared to the national industry average**



Continuous improvement

Employee involvement and engagement improves safety programs and performance. Employees have multiple avenues through which they can actively participate in enhancing their personal safety, the safety performance of their team, and the overall safety of the company. In addition, there are several methods to provide safety feedback to colleagues, leadership, and the corporate EHS function.

To mitigate, and ideally eliminate, workplace safety risks we encourage employees to report potential hazards, such as water leaks or fire risks, along with near-miss incidents through our online hazard reporting system. Additionally, many of our facilities have created their own mobile apps, which have had strong employee involvement in recognizing hazards and correcting them. In FY23, our employees reported more than 50,900 hazard observations and nearly 700 near misses. Each of these reports are reviewed to ensure swift action towards mitigation. In FY23, we had a 96.2% closure rate, an increase from the FY22 closure rate of 92.1%. By addressing these hazards, mitigating the risks, closing these observations, and communicating case studies across locations, we are continuously improving our health and safety oversight.

As part of our annual, corporate-wide OHS, we solicit feedback on workplace safety. Of the 82,249 employees who responded to the FY23 survey, more than 92% disclosed feeling that Medtronic actively encourages employees to work safely and that they feel comfortable reporting safety concerns and injuries at work.

Health and safety assurance

As part of our efforts to drive continuous improvement and provide transparency, Medtronic retained an accredited and competent independent organization, ERM CVS, to assess, verify, and certify our FY23 health, safety, and environmental sustainability data.



Compensation, benefits, and wellness

We support our more than 95,000 passionate employees from onboarding through retirement with holistic compensation, benefits, and wellness programs. Providing inclusive benefits and competitive compensation helps us attract and retain the industry-leading talent necessary to produce groundbreaking innovation.

Compensation

We design our compensation framework to promote, recognize, and reward performance. The competitive compensation plans include base salary and cash incentives based on key financial and quality performance metrics.

Employee compensation is comparable to industry benchmarks and local market standards. We conduct pay gap analyses annually in the United States and adjust to close any gaps not based on job-related factors. In FY23, we maintained 100% gender and ethnically diverse pay equity in the United States. Globally, gender pay equity is at 99%. Read more about pay equity in [inclusion, diversity, and equity](#).

The board of directors' Compensation Committee oversees executives' compensation. To learn more about executive compensation, see our [Proxy Statement](#).

Benefits

In addition to generous compensation, we provide robust health and lifestyle benefits for employees and their families. While benefits may differ by region, in many locations they include:

- Health, disability, and life insurance
- On-demand digital mental health resources
- Paid time off

- Paid volunteer time
- Medtronic Employee Assistance Program
- Sick leave
- Maternity, paternity, and family care leave
- Retirement plans

We update our benefit package regularly, enhancing existing offerings and providing additional or improved benefits to meet the diverse needs of our employees. In the United States, we provide Included Health, which offers concierge-style services catering to a variety of LGBTQ+ healthcare requirements. While healthcare coverage levels differ by country, we take pride in extending transgender-inclusive health benefits where possible. In FY23, we expanded the scope of Included Health to encompass the healthcare needs of the Black community. This expansion includes aiding in the search for culturally proficient, high-quality medical providers, guiding users through benefit navigation, and facilitating connections with support groups.

The demands on employees to balance work and family commitments are significant, especially for those who are growing their families. We listened to employee feedback, benchmarked with peer companies, and partnered with our Employee Resource Groups (including the Medtronic Women's Network) to enhance our parental leave benefit offerings in the United States in FY23. With these enhancements, we moved from 14 -16 weeks to up to 24 total weeks of parental leave benefits for birthing mothers, which exceeds the amount of time offered by our typical peer companies.

Embedding inclusion and diversity considerations into our global benefits portfolio continues to be an important focus. In FY24, we are working to define a minimum health standard for all employees that would cover topics such as access to vaccines, maternity care, and mental health.

Nearly 90% of employees globally can easily access an overview of their total rewards package through our online portal, MyRewards.

Wellness

Our wellness benefits promote a holistic approach to good health. Our Healthier Together program, available to nearly 100% of employees globally, supports the physical, emotional, social, and financial well-being of our employees. The program offers a wide range of services for employees. For example, in the United States, we offer a blood pressure management program through Hello Heart that helps members monitor their blood pressure and track medications. At office locations, we also provide on-site gyms with live classes to help employees stay fit. We expanded the program's virtual offerings to provide wellness support to employees working from home. Virtual resources include activities such as guided meditation, yoga, and workout sessions. Access to additional offerings is available to employees globally through our YouTube channel.

In addition to Healthier Together, we offer employees access to additional health and well-being programs, including the Medtronic Employee Assistance Program (MEAP). The MEAP supplements our existing health and wellness benefits with services such as financial and legal advice and mental health counseling.

Patient safety and product quality

Our innovative technologies transform the lives of two people every second. Ensuring safe, reliable products and therapies is our top priority.

22k

employees trained on product security

96% of regulatory inspections resulted in no findings



Adding business value

As a global healthcare technology leader, our reputation hinges on the reliability and safety of our products. We meet stakeholder expectations and maintain the trust of patients, healthcare providers, and clinicians by creating and upholding processes that ensure patient safety by driving product quality.

Our approach to patient safety and product quality

Each employee, partner, and distributor across our value chain shares a responsibility to innovate safe and effective therapies through every stage in a product's life cycle, always prioritizing the needs and well-being of patients. Our products and therapies are developed in alignment with robust quality management systems and undergo rigorous review to ensure adherence to internal and external safety standards.

Patient safety

Our commitment to patients, their families, and clinicians means producing safe and effective healthcare technologies and advancing a culture of patient-centricity and quality.

Operating units (OUs) continuously monitor for potential product quality issues through post-market surveillance processes. In addition, two entities support our OUs in assessing potential risks. The Enterprise Medical Safety group is composed of therapy-aligned clinicians, and the Patient Safety and Risk Management Oversight Board comprises senior Medical, Quality, Legal, and Regulatory corporate leaders. Together, they evaluate and advise appropriate action on safety and quality issues.

We also engage independent advisory panels of external expert practitioners who consult with our OUs on product quality and safety topics. The panels use real-world data and leverage extensive experience to help us evaluate, communicate, and minimize risk to patients.

In FY23, we launched our Put Patients First initiative, further embedding quality and patient safety into our culture. We ask every employee to commit to the initiative's core mission: "We work with a sense of purpose and ownership, knowing that there is a human life on the other side of every decision." To support the program launch, we enrolled employees in a series of "Mindset in Action" modules that help them understand how their efforts directly link to patient outcomes. To reinforce our Put Patients First initiative, we regularly communicate with and train employees.

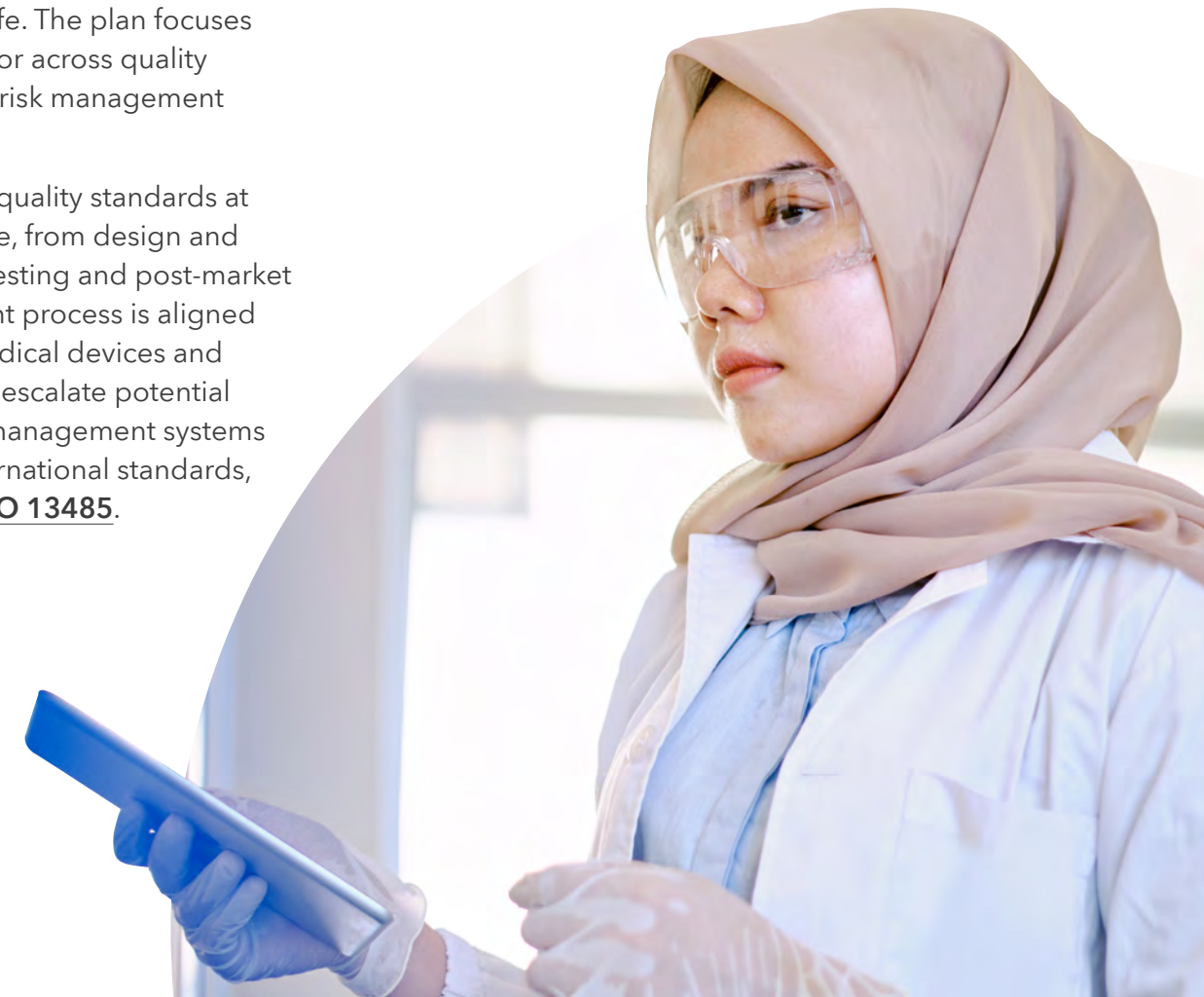
Product quality

Our cross-functional, enterprisewide product quality plan drives consistency and accountability across the company, ensuring we deliver on our Mission to alleviate pain, restore health, and extend life. The plan focuses on increasing consistency and rigor across quality systems, including in the areas of risk management and product design.

We monitor compliance with our quality standards at every point in a product's life cycle, from design and manufacturing through product testing and post-market surveillance. Our risk management process is aligned to the ISO 14971 standard for medical devices and enables us to rapidly identify and escalate potential issues. We also align our quality management systems with relevant regulations and international standards, including [21 CFR Part 820](#) and [ISO 13485](#).

Oversight

Our board and executive leadership provide oversight on quality matters. The board's Quality Committee supervises risks relating to product quality and safety, cybersecurity, and research. Our chief quality officer sits on the executive committee and reports directly to the EVP of global operation and supply chain.



Product development

Design, reliability, manufacturability

Our design, reliability, manufacturability (DRM) framework is a set of engineering best practices that ensure rigorous product development and drive product safety and effectiveness, alongside quality, reliability, and manufacturability. The framework is applied to all Medtronic medical device types.

Regulations define medical device requirements, and DRM describes how to fulfill them. Our DRM framework is applied during product development through:

- Identification of patient, customer, and business needs and translation into engineering requirements.
- Application of engineering best practices and critical thinking in device and process development (examples include, but are not limited to, Risk Management, Human Centered Design, Systems Engineering, Predictive Engineering, Design for Six Sigma, Agile/Dev Ops Principles, and Cybersecurity).
- A mandate from company leadership for DRM accountability.
- Customized and progressive DRM training for leadership and product development teams.
- Progressive certification in DRM to demonstrate increasing capability in the application of DRM concepts.
- Project assessments to ensure maturity and consistent use across our project portfolio.
- Annual assessments and improvement plans at product development locations.
- Key performance indicators to predict and evaluate the impact of engineering on patient, customer, and business outcomes through the application of DRM.

- Skills and capability development for key functions such as Research and Development, Operations, Quality, Medical Safety, Regulatory, and Marketing.

Manufacturing and supplier quality

Our standardized manufacturing quality programs promote a consistent approach across product manufacturing processes. These programs include our First Time Quality (FTQ) methodology and Supplier Optimization and Risk Reduction (SOAR) process.

FTQ instills quality awareness among employees, strengthens risk identification skills, embeds a “Do Not Make Defects” mentality across the product life cycle, and reduces high-business-impact risk and quality instabilities on targeted workflows.

We embed FTQ into our new product development workflows and other transactional processes across our business to further reduce the potential for errors. Since FY22, we have also:

- Accelerated FTQ coach training to make the program self-sustainable at key manufacturing sites.
- Deployed a new FTQ portal to track event execution and risk mitigation, as well as coach development.
- Used FTQ Communities of Practice to share knowledge, recognize top performance, and strengthen quality culture.
- Integrated FTQ fully into the Medtronic Performance System infrastructure and methodology.

We work closely with our supply chain to prevent situations that impede the timely delivery of our products to the patients who need them. SOAR is a continuous improvement strategy that uses predictive and preventive risk assessments to avoid product supply disruptions. Through SOAR, we gain deeper insight into suppliers’ performance and

REGULATORY INSPECTIONS AND INTERNAL ASSESSMENTS AT OUR FACILITIES

	FY21	FY22	FY23
External regulatory inspections at Medtronic sites globally	242	284	312
External regulatory inspections globally that resulted in no findings	99%	95%	96%
Average findings per external regulatory inspection	0.02	0.38	0.04
Average findings per FDA inspection	0.02	2.6	1.0
Internal assessments and supported improvements	21	28	37

use these insights to proactively partner with suppliers, developing solutions to improve quality.

Facility compliance

We assess our quality management systems to maintain consistently strong performance and compliance with evolving regulatory requirements.

Robust internal and external assessments evaluate quality management systems at our manufacturing, design, and distribution centers. Internally, we perform global audits and corporate excellence assessments. Corporate excellence assessments are based on risk priority, and they help facilities plan and execute ongoing improvements. Externally, third parties from government agencies and other competent authorities perform announced and unannounced audits. These audits keep us accountable and aware of changing regulations.

In FY23, 96% of external regulatory inspections at Medtronic facilities resulted in no findings. We support this level of compliance through our Quality Management System (QMS) transformation plan, which creates streamlined quality management governance and shared processes across Medtronic.



of external regulatory inspections at our facilities globally resulted in no findings

We received an average of 0.04 findings per regulatory inspection overall and 1.00 per U.S. FDA inspection in FY23. Over the past year, we maintained a steadfast commitment to ensuring that our sites operate in a manner that prepares them to achieve positive inspection outcomes. As a result of these efforts, we successfully reduced the number of findings per inspection from 2.6 to 1.0. The primary quality management system processes impacted were complaint handling and corrective and preventive actions (CAPA). The number of external inspections is expected to remain comparable in FY24 and we aim to ensure all of our sites are operating in a manner that will produce positive regulatory inspection outcomes.

Through our knowledge management program, we proactively share findings across the organization to avoid recurrence at other sites.

Each year, we develop a Quality Plan that defines annual quality objectives, including strategic programs and key performance indicators, to drive continual progress.

Product security

We integrate security considerations throughout the total product life cycle – from the design phase through manufacture, distribution, use, and retirement.

Our Product Security Office manages potential security risks associated with medical devices. In FY23, we enhanced product security service offerings to include penetration testing, vulnerability intelligence, and training. We also refined risk management processes for specific product security risks.

We work to include robust product security measures throughout our product portfolio, addressing risks relevant to each device type. The Product Security Office, in collaboration with OUs, develops product-specific security requirements that are informed by guidance from cybersecurity authorities such as the U.S. FDA. These requirements are integrated into our QMS and are included in numerous company policies, including a dedicated Product Security Policy.

Our chief quality officer oversees the Product Security Office, responsible for product security throughout the life cycle. We apply best practices and stay aware of emerging risks by engaging with employees, regulators, peers, healthcare delivery organizations, clinicians, and security researchers.

Product security risks are always evolving, making it vital that Medtronic employees remain up to date on new technologies, risks, methodologies, and guidance.

OUR ENTERPRISE PRODUCT SECURITY STRATEGY

defines our product security management approach in three pillars:

- **A mindset of excellence:** Product security is built into our culture and a robust talent pipeline is developed and available.
- **Industry participation:** Participate in and influence regulations, standards, technology, and practices related to product security.
- **Pre- and post-market maturity:** We develop advanced practices and technology for scalability across Medtronic to ensure security throughout the total product life cycle.

In FY23, 22,000 employees received product security training. We provide additional QMS and technical trainings to employees whose job functions necessitate them.

During FY23, we publicly disclosed seven new or updated security bulletins. We notified customers of the vulnerabilities and remediated them. As a **CVE Numbering Authority** since FY22, we regularly work through the coordinated disclosure process. Details of the security bulletins can be found on our **website**.

We value the contributions of independent technology leaders and security researchers, **publicly recognizing** them when they follow a coordinated disclosure process to advance our product security. Further, we encourage anyone who identifies a security vulnerability or who has questions or concerns to contact us at **Medtronic.com/security**.

Industry partnerships are a key part of our product security strategy. To share initiatives and improve the state of product security in healthcare, in FY23, we engaged with groups including the **Healthcare Information Sharing and Analysis Center** (H-ISAC), University of Minnesota **Center for Medical Device Cybersecurity** (CMDC), and **Health Sector Coordinating Council** (HSCC), among others.

Preclinical research

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

Animal-related research

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

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

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

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

Alternatives to animal-related research

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

- Submitting research findings to inform the 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 potentially reduce the number of animals used in future research.
- Utilizing human cadavers for device development activities and physician training.

Clinical trials

We conduct clinical trials to provide the necessary evidence on product and therapy safety and effectiveness and to support market access and development activities after products are launched. More than 2,250 employees in our Clinical Research and Medical Science functions collaborate to ensure the trials are robustly designed and efficiently conducted in accordance with appropriate regulations and ethical practices. Trained personnel ensure safety oversight and reporting across the trial life cycle.

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

We develop and study our products and therapies to equitably serve a global patient population. Increasing diversity in clinical trials continues to be a priority for Medtronic because we achieve more equitable health outcomes when trial participation is representative of disease-specific patient populations. In FY23, our cross-functional Diversity in Clinical Trials team worked diligently in pursuit of this goal. Among other actions, they:

- Assessed representation across all operating units to establish a baseline and set representation targets by therapeutic area.
- Standardized and mandated demographic data collection in the United States.
- Updated clinical study processes, templates, and tools to enable inclusive practices and reduce specific health equity gaps.

- Trained the entire clinical organization on diversity in clinical trials via an extensive symposium, educating on the importance of this effort for health equity and providing tools and case study examples to put into practice.

We also continued to scale remote access to clinical trials, opening enrollment to a wider range of potential participants. Our Diabetes OU is working to increase access to clinical studies by collaborating with Walgreens on a model that would allow local pharmacies to serve as either satellite or primary study sites. Additionally, we established a knowledge-sharing resource that educates OUs and enables them to perform decentralized clinical trials.

Collaboration, engagement, and data sharing

Data transparency advances medical research, supports the safety and effectiveness of treatments, and improves patient outcomes. Collaboration, including with industry partners, hospitals, regulators, patients, and others, drives innovation and advances public health solutions globally. We share knowledge by:

- Disclosing information on applicable trials to the U.S. Clinical Trials Registry.
- Publishing trial findings in peer-reviewed journals.
- Collaborating with research scientists, institutions, and physicians to advance our clinical trials practice.
- Contributing to the advancement of clinical standards by working with the Association for the Advancement of Medical Instrumentation, the Clinical Trials Transformation Initiative, the National Evaluation System for Health Technology Coordinating Center, and the Digital Health Measurement Collaborative Community.
- Participating in the MedTech Color Collaborative to advance patient diversity in clinical trials.

Product use and performance

Once we launch a product, we monitor its use and performance to measure and improve safety and inform future designs.

Post-market surveillance

Post-market surveillance helps us assess device function, investigate performance concerns, and meet regulatory requirements. We collaborate with hospitals, physicians, clinicians, governments, and third parties to collect patient outcome data. We also:

- Solicit customer feedback via our global complaint handling system.
- Conduct post-market clinical studies.
- Capture patients' real-world experiences and outcomes via our internal Product Surveillance Registry.

We regularly communicate with the U.S. FDA and other regulators to make sure we meet their post-market surveillance expectations. Looking forward, we hope to leverage post-market surveillance data to further understand patient access to devices and therapies.

Caring for patients

To deliver innovative technologies that transform lives, we put people first. We employ several methods to improve the patient experience, including how patients interact with our products and their health outcomes.

Complaint rates are an important indicator of patient experience and product quality, and we continuously strive to reduce this rate. Previously, our efforts resulted in a more than 40% decline in customer-reported complaints for our pacemaker/defibrillator devices and lead systems.

To further enhance product quality and patient experience, we are targeting a 10% reduction in aggregate product complaint rate by FY25, compared with a FY20 baseline,¹ for key product families.² As of FY23, we have achieved a 39% reduction, putting us on track to achieve our goal.

Product-related actions

The safety and well-being of patients is our paramount concern. Any time product performance is called into question, we act swiftly to communicate clearly, reduce risk, and ensure optimal patient management.

We take prompt action whenever we are alerted to regulatory or field-safety issues with a Medtronic product. Our corrective actions include voluntary product recalls when needed. We examine underlying

¹ FY20 complaint rate was 7.8%.

² The goal covers the following products: Transcatheter Aortic valves and delivery systems, Venous Closure Systems, Spinal Cord Stimulation systems, Mazor Robot, Signia™ handles, Puritan Bennett™ 980 ventilator and Diabetes NGP pumps, and sensors. We are focusing on these product families because they represent strategic opportunities to positively influence complaint rate and patient experience through new product introductions and post-release changes. We continuously evaluate opportunities to reduce complaints and improve the patient experience. As opportunities are identified we may expand the scope of this commitment in future years. This target is an aggregate percent reduction from FY20 to FY25. Therefore, annual progress toward this target prior to FY25 does not represent achieving or missing the target.

U.S. FDA RECALLS

	FY21†	FY22	FY23
FDA Class I recalls	10	9	8
FDA Class II recalls	46	46	33
Annual recall ratio normalized by revenue (FDA Class I and II recalls per \$1 billion in revenue)	1.86	1.74	1.31
Number of Class I recalls as a percent of total product models offered	-	0.005%	0.003%

† FY21 recall data has been restated.

U.S. FDA WARNING LETTERS

	FY21	FY22	FY23
Open FDA warning letters	1	2	1‡
Open FDA warning letters resolved during the year	0	0	1

‡ Zero outstanding FDA warning letters as of September 2023.

issues and root causes and work to resolve them to avoid recurrence.

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

In FY23, Medtronic was subject to eight voluntary Class I recalls. This represents 0.003% of product models offered by Medtronic in FY23. Our ratio of recalls classified by FDA as either Class I or Class II per billion dollars in revenue decreased to 1.31 in FY23 compared with 1.74 in FY22.

With each recall, we correct safety issues and conduct rigorous root-cause investigations focused on the product and our processes. More detail on recalls is available on the [FDA List of Device Recalls](#).

Further details on calendar-year recalls are provided in our [ESG disclosure indices](#).



Data privacy and security

Today, more patients and providers are turning to connected devices than ever before. And we've seen an unprecedented volume and scale of ransomware attacks and vulnerability disclosures across many sectors over the past year. It is critically important that we safeguard information, assets, and systems in the ever-evolving data and cybersecurity landscape.

Our programs are designed to protect data and systems, comply with global regulations, and maintain the safety and privacy of the patients who use our products.



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.

Privacy and security approach

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

To advance data security practices, we collaborate with third-party organizations such as the **Health Information Sharing and Analysis Center** (H-ISAC), **AdvaMed**, and the **European Union Agency for Cybersecurity**. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups. We have processes in place for coordinated disclosure of potential security vulnerabilities when they are identified by third parties and for notification or other remediation regarding vulnerabilities when necessary.

Our data privacy policies, standards, and procedures define our principles and approach for stewardship of personal data. They are aligned to common and evolving privacy principles derived from privacy laws such as HIPAA and the E.U. General Data Protection Regulation (GDPR).

This approach provides a high level of data protection for patients, participants in clinical trials, customers, employees, vendors, and partners. We also meet local data privacy requirements where those are stricter than our Medtronic-wide standards.

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

- Awareness around International Privacy Day.
- 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.
- General Data Protection Regulation training for select global corporate employees, as well as non-corporate E.U. employees.
- China privacy law training for Medtronic employees in China.
- Region-specific privacy training for Medtronic employees in Latin America.
- 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.

Additionally, we expect our vendors to adhere to our data privacy and security standards, and we evaluate these risks as part of our vendor assessment process. When we acquire a company, we conduct privacy and security due diligence and implement an integration plan that includes training as well as policy and procedure standardization.

With regard to data breach reporting, 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.
- Processes and technology for privacy risk assessments and data subject request execution.
- Guidelines and training on data security, product security, and privacy.

For more information on product security, see **Patient safety and product quality**.

Supply chain responsibility

Our ability to boldly tackle the most challenging health problems facing humanity depends on a responsible, resilient supply chain. We employ robust policies and assessments to maintain a supply chain that upholds human rights, environmental stewardship, and ethical behavior.

\$14.4B

spent with more than 65,000 partners across 134 countries

31% increase in U.S. supplier spend going to small and diverse suppliers compared to FY22



Adding business value

Responsibly managing our global supply chain requires that we continuously improve our resiliency and engage with a diverse pool of innovative partners. In doing so, we are better able to create and deliver high-quality, life-improving products and services while also minimizing disruptions and quality issues.

Sustainability and responsibility

As a global healthcare technology leader, we hold ourselves to a high standard for corporate citizenship and cultivate partnerships with suppliers that share our commitment to responsible operations. Our approach to managing our network of over 65,000 suppliers in 134 countries ensures we deliver safe and effective products and therapies to patients around the world. In FY23, we spent \$14.4 billion with suppliers globally.

Our Global Supply Management team oversees our Responsible Supply Management function and ingrains our dedication to excellence, sustainable operations, and fair labor practices into each supplier relationship. The team assesses suppliers' performance on environmental, human rights, and ethics issues to instill a culture of responsible business practices throughout our value chain. The Responsible Supply Management program aligns with international standards and guidelines, including those from the **Organisation for Economic Co-operation and Development (OECD)** and the **United Nations Guiding Principles on Business and Human Rights**.

We communicate our expectations for human rights, labor standards, business ethics, environmental management, and other topics through the following policies:

- **Global Supplier Standards** – describes the minimum social, ethical, and environmental requirements and expectations for our suppliers
- **Global Human Rights and Labor Standards Policy** – guides how we conduct business to demonstrate respect for internationally recognized human rights and the dignity of all people
- **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

SUPPLY CHAIN SPEND†

(\$ million)

	FY21	FY22	FY23
United States	\$8,055	\$8,864	\$9,512
China	\$551	\$555	\$608
Ireland	\$407	\$319	\$337
Netherlands	\$266	\$280	\$315
Germany	\$271	\$291	\$255
Japan	\$182	\$231	\$240
Mexico	\$192	\$187	\$209
Israel	\$137	\$185	\$185
France	\$206	\$170	\$169
Singapore	\$176	\$162	\$159
Canada	\$119	\$121	\$146
Switzerland	\$116	\$114	\$124
Australia	\$54	\$63	\$68
Total for locations listed	\$10,731	\$11,543	\$12,325
Total spend	\$12,583	\$13,527	\$14,428

† Totals may not add up due to rounding.

- **Code of Conduct** – states our companywide standard for behavior and applies to employees, officers, directors, and anyone conducting business on our behalf, including contractors, consultants, and distributors

We also expect suppliers to implement their own human rights and labor policies and require their compliance with our Global Supplier Standards as a condition of working with us.

Human rights

The Medtronic Global Human Rights Framework and supporting due diligence processes identify and prioritize our most significant and salient human rights risks, including from:

- Direct suppliers (e.g., Tier 1 suppliers of raw materials and finished goods).
- Sub-tier suppliers that supply materials to our direct suppliers.

- Indirect suppliers (e.g., suppliers that provide us with services rather than materials or finished goods).
- Medtronic owned and managed facilities – including our staff and contractors.

Our ongoing human rights due diligence and risk mitigation activities are reported to Senior Executives through the Enterprise Risk Management function.

Training and collaboration

To maintain our high standards for supply chain responsibility and drive continuous improvement, we regularly train our employees on social and environmental topics and our standards.

Employees with procurement, sourcing, and supplier quality roles receive orientation training within six months of onboarding. They also complete our comprehensive Responsible Supply Management training within their first year at Medtronic. This suite of trainings covers greenhouse gas emissions, labor conditions, human rights, human trafficking, modern slavery, and conflict minerals, among other topics. In FY23, 380 Medtronic employees completed Responsible Supply Management training.

We bolster responsibility in our supply chain by offering supplier trainings on sustainability programs and issues relevant to Medtronic. Suppliers have free access to online trainings from **EcoVadis** on environmental and labor rights best practices. Additionally, suppliers can participate in CDP webinars on emissions monitoring and management. We also offer training on industry-specific topics, such as conflict minerals, via pre-recorded, online modules. As of FY23, 36% of our suppliers that have undergone EcoVadis assessments have operations certified to ISO 14001.

To strengthen environmental management upstream of our operations, we are part of **CDP Supply Chain**, a consortium of global companies working to quantify supply chain emissions and other impacts. We began enrolling suppliers into the program in FY22. As of FY23, 82 suppliers shared emissions data, giving us insight into the climate impacts from the goods and services we purchase. This work, done in partnership with the Medtronic Environmental, Health, and Safety team, supports our overall decarbonization strategy and moves us closer to our carbon neutrality and net-zero goals. Reported supplier emissions will also help shape our science-based targets. We plan to invite additional suppliers to participate in FY24 to grow our understanding of emissions in our supply chain. Read more about how we manage environmental impacts from our business in **Reducing our operational footprint**.

In FY23, we collaborated with peer groups to advance industry knowledge on responsible supply chain practices, track trends, and reduce risk. For example, Medtronic employees sit on **MedTech Europe** working groups focused on advancing human rights and environmental due diligence in supply chains. We also engaged with organizations such as the **Conference Board’s Responsible Sourcing Council** and the **Responsible Minerals Initiative**. In FY23, we joined a human rights working group through **Business for Social Responsibility** (BSR). Our involvement with this group will give us access to additional insights and shared best practices.

Monitoring compliance and performance

We equip our suppliers with a comprehensive set of expectations, but assessment and enforcement are necessary to ensure our high standards are maintained across our global supply chain. Our Supplier Sustainability Assessment program monitors compliance and helps us prioritize high-spend and high-risk suppliers. Since FY22, we have included

category managers – Medtronic employees responsible for managing supplier relationships within industry sectors – in the program. This collaborative approach has yielded higher supplier participation rates and reduced risks. We continued to expand the program in FY23 to reach more suppliers.

RESPONSIBLE SUPPLY MANAGEMENT FROM THE BOTTOM UP



The risk score yielded by the algorithm is used to identify suppliers that require escalation to other sustainability programs.

Using self-assessment surveys and on-site audits, we determine supplier risk in four areas: labor and human rights, environment, ethics, and sustainable procurement. We also conduct on-site audits to assess workplace conditions and the business practices of the majority of high-risk suppliers. Our risk determination dictates the frequency of a supplier's self-assessment. Low-risk suppliers complete assessments every three years, while medium- and high-risk suppliers complete assessments every two years and annually, respectively. We issue corrective action requests to all suppliers identified as medium- or high-risk, and we expect them to promptly address high-priority incidents of noncompliance. In FY23, 158 suppliers joined the program and have been assessed. Since the program's inception in FY18, we have assessed 677 direct and indirect Tier 1 suppliers with a total annual spend of \$8.5 billion. Our monitoring has shown that supplier sustainability performance is improving year over year.

In FY21, we set a target to assess the sustainability performance of suppliers representing at least 80% of our annual managed spend by FY26. As of FY23, we made significant progress, achieving 76%. However, the scope of suppliers within the target group has recently changed, and we are in the process of resetting the goal to reflect this. We aim to publish our new goal and progress toward it in our FY24 Sustainability Report.

Since FY22, our Supplier Risk Mapping tool has aided in determining supplier risk levels. The tool's methodology considers industry and geographic region as well as the amount we spend with each supplier to create a priority list of facilities that should undergo third-party assessments and audits. In two years, we have assigned inherent risk scores to roughly 51,000 Tier 1 suppliers.

To support our established Supplier Risk Mapping tool, in FY23, Medtronic partnered with a leading supply chain mapping provider to aggregate multiple data streams across our complex supply chain – for the total product life cycle – to assist with the identification and mitigation of supply risks across our Tier 1 and sub-tier suppliers. This platform provides Medtronic with additional risk data – informing our due diligence processes and the prioritization of our suppliers based on risk. It also integrates ongoing monitoring with real-time updates from global human rights and forced labor watch lists.

Supplier audits

We work with a third-party partner to conduct on-site supplier audits. In FY23, they completed 11 new and four follow-up audits. These audits covered workplace conditions; labor, wages, and hours; health and safety; management systems; environment; and business practices. With most COVID-19 restrictions lifted, our audit rate has returned to pre-pandemic levels. To reduce audit fatigue for high-risk suppliers, we accept alternative third-party-verified audit results in place of those performed by our auditing partner.

We encourage our suppliers to publicly disclose their own sustainability initiatives and goals. Every two years, we assess the sustainability reporting of our top suppliers by spend. In FY23, we reviewed the top 229 suppliers, finding that 38% published sustainability reports, 11% published public sustainability goals, and 29% discussed sustainability on their website. Upon request, we facilitate best practice sharing between suppliers to help mature their sustainability initiatives and further ingrain sustainability in our supply chain.

Conflict minerals

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

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

We report our supplier survey results to the U.S. Securities and Exchange Commission annually in a dedicated Conflict Minerals Report. For calendar year (CY) 2022, 63 of our suppliers reported red-flag smelters or refineries in their supply chain, an increase of 12.5% compared with CY21. This increase occurred because of the inclusion of Russia-sanctioned smelters and refiners.

More information on our approach is available in our [Conflict Minerals Policy](#).

Supplier quality management

Suppliers are essential partners in our product quality process. We clearly communicate our quality expectations and provide support through our [Supplier Quality Excellence Manual](#).

In addition, we help suppliers meet our stringent standards through:

- Quality Agreements with our most critical suppliers.
- Performance reviews with suppliers not meeting quality expectations.
- Continuous improvement programs, many of which are facilitated on-site at supplier manufacturing locations.
- Collaboration with suppliers to improve the design, reliability, and manufacturability of components and products.

Supplier diversity

A diverse, high-quality supplier base drives immense business value and gives us a competitive advantage. Diverse-owned¹ suppliers make us more adaptable and innovative – helping to spark new ideas and drive opportunity. In addition to providing value to our stakeholders in the form of improved quality and flexibility, diverse suppliers generate value in the communities in which they operate by creating jobs and spurring local economic activity.

Our Supplier Diversity Program aligns with our companywide approach to inclusion, diversity, and equity (ID&E) and Global Supply Management strategy. Our VP, chief inclusion and diversity officer (CIDO) serves on the Supplier Diversity Steering Committee. Together with our Supplier Diversity and Global Supply Management leaders, the committee governs our Supplier Diversity program, strategy, and goals. The CIDO highlights our supplier diversity performance as part of the Quarterly Diversity Report to our CEO and executive leadership. In addition, our chief procurement officer leads visibility of the initiative within the Global Operations and Supply Chain organization.

#7

on DiversityInc’s Top 50 Companies for Supplier Diversity list

Increasing spend with diverse suppliers

In FY23, our Supplier Diversity program directed over \$1 billion to diverse suppliers. When combined with non-diverse small businesses, that number grows to \$3.5 billion, which supported \$2.6 billion in wages and benefits and approximately 30,000 jobs. This investment represents an increase in spend with small and diverse suppliers of roughly 31% compared to FY22. This far exceeds our goal to grow spend by 5% annually through FY26 by increasing diverse supplier participation in procurement RFPs.

The Supplier Transformation Optimization Program (STOP), run by our Global Supply Management team, aided in the achievement of this goal. The program consolidates our supply chain, prioritizing spend with diverse and non-diverse partners that demonstrate preferred performance and an interest in fostering a relationship to achieve shared, long-term goals.

In FY23, we launched a new approach to engaging diverse suppliers and generating shared value. Rather than hosting a one-size-fits-all Supplier Diversity Conference, we hosted a series of small commodity-specific workshops and matchmaking events tailored to prepare diverse suppliers to address specific business needs. These sessions allowed Medtronic decision-makers to identify diverse suppliers that align with our strategies, leading to an uptick in diverse supplier adoption.

Access to capital is a critical need for businesses, especially diverse-owned businesses. To ease cash flow demands, we expanded our Early Payment Program for Diverse Suppliers. This program helps diverse-owned suppliers grow their business without increasing debt and reduces the cost of borrowing. Diverse suppliers took advantage of the program over 100 times, gaining early access to over \$58 million in capital.

SUPPLIER DIVERSITY ECONOMIC IMPACT²

\$3.5B invested with small and diverse-owned businesses

\$6.4B in economic production activity

\$2.6B in wages and benefits through supported jobs

30k small and diverse supplier jobs supported in the United States



¹ We define U.S. diverse suppliers as those owned by women, people from ethnically diverse groups, people with disabilities, LGBTQ+ individuals, veterans, and those located in historically underutilized or disadvantaged business zones.

² **Supplier.io** employs the IMPLAN input-output model in developing estimates of spend, income and employment impacts, at the direct, indirect and induced levels. Pandemic supply shortages and government stimulus policy followed by the recovery of our economy resulted in a decline in jobs and taxes despite an increase in economic production activity. Differing from previous years, this year’s economic impact data (i.e. economic production activity, taxes, jobs, wages) does not include small and diverse spend from Puerto Rico.

We aim to further our economic impact by achieving and sustaining \$1 billion in spend with certified diverse-owned suppliers. To continually create opportunity to grow our investment, we require 75% of supply tenders to include a diverse supplier. In FY23, our path to expanding economic impact and joining the **Billion Dollar Roundtable** was accelerated through new business awards and sponsorship of the initiative by executive leaders outside of the Global Supply Management group.

31%

year-over-year increase in spend with small and certified diverse-owned suppliers



Advancing supplier diversity internationally

Our commitment to creating an inclusive and equitable healthcare sector is rooted in our belief that including diverse perspectives enables us to better serve our patients. Advancing diversity is a global goal for Medtronic – extending beyond our company and across geographical borders.

Internationally, our supplier diversity efforts are focused on women-owned businesses. In Europe, the Middle East, and Africa (EMEA), we grew spend with these businesses by 12% compared to FY22.

Amplifying our impact

In FY23, our Supplier Diversity team increased supplier diversity within Medtronic and throughout the healthcare industry. On the enterprise scale, digitizing team functions facilitated more timely and accurate data insight into initiative performance and opened up more time for strategy development based on that data. At the sector level, team members held leadership roles on several industry groups hosted by nongovernmental organizations. These collaborations evaluate and advance programming that drives supplier diversity in healthcare – increasing impact through collective action.

U.S. SMALL AND DIVERSE SUPPLY CHAIN SPEND

(\$ million by category)

	FY21		FY22		FY23	
	\$ U.S. spend	% U.S. spend	\$ U.S. spend	% U.S. spend	\$ U.S. spend	% U.S. spend
Small business enterprise	\$1,776	27%	\$1,706	23%	\$2,271	24%
Veteran-owned business enterprise	\$133	2.0%	\$136	1.8%	\$115	1%
Minority-owned business enterprise	\$265	4.1%	\$320	4.6%	\$311	3.3%
Women-owned business enterprise	\$172	2.6%	\$498	7.2%	\$733	7.7%



Medtronic Hispanic Latino Network helps diverse supplier win business

Springfield Spring and Stamping, a Massachusetts-based supplier of precision mechanical springs, wire forms, and stampings, knew obtaining corporate clients was key to growing business.

The owner, Hispanic American Norman Rodriques, connected with the Medtronic Hispanic Latino Network (HLN), which helped guide Springfield Spring and Stamping to successfully meet our stringent criteria for quality, innovation, and supply chain standards.

A certified minority-owned company (also known as Minority Business Enterprise, or MBE), Springfield Spring and Stamping has seen its Medtronic-based revenues rise – all while helping local community members gain access to the bedrock of wealth creation: a well-paying and reliable job.

[Watch the video](#) about our work with Springfield Spring and Stamping.

Governance and accountability

We have diverse knowledge, insatiable curiosity, and a desire to help all who need it – supported by strong governance and a culture of accountability. By upholding the highest ethical standards, we earn investors' confidence and strengthen stakeholder relationships.

- FY23 governance and accountability highlights
- Corporate governance
- Ethical business conduct
- Ethics in sales and marketing
- Economic impact
- Policies



FY23 highlights

36%

of board members are women and 27% are from ethnically diverse backgrounds

99% of U.S. employees are certified as having read and understood our Code of Conduct

\$31.2B revenue generated

\$6.2B spent on strategic investment and acquisition¹

¹ Includes acquisitions; additions to property, plant, and equipment; R&D spend; and net purchases of investments.



Corporate governance

Clear policies and procedures ground our principled approach to corporate governance. Independent oversight of the company strengthens our financial health and ethical accountability and enables us to engineer the extraordinary across the globe.



Adding business value

Strong corporate governance upholds our company values, safeguards against risks, and maintains stakeholders' trust – all essential to the continuing success of our business.

Board of directors

Our board is comprised of independent directors and our CEO, Geoff Martha. Mr. Martha serves as Chairman of the Board, and Craig Arnold serves as lead independent director.

Independent directors make up the board's six standing committees:

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

Our board members have diverse experience, skills, and backgrounds essential to understanding and responding to stakeholder needs and enhancing the quality of company discussions and decisions. At the end of FY23, 36% of the board were women and 27% were from ethnically diverse backgrounds.

When evaluating individuals to serve on our board, we consider a variety of factors, including diversity of skills, experience, and community involvement. Our **Board Diversity Policy** and **Principles of Corporate Governance** outline the principles and processes through which the Nominating and Corporate Governance Committee assesses the appropriate mix of board diversity and evaluates candidates.

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

Enterprise risk and continuity management

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

We stay nimble and prepared through three key programs:

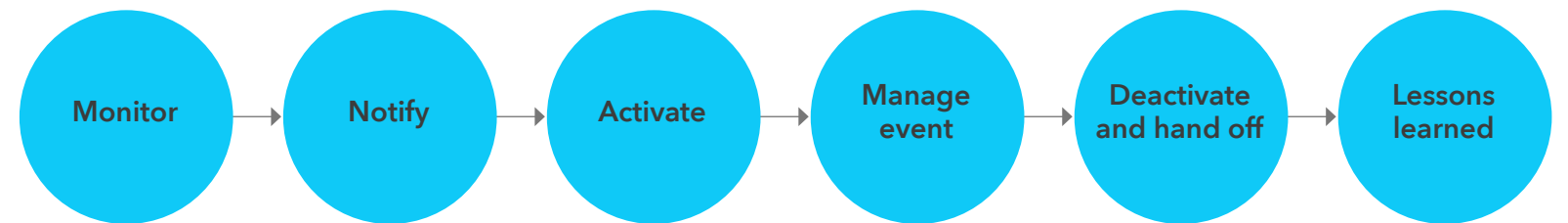
- **Enterprise risk management (ERM)** – The ERM team oversees an organization-wide approach to ensure that risk management activities are consistent and effective across Medtronic. We identify and closely monitor our most critical risks, and then report risk and mitigation information to our Enterprise Risk Management Steering Committee and Board Audit Committee on a quarterly basis. In FY23, Medtronic continued to embed our ERM framework within our strategic planning and other core business processes and functions to continue to sharpen our focus on our most critical risks and mitigation activities.
- **Business continuity management** – We prioritize critical products and services based on patient impact and our strategic priorities. End-to-end mapping of our value stream enables us to quickly identify and effectively manage key operational risks, with a strong focus on resiliency. Our business continuity efforts have been recognized by external entities. Most recently, we were one of eight organizations awarded

CRISIS MANAGEMENT PROCESS

Crisis management teams



CRISIS MANAGEMENT STRUCTURE



the Healthcare Industry Resilience Collaborative (HIRC) Transparency Badge. This award validates our continuous efforts and commitment to supply chain transparency and resiliency.

- **Crisis management (CM)** – The CM team prioritizes and coordinates our response, including resource allocation, to crises that affect our people, operations, or reputation. The executive committee sponsors the CM program, with support from the Medtronic Global Command center, leadership, and the cross-functional teams dedicated to crisis management.

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

Public policy

Our public policy efforts improve healthcare access, quality, efficiency, and outcomes for all patients and are implemented in a number of ways.

Our Government Affairs, Health Economics, Policy and Reimbursement, and Regulatory Affairs teams work with governments, industry 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.

As a global healthcare technology leader, we prioritize the growth of digital health to make healthcare more efficient and sustainable. We are helping to shape the digital health policy landscape on issues that include device security, data privacy and security, access to data for research and development, product regulatory issues, and coverage and reimbursement.

To promote public policies that narrow disparities in healthcare access and advance more equitable patient care, we work with trade associations on issues such as the diversity of clinical trials and telehealth policies.

To advance public policy that supports our Mission, Medtronic has established the Medtronic PAC, an employee-based, voluntary, non-partisan political action committee. The Medtronic PAC makes contributions to candidates for federal office who align with our company values. We comply with all relevant laws regarding disclosures of political contributions and post contribution information on our website, including statements about how these contributions were determined. Read more about our [Political Contribution Policy](#).

Collaborations

Our Mission inspires us to partner with others to expand equitable access to quality, affordable healthcare. Partners include patients, physicians, treatment facilities, health system administrators, government officials, public policymakers, nonprofits, nongovernmental organizations, and advocacy groups. Like us, they have a direct interest in improving healthcare and overcoming industry challenges.

A growing number of nations are implementing universal health coverage (UHC) to provide everyone access to health services without risk of financial ruin. According to the World Health Organization, countries with UHC have less poverty and stronger economic development, as well as improved health indicators.¹

Medtronic is well-positioned to support governments as they work toward UHC, and we seek more ways to contribute to the progress. For example, Medtronic LABS is part of the UHC2030 Private Sector Constituency and, in FY23, served on the UHC2030 Steering Committee. Also in FY23, we renewed our commitments to build on and maximize the private sector’s contributions to UHC. Read more about our involvement in the UHC’s [Private Sector Commitments Statement](#).

We continue to encourage value-based healthcare conversations in policy discussions, including during meetings of G20 health officials, a global health working group. Our efforts also include promoting policies to increase access to care and innovation, including the application of digital technology to improve diagnosis, therapy, and care management.

Additionally, we participate in business and MedTech industry trade organizations working to advance global health, primarily through the U.S. Chamber of Commerce and serve on the boards of industry organizations such as [AdvaMed](#), [APACMed](#), and [MedTech Europe](#). We share expertise and advocate for a more sustainable healthcare model through forums in the United States and elsewhere. For example, in FY24, during the United Nations General Assembly’s focus on UHC, we will hold a meeting focused on equity and access, honing in on the importance of physician, patient, and caregiver training and education.

¹ Arguing for Universal Health Coverage Report, The World Health Organization, page 10.



Ethical business conduct

Our commitment to “Delivering Results... The Right Way” empowers all employees with critical thinking and ethical decision-making, impacting every stakeholder interaction we have and every product we produce.



99%
of employees
completed Code of
Conduct training

Adding business value

Our success relies on earning and maintaining the trust of those with whom we work and the patients benefiting from our products and therapies. By ensuring our people act with integrity, we safeguard our reputation, protect the best interests of patients, and minimize our exposure to risks.

Building an ethical culture

Our Office of Ethics and Compliance (OEC) oversees ethics policies and programs, ensuring alignment with our values and compliance with regulations. The OEC regularly engages our board of directors and senior leaders, including the CEO and executive committee, about our ethics and compliance program. Our chief ethics and compliance officer, who has an independent reporting line directly to the Audit Committee, reports quarterly to the Audit Committee and has regular executive sessions with its members.

The OEC also investigates reported concerns of alleged misconduct and ensures an appropriate review process. A disciplinary action committee, composed of business leaders and individuals from OEC, human resources (HR), and employee relations, evaluates each matter to ensure consistent, fair, and equitable treatment of employees.

In FY23, we restructured the OEC to align its support both more effectively with our business and relevant risk. This new structure allows us to focus on high-risk areas and allocate additional support and resources accordingly.

Code of Conduct and Business Standards

Our policies and principles detailing ethical behavior are accessible, explicit, and relevant to employees' day-to-day work. Our Code of Conduct anchors this approach. To ensure every employee understands and is accountable for upholding our Code, we:

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

Through explicit policies and trainings, we educate employees on our ethical conduct expectations and encourage them to report ethical concerns without fear of retaliation. Completing annual Code of Conduct training, which includes knowledge checks to ensure understanding, is mandatory for all employees. We update our training regularly to address current and emerging focus areas. In FY23, our training modules covered topics including conflicts of interest, anti-harassment, fair competition, and insider trading.

Our **Global Business Conduct Standards Policy** regulates employee interactions with healthcare professionals and other influential stakeholders who are able to influence purchasing decisions. The policy adheres to the ethical standards set by leading global medical device trade, innovation, and patient advocacy associations such as **AdvaMed**, **MedTech Europe**, and **APACMed**. We incorporate ethics and compliance reviews into our due diligence and integration procedures for all mergers and acquisitions. In FY24, we will update our Global Business Conduct Standards Policy to further clarify appropriate interactions with healthcare professionals.

In FY23, we were one of 135 companies across 19 countries and 46 industries recognized on Ethisphere's 2023 list of the World's Most Ethical Companies.

ENSURING COMPLIANCE WITH OUR CODE OF CONDUCT

	FY21	FY22	FY23
Employees receiving Code of Conduct training and certification	69%†	99%	99%
Employees terminated for ethical and compliance-related infractions‡	257	192	304‡

† In-person trainings at manufacturing facilities were suspended in FY21 due to COVID-19 restrictions, leading to a decrease in the number of employees who completed training.

‡ The increase in terminations in FY23 is due, in part, to normal variation; however, we also believe a portion of the increase is attributed to better tracking of terminations in global manufacturing facilities.



Employee ethics

Our Medtronic Mindset of “Delivering Results...the Right Way” is a fundamental element of our ethics communications. We continuously expand and improve our ethics touch points and learning opportunities to strengthen employees’ understanding and adherence.

In FY23, we continued to improve ethics education and communication at both the employee and company levels to further ingrain ethics into regular conversations. We specifically targeted our global manufacturing facilities to reinforce our commitment to ethical practices. For example, we encouraged employee feedback through our surveys and introduced new educational initiatives. Our compliance officers collaborated with business leaders to increase ethics awareness, promoting a more transparent and ethical corporate culture. Since beginning this practice in February 2022, we are averaging more than 1,200 ethics conversations per month.

We also build ethics awareness and engagement through initiatives such as:

- **Ethics and Integrity Week** – This annual event features educational activities and resources for employees companywide. The theme for FY23 was “Delivering Results...the Right Way,” reinforcing our standards of honesty and integrity and exploring how employees can build trust through their actions and work, speak up for themselves and for patients, and foster an environment of open communication to promote better listening and understanding.
- **Everyday Ethics Interactions** – Our year-round **Ethics Circles** bring small groups of employees together to discuss hypothetical scenarios, as well as personal experiences. Our **HiFi Ethics Podcast** addresses common ethical challenges across all

segments of the company in a conversational and storytelling mode. We also regularly post core ethical communications on the company’s internal social media platform to further ensure a regular cadence of interaction with employees on key topics.

- **Organizational Health Survey** – To better understand employees’ perspectives on ethics, we include targeted questions in our annual Organizational Health Survey. In FY23, we surveyed employees on topics including trust, tone at the top, comfort speaking up, and openness of communication. Of employees surveyed, 82% rated the Medtronic ethical culture positively.

Risk assessment and monitoring

While our comprehensive communication and training aim to prevent unethical situations, we cannot eliminate all risks. Therefore, we proactively assess risks and closely monitor our activities and processes. If we identify issues, we investigate and employ a formal, consistent, and fair review process for remediation. We conduct a thorough risk assessment by reviewing internal and external data and trends, regulatory enforcement actions, hotline reports, investigations, internal audits, and data analyses. Our assessments help us identify high-risk areas that require investigation and remediation. When we identify issues, we find the root cause and take necessary corrective actions to prevent recurrence.

In FY23, we shifted from annual to quarterly risk assessments to more promptly identify and address emerging risks. More frequent assessments increase visibility and enable us to more effectively allocate resources to high-risk areas.

Excellence in ethical practices

Each year, our Compass Awards honor a select group of employees who champion our Code of Conduct and exemplify the Medtronic Mission through actions that demonstrate strong integrity. In FY23, four individuals and two teams received Compass Awards. The recipients spanned functions from Regulatory Affairs, Marketing Communications, Integrated Health Solutions, Renal Care Solutions Program, Diabetes, and the Cardiac Ablation Systems team.

Compass award winner Aditi Upadhye, Sr. Regulatory Affairs Director, Aortic, with Tara Shewchuk, Global Chief Ethics and Compliance Officer at the Compass Awards Ceremony.



Encouraging a “speak up” culture

When employees need ethical guidance or have concerns about potential violations, we strongly encourage them to speak up, even anonymously if they choose, through one of the following channels:

- Their manager
- Human Resources
- Legal or Compliance representatives
- The board of directors’ email inbox, which is monitored by staff who bring pertinent matters to the board’s attention
- Voice Your Concern Line
- Exit interviews

Employees globally can access our Voice Your Concern (VYC) Line at any time to report potential ethics issues or seek guidance. In early FY23, we launched several initiatives to enhance the accessibility of the VYC Line:

- Introduced one-step dialing in 28 additional countries
- Updated the VYC website to include translations in 23 additional languages
- Rolled out a QR code to allow reporters to easily report from their mobile phone

Of the concerns received in FY23, 87% were deemed mild risk, 12% were moderate risk, and 1% were elevated risk. The most common inquiries pertained to the category of workplace conduct (64%). We closely monitor the number of days between reporting and closure to help ensure timely review of all concerns. Additionally, we track the anonymity rate of employee reports as one way to measure the impacts of our efforts, the quality of our “speak up” culture, and the overall VYC program.

Our chief counsel of global compliance investigations is responsible for supporting these reporting processes across Medtronic. We continue to enhance our processes to ensure a “speak up” culture and organizational justice and see increased engagement from our employees as we provide safe mechanisms to report concerns without fear of retaliation.

Corrective actions

If an investigation confirms employee misconduct, we take corrective action, which may include coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or, in serious cases, dismissal. To help prevent future misconduct, we conduct analyses to identify and review root causes and implement broader improvement actions. Unfortunately, 304 employees were terminated for ethical and compliance-related infractions, up from 192 employees in FY22. While these numbers naturally fluctuate from year to year, we also enhanced tracking of terminations for greater consistency, particularly in our manufacturing sites, which may be driving year-over-year increases.

VOICE YOUR CONCERN LINE

	FY21	FY22	FY23
Number of inquires	789	873	1,130
Mild risk	84%	87%	87%
Moderate risk	14%	12%	12%
Elevated risk	2%	1%	1%

INQUIRIES BY ISSUE†

	FY21	FY22	FY23
Workplace conduct	56%	63%	64%
Concerns or questions	21%	14%	15%
EHS concerns	8%	8%	3%
Quality/regulatory	4%	3%	3%
Fraud and accounting	3%	4%	4%
HCP interactions	3%	3%	4%
Patient relations	3%	2%	4%
Privacy/cybersecurity	1%	2%	1%
Antitrust/fair dealing	1%	–%	1%
Theft	–%	–%	1%
Import/export‡	–%	N/A	–%
Security concerns‡	–%	N/A	–%

† Some columns may not add up to 100% due to rounding.

‡ N/A denotes 0 inquiries whereas 0% represents a near zero percent of inquiries.

Ethics in sales and marketing

The reputation and stakeholder trust we've built over decades hinges on our ethical integrity. Our uncompromising approach to ethical responsibility extends to our sales and marketing practices, from product labeling to interactions with healthcare professionals.

17.5k+

marketing and sales employees trained on ethical product promotion

99% third-party distributors received anti-corruption training



Adding business value

Ethical sales and marketing practices are paramount in building and maintaining trust with our stakeholders, safeguarding our reputation, and reducing legal and regulatory risk.

Responsible marketing

All Medtronic employees must adhere to our Code of Conduct and our Global Business Conduct Standards Policy regarding sales and marketing practices and complete annual Code of Conduct training. Additionally, employees are expected to comply with industry codes of ethics and adhere to local laws and regulations.

We continuously adapt our marketing practices to align with current and emerging market trends. Our commitment to responsible marketing encompasses social media communications, virtual interactions with customers, and the responsible use of Medtronic products to avoid off-label promotion. As our business evolves, we also update our practices. In FY23, following an acquisition, we began submitting pharmaceutical-specific transparency disclosures to remain in compliance with applicable laws and regulations.

To ensure adherence to appropriate marketing practices, we perform routine audits, monitor interactions, and conduct investigations.

RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

	FY21	FY22	FY23
Fines or settlements related to improper marketing or sales of products [†]	1 [‡]	0	0
Fines or settlements paid by Medtronic related to noncompliance with anti-corruption laws (#) [§]	-	0	0
Marketing and sales employees trained on product promotion	18,416	18,615	17,573

[†] Fines noted represent the year the fine was paid.

[‡] \$9.2 million settlement related to the interaction between sales employees and a neurosurgeon in South Dakota.

[§] FY22 is the first year for which Medtronic is reporting on this category.

Ethical interactions

We collaborate with healthcare professionals to accelerate patient access to our products and therapies and implement key policies and practices to ensure ethical conduct. For example, our Code of Conduct encompasses companywide principles and standards that regulate employee interactions with healthcare professionals. Our policies emphasize appropriate interactions and transparency, including the disclosure of payments to physicians, physician-owned entities, and healthcare organizations. By adhering to ethical requirements, we uphold the integrity of physician-patient relationships and prevent conflicts of interest.

Our physician interactions include:

- Collaborating to develop new devices and therapies
- Developing educational materials and campaigns
- Partnering on clinical research
- Providing training on the use of our devices and therapies

Physician interactions remained a primary focus for us in FY23. We employ a stringent process to evaluate collaboration opportunities and require all physician collaborations to have a verified, legitimate business purpose. This approach ensures that any consulting payments are appropriate and commensurate with the fair market value of services provided.

In FY23, we continued to strengthen transparency, equity, and accessibility in our approach to ethical interactions. To facilitate and streamline employee compliance with ethical spending limits on business meals with healthcare professionals, we updated our mobile app, HCP Business Courtesies. As part of our Capital Equipment Optimization Project, we made operational enhancements to our capital equipment lending programs. These improvements focused on equipment placement, contract compliance, and prioritization of patient needs. We emphasized providing capital equipment support to communities with the greatest need.

We openly disclose transfers of value to healthcare professionals as mandated by applicable laws in each country. In the United States, we submit payment disclosures to the Centers for Medicare and Medicaid Services for publication on its website. These disclosures encompass payments made to physicians, physician assistants, advanced practice registered nurses, and teaching hospitals. Additionally, we consolidated our reporting under a single entity to strengthen transparency.

Countering corruption

The Medtronic board of directors supervises our anti-bribery and anti-corruption (ABAC) program. To continually enhance the program, we regularly incorporate insights from regulators, third-party audits, and best practices. We have 174 full-time equivalent employees dedicated to supporting our ABAC efforts. In FY23, we updated our ABAC program to emphasize our commitment to preventing money laundering.

Our Code of Conduct and ABAC policy explicitly prohibit bribery and facilitation payments, and in most countries, restrict gift exchanges. We effectively communicate

these ethical standards to our full-time and part-time employees, as well as contractors, through Medtronic policies, guidelines, and training programs.

We provide comprehensive ABAC training to internal and external stakeholders to ensure their awareness of relevant regulations and equip them with the required tools to navigate ethical challenges. Newly hired sales employees receive training on our ethical sales practices within their first 60 days of employment, with additional focused training throughout their first year. Existing employees receive training on a three-year cycle.

COUNTERING CORRUPTION

	FY21	FY22	FY23
Employees (full-time equivalent) supporting anti-corruption efforts	215	179 [†]	174
Third-party distributors receiving anti-corruption training	99%	99%	99%

[†] Beginning in FY22, we removed nonlegal/compliance employees from this count, leading to a decrease from prior years.

Distribution and partners

Where possible, we continue to expand our direct sales infrastructure in specific markets to reduce our reliance on third-party distributors. In markets where we rely on third-party product distributors, we require them to adhere to our high standards.

As a condition of working with Medtronic, all distributors must implement their own anti-corruption programs and formally adopt a code of conduct that aligns with our ethical standards.

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

- Annually commit to abide by their adopted code of conduct.
- Complete anti-corruption training at least every two years.
- Support and monitor compliance, including conducting on-site monitoring of distributors.
- Assess corruption potential prior to renewing or entering contracts.

Distributors must assign a senior leader from their management team to oversee their organization’s ethical practices, conduct employee training, ensure compliance with their code of conduct, and address Medtronic-specific reporting requirements.

To help distributors implement their own compliance program, we provide a **sample code of conduct** that they may use as a template, as well as other online resources in 13 languages. We also share resources such as a best-practices toolkit, which we codeveloped with AdvaMed. The **toolkit** is available in nine languages to enable consistent industry standards.

We continue to enhance our management of third-party distributor risk. For example, we reassessed our internal commercial Distributor Relationship Owners (DRO) program to better align with risk across the world. The DROs are responsible for holding distributors accountable to ABAC requirements and engage regularly with distributors to help ensure their understanding of ethical requirements.



Economic impact

We contribute to the economic growth of communities around the world through the jobs we create, the suppliers we support, and the taxes we pay.



95,000+

employees in more than 150 countries

\$31.2B

in revenue

Adding business value

A growing business needs a healthy economy to thrive. Our continued financial success fuels broader long-term prosperity for our employees, suppliers, communities, and shareholders, which collectively contribute to the wider economic health of society.

Financial performance

Primarily in the first half of FY23, we continued to increase our revenue while contending with significant supply chain issues and slower-than-expected return to pre-pandemic levels of medical procedure volumes. Although these challenges had an impact on our financial performance, we maintained strong support for customers, employees, and communities in more than 150 countries.

Our FY23 revenue totaled over \$31.2 billion – an increase of approximately 2% on an organic basis compared to FY22 – which excludes the \$1.4 billion negative impact of foreign currency translation, significant acquisitions and divestitures¹, and \$265 million of revenue from a one-time intellectual property (IP) agreement in the fourth quarter. Revenue from emerging markets comprised 17% of our total revenue and increased 5.5% on an organic basis compared to FY22.

Our non-GAAP net income was \$7 billion, decreased by 6% compared to FY22, and adjusted earnings per share declined by 5% compared to FY22.

Our research and development (R&D) investments were \$2.7 billion in FY23, approximately 8.6% of our revenue. This investment reflects our continued focus on innovation as the engine of our long-term revenue growth concentrating on high growth markets like structural heart, neurovascular, diabetes, cardiac ablation, and surgical robotics, and additional breakthroughs in data and artificial intelligence.

See our [2023 Form 10-K](#) for more detail on our financial performance.

¹ This excludes \$98 million of revenue from the ENT acquisition and \$44 million of quarter four revenue from RCS.

Return to shareholders

Our non-GAAP diluted earnings per share of \$5.29 in FY23 represents a 5% decrease compared to FY22, as we navigated through multiple macro-economic headwinds. We paid dividends of \$2.72 per share in FY23, marking our 45th consecutive year of dividend increases. Out of our \$4.6 billion total free cash flow in FY23, we returned \$4.0 billion – or 86% – through dividends and net share repurchases.

DIVIDENDS PER SHARE

(\$ dollars)

FY21	FY22	FY23
2.32	2.52	2.72

45

years of consecutive dividend increases in the S&P 500 Dividend Aristocrats Index

86%

of free cash flow returned to shareholders in FY23

Employment and compensation

We designed our employment and compensation framework to further the values expressed in Tenet 5 of the Medtronic Mission – to recognize the worth of all employees. Our compensation and benefits drive a

high-performance culture and reward our more than 95,000 employees in more than 150 countries for their ongoing commitment. Read more about our approach to [pay equity and compensation and benefits](#).

EMPLOYEES[†]

(thousands)

	FY21	FY22	FY23 [‡]
	94.9	101.2 [‡]	100.4

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

[‡] We communicate “more than 95,000 full-time employees” publicly, including in this report, as a general statement of the employee population, which is always evolving.

TOTAL EMPLOYEE COSTS

(\$ million)

	FY21	FY22	FY23
	10,105	10,193	10,508

EMPLOYEE SALARY AND WAGES

(\$ million)

	FY21	FY22	FY23
	6,003	6,334	6,688

EMPLOYEE RETIREMENT BENEFIT PLANS[†]

(\$ million)

	FY21	FY22	FY23
	668	459	494

[†] Employee Retirement Benefits spend fluctuates based on several factors, including a variable 401(k) match component that is incremental to the standard 401(k) match.

Investment, expenditures, and taxes

We deliver direct economic benefit to individuals and communities through the wages and taxes we pay and provide indirect benefit through our business with suppliers. We sustain this positive impact through ongoing capital investments and operating outlays. Our commitment to maintaining good corporate citizenship includes paying taxes in every country in which we operate, as detailed in our Tax Policy statement.

In FY23, Medtronic paid more than \$3.6 billion in taxes. Our total tax contribution to governments on a global basis, including taxes collected from customers and employees related to the products we sell and the employment we provide, was \$6.3 billion in FY23.

TAX PAYMENTS IN FY23[†]

(\$ billion)

Type of tax	Taxes paid by Medtronic	Additional taxes collected by Medtronic
Corporate income, franchise, excise	1.7	0
Payroll, social insurance	0.8	2.3
Other [‡]	0.2	1.3
Total tax payments	2.7	3.6
Total tax contribution		6.3

[†] The tax information contained in this section is intended to provide the reader with an overview of all taxes paid by Medtronic plc. It should be read in conjunction with the company's tax information filed with the U.S. Securities and Exchange Commission (SEC), including in the most recently filed Quarterly Reports on Form 10-Q and Annual Report on Form 10-K. This tax information is supplemental to, and not a substitute for, the information reported in the company's SEC filings. Taxes paid in a year can represent amounts accrued or owed related to prior tax years and paid in the current year, or prepayment of taxes that relate to a subsequent year.

[‡] Includes VAT, Sales & Use, Property, Customs/Duties, dividend withholding, Municipal/Local, and Stamp taxes.

Acquisitions and divestitures

We invest in or acquire other healthcare technology companies to access innovative solutions, strategic skills, and expertise aligned with our Mission. When appropriate, we use divestitures to ensure our portfolio remains focused on our strategic priorities.

On April 1, 2023, we completed the divestiture of Renal Care Solutions to Mozarc Medical, a joint venture with DaVita. On May 13, 2022, we completed the acquisition of Intersect ENT, and on August 30, 2022,

we completed the acquisition of Affera. In our FY23 fourth quarter earnings publication, we announced our intent to acquire wearable insulin patch maker, EOFlow. We expect to finalize this acquisition in the second half of calendar year 2023. We will continue to evaluate additional venture investing opportunities. Our total strategic investment and acquisition spend in FY23 was \$6.2 billion.¹

¹ Includes acquisitions; additions to property, plant, and equipment; R&D spend; and net purchases of investments.

Policies

- Code of Conduct

Additional company policies include:

- Anti-bribery and Anti-corruption (ABAC) Policy
- Board Diversity Policy
- Conflict Minerals Policy
- Environmental Health and Safety (EHS) Policy
- Family Leave Policy
- Global Anti-Human Trafficking and Forced Labor Policy
- Global Business Conduct Standards Policy
- Global Human Rights and Labor Standards Policy
- Global Inclusion and Equal Employment Opportunity Policy
- Global Supplier Standards
- Healthcare Economics Policy and Reimbursement (HEPR)
- Hybrid Return to Office Policy
- Materials of Concern Policy
- Product Security Policy
- Policy Regarding the Use of Animals
- Principles of Corporate Governance
- Political Contribution Policy
- Tax Policy



ESG disclosure indices

Our environmental, social, and governance (ESG) disclosure indices align with reporting frameworks and standards.

- Global Reporting Initiative
- Sustainability Accounting Standards Board
- Task Force on Climate-related Financial Disclosures
- World Economic Forum
- Stakeholder Capitalism Metrics
- Employee data summary



Global Reporting Initiative (GRI)

GRI 3-3: EVALUATION OF THE MANAGEMENT APPROACH

Access

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Half of the world’s population still lacks access to essential healthcare,¹ with underserved communities disproportionately affected. Healthcare technology can be a profound equalizer. We partner with health systems to bring revolutionary technology to communities around the world. Our pipeline, data, and technology make us uniquely qualified to help drive scalable and sustainable solutions to advance health equity.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>A negative impact is created when those who need our products and therapies cannot access them or cannot use them. Increasing diversity in clinical trials and in the mix of healthcare professionals and others with whom we collaborate is one of the many ways in which we are addressing this. Doing so informs our product development and innovation so we can create solutions that work for more patients around the world.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>See policies and commitments in Global healthcare access.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>Our actions to manage the potential positive impacts toward access are shared in Global healthcare access.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>The ultimate measures of our success are the number of patients globally who benefit from our products and therapies, as well as our ability to continue to reach underserved communities with new products and healthcare models. We have a goal to strive to serve 79 million patients annually through our increased access strategies by FY25. In FY23, we served more than 74 million patients.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We partner with peers, innovators, healthcare systems, governments, and others to deliver solutions matched to local needs and develop new approaches to increase access to our treatments. Read more in Global healthcare access.</p>

¹ World Bank and World Health Organization, [World Bank and WHO: Half the world lacks access to essential health services, 100 million still pushed into extreme poverty because of health expenses](#), December 13, 2017.

Affordability

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>We view access to healthcare as a human rights issue. One of the central levers for increasing access to life-saving products and solutions is affordability.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Affordability of healthcare products and solutions is an industrywide challenge. Too often, the traditional systems of payment for a volume of product or therapy do not incentivize value and tend to be based on short-term transactions rather than long-term results. Additionally, affordability can be impacted by whether or not a product or therapy is approved to be covered by an insurance provider, and therefore reimbursed to the patient.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Global healthcare access.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>The principles of fairness and sustainability underpin our pricing models, which are aligned with local market environments. Our Healthcare Economics Policy and Reimbursement (HEPR) function oversees our reimbursement strategy across our portfolios. HEPR allows us to adapt to local needs by ensuring close coordination and cooperation across operating units and markets. Additionally, Medtronic has a tiered portfolio of products within select therapies to help support access in low- and lower-middle-income countries.¹</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>The number of patients who can access our products is one way we track effectiveness. On an average annual basis, our products or therapies are accessed by more than 70 million people around the world.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>Medtronic engages with various stakeholders to inform the variety of pricing models we offer. These models include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers.</p> <p>Read more in Global healthcare access.</p>

¹ The World Bank **defines** low-income economies as those with a gross national income (GNI) per capita, calculated using the World Bank Atlas method, of \$1,135 or less in 2022; and lower-middle-income economies as those with a GNI per capita between \$1,136 and \$4,465.

Climate risk and resilience

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Societies globally are threatened by the accelerating impacts of climate change, such as extreme weather conditions and events resulting in droughts, floods, wildfires, disease, migration, and food scarcity. Globally, the healthcare industry is responsible for approximately 4.5% of carbon emissions. In the United States, the healthcare industry is responsible for approximately 8.5% of carbon emissions.¹</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>The business activities that enable us to develop leading medical technologies also carry environmental impacts. These impacts include energy demand and emissions across our value chain, from supplier impacts during product manufacture to our operations and product end of life.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Reducing our operational footprint and Climate risk and resilience.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>One way we manage our climate risk and resilience is through our Decarbonization Roadmap, which includes pursuing science-based targets for:</p> <ul style="list-style-type: none"> • Achieving carbon neutrality in our operations by FY30. • Engaging suppliers in CDP Supply Chain to enhance our understanding of our Scope 3 emissions. • Executing ongoing logistics improvements. <p>In FY23, we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets initiative (SBTi). These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement’s 1.5°C warming scenario.</p> <p>We continuously work to improve our energy efficiency, and, as of FY23, three Medtronic sites have received ISO 50001 certification for their energy efficiency management systems.</p> <p>Read about how we manage our impacts in Reducing our operational footprint.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We have the following goals to guide our climate progress:</p> <ul style="list-style-type: none"> • Reduce operational greenhouse gas emissions intensity by 50% by FY25 compared to an FY20 baseline. In FY23, we achieved a 35% reduction compared to FY20. • Reduce energy intensity by 20% by FY25 compared to an FY20 baseline. In FY23, we achieved a 6% reduction compared to FY20. • Achieve carbon neutrality in our operations by FY30 and achieve net zero across our value chain by FY45.
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>Medtronic communicates to all stakeholders on its approach to climate risk and resilience through our annual Sustainability Report and Task Force on Climate-related Financial Disclosure (TCFD) report. We collaborate with the National Academy of Medicine (NAM) to spur industrywide efforts, and our executive vice president (EVP) for global operations and supply chain leads a NAM working group that supports carbon reductions in healthcare supply chains. Additionally, our ongoing engagement with investors and customers informs our climate goals and ambitions. Read more on our stakeholder engagement in Reducing our operational footprint, Climate risk and resilience, and Stakeholder engagement.</p>

¹ Pichler PP, Jaccard IS, Weisz U, Weisz H. International comparison of healthcare carbon footprints. Environ Res Lett. 2019;14(6):064004.

Corruption and bribery

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>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 can result in economic, environmental, and societal disservices, among other impacts.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Potential negative impacts could result from the actions of employees or our third-party distributors as it relates to the sale of our products and therapies, including interactions with healthcare professionals.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>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. See our policies and commitments in Ethical business conduct and Ethics in sales and marketing.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>To reduce the risk of corruption, we:</p> <ul style="list-style-type: none"> • Articulate our expectations through policies and procedures. • Provide communication and training to employees at all levels of the organization. • Proactively monitor our business transactions for unethical behavior. • Prohibit bribery or facilitation payments and, in most countries, prohibit gift exchange. • Incorporate information from regulators, third-party audits, and best practices into our Anti-Bribery and Anti-Corruption programs. • Provide annual ethics reports for the board of directors and quarterly briefings for the board’s Audit Committee. • Allocate resources toward our ethics policies and programs through our Office of Ethics and Compliance, including engagement with the board of directors and senior leaders, about our ethics and compliance program. • Take corrective actions for any employee misconduct, including coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or, in serious cases, dismissal. • Require distributors to formally adopt a code of conduct that aligns with our ethical standards. • Share resources, such as a best-practices toolkit, co-developed with AdvaMed and translated into nine languages, that all industry companies can provide to their distributors. • Encourage employees to speak up through our Voice Your Concern Line.
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>The following metrics illustrate the effectiveness of our actions and highlight our progress toward our goals and targets:</p> <ul style="list-style-type: none"> • 174 employees (full-time equivalent) supporting anti-corruption efforts in FY23. • Ninety-nine percent of third-party distributors received anti-corruption training in FY23. • Over 17,500 marketing and sales employees trained on ethical product promotion in FY23. <p>Through our continuous risk assessment process, we also:</p> <ul style="list-style-type: none"> • Review internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations. • Perform internal auditing and data analysis to identify high-risk areas for investigation and remediation. <p>Read more about our goals and tracking in Ethical business conduct.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys. Employees globally can also access our Voice Your Concern Line at any time to report potential ethics issues or seek guidance, and in FY23, we introduced one-step dialing in 28 additional countries and updated the VYC website to include translations in 23 additional languages to increase reporting accessibility. Read more about our stakeholder engagement on ethical issues in Ethical business conduct.</p>

Data privacy and security

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>We are in a time of rapid adoption of connected data devices and powerful data analysis that is contributing to innovative products, therapies, and delivery modalities, as well as faster research. In parallel, there has been an unprecedented increase in ransomware attacks and vulnerability announcements across sectors. It is essential that we safeguard information, assets, and systems in the ever-evolving data and cybersecurity landscape.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Negative impacts related to data privacy and security could result from business activities and business relationships but are continuously monitored and risk mitigations are applied.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Data privacy and security.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>Our Global Cybersecurity and privacy programs are designed to protect data in the ever-evolving technology and cybersecurity landscape. We take the following actions to address and mitigate impacts related to data privacy and security:</p> <ul style="list-style-type: none"> • Use technology to scan our operational environment for risks • Assess the risks of third-party projects and initiatives • Train all employees and contingent workers on security and privacy so they understand how to identify, protect, and preserve sensitive data and prevent cyber intrusions • Require our vendors to adhere to our data privacy and security standards and evaluate these risks as part of our vendor assessment process • Supervise risks relating to cybersecurity with our board’s Audit Committee • Collaborate with third-party organizations such as the Health Information Sharing and Analysis Center and AdvaMed • Conduct ongoing privacy and security due diligence of IT systems and apply appropriate risk mitigations
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives.</p> <p>We closely track our performance across data privacy and security to identify where programs are succeeding and areas of opportunity. We also collaborate externally to understand how others are addressing similar challenges and find new solutions to implement.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>To advance data security practices, we collaborate with third-party organizations such as the Health Information Center (H-ISAC), AdvaMed, and the European Union Agency for Cybersecurity. We also contribute to global product security and cybersecurity standards in collaboration with the U.S. FDA and other regulatory advocacy groups.</p> <p>We also monitor current practices and emerging risks by engaging with employees, regulators, peers, healthcare delivery organizations, clinicians, and security researchers.</p> <p>Read more about how we engage with stakeholders in Data privacy and security.</p>

Ethics in sales and marketing

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Maintaining the trust of customers, patients, industry partners, healthcare providers, investors, regulators, governments, and employees is critical to our ability to provide life-transforming care. Our customers depend on our medical products, services, and therapies, and promoting them factually and lawfully supports their delivery to patients with intended outcomes. Promoting our products ethically protects patient safety. Unethical behavior could have a negative impact on patient safety and equitable health outcomes.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Potential negative impacts resulting from our sales and marketing include misleading promotion of products to customers, medical professionals, and the broader scientific community and noncompliance with anti-corruption or anti-bribery laws.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>We promote our products based on their approved labeling and promote and sell our products through accurate and truthful communication of their efficacy, safety, and price. Read about our policies and commitments in Ethics in sales and marketing.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>To maintain our high level of ethics in our sales and marketing practices, we:</p> <ul style="list-style-type: none"> • Investigate all reported concerns of alleged misconduct through our Office of Ethics and Compliance (OEC). • Remediate ethical issues swiftly through our streamlined review process. • Update our mobile app, HCP Business Courtesies, to help our sales teams ensure they comply with spending limits on meals with healthcare providers. • Deliver training and guidance on ethics policies governing sales of capital equipment through the Capital Program Optimization Project. • Provide training and guidance on promoting our products based on their approved labeling. • Hold distributors accountable to anti-corruption requirements through our Distributor Relationship Owners. • Require distributors to certify their understanding of ethical requirements.
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>Our annual risk assessment process includes the OEC’s rigorous review of internal and external inputs, such as regulatory and enforcement actions, hotline reporting, audit findings, and investigations. The following metrics illustrate the effectiveness of our actions and highlight our progress toward our goals and targets:</p> <ul style="list-style-type: none"> • 174 employees (full-time equivalent) supporting anti-corruption efforts in FY23. • Ninety-nine percent of third-party distributors received anti-corruption training in FY23. • Over 17,500 marketing and sales employees trained on ethical product promotion in FY23.
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We invite all Medtronic employees to provide feedback on our Ethics program through annual surveys and to express any concerns to our Voice Your Concern Line. Learn more about our engagement on ethics in Ethics in sales and marketing.</p>

Inclusion, diversity, and equity

A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights

Women and minority groups have historically been underrepresented in the science, technology, engineering, and math (STEM) workforce and in positions of influence across sectors. At Medtronic, we believe that diversity makes us stronger, so we work hard to treat employees and prospective employees equitably.

Beyond our workforce, we recognize that there are historical and ongoing inequities in healthcare. These inequities continue to be exacerbated by global challenges, including climate change and conflict. Medtronic and the Medtronic Foundation are working to expand economic opportunities, improve access to vital treatment, and build fairer healthcare systems and communities. We also actively invest in our communities – advancing diversity in STEM education and careers and promoting local economies and jobs through our supplier diversity program. Internally, our ERGs and Diversity Networks encourage employee engagement, an outcome of our concerted ID&E efforts.

B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships

We are not aware of specific negative impacts related to our ID&E strategies.

C. Describe policies or commitments regarding the material topic

Read about our policies and commitments in [Inclusion, diversity, and equity](#).

D. Describe actions taken to manage topics and related impacts, including

You can read more about the actions we've taken in [Inclusion, diversity, and equity](#).

- a. Actions to prevent or mitigate potential negative impacts
- b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation
- c. Actions to manage actual and potential positive impacts

E. Report on tracking the effectiveness of actions taken

We have set goals to monitor our progress on ID&E:

- 45% of global manager-and-above roles held by women by FY26
– FY23 progress: 43% of global manager-and-above roles were held by women.
- 30% of U.S.-based manager-and-above roles held by ethnically diverse talent by FY26
– FY23 progress: 28% of U.S.-based manager-and-above roles were held by people from diverse groups.

One hundred percent of leaders have ID&E action plans and we also track progress through OHS engagement and inclusion scores.

F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective

To further our ID&E strategy, we engage with:

- Vice presidents and other senior executives by requiring them to develop individualized plans to drive ID&E in their business, region, or function.
- Employees through our Diversity Networks, Resource Groups, and annual all-employee survey.
- New talent through our annual Diversity Career Events, where we engage with diverse candidates to hire for roles in sales, engineering, software, and more.
- External diversity leaders, such as DiversityInc, by participating in surveys and integrating shared knowledge into our approach.

Read more about how we engage stakeholders in ID&E in [Inclusion, diversity and equity](#) and [Stakeholder engagement](#).

Innovation

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Maintaining a strong pipeline of innovative treatments and services is central to our Mission and supports the universal human right to healthcare. Our products and therapies help patients achieve positive health outcomes.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>We are not aware of specific negative impacts related to our innovation strategies. Innovation focused on only the consumer without looking at human rights and the environment can have negative impacts. At Medtronic, we are driven by our mission to be patient-centric while focusing on sustainability and economic equity.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Global healthcare access.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>We foster innovation through our actions, including:</p> <ul style="list-style-type: none"> • Maintaining a strong product pipeline, focusing on new and emerging solutions alongside novel applications of existing technology. • Tailoring products and services to the unique needs of each patient. • Taking our most promising innovations through systematic preclinical or clinical trials, always taking a human-centered approach. • Leveraging the power of advanced computing and hyper-personalization to increase access to treatments. • Prioritizing hiring diverse talent to spur innovation by broadening our perspectives, backgrounds, and experiences. • Partnering with, investing in, or acquiring other healthcare technology companies to provide broader access to innovative technology. <p>Additionally, Medtronic LABS, an independent non-profit funded by Medtronic, acts as a health systems innovator to develop community-based, tech-enabled solutions for underserved patients, families, and communities around the world.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We have the following target in place:</p> <ul style="list-style-type: none"> • By FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months as a measure of the vitality of our innovation efforts. <ul style="list-style-type: none"> - FY23 progress: 16% of Medtronic revenue flowed from products and therapies released in the prior 36 months. <p>Through our tracking of product impacts and waste management, we identified that we could make improvements to our packaging. So, we have committed dedicated resources to innovations in packaging through our Sustainability Development Center.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>Our Innovation Lab – a group of strategists, researchers, designers, and facilitators – engages with Medtronic teams across our operating units to turn ideas into practical solutions, with a focus on human-centered design, high-quality deliverables, and hands-on learning.</p> <p>We partner with peers, innovators, healthcare systems, and other stakeholders to deliver solutions matched to local needs and develop new approaches that increase access to our treatments.</p> <p>Read more about our stakeholder engagement in Global healthcare access and Stakeholder engagement.</p>

Integrated care

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Healthcare systems are complex, and siloed approaches to care can result in higher costs and unsatisfactory outcomes for patients. Our activities to develop integrated care focus on external partnerships to create healthcare technologies and new business models that improve patients' lives. Through these partnerships, we bring together inputs, delivery, management, and organization of services related to diagnosis, treatment, care, rehabilitation, and health promotion.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>We are not aware of specific negative impacts related to our integrated care approach.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Global healthcare access.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>We partner externally 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. Our Diversity in Clinical Trials team aims to address inequities in clinical trials, allowing us to better serve more patients around the world.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization's operational policies and procedures 	<p>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.</p> <p>Read more about our actions in Global healthcare access.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>Engagement with peers, innovators, healthcare systems, and governments forms the foundation for our actions to develop integrated healthcare solutions. We work with these stakeholders to identify local needs and create effective solutions.</p>

Patient safety and product quality

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Our products and therapies provide vital healthcare services to our patients. By ensuring the quality, safety, and reliability of our products, we elevate positive impacts and reduce negative outcomes.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Any positive or negative effects of our products are predominantly the result of our business activities but could also extend to the suppliers that manufacture our products.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Patient safety and product quality.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>Our approach to patient safety and product quality takes a patient-centered approach and ensures that we deliver consistent companywide quality. Our processes and programs are described in Patient safety and product quality.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We monitor compliance with our quality standards at every point in a product’s life cycle. We track quality and safety by:</p> <ul style="list-style-type: none"> • Evaluating actual and potential safety issues, harm, and health risks to patients or users of Medtronic products and therapies. • Applying our design, reliability, manufacturability framework during product development. • Using predictive and preventive risk assessments to reduce risk and optimize our supply base to avoid product supply disruptions through our Supplier Optimization and Risk Reduction (SOAR) process. • Undergoing external regulatory audits to help to keep us accountable, aware of regulatory priorities, and focused on making necessary changes to policies and practices. <p>We have the following goal in place for product quality and patient safety improvements:</p> <ul style="list-style-type: none"> • Achieve a 10% reduction in aggregate product complaint rate by FY25, compared with an FY20 baseline, for identified product families. <ul style="list-style-type: none"> - FY23 progress: 39% reduction in complaint rates compared to FY20.
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>The advancement of medical research depends on transparent data sharing and collaboration. We continue to share knowledge with the greater medical community. We also engage with regulatory bodies like the FDA to inform our quality systems and shape our approach in line with current guidelines.</p> <p>Learn more about how we engage stakeholders in Patient safety and product quality and Stakeholder engagement.</p>

Product stewardship

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Our business of developing and delivering products supports local economies through the taxes we pay, the people we employ, the suppliers we partner with, and the patients we serve. We recognize that although our products provide a social benefit by improving patient health and well-being, they also have environmental impacts across their life cycle.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>The majority of our product impacts occur within Medtronic during product design, with our suppliers during product manufacture, and with customers when they dispose of the product. These effects include, but are not limited to, raw material extraction, energy demand, transportation emissions, and disposal.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Product stewardship.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>The positive impacts of our business are reflected in the improved quality of life for those using our products or therapies. We aim to maintain and amplify these positive outcomes while minimizing our product environmental footprint.</p> <ul style="list-style-type: none"> • In FY23, we expanded the scope of our Sustainability Development Center (SDC) to include life cycle assessment in addition to ongoing waste minimization projects. • We continued our product takeback program – in FY23, we took back 5.8 million products when patients no longer needed them. This effort directed 202 metric tons of materials back into use, saving raw materials and reducing waste sent to landfill. • We are currently working with key customers and industry groups to influence medical packaging recycling.
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We have two ongoing product stewardship targets:</p> <ul style="list-style-type: none"> • Reduce packaging waste by 25% for targeted high-volume products (tied to weight, material selection, and sourcing)¹ by FY25 compared to an FY21 baseline. <ul style="list-style-type: none"> – As of FY23, we reduced packaging waste by 7% compared to baseline. • Minimize the impact of Instructions for Use (IFU) through a 35% paper reduction by FY27 compared to an FY21 baseline. <ul style="list-style-type: none"> – As of FY23, we achieved a paper IFU waste reduction of 1% versus FY21. We expect to see significant progress toward this goal in the coming year as changes we have implemented come to fruition. • We also created additional product stewardship goals for completion by FY30. Read more about our news goals in Product stewardship.
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We engage with customers, suppliers, and industry associates to shape our strategy for product stewardship. Customer feedback informs the design innovations we prioritize, helping us remain a provider of choice while advancing the sustainability of our offerings. We have held meetings and symposiums as a means to open dialogue on this issue, and we have established the Sustainability Development Center and identified packaging waste reduction as a priority in response to these engagements.</p> <p>Read about how we engage stakeholders in Product stewardship and Stakeholder engagement.</p>

¹ The product families include: Tri-Staple; Polysorb; Absorbtaek; Spinal Impacts; and Pulse Oximeter.

Responsible supply management

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>We continuously improve our supply chain resiliency and engage with a diverse pool of innovative partners. Because of this, we are better able to create and deliver high-quality, life-improving products and services while also minimizing disruptions and quality issues. Partnerships within our supply chain stimulate economic benefits through the wages and taxes paid by suppliers as a result of our business with them.</p> <p>We also collaborate to mitigate potential negative impacts, such as the environmental impacts associated with manufacturing and the human and labor rights concerns that are associated with supply chains.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Our ability to improve lives hinges on the quality of our products. We share this responsibility for quality and the associated impacts of product manufacture with our suppliers.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Supply chain responsibility.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>To maintain our high standards for excellence and citizenship with our suppliers, we:</p> <ul style="list-style-type: none"> • Adhere to our Responsible Supply Management program, which integrates responsible business practices into processes such as supplier selection and supplier performance management. • Assess social and environmental criteria during supplier selection. • Communicate our expectations and specifications to suppliers through our Global Supplier Standards and Supplier Quality Excellence Manual. • Identify and prioritize our most significant and salient human rights risks with the Medtronic Global Human Rights Framework and its supporting due diligence processes. • Engage with suppliers on measuring and reporting their greenhouse gas emissions and other impacts through CDP Supply Chain. • Monitor supplier compliance and performance through our Supplier Sustainability Assessment. • Require suppliers to responsibly manage and disclose any materials of concern used in manufacturing processes, final products, or packaging. • Support the U.S. Dodd-Frank Act, which requires companies to disclose the use of conflict minerals. • Conduct an annual supplier survey to identify red-flag smelters linked to conflict minerals. • Use our Supplier Risk Mapping tool to analyze suppliers for risks related to their geographic location, industry, and the amount we spend with them annually. • Encourage our suppliers to publicly disclose their own sustainability initiatives and goals and assess the sustainability reporting of our top suppliers by spend. • Prioritize spend with diverse¹ and non-diverse partners that demonstrate preferred performance and an interest in fostering a relationship to achieve shared long-term goals.

¹ We define U.S. diverse suppliers as those owned by women, people from ethnically diverse groups, people with disabilities, LGBTQ+ individuals, veterans, and those located in historically underutilized or disadvantaged business zones.

Responsible supply management (continued)

E. Report on tracking the effectiveness of actions taken

- a. Processes used to track the effectiveness of the actions
- b. Goals, targets, and indicators used to evaluate progress
- c. The effectiveness of the actions, including progress toward the goals and targets
- d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures

We are in the process of setting an updated target to assess the sustainability performance of suppliers. We aim to publish our new goal and progress toward it in our FY24 Sustainability Report.

All medium- and high-risk suppliers in our audit program receive Corrective Action Requests. Our monitoring has shown that supplier sustainability performance is improving year over year.

F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective

In FY23, we collaborated with peer groups to advance industry knowledge on responsible supply chain practices, track trends, and reduce risk. For example, we engaged with organizations such as [The Conference Board’s Responsible Sourcing Council](#) and the [Responsible Minerals Initiative](#). In FY23, we joined a human rights working group through [Business for Social Responsibility](#) (BSR®) and Medtronic employees sat on [MedTech Europe](#) working groups focused on advancing human rights and environmental due diligence in supply chains.

Learn more about how we engage with our stakeholders in [Supply chain responsibility](#) and [Stakeholder engagement](#).

Talent management

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>Our ability to offer innovative products and therapies that serve two people every second is a direct result of our employees. We support our 95,000+ employees by offering competitive compensation and benefits and building a workplace where everyone is respected and offered development opportunities that allow them to thrive. Through these positive impacts, we aim to reduce potential negative effects on our employees, such as lack of engagement, low productivity, financial uncertainty, stress, and burnout.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Our impacts on talent stem from our own operations and how we support, promote, and empower our employees.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Inclusion, diversity, and equity and Supporting a global workforce.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>We work hard to attract and retain world-class talent. For example:</p> <ul style="list-style-type: none"> • In FY23, we spent more than \$51.9 million on learning and development – an average of \$517 per employee. • We offer robust healthcare and benefit plans, providing inclusive benefits in the United States with Included Health, a concierge-style service for a range of LGBTQ+ and Black healthcare needs. • The Healthier Together program, available to nearly 100% of employees globally, supports the physical, emotional, social, and financial well-being of our employees. • We design our compensation framework to support a culture of performance and to recognize and reward our employees in more than 150 countries for their ongoing commitment.
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>We value employee safety and satisfaction and monitor the effectiveness of our actions.</p> <ul style="list-style-type: none"> • In FY23, 82% of full- and part-time employees responded to our Organizational Health Survey – one of the highest responses in the survey’s history. • Ninety one percent of employees who took the survey reported that they feel proud to work at Medtronic and 84% of respondents indicated that they feel they belong at Medtronic.
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We engage with our employees to shape our approach to attracting and retaining talent through:</p> <ul style="list-style-type: none"> • Formal evaluation and check-in processes. • Career development conversations. • Our Organizational Health survey. <p>You can read more about how we engage in Supporting a global workforce.</p>

Technology and device security

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>We work to identify, address, mitigate, and minimize vulnerabilities in our products that could potentially expose them to cyberattacks that could impact device security, patient data, or the effectiveness of our products.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>Our Product Security Office works to minimize the potential for negative impacts associated with product security matters that may stem from our business activities or those of our suppliers and directly or indirectly impact our products.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>Read about our policies and commitments in Patient safety and product quality and Data privacy and security.</p>
<p>D. Describe actions taken to manage topics and related impacts, including</p> <ul style="list-style-type: none"> a. Actions to prevent or mitigate potential negative impacts b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation c. Actions to manage actual and potential positive impacts 	<p>To avoid or mitigate technology and device security issues, we:</p> <ul style="list-style-type: none"> • Build security into our products and stay current on external cybersecurity factors that could impact our products. • Perform product security testing, updates, remediation, and impact assessment for device functionality and patient safety. • Provide product security services, including penetration testing, vulnerability intelligence, and training. • Refine risk management processes for specific product security risks. • Integrate security considerations throughout the total product life cycle. • Contribute to global product security and cybersecurity standards in collaboration with industry peers, the U.S. FDA, and other regulatory advocacy groups. • Develop product-specific security requirements that are informed by guidance from cybersecurity authorities such as the U.S. FDA. • Recognize independent security researchers who have demonstrated ethical behavior and followed coordinated disclosure processes to advance our product security. • Train employees on product security best practices. • Publicly disclose security vulnerabilities through our Coordinated Disclosure Process.
<p>E. Report on tracking the effectiveness of actions taken</p> <ul style="list-style-type: none"> a. Processes used to track the effectiveness of the actions b. Goals, targets, and indicators used to evaluate progress c. The effectiveness of the actions, including progress toward the goals and targets d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures 	<p>During FY23, we publicly disclosed seven new or updated security bulletins. We notified customers of the vulnerabilities and remediated them. As a CVE Numbering Authority since FY22, we regularly work through the coordinated disclosure process. Details of the security bulletins can be found on our website.</p> <p>The Audit Committee of the Medtronic board of directors has oversight of cybersecurity risk within our organization, and our companywide security policies, standards, and procedures ensure consistency across our organization. We continuously scan our operational environment for cyber risks and vulnerabilities, and we also assess the risks of third-party partners, projects, and initiatives.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We engage with many stakeholders on technology and device security, including:</p> <ul style="list-style-type: none"> • Employees, regulators, peers, healthcare delivery organizations, and security researchers to monitor current practices and emerging risks through our product security program. • U.S. FDA, the Health Information Sharing and Analysis Center, AdvaMed, the European Union Agency for Cybersecurity, Northeastern University’s Archimedes Center for Medical Device Security, the University of Minnesota’s Center for Medical Device Cybersecurity, the Health Sector Coordinating Council, and several others. <p>Read more about how we engage with stakeholders in Patient safety and product quality, Data privacy and security, and Stakeholder engagement.</p>

Transparency in engagement, reporting, and disclosure

<p>A. Describe actual and potential negative and positive impacts on economy, environment, and people, including impacts on their human rights</p>	<p>We maintain a proactive approach to transparency to avoid the negative impacts associated with limited voluntary disclosures, and we believe transparent communication and collaboration enable us to mitigate risks, meet challenges more effectively, and amplify the positive impact of our business.</p>
<p>B. Report whether negative impacts are created through its activities or as a result of its business relationships, and describe the activities or business relationships</p>	<p>We work within our business activities and our partnerships to minimize negative impacts stemming from a lack of transparency within our limited voluntary disclosures.</p>
<p>C. Describe policies or commitments regarding the material topic</p>	<p>We remain committed to meeting best practices on the transparent disclosure of environmental, social, and governance (ESG) topics. In general, this is an area of continuous improvement for many companies due to the evolving landscape of ESG disclosures. We use external frameworks and benchmarks to guide our sustainability strategy and reporting and to learn where we can do better. These include:</p> <ul style="list-style-type: none"> • Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosures. • Global Reporting Initiative’s Universal Sustainability Reporting Standards. • IFRS Foundation’s ISSB and SASB Standards. • World Economic Forum’s (WEF) Stakeholder Capitalism Metrics. • United Nations’ (UN) Sustainable Development Goals.
<p>D. Describe actions taken to manage topics and related impacts, including</p> <p>a. Actions to prevent or mitigate potential negative impacts</p> <p>b. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation</p> <p>c. Actions to manage actual and potential positive impacts</p>	<p>During the development of our annual Sustainability Report, we assess our ESG disclosures for alignment with best practices and evolving stakeholder feedback. We are continuously improving our data collection and reporting processes in preparation to meet emerging regulatory expectations and to produce more timely, accurate, and complete information that is relevant and useful.</p>
<p>E. Report on tracking the effectiveness of actions taken</p> <p>a. Processes used to track the effectiveness of the actions</p> <p>b. Goals, targets, and indicators used to evaluate progress</p> <p>c. The effectiveness of the actions, including progress toward the goals and targets</p> <p>d. Lessons learned and how these have been incorporated into the organization’s operational policies and procedures</p>	<p>Transparency is essential in both internal and external business interactions – including engagement with various stakeholder groups, such as employees, investors, healthcare professionals, suppliers, regulators, and partners. We strive to meet stakeholder expectations related to ESG disclosure and to comply with applicable disclosure regulations. For example, in FY23 we committed to set near-term science-based emissions reduction targets and long-term net-zero targets for validation by the Science Based Targets Initiative (SBTi). These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement's 1.5°C warming scenario.</p>
<p>F. Describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective</p>	<p>We undertake regular reviews to keep track of our most significant ESG disclosure topics, periodically updating our list of key issues by engaging with both internal and external stakeholders. Previous assessments have focused on how ESG risks and opportunities may affect our business. Our next assessment will also focus on how our operations affect society and the environment.</p> <p>We center our annual disclosures on these key issues. In addition, we receive feedback on the quality and usefulness of our annual Sustainability Report during engagements with stakeholders, such as investors, customers, and employees, which informs our reporting.</p> <p>Learn more about how we engage with stakeholders in Stakeholder engagement.</p>

2023 GRI Index

GRI 1: FOUNDATION 2021

Disclosure number	Disclosure	Location
GRI 1	Statement of use	In accordance
	GRI 1 used	GRI 1 foundation 2021
	Applicable GRI Sector Standards	NA

GRI 2: GENERAL DISCLOSURES 2021

Disclosure number	Disclosure	Location
2-1	Organizational details	Medtronic Public Limited Company 20 Lower Hatch Street, Dublin 2, Ireland <u>Our business: Engineering the extraordinary</u> <u>2023 Form 10-K</u> Medtronic plc is a publicly traded company on the New York Stock Exchange Inc. under the ticker symbol MDT.
2-2	Entities included in the organization’s sustainability reporting	<u>2023 Form 10-K</u> <u>About this report</u>
2-3	Reporting period, frequency and contact point	<u>About this report</u>
2-4	Restatements of information	Any restatements of information are noted in the relevant sections of our 2023 Sustainability Report.
2-5	External assurance	This report has not been independently verified except for our FY20-FY23 <u>environmental, health, and safety data</u> , and our FY22-FY23 <u>Scope 1 and 2 emissions and water data</u> . We have practices in place to internally validate the data included in this report.

Disclosure number	Disclosure	Location
2-6	Activities, value chain, and other business relationships	<p>2023 Form 10-K Our business: Engineering the extraordinary Economic impact Supply chain responsibility</p> <p>Omission Item omitted: Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period. Reason: We consider this information confidential.</p>
2-7	Employees	<p>2023 Form 10-K Our business: Engineering the extraordinary Economic impact Employee data summary</p>
2-8	Workers who are not employees	Employee data summary
2-9	Governance structure and composition	<p>Corporate governance Corporate governance website ESG strategy</p>
2-10	Nomination and selection of the highest governance body	<p>Corporate governance Corporate governance website</p>
2-11	Chair of the highest governance body	<p>Corporate governance Corporate governance website</p>
2-12	Role of the highest governance body in overseeing the management of impacts	<p>Corporate governance ESG strategy</p>
2-13	Delegation of responsibility for managing impacts	ESG strategy
2-14	Role of the highest governance body in sustainability reporting	ESG strategy
2-15	Conflicts of interest	<p>Ethics in sales and marketing Corporate governance website</p>

Disclosure number	Disclosure	Location
2-16	Communication of critical concerns	Corporate governance website
2-17	Collective knowledge of the highest governance body	ESG strategy
2-18	Evaluation of the performance of the highest governance body	ESG strategy
2-19	Remuneration policies	Inclusion, diversity, and equity Supporting a global workforce 2023 Proxy statement
2-20	Process to determine remuneration	Inclusion, diversity, and equity Supporting a global workforce 2023 Proxy statement
2-21	Annual total compensation ratio	2023 Proxy statement
2-22	Statement on sustainable development strategy	A message from our leaders
2-23	Policy commitments	Policies ESG strategy Patient safety and product quality Supply chain responsibility Ethical business conduct Ethics in sales and marketing Corporate governance Data privacy and security Reducing our operational footprint
2-24	Embedding policy commitments	ESG strategy Patient safety and product quality Supply chain responsibility Ethical business conduct Ethics in sales and marketing Corporate governance Data privacy and security
2-25	Processes to remediate negative impacts	Evaluation of the management approach
2-26	Mechanisms for seeking advice and raising concerns	Ethical business conduct

Disclosure number	Disclosure	Location
2-27	Compliance with laws and regulations	<u>2023 Form 10-K</u> <u>Ethics in sales and marketing</u> <u>Reducing our operational footprint</u>
2-28	Membership associations	<u>Climate risk and resilience</u> <u>Reducing our operational footprint</u> <u>Global healthcare access</u> <u>Supply chain responsibility</u> <u>Philanthropy</u> <u>Inclusion, diversity, and equity</u>
2-29	Approach to stakeholder engagement	<u>ESG strategy</u> <u>Corporate governance</u>
2-30	Collective bargaining agreements	Medtronic complies with global laws regarding freedom of association and collective bargaining agreements, including participating in work councils. In FY23, approximately 9% of our employees were covered by collective bargaining agreements or independent trade unions where applicable.

GRI 3: MATERIAL TOPICS 2021

Disclosure number	Disclosure	Location
3-1	Process to determine material topics	<u>ESG strategy</u> We regularly review our key issues. Our previous assessments focused on how ESG risks and opportunities may affect our business. For our next assessment, we will also focus on how our operations affect society and the environment. Doing so further integrates ESG principles throughout Medtronic, expands our understanding of our impacts, and will help us meet the upcoming requirements of the European Union’s Corporate Sustainability Reporting Directive.
3-2	List of material topics	<u>ESG strategy</u>
3-3	Management of material topics	<u>Evaluation of the management approach</u>

TOPIC STANDARDS

Disclosure number	Disclosure	Location
201-1	Direct economic value generated and distributed	2023 Form 10-K Economic impact Philanthropy Supporting a global workforce
201-2	Financial implications and other risks and opportunities due to climate change	ESG strategy Climate risk and resilience
201-3	Defined benefit plan obligations and other retirement plans	Supporting a global workforce
203-1	Infrastructure investments and services supported	Philanthropy Supply chain responsibility Global healthcare access ESG strategy Economic impact
203-2	Significant indirect economic impacts	Evaluation of the management approach Supply chain responsibility
204-1	Proportion of spending on local suppliers	Supply chain responsibility
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 Ethical business conduct
205-3	Confirmed incidents of corruption and actions taken	Ethics in sales and marketing Ethical business conduct
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2023 Form 10-K
301-3	Reclaimed products and their packaging materials	Product stewardship
302-1	Energy consumption within the organization	Reducing our operational footprint
302-2	Energy consumption outside of the organization	Reducing our operational footprint
302-3	Energy intensity	Reducing our operational footprint

Disclosure number	Disclosure	Location
302-4	Reduction of energy consumption	Reducing our operational footprint
302-5	Reductions in energy requirements of products and services	Most Medtronic products consume relatively low energy as is, and safety requirements often prevent us from reducing a product's energy use.
303-1	Interactions with water as a shared resource	CDP Water Disclosure Reducing our operational footprint
303-5	Water consumption	CDP Water Disclosure Reducing our operational footprint
305-1	Direct (Scope 1) GHG emissions	Reducing our operational footprint
305-2	Energy indirect (Scope 2) GHG emissions	Reducing our operational footprint
305-4	GHG emissions intensity	Reducing our operational footprint 2023 TCFD
305-5	Reduction of GHG emissions	Reducing our operational footprint
306-3	Waste generated	Reducing our operational footprint
306-4	Waste diverted from disposal	Product stewardship
308-1	New suppliers that were screened using environmental criteria	Supply chain responsibility Evaluation of the management approach
308-2	Negative environmental impacts in the supply chain and actions taken	Supply chain responsibility Evaluation of the management approach
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
403-1	Occupational health and safety management system	Supporting a global workforce
403-2	Hazard identification, risk assessment, and incident investigation	Supporting a global workforce
403-3	Occupational health services	Supporting a global workforce
403-4	Worker participation, consultation, and communication on occupational health and safety	Supporting a global workforce

Disclosure number	Disclosure	Location
403-5	Worker training on occupational health and safety	Supporting a global workforce
403-9	Work-related injuries	Supporting a global workforce
403-10	Work-related ill health	Supporting a global workforce
404-1	Average hours of training per year per employee	Supporting a global workforce
404-2	Programs for upgrading employee skills and transition assistance program	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 Inclusion, diversity, and equity
405-2	Ratio of basic salary and remuneration of women to men	Inclusion, diversity, and equity
406-1	Incidents of discrimination and corrective actions taken	Omission Topic omitted: Total number of incidents of discrimination and corrective actions taken. Reason: The information is currently unavailable.
407-1	Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk	Global Human Rights and Labor Policy Program Report
408-1	Operations and suppliers at significant risk for incidents of child labor	Global Human Rights and Labor Policy Program Report
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chain responsibility
413-1	Operations with local community engagement, impact assessments, and development programs	Global healthcare access Philanthropy Economic impact
414-1	New suppliers that were screened using social criteria	Supply chain responsibility Evaluation of the management approach
414-2	Negative social impacts in the supply chain and actions taken	Supply chain responsibility Evaluation of the management approach

Disclosure number	Disclosure	Location
415-1	Political contributions	Corporate governance Corporate governance website
416-1	Assessment of the health and safety impacts of product and service categories	Patient safety and product quality
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	Of inspections that occurred across Medtronic in FY23, 96% resulted in no findings.
417-1	Requirements for product and service	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	The company investigates all potential breaches and takes corrective and preventive action in order to ensure customer privacy and data protection and reduce potential risks.

Sustainability Accounting Standards Board (SASB)

MEDICAL EQUIPMENT AND SUPPLIES

AFFORDABILITY AND PRICING

SASB code	Metric	Response
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	<p>The U.S. Consumer Price Index measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, such as food, energy, and housing. In contrast, pricing at global medical technology companies that provide a breadth of therapies to health systems around the world moves on innovation, competition, and value. Consequently, the two are not highly correlated.</p> <p>Medtronic offers a variety of pricing models based on the principles of fairness, sustainability, and value aligned with the local market environment – these include volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients and customers.</p>
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)	<u>Global healthcare access</u>

PRODUCT SAFETY

SASB code	Metric	Response												
HC-MS-250a.1	Number of recalls issued, total units recalled	<p><u>Patient safety and product quality</u></p> <p>In FY23, we had eight total Class I and 32 Class II recalls and retrieved approximately 311,700 recalled units.</p> <table border="1"> <thead> <tr> <th><u>U.S. FDA recalls by fiscal year</u></th> <th>FY21</th> <th>FY22</th> <th>FY23</th> </tr> </thead> <tbody> <tr> <td>FDA Class I recalls</td> <td>10</td> <td>9</td> <td>8</td> </tr> <tr> <td>FDA Class II recalls</td> <td>46</td> <td>46</td> <td>33</td> </tr> </tbody> </table>	<u>U.S. FDA recalls by fiscal year</u>	FY21	FY22	FY23	FDA Class I recalls	10	9	8	FDA Class II recalls	46	46	33
<u>U.S. FDA recalls by fiscal year</u>	FY21	FY22	FY23											
FDA Class I recalls	10	9	8											
FDA Class II recalls	46	46	33											

SASB code	Metric	Response												
HC-MS-250a.1	Number of recalls issued, total units recalled	<p>U.S. FDA recalls by calendar year</p> <table border="1"> <thead> <tr> <th></th> <th>CY21</th> <th>CY22</th> <th>CY23[†]</th> </tr> </thead> <tbody> <tr> <td>FDA Class I recalls</td> <td>6</td> <td>8</td> <td>1</td> </tr> <tr> <td>FDA Class II recalls</td> <td>15</td> <td>23</td> <td>9</td> </tr> </tbody> </table> <p><small>† Data as of May 11, 2023.</small></p>		CY21	CY22	CY23 [†]	FDA Class I recalls	6	8	1	FDA Class II recalls	15	23	9
	CY21	CY22	CY23 [†]											
FDA Class I recalls	6	8	1											
FDA Class II recalls	15	23	9											
HC-MS-250a.2	List of products listed in the FDA’s MedWatch Safety Alerts for Human Medical Products database	See the 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 U.S. FDA. This information is available.												
HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	<p>In FY23 Medtronic received:</p> <ul style="list-style-type: none"> • 1 Warning letter¹ • 0 Seizures • 0 Consent decrees 												

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 LIFECYCLE 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	Product stewardship
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	<p>All Medtronic contract manufacturers and original equipment manufacturers are annually audited by regulators. Additionally, many of our direct material suppliers are ISO certified (ISO9001 or ISO13485) and go through certification audits.</p> <p>Medtronic is also a member of MedAccred – an industry-managed, consensus-driven approach to ensuring critical manufacturing process quality throughout the medical device supply chain.</p>

¹ Zero outstanding FDA warning letters as of September 2023.

SASB code	Metric	Response
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	<p>Medtronic maintains traceability within the manufacturing and distribution chain through either serial or batch control of finished products. We:</p> <ul style="list-style-type: none"> Leverage product identification technologies, such as barcoding and radiofrequency 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.
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. Supply critical to Medtronic is routinely identified via 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 environmental and social risks – and internal risks – such as single/sole-sourced suppliers, single manufacturing location, investigation of sub-tier suppliers, quality and delivery data, and capacity assessments. <ul style="list-style-type: none"> – Once risk mitigations are approved, 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.

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	<u>Ethics in sales and marketing</u>
HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	<u>Ethics in sales and marketing</u> <u>Ethical business conduct</u>

ACTIVITY METRIC

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

Task Force on Climate-related Financial Disclosures (TCFD)

Category and recommended disclosure **Medtronic disclosure**

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, competitive, and regulated environment. The business and affairs of the company are governed by a board of directors. The company’s approach to governance is detailed at <https://www.medtronic.com/us-en/about/corporategovernance/overview.html>.

The Board’s Nominating and Corporate Governance Committee of the Medtronic board of directors is the lead committee responsible for environmental, social, and governance (ESG) oversight and regularly reviews ESG topics that are a priority for the company. Other committees (such as the Audit Committee) may engage in climate-related discussions as appropriate. In general, the full board of directors maintains ultimate risk oversight responsibilities and ESG topics are a regular agenda item at quarterly board meetings.

Medtronic includes the assessment and ranking of potential impacts associated with transitional and physical climate risks on the company as part of its Enterprise Risk Management (ERM) program. This allows for a standard mechanism to elevate the most significant risks identified to Executive Management and the board of directors. A risk prioritization survey is routinely completed. This survey includes relevant climate-related risks.

Climate-related issues that may pose a significant risk to the company’s ability to meet its strategic goals and financial targets are escalated to the Board through the company’s ERM framework as well as through the Nominating and Corporate Governance Committee’s oversight of ESG topics.

At the management level, embedding and refining a robust climate strategy requires clear leadership and broad organizational participation. Coordinated leadership oversight and support for identifying and addressing climate-related priority issues, risks, and opportunities are interwoven into the organization.

Our Sustainability Steering Committee (SSC) is chaired by its chief financial officer and meets on a quarterly basis. The SSC oversees a comprehensive enterprise sustainability program, including strategic plans related to ESG performance, risk, disclosure, and stakeholder engagement 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 usage and sourcing, greenhouse gas (GHG) emissions reduction, and water usage and management (i.e., sourcing, storage, treatment, and discharge).

The executive sponsor of the SSC is our chief financial officer, who serves on the company’s executive committee and ERM Steering Committee and is responsible for leading the Medtronic global finance organization and key supporting functions, including Treasury; Controllershship; Tax; Internal Audit; Investor Relations; Corporate Strategy Business Development; Portfolio Management; and IT. The SSC membership also includes other executive committee members and senior leaders of key operations and business functions who provide a broad range of perspectives and expertise for risk management; finance; legal; government affairs; investor relations; compliance; corporate governance; human resources; communications; philanthropy; quality; procurement; operations and supply chain; and environmental, health, and safety.

Our Enterprise Sustainability Program, led by our director for enterprise sustainability who reports to our vice president, chief counsel corporate governance, 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 quarterly reporting to the SSC includes progress on goals and targets, changes in the regulatory landscape, and updates on programs and operations designed to address key ESG issues, including those that are climate related.

Category and recommended disclosure **Medtronic disclosure**

Governance (continued)

Our ERM function works with senior leaders across the organization to enable risk identification, develop risk tolerances, establish key metrics to evaluate risk, escalate risk topics based on criticality, and drive risk mitigation plans. Quarterly, ERM summarizes and creates a report on critical risks to present to the ERM Steering Committee. This committee has ultimate responsibility for risk monitoring and is made up of seven direct reports to the CEO: EVP and CFO; EVP global operation and supply chain; chief quality officer; general counsel; EVP and EMEA and APAC regional president; chief clinical and regulatory officer; and EVP and president for medical surgical portfolio. Additionally, functional leadership within Environmental, Health, and Safety; Enterprise Risk and Business Continuity; Facilities; and Global Energy all report directly to the vice president of enterprise risk and facilities, who oversees reporting on risk issues, projects, and other risk-related results to the ERM Steering Committee.

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
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

Medtronic Enterprise Risk Management (ERM) uses a structured risk identification and assessment process that incorporates both quantitative and qualitative factors to score and prioritize identified risks.

Medtronic ERM assesses established and emerging enterprise risks based on scoring criteria that includes the potential for negative impacts to Medtronic, the likelihood of risk occurrence, the preparedness of the organization to address potential risks, and the velocity or speed of onset at which Medtronic will realize the potential impact(s) of the risk event. Each of the scoring criteria include supporting evaluation elements that, when considered collectively, produce an overall inherent score as well as a residual risk score after considering the effectiveness of our preparedness and risk mitigation plans.

For example, although the impact score includes ratings based on financial impact, there are other considerations that drive risk assessments, including organizational impacts relating to reputational/brand, quality, regulatory/legal/compliance, operations, and the ability to achieve strategic objectives and maximize beneficial outcomes based on managed risks. Examples of risk themes/areas aligned to ERM processes include Capacity for Innovation; Product Safety; Market Disruptions; Global Political and Regulatory Shifts; and Operations Interruption. ESG risks – inclusive of climate-related risks – are included in our ERM processes and are assessed consistently with other enterprise and emerging risks. As an example, physical and transitional climate risks were included in a recent ERM risk survey distributed to our ERM Steering Committee and other key Medtronic business and functional leaders.

Our Business Continuity Management (BCM) program focuses on operational risk – the risk of loss resulting from interruptions of critical processes, supply, people, and systems or from internal or external events – including climate risks associated with extreme weather conditions and events of both chronic and acute occurrence, such as polar vortices, hurricanes, floods, droughts, heat waves, and wildfires. The BCM program prioritizes our critical products and services end-to-end value streams, focusing on resiliency and the identification and effective management of key operational risks. Product and service criticality is evaluated based on patient and commercial market impact. The program includes an annual risk assessment to determine and prioritize top risks and align on mitigation options and business continuity and resiliency strategies. During FY22, Medtronic began integrating physical climate risk into its BCM risk assessment platform.

The BCM program is governed by the ERM Steering Committee (comprised of executive committee leaders) and the Audit Committee of the board of directors. It is the collective responsibility of these groups to ensure that our critical operations are resilient and that key operational risks are being effectively assessed and managed.

The Enterprise Sustainability program leads periodic risk assessments conducted by external experts to identify priority ESG issues based on input from internal leadership, external customers, investors, non-governmental organizations, and industry associations. **The most recent risk assessment** was completed in FY19 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 input from interviews, surveys, and the external expert’s analysis and insights. Factors assessed included importance to business based on revenue generation, operational efficiency/cost savings, regulatory risk, credibility, trust or reputation, innovation and growth, employee productivity, hiring or retention, and impact on stakeholders. This assessment focused on both risks and opportunities. We plan on conducting our next sustainability/ESG risk assessment during FY24.

We identify and address transitional climate risks through routine monitoring of carbon regulations, including carbon taxes, and GHG emissions data.

Our Government Affairs; Human Resources; Environmental, Health, and Safety; and Procurement groups monitor relevant regulations in global markets – including regulations relating to climate change, such as emissions limits.

Category and recommended disclosure **Medtronic disclosure**

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 impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. 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.

In the World Economic Forum’s 2022 Global Risks Report, climate action failure was identified as the most severe global risk over the next 10 years, followed by extreme weather and biodiversity loss. Human environmental damage and natural resource crises were ranked seventh and eighth.

Climate-Related Risks

Significant climate-related risks to Medtronic are consistent with these findings and center on transition risks, including rapid changes in customer and investor preferences, policy, and regulations, such as those around carbon emissions and climate disclosure, and physical risks associated with extreme weather conditions and events, which can cause significant business disruption. For example, in September of 2017, Hurricane Maria shut down four Medtronic facilities in Puerto Rico and negatively impacted sales of \$34 million, as production across all business lines was interrupted. Additional costs were incurred to restore operations in Puerto Rico and provide \$15 million in humanitarian aid to Medtronic employees affected. An analysis of potential physical climate risks at the company’s highest impact sites – in Arizona, Minnesota, Connecticut, Massachusetts, Colorado, Puerto Rico, Ireland, and Mexico – also identified potential risks related to increased temperatures/heat stress, drought, and water stress.

Medtronic global operations identifies climate-related risks and opportunities based on short-, medium-, and long-term time horizons. Short-term horizon is 1-3 years and specifically focuses on annual financial planning within global operations. Medium-term horizon is 3-10 years and primarily focuses on operational footprint planning within global operations. Our long-term horizon is 10 years, and beyond, and primarily focuses on operational footprint and global market risks and opportunities.

We address climate-related risk predominantly through business strategies within our enterprise global operations functions, including Facilities; Environmental, Health, and Safety; Business Continuity Management; and Global Energy.

For example, recent climate adaptation investments have included (1) xeriscaping at a Colorado facility to mitigate wildfire and water stress impact risk, and (2) installing backup generators at Puerto Rico facilities to mitigate hurricane impact risk. We also invest in energy and water efficiency projects, offsite renewable energy procurement, on-site 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.

Applying our ERM framework, we have identified two additional climate risks:

- Reputation: Stakeholder concern or negative feedback regarding our climate impacts and strategy could result in unfavorable perceptions that could reduce shareholder investment and lead to a reduction in capital availability that allows Medtronic to execute on long-term business strategy. It could also affect the company’s position as a preferred supplier with customers.
- Increased pricing of GHG emissions: Medtronic operates globally, and in many countries where policy changes are under consideration, increased pricing could have an immediate impact on operating costs.

Climate-related opportunities

Physical climate opportunities are identified and addressed through structured management processes that involve decision makers from R&D, Operation, EHS, and Global Energy and include goal setting and strategic objective development. Medtronic has identified multiple climate-related opportunities relating to energy procurement, climate adaptation and resilience, and sustainable product development, manufacturing, and distribution.

Medtronic operates several renewable and alternative energy installations, including solar, cogeneration, and fuel cell technologies totaling over 92,000 MWh/yr of generated electricity. As global “carbon” markets mature, the environmental attributes of these installations may grow, making the existing installations more financially attractive and future installations more financially feasible.

We view investments in on-site renewable and alternative energy, such as solar, cogeneration plants, and geothermal, as strategic for building business resilience because of their potential to decrease interruptions to operations and reduce company dependence on utility providers. Medtronic continues to consider these installations as part of its overarching manufacturing footprint strategy and invests in them accordingly.

We see potential for innovations in sustainable product and packaging design and manufacturing network design to yield additional climate-related opportunities. In FY22, we established a Sustainability Development Center to pursue packaging waste reductions aligned with our **public targets**.

Category and recommended disclosure Medtronic disclosure

Strategy (continued)

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 impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. 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.

Scenario analysis

Medtronic leverages a third-party system to perform scenario analysis on extreme weather conditions and events. For example, in the short-term, wildfires are assessed with an exposure rating based on climatic conditions and vegetation data linked to historical weather data, whereas long-term scenarios add heat stress, which could exacerbate or reduce the overall threat of wildfires. This allows us to prepare climate adaptations based on the changing risk and most recent weather patterns and understand where our exposure is changing over time.

Water stress may be the most significant risk among the largest global risks in terms of potential impact over the next decade to Medtronic. Changes in precipitation patterns and extreme variability in weather patterns may result in chronic temperature extremes (higher highs and lower lows), decreased water availability, and elevated operating costs from greater cooling needs and restricted water use. We acknowledge that water stress and scarcity are global concerns, and Medtronic aims to prepare its businesses for a future where local water resources are critically challenged. Assessing this risk allows us to identify the significance and potential impact to our business.

We leverage our biennial operational water stress analysis to integrate scenario analysis into our climate-related strategies. Our FY22 analysis, which uses data from the World Resources Institute Aqueduct Water Risk Atlas, yielded information about current and future water stress (through 2040) at key Medtronic locations around the globe that use 3 million or more gallons per year. Assessment of future stress aligned with three specific temperature pathways: optimistic, business as usual, and pessimistic. In FY22, we expanded the scope of our assessment from Medtronic facilities that use 5 million gallons of water or more annually to Medtronic facilities that use 3 million gallons of water or more annually. We conducted a similar analysis of our top five contract manufacturers, scoping the assessment to locations relevant to Medtronic.

Each outcome of these scenarios is included in risk assessments that support our Business Continuity Program. This program is leveraged to prioritize site investment in climate adaptation and risk mitigation, which has led to the implementation of water conservation objectives at additional Medtronic sites in Mexico. In addition, in FY23, the longer-term risks have been incorporated into our global manufacturing network strategy. This includes key contract manufacturers that have been assessed as high risk based on their location and shared conservation and preparedness strategies.

Climate action

Our response to identified climate risks and opportunities includes strategic initiatives around achieving carbon neutrality in our operations and net-zero emissions across our value chain. In 2020, Medtronic announced its ambition to be carbon neutral in our owned and operated facilities by 2030. Our approach will include a continued focus on energy efficiency, onsite renewable and clean energy installations, and purchases of renewable energy credits (RECs) and carbon offsets, which should transition to virtual power purchase agreements (VPPAs) by FY25.

In 2021, we announced our ambition to be net zero across our value chain by FY45. Our [Decarbonization Roadmap](#) provides a high-level overview of our strategy, which includes announcing science-based GHG emissions reduction targets by FY25 in three key areas: operational carbon neutrality, supply chain GHG emissions reduction, and ongoing logistics improvements. We plan to work with the Science Based Targets Initiative (SBTi) to ensure alignment with the Paris Agreement.

Category and recommended disclosure **Medtronic disclosure**

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

We have established companywide environmental targets since 2007, with a focus on reductions in energy use and GHG emissions throughout our operations. In FY20, we reached the end of our second set of long-term targets based on an FY13 baseline and exceeded all of them. We set **new targets** through FY25, which include a 50% reduction in GHG intensity, a 20% reduction in energy intensity, sourcing 50% of our energy from renewable and alternative sources, and a 15% reduction in water and waste intensity from an FY20 baseline. We evaluate progress toward our environmental performance goals on an annual basis.

Our new emissions and energy goals move us toward our ambition of being carbon neutral in our operations by 2030. We aim to reduce nearly 250,000 tons of emissions annually. Over the next decade, these reductions will be approximately equal to emissions generated by 80,000 U.S. homes over the same time period.

As part of our aspiration to be net zero across our value chain by FY45, in FY22, we began engaging our top 100 suppliers on GHG emissions measurement, disclosure, and reduction through **CDP Supply Chain**, which will help us establish baselines and move toward Scope 3 emissions targets. Medtronic also engaged our top five logistics partners around emissions reduction and partnered with one on a project to analyze order consolidation.

Our annual CDP submission provides additional information about our GHG emissions targets and progress, emission reduction initiatives, and other climate-related activities. Other relevant information about how we collect data and calculate emissions is included in the metrics and targets disclosures in our 2022 CDP submission and on pages 29-36 of this report.

World Economic Forum (WEF) Stakeholder Capitalism Metrics

GOVERNANCE

Theme	Disclosure	Response
Governing purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Key issues and targets Corporate governance
Quality of governing body	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or nonexecutive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Sustainability governance Corporate governance 2023 TCFD
Stakeholder engagement	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Key issues and targets
Ethical behavior	<ol style="list-style-type: none"> Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region <ol style="list-style-type: none"> Total number and nature of incidents of corruption confirmed during the current year, but related to previous years Total number and nature of incidents of corruption confirmed during the current year, related to this year Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture in order to combat corruption <p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> Seeking advice about ethical and lawful behavior and organizational integrity; and Reporting concerns about unethical or unlawful behavior and lack of organizational integrity 	<p>Nearly 100% of governance body members and employees have received training on our anti-corruption policies across all regions.</p> <p>We had zero incidents of corruption during the current year related to the previous year, and zero incidents of corruption during the current year related to this year.</p> <p>Read Ethics in sales and marketing for how we engage stakeholders to combat corruption.</p>
		Ethical business conduct

Risk and opportunity oversight

Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.

[2023 Form 10-K](#)
[Sustainability governance](#)

PLANET

Theme	Disclosure	Response
<p>Climate change</p>	<p>For all relevant greenhouse gases (GHG), e.g. carbon dioxide, methane, nitrous oxide, F-gases etc., report in metric tons of carbon dioxide equivalent (MT CO₂e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p> <hr/> <p>Fully implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C - and to achieve net-zero emissions before 2050.</p>	<p>Reducing our operational footprint</p> <p>In FY23, 82 of our suppliers submitted emissions data to CDP Supply Chain, a consortium of more than 280 global companies working to help suppliers quantify their environmental impact. This data helps us better understand our Scope 3 emissions and will inform the development of our science-based targets.</p> <hr/> <p>2023 CDP Climate Disclosure 2023 TCFD</p> <p>In FY22, we announced our ambition to reduce our carbon emissions to set net zero across Scopes 1, 2, and 3 by FY45. To achieve this ambition, we created a Decarbonization Roadmap that outlines our focus areas - operations, supply chain, and logistics. In FY23, we committed to set near-term science-based emissions reduction targets and long-term net zero targets for validation by the Science Based Targets initiative (SBTi). These new goals, which we will submit by FY25, will align our strategy with the Paris Agreement’s 1.5°C warming scenario.</p>
<p>Nature loss</p>	<p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>We are currently evaluating methods for tracking and reporting our adjacency to key biodiversity areas.</p>
<p>Freshwater availability</p>	<p>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<p>2023 CDP Water Disclosure Reducing our operational footprint</p>

PEOPLE

Theme	Disclosure	Response											
<p>Dignity and equality</p>	<p>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g., ethnicity)</p>	<p><u>Employee data summary</u> Additional information about ethnicity by employee category for U.S. employees is available in our EEO1 report on medtronic.com.</p>											
	<p>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas</p>	<p><u>Inclusion, diversity, and equity</u> <u>Supporting a global workforce</u></p>											
		<p>Global gender pay equity by region (adjusted for job title)</p> <table border="1"> <thead> <tr> <th data-bbox="2425 658 2858 695">Region</th> <th data-bbox="2858 658 3172 733">Pay equity as of August 2022</th> </tr> </thead> <tbody> <tr> <td data-bbox="2425 742 2858 780">Asia-Pacific</td> <td data-bbox="2858 742 3172 780">101%</td> </tr> <tr> <td data-bbox="2425 799 2858 836">Europe, Middle East, Africa</td> <td data-bbox="2858 799 3172 836">98%</td> </tr> <tr> <td data-bbox="2425 855 2858 892">Latin America</td> <td data-bbox="2858 855 3172 892">97%</td> </tr> <tr> <td data-bbox="2425 911 2858 949">North America and Puerto Rico</td> <td data-bbox="2858 911 3172 949">100%</td> </tr> </tbody> </table>	Region	Pay equity as of August 2022	Asia-Pacific	101%	Europe, Middle East, Africa	98%	Latin America	97%	North America and Puerto Rico	100%	
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PEOPLE

Theme	Disclosure	Response
<p>Dignity and equality (continued)</p>	<p>1. Ratios of standard entry-level wage by gender compared to local minimum wage</p> <p>2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO</p> <hr/> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to:</p> <ul style="list-style-type: none"> a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk 	<p>Our CEO-to-employee annual total compensation ratio is disclosed in our 2023 Proxy statement.</p> <hr/> <p><u>Supply chain responsibility</u> <u>Global Human Rights and Labor Policy Program Report</u></p>
<p>Health and well-being</p>	<p>The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked</p> <p>An explanation of how the organization facilitates workers’ access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers</p>	<p><u>Supporting a global workforce</u></p> <p>In FY23, the majority of our recordable injuries were attributed to slips, trips, and falls (STFs); ergonomics; and cuts, lacerations, and needle sticks.</p> <p>In FY23, we maintained our best-in-class level of safety across our global operations and supply chain. Our overall safety record has improved from that of our pre-COVID-19 records. This included improved performance in our employee injury incident rate and our employee lost or restricted workday case rate, with no high-consequence work-related injuries or fatalities in FY23.</p>
<p>Skills for the future</p>	<p>1. Average hours of training per person that the organization’s employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees)</p> <p>2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees)</p>	<p><u>Supporting a global workforce</u></p> <p>We do not currently track all training by gender and employee category. We are exploring solutions for tracking this information companywide in the future.</p>

PROSPERITY

Theme	Disclosure	Response
<p>Employment and wealth generation</p>	<ol style="list-style-type: none"> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region <hr/> <ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&D), on an accrual basis, covering the basic components for the organization’s global operations, ideally split out by: <ul style="list-style-type: none"> revenue operating costs employee wages and benefits payments to providers of capital payments to government community investment Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period <hr/> <ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders 	<p><u>Employee data summary</u> <u>Inclusion, diversity, and equity</u></p> <hr/> <p><u>2023 Form 10-K</u> <u>Economic impact</u> At this time, we do not disclose financial assistance received from the government.</p> <hr/> <p><u>2023 Form 10-K</u> <u>SEC Filings</u> FY23 capital expenditures, less depreciation, were \$460 million (CapEx additions of \$1,459 billion; less depreciation of \$999 million). Our capital investment strategy is focused on supporting revenue generation, R&D, and margin expansion initiatives. Our priority is to continue to fund critical strategic growth investments, such as product development and capacity expansion, while executing on existing initiatives.</p>
<p>Innovation of better products and services</p>	<p>Total costs related to research and development</p>	<p><u>2023 Form 10-K</u> <u>Global healthcare access</u></p>
<p>Community and social vitality</p>	<p>The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes</p>	<p><u>2023 Form 10-K</u> <u>Economic impact</u></p>

Employee data summary

GLOBAL AND U.S. LEADERSHIP DIVERSITY

	FY21	FY22	FY23
CEO and global CEO direct reports who are women	20%	24%	23%
CEO and U.S. CEO direct reports who are ethnically diverse	23%	33%	36%

GLOBAL FEMALE TALENT REPRESENTATION

	FY21	FY22	FY23
Woman employees	50%	50%	50%
Manager-and-above positions held by women	40%	42%	43%
Management positions in revenue-generating functions (i.e., sales) held by women	32%	34%	34%

U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION[†]

	FY21	FY22	FY23
Ethnically diverse employees	38%	39%	40%
Manager-and-above positions held by ethnically diverse talent	25% [‡]	27%	28%

[†] United States, excluding Puerto Rico (excludes blank, no data, or did not disclose).

[‡] This number is based on FY21 and therefore is different than the number reported for our calendar year 2020 target, where we achieved 24% ethnically diverse talent in manager-and-above positions.

NEW EMPLOYEE HIRES[†]

	FY21	FY22	FY23
Woman (global)	50% [‡]	52% [§]	52% ^Ω
Ethnically diverse (U.S.)	46%	47%	52%

[†] Employee population data expressed here may vary from our 10-K form depending on the time of year in which the data was gathered.

[‡] Zero records have values out-of-bounds (e.g., age=0). Thirty-four records do not specify gender.

[§] Zero records have values out-of-bounds (e.g., age=0). Twenty-four records do not specify gender.

^Ω Zero records have values out-of-bounds (e.g., age=0). Five records do not specify gender.

MEDTRONIC GLOBAL WORKFORCE

	FY21 [†]	FY22 [‡]	FY23 [§]
Total	95,612	101,157	100,378
Woman	47,844	51,007	50,563
Asia-Pacific	13,728	14,967	8,547
Woman	6,200	6,893	3,654
Canada	1,316	1,293	1,213
Woman	788	767	778
Europe/Central Asia/Middle East/Africa	18,890	20,010	25,726
Woman	9,391	10,019	12,848
Latin America	20,126	21,306	20,987
Woman	12,375	13,100	13,125
U.S. and Puerto Rico	41,552	43,581	43,905
Woman	19,090	20,228	20,158

† Thirty-eight records do not specify gender.

‡ Thirty-four records do not specify gender.

§ Nine records do not specify gender.

EMPLOYMENT TYPE

	FY21 [†]	FY22 [‡]	FY23 [§]
Support staff	39,118	40,601	40,305
Woman	23,026	23,881	23,571
Professional	45,387	48,482	47,815
Woman	20,357	22,061	21,942
Management^Ω	10,551	11,514	11,697
Woman	4,284	4,872	5,075
VPs and higher	556	560	561
Woman	177	193	191

[†] Thirty-eight employees do not have a job category designation.

[‡] Thirty-eight employees do not have a job category designation.

[§] Zero employees do not have a job category designation.

^Ω Management = managers and above.

GLOBAL FULL-TIME

	FY21	FY22 [†]	FY23 [‡]
Total	93,763	99,217	98,390
24 and under	6,118	6,679	6,400
25-39	42,898	45,544	44,530
40-54	34,142	35,564	35,688
55-69	10,479	11,268	11,596
70+	126	162	176
Woman[§]	46,329	49,451	49,221
Asia-Pacific	6,123	6,821	3,776
Canada	772	750	711
Europe/Central/Asia/Middle East/Africa	8,131	8,710	11,522
Latin America	12,374	13,100	12,927
U.S. and Puerto Rico	18,929	20,070	20,285

[†] Thirty-four records do not specify gender.

[‡] Nine records do not specify gender.

[§] Numbers by region are based on woman employees only.

GLOBAL PART-TIME

	FY21	FY22	FY23
Total	1,849	1,940	1,988
24 and under	25	38	59
25-39	513	517	532
40-54	974	999	980
55-69	333	379	410
70+	4	7	7
Woman†	1,515	1,556	1,558
Asia-Pacific	77	72	63
Canada	16	17	9
Europe/Central/Asia/Middle East/Africa	1,260	1,309	1,314
Latin America	1	–	6
U.S. and Puerto Rico	161	158	166

† Numbers by region are based on female employees only.

NEW EMPLOYEE HIRES

	FY21†	FY22‡	FY23§
Total	14,874	21,431	15,985
24 and under	4,373	5,097	3,970
25-39	7,876	12,283	8,811
40-54	2,251	3,409	2,700
55-69	368	634	495
70+	6	8	9
Woman¶	7,470	11,126	8,245
Asia-Pacific	1,031	1,577	681
Canada	94	70	52
Europe/Central/Asia/Middle East/Africa	680	1,565	1,494
Latin America	3,757	4,395	3,386
U.S. and Puerto Rico	1,908	3,519	2,632

† Thirty-four records do not specify gender.
 ‡ Twenty-four records do not specify gender.
 § Five records do not specify gender.
 ¶ Numbers by region are based on woman employees only.

GLOBAL EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY)

	FY21	FY22	FY23
Total employee turnover rate (total employees/# employee turnovers)	16%	16%	17%
24 and under	3,029	3,187	2,606
25-39	6,984	8,194	8,048
40-54	3,085	3,343	3,720
55-69	2,043	1,313	2,146
70+	98	26	70
Voluntary employee turnover rate (total employees/# voluntary employee turnovers)	13%	15%	14%
Woman†	7,399	8,140	7,171
Asia-Pacific	907	858	458
Canada	125	110	87
Europe/Central/Asia/Middle East/Africa	747	943	1,199
Latin America	3,413	3,830	3,136
U.S. and Puerto Rico	2,207	2,399	2,291

† Numbers by region are based on female employees only.

U.S. EMPLOYEE DEMOGRAPHICS†

	FY21	FY22	FY23
American Indian or Alaska Native	133	150	152
Asian	5,647	6,060	6,194
Black or African American	2,208	2,437	2,598
Hispanic or Latino	3,169	3,141	3,072
Native Hawaiian or Other Pacific Islander	131	127	124
White	19,863	20,419	19,913
Two or More Races	812	861	896
Unspecified‡	1,532	10,386	10,670

† Calculated actual headcount at the end of FY21. United States only, excluding Puerto Rico.

‡ Includes records coded as "Do Not Want to Disclose," "Unspecified," or "Blank."

U.S. EMPLOYEE TURNOVER (VOLUNTARY AND INVOLUNTARY) BY RACE AND ETHNICITY

	FY21	FY22	FY23
Total U.S. employee turnover rate (total employees/# employee turnovers)	12%	10%	14%
American Indian or Alaska Native	15%	9%	14%
Asian	12%	11%	12%
Black or African American	13%	13%	18%
Hispanic or Latino	13%	10%	14%
Native Hawaiian or Other Pacific Islander	8%	11%	14%
White	11%	9%	14%
Two or more races	10%	13%	15%
Unspecified†	15%	11%	14%

† Includes records coded as "Do Not Want to Disclose," "Unspecified," or "Blank."