

THE POWER OF PURPOSE

2019 Integrated
Performance Report

Ambar, a Medtronic Diabetes customer

Medtronic
Further. Together

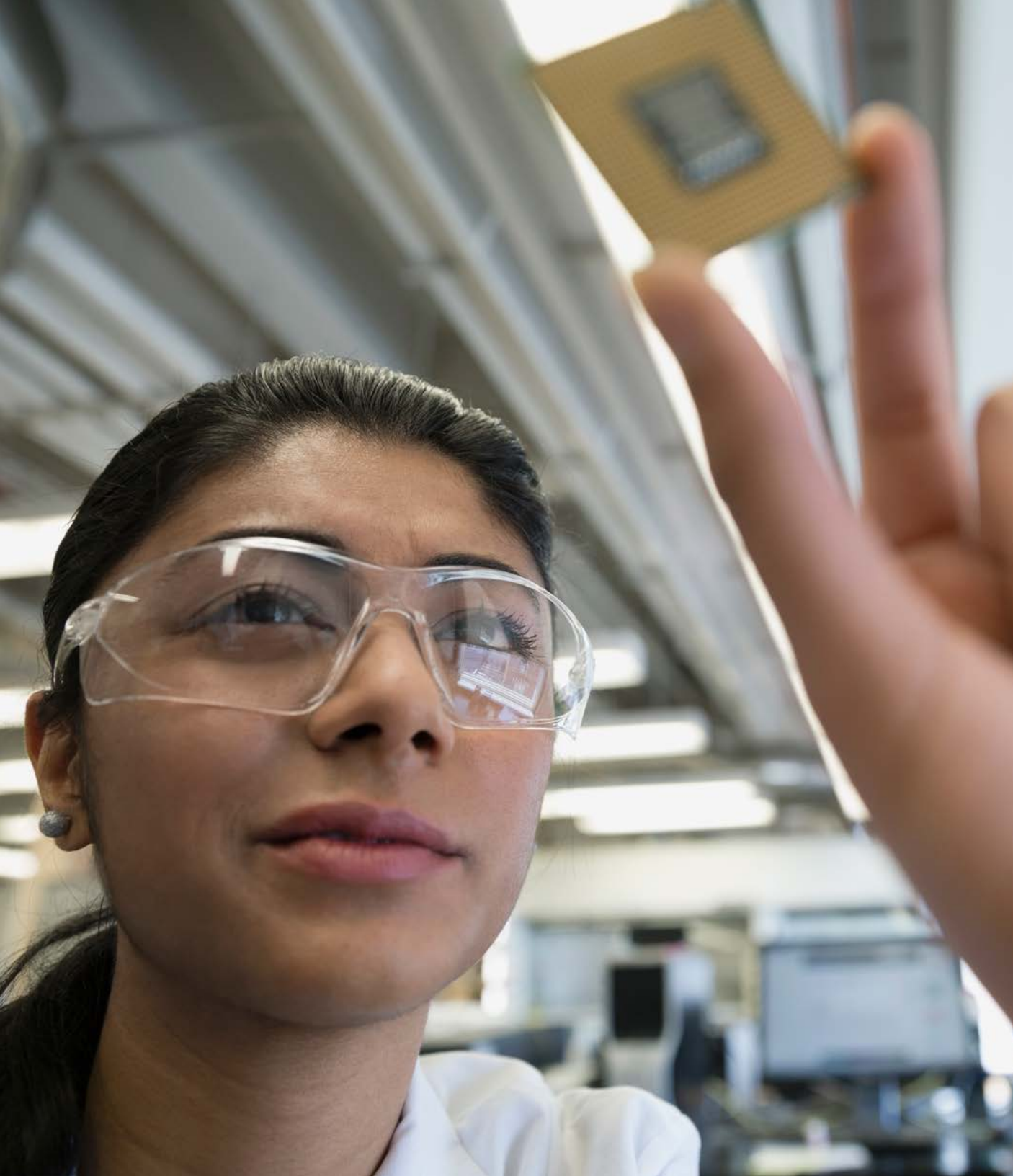


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A MESSAGE FROM OMAR



The Medtronic Mission is one of the greatest gifts our co-founder Earl Bakken gave to Medtronic. It clarifies our purpose and reminds us that our foremost priority is to contribute to human welfare. Though it was written nearly 60 years ago, it continues to inspire us, define our long-term strategy, and guide how we operate as a company.

At its core, the Mission states that we are a technology company that aims to improve outcomes meaningful to patients. Today we are executing on the strongest product pipeline in Medtronic history, bringing to market a long list of technology innovations that will, in the words of the Mission, alleviate pain, restore health, and extend life for millions of people around the world. I'm incredibly pleased to share that together with our physician partners, we served a record

75 million+ patients in FY19 — improving the lives of more than two people every second.

Our Mission also provides an ethical framework for our 90,000+ Medtronic employees around the world. It calls upon us to be a leader and a partner in finding ways to better serve our communities. To help guide our efforts related to the economic, social, and environmental areas where we can make the greatest contributions, we have established a Citizenship framework. In this, our FY19 Integrated Performance Report, we outline our progress within the four pillars of our Citizenship framework: Adding Value to Society, Promoting Environmental Stewardship, Supporting a Global Workforce, and Working Responsibly.

Before highlighting some of our many notable accomplishments in FY19, there are three topics I want to address more deeply. First, this year's Integrated Performance Report debuts the Medtronic contribution to the UN Sustainable Development Goals. As a global company, we support the UN's commitment to achieve "peace and prosperity for people and the planet," and are focused on the specific goals where we can have the greatest impact, including ones related to good health, well-being, economic opportunity, and partnerships.

Second, Medtronic values equity, inclusion, and diversity — and aims to create an enriching work experience for all employees. In FY19, ethnically diverse talent held 22% of leadership positions in the United States, surpassing our aspirational goal of 20% or more by 2020. And 38% of our leadership positions were held by women, on track to meet our 2020 aspirational goal of 40% or more.

Third, with this year's report, Medtronic is joining a handful of companies who have shared information about pay equity — an important component of the UN's goal on economic opportunity and tightly aligned with Tenet 5 of our Mission, which calls on us to "recognize the personal worth of all employees" — regardless of gender, race, or ethnicity. A comprehensive analysis we conducted in FY19 showed that our global pay equity between genders was 99% — and 100% in certain countries, including the United States. We also conducted an ethnic diversity analysis in the United States, which included all genders, and found that for every \$1.00 that white employees with a certain job title earned, ethnically diverse employees earned \$0.99. While we are pleased with these results, I assure you that our journey won't stop until we ensure and sustain 100% pay equity for all.

Further, I want to highlight some other notable accomplishments in FY19. We:

- Delivered strong financial results, achieving \$30.6 billion in revenue and \$5.9 billion in free cash flow.
- Invested \$2.3 billion in research and development to advance our innovation pipeline. This included the costs of 279+ ongoing clinical studies.
- Increased healthcare capacity and access by investing \$142 million in training for more than 83,000 medical professionals, and \$28.6 million in patient education.
- Continued our commitment to ethics in sales and marketing by reaching more than 21,000 marketing and sales employees (97% of employees in these roles) through expanded product-promotion trainings.

- Directed 24% of our U.S. supplier spend to small and diverse companies, reinforcing our commitment to a diverse supply chain.
- Continued to shift our philanthropic activities toward programs with measurable impact on improving health outcomes for underserved populations. Our philanthropic contributions total more than \$1 billion since 2003, including our support of the Medtronic Foundation.
- Continued to reduce energy use, emissions, regulated waste, and water use. Energy projects completed in FY19 will provide Medtronic an estimated \$4.3 million in operational cost savings — reinforcing the business case for environmental responsibility. In FY20, we will launch new environmental goals, committing us to further reduce our footprint by 2025.

Since joining Medtronic over eight years ago, I have been truly honored to lead this organization and its team of highly talented, dedicated employees. Looking ahead, I recently announced my intention to retire as CEO at the end of FY20 and the board of directors named Geoff Martha as the next Medtronic CEO. Geoff has the ability, judgement, values, and strategic vision to propel our company to new heights into the future.

In closing, we are proud of the progress we have made to date and are excited about the future, but we know there is still much work to be done. Not only have we built the strongest product pipeline in the company's history, but we are also committed to lead the industry in all that we do and the way that we do it — focusing on environmental and social responsibilities, while also delivering on profitability. And most importantly, we will continue to extend the reach of Medtronic to impact even more patients around the globe — furthering our Mission to use technology to alleviate pain, restore health, and extend life.

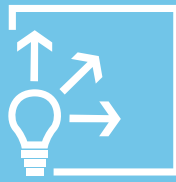
A handwritten signature in black ink, appearing to read 'Omar Ishrak', written in a cursive style.

Omar Ishrak
Chairman and CEO, Medtronic

COMPANY
OVERVIEW



COMPANY OVERVIEW



Since 1949, Medtronic has developed medical technology to alleviate pain, restore health, and extend life. As a company built on innovation, we're collaborating with others who also believe that by working together, we can improve both our healthcare systems and the quality of care for everyone.

MEDTRONIC FY19 SNAPSHOT

90,000+ Employees	150+ Countries in Which We Operate	75M+ Patients Served
\$2.3B Research and Development Spend	47,800+ Patents	



RECENT RECOGNITION FOR OUR CORPORATE CITIZENSHIP AND INNOVATION

- **Corporate Responsibility Magazine — 2019 100 Best Corporate Citizens**
- **North American Dow Jones Sustainability Index — 12th consecutive year**
- **JUST 100 — Companies Doing Right by America for 2019; Top U.S. Companies Supporting Healthy Communities and Families for 2018**
- **Human Rights Campaign — 2018 Best Places to Work**
- **2019 FTSE4Good Index**
- **Edison Awards — 2019 Best New Products**
- **Innovation Leader — 2018 Innovation Awards**
- **DiversityInc — 2019 Top 50 Companies for Diversity**
- **Thomson Reuters — 2018 Top 100 Most Diverse and Inclusive Organizations Globally**

Acting on our Mission

Written nearly 60 years ago, the tenets of our Mission drive our focus and contributions to enable more people to benefit from affordable, effective healthcare globally.

THE MEDTRONIC MISSION



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.

EARL BAKKEN

1924-2018



“ It is my hope that one day, every Medtronic employee, and every patient with a Medtronic device, will participate in giving back to their community, toward the improvement of humankind. ”

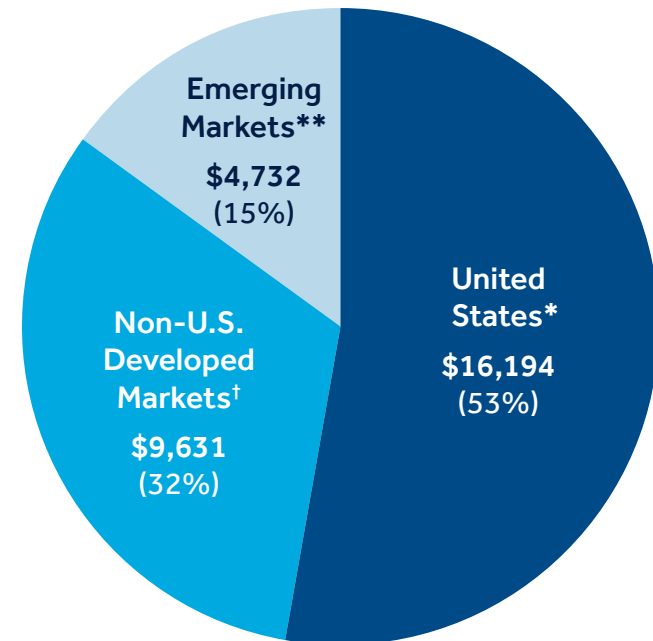
– Earl Bakken
Medtronic
Co-founder

How we are organized

Medtronic has four operating groups: Cardiac and Vascular, Minimally Invasive Therapies, Restorative Therapies, and Diabetes. Each group is separated into business divisions that deliver a wide range of medical technologies, therapies, services, and solutions.

Medtronic Operating Groups FY19 Total Sales and Business Divisions	
OPERATING SEGMENTS AND BUSINESS DIVISIONS	FY19 NET SALES (\$ MILLION)
Cardiac and Vascular Group <ul style="list-style-type: none"> ▪ Cardiac Rhythm and Heart Failure ▪ Coronary and Structural Heart ▪ Aortic, Peripheral, and Venous 	\$11,505
Minimally Invasive Therapies Group <ul style="list-style-type: none"> ▪ Surgical Innovations ▪ Respiratory, Gastrointestinal, and Renal 	\$8,478
Restorative Therapies Group <ul style="list-style-type: none"> ▪ Spine ▪ Brain Therapies ▪ Specialty Therapies ▪ Pain Therapies 	\$8,183
Diabetes Group	\$2,391
TOTAL NET SALES	\$30,557

Global Footprint
FY19 Net Sales to External Customers by Region (\$ Million)



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

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

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

SUSTAINABILITY PRIORITIES & STRATEGIES



As we deliver on our Mission, we are conscious of our impact on the world in which we operate. Being genuinely sustainable means balancing profitability with environmental and social responsibilities. We must be held accountable for what we do and the way we do it.



Our Material Issues

We activate our commitment to good corporate citizenship through a continuous cycle of foresight, planning, and reporting on our most significant sustainability issues.

By conducting regular reviews of our sustainability strategies and priorities, we are able to stay ahead of emerging risks and opportunities. The review process informs planning and operations across our business, extending into our supply chain and the way we design and make our products. It ensures that we drive innovation and efficiency with deep awareness of our responsibility to people and planet.

We focus on the issues that:

- Have the potential to significantly impact our business growth, finances, or reputation
- Are important to our stakeholders
- Are aligned with our Mission to alleviate pain, restore health, and extend life for people around the world

This analysis informs our sustainability priorities and strategies:

- **Access to care** — we work with health systems around the world, sharing technologies, services, resources, and expertise to remove barriers to affordable treatment of chronic diseases

- **Product stewardship** — we aspire to minimize the life cycle footprint of our products and packaging through innovative design
- **Ethics in sales and marketing** — we earn and maintain the trust of our stakeholders through the responsible marketing, communication, and promotion of our products and services
- **Supply chain responsibility** — we collaborate with our suppliers to develop long-term relationships that improve product quality, promote responsible business practices, and support small and diverse businesses

- **Product quality** — we ensure that our products and services clearly meet the highest standards of safety and reliability

We explain our approach to these and other material issues throughout this report and in our **2019 ESG Disclosure Index**.

These five areas have guided the focus of our sustainability program since FY15. In FY19, we refreshed our materiality assessment and are using the outputs to define our performance and disclosure strategies for the coming years.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

We do more when we work together with others. Engagement and collaboration enable us to share our aspirations and challenges, be held accountable, and achieve positive outcomes for patients more effectively.

As part of our daily operations, we capture learnings through our ongoing engagements. These are described in the table below.

OUR ENGAGEMENT WITH STAKEHOLDERS ACROSS OUR CITIZENSHIP PILLARS				
	Adding Value to Society	Promoting Environmental Stewardship	Supporting a Global Workforce	Working Responsibly
Healthcare Professionals and Administrators	<ul style="list-style-type: none"> Training and capacity building Collaborative product development Clinical research and trials Value-based and integrated care partnerships Product donations 	<ul style="list-style-type: none"> Environmentally preferred purchasing Product reprocessing programs 	<ul style="list-style-type: none"> Healthcare professional training and capacity building 	<ul style="list-style-type: none"> Clinical trials standards development and data sharing Data privacy and security programs Physician Collaboration Policy Post-market surveillance partnerships and clinical studies Customer service and complaint handling
Patients and Patient Advocacy Groups	<ul style="list-style-type: none"> Education programs Remote and connected care programs Product donations Clinical trials 		<ul style="list-style-type: none"> Patient Advocacy Group capacity building via Medtronic Foundation partnerships Sharing patient stories through companywide events and communications 	<ul style="list-style-type: none"> Customer service and complaint handling
Shareholders and Institutional Investors	<ul style="list-style-type: none"> Quarterly calls and one-on-one engagements about product pipeline, acquisitions, and emerging market growth 	<ul style="list-style-type: none"> CDP disclosure Engagements on climate risk 	<ul style="list-style-type: none"> Engagements on labor practices, human rights, and inclusion and diversity 	<ul style="list-style-type: none"> One-on-one engagements about environmental, social, and governance issues
Suppliers and Distributors	<ul style="list-style-type: none"> Product manufacturing and innovation Supplier quality training 	<ul style="list-style-type: none"> Global Supplier Standards, environmental impacts 	<ul style="list-style-type: none"> Global Supplier Standards, human rights and labor practices 	<ul style="list-style-type: none"> Global Supplier Standards, business ethics Distributor Code of Conduct training Vendor privacy and security training Supplier sustainability risk assessments Supplier diversity events

OUR ENGAGEMENT WITH STAKEHOLDERS ACROSS OUR CITIZENSHIP PILLARS (CONTINUED)

	Adding Value to Society	Promoting Environmental Stewardship	Supporting a Global Workforce	Working Responsibly
Employees	<ul style="list-style-type: none"> ▪ Disaster relief ▪ Volunteerism ▪ Matched giving 	<ul style="list-style-type: none"> ▪ Product Stewardship Program ▪ Sustainable Packaging Working Group ▪ Enterprise-wide operational environmental goals 	<ul style="list-style-type: none"> ▪ Employee diversity networks and resource groups ▪ Global inclusion and diversity initiatives ▪ Professional training ▪ Career development ▪ Engagement surveys ▪ Health, safety, and wellness programs ▪ Awards and recognition 	<ul style="list-style-type: none"> ▪ Employee training on: <ul style="list-style-type: none"> – Workplace safety – Ethics and compliance and Code of Conduct – Privacy and security, including GDPR – Supplier diversity – Responsible supply management
Government Regulators and Policymakers	<ul style="list-style-type: none"> ▪ Product approval and reimbursement ▪ Advocacy for universal healthcare coverage ▪ Public-private partnerships that increase access to care ▪ Medical Device Innovation Consortium 	<ul style="list-style-type: none"> ▪ Environmental inspections and compliance with CA Prop 65, RoHS, REACH, and E.U. Medical Device Directive 	<ul style="list-style-type: none"> ▪ U.S. EEOC reporting ▪ Gender pay gap reporting ▪ European works councils 	<ul style="list-style-type: none"> ▪ Regulatory inspections ▪ Public policy engagement ▪ Political contributions disclosure ▪ Disclosure of: <ul style="list-style-type: none"> – Payments to healthcare professionals – Security breaches – Conflict minerals and human trafficking reports ▪ Supplier diversity reporting
Nongovernmental Organizations	<ul style="list-style-type: none"> ▪ Medtronic Foundation Global Health grants supporting healthcare and patient advocacy ▪ Medtronic Labs partnerships 	<ul style="list-style-type: none"> ▪ Membership in Healthcare Plastics Recycling Council and Minnesota Sustainable Growth Coalition 	<ul style="list-style-type: none"> ▪ Grants to advance STEM and develop future talent 	<ul style="list-style-type: none"> ▪ Member of: <ul style="list-style-type: none"> – Clinical Trials Transformation Initiative – Sustainable Purchasing Leadership Council
Local Communities	<ul style="list-style-type: none"> ▪ Community health worker training ▪ Disaster relief ▪ Community Foundation grants ▪ Employee volunteerism and giving 	<ul style="list-style-type: none"> ▪ Support of and participation in community solar gardens 	<ul style="list-style-type: none"> ▪ Employment opportunities ▪ Partnerships with learning institutions to develop talent 	<ul style="list-style-type: none"> ▪ Compliance with local laws and regulations

ANTICIPATING RISK AND OPPORTUNITIES

In the face of social, political, and environmental change, we constantly monitor emerging issues and agendas. We work to anticipate, adapt, and respond to evolving trends, risks, and opportunities through innovation and partnership.

Managing risk

Our key risks occur in the following areas:

Climate risk and resilience

- We manage transitional risk through routine monitoring of carbon regulations, including carbon taxes, and proactively installing renewable and alternate energy sources as they become more cost-effective and readily available.

- We manage physical risk through our business continuity management, which includes hurricane readiness planning and infrastructure improvement as well as risk-exposure analyses that encompass hurricanes, earthquakes, and water scarcity.

The business impact of unforeseen ethical, social, and environmental regulations

- Our Government Affairs, Human Resources, Environmental, Health, and Safety, and Procurement groups monitor relevant regulations in global markets. Our legal and compliance teams oversee compliance with those regulations.
- We engage industry organizations and regulators to share our perspectives and prepare for potential and pending regulation.

Failure to meet customer sustainability requirements

- We aim to meet or exceed customer requirements on all aspects of sustainability, including product quality, access to healthcare, environmental impacts, labor practices, and responsible supply management.
- Our Global Human Rights Program and Responsible Supply Management Program ensure a consistent approach to key sustainability issues across our operations and supply chain.

Risk of reputational damage from unethical behavior

- We regularly train employees to comply with our [Code of Conduct](#), and we have clear processes for reporting and acting on ethical concerns. Additional compliance training for employees in certain roles further mitigates the risk of corruption and misconduct.

We include more detail about our most significant business risks in our 2019 Form 10-K and 10-Q filings with the U.S. Securities and Exchange Commission.

Creating opportunities

Beyond avoiding negative impact, we also seek to generate value from sustainable business practices, in line with our Mission and values. Our opportunity areas include:

- **Leading the industry in meaningful innovation and value-based healthcare**
The speed of global technological and societal change is faster than ever. This evolution presents a significant opportunity for us to identify emerging solutions and develop innovative, effective, value-driven products and business models that improve lives.

- **Forming bold, impactful partnerships**

Collaboration with a range of national and local partners enables us to accelerate global access to lifesaving therapies. Our partners challenge us to think differently and engage in new ways of working.

- **Driving business efficiency**

As we increase efficiency throughout our own operations, we extend this positive impact by sharing our learning and approach with others, including business partners and suppliers.

Business continuity and crisis management

Unexpected events — such as natural disasters, extreme weather, and sudden power outages — can disrupt our operations or supply chain on short notice. Our preparedness and resilience practices protect our ability to do business sustainably and are of interest to our stakeholders. Our Business Continuity Management program helps us to plan for the risk of unexpected events, with a focus on:

- **Business continuity** — ensuring that we can continue to operate and meet demand in adverse circumstances

- **Crisis management and mobilization** — coordinating responses in crisis situations

- **Emergency response** — keeping people and assets safe and minimizing environmental impact in emergencies

- **IT response and recovery** — responding quickly to technological failures and reinstating affected infrastructure

We also provide philanthropic support during natural disasters; more information on this is available in [Philanthropy](#).

Our crisis management system



SUSTAINABILITY MANAGEMENT AND GOVERNANCE

Embedding and evolving a strong sustainability strategy requires clear leadership. Our Sustainability Steering Committee (SSC) guides our companywide approach.

To embed sustainability considerations throughout our operations, we:

- Include executive leaders from a range of corporate functions on the SSC
- Make a close link between sustainability and economic oversight — our chief financial officer is the SSC's executive champion
- Distribute management of environmental, social, and governance responsibilities across the enterprise
- Include oversight of our environmental, social, and governance practices in the formal responsibilities of our board of directors' Nominating and Governance Committee

EXTERNAL REPORTING, RECOGNITION, AND BENCHMARKING

A number of external frameworks guide our sustainability strategy and reporting. Our current activities include:

- Reporting on indicators set by the Global Reporting Initiative and the Sustainability Accounting Standards Board — available throughout this Integrated Performance Report and our [**2019 ESG Disclosure Index**](#)
- Mapping our contributions to relevant Sustainable Development Goals
- Participating in the annual RobecoSAM/Dow Jones Sustainability Index survey
- Submitting environmental data to CDP annually

SUSTAINABLE DEVELOPMENT GOALS



We live in a time of unprecedented potential, where the possibilities of technology have never been greater. Still, the world is faced with pressing environmental and social challenges that require urgent action. These challenges cannot be solved by organizations acting alone. Now is the time to come together — businesses, governments, and international organizations — to create change where it is needed the most.

We support the **UN Sustainable Development Goals (SDGs)** to achieve “peace and prosperity for people and the planet.” We are focused on the goals where we can have the largest impact:








SDG 3: Good health and well-being

As a leading global medical technology company, we have the expertise, innovation, and commitment to partnership needed to help improve the health and well-being of people around the world. These skills are pivotal to addressing the healthcare challenges facing us today.

Globally, 32 million people died in 2016 due to cardiovascular disease, cancer, diabetes, or chronic respiratory disease. For decades, Medtronic has dedicated much of its time and talent to finding solutions to noncommunicable illnesses such as these. We, along with our peers, governments, and other organizations, intend to tackle this alarming statistic by expanding the affordability and accessibility of care. The table below describes some of the ways Medtronic is leading this transition.

SDG	MEDTRONIC CONTRIBUTION
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Medtronic continues to innovate and partner to reduce premature mortality from noncommunicable diseases:</p> <ul style="list-style-type: none"> ▪ We served more than 75 million patients in FY19. ▪ We invest in R&D, innovation hubs, and clinical trials that drive new therapies, services, and solutions for noncommunicable diseases. ▪ We expand access to healthcare through our care-delivery initiatives such as Integrated Health Solutions, Medtronic Care Management Services, and Patient Access Acceleration. <p>We invested \$142 million in healthcare capacity building and training for medical professionals in FY19, reaching 83,000 people.</p> <ul style="list-style-type: none"> ▪ We collaborate with global product donation partners to distribute Medtronic products to nonprofit organizations and in-country clinics to meet the needs of underserved groups — in FY19, we donated \$9.2 million in products. ▪ We invested \$28.6 million in patient outreach and education. <p>We are strengthening the prevention and treatment of substance abuse through education and the advancement of key therapies:</p> <ul style="list-style-type: none"> ▪ We collaborate with others in pain management to broaden therapy awareness and advocacy, deliver innovation, and advance clinical and economic evidence in favor of device-delivered pain therapies as an alternative to opioids. <p>We develop new business models and partner with others around the world to achieve universal access to healthcare:</p> <ul style="list-style-type: none"> ▪ Our Government Affairs team and executive leadership champion universal health coverage. In September 2019, Medtronic CEO Omar Ishrak chaired a panel at the UN High-Level Meeting on Universal Health Coverage. ▪ We invest in infrastructure in emerging markets through our hub-and-spoke model.

We also contribute to SDG goals aligned to social and environmental progress, including equality, decent work, innovation, responsible consumption and production, and partnerships.

SDG	MEDTRONIC CONTRIBUTION
<p>5 GENDER EQUALITY</p> 	<ul style="list-style-type: none"> ▪ Goal of 40% or more of global management positions to be held by women ▪ Medtronic CEO Omar Ishrak joins Catalyst CEO Champions for Change initiative ▪ Twenty-seven percent female representation on our board of directors ▪ Medtronic Women's Network initiatives promote the advancement of female employees through development, opportunities, mentoring, and education
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<ul style="list-style-type: none"> ▪ Goal of 20% or more of U.S. management positions to be held by ethnically diverse talent ▪ Equal Employment Opportunity Policy ▪ Global Inclusion, Diversity, and Engagement initiatives, including commitment to gender representation at all levels ▪ Global Human Rights and Labor Practices Policy and program ▪ Global Supplier Standards and Responsible Supply Management program ▪ Global Environmental, Health, and Safety Policy and program
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<ul style="list-style-type: none"> ▪ Long-term public targets for greenhouse gas emissions reduction ▪ R&D and innovation hubs in China, Brazil, and Turkey ▪ MedTech Innovation Accelerator in Shanghai to empower startups aimed at improving patient outcomes ▪ Medtronic African and Asian Healthcare Innovation competitions ▪ Artificial Intelligence lab partnership with Shanghai Jiao Tong University ▪ Medtronic Foundation's Global Health programs
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<ul style="list-style-type: none"> ▪ Corporate energy and water conservation initiatives and targets ▪ Product stewardship program, including materials of concern and sustainable packaging activities ▪ Waste reduction through recycling, reuse, and inventory management that reduces excess scrap and obsolescence
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<ul style="list-style-type: none"> ▪ Strategic internal and external partnerships across the enterprise that advance healthcare access and outcomes globally ▪ Healthcare capacity building and innovation centers in emerging markets ▪ Public-private partnerships to increase the provision of life-improving treatments council and related initiatives

ADDING VALUE TO SOCIETY

The full size and reach of our company help us contribute to the health of communities around the world. We achieve this through our efforts to expand access to high-quality healthcare, give back through philanthropic initiatives, and support local economies through our business operations.





Adding Business Value

Business growth is intrinsically linked to patient access and affordability. This drives us to create new healthcare models based on value, efficiency, and outcomes. Increasing access also requires us to invest in infrastructure development, therapy awareness, and specialized physician training.

In this way, we serve society by widening access for underserved communities — and we serve our business by growing our markets.

Our business was founded on innovation. Today, we continue to develop new solutions to global healthcare challenges. We focus particularly on the treatment of chronic, noncommunicable diseases, including conditions that disproportionately affect people in emerging markets.

Our Mission drives us to make our products available to the people who need them — whoever and wherever they are. Universal access to healthcare is a global priority, with millions of people unable to receive essential treatment. We develop new business models and partner with others around the world to reduce barriers to access and affordability.

TECHNOLOGY INNOVATION

As the pace of technological change accelerates, we anticipate and invest in high-potential technologies. We develop promising discoveries into effective treatments and make these available to the patients who need them most.

The future of healthcare will be connected, precise, and personalized. Our strong pipeline ensures that we will stay at the forefront of our evolving industry.

OUR INNOVATION PIPELINE

55

clinical studies started

63

clinical studies completed

279

ongoing clinical studies at the end of FY19

Research and clinical trials

Emerging technologies offer new opportunities to meet pervasive health challenges. We develop, monitor, and refine novel applications of existing and new technologies, including artificial intelligence, miniaturization, bio-printing, 3D printing, and many more. Our research extends to the exploration of new materials, evolving microelectronics and sensor technology, biomarkers, tissue regeneration, and targeted drug delivery.

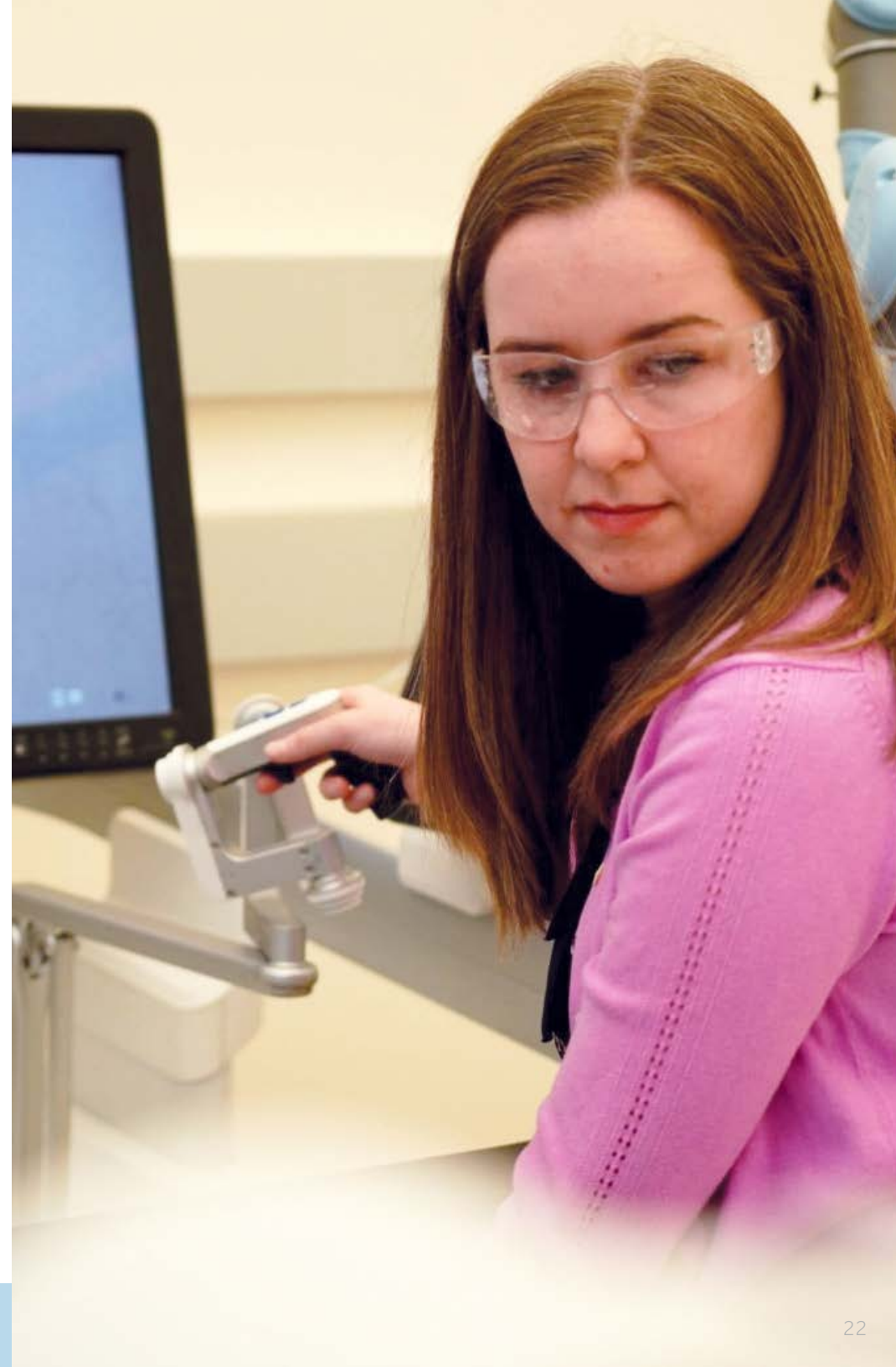
Our development processes utilize state-of-the-art technology to predict and improve real-life product performance. For example:

- Predictive engineering ensures that finished products perform as intended in the clinical setting.

- Our Applied Innovation Lab “holodeck” video screen provides an immersive experience to help scientists and engineers understand healthcare needs in remote geographic regions.
- We test and revisit a design multiple times during product development to minimize the risk of problems further along in the process.

We test potential new solutions through clinical trials — establishing safety and effectiveness with a consistent drive to improve patient experience and outcomes. We explore advanced statistical methodology and modeling simulations to generate cost-effective evidence. Read more about our approach to [clinical trials](#).

In FY19, we invested \$2.3 billion in research and development (R&D) and launched 55 new clinical studies.



CASE STUDY

OUR ROLE IN DISRUPTING THE OPIOID EPIDEMIC

The opioid epidemic has had a devastating impact across the United States, and public officials have declared the epidemic “the worst drug crisis in American history.” At the same time, the ongoing public health problem of pain management constitutes a crisis of its own. Despite availability of effective pain treatments, barriers to achieving adequate pain relief remain for many Americans.¹

Medtronic Pain Therapies is working to **disrupt the opioid crisis** in collaboration with patients, providers, regulators, elected officials, patient advocacy groups, and employers. We are raising awareness of alternatives to conventional pain medication and researching clinical and economic evidence for their effectiveness.

For example, the Embrace Targeted Drug Delivery study is evaluating intrathecal² morphine as an alternative to systemic opioids for the treatment of chronic, intractable, non-malignant primary back pain with or without leg pain.

The study will:

- Follow patients who wean completely from all oral opioids and have a positive response to intrathecal drug trial
- Assess pain control and opioid-related side effects at six months following a route of delivery change to intrathecal preservative-free morphine sulfate

“With a 40-plus-year history of developing innovative medical devices that have been shown to alleviate pain in different disease states, we recognize that we have a role to play in disrupting this epidemic. No single entity can solve America’s opioid and pain crisis alone, which is why we are working in collaboration to address the unmet needs of pain patients.”



– Marshall Stanton
President, Medtronic Pain Therapies

¹ Institute of Medicine. Relieving pain in America: a blueprint for transforming prevention, care, education, and research. Washington DC, United States: The National Academies Press. 2011.

² Injection into the spinal canal or the subarachnoid space.

Launching new products

Our new product launches in FY19 included:

- **Accurian™ Nerve Ablation Platform** conducts radio frequency ablation of nervous tissue. The Accurian system combines proprietary hardware with advanced software for power and temperature control, resulting in consistent and predictable lesion formation.
- **Clinician Programmer for deep brain stimulation (DBS)** is a digital interface that enables physicians to deliver secure, patient-focused DBS sessions.
- **MiniMed™ 670G System** is our hybrid, closed-loop insulin delivery system. In FY19, the system received approval for use in patients with Type 1 diabetes aged seven years

and older (previously only available to those aged 13 and over).³

- **Solitaire™ X revascularization device** is designed for procedural efficiency and smooth navigation, to give surgeons greater confidence during interventional stroke procedures.

Read more about products receiving Food and Drug Administration (FDA) clearance or approval and CE mark approval (a certification indicating a product conforms with European Union safety, health, and environmental standards) in FY19 at the **Medtronic Newsroom**.

CASE STUDY

PATENTS FOR HUMANITY

In FY19, the U.S. Patent and Trademark Office named our hemodialysis system, currently under development, as one of its 2018 “Patents for Humanity” award winners. The program honors innovators who create game-changing technology to meet global humanitarian challenges.

Today’s hemodialysis systems — used to treat chronic kidney disease — require costly infrastructure such as water purification facilities. They are often only available at urban hospitals and clinics far from many patients. Our goal is to design a portable hemodialysis system that is significantly smaller and that requires 75% less water than traditional systems. We intend to address the biggest barriers to chronic kidney disease care — especially in emerging markets, where the need is great.

³ The MiniMed™ 670G System is for Type 1 ages 7 and over. Prescription required. Individual results may vary. WARNING: May not be safe under age 7 or using less than 8 units insulin/day. See <https://www.medtronicdiabetes.com/important-safety-information#minimed-670g> for additional important details.



Partnerships and acquisitions

We partner with universities, hospitals, and healthcare startups to develop new ideas, tackle global or local challenges, and ultimately increase the provision of life-improving treatments. Highlights from FY19 include:

- A Medtronic appointee to the European Institute of Innovation and Technology (EIT) Health consortium. This network of 140 leading healthcare organizations aims to address the challenges associated with the increase in chronic disease patients and multi-morbidity. We have received E.U. funding for six research projects with multiple external partners.
- The launch of the Medtronic MedTech Innovation Accelerator in Shanghai, China. This collaborative

innovation platform will provide services for MedTech startups worldwide and address unmet clinical needs in China.

- The establishment of a joint lab on artificial intelligence (AI) with Shanghai Jiao Tong University — one of the top AI research universities in China. The ultimate aim is to improve medical device performance, with the first year of research focusing on visualization and deep learning-based image processing.

We look for opportunities to invest in or acquire other medical technology companies that offer groundbreaking healthcare solutions. Our total strategic investment and acquisition spend in FY19 was \$5.49 billion.⁴ Read more about our [acquisitions](#).

⁴ Includes acquisitions, additions to property, plant and equipment, and purchases of investment.

DEVELOPING AFFORDABLE, SUSTAINABLE HEALTHCARE MODELS

Even the most innovative product is ineffective if it is unaffordable to the people who need it. We work to develop new business models that improve affordability while advocating for the adoption of value-based healthcare models. We aim to price our products in a fair and reasonable manner, in the context of local healthcare system structures and market dynamics. To increase affordability and value, we:

- Offer a variety of pricing models, including volume pricing or rebate options for hospitals, adaptive pricing for treating long-term conditions, and programs to assist new and existing patients

- Work to improve our products' efficiency and effectiveness simultaneously, to achieve better outcomes at lower cost
- Partner with others to increase economic value across global healthcare systems

Value-based healthcare

Traditional healthcare models involve payment by volume of product or therapy. This can lead to unsustainable healthcare systems where limited resources may be spent on ineffective or expensive treatment. We continue to advocate for a shift to **value-based healthcare** (VBHC).

Focusing on value may reduce barriers to access by demonstrating positive impact and enabling payment for treatments to be spread over time, contingent on patient outcomes. This financial model rewards hospitals for providing care that results in better patient outcomes, by focusing on cost relative to outcomes, rather than on cost alone.

Our Global VBHC Council — comprising leaders from across our business divisions, regions, and functions — steers our approach to value-based models.

Systems take time to change. We advocate and collaborate with others to drive transformation by:

- Embedding value-based clinical and economic standards into R&D and commercial processes
- Partnering with providers and payers using new financial models for care accountability
- Sharing our learnings and insights through respected forums

CASE STUDY

MAXIMIZING THE VALUE OF OUR PRODUCTS BY EXPLORING NEW APPLICATIONS

Cardiac implantable electronic devices (CIEDs) — including implantable defibrillators and pacemakers — can be lifesaving for people with chronic heart conditions. But infections occur in 1% to 4% of all CIED implantations, leading to a higher risk of mortality and increased treatment costs.

The Medtronic TYRX™ Absorbable Antibacterial Envelope is the only fully absorbable antibacterial envelope available for CIEDs. It contains two powerful antibiotics and has been shown to reduce infection by 70% to 100% in high-risk patients.

As of FY19, it is available in 55 countries, with more than 350,000 patients treated worldwide and projected net savings of \$507 per patient.⁵

In addition to CIEDs, the TYRX Envelope is cleared for use with implantable neurostimulators, and we are exploring additional applications for the technology, which would enable access to its benefits in a wider range of clinical settings.

⁵ Based on combined data from [studies](#) of high-risk patients.

EXPANDING GLOBAL HEALTHCARE ACCESSIBILITY AND AVAILABILITY

Too many people lack access to prevention and treatment for noncommunicable diseases. We constantly look for novel solutions to expand availability and access to our products and services in underserved communities. Our range of programs and strategic partnerships continue to evolve as we learn more about local needs and barriers. Our focus on value-based, patient-centered solutions helps us to reimagine healthcare delivery.

Transforming healthcare systems

Treating patients in need is the priority for any healthcare system. In the midst of everyday healthcare delivery, it can be challenging for providers to focus on improving value, access, and quality.

- Medtronic Integrated Health Solutions (IHS) helps optimize clinical and operational processes at healthcare facilities to improve hospital efficiency and patient access to care.
- Our value-based healthcare partnership programs enable practitioners at healthcare systems and payers to apply the right Medtronic therapy to the right patients at the right time. These programs enable care to be delivered for reduced cost, in a consistent and accountable way.

CASE STUDY

REDUCING WAIT TIMES FOR CARDIAC PATIENTS AWAITING CATHETERIZATION

Eastern Health, the largest regional health authority in Newfoundland and Labrador, Canada, operates the province's only cardiac catheter lab. Many patients with heart conditions requiring catheterization must travel long distances to get there, sometimes by air ambulance.

Until recently, difficulties with scheduling and utilization frequently led to lengthy wait times for patients and uncertainty over when they would have their procedures. The impact was felt across the province, as patients waiting for catheterization took up beds in other hospitals.

In December 2017, Eastern Health began a [collaboration](#) with Medtronic IHS with the aim of developing a workable long-term solution to wait times. Following a review of issues and goals, development of an improvement framework, and work on internal culture, Eastern Health launched a new strategy in October 2018. The effects became evident within weeks:

- By the end of the year, utilization in the catheter lab had increased by 37%.
- By March 2019, the outpatient waitlist had been reduced by 15%.
- In January 2019, the province-wide average wait time from date of acceptance to date of procedure was down by an average of 56.5% (compared with FY18).

CASE STUDY

ENABLING EFFICIENT RESPONSES TO CARDIAC EMERGENCIES

Tijuana, Mexico, has a population of more than 1.6 million people — most of whom are not covered by insurance. As a result, the Red Cross responds to 98% of emergency calls. Around 3,000 calls each year relate to brain and heart diseases. To increase treatment capacity and facilitate efficient response to these calls, Medtronic IHS partnered with the Red Cross to:

- Open a state-of-the-art catheter lab
- Equip 13 ambulances with Cardiac Alert — a fast-track assessment tool that ensures a diagnosis is available by the time the patient arrives for treatment
- Train 120 paramedics and 13 other staff members to use Cardiac Alert



Harnessing automation and connectivity

Much of the care for patients with complex, chronic, co-morbid conditions happens outside of the hospital setting. The increasing use of connected devices to monitor health is enabling access to near real-time patient data through remote monitoring, wearables, and telehealth. Because of its ability to improve patient outcomes and reduce administrative costs, connected health is likely to play a significant role in increasing the value of future healthcare models.

Medtronic Care Management Services (MCMS) works with health systems, post-acute care providers, and health plans to provide remote monitoring and care management services for patients with complex,

chronic, co-morbid conditions. MCMS programs combine care management services and patient engagement solutions with data analytics and reporting:

- **Care management services**
MCMS disease management programs, clinical decision support technology, and patient outreach services help escalate at-risk patients. These tools support healthcare professionals, payers, and post-acute care providers to make stronger clinical decisions.
- **Patient engagement solutions**
Patient platforms, disease management programs, and biometric peripheral devices help to optimize patient experience, supporting individuals to stay engaged in the program and securely share their health information daily.

▪ Data analytics and reporting

Advanced data analytics support healthcare professionals to assess patient cohorts, discover insights about at-risk patients, and act faster on potential health risks.

These programs are designed to help patients get involved in their care at home and support provider care teams to monitor patient health data and intervene if needed.

MCMS has a strong legacy of more than 20 years in telehealth. During this time, the MCMS team has spent **7 million telehealth months** monitoring health data, interacting with patients, and supporting care teams in clinical decision-making.

Operating in resource-constrained regions

Lack of resources and connectivity are often barriers to effective, sustainable healthcare systems. Our hub-and-spoke model offers a solution. A state-of-the-art hospital (the hub) connects with healthcare centers in surrounding communities to create a well-defined patient pathway (the spokes). A coordinated care approach enables convenient access to diagnostics and referrals through the spokes, with highly complex treatments and procedures available at the hub when needed.

Reaching underserved populations

Healthcare needs are complex for people living with chronic conditions such as hypertension and diabetes. Limited access to appropriate care compounds these challenges. **Medtronic Labs** works to expand access to healthcare for underserved patients, families, and communities across the world, with a focus on financially sustainable solutions that maximize social impact.

Medtronic Labs designs healthcare delivery models that integrate digital and product technologies across the care continuum. Partnerships — with local technology entrepreneurs, healthcare providers, NGOs, governments, and other stakeholders — amplify impact and scale.

Medtronic Labs' solutions are built upon five principles:

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



Current Medtronic Labs' programs include:

Empower Health —

a technology-enabled model of care that allows clinicians and providers to manage a cohort of hypertensive or diabetic patients remotely. Empower Health extends the reach of the health system directly into the community, improving the efficiency and effectiveness of care.

Location: Ghana and Kenya

FY19 Highlight: In April 2019, Medtronic Labs launched Afya Dumu, a public-private partnership in Kenya. The project leverages the Empower Health technology and model of care to manage large cohorts of patients. It aims to improve patient outcomes and reduce county health system costs. Novartis Social Business provides affordable medications, and Management Sciences for Health delivers health system-strengthening activities. The

Kenyan Ministry of Health and county governments lead on program oversight and community engagement.

Shruti — a program to address ear diseases and hearing loss in underserved populations. Shruti utilizes a community health worker-based service model, enabled by point-of-care diagnostics, hearing implants, and digital tools.

Location: Bangladesh and India

FY19 Highlight: In partnership with hearing aid manufacturer Sivantos, Medtronic Labs launched a service that provides affordable hearing care. The Sivantos technology includes high-quality, affordable hearing

aids integrated with a digital application for remote fitting and tele-audiology. With this integrated offering, Shruti patients receive comprehensive community-based diagnosis for ear diseases and hearing loss, with targeted referrals to our network of affordable therapies.

Pilot programs

Maisha Mapya⁶ — an expansion of the Empower Health model that aims to manage and mitigate complications during the antenatal and postpartum time periods for low- and high-risk pregnant women. Maisha Mapya provides patients and clinicians with ongoing risk assessment, home-based visibility of health status, and access to education, community

support, and timely referrals.

Location: Kenya

Prerna — a comprehensive healthcare delivery model for people living with, or at risk of, Type 2 diabetes, hypertension, and co-morbid diseases. The model integrates social and clinical interventions in a group-based setting, close to home. Once enrolled, Prerna patients have access to point-of-care lab testing, doctor visits, medication, education, and behavioral coaching. This provides everything they need to live with their condition for the long term, in the comfort of their own community.

Location: India

**MEDTRONIC LABS
IMPACT TO DATE**

650,000
patients
screened

400+
health workers
trained

16,500+
patients with better clinical
and social outcomes

65
operational sites throughout
India, Ghana, and Kenya

⁶ With funding from Gates Grand Challenges.

Working within local contexts

Using our Patient Access Acceleration (PAA) approach, we quantify treatment needs in a specific location before formulating strategies to tackle barriers to access. By combining data from thousands of PAA assessments, we improve planning and reduce risks associated with future investments in market development.

We partner with hospitals around the world to deliver our Patient Access Insights (PAI) consulting service. PAI identifies local needs and barriers to access, informing the development of appropriate solutions. In FY19, we completed four PAI engagements in three countries.

PARTNERSHIPS AND ADVOCACY TO ACCELERATE CHANGE

Public-Private Partnerships

Public-Private Partnerships (PPP) offer significant opportunities to increase patient access to our products and services in new markets. Guided by the Medtronic PPP council, we actively pursue partnerships around the world that address gaps in healthcare. These PPPs tend to be longer-term contracts that enable us to create sustainable, scalable projects and programs in four key areas:

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

In FY19, for example, we began providing patients with access to lifesaving dialysis treatment through our new partnership with Angelica Medical Suppliers and the Kenyan government. Before the partnership, Kenya had just two dialysis clinics, both in Nairobi — a two-day drive from some regions. In a country where 30% of the population lives on less than \$2 per day, the \$90 cost of each session is prohibitive for many.

Through the partnership, Angelica set up 25 dialysis clinics at county hospitals, while Medtronic provided training to more than 400 nurses and 60 biomedical engineers. The Kenyan government is funding the cost of equipment over time, based on measurable performance. This affordable, sustainable solution offers new hope for people suffering with renal disease who previously had limited access to care.

Advocating for increased access

We engage with governments and other organizations to advocate for improved access to essential treatment by removing barriers and creating opportunities. For example, for the past three years we have been working in Chile to expand access to deep brain stimulation (DBS) — a treatment for conditions such as Parkinson's and dystonia.

Chile had no short- or long-term financial coverage for DBS, as well as a limited provision and lack of awareness of treatment options. We undertook sustained engagement and partnership with key stakeholders — including developing an awareness-raising campaign and a financial support program for patients.

Our efforts have so far:

- Improved the health of more than 90 Parkinson's and dystonia patients
- Paved the way for financial reimbursement of more than 8,000 patients awaiting access to DBS therapy

BUILDING CAPACITY AND ACCESS TO KNOWLEDGE

Healthcare systems function most effectively when the quality of the infrastructure

is matched by the capacity, skills, and knowledge of the people — including patients and professionals.

In FY19, we invested \$142 million in capacity building and training for medical professionals (reaching more than 83,000 people) and \$28.6 million in patient education. For example, in our Asia Pacific and China region:

- Medtronic Innovation Centers (MICs) provide specialist training to healthcare professionals to expand and

update their knowledge and skills. In FY19, MICs in Japan and Korea hosted nearly 10,000 physicians, offering access to state-of-the-art virtual and augmented reality and 360-degree imaging training tools.

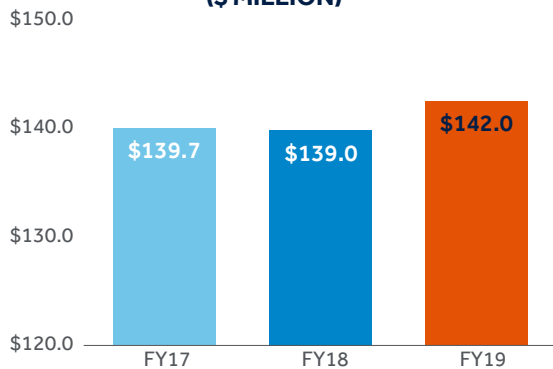
- At the 11th Implantable Device Congress, we collaborated with Japanese startup HoloEyes Inc. to educate 73 physicians on venipuncture using virtual reality. Physicians were also able to learn detailed

anatomy through interactive, 3D, computer-generated organ models.

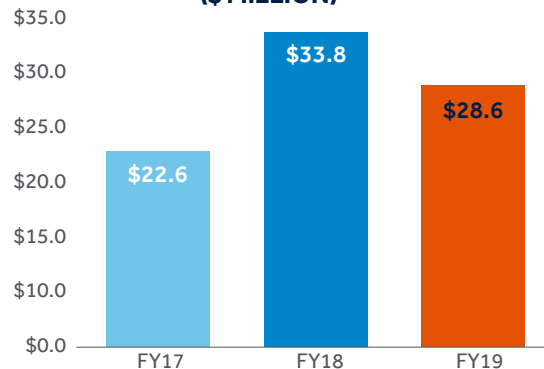
- Medtronic Restorative Therapies Group (RTG) led education events for 8,488 healthcare professionals — including hands-on workshops, hospital-based training, surgical coaching, and visiting clinician programs.

Healthcare Capacity Building

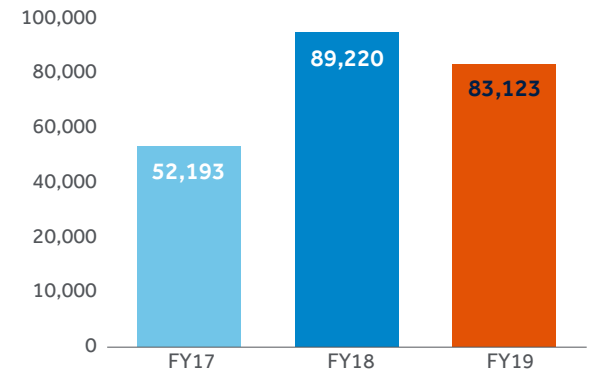
EDUCATION FOR MEDICAL PROFESSIONALS (\$ MILLION)



EDUCATION FOR PATIENTS (\$ MILLION)



MEDICAL PROFESSIONALS REACHED





Each year,
15 MILLION PEOPLE
AGED 30–69
DIE FROM A NONCOMMUNICABLE
DISEASE (NCD)

86%
OF PREMATURE NCD
DEATHS OCCUR IN
LOW- AND MIDDLE-
INCOME COUNTRIES



Adding Business Value

Our philanthropic programs are an important extension of our work to expand access to our products. Medtronic and the Medtronic Foundation partner with others to make investments based on impact and outcomes for underserved communities, while strengthening our reputation and social license to operate.

We engage in a range of philanthropic activities to extend essential healthcare access to the people who need it most. We collaborate with local and global partners to accelerate our effort, and our strategic investments focus on underserved communities.

OUR CONTRIBUTIONS

To date, our company's philanthropic contributions total more than \$1 billion, including our support of the Medtronic Foundation. We want to ensure that each dollar we invest makes a real difference.

In FY19, we continued to shift our philanthropic activities toward strategic impact-focused charitable giving. We will measure our success not by the amount of money we give, but by the beneficial effect of our contributions.

Medtronic Foundation

We fund the Medtronic Foundation's work to expand access to healthcare for underserved people worldwide and support healthy communities.

Volunteering

We encourage our employees to give back to communities through skilled service and hands-on volunteering year-round. Read more about our [employee volunteering](#) programs.

To date, our company's philanthropic contributions total more than \$1 billion.

Since 1992, we have donated pacemakers to the Hospital General de Mexico in Mexico City. Approximately 3,000 patients who were unable to afford treatment have benefited from the pacemakers. A local cardiologist runs the program and oversees the surgeries, teaching other physicians how to perform the procedure so they can bring these new skills to their patients.

Watch more [here](#).



Product donations

We collaborate with global product donation partners to distribute Medtronic products to nonprofit organizations and in-country clinics focused on underserved communities. These product donations also contribute to essential supplies during disaster recovery efforts.

Charitable third-party medical education

We fund medical fellowship positions and provide support for independent, third-party sponsored health education programs.

⁷ See the FIRST® [Longitudinal Study](#) for more detail.

⁸ Based on hours logged on the Medtronic Foundation website. Actual hours are likely to be higher.

CASE STUDY

SUPPORTING THE MEDICAL TECHNOLOGY TALENT PIPELINE

Today's schoolchildren are the future of the medical technology industry. It's vital to encourage children to see science and technology as aspirational and exciting career options if we are to build upon the wealth of innovation and talent that exists in our sector today.

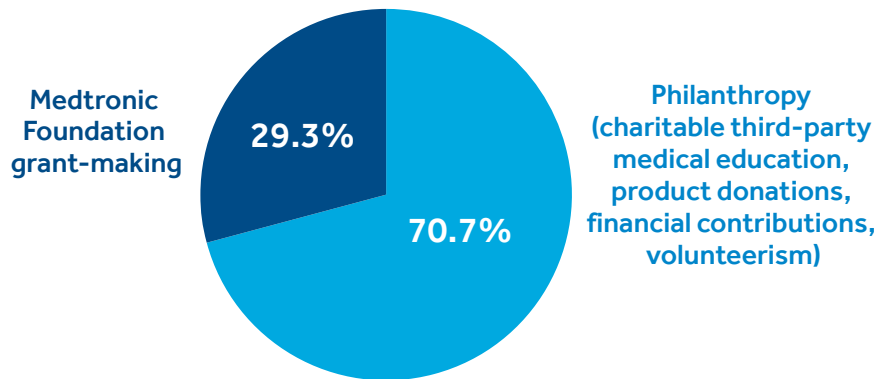
Medtronic supports FIRST® — For Inspiration & Recognition of Science & Technology — which sponsors robotics competitions for kids from kindergarten to grade 12 (age 18–19). In the FIRST® 2018–2019 season, more than 570,000 students participated in more than 67,000 teams worldwide.

FIRST® participants are more than four times as likely to major in a STEM (science, technology, engineering, and mathematics) fields than equivalent non-participants.⁷ They also show improved problem solving, time management, conflict resolution, and communication skills as a result of participating.

Since 2006, Medtronic and the Medtronic Foundation have supported FIRST Robotics Competition teams and events with financial contributions and volunteer team mentors. In FY19:

- 50 Medtronic employees volunteered more than 5,300 hours.⁸
- We formed the Medtronic FIRST® Robotics Council to promote internal awareness of the program and grow our involvement worldwide.
- The Medtronic Foundation Global Volunteer Engagement Council named FIRST® one of its key STEM programs to focus on scaling worldwide.

SPLIT OF PHILANTHROPIC CONTRIBUTIONS IN FY19



PHILANTHROPIC CONTRIBUTIONS BY TYPE IN FY19

\$57.2M CORPORATE CASH DONATIONS

\$29.3M MEDTRONIC FOUNDATION GIVING

\$9.2M PRODUCT DONATIONS

\$4.4M VALUE OF VOLUNTEERING*

\$100.1M TOTAL GIVING

*Calculated with an hourly rate of \$24.14 in FY19, provided by the [Independent Sector](#). Volunteer hours reflect hours that are self-reported by the Medtronic employees and represent hours of volunteerism during normal business hours.

Medtronic Foundation Global Health Programs

The Medtronic Foundation works in partnership with local nonprofits and governments to invest in impactful healthcare projects aimed at improving access for underserved communities. In FY19, the Medtronic Foundation contributed to three global health signature efforts:

HeartRescue — measuring and improving care for sudden cardiac arrest (SCA) and ST-elevation myocardial infarction (STEMI)

Impact: United States HeartRescue has treated more than 71,000 SCA patients, contributing to an 8% increase in cardiac arrest survival and a 17% increase in survival after bystander intervention.⁹ Since its inception in 2015, Global HeartRescue in China, India, and Brazil has:

- **Trained more than 4,000 health workers and 7,800 community members**
- **Provided reperfusion treatment for more than 750 STEMI patients**

Location: 19 U.S. states, Brazil, China, India

⁹ U.S. HeartRescue data from the State of Illinois through 2017.

HealthRise — expanded access to chronic care and worked to improve health outcomes among underserved populations over five years. The program ended in FY19

Impact: Across nine sites in four countries, HealthRise partners trained more than 3,600 health workers in chronic care, resulting in:

- **65,000 people newly screened**
- **9,000 cases of diabetes and hypertension identified**

More than 3,100 underserved patients demonstrated blood pressure control and over 1,000 achieved blood sugar control. On average, 65% of all patients in managed care showed critical reductions in blood pressure and blood sugar.

Across the U.S. and Brazil sites, where changes were statistically significant relative

to control groups, the proportion of patients with controlled status increased by an average of 20%.

The support for patients and health workers continues through the many partners that contributed to HealthRise and through public sector partners in ministries of health and local health systems. These partners are enabling greater scale to reach more underserved patients and support effective and empowered chronic care management.

Location: Brazil, India, South Africa, United States

RHD Action — working to end rheumatic heart disease (RHD) in vulnerable populations

Impact: RHD Action Uganda has:

- **Achieved 91% penicillin adherence for patients retained in care — resulting in a 33% decrease in**

mortality risk among people living with RHD

- **Conducted more than 13,000 echo screenings for children¹⁰**
- **Created a national network with four regional Centers of Excellence in RHD care**
- **Established the largest RHD register globally, with more than 2,000 patients**

RHD Action supported significant advocacy and mobilization efforts that resulted in successful passage

of the Global Resolution on Rheumatic Fever RHD at the 71st World Health Assembly. Following the Global Resolution, high-burden countries have prioritized action and resources to prevent, detect, and treat RHD. Countries will report on implementation of the resolution at the World Health Assembly in 2021.

Location: Uganda, Tanzania, globally



¹⁰ RHD Action data from Case Western Reserve University 2013–2018.

CASE STUDY

ELEVATING THE ROLE OF COMMUNITY HEALTH WORKERS

By 2030, a global shortfall of 18 million health workers is expected.¹¹ With demand currently outpacing supply, more and better-trained health workers are needed in and outside of clinics.

The 72nd World Health Assembly further emphasized the global significance of this issue by passing a resolution on opportunities and challenges for community healthcare workers delivering primary healthcare.

Because patient and healthcare worker voices need to be heard in this global conversation, in FY19, the Medtronic Foundation engaged in a listening exercise to better understand its potential role in addressing this emerging crisis. It led regional design-thinking workshops and asked patients, national and local policymakers, and those on the front lines of care: "How can we solve tomorrow's healthcare issues, starting now?"

The messages from nearly 100 listening sessions across four continents were clear:

- Develop radical self-care solutions to address the rise in chronic conditions.
- Be patient-centric by engaging the communities most in need.

- Meet people where they are to get to better outcomes.
- Train more health workers who are compensated and valued, in order to deliver services at scale.

In response, the Medtronic Foundation is increasing its focus on supporting and strengthening healthcare workers.



¹¹ World Health Organization [Biennium report 2016-2017](#).

In FY19, the Medtronic Foundation developed and refined its impact assessment framework to ensure that future funding maximizes positive outcomes. The Medtronic Foundation tested the framework during the selection of a small number of Opportunity Grant partners. The focus was on testable, scalable solutions that address healthcare efficiency and produce demonstrable positive outcomes.

From nearly 200 applicants, 7 were selected to receive 1-year grants. All partner organizations participated in a Medtronic Foundation-led Learning Collaborative, to share lessons across markets and approaches to improve healthcare efficiency for underserved populations.

The process helped Medtronic Foundation hone our framework for measuring and delivering social impact in a financially sustainable manner, through local organizations.

In FY20, the framework will be rolled out across all Medtronic Foundation activities to aid decision-making about current and future partnerships.

PROMOTING EMPLOYEE VOLUNTEERING AND GIVING

We support and encourage employees to play an active role in Medtronic and Medtronic Foundation philanthropic efforts:

Project 6 — an enterprise-wide volunteer program during the sixth month of the year that supports Tenet 6 of the Medtronic Mission: good corporate citizenship

Volunteer Grants — a Medtronic Foundation program that donates funds to support the nonprofits where individual employees volunteer 25 hours or more during the year

Matching Grants — a Medtronic Foundation program that matches employee contributions to approved nonprofits, dollar for dollar, up to \$5,000 per calendar year

Our year-round programs empower Medtronic employees to pursue their personal passions and philanthropic engagements.

Employee Volunteering and Community Engagement	
	FY19
Project 6	
Volunteers	17,371
Total Volunteer Hours	60,246
Countries	47
Employee-Led Projects	493
Volunteer Grants	
Volunteer Grants	1,409
Volunteer Grants (\$ Raised)	\$704,500
Global Matching Grants	
Employee Contributions (\$ Million)	\$8.9
Medtronic Match (\$ Million) *	\$6.6
* Medtronic Matches are made on a 1:1 basis up to \$5,000. As a result, matches are not the same amount as employee contributions.	

In FY19, the Medtronic Foundation awarded the Bakken Invitation to 12 individuals from 12 different countries. The Invitation recognizes people who benefited from medical technology and are now making a difference in communities through advocacy and innovation. Since 2013, the program has honored more than 70 individuals from around the world who are using their gift of renewed health to improve the lives of others. Read more about their [stories](#).

DISASTER RESPONSE

Natural disasters and severe weather can devastate entire communities, damaging basic infrastructure and limiting access to vital services. Medtronic and the Medtronic Foundation focus on long-term partnership and recovery.

Medtronic and Medtronic Foundation disaster-response activities include:

- Paid time off**
 Medtronic offers employees five days of paid time off (PTO) per year to support disaster-relief and recovery efforts by volunteering with a nonprofit or nongovernmental organization. For example, in FY19, more than 40 Medtronic employees used the PTO program to volunteer with relief and recovery efforts in Puerto Rico in the aftermath of Hurricane Maria. In addition, many Puerto Rico-based employees also gave their time to support the community.
- Grants**
 The Medtronic Foundation distributes grants to organizations that pre-position supplies and build staffing capacity for fast, strategic deployment. It also matches employee contributions to eligible organizations.

- Employee assistance**
 The Medtronic Employee Assistance Fund provides grants to employees who suffer financial hardship due to natural disasters. The Medtronic Foundation matches Medtronic employee contributions to the fund, dollar-for-dollar (subject to the annual \$5,000 cap on employee philanthropic donations). In FY19, the fund distributed \$1.38 million to impacted employees.

In FY19, we supported ongoing recovery efforts in Puerto Rico and in Santa Rosa, California, following the hurricane and wildfires in these locations in FY18. We also responded to several disasters across the globe, including the drought in Australia, wildfires in Greece, and flooding in India.

Information on how we prepare our business to respond to natural disasters is available in [Sustainability Priorities and Strategies](#).

Medtronic Foundation Disaster Relief Contributions			
	FY17	FY18	FY19
Disaster Relief (\$ Million)	\$0.7	\$5.6	\$2.9



Continuing relief efforts in Santa Rosa

The North Bay wildfires in October 2017 were some of the most destructive in California state history. They claimed 44 lives and burned more than 6,000 homes. As the slow process of recovery continues, providing affordable housing is essential.

In Sonoma County, Medtronic and the Medtronic Foundation have partnered with the local chapter of nonprofit Habitat for Humanity to provide new homes for survivors. As part of this initiative:

- Medtronic provided land for housing at its Fountaingrove campus.
- The Medtronic Foundation donated \$100,000 to help fund construction.
- Habitat for Humanity Sonoma County is building eight compact houses for fire survivors.
- Medtronic employees and other volunteers help to ready the homes to live in.

This collaborative effort is a small but important part of the overall goal to rebuild a community in the aftermath of disaster.

CASE STUDY

SUPPORTING EMPLOYEE AND COMMUNITY RESILIENCE DURING TIMES OF CRISIS

In FY19, a number of crises — including Hurricane Maria, California wildfires, and others — affected Medtronic employees, our operations, and the communities we serve. These events devastated neighborhoods, businesses, and infrastructure.

In each instance, Medtronic crisis management teams activated our response plans as soon as the potential impact became apparent. We started by verifying that all employees were safe and accounted for, and then worked to assess and support their needs, alongside those of the communities.

But initial support is not enough. The effects of a natural disaster are felt long after the event has passed. In FY19, the Medtronic Foundation pledged \$1 million to help improve the health of people and communities affected by natural disasters and other crisis events. It continues to work closely with local nonprofit organizations and employees to assess how to best support ongoing relief and recovery efforts.

THE ECONOMIC IMPACT OF OUR BUSINESS



WE REMAIN IN THE
S&P 500 DIVIDEND
ARISTOCRATS INDEX
— MARKING OUR

42nd CONSECUTIVE
YEAR
OF DIVIDEND INCREASES

As a leading global medical technology company, our priority is to improve healthcare for all. By doing this, our business plays an even greater role in improving lives — not just for patients, but also for our employees and the communities in which we operate. Our financial success means we can continue to make important economic contributions to society by creating jobs, contributing taxes, and making capital investments.

Financial performance

In FY19, we earned revenue of \$30.6 billion. Our revenue-growth strategy starts with executing on our technology pipeline, while our growth accelerators, Globalization

and Economic Value, enhance our growth profile, expand our markets, and increase our competitiveness.

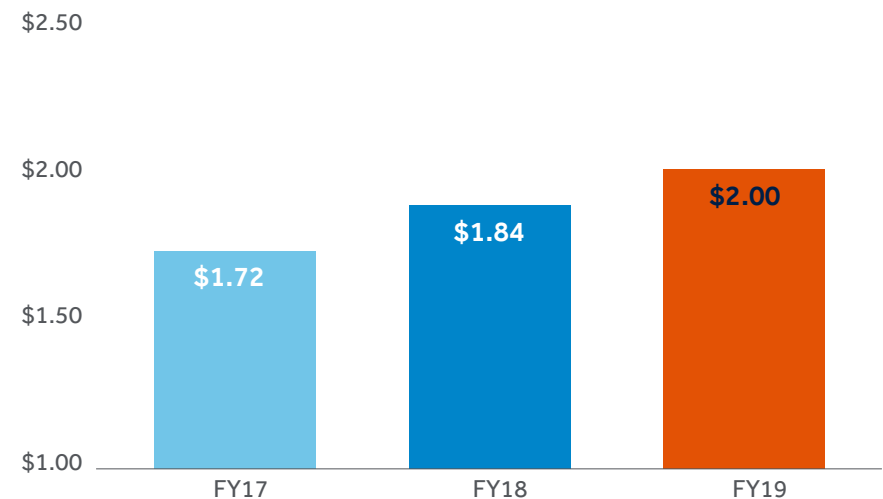
Our emerging market revenue grew 13% on a comparable constant currency basis in FY19 compared to FY18. We were able to drive growth in these key markets by optimizing our distribution channels, developing our public and private partnerships, and localizing our research and development (R&D) and manufacturing.

For more information on our financial performance, please see our [2019 Form 10-K](#), on file with the U.S. Securities and Exchange Commission.

Return to shareholders

Our commitment to return a minimum 50% of our annual free cash flow back to shareholders is part of our strategy for balanced capital deployment. In FY19, Medtronic had a free cash flow of \$5.9 billion. We returned \$4.6 billion — 78% of the free cash we generated — to our shareholders through dividends and net share repurchase.

Dividend Per Share



Compensation

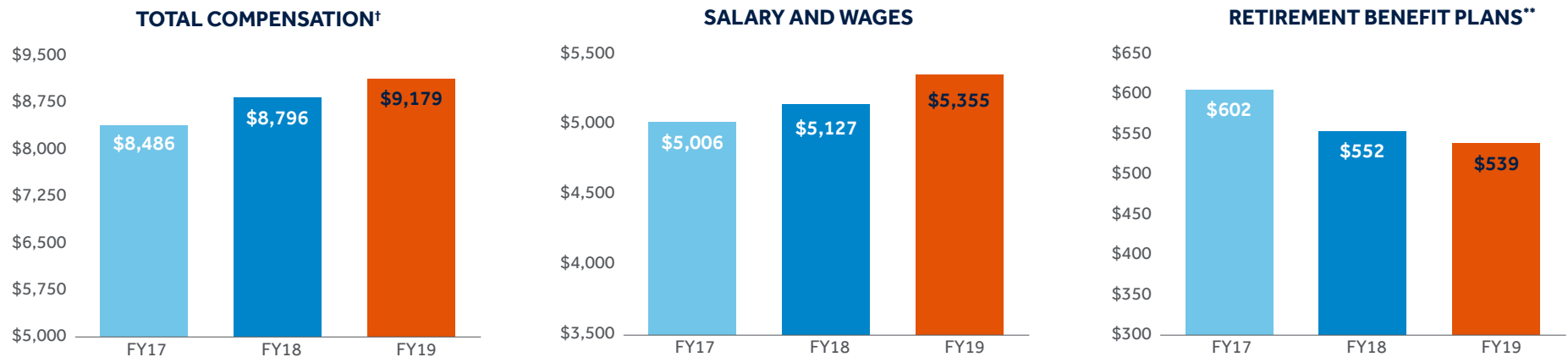
We have achieved — and maintained — our position as a leading medical technology company through the work of our talented employees. In FY19, Medtronic employed around 90,000 people in more than 150 countries. We hire locally, stimulating the economies of communities near our operations.

Medtronic continues to report U.K. employee gender pay gap data in line with disclosure requirements. The pay gap, also known as pay

parity, compares pay for all men and women, regardless of their job, which factors in representation across all job levels. Our latest report reveals that our pay parity is at 13%, an improvement over last year and smaller than the national average of 18%.

Pay parity differs from equal pay for equal work. More information on our approach to pay equity is in the [Inclusion and Diversity](#) section.

Employee Compensation* (\$ Millions)



	FY17	FY18	FY19
Employees	91,000+	86,000+	90,000+

* All amounts are based on actual exchange rate.

† Total Compensation includes salary and wages, incentives, overtime, severance pay, payroll taxes, retirement benefits, auto allowance, and other benefits.

** Retirement benefits spend fluctuates based on a variable 401k match component, incremental to the standard 401k match. FY17 reflects incremental expenses for voluntary early retirement packages.

Investments and expenditures

Capital investments and operating expenses are required for our continued success and growth, and they also support local economies. The wages and taxes we pay directly benefit individuals and communities, while our business with suppliers leads to indirect benefits by allowing them to hire and pay additional workers.

Acquisitions and divestitures

Our aim is to offer a broad range of therapies to restore patients' health and extend lives. We primarily achieve this through continued investment in R&D but also through acquisitions. We pursue acquisitions that align with our Mission and bring new technology, strategic skills, capabilities, and expertise to Medtronic. Notable acquisitions during FY19 include:

- **EPIX Therapeutics** — expands our portfolio of tools to treat patients with cardiac arrhythmias
- **Mazor Robotics** — strengthens our position as a global leader in technologies for spine surgery
- **Nutrino Health** — enhances our ability to improve clinical outcomes for people with diabetes

When appropriate, we use divestitures to more closely align our product and therapy portfolio and business activities with our strategic priorities. In FY19, we had no significant divestitures.



A close-up photograph of a young boy with dark, curly hair, wearing a blue short-sleeved shirt. He is smiling and drinking water from his cupped hands. A stream of water is falling from his hands into his mouth, and another stream is falling from his forehead. The background is a dry, hilly landscape under a clear blue sky.

PROMOTING ENVIRONMENTAL STEWARDSHIP

Contributing to human welfare is central to our work. We take a holistic approach to improving our efficiency and reducing our impacts across our value chain, starting with the development of our products and extending to our operations.

PROMOTING ENVIRONMENTAL STEWARDSHIP



AS OF FY19,
WE SURPASSED

4 OUT OF 5
ENVIRONMENTAL
PERFORMANCE
GOALS FOR FY20

WITH REDUCTIONS
IN ENERGY USE,
EMISSIONS, NON-
REGULATED WASTE, &
WATER USE SINCE 2013.



Adding Business Value

Actively managing our environmental impacts and reducing our footprint is not only the responsible thing to do — it fosters positive relationships with communities and other stakeholders and reduces operating costs.

REDUCING OUR OPERATIONAL FOOTPRINT

Our planet provides clean air, water, and other natural resources that communities and businesses depend on. We are guided by our Mission to make the world a healthier place, which we connect with mitigating the impact we have on the environment. Without a healthy planet, we cannot have healthy people. We focus our efforts on reducing the energy emissions, water, and waste footprint of our operations and products.

Being a good environmental steward is part of our business strategy. Our global [Environmental Health and Safety \(EHS\) Policy](#) establishes our performance management system to set goals, measure progress, and integrate sustainability into decision-making. It also addresses climate change — an issue that presents risks and potential disruption for global business.

Potential risks to our business from climate change include severe weather events, unexpected or sweeping policy changes, and reputational harm from lack of engagement regarding potential impacts. Transitioning where possible to resilient power sources may help drive innovation and accelerate the supply of competitively priced renewable energy. Our response to these risks and opportunities is to continue to invest in renewable energy and business resilience programs.

Our climate strategy and detailed environmental data are available in our [CDP disclosure](#).

Our corporate EHS teams oversee compliance, environmental management and remediation, health and safety, and training. The EHS teams collaborate with regional directors who are responsible for policy and programs across our global regions. The Medtronic Nominating and Corporate Governance Committee oversees our sustainability strategy, including environmental topics.

Mitigating impacts with management systems

Manufacturing facilities account for most of our energy consumption, water use, and waste generation. At those sites we use management systems, based on the ISO 14001 and OHSAS 18001 standards, to track EHS performance. At certain facilities we pursue third-party certification for our management systems.

Environmental compliance

We strive for 100% compliance with applicable environmental laws and regulations. In instances where a noncompliance event occurs, we have programs in place to investigate the matter and institute corrective actions to effectively address issues.

In FY19, we had 26 environmental compliance inspections, with 9 inspections resulting in noncompliance notices. None of these

inspections resulted in fines. We implemented and completed corrective actions for every noncompliance identified.

Globally, Medtronic manages 25 cleanup sites. Nine of the U.S. sites fall under the Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund.

FY20 environmental performance goals

We designed our environmental performance goals to drive improvement across the organization in the areas of energy use, emissions, waste, and water. As of FY19, we surpassed four of our five FY20 goals with reductions in energy use, greenhouse gas (GHG) emissions, non-regulated waste, and water use since FY13.

In FY20, we will launch new goals, committing us to further reduce the environmental impact of our operations by FY25.

FY20 ENVIRONMENTAL PERFORMANCE GOALS



15%
REDUCTION

**IN ENERGY USE,
GHG EMISSIONS,
AND NON-REGULATED WASTE**

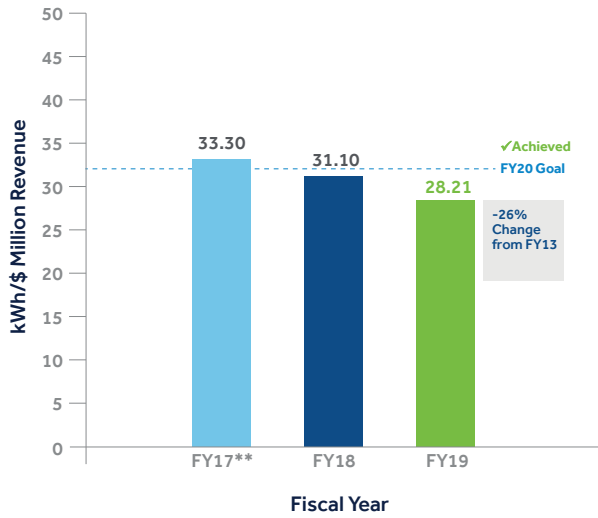


10%
REDUCTION

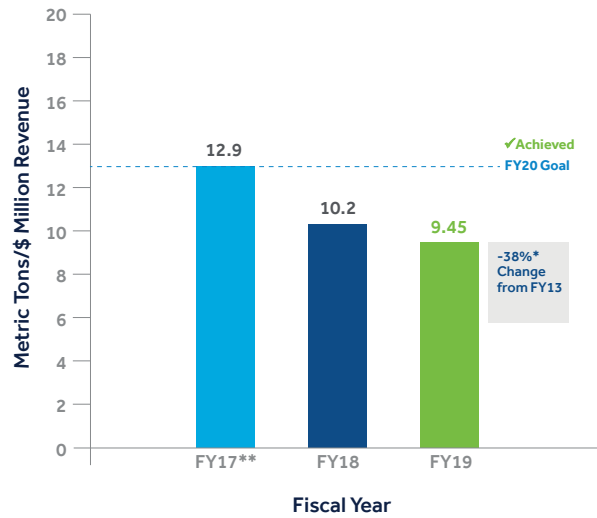
**IN WATER USE AND
REGULATED WASTE**

Progress Toward Our Environmental Performance Goals*

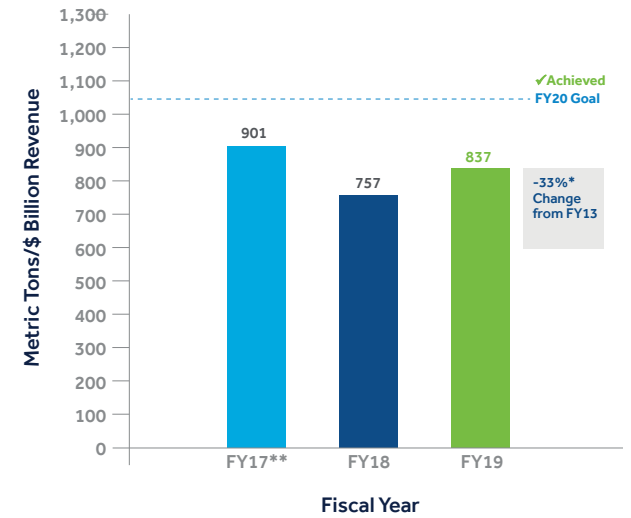
ENERGY USE



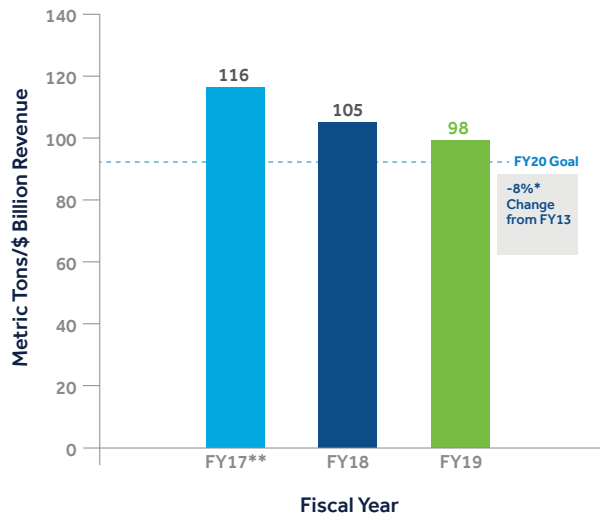
GHG EMISSIONS



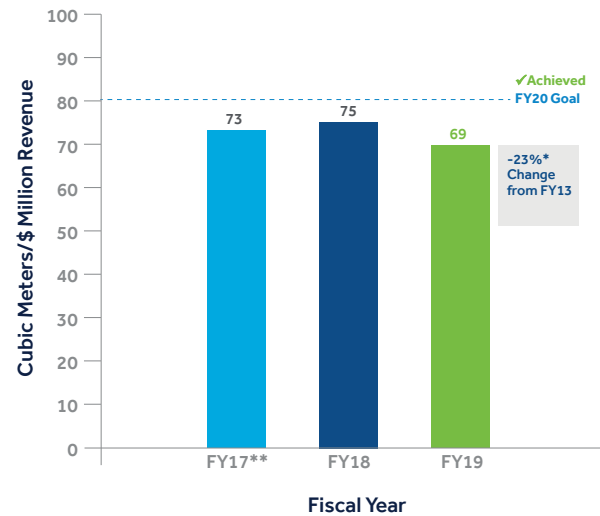
NON-REGULATED WASTE



REGULATED WASTE



WATER USE



*All percentage reduction goals are based on a FY13 baseline year recalculated to account for Covidien acquisition in FY15. All data reflects Medtronic and Covidien operations.

**FY17 was recalculated to account for Cardinal divestiture.

MANAGING GHG EMISSIONS AND ENERGY USE

Compared to our FY13 baseline, in FY19 we consumed 26% less energy and generated 38% fewer GHG emissions per million dollars revenue. Our global energy strategy reduces emissions through conservation, renewable energy sourcing, and onsite generation.

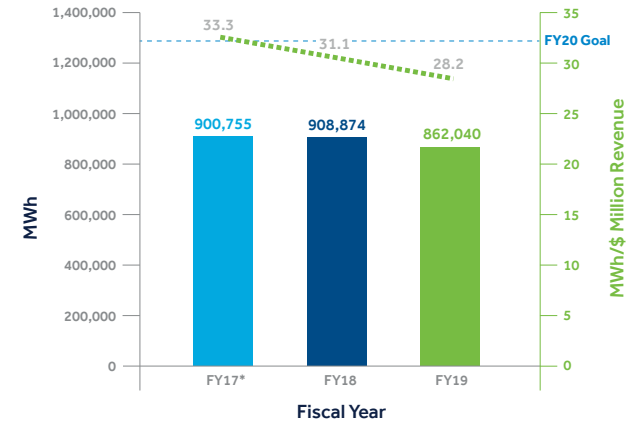
Emissions

In FY19, our combined Scope 1 and 2 emissions were 289,000 metric tons (MT) carbon dioxide equivalent, a nearly 4% decrease from the prior year. We produced 9.5 MT of emissions per million dollars revenue in FY19 compared to 10.2 MT per million dollars revenue in FY18. We achieved this reduction by implementing 133 conservation projects, generating 75,500 MWh of energy onsite and sourcing renewables for 35% of our total energy needs.

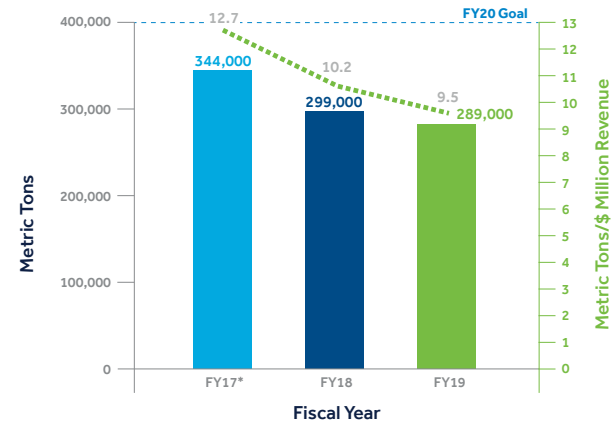
Greenhouse Gas Emissions (MT) CO ₂ e			
	FY17	FY18	FY19
Scope 1 (natural gas, fuels, refrigerants)	74,992	65,312	62,931
Scope 2 (electricity, district cooling)	269,008	233,364	225,841

FY19 Performance

ENERGY USE



GHG EMISSIONS



*FY17 was recalculated to account for the Cardinal divestiture.

Investing in energy efficiency

In FY19, our total energy use was 862,000 megawatt-hours (MWh), a 5% decrease from the prior year. Of our energy use, we generate 75,535 MWh onsite (around 9% of our total annual use) from renewable and alternative energy sources.

We consumed 28 kilowatt-hours (kWh) per million dollars revenue in FY19 compared to 31 kWh per million dollars revenue in FY18.

In FY19, we continued our program to convert all Medtronic lighting to LED bulbs. During the year, we completed 17 retrofit projects, 5 of which were site-wide upgrades. Our transition to LED lighting is now complete at major sites, and we estimate we will save 10,000 MWh per year.

We also conducted a thorough assessment and recommissioning of chilled

and process water systems at 20 Medtronic locations. This work brought part of our utility infrastructure equipment back to maximum efficiency and extended its useful life. In FY20, Medtronic will complete an optimization initiative focused on global building automation, HVAC, and compressed air systems.

Sourcing renewable grid electricity has been part of our energy strategy since 2007. In FY19, we sourced 22,000 MWh of renewable energy.

Onsite Energy Generation			
Type of Project	Installation Date	Energy Generated (Per Year) (MWh)	Location
Fuel Cell	FY18	2,600	North Haven, Connecticut
Fuel Cell	FY18	1,700	North Haven, Connecticut
Fuel Cell	FY17	12,400	Northridge, California
Fuel Cell	FY15	3,500	Santa Rosa, California
Cogeneration	FY12	2,500	Mirandola, Italy
Cogeneration	FY11	3,400	Athlone, Ireland
Cogeneration	FY09	43,000	North Haven, Connecticut
Solar	FY20	6,000	Juncos, Puerto Rico*
Solar	FY18	105	Tijuana, Mexico
Solar	FY16	110	Mirandola, Italy
Solar	FY13	220	Santa Rosa, California

*Site came online in January 2017 but was decommissioned after Hurricane Maria in September 2017. A rebuild is underway and we expect to recommission the site in 2019.

FY19 ENERGY CONSERVATION

133 Energy Conservation Projects	41,000 MWh/Year Energy Conservation Savings	15,824 MT GHG Emissions Avoided	\$0.8M Savings from Energy Rebates	\$4.3M Estimated Operational Costs Savings as a Result of FY19 Energy Projects
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CASE STUDY

REBUILDING IN PUERTO RICO AFTER HURRICANE MARIA

When Hurricane Maria hit Puerto Rico in September 2017, a solar-powered system at our Juncos site, completed in January 2017, was largely destroyed by the Category 5 storm. After the storm, only 20% of the installation was usable. Understanding the need for renewable energy, we are reinvesting in the project and rebuilding the structure to withstand hurricane conditions, making Medtronic even more resilient to severe weather.



REDUCING WASTE AND WATER USE

When we manage our waste and water use, we reduce our environmental impact, operational costs, and risk. Our FY19 performance shows a 33% reduction in non-regulated waste and an 8% reduction in regulated waste per billion dollars revenue, compared to our FY13 baseline.

Reducing waste

In FY19, we implemented a new recycling process to transition some regulated waste streams into non-regulated waste. We also improved waste reporting across our global sites. As a result of these efforts, our non-regulated waste increased 3% compared to the previous year. We generated 837 MT per billion dollars revenue of non-regulated

waste in FY19, compared to 757 MT per billion dollars revenue in FY18. Our recycling rate was 54%.

Our Strategic Meetings Management group partners with employees to reduce the environmental impact of Medtronic meetings and events. We encourage organizers to focus on 20 actions that reduce energy, water, and waste impacts while providing cost savings. For example, waste initiatives in FY19 included going paperless, eliminating disposable products, and organizing food donation and compost programs. Throughout the year, we saved an estimated \$280,000 by implementing more sustainable practices at U.S. meetings and events.

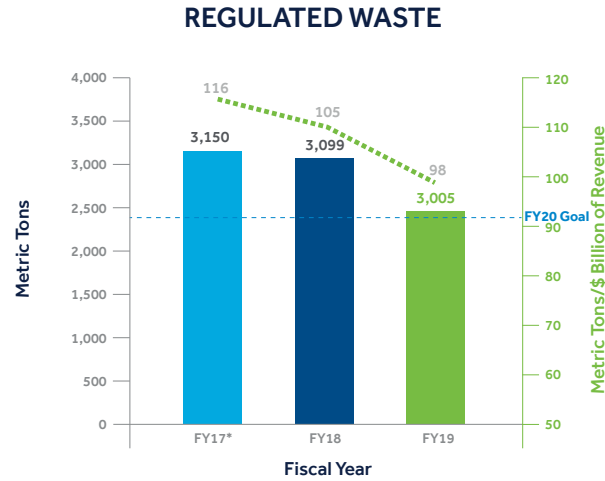
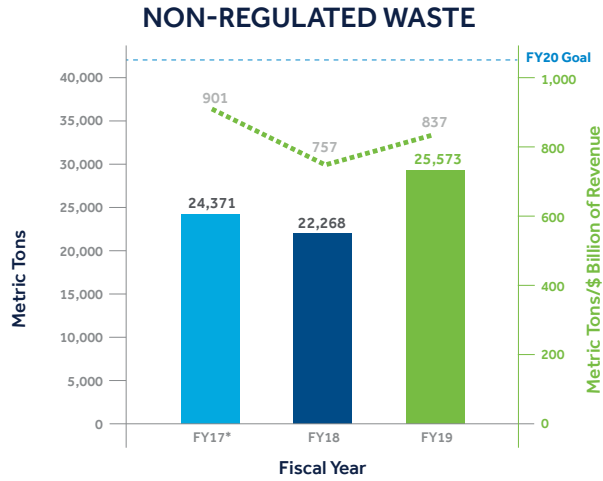
Medtronic proactively manages hazardous waste to prevent negative environmental impacts and reduce liability risks. Prior to contracting vendors, we assess their waste management process against our expectations and requirements. We participate in programs to audit and assess vendors for best practices in the waste management field. We monitor vendors throughout our relationship to ensure that they meet or exceed our standards.

In FY19, we produced 3,005 MT of regulated waste, a 3% decrease from the prior year. In FY19, we produced 98 MT per billion dollars revenue of regulated waste, compared to 105 MT per billion dollars revenue in FY18. Innovative operational solutions and

partnerships are bringing Medtronic closer to our FY20 goal to reduce regulated waste by 10%.

The Medtronic Ireland Galway, Parkmore, facility conducts research and development for our global Cardiac and Vascular business. It utilizes chemicals for the manufacture and testing of products and is one of our largest producers of regulated waste. In FY19, the site reduced its total regulated waste by 24.5 MT by optimizing chemical use and identifying secondary uses for regulated waste streams. The effort resulted in a 34% reduction in the site's total waste generation.

FY19 Performance



Our Plainfield, Indiana, site services advanced-energy devices for our surgical innovations business and has historically generated large volumes of regulated waste. In FY19, Medtronic formed a partnership with social enterprise **RecycleForce** — a local nonprofit that provides recycling services as well as training and work experience for formerly incarcerated people. In its first year, the partnership helped Plainfield recycle 30% more regulated material.

Reducing water use

Water scarcity is a growing global concern, and we are preparing our business for a time when water is less readily available. Though medical device manufacturing is generally not water-intensive, we strive to be water-efficient and to understand our water risk.

In FY19, we conducted a water risk assessment of our sites that use more than 4 million gallons annually. The results revealed four locations in the Americas that are at an elevated risk for both water scarcity and stress and a total of 10 locations globally that are at risk for either scarcity or stress. We shared the

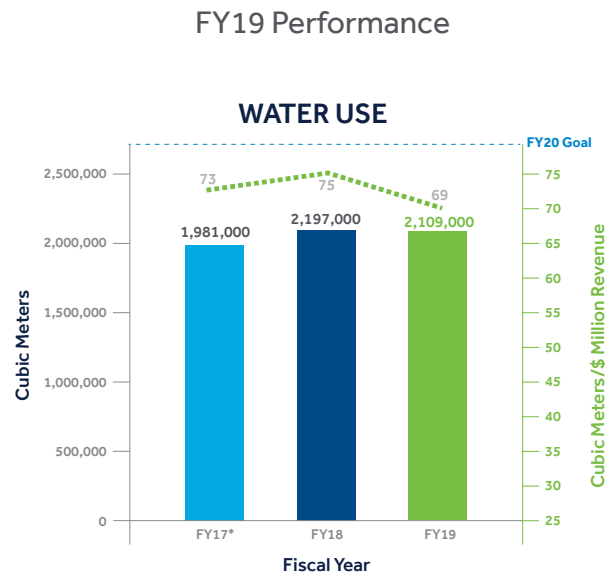
*FY17 data was recalculated to account for the Cardinal divestiture.



results with operations leaders to integrate the results into long-term business planning. Moving forward, we will perform a water scarcity analysis every two years.

In FY19, our water use was 2,109,000 cubic meters (m³), a 4% decrease from the prior year. In FY19, our water use was 69 m³ per million dollars revenue, compared to 75 m³ per million dollars revenue in FY18.

At our North Haven, Connecticut, site in FY19, we conducted an intensive engineering program to identify and implement water conservation projects. By upgrading the cooling towers, reverse osmosis system, and other equipment, the site is projected to save an estimated 6.5 million gallons of water, 12% of the site's annual total usage.



*FY17 data was recalculated to account for the Cardinal divestiture.

PRODUCT STEWARDSHIP

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

Regulatory compliance

Medtronic scientists and engineers follow EHS guidelines when developing new products. Our standardized approach helps us meet regulatory requirements for products and product communications aligned with:

- California Proposition 65 (required product disclosures are available at www.medtronic.com/caprop65)
- E.U. Directive on Restriction of Hazardous Substances (RoHS)

- E.U. Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)
- E.U. Medical Device Directive (MDD) and Active Implantable Medical Device Directive

In FY19, we streamlined the way Medtronic manages materials of concern (MOC). We revised our existing Chemical Risk and Hazard Policy to create a formal MOC Policy. We also established a companywide MOC assessment procedure and published an MOC list. This approach prepares us for the forthcoming E.U. Medical Device Regulation (effective May 2020) and helps us address evolving customer requirements.

Medtronic had zero instances of noncompliance with product labeling or environmental laws in FY19.

CASE STUDY

REDUCING PLASTIC WASTE IN HEALTHCARE

Each day, U.S. healthcare facilities generate approximately 12,700 metric tons of waste, with as much as 25% comprised of plastic packaging and products. As members of the [Healthcare Plastics Recycling Council](#), we are working toward an economically viable solution where plastic is diverted from landfill and given a second life.

Product footprint and circular economy

We are reducing the life cycle impact of our products through packaging and circular economy initiatives. Our products consume relatively low energy, and safety requirements prevent us from reducing energy requirements.

One opportunity to reduce product waste is secondary packaging — the packaging that protects products without coming in direct contact with them. The Medtronic Sustainable Packaging Working Group champions our efforts to integrate environmental factors into the product development process. In FY19, the group developed a product sustainability packaging scorecard and organized a FY20 pilot for our Cardiac and Vascular teams to trial lifecycle analysis software. The scorecard and pilot will help our development teams

evaluate packaging attributes and calculate the environmental impact of design decisions. We are also assessing our systems for tracking and reporting packaging waste reduction.

In FY19, Medtronic received an Institute of Packaging Professionals Ameristar award for innovations in our SC and NC Euphora™ medical product packaging. We designed the packaging to be easier and safer to use. We also reduced more than 20 metric tons (MT) of paper waste by shifting to electronic instructions for use.

Medtronic follows international guidelines and regulations for the disposal of electronic waste. Where possible, we reduce landfill waste by recycling products at their end of useful life. In FY19, our Memphis distribution center increased its diversion rate. Each year, the site is responsible for processing approximately 11 MT of

products that are no longer usable. Working with a zero-waste electronics recycling partner in FY19, the site now recycles 100% of these products.

In FY19, we continued to recycle, reuse, and remanufacture medical sensors from our Nellcor™ business, which specializes in pulse oximetry devices. Through this program, we diverted 190 MT of devices from landfill.

For more information on product recycling, see our product [packaging and disposition page](#).

SUPPORTING A GLOBAL WORKFORCE

Cultivating an inclusive, diverse, and healthy workforce is foundational to our Mission and essential for innovation. We support our employees to be their best selves through personal and professional development and health and well-being.



INCLUSION & DIVERSITY



AS OF FY19,
WOMEN REPRESENTED

50%
OF OUR GLOBAL WORKFORCE

AND ETHNICALLY
DIVERSE TALENT REPRESENTED

36%
OF OUR U.S. WORKFORCE



Adding Business Value

Research shows that diversity increases innovation by nearly 20%. It strengthens our workplace culture, distinguishes us from competitors, and ultimately helps us meet global healthcare needs.

At Medtronic, our history of inclusion and diversity began with our Mission, written by co-founder Earl Bakken in 1960, well before diversity and inclusion efforts were proven to be key drivers of business innovation. Today, it continues to guide our global culture, directing us to serve all people in need of our therapies — to alleviate pain, restore health, and extend life. The fifth tenet of our Mission, to

recognize the personal worth of all employees, underlies our approach to inclusion and diversity.

We are a stronger, better company when we foster an inclusive workplace and bring diversity of thought to our work by employing a workforce that represents our patients and customers.



INCLUSION AND DIVERSITY HIGHLIGHTS

In FY19, we made significant progress toward our 2020 diversity goals, surpassing our 20% or more target for ethnically diverse leadership in the U.S. and on track to meet our 40% or more target for women leadership globally, putting us closer to our ultimate aspiration of 50% or more.



38%
OF GLOBAL MANAGEMENT POSITIONS
HELD BY WOMEN



22%
OF U.S. MANAGEMENT POSITIONS HELD BY
ETHNICALLY DIVERSE TALENT

From a pay perspective, we believe all people should be paid equally for the same work. In FY19, we achieved 99% gender pay equity globally, and 100% in several countries, including the United States. In the United States, for every \$1.00 Caucasian employees earn, ethnically diverse employees with the same job title earn \$0.99.



With diversity in the workplace that mirrors our communities, we have better insight into the experiences of our customers and other partners. Ultimately, we will be able to better deliver technologies, services, and solutions that serve patients because we understand the specific needs of different populations. However, having a diverse set of perspectives from employees is only valuable if they feel confident contributing and

voicing their opinions without anxiety or fear. This means making sure that employees feel confident knowing they can be their best selves and grow a fulfilling career at Medtronic by embracing and celebrating their individual identities and backgrounds. It also means creating an enriching work experience and a healthy, diverse Medtronic community that truly reflects the world in which we live and work.

“ We are focused on inclusion first, because we recognize that an inclusive culture is essential to attracting and retaining diverse talent and perspectives. ”

– Carol Surface

Chief Human Resources Officer, Medtronic

THE DRIVERS BEHIND OUR COMMITMENT

Creating an inclusive and diverse culture:

ENCOURAGES EMPLOYEES TO BE THEIR BEST SELVES

CREATES AN ENRICHING WORK EXPERIENCE

DRIVES BETTER DECISION-MAKING & BUSINESS OUTCOMES

A holistic approach to inclusion, diversity, and equity

As a global company, our future depends on employing world-class talent whose ideas fuel meaningful innovation for patients and partners. Medtronic is implementing three strategic priorities to make inclusion and diversity a differentiator for our business and culture.

OUR THREE STRATEGIC PRIORITIES

LEADERSHIP COMMITMENT

Close the diversity gap through accountability

INTEGRATED AND HOLISTIC APPROACH

Create sustainable practices at all levels of the organization

MEASUREMENT

Leverage data and technology for powerful insight

We are dedicated to examining and advancing all the processes, programs, and policies that influence inclusion, diversity, and equity at Medtronic. In 2015, we created a transparent way to hold ourselves accountable by setting five-year diversity goals and publicly reporting progress each year.

By 2020, we aim to exceed 40% or more women in manager level and above roles globally, with an ultimate aspiration of achieving 50%, and exceed 20% or more ethnic diversity among manager level and above roles in the United States.

2020 TARGETS

By 2020, we aim for:

40%+
WOMEN
IN MANAGEMENT
POSITIONS
GLOBALLY

50%+
ASPIRATION

20%+
ETHNIC DIVERSITY
IN MANAGEMENT
POSITIONS
WITHIN THE U.S.

To increase accountability for results, the 2020 targets are embedded into every Medtronic senior leader's annual performance review. This ensures leaders create action plans that diversify talent at the leadership level, resulting in meaningful progress toward meeting our inclusion and diversity goals.

From a pay perspective, we believe that women and men should be paid equally for the work they do. Annually, we conduct a comprehensive analysis of pay between our male and female employees to address inequity. Globally, women are paid 99% of what men are paid¹² and 100% in several countries, including the United States.

At Medtronic, women and men are paid equally in several countries, including the United States.

The fifth tenet of our Mission calls on us to recognize the personal worth of all employees.

In the United States, for every \$1.00 Caucasian employees earn, ethnically diverse employees with the same job title earn \$0.99. While we are proud of our results, we will close any remaining gaps globally to reach 100% pay equity for all employees.

We take a holistic approach, integrating inclusion and diversity into talent attraction, hiring, assessment, development, promotion, and retention. Every part of our organization participates in our inclusion and diversity efforts,

creating an inclusive community and vibrant work environment where a broad range of talent and identities thrive. To ensure that we achieve appropriate representation, we leverage external data to monitor diversity and employment trends at the global, national, industry, and company level. For detailed workforce data, see our [**2019 ESG Disclosure Index**](#).

In FY19, Medtronic supported four Diversity Networks that aim to attract, develop, and accelerate the careers of women globally and U.S. ethnically diverse talent. These groups are dedicated to helping employees succeed both professionally and personally, and their objectives are closely aligned to our business

¹² Pay equity compares pay for males and females who work in the same country with the same job title.

“ The Mission unites employees from all corners of the world around a common purpose. The Mission also calls on us to foster an inclusive workplace where every employee can participate in an enriching personal work experience. ”

– Omar Ishrak

Chairman & Chief Executive Officer, Medtronic

strategies. The Networks are open to all employees and participation from everyone is encouraged to introduce others to diverse cultures and perspectives. In early FY20, we added our fifth Diversity Network — PRIDE — to support our LGBTQ+ employees.

A chairperson, identified by our CEO and chief human resources officer (CHRO), and a sponsor from our executive committee lead each of these Networks. All executive committee members are accountable for, and measured on, their contribution to achieving our diversity goals. To help Networks make measurable progress, our CEO spends a full day every quarter meeting with Network leaders to assess their impact, review strategies, and provide support. These full-day reviews have the same rigor and time commitment as quarterly business reviews and are driven by the Network’s executive committee sponsors and chairs.

MEDTRONIC DIVERSITY NETWORKS		THEIR IMPACT
GLOBAL	<ul style="list-style-type: none"> Global Medtronic Women’s Network 	Our Networks play a critical role in our ability to: <ul style="list-style-type: none"> Attract and retain a diverse workforce Develop and advance the careers of women and ethnically diverse employees Establish Medtronic as an employer of choice for diverse talent Provide a network and community to increase inclusion and feeling of belonging
U.S.	<ul style="list-style-type: none"> African Descent Network Hispanic Latino Descent Network Asian Impact @Medtronic 	

The Global Inclusion, Diversity, and Engagement (GIDE) team supports our efforts to build a more inclusive culture and diverse workforce and plays a key role in helping us achieve our 2020 diversity targets.



Inclusion

An inclusive culture helps us attract and retain diverse talent. It cultivates a sense of belonging among people from diverse backgrounds and ultimately engages and inspires all employees to work toward a common goal and fulfill our Mission.

The annual Medtronic Organizational Health Survey helps us monitor the impact of our inclusion and diversity efforts among our 90,000 employees across 150 countries. In FY19, 82% of women globally and 79% of U.S. ethnically diverse talent reported that they feel they belong at Medtronic.

Employee Resource Groups (ERGs) are employee-led affinity groups at Medtronic that provide career development

and networking opportunities for members and strengthen ties between employees of many different backgrounds, cultures, and interests. First founded in 1984, our ERGs now have more than 19,000 members across more than 60 countries. They include groups for retirees, religious faiths, young professionals, LGBTQ+, women, veterans, employees with disabilities, and more. In FY19, a passionate employee

with Native American heritage led efforts to form our newest ERG — the American Indian Employee Resource Group. The group's vision is to enhance the professional development of our American Indian employees and support the American Indian community by promoting higher education for youth, raising disease awareness, and recruiting talent to work at Medtronic.



CASE STUDY

ENABLING THE NEXT GENERATION OF ASIAN WOMEN LEADERS

Across industries in the United States, Asians are underrepresented at the highest levels of leadership. To address this disparity, our Asian Impact @ Medtronic Network developed LEAP (Leadership Empowerment for Asian Female Professionals). LEAP is a 12-month program aimed at accelerating the professional growth of Asian female talent at Medtronic. The program fosters development through mentorship and coaching circles led by Asian women leaders. LEAP contributes to both of our diversity targets — to increase the number of women and ethnically diverse talent in management. In FY19, 33 women participated in LEAP.



Diversity

We are determined to employ a workforce with varying backgrounds and experiences — matching those of patients and our communities. We champion diversity and appreciate all the ways people are unique. This approach reflects both our Mission and business strategy.

In FY19, Medtronic and our CEO joined [Catalyst CEO Champions for Change](#), committing to accelerate inclusion, diversity, and gender equality. The pledge reflects our strong desire for Medtronic leadership to be more representative and for people with diverse perspectives to take part in decision-making. Through CEO Champions for Change, we pledge to:

- Benchmark, track, and improve the culture of inclusion within our organization

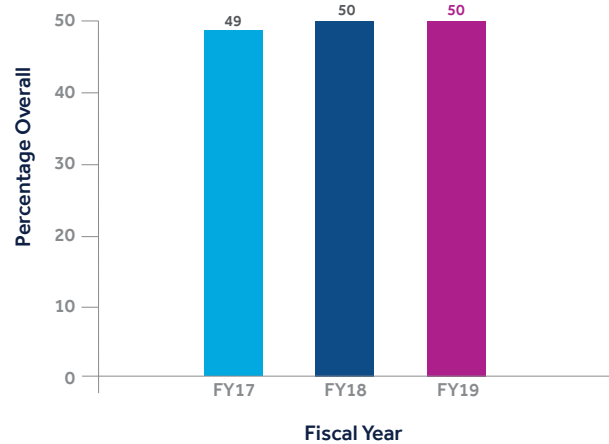
- Increase the representation of women, including women of color, in management positions and on our board of directors over five years
- Share metrics with Catalyst to benchmark our collective, aggregate progress

GENDER DIVERSITY

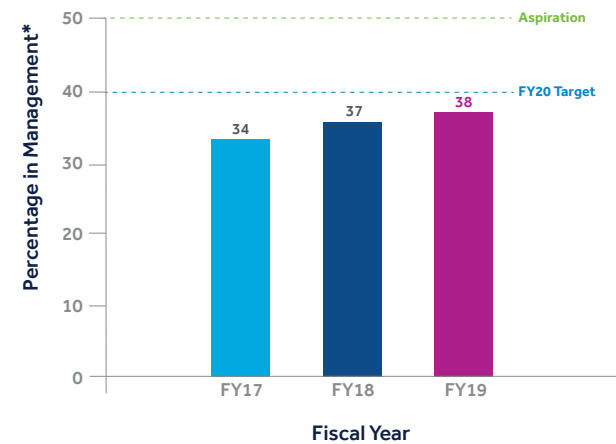
Our 2020 gender diversity target is for women to hold 40% or more of our global management and above positions. Our ultimate aspiration is to get this number to 50% globally, which would truly reflect the world in which we live and work. In FY19, women represented 38% of our global management positions and were directly responsible for \$6.8 billion of our annual revenue.

The Global Medtronic Women's Network (MWN) is employing a three-part approach to increase the number of women in leadership at the company:

WOMEN REPRESENTATION GLOBALLY AT MEDTRONIC



WOMEN IN GLOBAL MANAGEMENT AT MEDTRONIC



* Management = managers and above

- Women in Science, Technology, Engineering, and Math (STEM)** — In FY18, the network launched the WISE program — Women in Science and Engineering — focused on increasing gender diversity in technical leadership to help drive innovation and business performance. In FY19, women represented 26% of R&D management and above positions — on our way to achieving our goal of at least 30% by 2020.

- Global Impact** — As of FY19, the MWN has more than 14,000 members in 105 locations across 65 countries. MWN advances women’s leadership through local activations, such as mentoring, networking events, and career development.
- Tone at the Top** — The highest levels of our organization are accountable for driving inclusion and diversity at Medtronic. Actions and messaging from our board

of directors, CEO, CHRO, and executive committee set the example for the rest of

the company and reinforce the importance of advancing women at Medtronic.

“ Our ability to innovate relies on a constant stream of new ideas. To do this, we need a global workplace where people can truly be themselves and bring their diverse perspectives forward to tackle the world’s most pressing healthcare issues. ”

– Omar Ishrak
Chief Executive Officer, Medtronic

22% of U.S. management positions are held by ethnically diverse talent, exceeding our 2020 target of at least 20%.

U.S. ETHNIC DIVERSITY

In FY19, ethnically diverse talent represented 36% of our U.S. workforce. Twenty-two percent of U.S. management positions are held by ethnically diverse talent, exceeding our 2020 target of at least 20%. We are committed to continual improvement and strive to maintain or exceed this level of representation in FY20.

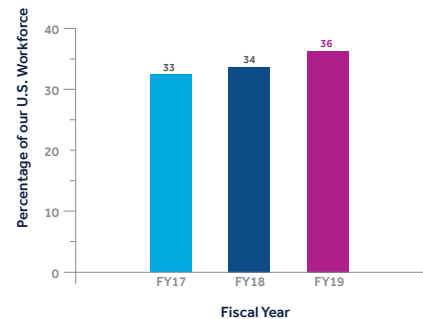
In FY18, we developed a diversity scorecard that managers use to identify gaps in hiring and representation. Based on scorecard results, in FY19 we developed shared objectives and streamlined processes across departments to increase collaboration and remove barriers that affect all candidates — including ethnically diverse talent.

There is a growing awareness of the impacts of unconscious bias — accidental, unintended, subtle, and completely unconscious choices, made by everyone, all the time. To counter this, expert-facilitated training provides tools to adjust automatic patterns of thinking to mitigate this bias. In FY19, Medtronic employees at the VP level and above participated in these sessions. We are in the process of delivering unconscious bias awareness training to all 10,000 people managers at Medtronic through our EDGE leadership program.

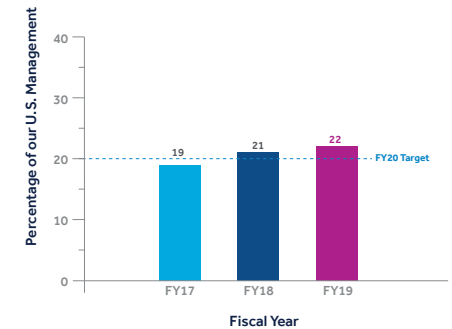
We are amending our recruitment and hiring process to accelerate hiring diverse, qualified talent and mitigate unconscious bias. For director and above roles, each candidate pool must include diverse talent, and we review every hiring decision with a panel of diverse employees.

Another focus area is our diverse high-potential talent. Launched in FY18, the Leadership Inclusion from Mentorship Toward Sponsorship (Lift) program provides executive sponsorship and structured professional development to prepare employees for future leadership roles. In Lift's first year, half of the African Descent Network participants earned a promotion.

U.S. ETHNICALLY DIVERSE TALENT OVERALL*



U.S. ETHNICALLY DIVERSE TALENT IN MANAGEMENT†



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

† Management = managers and above

CASE STUDY

MEETING THE NEEDS OF HEALTHCARE WITH FEMALE SURGEONS

By 2020, the United States will need at least 100,000 additional surgeons to meet healthcare demands. This challenge is compounded by the fact that only 13% of surgeons are women, despite women representing nearly half of all medical school applicants. For over 10 years, Medtronic has partnered with the [Association of Women Surgeons](#) to advance the careers of female surgeons. We support women in surgery by providing advanced education, access to innovative products, and professional development opportunities. To date, we have sponsored over 100 career conferences for female surgeons.



Preventing discrimination

We take a multifaceted approach to ensuring that our work environment is free from discrimination based on race, ethnicity, gender, gender identity, sexual orientation, disability, religion, and other identities. Nondiscrimination is addressed in our companywide policies, including our [Code of Conduct](#) and our [Global Human Rights and Labor Standards Policy](#), which also addresses workforce equality and fair employment. For more on how our Global Human Rights Program prevents discrimination against vulnerable groups, see the Medtronic [Global Human Rights Report](#).

We encourage our employees to report any issues of discrimination through their

manager, Human Resources, Legal, or Compliance representatives, or the [Voice Your Concern Line](#). We follow employment law by ensuring that an objective party investigates all claims of discrimination. We have a zero-tolerance policy and respond to all confirmed claims with disciplinary action — up to termination.

Outside of our company, we provide public support for human rights equality. In FY19, Medtronic supported the Equality Act, U.S. legislation to expand the Civil Rights Act of 1964 to protect LGBTQ+ people against discrimination. We also joined the Human Rights Campaign Business Coalition for the Equality Act along with more than 235 other companies.

In FY19, Medtronic joined the Human Rights Campaign Business Coalition for the Equality Act.





INCLUSION & DIVERSITY AWARDS

- **Asia Society** — 2019 (Best of the Best) Promoting Asian-Pacific American Women
- **DiversityInc** — 2019 Top 50 Companies for Diversity
- **Disability Equality Index** — 2019 Best Places to Work
- **Forbes** — 2019 Best Employers for Women List
- **Human Rights Campaign** — 2019 Corporate Equality Index
- **Indeed** — 2018 Top-Rated Healthcare Companies to Work For
- **JUST Capital** — 2018 Top 100 U.S. Companies Supporting Healthy Communities and Families
- **Thomson Reuters** — 2018 Top 100 Most Diverse & Inclusive Organizations Globally





Adding Business Value

The talent and commitment of our employees drive our business. We increase our ability to attract and retain talent with comprehensive professional development programs, enabling our people to create rewarding careers at Medtronic.

Employees are our most valuable asset and investments in their success improve our business performance. By providing career development resources, we increase engagement and strengthen our talent pipeline.

Investing in the professional development of our workforce

Our learning and development programs help talent reach their career potential, build lifelong relationship skills, and take part in our inclusive culture. We support growth by providing educational opportunities at all levels of the organization and by promoting internally. In FY19, we filled 32% of open roles at the company with internal candidates. At the VP level, we have moved from filling 50% to 80% of those roles with internal candidates.

Investing in learning and development contributes to employee satisfaction and retention. Across our programs we've seen increased engagement and retention scores from participants compared to their peers. In FY19, we spent \$77.5 million on learning and development resources.

We take a structured approach to career conversations. As of FY19, 95% of our workforce has a development plan logged in our talent management system. Medtronic managers meet with employees at least three times each year to discuss career aspirations, set goals, and review performance. This formal process reaches 100% of the Medtronic workforce. We encourage all managers to hold ongoing one-on-one meetings to touch base with employees throughout the year. In FY20, we launched a pilot program to create a consistent performance management and career development framework for 9,000 employees at our 13 manufacturing facilities. Based on the results of the pilot, we will refine the framework to best meet employee needs.

In FY19, we offered more than 36,600 virtual and in-person learning resources for employees. These include our Experience Café platform, which helps individuals expand their professional networks through structured, experiential learning opportunities.

Through leadership development programs, we strengthen the capabilities of our people managers — benefiting employees at all levels of the organization. Our programs in FY19 included:

- **EDGE** — imparts leadership skills to all Medtronic leaders, including ways to mitigate unconscious bias.
- **Empower** — teaches operations supervisors leadership tools to strengthen their teams and achieve business results.
- **Ignite** — accelerates readiness of high-potential directors for higher-level leadership roles.

- **Internal Coaching Certification** — provides advanced coaching skills for senior leaders to help others unlock potential. The feedback on this program has been overwhelmingly positive, with 92% of participants stating they would refer this program to a peer.
- **Lift** — utilizes executive sponsorship to prepare diverse talent for leadership roles.
- **Vice President Onboarding** — supports a successful transition for new vice presidents, familiarizing them with the business, their team, and expectations of their role. The program has been shown to increase the speed of proficiency and reduce the costs associated with VP onboarding.

In FY20, we are launching a new development program for aspiring leaders and updating our programs to be more inclusive of learning preferences.

Employee engagement

We encourage employees to voice their opinions at Medtronic, and we invite their feedback through our annual Organizational Health Survey. In FY19, we increased our participation rate to 78%, with more than 69,000 employees responding. Our male and female engagement rates were 75% and 77%, respectively, for an overall engagement rate of 76% — 11% above the industry average.

The key drivers of engagement identified through the survey were:

- 84% of employees said that being proactive within their team is supported and encouraged
- 81% of employees felt like they belong at Medtronic

FY19 survey results also showed that Medtronic employees are increasingly likely to recommend us as an employer and to see us as an innovative and inclusive organization. Compared to FY18, employees reported improvements in being able to get work done, despite the complexity and size of our organization. However, we recognize that this area remains one of our biggest opportunities for improvement.



IN FY19,
MORE THAN **57,000** EMPLOYEES REGISTERED
ON OUR WELLNESS
PLATFORM



Adding Business Value

Establishing a strong culture of safety and supporting healthy lifestyles for our employees lead to a more engaged workforce, reduces absences due to sickness and cuts healthcare costs.

We integrate safety into our workplace culture to protect employees from hazards. Recognizing the role that employers play in physical, mental, and financial well-being, we provide resources to help our people thrive.

A culture of safety

We maintain a robust environmental, health, and safety (EHS) management system through the following methods:

- Setting annual internal EHS goals
- Proactively identifying and managing risks
- Implementing training programs
- Monitoring regulatory trends
- Auditing sites for compliance and completing corrective actions



Our focus is on continuous improvement and in FY19, our newly integrated EHS information system allowed us to collect more comprehensive safety data. We encourage employees to report hazards and near misses as part of our safety culture. In FY19, employees reported more than 3,900 hazard observations and logged 715 near-miss reports, which are used to improve workplace safety. FY19 data also show increases in our Injury Incident rate and our Lost/Restricted Workday Case rate. We attribute the increase to improved reporting and increased engagement following employee communications. There were no work-related fatalities of Medtronic employees.

In FY19, our Organizational Health Survey showed that 90% of respondents feel we actively encourage employees to work safely, and 91% of respondents are comfortable reporting safety concerns and injuries at work.

Safety Record*			
	FY17	FY18	FY19
Employee Injury Incident Rate†	0.39	0.25	0.30
Employee Lost/Restricted Workday Case Rate**	0.21	0.12	0.18
Fatalities	0	0	0

* Our safety records include employees and contingent workers.

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

** The number of work-related injuries or illness 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.

Investing in wellness

Healthier Together is our global wellness program, which supports the physical, emotional, social, and financial well-being of Medtronic employees. Nearly every employee has access to this program. In FY19, more than 57,000 employees registered on our wellness platform and 56% of employees participated.

Twice yearly, we host Global Wellness Challenges, that encourage physical activity through themed competitions. Employee teams compete to accumulate the most steps, unlocking destinations when activity goals are achieved. In FY19, employees logged over 2 billion steps during a Medtronic Foundation wellness challenge, securing a \$25,000 donation for our nonprofit partner, Children's Heart Link.



COMPENSATION, BENEFITS, & RECOGNITION



Our compensation framework is designed to celebrate the value and contributions of employees and provide a means to share in the company's success. We aim to create a feeling of personal and professional security at Medtronic and are committed to transparent communications on compensation.

Compensation and benefits

Our competitive approach to compensation reflects industry benchmarks and local market standards. Our programs include annual and long-term incentives that provide the means to share in the company's success. To attract the best leaders, we offer competitive benefits, cash, and equity incentives. The same programs and principles govern our executive and nonexecutive compensation.

In FY19, we launched the Free Cash Flow Challenge — an employee engagement initiative designed to increase our free cash flow, a source of funding for innovation and breakthrough research. To help all 90,000+ employees contribute to our financial health, we created informative animations, quizzes, and a library of on-demand educational resources on the topic. The resulting impact was a 62% increase in free cash flow year-over-year, and we surpassed our FY19 goal by 10%. Recognizing the contribution of our workforce, we rewarded eligible employees with an ownership stake in the company through restricted stock options.

FY19 FREE CASH FLOW CHALLENGE

AVAILABLE TO OUR

90,000+
EMPLOYEES



62%
INCREASE
IN FREE CASH FLOW
YEAR-OVER-YEAR

SURPASSED
OUR COMPANY FY19
FREE CASH FLOW
GOAL BY
10%

CASE STUDY

CARING FOR FAMILIES

We aim to support our employees in all that they do, both personally and professionally. In FY19, we launched the Medtronic Family Care Leave benefit. It provides up to six additional weeks of paid time off for employees to care for sick family members or support family after a spouse, child, or parent is called to active military duty. The benefit also covers parents bonding with a new child including birth, adoptive or surrogate, and non-birth parents.

Monica Casillas, a Medtronic Customer Service Representative, was on maternity leave when Medtronic called her about the new benefit.

“When I went into labor, I was expecting to be back to work in six weeks,” explains Casillas. “Now Medtronic was offering

six more weeks to give me extra time to bond with my baby. I felt like I was really cared about.”

For birth mothers, Family Care Leave is in addition to maternity benefits. When combined with accrued paid time off, and by participating in our Healthy Pregnancy program, a new mother may be on leave for up to 18 weeks and paid at 100% for the full leave.



Medtronic employee Monica Casillas and her son, Gabriel

Currently, the Family Care Leave benefit is available to all full- and part-time employees in the United States. In FY20, we will roll out the benefit globally, with specifics tailored to each country.

“Being able to have this extra time off was a very helpful thing,” Casillas said. “To me it’s a blessing, an incredible blessing from Medtronic.”

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

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

Benefits vary by country but typically include:

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

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

Additionally, where appropriate, Medtronic supports the use of flexible work arrangements, which vary by region.

Recognition

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

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

AWARD	DESCRIPTION
Bakken Fellowship	The Bakken Fellowship honors employees who have made multiple technical contributions to the company and to the biomedical device industry. Twelve employees were inducted into the Bakken Society in FY19.
Compass Award	The Compass Award recognizes employees who live out the Medtronic Mission by vigilantly demonstrating behavior that champions our Code of Conduct and reflects high integrity. Four employees and one team received the Compass Award in FY19.
GIDE Leadership Award	The GIDE Award recognizes Medtronic vice presidents who champion an inclusive work environment. Five employees received the GIDE Award in FY19.
Star of Excellence Award	The Star of Excellence is our highest recognition for quality and innovation. Seven Medtronic teams and an individual employee received this award in FY19.
Wallin Leadership Award	The Wallin Leadership Award recognizes employees who demonstrate world-class people leadership, including actively fostering an inclusive and diverse work environment and successfully developing leadership talent to enable superior business outcomes. Six employees received the Wallin Leadership Award in calendar year 2018.



Strive to prevent
issues before they arise

Electronic

WORKING RESPONSIBLY

Our positive impacts on the world are amplified by being a responsible corporate citizen. As we continue to push the boundaries of medical technology to improve the health of millions of patients around the world, it is imperative that we maintain and expand our reputation for excellence. We are committed to strong corporate governance, impeccable ethics, high-quality products, and a responsible and diverse supply chain.



Strong corporate governance, including clear policies and procedures, protects our future. Governance is fundamental to earning the trust of our stakeholders and staying focused on improving the lives of patients.

The Medtronic board of directors and executive leadership are charged with company oversight, balancing stakeholder interests, and ensuring that business decisions align with our Mission.

BOARD OF DIRECTORS: LEADING WITH CLARITY, CONSISTENCY, AND DIVERSITY

Medtronic is governed by an independent board with 11 members as of the end of FY19, including our CEO, Omar Ishrak, and lead independent director, Scott Donnelly. The board is engaged in our Citizenship efforts, which deliver value to our employees, customers, and investors.

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

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

Our board has diverse experience, skills, and backgrounds that are essential to understanding and responding to the needs of our various stakeholders. When a change in board membership occurs, we view it as an opportunity to broaden representation, and diversity is a factor in our director-selection process.

The Nominating and Corporate Governance committee is responsible for reviewing candidates and assessing qualifications and character. Our full board of directors makes the final decision, selecting people who will steer the company with integrity and good judgment.

As of the end of FY19, 27% of board members were women, including Andrea Goldsmith, Ph.D., who joined our board in FY19, and 18% were members of ethnically diverse groups.

PUBLIC POLICY

Medtronic is transforming healthcare by expanding access, improving quality and outcomes, and increasing efficiency. Public policy engagement is one of the tools we use to enable this change. Our Government Affairs, Health Economics and Reimbursement, and Regulatory Affairs teams work with governments, peers, and other stakeholders to:

- Enable technology innovations
- Facilitate access to lifesaving therapies and devices
- Generate economic value for healthcare system stakeholders
- Promote outcome-driven and value-based healthcare
- Harmonize and coordinate international regulatory practice

We are not alone in the pursuit of a more sustainable and accessible healthcare system.

Globally, there is growing interest in universal health coverage (UHC) — the idea that everyone should have access to the health services they need, without risk of financial ruin or impoverishment. According to the World Health Organization, countries with UHC have improved health indicators, less poverty, and stronger economic development.¹³

The Medtronic Mission and business strategy are aligned with **UN Sustainable Development Goal 3**, “Good Health and Well-Being,” which calls on governments to implement UHC. Through our focus on access, efficiency, and innovation, we are well positioned to support leaders with the transition.

Medtronic is taking an active role in the global UHC conversation. In early FY20, we participated in the UN High-Level Meeting on Universal Health Coverage, and our CEO chaired a panel on the topic.

We participate in business and trade organizations because we believe intra-industry collaboration leads to greater impact on global health. Medtronic shares expertise and advocates for a more sustainable healthcare model through forums in the United States and beyond. These include sitting on the board of industry organizations, including **AdvaMed**, **APACMed**, and **MedTech Europe**.

Medtronic complies with all relevant country and state laws on disclosure of political contributions. Read more about our **Political Contribution Policy**.

Collaborating to improve healthcare

A network of interdependent stakeholders is working to improve healthcare and overcome industry challenges. That network includes patients, physicians, treatment facilities, health system administrators, regulators, nonprofits,

nongovernmental organizations, and advocacy groups. Our stakeholders include these groups, among others.

Recognizing the value of stakeholder input and the opportunity for meaningful dialogue, Medtronic facilitates in-person meetings. In FY19 we hosted:

- A roundtable to share advanced policies and practices in value-based procurement with 67 government representatives as well as academics from the United States and 12 European countries
- More than 10 value-based healthcare forums in Europe, Latin America, Asia, Australia, Canada, and the United States, including a forum with Harvard Business Review

¹³ https://www.who.int/health_financing/UHC_ENvs_BD.PDF, page 10



We expect our employees to think critically, exercise moral decision-making, and seek support if faced with a challenging ethical dilemma. When our people act with integrity, they safeguard our reputation and protect the best interests of patients and our company. We continuously reinforce a culture of ethics through annual trainings, ongoing communications, and in-person meetings.

ENSURING A SHARED APPROACH TO ETHICS

Guiding policies and principles, including our [Code of Conduct](#), are used to communicate company expectations. The Code is accessible, explicit, and relevant to day-to-day work. We have a comprehensive program for ensuring that every employee understands and is accountable for our Code:

- We translate the Code into 22 languages so 99% of employees can read it in their first language.
- We deliver multilingual Code training for new employees and those joining Medtronic through acquisitions.
- Every year we retrain employees on the Code and require everyone at Medtronic — including our board — to certify their understanding of its contents.

In addition to annual training, employees are required to integrate ethics into their performance goals. During annual reviews, managers assess ethical behavior and their employees' personal goals.

Efforts to ensure that employees understand and are accountable for the Code are ongoing. In FY18, we updated our [Global Business Conduct Standards](#) to expand guidance on how to ethically interact with healthcare professionals and organizations. In FY19, we developed a set of situation-based training modules for targeted areas. For instance, we created customized conflicts of interest training for procurement employees and about 2,000 select Medtronic leaders.

Guiding Policies and Principles

- [Global Business Conduct Standards Policy](#)
- [Code of Conduct](#)
- [Code of Ethics for Senior Financial Officers](#)
- [Code of Business Conduct and Ethics for Members of the Board of Directors](#)

Consistent messaging keeps ethics top of mind at Medtronic. In FY19, our chief ethics and compliance officer began writing a monthly email to engage the top 500 Medtronic leaders on the topic. Our annual

CASE STUDY

COMPASS AWARD RECOGNIZES EXCELLENCE IN ETHICS

Each year, Medtronic CEO Omar Ishrak recognizes employees who embody our Mission by demonstrating behavior that champions our Code of Conduct. In FY19, four employees and one team received the Medtronic Compass Award for outstanding ethical behavior.

Ethics and Integrity Week provided additional touchpoints, driving more than 8,000 unique visitors from 67 countries to our internal Ethics and Compliance website.

We foster learning, dialogue, and healthy debate about ethics and compliance through our Ethics Circles, which engage employees in scenario-driven discussions. In FY19, we expanded the program by forming groups at 12 Cardiac Rhythm and Heart Failure Operations (CRHF-Ops) manufacturing sites. In FY20, we plan for all 5,400 CRHF-Ops employees to have access to a group. As of FY19, we have over 360 Ethics Circles, with more than 10,500 employees participating across 30 countries.

Employee feedback informs our approach to ethics training and communications. Every three years, we issue a dedicated ethics survey to all employees, with the next survey occurring in FY20. Between dedicated surveys, we integrate ethics questions into biannual employee surveys.

Ensuring Compliance with Our Code of Conduct			
	FY17	FY18	FY19
Employees Receiving Code of Conduct Training and Certification	97%	95%	94%
New Employees Receiving Code of Conduct Training and Certification	99%	99%	99%
Employees Joining Through Acquisitions Receiving Compliance and Ethics Training Within 90 Days of the Transaction	97%	95%	95%
U.S. Employees Certified as Having Read and Understood the Code of Conduct	100%	100%	100%
Employees Terminated for Ethical and Compliance-Related Infractions*	218	193	200

* Based on calendar years 2016, 2017, 2018

MONITORING ETHICS

The Medtronic Office of Ethics and Compliance (OEC) oversees, monitors, and implements policies and programs related to our legal, compliance, and ethical obligations.

One such program is our global risk assessment process, which we conduct annually. Our process includes rigorous review of internal and external inputs, such as regulatory or enforcement actions, hotline reporting, audit findings, and investigations, as well as

stakeholder feedback. That review, coupled with internal auditing and data analysis, helps the OEC identify high-risk areas for investigation and remediation. Through review and root-cause analysis, we take appropriate corrective action to prevent recurrence.

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

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

- **Voice Your Concern Line**
- Exit interviews (beginning in FY19, employees who leave the company are invited to share ethical concerns)

If our investigations confirm any misconduct, corrective actions may include coaching, discussion during performance reviews, changes in job responsibilities (such as a demotion), or in serious cases, dismissal.

During calendar year 2018, Medtronic terminated 200 employees for ethical and compliance-related infractions. In FY19, the OEC tracked 1,192 allegations of misconduct, compared to 1,183 in FY17. About 35% of FY19 allegations were related to workplace conduct.





Adding Business Value

Our reputation for the highest standards of ethics in our behavior is essential in all our business dealings, and especially so in sales and marketing. To create a consistent culture of integrity across Medtronic, we train all employees on our Code of Conduct and provide job-specific training to those in high-risk roles.

Enduring customer relationships are built on trust, aligned values, and shared goals. Sales and marketing employees are ambassadors for our company, and we teach them to put integrity at the core of their practice.

RESPONSIBLE MARKETING TO CUSTOMERS AND PATIENTS

We promote our products based on their approved use, and employees must adhere to the policies made explicit in our [Code of Conduct](#) and AdvaMed's voluntary [Code of Ethics on Interactions with Healthcare Professionals](#). Our requirements for product marketing are also included in our [Global Business Conduct Standards Policy](#) and our [Physician Collaboration Policy](#). We educate employees on these requirements through ongoing communications and trainings.

In FY19, we introduced five new product-promotion trainings tailored to marketing and sales employees. Through this expanded training, we reached more than 21,000 marketing and sales employees, 97% of employees in those roles.

Our internal investigations program helps ensure that our marketing practices comply with Medtronic policies and external regulations. To make this program more effective, in FY19 we consolidated it into one center of excellence and standardized the investigation processes. Throughout the year, we reviewed 43,000 transactions for sales and marketing risks, including for

potential off-label use promotion. In our internal review, we found four incidents of noncompliance with our policies concerning marketing communications and no incidents concerning our policies for product and service information and labeling.

In FY19, we settled three matters related to alleged improper marketing or sales practices by entities acquired by Medtronic (legacy ev3/Covidien) totaling \$50.9 million. The settlements that the Medtronic entities agreed to all concerned matters that took place either largely or entirely prior to Medtronic acquiring the businesses in which the activities took place. Medtronic has made significant investments in ensuring that it fulfills its obligations to all of its stakeholders and to do business the right way.

Responsible Marketing to Customers and Patients			
	FY17	FY18	FY19
Fines or Settlements Related to Improper Marketing or Sales of Products*	0	1 [†]	3 ^{**}
Marketing and Sales Employees Training Product Promotion	14.899	15.566	21.236

*Fines noted represent the fiscal year the fine was paid.
[†]Settlement was related to alleged improper marketing and sales of our Infuse™ product.
^{**}In two cases, Medtronic did not admit wrongdoing. The third settlement was a misdemeanor for alleged off-label promotion between 2005 and 2009, by the legacy ev3 entity. Medtronic paid \$17.9 million in fines and penalties on behalf of that entity, which was acquired first by Covidien and then by Medtronic.

ETHICAL INTERACTION WITH HEALTHCARE PROFESSIONALS

We work alongside physicians and healthcare systems to expand our positive impact on patients, while adhering to our Physician Collaboration Policy, which establishes standards for our interactions with healthcare professionals. Our **collaborations** include:

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

We disclose payments made to physicians and teaching hospitals in every country where it is required by law. In the United States, payment disclosures are published on the U.S. Centers for Medicare and Medicaid Services Open Payments [site](#). As discussed above, in FY19 we resolved three cases related to alleged improper sales and marketing practices or interactions with healthcare providers.

Countering corruption

The Medtronic board of directors oversees our anti-bribery and anti-corruption program. The program is strengthened by feedback from regulators, third-party auditing, and benchmarks of other companies. We have 217 (full-time equivalent) employees with expertise in anti-corruption enforcement, including former U.S. Department of Justice prosecutors.

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

We implement anti-corruption training to make internal and external stakeholders aware of regulations and to explain how ethically challenging scenarios should be addressed. Anti-corruption is covered in our required Code of Conduct training cycle. Our process ensures that new hires receive anti-corruption training upon joining the company and that customer-facing employees receive the training every two years.

We partner with third-party entities to distribute our products to customers. We hold third parties to the same standards to which we hold ourselves and require them to implement their own anti-corruption programs. To ensure that distributors adhere to our ethical standards, we:

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

In FY19, we launched an initiative to increase compliance with our Distributor Code of Conduct. We established a commercial Distributor Relationship

Owner (DRO) at Medtronic responsible for holding our distributors accountable to our anti-corruption requirements. The DROs meet with distributors to discuss and certify understanding of ethical requirements. Distributors must assign a lead team member to manage ethical responsibilities within their organization and set a performance goal related to the initiative. In FY19, we expanded our onsite monitoring program to reach more than 11% of our third-party distributors, compared to 2.5% the previous year.

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

In FY19, Medtronic was not subject to any fines, settlements, or monetary losses related to noncompliance with anti-corruption laws. Our [2019 Form 10-K](#) on file with the U.S. Securities and Exchange Commission includes a description of risk factors impacting our global business operations, including risks relating to corruption and anti-competitive behavior.

Countering Corruption			
	FY17	FY18	FY19
Employees Supporting Anti-Corruption Efforts (Full-Time Employee Equivalents)	220	217	217
Third-Party Distributors Receiving Anti-Corruption Training	93%	96%	95%
Third-Party Distributors Receiving Onsite Monitoring	2.5%	2.5%	11.2%



Adding Business Value

By investing in data security and privacy measures, we build investor confidence, retain customer trust, respect patients, and ensure compliance with new regulations.

Protecting information is critically important for Medtronic, our customers, and most importantly, the patients who use our products. We have designed our security and privacy programs to safeguard data in a rapidly evolving environment.

We are in a time of rapid adoption of connected data devices and powerful data analysis. Big data is contributing to innovative products and faster research, and it is critical to our business to protect this information.

Our cybersecurity program is constantly adapting and improving in response to technology developments and the threat landscape. Our program is designed to reflect [ISO 27001](#) and the [National Institute of Standards and Technology](#) standards. To advance data security practices, we collaborate with third-party organizations such as the

[Health Information Sharing and Analysis Center](#) and [AdvaMed](#).

We also contribute to global product and cybersecurity standards in collaboration with the U.S. Food and Drug Administration (FDA) and other regulatory advocacy groups.

Medtronic employees and contractors play a crucial role in safeguarding data. We train all employees and contingent workers on data privacy and security, so they understand their role in identifying, protecting, and preserving particular types of data. In FY19, we expanded our trainings to raise employee awareness of privacy and security obligations. We provided E.U. General Data Protection Regulation training for global corporate employees and noncorporate E.U. employees. We also delivered Privacy by Design training to the vast majority of E.U. employees and employees in key global functions, such as Legal and IT. U.S. employees additionally completed training on U.S. privacy laws.

When we acquire a company, we conduct privacy and security due diligence, implement policies and procedures, and deliver employee training.

Vendors must also adhere to our data security and privacy standards, and we review privacy and security risks as part of our vendor assessment process. Contingent workers must complete annual privacy and security training.

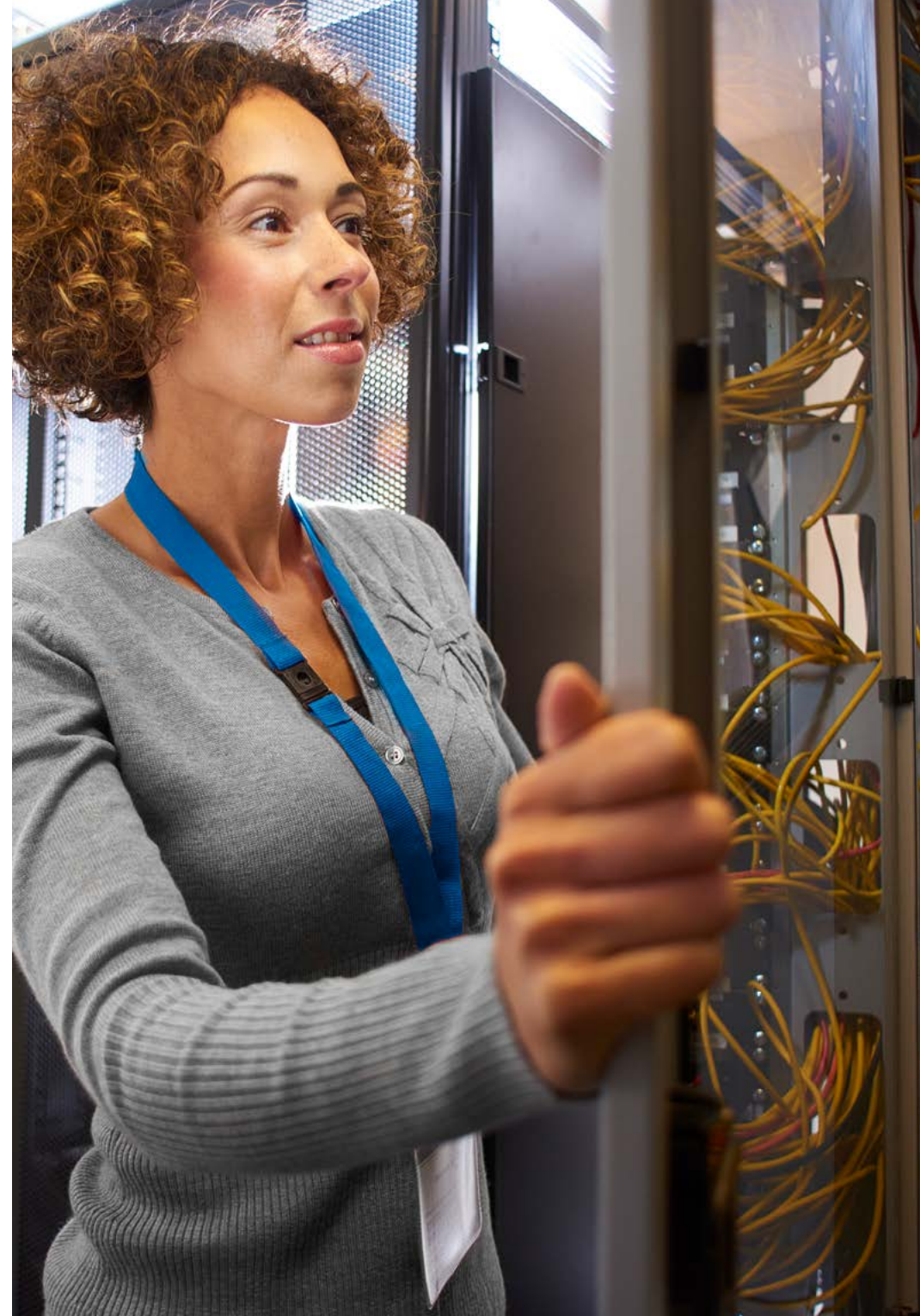
Our product security efforts align with regulatory standards, protect patients, and ensure the highest levels of product usability. Our robust security program is managed by the Medtronic Global Security Office and embedded in the full product life cycle by subject-matter experts within each business unit. Our security approach and risk management are informed by internal and external medical device security experts, current security practices, as well as rigorous development processes and vulnerability testing.

We encourage physicians, patients, and other interested parties to submit questions or concerns about medical device security matters to [Medtronic.com/security](https://www.medtronic.com/security). Our global security team tracks, investigates, and responds to these inquiries.

Medtronic adheres to state, federal, and (where applicable) international breach notification requirements. As an example, in accordance with HIPAA-related data breach notification requirements, Medtronic self-reports incidents involving loss 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 data security and privacy risk by:

- Improving processes and technology for threat detection and response
- Improving technology and processes for identity and access management
- Raising the security IQ of employees
- Continuing to improve our data security and privacy guidelines and training



SUPPLY CHAIN RESPONSIBILITY



Adding Business Value

Our \$11.5 billion supply chain is central to our ability to provide high-quality, life-improving products and services. Our supply chain management systems are instrumental in minimizing disruptions and quality failures.

Our suppliers are critical to our Mission. They enable us to create and deliver products and services that improve the lives of millions of people every year. It is important to us that the companies in our supply chain share our values — including our focus on quality, responsible business practices, and sustainability. Together we can make a lasting, positive difference to patients, and to the communities and environment in which we operate.

OUR GLOBAL SUPPLY CHAIN

We value the skills and experience of every supplier we work with. More than 48,000 companies across 135 countries contribute their talent and ideas to our supply chain every day. They play a crucial role in maintaining our reputation for world-class quality, and in retaining the trust of our many stakeholders.

In FY19, we spent more than \$11.5 billion with our suppliers globally.

Supply Chain Spend (\$ Millions)			
	FY17	FY18	FY19
Australia	\$73.7	\$100.9	\$80.2
Canada	\$149.0	\$132.1	\$118.6
China	\$281.9	\$343.1	\$378.4
France	\$185.6	\$178.3	\$152.2
Germany	\$220.0	\$261.1	\$253.5
Ireland	\$205.9	\$251.5	\$230.7
Israel	\$21.1	\$86.5	\$52.4
Japan	\$164.9	\$182.7	\$169.3
Mexico	\$151.9	\$146.1	\$170.8
Netherlands	\$184.9	\$221.5	\$256.4
Singapore	\$126.9	\$114.2	\$108.5
Switzerland	\$191.1	\$178.8	\$130.0
United States	\$8,498.7	\$7,935.6	\$7,932.4
Total for Locations Listed	\$10,455.6	\$10,132.9	\$10,033.4
Total Spend	\$11,927.5	\$11,670.7	\$11,560.4

SUPPLIER DIVERSITY

A key strength of our supply chain is its diversity. Working with businesses owned by women, ethnically diverse groups, disabled people, LGBTQ+ individuals, and veterans keeps us agile and innovative. We proactively seek to maintain this diversity through our Supplier Diversity program. Our Supplier Diversity team, Supplier Diversity Steering Committee, and executive management team oversee this program, setting strategy and goals each year.

Our Supplier Diversity Policy recognizes and supports 10 diverse supplier types, including:

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

We are committed to extending the shared value that diverse suppliers bring to our business, shareholders, and communities. Our FY19 supplier diversity highlights include:

▪ **Showcasing exceptional suppliers**

To celebrate our diverse suppliers, in FY19 we created the Medtronic Supplier Showcase. This regular series of communications — shared with our employees through our

internal website, Inside Medtronic, features diverse suppliers that bring exceptional value and positive impact to Medtronic and our customers.

▪ **Extending the value of diversity through our supply chain**

We are working with our larger suppliers to support and enable them to engage with diverse companies in their own supply chains. Building on an earlier pilot program, in FY19 we worked with selected suppliers to review their engagement with diverse suppliers, including their level of spend. We have extended this program to include our top 50 suppliers.

▪ **Recognizing diversity at the heart of our world-class supply chain**

At our annual Global Supplier Conference, our Supplier Excellence Awards recognize a select group of suppliers for their role in bringing exceptional value to the Medtronic supply chain. In FY19, nearly half of these awards went to diverse or small companies, demonstrating the importance of these suppliers to our business.

▪ **Hosting our annual procurement fair**

We co-hosted the fair with Disability:IN, National Association of Women Business Owners, the National Veteran Business Development Center, the North Central Minority Supplier Development Council, Quorum, and the Women's Business Development Center. More than 250 attendees met for a day of networking and supplier development programming.

CASE STUDY

WORKING WITH DIVERSE SUPPLIERS THAT SHARE OUR VALUES

PKG Packaging is a minority-owned, local company based in the U.S. city of Oxnard, California. It specializes in providing innovative and sustainable packaging for businesses across the country, including Medtronic. Since 1998, PKG Packaging has provided Medtronic with packaging solutions for insulin pumps used by diabetes patients.

PKG Packaging is the type of partner we often seek out to help improve our supply chain — not only because they are a diverse supplier, but also because they value their employees as much as they value their business.

The 20-person team at PKG Packaging welcomes local college students who need flexible work schedules as they develop skills and experience for the future. The company is also committed to creating opportunities for minority groups and actively seeks to build its employee population from within the local community.

These are the kind of values that Medtronic looks for in a supplier. As a mission-driven company, we aim to make the world a healthier place. It's an idea embedded in our business, activated by our employees, and extended by our partners — including PKG Packaging.



In FY19, we directed about 24% of our U.S. supplier spend to small and diverse companies.

U.S. Diverse Supply Chain Spend by Category (\$ Million)*†						
	FY17		FY18**		FY19††	
	\$ U.S. Spend	% U.S. Spend	\$ U.S. Spend	% U.S. Spend	\$ U.S. Spend	% U.S. Spend
Small Business	\$1,554	24%	\$1,341	22%	\$1,144	17%
Veteran-Owned Business	\$67	1.1%	\$69	1.1%	\$133	1.9%
Minority-Owned Business Enterprise	\$208	3.0%	\$270	4.4%	\$245	3.7%
Women-Owned Business Enterprise	\$139	2.2%	\$122	2.0%	\$177	2.6%

*This table includes U.S. addressable spend, which totaled approximately \$6.7 billion in FY19. Non-addressable spend includes employee-related benefits, health insurance, taxes, and royalties.
†Due to overlap between different categories of small and diverse suppliers, figures in this table do not add up to the total annual figures for spend with small and diverse companies.
**The decrease in small and diverse supplier spend from FY17 to FY18 is primarily due to the Fortis divesture that occurred in FY17.

OUR SUPPLIER DIVERSITY ECONOMIC IMPACT¹⁴

In FY19, we undertook a detailed assessment of our impact with diverse suppliers in the U.S. and Puerto Rico. The data we analyzed was from FY18:

\$1.7
BILLION+
purchases from
small and diverse
businesses

\$3.0
BILLION+
economic
production activity

17,500+
jobs supported in the U.S.
at small and diverse
suppliers, lower-tier
suppliers, and community
businesses

\$1.0
BILLION+
wages and benefits
earned through
supported jobs

\$943
MILLION
U.S. federal, state,
and local taxes
generated

To support the local economies in which we operate, we aim to use local suppliers where possible. For example, our analysis of FY18 data also showed that our U.S. corporate office in Minneapolis spent \$771 million with suppliers within the state of Minnesota. Of this total spend, 43% was with small and diverse suppliers.¹⁵

¹⁴ Data coverage: FY18 data for the United States and Puerto Rico.

¹⁵ Also includes ZIP codes from Wisconsin.

EMBEDDING SUSTAINABILITY AND RESPONSIBILITY IN OUR SUPPLY CHAIN

Through our Responsible Supply Management Program, we work with our suppliers to:

- Uphold human rights and labor standards in our supply chain
- Reduce our environmental impact globally and locally
- Enhance our reputation

Medtronic codes, policies, and standards relevant to our supply chain

- **Global Supplier Standards** describe the minimum social, ethical, and environmental requirements and expectations of our suppliers. Supplier selection and management processes, supplier agreements, and purchase order terms and conditions all include reference to the Standards.
- **Global Human Rights and Labor Standards Policy** applies to all Medtronic locations, all Medtronic personnel, and any third-party labor agencies providing employees on our behalf. We strive to:
 - Ensure that our suppliers adhere to the minimum standards that are outlined within this policy
 - Conduct our business in a manner that demonstrates a 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. The policy applies to all Medtronic locations and personnel and any third-party labor agencies providing services to Medtronic. We strive to ensure that our suppliers adhere to the minimum standards that are outlined within this policy.
- **Code of Conduct** includes employees, officers, directors, and anyone conducting business on behalf of Medtronic, such as contractors, consultants, and distributors.

Training and collaboration

We provide comprehensive, responsible supply management training to employees in procurement and sourcing roles. The training focuses on labor and human rights issues — including human trafficking and slavery.

We also participate in the Sustainable Purchasing Leadership Council and the Conference Board to share knowledge with our peers.

Monitoring compliance and performance

FY19 marked the beginning of a three-year process to expand our Global Supplier Standards Compliance Program. Our primary aim is to ensure that our top-spend suppliers fully understand and meet our requirements.

- During this first year, we focused on building the capacity of our suppliers to answer our requests for information comprehensively and consistently.
- In year two, we will focus on self-assessment activities with top-spend direct material suppliers and contract manufacturers. We will conduct onsite audits with those suppliers considered to be at the highest risk of noncompliance.
- In year three, we plan to extend the coverage of the program to more suppliers.

We launched our new monitoring process by sending self-assessment questionnaires to suppliers deemed to have inherent or

potential environmental, social, and governance (ESG) risks. This included certain suppliers located in high-risk countries for human rights and environmental compliance, or where vulnerable workers are likely to be employed. We are taking the learnings from these initial 150 self-assessments to build the capacity of our suppliers for future assessments and guide our audit process.

As we continue to extend our monitoring and auditing process, we know there is more work to do to monitor and mitigate less visible risks. We are determined to work with our suppliers to fully understand and improve their social and environmental performance — ultimately contributing to a more sustainable supply chain.

We have a clearly defined process to address noncompliance:

- We issue compliance improvement requests to ensure that corrective action is taken.
- We ask category managers to incorporate these requests into suppliers' continuous improvement plans.
- If issues persist, ultimately a review of the business relationship will occur.

In FY19, we trained 55 category managers on this process.

We encourage our suppliers to report publicly on their social and environmental goals and performance. Of the 202 suppliers assessed in our FY19 review of supplier sustainability reporting:¹⁶

- Thirty-five percent published sustainability reports
- Ten percent had sustainability-related goals published online
- Twenty-nine percent had information relating to sustainability on their website

In FY19, our Responsible Supply Management Program director was named in the 2018 Assent Compliance list of **Top 100 CSR Influence Leaders**.

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

¹⁶ Our 202 top suppliers by spend.

Materials of concern and conflict minerals

Materials of concern include those that have the potential — if not managed correctly — to negatively impact people or the environment. We require our suppliers to responsibly manage and disclose any such materials used in our manufacturing processes, final products, or packaging. Read more about our approach to [product stewardship](#).

Some of our products contain tin, tungsten, tantalum, or gold. In the Democratic Republic of Congo and neighboring countries, the mining and processing of these metals have been linked to the funding of armed conflict. To prevent the use of conflict minerals in our products, 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 requirements in supplier agreements and purchase orders
- Follow the Organisation for Economic Co-operation and Development (OECD) guidance on conflict minerals — including surveying suppliers to collect data on the smelters in their supply chains

We report the results of our supplier survey to the U.S. Securities and Exchange Commission annually. Our FY19 results show a steady decrease in the number of “red flag” smelters in our supply chain across the last three years. We will continue to assess and work with suppliers to further reduce the risk of conflict minerals in our supply chain. Read our full FY19 [Conflict Minerals Report](#) and [our Conflict Minerals Policy](#).

Medtronic is a member of the Responsible Minerals Initiative.

SUPPLIER QUALITY MANAGEMENT

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

We support suppliers to meet our standards through:

- Regular quality audits based on product and supplier risk
- Continuous improvement programs, facilitated onsite at supplier manufacturing locations
- Collaboration with suppliers to improve the design, reliability, and manufacturability of components and products
- Support of supplier business continuity management planning initiatives — building

their capability to proactively identify and mitigate global operational risks

In FY19, we updated our existing supplier quality protocols, tools, and training materials to make them easier to use and more accessible. We also included new guidance on regulatory requirements, such as the recent E.U. Medical Device Regulation.

Currently, four Medtronic supplier sites participate in the U.S. Food and Drug Administration (FDA) [Case for Quality](#) program. Additionally, Medtronic subscribes to MedAccred — an industry-managed supply chain oversight program. This third-party accreditation focuses on improving process repeatability while reducing nonconformances. We have shared details of the program with suppliers and encourage them to pursue accreditation.



IN FY19, WE CONDUCTED
50 QUALITY
CULTURE
ASSESSMENTS
ACROSS FOUR GLOBAL
BUSINESS UNITS

AND HOSTED
156 QUALITY
DAY
EVENTS
ACROSS MEDTRONIC



Adding Business Value

The lifesaving and health-improving aspects of our products mean that quality is critical to our patient and physician customers, reputation, and ongoing business success. We uphold our high-quality standards with comprehensive quality management systems, a through approach to research and clinical trials, and rigorous post-market surveillance.

As we continue to deliver innovative new treatments and therapies, our commitment to quality must remain constant. Our customers, patients, partners, and investors trust us to deliver products that are safe, effective, and reliable. Our global quality strategy guides us to take a rigorous approach to safety and reliability at each stage of the product life cycle.

ENSURING QUALITY ACROSS OUR VALUE CHAIN

We monitor quality at each stage in our value chain — design, manufacturing, pre-clinical and clinical trials, and post-market surveillance. Through our “Quality Begins with Me” culture, all Medtronic employees share this responsibility.

We share four fundamental expectations through ongoing communications and training, so that every Medtronic employee knows quality is nonnegotiable:

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

In FY19, we developed a “Quality Begins With Me 2.0” assessment model that we will pilot at three sites in FY20. Compared to the previous version, this model helps us delve deeper into the data to understand the underlying causes of scores and evaluate improvement year-over-year. It also adds the flexibility to tailor assessments to the specific needs and challenges of the site or functions being assessed.



Also, in FY19:

- We conducted 50 quality culture assessments across four global business units and established a baseline Quality Culture Index.
- The Medtronic Quality Culture Playbook was adopted by AdvaMed as a guidance document for the medical device industry to promote quality culture.
- We hosted 156 Quality Day events across Medtronic.

Our quality management systems are aligned to [**ISO 13485**](#).

Putting safety first

Safety is our first and foremost priority, and we will never put innovation or profits over the well-being of the people who use our products. We want to bring new, potentially lifesaving therapies to patients as soon as possible, but we will not offer a device or therapy to patients until we have confirmed safety and efficacy.¹⁷

¹⁷ In the context of the medical condition at issue and on the basis of the product meeting all appropriate regulatory requirements applicable in that market.

PRODUCT DESIGN AND DEVELOPMENT

Design, reliability, manufacturability

The Medtronic Design, Reliability, Manufacturability (DRM) methodology is our set of best practices for ensuring product quality, safety, and reliability throughout product design and development.

Our engineers use DRM to carry out predictive engineering: simulating product use, predicting and measuring performance, and identifying areas for improvement. This process yields higher-quality designs and reduces time to market — enabling patients in need to access products as safely and efficiently as possible. We continually improve our predictive capabilities by refining our design practices and measuring predictive engineering outcomes for every new product.

New product development requires collaboration across several Medtronic functions, including Research and Development, Operations, Quality, and Marketing. To embed DRM practices across the company, we:

- Conduct annual assessments of our product development locations and execute improvement plans based on the results
- Provide Green Belt, Black Belt, and Master Black Belt training and certification to increase the skills within the organization to make those improvements
- Provide customized training for project development teams to enhance their planning and execution of DRM activities

- Participate in knowledge-sharing events to extend best practices across the company — including the Medtronic Predictive Engineering Summit in FY19
- Train executive leaders responsible for product portfolio decisions on DRM
- Inform leaders of DRM applications specific to their business or functional areas
- Require all new product development projects to set DRM targets and execute the best practices defined by DRM

Manufacturing quality

We embed quality in our manufacturing processes using a set of standardized approaches: Medtronic Operating System (MOS), First-Time Quality (FTQ) methodology, and Supplier Optimization and Risk Reduction (SOAR) strategies.

Manufacturing Quality Systems	
	Description
Medtronic Operating System (MOS)	MOS improves manufacturing and supplier quality by building continuous improvement principles into production through Lean Six Sigma. We develop our leaders to apply MOS within their teams.
First-Time Quality (FTQ) methodology	A part of MOS, FTQ teaches employees to see the potential for error, develop strong controls, and identify where improvements can have the biggest impact.
Supplier Optimization and Risk Reduction (SOAR)	Through the SOAR program, we partner with strategic suppliers to ensure that risks are identified and mitigated, and that products and processes are designed correctly. Read more about our approach to supplier quality management .

When applied to high-risk processes, our FTQ methodology achieves a 30% to 80% reduction in nonconformances, including those related to product specifications. The methodology can help individual manufacturing sites achieve between \$200,000 and \$300,000 in cost savings.¹⁸

In FY19, we extended deployment of FTQ to 100% of our manufacturing sites and launched our enterprise-wide scorecard to formally track program benefits. We also launched an FTQ center of excellence in Puerto Rico to support consistent utilization of the methodology by DRM practitioners.

QUALITY AND COMPLIANCE AT OUR FACILITIES

The Medtronic Corporatewide Assessment for Regulatory Excellence (MCARE) is our global compliance oversight program for assessing quality management systems at our facilities. Its focus is threefold: maintain a consistently high level of quality, comply with regulations, and prepare for new regulatory requirements. Through MCARE, we engage with site leadership at manufacturing, design, and distribution centers.

In FY19, the Corporate Quality MCARE team continued its oversight of quality system compliance, including:

- Participating in steering committees and oversight of warning letter resolution activities
- Reviewing remediation actions to ensure robust work and documentation

¹⁸ Based on case studies where sites have executed FTQ methodology at a given work step or work steps. This figure increases when FTQ is used more often.

- Sharing learnings from external inspections with all sites across the enterprise to implement preventive process improvements
- Facilitating improvements at 51 of our facilities through compliance assessments and audits

We value external review and assessment of our quality and compliance by regulatory agencies. These assessments confirm regulatory priorities and highlight areas where we can strengthen our approach. We implement changes to policies, procedures, and processes when needed, sharing our learnings across our facilities through our Inspection Knowledge Management process.

Our goal is to maintain an average of 0.5 or fewer findings per external regulatory inspection and 1.0 or fewer findings per U.S. Food and Drug Administration (FDA) inspection. We met both goals this year, with an average of 0.17 findings per regulatory inspection and 0.23 findings per FDA inspection (a 44% improvement from FY18).

Maintaining Quality Facilities			
	FY17	FY18	FY19
External Regulatory Inspections at Medtronic Sites Globally	284	253	217
External Regulatory Inspections Globally That Resulted in No Findings	93%	93%	94%
Average Findings per External Regulatory Inspection	0.18	0.19	0.17
Average Findings per FDA Inspection	0.73	0.41	0.23
MCARE Assessments and Supported Improvements	40	45	51

PRE-CLINICAL RESEARCH

Pre-clinical research gives us vital insight into how our products will function in practice. The pre-clinical stage can include animal-related research, as well as non-animal human cadaver and modeling work.

Animal-related research

Regulatory requirements for medical products sometimes necessitate animal research and testing. We use animals in research activities only when no acceptable alternatives exist, as described in our [Policy Regarding the Use of Animals](#).

This policy applies to:

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

Approval from the [Institutional Animal Care and Use Committee](#) is required before we carry out any such activities.

We comply with all relevant standards and requirements for animal-related research and testing. This includes those set by the Association for Assessment and Accreditation of Laboratory Animal Care, the FDA, and the U.S. Department of Agriculture's Animal Welfare Act.

We are committed to treating all animals used in the research process respectfully and humanely, by taking every feasible measure to safeguard their welfare. We work with scientists, veterinary surgeons, and other experts to refine trials to minimize distress or harm.

Seeking alternatives

The International Organization for Standardization (ISO) is developing a standard on testing of human skin cell-based

irritation. To inform this work, we submit research findings on alternatives to animal testing for skin irritation. We continue to invest in our corporate research group's fundamental modeling work, with the goal of reducing the number of animals used in future research.

CLINICAL TRIALS

Clinical trials are a key component in establishing the effectiveness and safety of our products, and a critical part of quality control. More than 2,000 clinical employees work to ensure that our clinical trials are undertaken ethically and effectively.

We are committed to following our [Code of Conduct](#) and [Global Business Conduct Standards Policy](#) when conducting clinical trials, and to adhering to all relevant laws and regulations. This ensures that we take a consistent and

rigorous approach to protecting patient safety and safeguarding patient data. It also helps to deliver accurate findings.

We revise our internal guidelines and procedures to meet new and emerging regulatory requirements, including recent updates to take account of:

- The General Data Protection Regulation, effective May 2018
- The E.U. Medical Device Regulation, effective May 2020

Medtronic is a member of the working group shaping the next revision of the ISO 14155:2011 standard for clinical research. We are preparing for implementation of the revised standard in time for its expected launch in 2020.

Collaboration, engagement, and data sharing

Sharing knowledge and data about clinical trials contributes to safety, quality, and efficiency — accelerating medical discovery and enabling patients to benefit more quickly.

The U.S. Clinical Trials Registry is a national database detailing the purpose, eligibility requirements, locations, and status of more than 310,000 clinical trials.¹⁹ Medtronic and other companies operating in the United States are required to disclose information to the database about applicable trials.

We also:

- Collaborate with external researchers, institutions, and physicians to advance our clinical trials practice
- Publish findings in peer-reviewed scientific and medical journals
- Work with several organizations to advance the development of clinical standards — see table below

Clinical Standard Development and Education Engagements	
Organization	FY19
Clinical Trials Transformation Initiative (CTTI)	Medtronic is an active member of CTTI, in roles including expert meeting participants, project team leaders, and executive committee members.
Association for the Advancement of Medical Instrumentation (AAMI)	Medtronic is involved in the AAMI's domestic and international standards work. Our employees participate in more than 100 AAMI committees and working groups and hold 11 leadership positions, including co-chair of the Standards Board.
International Medical Device Regulators Forum (IMDRF)	Medtronic maintains an active presence in the IMDRF. Our subject matter experts attend biannual IMDRF meetings and serve as industry representatives on IMDRF initiatives. Medtronic has supported and participated in IMDRF pilot programs, including the Medical Device Single Audit program.
Medical Device Innovation Consortium (MDIC)	The chief medical and scientific officer of Medtronic serves on the board of directors of MDIC, a public-private partnership that aims to advance regulatory science in the medical device industry. Medtronic has been involved both with the MDIC Computational Modeling and Simulation project and with multiple aspects of the National Evaluation System for health Technology (NEST).

¹⁹ Correct as of 15 August 2019.

PRODUCT USE AND PERFORMANCE

Post-market surveillance

Once a product is launched, we track its use and collect data on patient outcomes to obtain vital feedback for future product designs and to measure and improve patient safety. We:

- Collect data through our Post-Approval Clinical Surveillance process, in partnership with hospitals, health systems, physicians, clinics, governments, and third parties
- Fund in-depth, post-market clinical studies to further understand the efficacy of specific therapies and product lines
- Collect and analyze customer feedback and information through our global complaint handling system

- Work with global regulators and industry stakeholders to improve our post-market surveillance
- Develop and standardize models to measure and improve patient safety and clinical outcomes

Product-related regulatory actions

We take regulatory and field safety issues very seriously. When we are alerted to an issue with one of our products, we assess the issue quickly and take corrective action where appropriate, including initiating voluntary product recalls. We work to understand and resolve the root cause of problems and have systems in place to prevent recurrence.

In FY19, four Medtronic products were subject to Class I recalls. More detail on the nature of these recalls can be found on the [FDA List of Device Recalls](#) website.

Learn more about the Medtronic commitment to global corporate citizenship at www.medtronic.com/citizenship.

FDA Actions and Recalls			
	FY17	FY18	FY19
FDA Class I Recalls	5	3	4
Open FDA Warning Letters for Product-Related Regulatory Actions	2	1	3*
Open FDA Warning Letters Resolved During the Year	1	1	0

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

FY19 FDA Class I Recalls and Safety Communication Product List for Medtronic Devices	
	Devices
FDA Class I Recalls	<ol style="list-style-type: none"> 1. Puritan Bennett™ 980 (PB980) ventilator series 2. Synergy Cranial Software/StealthStation S7 cranial software 3. Adapta, Versa, Sensia, Relia, Attesta, Sphera, Vitatron A, E, G, and Q series 4. HeartWare HVAD
FDA Safety Communication for Human Medical Products Database*	<ol style="list-style-type: none"> 1. Cardiac implantable electronic device (CIED) 2. Cardiac implantable cardioverter defibrillators (ICDs) or cardiac resynchronization therapy defibrillators (CRT-Ds)

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

ABOUT THIS REPORT



ABOUT THIS REPORT



This report was prepared in accordance with the Global Reporting Initiative Standards Core guidelines — an internationally recognized framework for sustainability reporting. The content is also informed by the reporting requirements of the Sustainability Accounting Standards Board for Medical Equipment and Supplies and the RobecoSAM annual survey used to determine the Dow Jones Sustainability Indices. For more information, see our [**2019 ESG Disclosure Index**](#).

Scope and data

Unless otherwise stated, all performance reporting covers our fiscal year 2019 (FY19) from April 28, 2018, through April 26, 2019.

This report includes data from Medtronic PLC and all its consolidated subsidiaries. Environmental, health, and safety data are from our manufacturing and research and development facilities.

All reported data are best estimates. Medtronic subsidiaries whose impact on overall data is less than 10% have been omitted. All financial information is reported in U.S. dollars.

Forward-looking statements

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

We welcome your views as a valued stakeholder. To provide feedback or request further information, please email [**integratedreport@medtronic.com**](mailto:integratedreport@medtronic.com).

NON-GAAP AND OTHER FINANCIAL MEASURES



Medtronic PLC GAAP to Non-GAAP Reconciliations (Unaudited) (in Millions)*

	FY19	FY18	FY17
Net Cash Provided by Operating Activities	\$7,007	\$4,684	\$6,880
Additions to Property, Plant, and Equipment	(1,134)	(1,068)	(1,254)
Free Cash Flow†	\$5,873	\$3,616	\$5,626

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

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

Medtronic PLC Worldwide Revenue: Geographic* (Unaudited) (in Millions)

	Fiscal Year			Current Impact†	Comparable Constant Currency	
	FY19	FY18	Growth		Revised FY18**	Growth
U.S.	\$16,194	\$15,875	2.0%	—	\$15,465	4.7%
Non-U.S. Developed	\$9,631	\$9,627	—	(205)	\$9,516	3.4%
Emerging Markets	\$4,732	\$4,451	6.3%	(250)	\$4,422	12.7%
Total	\$30,557	\$29,953	2.0%	(455)	\$29,403	5.5%

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

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

** Revised revenue excludes revenue related to the divested Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses for the first quarter of FY18.

**IMPORTANT SAFETY INFORMATION:
MINIMED™ 670G SYSTEM**

The Medtronic MiniMed™ 670G system is intended for continuous delivery of basal insulin (at user selectable rates) and administration of insulin boluses (in user selectable amounts) for the management of type 1 diabetes mellitus in persons, seven years of age and older, requiring insulin as well as for the continuous monitoring and trending of glucose levels in the fluid under the skin. The MiniMed™ 670G system includes SmartGuard™ technology, which can be programmed to automatically adjust delivery of basal insulin based on Continuous Glucose Monitor sensor glucose values and can suspend delivery of insulin when the sensor glucose value falls below or is predicted to fall below predefined threshold values. The system requires a prescription. The Guardian™ Sensor (3) glucose values are not intended to be used directly for making therapy adjustments, but rather to provide an indication of when a fingerstick may be

required. A confirmatory finger stick test via the CONTOUR®NEXT LINK 2.4 blood glucose meter is required prior to making adjustments to diabetes therapy. All therapy adjustments should be based on measurements obtained using the CONTOUR®NEXT LINK 2.4 blood glucose meter and not on values provided by the Guardian™ Sensor (3). Always check the pump display to ensure the glucose result shown agrees with the glucose results shown on the CONTOUR®NEXT LINK 2.4 blood glucose meter. Do not calibrate your CGM device or calculate a bolus using a blood glucose meter result taken from an Alternative Site (palm) or from a control solution test. It is not recommended to calibrate your CGM device when sensor or blood glucose values are changing rapidly, e.g., following a meal or physical exercise. If a control solution test is out of range, please note that the result may be transmitted to your pump when in the "Always" send mode.

WARNING: Medtronic performed an evaluation of the MiniMed™ 670G system and determined that it may not be safe for use in children under the age of 7 because of the way that the system is designed and the daily insulin requirements. Therefore this device should not be used in anyone under the age of 7 years old. This device should also not be used in patients who require less than a total daily insulin dose of 8 units per day because the device requires a minimum of 8 units per day to operate safely.

Pump therapy is not recommended for people whose vision or hearing does not allow recognition of pump signals and alarms. Pump therapy is not recommended for people who are unwilling or unable to maintain contact with their healthcare professional. The safety of the MiniMed™ 670G system has not been studied in pregnant women. For complete details of the system, including product and important safety information such as indications, contraindications, warnings and precautions associated with system and its components, please consult <http://www.medtronicdiabetes.com/important-safety-information#minimed-670g> and the appropriate user guide at <http://www.medtronicdiabetes.com/download-library>.