

Engineering Impact: Letters From Our Leaders

We know that every action we take impacts the future of our employees, our business, our communities, and our planet.

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Chairman and CEO address The past year brought intense, ongoing, global challenges. The COVID-19 pandemic, the fight for social justice and equity, and the climate crisis demanded not just a will to endure, but a willingness to act. Driven by our Mission to improve human welfare, we answered this call. We accelerated innovation to create better experiences for patients, customers, and employees. Restructuring our business into 20 nimble operating groups, we got closer to our customers and delivered groundbreaking solutions faster in markets around the world. And our evolved culture – the Medtronic Mindset – empowers our 90,000+ employees in over 150 countries to move quickly and decisively to answer any challenge. We see extraordinary possibilities to further increase our positive impact in the world. In FY21, we focused our environmental, social, and governance (ESG) efforts to drive measurable impact on issues including protecting our planet, accelerating access to healthcare technology, and advancing inclusion, diversity, and equity (ID&E).

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

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

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

Accelerating access to healthcare technology We are at a pivotal moment in human health. Healthcare budgets are severely stressed, access to quality care is limited, and for too many there remain pervasive and systemic healthcare inequities. Technology will be part of the solution to drive better outcomes for our world and dismantle global disparities in healthcare.

With a greater focus on health equity in FY21, we:

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

Advancing inclusion, diversity, and equity The fight for social justice and equity was deeply personal for me and many of our employees. We learned from and stood alongside our colleagues to unequivocally denounce racism, discrimination, and other systemic inequities that limit the potential of so many. Our evolved ID&E strategy is focused on driving equity at the individual, company, and community level.

To help drive meaningful change in FY21, we:

- Created accountability for employees at all levels, including connecting ID&E performance to the annual incentive plans for our executive leadership team starting in FY22
- Focused on inclusive leadership training, as of FY21 we've trained 70% of U.S. people managers on how to recognize and mitigate unconscious bias
- Achieved 100% ethnically diverse pay equity in the United States and sustained 100% gender pay equity in many countries, including the United States, and 99% gender pay equity globally
- Directed \$2.4 billion to small and diverse suppliers – totaling 35% of our U.S. supplier spend.

We also expanded our Supplier Diversity Program globally, with an initial focus on engaging more women-owned businesses.

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

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

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

Geoff Martha, Chairman and CEO, Medtronic

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

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

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

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

Karen Parkhill, Executive Vice President and Chief Financial Officer, Medtronic

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