Medtronic News

Medtronic announces new ESG targets in its FY21 Integrated Performance Report and unveils refreshed brand

Company to highlight environmental, social, and governance (ESG) efforts in inaugural ESG Investor Briefing

DUBLIN, Oct. 12, 2021 /PRNewswire/ -- Medtronic plc (NYSE:MDT) today released its fiscal year (FY)2021 Integrated Performance Report: Engineering Impact and will share key updates at its inaugural ESG Investor Briefing, to be hosted onOct. 13, 2021. The company also unveiled its refreshed brand with a new tagline, "Engineering the Extraordinary".

"We see extraordinary possibilities to further increase our positive impact in the world" - Chairman & CEO Geoff Martha

2021 Integrated Performance Report: Engineering Impact

The report shares Medtronic's approach and performance in key environmental, social, and governance (ESG) areas over the past year and announces new ESG performance targets for top sustainability focus areas, including:

- **Access and innovation:** To benefit more patients around the world through innovative products and therapies, Medtronic has set a vitality index goal that by FY25, 20% of Medtronic revenue will flow from products and therapies released in the prior 36 months. In addition, the company has set a goal to accelerate access to healthcare by serving 85 million patients annually by FY25.
- **Patient safety and product quality:** Medtronic will enhance product quality and patient experience by achieving a 10% reduction in aggregate product complaint rate for identified product families by FY25, compared to FY20.
- **Inclusion, diversity, and equity (ID&E):** Medtronic aims to have 45% of global management positions held by women and 30% of U.S. management positions held by ethnically diverse talent by FY26.

Medtronic is also proactively addressing Product Stewardship through targets focused on packaging reductions:

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

"We see extraordinary possibilities to further increase our positive impact in the world," said Geoff Martha, Chairman and CEO, Medtronic. "Our environmental, social, and governance (ESG) efforts, combined with the passion of our 90,000-plus employees, drive better outcomes for our world through a healthier society and healthier planet. In FY21, we focused our ESG efforts to drive measurable impact on issues that accelerate access to healthcare technology, advance inclusion, diversity, and equity, and protect our planet."

Key ESG accomplishments in FY21

Accelerating access to healthcare technology: Medtronic remained steadfast in its ambition to accelerate access to healthcare technology through innovation:

- Invested $2.5 billion in research and development (R&D), and advanced its pipeline of innovative products and services, with more than 230 regulatory approvals in the U.S., Europe, Japan, and China
- Fielded 300-plus ongoing clinical studies, with a focus on gender, racial, and ethnic diversity representation to ensure Medtronic products benefit everyone who needs them

To help reduce global health disparities, Medtronic:

- Invested nearly $70 million on healthcare capacity training, reaching almost one million medical professionals who advance access to quality care in their communities
- Executed health equity strategies in the United States, including efforts to reduce disparities in access to diabetes therapies

Inclusion, diversity, and equity: Medtronic continued to drive ID&E through a refreshed ID&E strategy at the individual level, company level, and in the community:

- Created accountability for employees at all levels, including requiring all 90,000-plus employees to set ID&E goals that are assessed during annual performance reviews and connecting ID&E performance to the annual incentive plan for executive leadership starting in FY22
- Achieved 100% ethnically diverse and gender pay equity in the United States; and 99% gender pay equity for employees globally
- Directed $2.4 billion to small and diverse suppliers in FY21 — totaling 35% of its U.S. supplier spend

Protecting the planet: Recognizing the connection between a healthy planet and human health, Medtronic continued to work toward its goal of achieving carbon neutral operations by FY30 and minimized its environmental footprint:

- Reduced greenhouse gas emissions intensity by 11% year-over-year and sourced 25% of energy from renewable and alternative sources, progressing both metrics toward a FY25 goals of 50% respectively
- Collected more than 4 million products through takeback programs, diverting 217 metric tons of product waste from landfills

Inaugural 2021 ESG Investor Briefing

At Medtronic's first-ever ESG Investor Briefing, company leaders, including Chairman and CEO Geoff Martha and CFO Karen Parkhill, will highlight how the Medtronic sustainability strategy is strongly tied to the company's Mission and supports its long-term growth objectives of 5%+ organic revenue and 8%+ adjusted EPS. Presenters will discuss key ESG areas important to the company and its investors, including:

- **ESG strategy and environmental sustainability:** Medtronic is committed to robust ESG communication and transparency, including identifying material issues, setting new targets, and tracking progress toward achieving them.
- **Patient safety and quality:** Nothing is more important to Medtronic than patient safety and quality. The company embeds quality into its culture with a robust system of preventative programs and leading indicators.
- **People and community:** Medtronic's approach to employees, including recent changes to its operating model and culture, position the company for competitive advantage and create a more innovative, inclusive, and engaging work environment.
- **Governance and accountability:** The company has an active Board of Directors that brings independence, diversity, and provides ESG oversight. Medtronic is also incorporating non-financial ESG metrics into its management incentive plans by further strengthening its product quality metric and adding ID&E metrics.

"Our ESG approach drives sustainable business performance, supporting achievement of our long-range strategies and financial objectives," said Karen Parkhill, Medtronic chief financial officer. "We closed fiscal year 2021 in April with notable progress on our ESG strategy. We're committed to delivering strong business results over the long-term, while boldly tackling the most challenging health problems facing humanity."

Refreshed Medtronic brand

As part of Medtronic's strategic plan for business success and societal impact, the company has revitalized its public-facing brand to effectively tell its story and engage stakeholders around the world.

"Medtronic's brand must be intentionally and thoughtfully tied to our business objectives and strategy. Our new brand reflects our goal to become the leading healthcare technology company and a cornerstone for societal change," said Torod Neptune, senior vice president and chief communications officer. "We'll think about healthcare differently and push that change forward by going beyond our medical devices that already serve millions. We will engineer extraordinary, next-generation healthcare technology – and enable access to that technology for populations all around the world."

To learn more about Medtronic progress on ESG priorities in its last fiscal year, download the full 2021 Integrated Performance Report: Engineering Impact and view these highlights. The company has also published an ESG Disclosure Index that references disclosures for the company's 14 material issues, aligning to reporting frameworks and standards from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the World Economic Forum Stakeholder Capitalism Metrics.

The virtual Medtronic 2021 ESG Investor Briefing will begin at 11:30 a.m. CDT on Oct. 13, 2021, with company leadership

making presentations and answering questions on its ESG program. Interested parties can access the live webcast by clicking on the Investor Events link at InvestorRelations.Medtronic.com. An archive of the event will be available on the same webpage later in the day.

To learn more about the bold Medtronic strategy and accompanying new brand, visitwww.medtronic.com or attend a LinkedIn Live event with CEO Geoff Martha on Tuesday, Oct. 12 at 11 a.m. CDT.

About Medtronic

Bold thinking. Bolder actions. We are Medtronic. Medtronic plc, headquartered inDublin, Ireland, is the leading global healthcare technology company that boldly attacks the most challenging health problems facing humanity by searching out and finding solutions. Our Mission — to alleviate pain, restore health, and extend life — unites a global team of 90,000+ passionate people across 150 countries. Our technologies and therapies treat 70 health conditions and include cardiac devices, cranial and spinal robotics, insulin pumps, surgical tools, patient monitoring systems, and more. Powered by our diverse knowledge, insatiable curiosity, and desire to help all those who need it, we deliver innovative technologies that transform the lives of two people every second, every hour, every day. Expect more from us as we empower insight-driven care, experiences that put people first, and better outcomes for all. In everything we do, we are engineering the extraordinary. For more information on Medtronic (NYSE:MDT), visit www.Medtronic.com and follow @Medtronic on Twitter and LinkedIn.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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