



# Delivering Societal Value Through Responsible Growth

2014 INTEGRATED PERFORMANCE REPORT



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**Letter from  
Medtronic CEO**

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# Letter from Medtronic CEO

Fellow Stakeholders,

There is significant opportunity in healthcare. People's desire to live longer, healthier, more productive and pain free lives will always exist. And while we have made tremendous progress as a company and healthcare community around the globe, we have so much more to do. We can make our therapies and services more valuable and integral to healthcare; we can treat more people in more ways; and we can do this in ways that the individual and the system can afford.

As we embark on 2015, we remain focused on three growth strategies – therapy innovation, economic value, and globalization – with the intention to lead in the transformation to a value-based healthcare system that is focused on longer-term outcomes for patients.

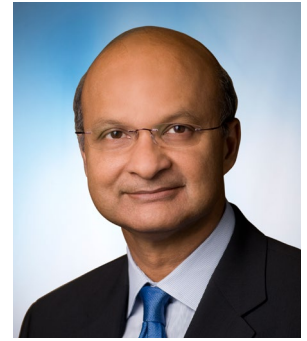
We believe the shift to value-based healthcare is a critical and significant change in healthcare systems around the world and Medtronic is responding by committing ourselves to developing therapies, services, and solutions that support this transition.

Our shift to value-based healthcare has also sharpened our focus on therapy innovations – which includes incorporating new forms of clinical and economic value in our products and services. For example, we have a partnership in India to commercialize a hemodialysis system that can address quality, cost, and access to therapy for patients with end-stage renal disease with a goal of making hemodialysis affordable and portable to people throughout India. We recently announced a local manufacturing site for that system in China. Secondly, we recently launched Reveal LINQ™, an insertable cardiac monitor that is 87 percent smaller than our previous device, making it easier to implant and, therefore, more attractive to patients considering this option to help diagnose their cardiac conditions. Finally, our CoreValve® System, is differentiated therapy for severe aortic stenosis patients who are too ill or frail to have their aortic valves replaced through traditional open-heart surgery.

We also know that we alone can't align value across healthcare systems. We must work with physicians, hospital administrators, payers, and patients as we help to recognize the value of our therapies and services.

To this end, we work to seek out partnerships around the globe to address outcomes and care pathways for patients, such as our partnership with China's National Institute of Hospitals Administration (NIHA) that will support new ways of treating Type 1 Diabetes across the country. Our Cardiocom business works with the Veteran's Administration in the United States to align and integrate care delivery for veterans in their system. And, in Europe, our catheterization

lab managed services offering is helping increase hospital operational efficiency, while providing meaningful clinical and economic improvements for customers and reducing costs associated with readmissions and post-acute care. With this service, we enter into long-term partnerships with hospitals to upgrade and more effectively manage their catheterization lab and hybrid operating rooms, helping the system more effectively manage populations of chronically ill patients.



As we move forward in our journey to transform healthcare, our planned acquisition of Covidien is an exciting opportunity and reinforces our desire to make a meaningful difference. This is a highly strategic and compelling acquisition fully aligned with our [Mission](#) of alleviating pain, restoring health, and extending life for patients around the world. It accelerates our growth strategies and bolsters the long-term sustainability of both enterprises. Combined, we can accelerate our common goal to address universal healthcare needs and improve health systems around the world.

One of the aspects of our business that I am most proud of is our people and their commitment to working responsibly. While we have diverse backgrounds and skills, we are all guided by common values and our understanding of the importance of ethical behavior, laws, and social norms. And, our commitment to working responsibly extends to our commitment to the environment. In 2014, we set new environmental goals, after successfully achieving the majority of our 2013 environmental objectives. By 2020, we are looking to reduce our greenhouse gas emissions, energy use, and solid waste by an additional 15 percent, and our water use and regulated waste by an additional 10 percent.

In 2014, we provided lifesaving therapies and solutions that reached more than 10.5 million patients globally. We have extended the reach of Medtronic and our [Mission](#) remains as relevant today as it was when we were established 65 years ago. Achieving these results reflects the dedication and passion of more than 49,000 Medtronic employees living our [Mission](#) every day, collaborating with our partners to deliver therapies and services to millions of people around the globe.

Thank you for your continued interest in and support of Medtronic.

A handwritten signature in black ink, appearing to read 'Omar Ishrak'. The signature is fluid and cursive.

Omar Ishrak  
Chairman and Chief Executive Officer

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# **2014 Highlights & Summary Data**

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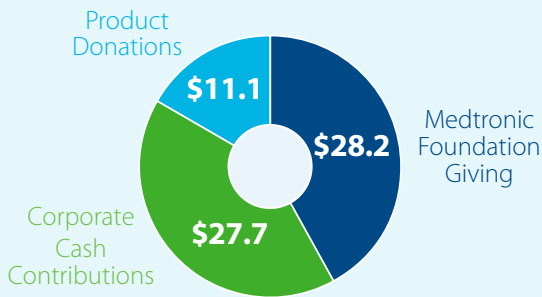
# 2014 Highlights & Summary Data

Fiscal Year (FY) 2014, which ended on April 25, 2014, is the first year that we are producing an integrated report on our performance. This is one of the ways we are working to strengthen the connection between our sustainability efforts

and our business strategy. Our performance highlights reflect these efforts and demonstrate how we are creating value to shareholders and society, while continuing to operate responsibly.

## VALUE TO SOCIETY

### Investing in Community (in millions)



**\$67 million total**  
PHILANTHROPIC CONTRIBUTIONS

**\$1.5 billion**  
Research and Development investment

1,700+ new patents awarded  
**27,000+**  
TOTAL PATENTS

**33%** of revenue from  
NEW PRODUCTS\*

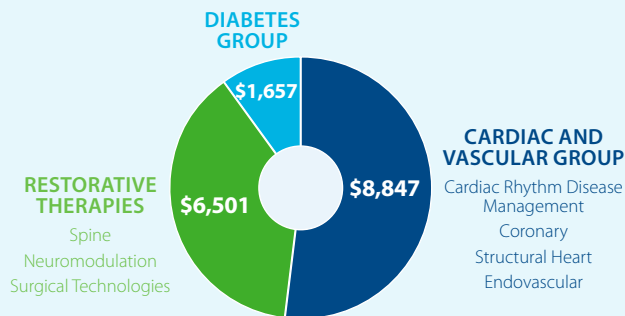
\*New products defined as products launched within the last 3 years.

EVERY 3 SECONDS  
one person's life is improved  
by Medtronic Therapies and Solutions

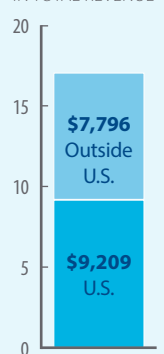


**10.5 MILLION PEOPLE** BENEFITED FROM  
MEDTRONIC THERAPIES AND SOLUTIONS

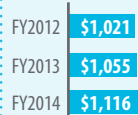
### FY2014 Net Sales (in millions)



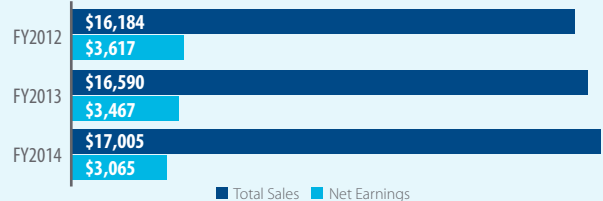
### \$17 billion IN TOTAL REVENUE



### Dividends to Shareholders (in millions)



### Total Sales / Net Earnings (in millions)



# WORKING RESPONSIBLY



**49,000**  
employees

5,600+ SCIENTISTS AND ENGINEERS

1,000+ CLINICAL PROFESSIONALS

we operate in

**140+**  
countries

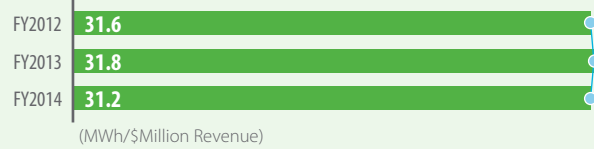


**\$45.8 MILLION**  
spent on employee  
training and development

**\$6.2 billion**  
total spend with suppliers



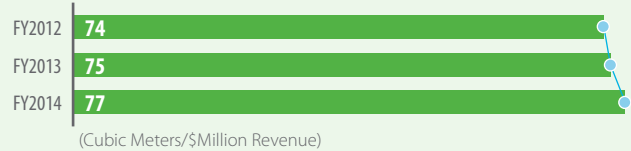
Energy Use



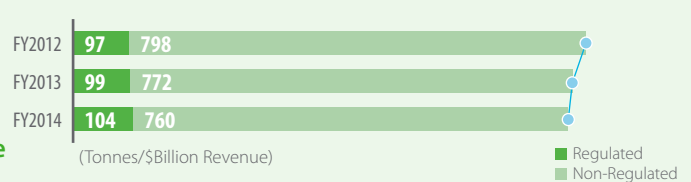
CO<sub>2</sub> Emissions



Water Use



Regulated and  
Non-Regulated Waste



■ Regulated  
■ Non-Regulated

# Summary Data Table

All dollar figures listed below are in millions with the exception of Value of Employee Volunteer Grants.

VALUE TO SOCIETY					
	FY2010	FY2011	FY2012	FY2013	FY2014
Sales (Total)	\$15,392	\$15,508	\$16,184	\$16,590	\$17,005
Sales (U.S.)	\$9,136	\$8,872	\$8,828	\$9,059	\$9,209
Sales (Outside the U.S.)	\$6,256	\$6,636	\$7,356	\$7,531	\$7,796
Net Earnings	\$3,099	\$3,096	\$3,617	\$3,467	\$3,065
Repurchase of Common Stock	\$1,030	\$1,140	\$1,440	\$1,247	\$2,553
Dividends to Shareholders	\$907	\$969	\$1,021	\$1,055	\$1,116
Additions to Property, Plant, and Equipment	\$573	\$501	\$484	\$457	\$396
Research and Development Investment	\$1,424	\$1,472	\$1,490	\$1,557	\$1,477
Research and Development Investment (as % of total revenue)	9.3%	9.5%	9.2%	9.4%	8.7%
Patents Filed in the U.S. <sup>1</sup>	618	697	770	770	420
Patents Files in Foreign Jurisdictions <sup>1</sup>	880	590	418	1,033	772
Medtronic Foundation Giving	\$29.2	\$30.6	\$32.9	\$33.7	\$28.2
Corporate Cash Contributions	\$28.3	\$19.2	\$22.3	\$21.7	\$27.7
Product Donations	\$18.0	\$10.1	\$7.8	\$9.0	\$11.1
Volunteer Grant Hours	56,221	60,708	59,075	40,139	39,855
Value of Employee Volunteer Grants	\$540,935	\$688,167	\$581,229	\$465,268	\$432,465

<sup>1</sup>2010 patent numbers reflect calendar year totals; all others reflect fiscal year totals.

WORKING RESPONSIBLY					
	FY2010	FY2011	FY2012	FY2013	FY2014
Medtronic Global Workforce <sup>2</sup>	39,986	43,234	42,471	43,091	43,707
Females in Overall Workforce	48%	49%	49%	49%	49%
U.S. Diversity (Race / Ethnicity) in Overall Workforce <sup>3</sup>	N/A	28%	28%	28%	29%
Total Amount Spent on Employee Training and Development	N/A	\$63.5	\$56.9	\$53	\$45.8
Employee Injury Incident Rate <sup>4</sup>	1.00	1.13	1.05	1.03	0.87
Employee Lost/Restricted Workday Case Rate <sup>5</sup>	0.47	0.51	0.47	0.45	0.39
Non-Regulated Waste <sup>6</sup> (Tonnes / \$Billion of Revenue)	771	814	798	772	760
Regulated Waste <sup>6</sup> (Tonnes / \$Billion of Revenue)	86	94	97	99	104
Energy Use <sup>6</sup> (MWh / \$Million Revenue)	30.4	31.6	31.6	31.8	31.2
CO2 Emissions <sup>6</sup> (Tonnes / \$Million Revenue)	14.2	14.9	14.9	12.0	11.7
Volatile Organic Compound Emissions <sup>6</sup> (Tonnes / \$Billion of Revenue)	8.6	8.3	8.4	7.5	9.2
Water Use <sup>6</sup> (Cubic Meters / \$Million Revenue)	76	72	74	75	77

<sup>2</sup> Global Workforce figures do not include temporary and contingent workers.

<sup>3</sup>U.S. Diversity excludes Puerto Rico

<sup>4</sup>The number of work-related injuries or illnesses serious enough to require treatment beyond first-aid, per 100 employees working a full year.

<sup>5</sup>The number of work-related injuries or illnesses serious enough to cause an employee to miss one or more work days or to have one or more work days of restricted duty, per 100 employees working a full year.

<sup>6</sup>Environmental data reflects ongoing updates by our contributing locations, which may cause minor discrepancies in numbers reported in past years.



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# **Company Overview**

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## Company Overview

At Medtronic, we are committed to using our technologies, services, people, and insights to help deliver better patient access and outcomes. All of our efforts are rooted in our [Mission](#) “to alleviate pain, restore health, and extend life” for people around the world.

We recognize that we need to think at the healthcare system level in order to fix patient care at the individual level. Our thinking includes considering patient care over the long-term and opportunities to increase the operational efficiency of care facilities. This is critical to address the challenges of a strained healthcare system, mainly driven by rising costs, economic decline, and an aging population. It is also an essential ingredient in transforming healthcare.

Our approach to achieving sustainable growth is focused on three strategies:

- **Therapy Innovation** — We seek to expand market leadership by innovating new therapies.
- **Economic Value** — We wish to transform to a more value-based healthcare company, leveraging the economic value of our products and services.
- **Globalization** — We seek to increase access to existing therapies through globalization, especially in emerging markets.

In FY2014, we made significant strides in providing therapies and solutions that improve the quality of life for people [globally](#).

## Organizational Profile

Groups	Business Units	Net Sales (\$Million) in 2014
Cardiac and Vascular Group (CVG)	Cardiac Rhythm Disease Management	\$4,996
	Coronary	\$1,744
	Structural Heart	\$1,212
	Endovascular	\$895
	<b>CVG Total</b>	<b>\$8,847</b>
Restorative Therapies Group (RTG)	Spine	\$3,041
	Neuromodulation	\$1,898
	Surgical Technologies	\$1,562
	<b>RTG Total</b>	<b>\$6,501</b>
Diabetes Group	<b>Diabetes Group Total</b>	<b>\$1,657</b>

## GROUP OVERVIEWS

### Cardiac and Vascular Group

Our Cardiac and Vascular Group (CVG) brings all Medtronic cardiac and vascular businesses together into one cross-functional, collaborative operating unit. CVG provides innovative and comprehensive solutions that extend beyond the industry’s broadest portfolio of technologies to programs and services that drive efficiencies and economic value across the care continuum.

#### Product Categories

- Ablation products
- Aortic stent graft systems
- Coronary angioplasty technologies
- Electrophysiology catheters
- Implantable defibrillators
- Leads and delivery systems
- Open heart and coronary bypass
- Grafting surgical products
- Pacemakers
- Peripheral angioplasty technologies
- Coronary and peripheral stents
- Surgical heart valves
- Transcatheter heart valves

#### Services and Solutions

- Remote monitoring and patient-centered software
- Patient management tools
- Catheterization lab facilities management

### Restorative Therapies Group

The Restorative Therapies Group (RTG) provides innovative, life-changing restorative therapies and services to meet the needs of millions of people worldwide who suffer from a wide range of chronic medical conditions.

#### Product Categories

- Advanced energy surgical instruments
- Balloon kyphoplasty systems
- Bone graft and biologic products
- Deep brain stimulation devices and leads

- Devices for cranial trauma and tumors, critical care, and hydrocephalus
- Drug delivery devices and catheters
- Image-guided surgery and intra-operative imaging systems
- Products to treat conditions of the ear, nose, and throat
- Products to treat incontinence and gastroparesis
- Spinal cord stimulation devices and leads
- Spine motion preservation devices
- Thoracolumbar and cervical spine fixation systems
- Orthopedics and joint reconstruction

## Diabetes Group

The Diabetes Group at Medtronic is the world leader in advanced diabetes management solutions, including integrated diabetes management systems, insulin pump therapy, continuous glucose monitoring systems, and therapy management software, as well as world-class, 24/7 expert consumer and professional service and support.

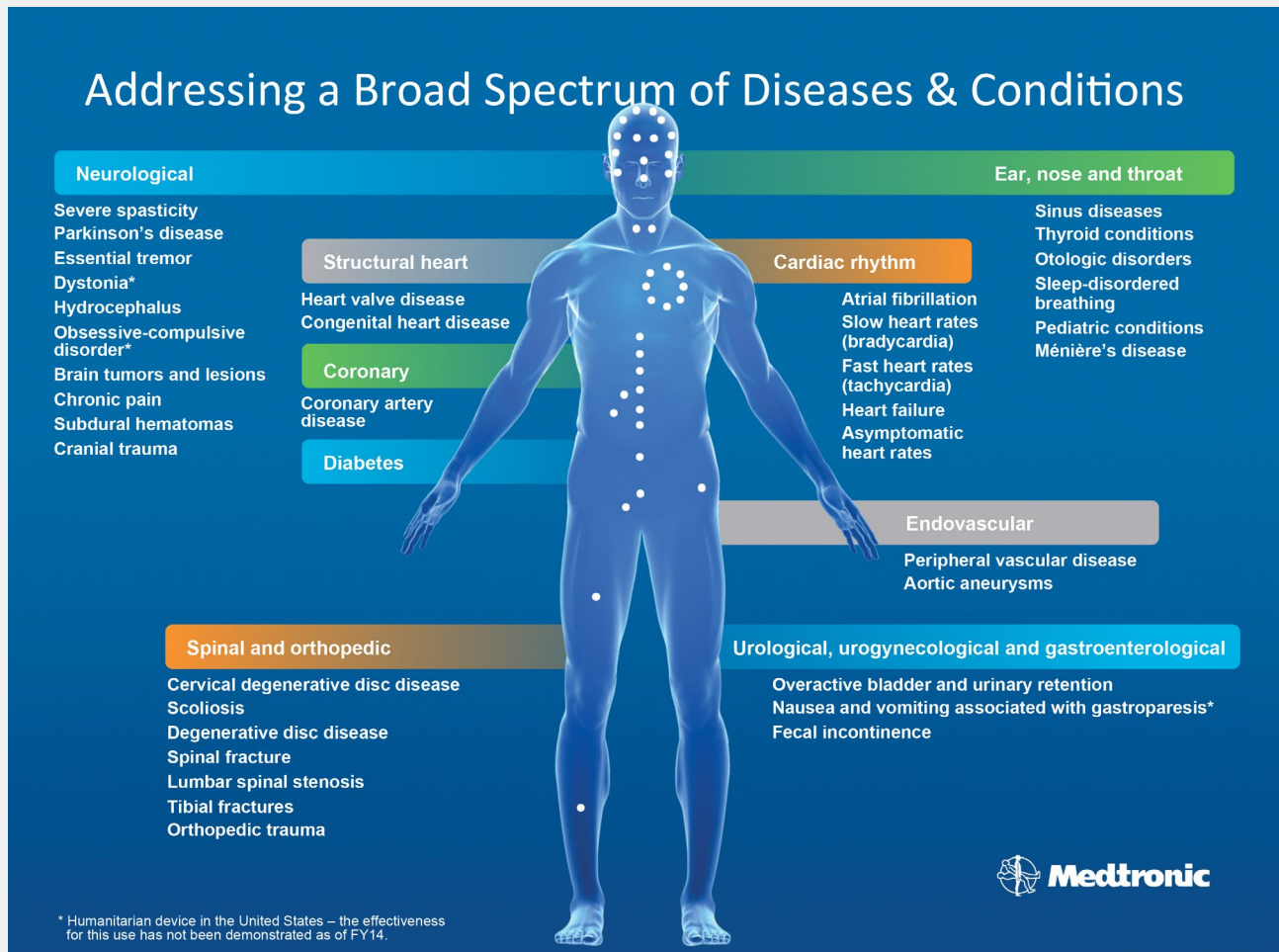
### Product Categories

- External insulin pumps
- Subcutaneous continuous glucose monitoring systems
- Therapy management software

## Our Solutions

Chronic, noncommunicable diseases (NCDs) are the leading cause of mortality worldwide and a significant financial burden on society. With our broad array of therapies, services, and solutions addressing chronic

conditions, Medtronic is uniquely positioned to advance healthcare worldwide and improve the quality of life of millions of people.



# Our Global Footprint

With a presence in more than 140 countries, we continue to expand into new markets and categories and partner across the entire care continuum to improve healthcare.

As a problem solver that collaborates across borders, we can be bold in breaking down barriers to find solutions that deliver better patient access and outcomes.

## VALUE TO SOCIETY

## WORKING RESPONSIBLY



### Rice Creek, Minnesota, US

In our Rice Creek facility, we launched a precious metal reclamation project, in which we recycle metals from explanted devices. Thus far, this has resulted in a cost avoidance of over \$60,000 and a precious metal recovery return of nearly \$150,000.



### Monmouth Junction, New Jersey, US

In December 2013, we acquired TYRX, Inc., a developer of implantable combination antibiotic drug and implanted medical devices. Through this acquisition we will be able to leverage TYRX, Inc.'s technologies as a complement to our Cardiac Rhythm portfolio, in an effort to further reduce infection risk.



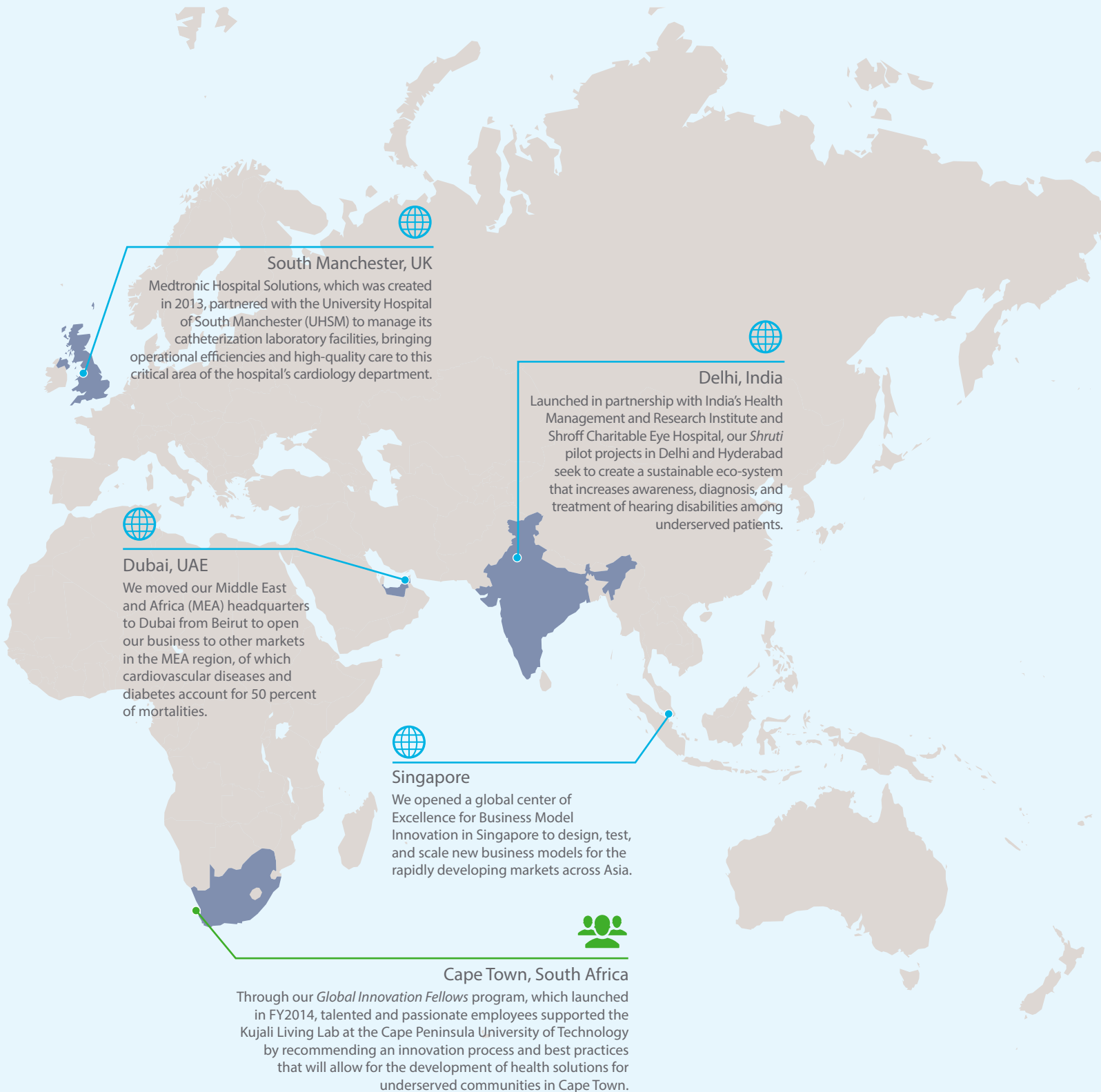
### Humacao, Puerto Rico

We invested \$6 million to improve our manufacturing plants in Juncos and Humacao, Puerto Rico. This action is expected to create 150 new jobs over the next three years.

# Our Global Footprint

 VALUE TO SOCIETY

 WORKING RESPONSIBLY



# Sustainability

Last year, we conducted a materiality assessment to identify issues that are critical to the long-term sustainability of our business.

Our process included interviews with internal stakeholders, including those at the highest levels of our company, and external stakeholders, such as policy makers, customers, investors, and representatives of nongovernmental organizations and industry associations. These interviews focused on current and emerging issues facing our industry and how these issues may influence Medtronic—from our ability to generate revenue, to our effectiveness and efficiency of operations, to our brand reputation.

The following emerged as our most material sustainability issues and areas of priority focus for the Company moving forward:

- **Access** – Includes the availability, accessibility, and affordability of new technologies and solutions as well as care facilities and healthcare education programs. It also includes cooperation and partnership with players in the healthcare ecosystem to ensure the consistent and safe delivery of products and services.
- **Product Quality** – Includes the design, reliability, manufacturability, supplier quality, and global compliance of products as well as corrective action work and complementary investments in personnel, training, IT tools, and automation to improve product quality.

- **Ethics in Sales and Marketing** – Includes responsible business practices related to brand management, marketing, communications, and promotions. It also considers the prevention of anti-competitive practices and compliance with regulatory authorities.
- **Responsible Procurement** – Includes leveraging external standards including labor and environmental practice policies, codes of conduct, and applicable audits related to procurement. It also includes monitoring and evaluating suppliers' performance on these standards or our related policies.
- **Product and Packaging Environmental Impacts** – Includes thinking about the lifecycle of our products and packaging, whether that be encouraging eco-design or delivering end-of-life solutions, such as initiatives related to disposal or recycling.

Information about our approach to these issues is included throughout this report.

During FY2015, we will be working to define appropriate performance objectives and metrics that will demonstrate our continued commitment and progress in each area.

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# **Value to Society**

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## Value to Society

Our [Mission](#) compels us to look and work beyond our walls and to play a leadership role in solving the serious healthcare challenges facing our society.

In the Value to Society section of this report, we provide information on the products and services we offer, markets we serve, and communities we impact. We also discuss how our business—through strategic focus areas, smart financial management, and good investments—supports improvements in global healthcare.

## Access

Last year, more than 10.5 million people benefited from our medical therapies and solutions, which treat cardiac and vascular diseases, diabetes, and other health issues, including neurological and spinal conditions. That's one person – one life improved – every 3 seconds.



Noncommunicable diseases (NCDs) – including heart disease and diabetes – are quickly becoming the world's greatest health issue. They already account for more than 60 percent of all deaths worldwide and are projected to increase by 15 percent by 2020. The social and economic impact NCDs will have on our world in the coming decades will be profound — unless we take action now. As one of the world's leaders in providing products and services that treat many chronic conditions, we are using our technology, services, people, and insights to innovate, provide global access, and align clinical and economic value.

## MEANINGFUL INNOVATIONS

Healthcare systems across the world are struggling to increase patient access to healthcare at reduced costs. We are helping to meet these challenges by:

- Producing new products and therapies,
- Exploring different business models, and
- Conducting research into solutions that deliver value and improved patient outcomes.

### New Products & Therapies

We work across borders, disciplines, and industries to deliver new and innovative medical technology solutions. Some of the highlights of our products that received approval from the U.S. Food and Drug Administration (FDA) during FY2014 include:

- **MiniMed® 530G with Enlite®:** We received FDA approval for a device system with Threshold Suspend automation. Our system is the first in the U.S. that can automatically stop insulin delivery when sensor glucose levels fall below a predetermined threshold if the user is unable to respond to the threshold suspend alarm. The new sensor-augmented insulin infusion system can help people gain better control of their diabetes versus multiple daily injections of insulin.
- **CoreValve® System:** We received FDA approval for our CoreValve® System, which provides a safe way to replace damaged aortic valves for severe aortic stenosis patients who are too sick or frail to undergo open-heart surgery.
- **Reveal LINQ™:** We announced FDA clearance and the global launch of our Reveal LINQ™ Insertable Cardiac Monitor (ICM) System, the smallest implantable cardiac monitoring device available for patients. The Reveal LINQ™ ICM is approximately one-third the size of a AAA battery, allowing for a minimally invasive implant procedure of this device, which helps physicians diagnose and monitor irregular heartbeats remotely.
- **RestoreSensor® SureScan® MRI:** In FY2014, we introduced the first and only implantable neurostimulation systems for use in the treatment of chronic, intractable back and/or limb pain that are approved by the FDA for conditionally safe full-body Magnetic Resonance Imaging (MRI) under specific conditions. Our RestoreSensor® SureScan® MRI neurostimulation system is specially designed to reduce or eliminate the hazards produced by the MRI environment.



## Key products and therapies that received U.S. FDA approval or CE (Conformité Européenne) Mark approval in FY2014:

### MAY 2013

**FDA** FDA approval of the **Endurant® II Aorto-Uni-iliac Stent Graft System** for the primary endovascular treatment of infrarenal abdominal aortic or aorto-iliac aneurysms.

**CE** CE Mark of **CapSureFix® Novus™ 5076 Lead**, approved for use in an MRI environment when paired with a Medtronic MR-Conditional pacemaker.

**CE** CE Mark of the **CoreValve®** and **CoreValve® Evolut™ transcatheter aortic valve implantation (TAVI)** systems for severe aortic stenosis patients.

### SEPTEMBER 2013

**FDA** FDA approval of the **Complete SE** (self-expanding) vascular stent for use in lower extremities.

**FDA** FDA approval of the **MiniMed® 530G** with **Enlite®**, a device system for people with diabetes with Threshold Suspend automation that can automatically stop insulin levels when sensor glucose levels fall below a predetermined threshold.

### NOVEMBER 2013

**FDA** FDA approval of our proprietary **Lead Integrity Alert™ software** for use with non-Medtronic leads.

### FEBRUARY 2014

**FDA** FDA 510(k) clearance and CE Mark of the **Reveal LINQ™ Insertable Cardiac Monitor System**, the smallest implantable cardiac monitoring device available for patients.

### AUGUST 2013

**FDA** FDA approval of **RestoreSensor® SureScan® MRI** neurostimulation systems, the first and only implantable neurostimulation systems for use in the treatment of chronic, intractable back and/or limb pain that are approved for conditionally safe full-body **Magnetic Resonance Imaging (MRI)** under specific conditions.

### OCTOBER 2013

**CE** CE Mark of **Compact Cornerstone-SR® Alliance™**, a new cervical cage system that gives the surgeon a variety of implant options for different patient anatomies.

### JANUARY 2014

**FDA** FDA approval of the **CoreValve® System** for severe aortic stenosis patients.

**FDA** FDA approval of the **SureScan® pacing systems** as the only pacing system that can be used with MRI scans positioned on any region of the body.

### APRIL 2014

**CE** CE Mark of the **Evera MRI™ SureScan® implantable cardioverter-defibrillator System**, the first and only ICD system approved for MRI scans positioned on any region of the body.

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## Medtronic at Work: Shanghai Innovation Center

We opened an innovation center in Shanghai in 2012 as part of our commitment to expand patient access to therapies and solutions in China. In little more than one year, the Medtronic Shanghai Innovation Center launched its first product – a titanium cranial closure system used for treatment of skull damage – in November 2013. The Ti-Hot Cranial Closure System is our first product designed for the value segment of the Chinese healthcare industry. It is a product that better serves the needs of Chinese customers by addressing local affordability and accessibility challenges.

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## Market Challenges

Bringing products to market is one of the most challenging tasks of any healthcare company. The following are some of the challenges we faced during FY2014, which we continue to work through to ensure we meet not only regulatory standards, but also our own high standards of safety, quality, and accessibility.

- **SYMPPLICITY HTN-3:** Our renal denervation for treatment-resistant hypertension did not meet its primary efficacy endpoints in a U.S. pivotal clinical trial. We formed a panel of independent advisors to review the trial results and make recommendations about the program and patient access to the technology.
- **Infuse® Bone Graft:** In a ground-breaking move toward greater industry transparency, we commissioned Yale University to conduct an independent review of clinical data for Infuse® Bone Graft, a proprietary formulation of recombinant bone morphogenetic protein-2 (rhBMP-2) used in certain spinal procedures to stimulate natural bone growth, in response to questions raised about data published in peer-reviewed medical journals. The results of the review added to a growing body of evidence regarding Infuse® Bone Graft as a safe and effective treatment option for patients in FDA-approved indications for use. The findings also reiterated, as with all therapies and surgical procedures, that Infuse® Bone Graft poses certain risks that must be evaluated carefully by patients and physicians before use.

## New Business Models

We also are exploring new business models that solve broader challenges within the healthcare system. In FY2014, we announced the formation of Medtronic Hospital Solutions, a new business focused on creating novel partnerships with hospitals to improve operational efficiencies while maintaining high-quality care and increasing patient access. Initially, Medtronic Hospital Solutions will offer services in Europe to manage and modernize catheterization lab facilities, bringing sustainable efficiencies to a critical area of hospital cardiology departments.

Following a successful pilot program at Maastricht University Medical Center in The Netherlands, Medtronic Hospital Solutions was awarded two long-term tenders to manage catheterization lab facilities for the University Hospital of South Manchester (UHSM) NHS Trust and Imperial College Healthcare NHS Trust in London, U.K. At the end of FY2014, we had signed long-term agreements with 14 hospital systems to manage catheterization lab facilities, including the three hospital systems named above, and were in discussions with more than 90 hospitals in Europe to develop similar programs.

## Clinical Research Programs

We also work to advance discoveries through evidence-based research that bring safe and effective medical therapies to patients. Clinical trials, which we conduct and sponsor across several geographies, play an essential role in this process. Some of the major clinical trials initiated in FY2014 include:

- **Deep Brain Stimulation Study:** In August 2013 we announced the launch of a study that provides research on the Activa® PC+S Deep Brain Stimulation (DBS) system, which delivers our DBS therapy while sensing and recording brain activity. Broad access to our Activa® PC+S DBS system through this study may allow researchers to make the link to brain signals that cause neurological and psychological disorders, such as Parkinson's disease.
- **Cardiac Pacemaker Study:** We launched a global clinical trial in December 2013 for the Micra™ Transcatheter Pacing System (TPS) – the world's smallest minimally

invasive cardiac pacemaker. At one-tenth the size of a conventional pacemaker, Micra™ TPS is comparable in size to a large vitamin. It can be introduced directly into the heart via a minimally invasive procedure.

- **Sudden Cardiac Arrest Study:** We launched the *Improve Sudden Cardiac Arrest (SCA) Clinical Study* in March 2014 designed to better identify patients in developing countries at a high risk for SCA, who have not previously experienced a life-threatening heart arrhythmia. The study will help provide the clinical evidence needed to help primary prevention patients at the highest risk of SCA access the therapy they need.

## GLOBAL ACCESS

We believe everyone should have access to quality, affordable healthcare, regardless of their economic circumstances or geographic location. Yet, we live in a world in which healthcare costs continue to increase sharply while more than 80 percent of the world's population lives on less than \$10 a day. In an effort to advance our vision - where every person suffering with a chronic disease who could benefit from our diagnostic, therapeutic, and disease management solutions can get them - we pursue various avenues to increase global access to care, including:

- New global partnerships,
- Healthcare capacity building,
- Patient Access Acceleration, and
- Our commitment to the underserved.

### New Global Partnerships

A key way we improve access to treatments is to work with partners who can expand access to our technologies and services in emerging economies. Examples from FY2014 include:

- **Type 1 Diabetes Collaboration in China:** In May 2013, we entered into an innovative partnership with the National Institute of Hospital Administration (NIHA), an important think tank under China's National Health and Family Planning Commission, to carry out a series of research projects focused on building an integrated care pathway for people with type 1 diabetes. Our partnership

with the NIHA will help to gather insights on ways to improve the treatment of people with type 1 diabetes and support a national system in China for improving the treatment of type 1 diabetes more broadly.

- **Kidney Disease Partnership in India:** In October 2013, we announced a collaboration with Apollo Hospitals, the largest healthcare provider in India, to bring to market an affordable and portable hemodialysis system that will help increase access to care for end stage renal disease patients who need renal replacement therapy. In India, approximately 10 percent of adults (nearly 75 million people) suffer from chronic kidney disease. Our collaboration with Apollo and our ability to deploy this unique kidney dialysis system from a hospital to a home or village setting will not only reduce barriers to treatment, but also help to significantly lower the cost of dialysis treatment.
- **International Partnership for Innovative Healthcare Delivery (IPIHD):** As a founding member of IPIHD, we have connected with stakeholders who are also interested in expanding access. Launched at the recommendation of the World Economic Forum Steering Committee in 2011, IPIHD seeks to identify, replicate, and scale up innovative models of healthcare delivery around the world. Our collaboration with a mobile telemedicine company, ClickMedix, to create a screening and diagnosis tool for hearing disabilities is an example of one fruitful partnership we developed through our participation in IPIHD (see the example of our [Shruti](#) program).
- **Healthy Heart for All in India (HHFA):** HHFA, a program created by Medtronic in partnership with local hospitals in India, successfully increased patient access to cardiac therapies and to treatment financing options by connecting patients to the HHFA care network, which includes health hotlines, patient counselors, heart screenings, and other outreach activities. Launched in 2011, HHFA is now available through 100 hospitals in 25 cities across India and more than 14,600 people have been screened through the program, with 9,186 receiving treatment. Our goal is to partner with 600 hospitals and care centers during the next three years. The program also launched in the Philippines during FY2014, with promising initial results.



## Healthcare Capacity Building

In FY2014, we invested \$97.5 million in healthcare professional training to increase practitioners' application and use of the latest medical technology. In South Asia and India alone, we trained a total of 4,100 healthcare professionals. This includes customers trained across Cardiac Rhythm Disease Management, Coronary, Spine, and Diabetes therapies. Customers trained included:

- Specialists such as interventional cardiologists, spine surgeons, endocrinologists, and diabetologists;
- Non-interventional cardiologists; and
- Post-graduate cardiology fellows.

In India, training is offered at our Therapy and Procedure Training Centres (TPTC) in Mumbai, Chennai, and Delhi. Other trainings are delivered in partnership with hospitals and medical colleges.

In China, we continue to help patients and physicians gain a better understanding of available treatments and therapies through events and programs at our Beijing Patient Care Center and our hospital-based patient care centers in Beijing, Tianjin, Taiyuan, Datong, Zhengzhou, Heilongjiang, Wuhan, Nanjing, Shanghai, Xiamen, Hangzhou, and Guangzhou. During FY2014, more than 4,000 people participated in 90 events held at the various centers, and an additional 25,000 people were reached via a corresponding hotline and website addressing more than 15 common chronic diseases, such as coronary heart disease, arrhythmia, hypertension, diabetes, and valvular heart disease. In addition, 108 physicians attended 11 medical technology training programs at our Beijing Patient Care Centre.

Our investments in new training centers around the world are another way we advance physician training. Training centers that opened in FY2014 include:

- **Bangladesh** – We opened our first office in Bangladesh, which will also serve as a training center for healthcare professionals. We plan to work with the country's National Institute of Cardiovascular Diseases to provide training and infrastructure for catheterization labs used to diagnose heart conditions.

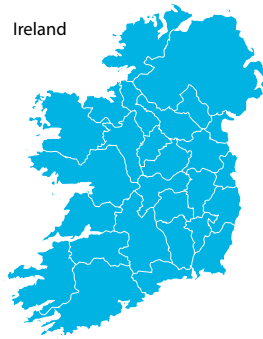


## Healthy Heart for All Growth in India

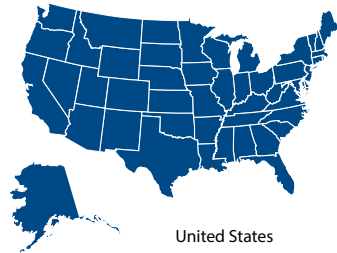
	FY2012	FY2013	FY2014
Cities Where HHFA is Available	4	20	25
Hospitals Where HHFA is Available	8	70	100
Patient Screening Camps	100+	600+	900+
People Screened Through Camps	200+	12,000+	14,600+
People Counseled on Cardiac Diseases	8,000+	20,000+	24,000+
Below Poverty Line* Patients Implanted with Pacemakers through Low-tiered Service	60	110	115
Loans to Patients with Affordability Issues	50	200	424
Referring Physicians Educated on Specific Cardiac Therapies	200	1,000	1,115
Patient Counselors Trained	8	50	42

\*Below poverty line is defined as living on less than \$2.70 per day.

- **Ireland** – We opened a new Customer Innovation Center in Galway, Ireland. The center provides state-of-the-art facilities for physicians and our engineers to work together to develop new therapies. As many as 500 physicians and customers are expected to visit the center every year.



- **U.S.** – We opened a Surgeon Education and Training Center in Jacksonville, Florida. The \$14 million facility contains a 10,000 square foot auditorium, 4,000 square feet of product research and development space and a 3,000 square foot customer training lab. Each year, more than 750 surgeons and other healthcare professionals from around the world are expected to train at the center with our latest integrated surgical solutions.



We also invested nearly \$23 million in patient education, enabling patients and their families to be better informed and more actively manage their conditions.

### **Patient Access Acceleration**

The Patient Access Acceleration (PAA) process, developed by Medtronic, is used to assess and address barriers that prevent access to our treatments. These barriers include therapy readiness, evidence of clinical and economic value, reimbursement, coverage, budget constraints, and hospital and physician capacity. The detailed analyses provided by our PAA process and tools reveal important insights that can accelerate access to our therapies in a given area through efforts targeted at overcoming the identified barriers. For example, at the country level, clinicians may not be trained to diagnose even a highly prevalent condition that could be effectively treated with one of our therapies. By helping to improve diagnosis rate, physician training, and patient flow, we are able to bring life-enhancing therapies to the patients who need them and advance the therapies to standard of care.

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### **Medtronic at Work: Bringing Life-Saving Valve Treatment to More Patients in Europe**

A recent PAA project in a hospital in Europe resulted in a three-fold increase in the identification of patients who would benefit from receiving Transcatheter Aortic Valve Implantation (TAVI) to treat severe aortic stenosis, a condition that decreases blood flow from the heart. In the treatment area of a local hospital, a thorough PAA analysis of the appropriate patient pool of this condition estimated that 143 patients would benefit annually from the therapy. Yet only 43 patients were receiving the procedure each year. The PAA process helped identify the specific barriers to adoption at this location – mainly related to capacity issues and referral linkages – which led the hospital to design and execute projects addressing those barriers. This resulted in an increase of patients treated annually to 122.

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### **Commitment to the Underserved**

We are expanding access to quality healthcare to underserved populations worldwide. In FY2014, we introduced our Global Health Initiative, a strategic approach to harnessing our power to help build sustainable businesses models that have social impact, address unmet needs of patients, and increase global access to care. We have launched several projects addressing an array of conditions in either an exploratory or piloting stage, including our *Shruti Program*, highlighted below.

In addition to our Global Health Initiative, we recently launched *HealthRise*, a five-year \$17 million Medtronic Philanthropy program that supports community-based demonstration projects specifically designed to expand access to care and management of NCDs, such as heart disease and diabetes, for underserved populations. *HealthRise* projects will initially be focused in select communities in Brazil, India, South Africa, and the U.S. Projects will begin with comprehensive community health system assessments led by public health experts, community organizations, and local leaders to identify barriers and gaps within that system for underserved populations. Using a continuum of care approach developed by Medtronic Philanthropy, we plan to improve community-based healthcare services by awarding grants to local organizations

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## Medtronic at Work: Shruti Program

Launched in partnership with more than 10 local and international organizations, our Medtronic Surgical Technologies *Shruti* program is a social business initiative that seeks to create a sustainable eco-system to improve awareness, diagnosis, and treatment of hearing disabilities among underserved patients in Asia and Africa. Up to 330 million people worldwide suffer from chronic ear infections and disabling hearing loss, which often has a direct bearing on their educational and employment opportunities. Because more than 90 percent of these individuals live in emerging and developing markets, our efforts in these regions can have a profound impact.

Through the *Shruti* program, patients are screened by community health workers (CHWs) trained to use a mobile otoscope diagnostic tool and diagnosis and management app developed in partnership with Indian design firm Icarus Nova and mobile telemedicine company ClickMedix, respectively. CHWs transmit the results to healthcare professionals for review, and follow-up treatments are prescribed as appropriate.

A pilot of the program was launched in July 2013 at Dr. Shroff's Charity Eye Hospital in New Delhi, with subsequent expansion to a second site in Hyderabad, which was created in partnership with India's Health Management and Research Institute. In its first year, the *Shruti* program screened more than 24,000 patients, referred more than 9,000 people to specialist care, and resulted in more than 120 surgeries. *Shruti's* first international expansion is due to launch in the fall of 2014 with the addition of a partnership with Grameen Kalyan in Bangladesh. Our long-term goal is to expand the program across South Asia, Southeast Asia, and Sub-Saharan Africa.

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that focus on recruiting and training frontline health workers, conducting patient empowerment and education programs, and supporting local stakeholder engagement and policy efforts that will advance access to NCD healthcare. Additional information about our global philanthropic commitment to expanding access to chronic disease care for the underserved can be found in our [Community Investment](#) chapter.

In FY2014, we also partnered with The Johns Hopkins University, providing a three-year grant and mentorship to biomedical engineering students to help them design new healthcare solutions and medical devices for underserved patients in developing markets. We launched the program in July 2013, pairing a team of five engineers from our Cardiac Rhythm Disease Management division with five Johns Hopkins graduate students. During the first year, the partnership focused on creating an accurate diagnostic tool for use by rural healthcare providers in India that promotes awareness of heart arrhythmia conditions.

Product donations are another way we expand access to quality healthcare to underserved populations worldwide. In FY2014, we donated \$11.1 million in products around the world.

## ALIGNING VALUE

We are focused on reducing the total cost of care while maintaining or improving clinical outcomes and quality, and are eager to work with healthcare stakeholders who are committed to building integrated, value-based healthcare models. We act upon this through:

- Economic value assessments,
- Product cost savings, and
- Product reimbursement and pricing.

### *Economic Value Assessments*

We continue to use a five-phase process we created in FY2013 to determine the economic value of our products as a means to enhance and expand our offerings to customers. Our emphasis on economic value reflects our commitment to deliver innovations that address one or more of the universal healthcare needs – outcomes, access, and cost and efficiencies. By developing a means to translate clinical value into economic value, we can overcome barriers to market penetration and differentiate Medtronic as a global leader.

## Our Economic Value Assessment Process



Additionally, to better determine the economic value of a medical device or procedure, we are gathering data and insights from hospital systems, health insurance companies, governments, and others. For example, we entered into a unique partnership with Aetna, a U.S. insurance provider, in March 2014 to identify and reach up to 300 insured patients with uncontrolled type 2 diabetes who may be able to improve their health using insulin pump therapy. These patients will receive targeted education, case management, and other patient support to help control blood sugar, which may also lower their healthcare costs. Information gathered from the program is expected to help doctors and other healthcare providers more easily identify and support those who can benefit most from insulin pump therapy and determine the impact on overall health outcomes and medical costs, such as reduced emergency room visits and hospital stays.

### Product Cost Savings

Following the successful completion of reducing our product costs by \$1 billion from FY2008 to FY2012, we set a new goal in FY2013 to deliver \$1.2 billion in product cost savings over the next five years. A variety of initiatives will produce these savings, including streamlining manufacturing, redesigning for more efficient manufacturing, and developing new architectures that reduce costs and improve performance concurrently.

These programs enable us to tier our product offerings and support our expansion into the value segment, particularly in Emerging Markets.

To lessen health cost burdens, we joined the Partnership for Quality Medical Donations (PQMD). PQMD is an alliance of nonprofit and corporate organizations committed to bringing measurable health impact to underserved people through active engagement with local communities. PQMD members and their partners combine product donations with cash, volunteers, training, and other services to support a wide range of global health programs.

### Product Reimbursement & Pricing

Through reimbursement of our products and appropriate pricing, we provide greater patient access to our therapies.

As global concerns about rising healthcare costs drive cost containment initiatives and heightened accountability for efficient, high-quality care, payers and purchasers around the world are becoming increasingly sophisticated and rigorous in their expectations that therapies provide both clinical and economic value.

To address this trend, in FY2014, our Global Health Economic and Reimbursement Team supported the integration of our enterprise-wide [economic value assessments](#), which seek to gauge the economic value of our products and services. Execution of our economic value strategy will strengthen our efforts to advance a value-driven, proven product portfolio that recognizes the needs of broader customer groups. The team also took a closer look at our reimbursement and pricing to understand how it impacts the adoption and utilization of our solutions and developed tools and training to support global business units and local experts in shaping and tracking reimbursement and pricing strategies.

We are also improving the affordability of our therapies through pricing models such as:

- Volume pricing and rebate models for hospitals and health systems;
- Risk-sharing;
- Adaptive pricing for long-term condition treatments, such as insulin pump model upgrades; and
- Financial assistance to new and existing patients through charitable programs, payment plans, and other programs.

# Patient Safety

True to our [Mission](#), everything we do is consistent with delivering the best possible care for patients. By actively managing product quality and safety through product development, manufacturing, supplier quality assessments, clinical trials, post-market surveillance activities, and customer satisfaction surveys, we are providing safe, high-quality therapies and solutions to patients around the world.

*“We 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.”*  
 – Third tenet of our [Mission](#)

## PRODUCT RESPONSIBILITY

Our culture of quality drives excellence in our products, processes, services, and relationships. Quality has been an integral part of our [Mission](#), and so we approach it in a holistic way, not just with our products, but in everything we do.

There are three programs that are key to our product quality: *Design, Reliability, Manufacturability (DRM), Medtronic Operating System (MOS)*, and supplier quality.

We use proven DRM methodologies to “design in” quality during the product development process. For example, we test for long-term product reliability using real world simulation and examining how healthcare professionals use and implant our products. We also drive quality improvements in our manufacturing operations using the MOS framework, which applies Lean Sigma tools to achieve continuous improvements. In addition, we plan to achieve and maintain International Standards Organization (ISO) 13485 certification, a standard that provides a basis for quality management systems that satisfy international medical device regulations, at our manufacturing facilities worldwide.

Our supplier quality efforts also ensure that the therapies and solutions we source are developed and manufactured for safety and quality. Please read the [Supply Chain](#) chapter for a comprehensive overview of our approach to supplier quality.

*“Our customers and patients rely on the quality and reliability of what we do every day. We are proud that every three seconds somebody in the world relies on Medtronic. Patients trust Medtronic. And quality is key to earning and keeping that trust,”* said Luann Pendency, Medtronic senior vice president, Global Quality.



Other key components of our approach to product quality include:

- Being proactive and transparent,
- Sharing our expectations and performance with all of our stakeholders, and
- Raising awareness to prevent and uncover potential issues early.

Whenever necessary we initiate communications – called field corrective actions – with customers to share new information on the appropriate use of our products.



## REGULATORY PERFORMANCE

One or more regulatory agencies visit most of our 40-plus manufacturing facilities annually to ensure that we are meeting global product quality and safety expectations. During FY2014, we hosted 156 major regulatory inspections globally. The average number of findings per regulatory inspection was 0.24, which falls within our goal of 0.5 or fewer.

Although the vast majority of these inspections resulted in no findings, every inspection is an opportunity for us to gain a better understanding of regulators' expectations and priorities. We have put in place an internal process called *Inspection Knowledge Management*, which allows us to share knowledge across our sites and ensure all necessary changes are made and closely align with regulatory expectations. Our internal audit program, called *Medtronic Corporate-wide Assessment for Regulatory Excellence (MCARE)*, helps us analyze the quality management systems at specific sites against regulatory expectations by applying a rigorous approach that mimics external regulatory inspections. This allows us to identify compliance gaps and create action plans to implement necessary improvements. During the last fiscal year, our *MCARE* program focused on design controls and risk management, two areas of increasing focus for the FDA.

During FY2014 our regulatory performance included:

- Operating under three open FDA warning letters in our Diabetes and Neuromodulation businesses and our Endovascular Therapies facility in Brescia, Italy. The warning letter related to our Brescia, Italy manufacturing operations was lifted July 18, 2014, allowing our Amphirion Plus Percutaneous Transluminal Angioplasty (PTA) Catheter and the Diver Clot Extraction Aspiration Catheter to be imported into the U.S. We are making steady progress toward closing the other two FDA warning letters.
- FDA Class I recalls on five products listed below.
  - Deep Brain Stimulation Lead Kit and Activa Dystonia HDE Kit: <http://www.fda.gov/Safety/MedWatch/SafetyInformation/SafetyAlertsforHumanMedicalProducts/ucm351094.htm>
  - NIM TriVantage® EMG Endotracheal Tube: <http://www.fda.gov/Safety/MedWatch/SafetyInformation/SafetyAlertsforHumanMedicalProducts/ucm358172.htm>

- SynchroMed® Implantable Infusion System Devices: <http://www.fda.gov/Safety/MedWatch/SafetyInformation/SafetyAlertsforHumanMedicalProducts/ucm359118.htm>
- MiniMed® Paradigm® Insulin Infusion Sets: <http://www.fda.gov/Safety/MedWatch/SafetyInformation/SafetyAlertsforHumanMedicalProducts/ucm360663.htm>
- Interventional Wires and Attain Hybrid® Guidewires: <http://www.fda.gov/Safety/MedWatch/SafetyInformation/SafetyAlertsforHumanMedicalProducts/ucm375410.htm>

We are utilizing all of our Quality resources to resolve these situations effectively.

## DATA & DEVICE SECURITY

At Medtronic, patient privacy and device security is part of our holistic security management framework that includes people, products, IT systems, data, and facilities. Please read our [Governance](#) chapter for more details about our policies and principles related to ensuring that patient and device data are kept private and secure.

## CLINICAL TRIAL PRINCIPLES

We are committed to advancing safe patient care through evidence-based, responsible research. Our clinical trials are governed by our [Code of Conduct](#), [Global Business Conduct Standards Policy](#) and [Clinical Trials Principles](#). We design these principles to develop safety and efficacy data that will directly impact adoption of our therapies in clinical practice.

In addition, we act in accordance with international guidelines, such as the International Conference on Harmonization/World Health Organization Good Clinical Practice standards and International Standards Organization standard 14155:2011, where applicable. We support and participate in organizations related to clinical standards development and education, such as the Clinical Trials Transformation Initiative, the American Society for Testing and Materials, and the Global Harmonization Task Force.

Our [Clinical Trials Registry](#) links to information on clinical studies we sponsor that are currently registered on [www.clinicaltrials.gov](http://www.clinicaltrials.gov). In FY2014, we sponsored more than 350 clinical trials that were in progress. The registry provides statements regarding the purpose, eligibility requirements, locations, and status of each trial.

## USE OF ANIMALS

In many cases, regulatory authorities require animal research as part of the product approval process. We work with scientists, veterinary surgeons and pathologists, regulatory experts, and technical staff to ensure that all studies conducted adhere to the guidelines of the FDA, U.S. Department of Agriculture, Animal Welfare Act, Association for Assessment and Accreditation of Laboratory Animal Care, and other appropriate frameworks and regulatory agencies.

Our Institutional Animal Care and Use Committee reviews all proposals for animal use, conducts annual reviews of ongoing protocols, and performs facility and program inspections twice a year. We are committed to replacing, refining, and reducing animal use whenever possible, and continue to develop and employ alternatives to animal testing, such as computer modeling and simulation and the use of cadaver and artificial tissues.

For additional information, read our [Policy Regarding Use of Animals](#) and the [Feasibility Assessment on Eliminating the Use of Animals for Training Purposes](#).

## PRODUCT PERFORMANCE & POST-MARKET SURVEILLANCE

Key components of our commitment to quality are our product performance reports and our expanded post-market surveillance.

For three decades, we have issued Product Performance Reports on our Cardiac Rhythm Disease Management (CRDM) products. These provide important patient management information to physicians, such as device survival estimates, physician advisory summaries, and performance notes.

Additionally since 2003, our Neuromodulation business has used our Implantable Systems Performance Registry (ISPR) to monitor the performance of infusion and spinal cord stimulation systems. The ISPR allows for active surveillance of products through online data collection. The information is used to guide future product development aimed at improving product reliability and quality.

Because post-market surveillance is key to meeting the growing need among physicians, regulators, and policymakers for critical product data, we also established a PAN department. Through this department, we use a scalable clinical research platform to obtain product performance and outcomes data in an accelerated and cost-effective manner. This data is captured from partner hospitals, health systems, physician groups, clinics, and governments – all of which constitute the PAN Network. PAN also integrates data from databases in the healthcare industry and other third-party registries.

During FY2014 and early FY2015, the PAN Network grew to include more than 40 additional sites in the U.S., Canada, Western Europe, Eastern Europe, and Latin America. The network will continue to grow globally based on the needs of the business units, products under surveillance, and requirements of regulatory agencies. Currently, a number of our therapies are under surveillance on the PAN platform, including CRDM, deep brain stimulation (DBS), implantable cardiac monitor, sacral nerve modulation, spinal cord stimulation, surgical heart valves, and targeted drug delivery devices.

We use PAN to monitor real-world product performance, support reimbursement (as is demonstrated in the French DBS example discussed below), guide innovation by informing the product development process, and leverage existing enrollments and data to reduce overall study cost and timeframe.

We enhance our post-market surveillance efforts through a global complaint handling (GCH) system that manages product-related customer feedback for all of our businesses. All employees and distributors have a responsibility to report complaints immediately through a defined process that includes evaluation, investigation and analysis, and corrective and preventive action. We provide all new employees GCH Training in addition to regularly educating our employees on their complaint reporting responsibilities.

All data collected through our post-market surveillance processes is analyzed to determine whether events require formal reporting and/or corrective and preventive action to assess risk, identify the root cause and any trends, and remediate through our development process.

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## Medtronic at Work: Leveraging the PAN Platform to Support Reimbursement

The French National Authority for Health (Haute Autorité de Santé or HAS) required France-exclusive patient outcomes data from all hospitals implanting deep brain stimulation (DBS) in order to determine reimbursement levels for the therapy. DBS is approved primarily for treatment of movement disorders, such as those related to Parkinson's disease, dystonia, and essential tremor.

To address the situation, our PAN team proposed using global PAN protocol and leveraging the PAN platform to incorporate complementary clinical evidence from a broader group of European sites in 2014. The French HAS accepted our proposal, ultimately requiring outcomes data from only five French sites in addition to those provided from other EU sites. This will accelerate enrollments and potentially reduce the overall cost and duration of the study.

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## CUSTOMER SATISFACTION

Our businesses use a variety of methods to track customer satisfaction, including customer and patient surveys and net promoter scores. In addition, each of our business units has procedures in place to integrate customer feedback into product and service development.

Our comprehensive system ensures that customers are properly informed regarding the safe use of our therapies and solutions. Elements of the system include:

- Publishing detailed online product information,
- Providing device manuals,
- Offering safety information and education on diseases that our therapies address,
- Publishing results from clinical trials,
- Conducting hands-on and online physician training programs, and
- Sharing product performance reports.

When necessary, we have processes to alert customers, prevent further sales, recall products, and contact patients who have registered their devices with us.

## Financial Strength

Our financial strength enables us to go further – to expand into new markets and new categories and to innovate. As a financially healthy company, we can make investments that support our three growth strategies— therapy innovation, globalization and economic value. We can develop and deliver new therapies and globalize our operations to reach more people around the world. We can also foster collaboration between our people and partners, making capital infusions and entering into risk sharing business models to create greater economic and clinical value, which we recognize now – more than ever – is necessary to address the rapidly increasing costs and redundancies in the healthcare system.

At Medtronic, we are striving to reliably deliver on our baseline financial expectations, which are:

- Consistent mid-single digit constant currency revenue growth
- Consistent earnings per share (EPS) growth 2 to 4 percentage points faster than revenue growth
- Returning 50 percent of our free cash flow to shareholders

We expect our continued effort to deliver consistent and reliable performance, combined with disciplined capital allocation, will enable us to create long-term, dependable value in healthcare.

We have translated our Company Strategies into three independent growth vectors, which we believe will provide consistent and meaningful sources of revenue going forward:

- **New Therapies:** We intend to deliver a strong launch cadence of innovative therapies and procedures
- **Emerging Markets:** We are unlocking the massive opportunity for our therapies in emerging markets
- **Integrated Health Solutions:** We are developing new solutions to address hospital efficiency, episodes of care, and disease management

*“For Medtronic, our business outside the U.S. is growing and contributed \$7.8 billion to our FY2014 revenue, representing over 45 percent of our total company sales. Worldwide, we employ 49,000 people, and our business not only helps to drive economic growth, but also provides patients around the world with access to lifesaving therapies,”* said Gary Ellis, chief financial officer and executive vice president of Medtronic.

## FINANCIAL HIGHLIGHTS

In FY2014, we continued to advance patient therapies and solutions, experiencing growth across our three business groups. We grew our FY2014 revenue by 4 percent on a constant currency basis (3 percent as reported), which was in-line with our revenue outlook for the year and just within our mid-single digit baseline revenue growth expectation.

In the area of **New Therapies**, we launched several significant new products that provide tremendous patient benefit and will serve as important future growth platforms. In **Emerging Markets**, we sustained double-digit growth. Emerging markets contributed 1.5 percentage points to our overall company growth, and revenue from these countries now represent 12 percent of our global business. Finally, in the area of **Integrated Health Solutions**, we translated our focus on economic value into new value-based business models, including our Catheterization Lab Managed Services and Cardiocom offering. Together, these contributed over \$50 million in incremental revenue.

## YEAR END FINANCIAL RESULTS

(\$ in millions)

	FY2010	FY2011	FY2012	FY2013	FY2014
Sales (Total)	\$15,392	\$15,508	\$16,184	\$16,590	\$17,005
Sales (U.S.)	\$9,136	\$8,872	\$8,828	\$9,059	\$9,209
Sales (Outside the U.S.)	\$6,256	\$6,636	\$7,356	\$7,531	\$7,796
Net Earnings	\$3,099	\$3,096	\$3,617	\$3,467	\$3,065
Repurchase of Common Stock	\$1,030	\$1,140	\$1,440	\$1,247	\$2,553
Dividends to Shareholders	\$907	\$969	\$1,021	\$1,055	\$1,116
Additions to Property, Plant and Equipment	\$573	\$501	\$484	\$457	\$396
Research and Development Expense	\$1,424	\$1,472	\$1,490	\$1,557	\$1,477
Research and Development Expense (as % of total revenue)	9.3%	9.5%	9.2%	9.4%	8.7%

## NET SALES BY OPERATING SEGMENT AND BUSINESS

(\$ in millions)

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Cardiac and Vascular Group</b>	\$8,132	\$8,119	\$8,482	\$8,695	\$8,847
Cardiac Rhythm Disease Management	\$5,268	\$5,010	\$5,007	\$4,922	\$4,996
Coronary	\$1,450	\$1,466	\$1,598	\$1,773	\$1,744
Structural Heart	\$880	\$977	\$1,094	\$1,113	\$1,212
Endovascular	\$534	\$666	\$783	\$867	\$895
<b>Restorative Therapies</b>	\$7,260	\$7,389	\$7,702	\$7,895	\$6,501
Spine	\$3,500	\$3,414	\$3,267	\$3,131	\$3,041
Neuromodulation	\$1,560	\$1,592	\$1,700	\$1,812	\$1,898
Surgical Technologies	\$963	\$1,036	\$1,254	\$1,426	\$1,562
<b>Diabetes</b>	\$1,237	\$1,347	\$1,481	\$1,526	\$1,657

Our FY2014 net earnings (non-GAAP) were \$3.9 billion or \$3.82 per diluted share, flat and an increase of two percent, respectively, over last fiscal year. This EPS result was in the middle of our guidance range for the year, and we delivered 50 basis points of operating leverage in FY2014. On a GAAP basis, our net earnings were \$3.1 billion and diluted earnings per share of \$3.02.

Looking at free cash flow, FY2014 was a very strong year, where Medtronic generated \$4.6 billion. We continued to execute on our working capital improvement program, and we met our baseline expectation of returning 50 percent of our free cash flow to shareholders in the form of dividends and share buybacks. These results reflect that we are establishing a track record of consistency and give us a strong position as we enter FY2015.

## Reconciliation of Non-GAAP Financial Measures

This Integrated Performance Report includes financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Management believes that such non-GAAP financial measures provide useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations. Investors should consider non-GAAP measures set forth in the Integrated Performance Report in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, such non-GAAP financial measures may not be the same as, or similar to, measures presented by other companies.

## RECONCILIATION OF REVENUE GROWTH TO CONSTANT CURRENCY GROWTH

(Unaudited) (\$ in millions)

	Fiscal Year Ended		Reported Growth	Currency Impact on Growth		Constant Currency Growth
	April 25, 2014	April 26, 2013		Dollar	Percentage	
Total Medtronic Revenue	\$17,005	\$16,590	3%	\$(175)	-1%	4%

## RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

(Unaudited) (\$ in millions)

	Fiscal Year Ended April 25, 2014
Net cash provided by operating activities	\$4,959
Additions to property, plant, and equipment	(396)
Free cash flow	\$4,563

## RECONCILIATION OF CONSOLIDATED GAAP NET EARNINGS AND DILUTED EPS TO CONSOLIDATED NON-GAAP NET EARNINGS AND DILUTED EPS

(\$ in millions)

	Fiscal Year Ended April 25, 2014	
	Net Earnings	Diluted EPS
GAAP	\$3,065	\$3.02
Restructuring charges, net <sup>(a)</sup>	\$60	\$0.06
Certain litigation charges, net <sup>(b)</sup>	\$701	\$0.69
Acquisition-related items <sup>(c)</sup>	\$79	\$0.08
Special charges <sup>(d)</sup>	\$26	\$0.03
Certain tax adjustments <sup>(e)</sup>	\$(63)	(0.06)
As adjusted	\$3,868	\$3.82 <sup>(1)</sup>

<sup>(1)</sup>The data in this schedule has been intentionally rounded to the nearest \$0.01 and therefore may not sum.

<sup>(a)</sup>To exclude restructuring charges, including charges recorded in cost of products sold related to inventory write-offs of discontinued product lines and production-related asset impairments.

<sup>(b)</sup>To exclude charges classified as certain litigation charges, net on the consolidated statements of earnings.

<sup>(c)</sup>To exclude charges classified as certain acquisition-related items on the consolidated statements of earnings.

<sup>(d)</sup>To exclude the impact of a charitable donation made to the Medtronic Foundation.

<sup>(e)</sup>To exclude tax benefit associated with resolution of certain issues in fiscal year 2014 with the U.S. Internal Revenue Service, with respect to fiscal year 2009 through 2011.

## DISCIPLINED CAPITAL ALLOCATION

Looking ahead, we expect to continue to generate a significant amount of free cash flow. We are committed to being disciplined stewards of this capital. Our acquisitions and investments must have a strong strategic alignment and high return metrics, while at the same time minimizing near-term shareholder dilution. We also remain committed to returning 50 percent of our free cash flow to our shareholders through dividends and share repurchases; a commitment level we believe is appropriate given our current mix of U.S. and international free cash flow.

## ACQUISITIONS

We seek opportunities to lead and grow and believe that one of the best ways to achieve this is by bringing the unique strengths of other companies into Medtronic. We focus our acquisitions on supplementing one or more of our three growth strategies:

- **Therapy Innovation:** Build around our core customer groups
- **Globalization:** Value segment expansion and business model innovation
- **Economic Value:** Integrated health solutions across the care continuum

In addition, we expect our acquisitions to meet a mid-teens risk adjusted return hurdle, have minimal to no “net” EPS dilution to our shareholders, and offer a clear financial value proposition.

In FY2014, we completed acquisitions of two companies that offer new technologies and services that will enable us to expand our therapy offerings and broaden our healthcare services and solutions. In June 2014, we also announced our intent to acquire Covidien, a global healthcare technology and medical supplies provider.

### Cardiocom

In August 2013, we completed the acquisition of Cardiocom, a privately held developer and provider of integrated telehealth and patient services for the management of chronic diseases. This transaction, valued at \$200 million, combined Cardiocom’s technologies and services with our leading diagnostics, therapies, and patient management solutions. By tapping Cardiocom’s services, such as remote monitoring and patient-centered software, we can deliver more integrated solutions that coordinate care and provide specialized support.

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## Medtronic at Work: Global Center of Excellence for Business Model Innovation

We opened our Global Center of Excellence for Business Model Innovation in Singapore to accelerate innovation at Medtronic and grow our presence in markets across Asia. The Center will be responsible for designing, testing, and scaling new business models for the rapidly developing markets in that region. In addition to developing new financial approaches, the Center will also develop new commercial models to systematically address market growth barriers.

*“We strongly welcome Medtronic’s decision to establish its Global Center of Excellence for Business Model Innovation in Singapore. This Center will enable Medtronic to address market-specific needs and barriers more effectively through Singapore,”* said Kevin Lai, director of Biomedical Sciences at the Singapore Economic Development Board.

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*“We look forward to joining Medtronic as part of a combined portfolio of products and solutions that can positively impact outcomes for patients and bring value to our customers,”* said Daniel L. Cosentino, vice president and general manager of Cardiocom at Medtronic, and former CEO of Cardiocom. *“The synergy between our technologies and Medtronic’s large presence with hospitals, physicians, and payers will dramatically increase our distribution channels for the Cardiocom patient management technologies and services.”*

### TYRX, Inc.

Our acquisition of TYRX, Inc., a developer of implantable combination antibiotic drug and implanted medical devices, closed in December 2013 with an initial payment of \$160 million plus potential earn out and performance based milestone payments. TYRX’s proprietary antibiotic mesh technology dramatically reduces infections that can result from device implants, which not only results in improved patient outcomes and can improve a hospital’s quality metrics, but also reduces the significant costs associated with these complications. We intend to use TYRX’s technology initially as a complement to our cardiac rhythm device portfolio, and ultimately in other businesses.

*“We look forward to joining Medtronic as part of a combined portfolio that can positively impact outcomes for patients by reducing implant-related infections, and bring value to our customers,”* said Robert White, president and chief executive officer of TYRX, Inc.

## Covidien

Looking forward to FY2015, we have announced plans to acquire Covidien, a move that fully aligns with our [Mission](#) and growth strategies. This acquisition will create a medical technology and services company with a comprehensive product portfolio and broad global reach that is better able to improve health outcomes. The acquisition is expected to meaningfully accelerate Medtronic's core strategies of therapy innovation, globalization, and economic value, which will bolster our long-term market competitiveness, as well as the sustainability and consistency of our financial performance. It provides us with a combined \$3.8 billion emerging markets business that we are confident can sustain double-digit growth over an extended period of time. This cash-and-stock transaction is valued at approximately \$42.9 billion, based on our closing stock price on June 13, 2014.

## INVESTMENTS

Our strategic investments in FY2014 enabled us to accelerate therapy innovation, expand into new markets, and create economic value in the communities where we operate. Globally, we sought to spur collaboration and increase our physical presence in regions where we see the greatest potential for our integrated health solutions offerings.

We invested nearly \$1.5 billion in research and development in FY2014 and promoted our new products, such as MiniMed® 530G with Enlite® CGM sensor and Reveal LINQ™, to showcase recent innovations and encourage further developments. We also invested in research and development centers, such as the New Customer Innovation Center in Galway, Ireland, which focuses on creating a number of our key medical technologies for the treatment of cardiovascular and cardiac rhythm disease.

In addition to investment in internal R&D, Medtronic also continues to be an active strategic investor, managing a significant venture portfolio, with a book value of over \$600 million, to bolster future growth opportunities for the company. Our investments in early stage technology are aligned with our corporate and business unit strategies, and these investments offer us increased visibility on compelling longer-term technologies, including, in certain cases, board seats and purchase options.

Investment in emerging markets, which provided 12 percent of our revenue in FY2014, continues to be a priority. We have made aggressive investments in emerging markets to develop field resources, structure major provider

and government partnerships, and optimize our sales channels. One example of our sales channel optimization was our investment in FY2014 to acquire a majority of shares of Biostar, which will assume the distribution of Medtronic products, including the Cardiac Rhythm Disease Management, Atrial Fibrillation Solutions, Structural Heart, and Renal Denervation product lines, in Turkey.

Another example of our Emerging Market investments in FY2014 was moving our Middle East and Africa (MEA) headquarters from Beirut to Dubai. We selected Dubai for its infrastructure, accessibility, and strategic location as a gateway to other markets in the MEA region, of which cardiovascular diseases and diabetes account for 50 percent of mortalities. Additionally, we expanded our footprint in Asia, including the creation of a Global Center of Excellence for Business Model Innovation in Singapore.

In FY2014, our investments to improve efficiencies and upgrade technologies and processes at our manufacturing plants in Juncos and Humacao, Puerto Rico, also stimulated local job creation. The \$6 million expansion and modernization project is expected to create 150 new jobs over the next three years. These plants, along with three others in Puerto Rico, serve as a base of our global manufacturing operations for five of our six businesses and support more than 2,300 direct jobs.

Our senior leadership team is involved in external initiatives that seek to drive economic and job growth through the development of a more patient-centric, efficient, and quality global healthcare system. The participation of our chief financial officer, Gary Ellis, in the Alliance for Healthcare Competitiveness is one example. Through the Alliance, we advocate for policies – such as harmonizing regulatory approval processes – that improve access to healthcare products and services and, in turn, create stronger economies and increase innovation.

## DIVESTURES

When needed, divestures allow us to focus on our strengths and the areas where we see the most potential for growth and leadership. In FY2014, we sold off operations within our Surgical Technologies business that manufactured and marketed the Pillar Palatal Implant System to the Snoring Center, and completed the sale of our Pioneer Plus diagnostic ultrasound transducer and percutaneous catheter within our Endovascular business to Volcano Corporation.

## RETURN TO SHAREHOLDERS

We remain committed to returning 50 percent of our free cash flow to our shareholders through dividends and share repurchases, a commitment level we believe is appropriate given our current mix of U.S. and international free cash flow. This mix continues to be constrained by U.S. corporate tax policy, which makes it more difficult to invest in the U.S. and concurrently makes foreign investments more attractive.

In FY2014, the company returned \$3.7 billion to shareholders, including \$1.1 billion in dividend payments and \$2.6 billion through the repurchase of 30 million shares of our common stock.

In June 2014, the Medtronic board of directors raised our cash dividend by 9 percent, which was the 37th consecutive year of increased dividend payments for the company. The dividend increase brought our expected FY2015 dividend payout ratio to approximately 30 percent.

## FINANCIAL ASSISTANCE

In some instances, we seek assistance from our stakeholders in making investments. During FY2014, Medtronic received \$538 million in financial assistance from governments in the form of tax relief and tax credits, investment grants and research development grants, and other direct assistance such as subsidies, other financial incentives, benefits, and awards.

## OTHER CONTRIBUTIONS

We contribute to local economies in a variety of additional ways including through:

- Taxation,
- Employment,
- Supply chain activities, and
- Giving programs.

### Taxation

One of the ways that we contribute to global and regional economies is through taxes paid, including real estate, sales

and use, payroll, excise, and value added taxes. For example, in FY2014, we had \$640 million in income tax provisions alone to the various jurisdictions around the world in which we operate.

### Employment

By investing in our employees' growth and development, we help our company remain competitive and also support the economic health of communities. We are especially committed to attracting and retaining talent in emerging markets, where we are expanding our footprint and focusing new research and development efforts. For example, we have created new jobs in Puerto Rico, Singapore, and Shanghai through our investments in manufacturing facilities in Puerto Rico, our Global Center of Excellence for Business Model Innovation in Singapore, and our Shanghai Innovation Center.

In some cases, our efforts to expand our physical presence around the world resulted in layoffs and facility closings in other locations. In May 2013, our business restructuring resulted in the loss of 2,000 jobs worldwide. In this event, we took steps to ensure that the employees affected were given fair departure packages. Typically employees receive 60 days non-working notice with full salary and benefits. In addition, severance of one week for every year or partial year of service with Medtronic with a minimum of four weeks' pay is offered. Additionally, employees receive outplacement and redeployment assistance and continue to have full access to Medtronic's Employee Assistance Program for six months. Job growth in other locations throughout the year resulted in a net increase of more than 3,000 employees, including temporary and contingent workers, by the end of FY2014.

Employee compensation also supports regional economies and the health of local communities. In FY2014, we paid nearly \$5.4 billion in compensation, including wages and benefits (see table below). More specific information on Medtronic's employment policies and benefits can be found in the [Employees](#) chapter.

## WAGES PAID

(\$ in millions)

	FY2010	FY2011	FY2012	FY2013	FY2014
Total Compensation*	\$4,613	\$4,737	\$5,045	\$5,322	\$5,376
Salary & Wages	\$2,564	\$2,744	\$2,864	\$2,948	\$3,051
Retirement Benefit Plans	\$237	\$368	\$319	\$419	\$419

\*Total Compensation includes salary and wages; incentives; overtime; severance pay; payroll taxes; retirement benefits; auto allowance; and other benefits.



## Supply Chain & Giving

Our business growth and strength enable us to invest in our supply chain partners and the communities where we operate. More information on our supply chain expenditures and giving programs can be found in the [Supply Chain](#) and [Community Investment](#) chapters, respectively.

## Community Investments

Community investments are one of the many ways we work to expand access to quality therapies and enable more seamless, integrated care. Our approach to community investment is supported by Medtronic Philanthropy, which encompasses the Medtronic Foundation, an independent, 501(c)3 nonprofit organization focused on expanding healthcare access in underserved communities, and the Medtronic Fund, a global social investment mechanism. Each business unit also invests in communities each year through product donations, sponsorships, and cash contributions.

## GIVING HIGHLIGHTS

We adhere to Minnesota's Keystone Commitment, an annual corporate contribution of no less than two percent of our previous year's U.S. profit before tax. However, we want to expand our corporate philanthropy investment moving forward and aspire to increase giving to represent at least 1.5 percent of global pre-tax income (see table below).

## HEALTH ACCESS INVESTMENTS

At Medtronic, we devote the majority of our philanthropic resources to expanding access to quality care for chronic diseases and helping address unmet health needs in underserved communities worldwide. Over the years, our approach to philanthropy evolved from a primary focus on community-based giving to being an important component of our business strategy to expand access to care globally. We accomplish this, in part, through the following signature initiatives:

- **Community Health Access Grants:** The Community Health Access Grants program provides access to chronic disease care to the underserved by granting funds to local initiatives or organizations in the 36 communities where we have our largest facilities. For example, in late 2013, our Diabetes business awarded a total of \$500,000 in two-year grants to eight Los Angeles-area organizations that promote access to diabetes care for underserved populations.
- **Global Health Access Grants:** Our Global Health Access Grants expand access to care for acute, chronic, and neglected diseases impacting underserved communities around the world. For example, our HealthRise grants focus on noncommunicable diseases (NCDs), particularly heart disease and diabetes, in Brazil, India, South Africa, and the U.S. Other programs are focused on increasing survival rates for sudden cardiac arrest and the prevention and treatment of Rheumatic Heart Disease. In addition, we use Global Health Access grants to support advocacy

### MEDTRONIC PHILANTHROPIC CONTRIBUTIONS

*(\$ in millions)*

	FY2010	FY2011	FY2012	FY2013	FY2014
Medtronic Foundation Giving	\$29.2	\$30.6	\$32.9	\$33.7	\$28.2
Corporate Cash Contributions	\$28.3	\$19.2	\$22.3	\$21.7	\$27.7
Product Donations	\$18.0	\$10.1	\$7.8	\$9.0	\$11.1

### PERCENTAGE OF PRE-TAX PROFITS GIVEN

	FY2010	FY2011	FY2012	FY2013	FY2014
% of Pre-Tax Profits (Global)	1.9	1.4	1.5	1.5	1.5
% of Pre-Tax Profits (U.S.)	3.0	2.3	2.6	2.7	2.7

### TOTAL FOUNDATION GRANTS AND EXPENSES

*(% of Total)*

	FY2010	FY2011	FY2012	FY2013	FY2014
U.S.	78%	76%	77%	72%	84%
International	22%	24%	23%	28%	16%

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## Medtronic at Work: NCD Program Information Sharing

In July 2013, we provided the NCD Alliance, a coalition of nonprofit organizations that leads civil society to develop data-driven plans to address NCDs globally, with a grant to conduct research and monitor progress on NCDs over a two-year period with local partners in Brazil, South Africa, and the Caribbean region. The program will help build networks of action, conduct national level research and analysis, and identify gaps for NCD policies and programs in these countries.

In FY2014, we also released a report, titled, “Easing the Burden of Noncommunicable Diseases: Insights from Early-stage NCD Program Efforts,” in which we offer lessons learned from our grantee partners. By sharing this information, we hope that the experience and insights of “first movers,” or early-stage NCD programs, can build more awareness and advocate for greater resources to combat NCDs.

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efforts, including our leadership in promoting global policies that address NCDs. More on our *HealthRise* grants can be found in our [Global Access](#) section.

## PATIENT RECOGNITION PROGRAMS

As part of our giving efforts, Medtronic recognizes and supports patients who are living fuller lives with the help of medical technology. A number of our programs acknowledge the individuals who benefit from medical technology, and who also serve, inspire, and make an impact in their communities. These programs include:

- Bakken Invitation, and
- Medtronic Global Heroes.

### ***Bakken Invitation***

Medtronic’s [Bakken Invitation](#) celebrates and connects people, who with the help of medical technology, are contributing in communities all around the world through charitable service and volunteerism. It embraces the legacy of Medtronic co-founder and humanitarian [Earl Bakken](#), who asks “What are you doing with your extra life?” Patients worldwide are encouraged to share their stories at [www.LiveOnGiveOn.org](http://www.LiveOnGiveOn.org).

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## Medtronic at Work: Increasing Access to Cardiovascular Disease Care

Understanding that cardiovascular disease is a leading cause of death in urban and rural areas alike in India, we announced, in late 2012, a philanthropic commitment to provide \$6 million over five years to accelerate programs that would expand access to diabetes and heart disease care. The investment – which is now part of our larger *HealthRise* program – launched a process to identify districts in India where efforts should be focused.

Medtronic funded the implementation of a community-based, patient-centered needs assessment of two districts in early 2013 to understand the barriers across the continuum of care and the magnitude of the NCD burden. In October 2013, the results of the assessment were presented and, for the first time in India, documented the prevalence of diabetes and hypertension at the community level, laying a foundation for the five-year effort.

Earlier this year, we identified two Global Partners, *Abt Associates* and the *Institute for Health Metrics and Evaluation*, who will help implement and evaluate the program as it moves forward. Plans are in motion to complete a supplementary needs assessment, identify appropriate interventions, and implement those interventions through grants to local nonprofits on the ground in India. Medtronic plans to document impact achieved and carry forward lessons learned from the five-year endeavor.

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The program culminates in the celebration of 10 Bakken Invitation Award Honorees, who are recognized for outstanding community contributions. Medtronic Philanthropy awards a \$20,000 grant to each honorees charity of choice.

### ***Medtronic Global Heroes***

The [Medtronic Global Heroes](#)® program is a collaborative effort between Medtronic and Twin Cities in Motion, the organizer of the Medtronic Twin Cities Marathon. The program brings runners from around the world who benefit from medical



In 2013, we honored Arthur Amman from San Rafael, California, U.S., who, after receiving a pacemaker, reflected and decided to use his “extra life” to advance HIV prevention and care in the poorest and most neglected regions of Africa.



We also celebrated Jean-Paul Iyamuremye, who received a heart valve donation in Rwanda and continues to volunteer for Team Heart by managing the Rwanda Patient Care Network. Our Honorees have incredible stories to share about how they Live On to Give On. Learn more [online](#).

technologies to Minneapolis and St. Paul, Minnesota, U.S., to participate in Medtronic Twin Cities Marathon events and demonstrate how “a diagnosis didn’t end the run.” To date, more than 209 runners representing 28 countries have participated.

## DISASTER RELIEF

We respond to disasters by providing donations and relief focused on the health-related needs of impacted communities. We coordinate product donations and award grants for both short-term medical relief and long-term rebuilding of healthcare infrastructure in affected areas.

We provide annual funding, through the Medtronic Foundation, to both the American Red Cross Annual Disaster Giving Program and the International Federation of Red Cross and Red Crescent Societies. This ongoing support allows the organizations to better prepare and respond to unforeseen emergencies. In the past year, these funds supported relief efforts for Typhoon Haiyan, the bushfires in Australia, the Sichuan province earthquake, and floods in the U.S. state of Colorado.

Additionally, we support the long-term rebuilding of healthcare infrastructure in large-scale natural disasters. For example, in the wake of the 2011 Tōhoku earthquake and tsunami affecting Japan, we pledged \$1,000,000 to support immediate and long-term healthcare needs in the area. By collaborating with Project HOPE, the Health and Global Policy

Institute, and Yamada city officials, we helped complete the rebuilding of the Kondo Clinic in Yamada. It opened in June 2014 with 74 professionals on staff, including doctors, nurses, and allied health, rehabilitation, and social work providers. The Kondo Clinic is equipped with 80 beds and has capabilities to treat 80 people in inpatient care, 300 in outpatient care, and 50 in daycare services.

Our disaster relief efforts extend to our employees through the *Disaster Relief Paid-Leave Volunteer Program*, which allows Medtronic employees to take up to five paid days off to volunteer for disaster relief and recovery efforts. We also offer our employees opportunities to make the most of their monetary donations in support of relief efforts by offering matching gift programs.

## CASH CONTRIBUTIONS

Medtronic business units provide cash contributions that support medical conferences, charitable events, and research and public education programs aligned with our [Mission](#). All donations given to U.S. customers, or organizations affiliated with customers, are posted to our [Charitable Donations Registry](#) on a quarterly basis. Information about Medtronic Foundation grants can also be found at [www.medtronic.com/foundation](http://www.medtronic.com/foundation).

We explain our approach to charitable donations in our [Charitable Donations Guidelines](#), which follow our [Global Business Conduct Policy](#) and are aligned with the medical technology industry association-accepted AdvaMed Code of Ethics.

## PRODUCT DONATIONS

As part of our ongoing investment in communities, Medtronic makes product donations each year that lessen the burden of treatment costs in underserved communities. We donated \$11.1 million in products globally in FY2014.

## PEOPLE

We also invest in our communities through a variety of employee skilled service, giving, and volunteer programs. For further details, please visit our [Employee Engagement](#) section.

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# **Working Responsibly**

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# Working Responsibly

We are a medical technology, services, and solutions company focused on alleviating pain, restoring health, and extending life for people around the world. As we grow our business in scale and reach, we know that we must innovate and collaborate beyond products and therapies to deliver quality services and solutions that also lower costs and improve patient outcomes. We also seek to be a trusted partner to those involved in our business and industry, recognizing that this broad collaboration is critical to our ability to go further in addressing global healthcare challenges and creating a sustainable business.

In the Working Responsibly section of this report, we offer information on the policies, practices, and programs that ensure responsible management and operation of our business. We provide details on our corporate governance, workforce development and training, environmental programs, and supply chain management. Our efforts in FY2014 focused on improving our relationships with key stakeholders and the resiliency of our business to risks.

## Governance & Engagement

Our commitments to responsible management and operations are engrained in the Medtronic culture. Our policies, protocols, structure, and daily practices support our values and our desire to be recognized as a trusted partner by all of our stakeholders.

### CORPORATE GOVERNANCE

Our business is supported by an active and engaged board of directors, who lead by example and believe that the global healthcare system can advance only if everyone is working together. Our policies and practices support transparency across our organizations—whether in our operations or the disclosures of financial and non-financial data.

We are guided by corporate policies on how we operate responsibly as a company, so we can continue to add value to society. These policies include:

- [Clinical Trials Principles](#)
- [Code of Business Conduct and Ethics for Members of the Board of Directors](#)

- [Code of Conduct](#)
  - Antitrust/Competition
  - Conflict of Interest
  - Fair Dealing
  - Improper Payments
- [Code of Ethics for Senior Financial Officers](#)
- [Environmental, Health and Safety Policy](#)
- [Equal Employment Opportunity Policy](#)
- [Executive Compensation Consultant Independence Standards](#)
- [Global Business Conduct Standards Policy](#)
- [Policy Regarding the Use of Animals](#)
- [Political Contribution Policy](#)
- [Principles of Corporate Governance](#)
- [U.S. Patient Privacy Principles](#)

Our board of directors, which is made up of nine independent directors and Medtronic chairman and CEO, Omar Ishrak, oversees the business and affairs of the Company. The board's oversight extends across five individual committees that span all corners of the business. As in past years, our CEO serves as the chairman of the board to facilitate a unified vision for the Company. We also appoint an independent Lead Director who heads our Nominating and Corporate Governance Committee.

We are proud of the diversity of our board, of which 30 percent are women and 30 percent represent minority groups. More information on diversity and inclusion at Medtronic is available within our [Employees](#) chapter.

Our independent directors may be [contacted](#) via email at: [independentdirectors@medtronic.com](mailto:independentdirectors@medtronic.com).

Additional information can be found in our [Proxy](#). More information on our board of directors also can be found on our [Corporate Governance](#) page.

Board of Directors
Richard H. Anderson – Lead Director
Scott C. Donnelly
Omar Ishrak
Shirley Ann Jackson, PhD
Governor Michael O. Leavitt
James T. Lenehan
Denise M. O’Leary
Kendall J. Powell
Robert C. Pozen
Preetha Reddy

Board Committee	Chair
Audit	Shirley Ann Jackson, PhD
Compensation	Kendall J. Powell
Nominating and Corporate Governance	Richard H. Anderson
Finance	Robert C. Pozen
Quality and Technology	James T. Lenehan

## ETHICS, COMPLIANCE & COMMUNICATION

Our [Mission](#) expresses our desire “to be recognized as a company of dedication, honesty, integrity and service.” At Medtronic, our approach to ethics and compliance is rooted in the belief that ethical decisions underpin our ability to meet business goals. We have an Office of Ethics and Compliance (OEC), led by our chief ethics and compliance officer, who oversees the policies and training programs that foster ethical behavior. The chief ethics and compliance officer has direct and independent access to the Medtronic board of directors, and reports regularly to the Audit Committee and at least annually to the full board. In addition, leaders of business units and geographic regions ensure that this culture runs throughout the Company.

One way we promote an ethical culture is by educating employees on our [Code of Conduct](#), which we updated in January 2014. “The Compass: Our Code of Conduct for Living out the Mission” is used by employees to guide and direct their daily interactions and tasks. It is reflective of the way we work in today’s global environment and enables us to provide consistent guidance on management responsibilities across our global organization. All employees and members of the board of directors were asked to read and certify their understanding and willingness to follow our updated Code of Conduct, which now also addresses human rights. In addition to more than 99 percent of employees completing this certification worldwide, 100 percent of employees in the U.S. also completed mandatory training on the Code of Conduct.

This year, we introduced the Medtronic Compass Award to recognize employees who are champions of our Code of Conduct and live out our Mission through their commitment to doing the right thing. Examples of employee behavior that may be recognized include consistently acting ethically during difficult and challenging circumstances; courageously challenging norms or customary practices leading to outstanding ethical performance; or taking proactive steps to drive ethical behavior among peers, teams, or third parties (see related story below).

In recent years, we updated and expanded our Global Anti-Corruption and Global Conflicts of Interest policies, and we comply with the requirements of all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act and anti-corruption laws of other

## EXECUTIVE COMPENSATION

The [Compensation Committee](#) of our board of directors, which consists of members of our board who satisfy the independence requirements of the New York Stock Exchange, has primary authority on all matters of executive compensation. We provide total compensation commensurate with our size and performance relative to other leading medical device and pharmaceutical companies, as well as a limited number of corporations from other industries.

The principal components of executive compensation include annual cash compensation (base salary and performance-based bonus), stock options, performance-based restricted stock grants, and long-term performance-based bonus. The equity-based components of the program align our executives with the interests of shareholders. Annual and long-term performance-based compensation ensures alignment with Medtronic’s short- and long-term financial performance. View our [Proxy](#) (pgs. 38 and 40) for more information on executive compensation. Information on compensation and benefits for our employees can be found in our [Employees](#) chapter.

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## Medtronic at Work: Ethical Physician-Industry Collaboration

As one of the inaugural recipients of the Medtronic Compass Award, Tommy Carls, vice president of research and development in our Core Spine business, was recognized as a leader whose ethics-based leadership and communications style have advanced key opinion leaders' understanding of Medtronic policies and positions around ethical physician-industry collaboration, with many of these key opinion leaders now advocating for these same policies across the industry. Carls has also built a strong culture of compliance across the organization, demonstrating through action that compliant processes and procedures are consistent with solid customer relationships and help improve the bottom line.

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countries in which we or our partners do business. In the past year, more than 98 percent of our U.S.-based employees involved in transactions with international customers, foreign officials, and business partners completed anti-corruption training.

Other ways that we promote an ethical culture and encourage open communication include:

- Questions, concerns and investigations processes,
- Ethical interactions with healthcare professionals,
- Marketing and promotion practices, and
- Product promotion policies.

### Questions, Concerns & Investigations Processes

We encourage employees and others to raise compliance questions and concerns or to report suspected violations or other problems. The OEC's *Voice Your Concern Program* includes a website and hotline managed by an independent third party and is one place where questions or concerns may be raised. Issues raised through the Director's Inbox are also received and tracked by the OEC as are matters that are escalated to legal, compliance, human resources, or others involved in the *Voice Your Concern Program*. During FY2014, 240 reports were submitted through the website or hotline and an additional 152 reports reached the OEC through the other reporting and escalation processes.

The OEC processes, tracks, and ensures appropriate remediation of all the ethics and compliance concerns it receives from investigation through resolution. Those relating to accounting, internal accounting controls, or auditing are brought to the attention of members of the Audit Committee of the Medtronic board of directors.

If an allegation is proven to be true, the Company takes appropriate remedial action, which may involve discipline up to and including termination of employment when appropriate. During calendar year 2013, the Company terminated the employment of 80 individuals for misconduct-related issues. When appropriate, we also terminate third-party business or customer relationships.

### Ethical Interactions with Healthcare Professionals

Our practices around [physician-industry collaboration](#) are driven by a simple goal—to sustain and enhance medical innovation through principled collaboration. To achieve this, we developed a set of [guiding principles and standards](#) designed to preserve physician collaboration for the benefit of patients, while minimizing actual or perceived conflicts of interest.

In addition, we adhere to industry association codes including, the AdvaMed Code of Ethics on Interactions with Healthcare Professionals and the Eucomed Guidelines on Interactions with Healthcare Professionals. In May 2010, we became an early leader in voluntary reporting of certain payments to U.S. physicians, which were made available through our [Physician Registry](#). As of August 2013, the Physician Payments Sunshine Act made this type of reporting mandatory for all life science manufacturers. Visit our corporate website for more information on our compliance with the [U.S. Sunshine Act](#).

### Marketing & Promotion Practices

Over the past several years, the healthcare industry has faced challenges regarding its marketing and promotional practices. We stand by our commitment to promote our therapies responsibly and in compliance with government regulations and industry-recognized guidelines, and we develop policies specific to the marketing and promotion of our products and solutions. In addition to our [Global Business Conduct Policy](#), we adhere to AdvaMed's Direct to Consumer Guidelines, which are voluntary codes created by the association of the medical technology industry.

## Product Promotion Policies

We have corporate and business-level policies prohibiting the promotion of approved products for off-label uses. Our policies address related issues, including appropriate parameters for activities involving our Office of Medical Affairs, Medtronic-sponsored education, and business-level training. Additionally, an internal Medtronic working group, with representatives from across our business units, meets regularly to reinforce best practices across the organization.

Highlights of our work in FY2014 to prevent unlawful product promotion include:

- Implementing a structured documentation system that allows us to document policy conformance and procedural obligations;
- Educating employees who potentially interact with U.S. healthcare professionals on our policy obligations;
- Instituting monitoring requirements that demonstrate conformance to our policy obligations;
- Enabling a structured risk assessment and management process to ensure possible off-label use is effectively addressed; and
- Establishing corporate-level oversight and control mechanism to supplement the oversight and control responsibilities of our business units.

## PATIENT PRIVACY & DEVICE SECURITY

In the course of caring for patients, we may receive personal medical information from consumers, patients, healthcare professionals, employees, and others. Privacy laws, as well as ethical obligations, require us to preserve the confidentiality of personal information and prevent it from inappropriate use or disclosure. We place top priority on patient safety, relying on the expertise of many disciplines, including internal security and product experts, medical professionals, and third-party researchers, to test our products for vulnerabilities. We meet regulatory requirements and industry standards for product security and are playing a leadership role in advancing new standards. We continue to expand our engagement with outside security researchers and experts to maintain our awareness of security issues and adapt as technology and risks evolve.

We approach patient privacy and device security as part of a holistic security management framework that includes people, products, IT systems, data, and facilities. Our strategy focuses on proactive security measures to ensure that priorities and resources are aligned with the most critical needs. While the Company has focused on cybersecurity for more than a decade, privacy and security by design continues to mature within the organization. We have made security improvements and design changes to some of our products, including software and firmware updates, expanded encryption, and improved authentication and application integrity protocols. Many of these steps are also now part of our product and technology development process.

A Medtronic Security Steering Committee, made up of senior and executive management, and the Global Privacy Council, made up of company-wide legal representation, continue to monitor development of the privacy and security initiatives led by the Global Privacy and Security Office. The global processes and procedures, privacy and security initiatives, and security management framework are brought to life through risk assessments, governance and consulting, training and awareness, technology assessments, vendor management, government and industry relations, and product development and metrics.

To drive awareness and understanding of our privacy and security practices, we have policies, standards and procedures which outline appropriate and acceptable use of systems, networks, devices, and information. In addition, we have a number of global privacy and security trainings for employees and contractors who have frequent access to Medtronic computers.

Medtronic conducts real-time monitoring of released products, including vulnerability assessments, privacy testing, and code reviews. Our ongoing threat assessment process follows four steps including identification, analysis, mitigation, and communication. In addition, our incident response management function ensures rapid, succinct, and consistent response to possible incidents.

Information about specific incidents related to data privacy and security is included in our FY2014 10-K filing, available at [investorrelations.medtronic.com](http://investorrelations.medtronic.com).



## CORPORATE CITIZENSHIP & SUSTAINABILITY MANAGEMENT

In parallel to our materiality assessment, in FY2014 we also reexamined our management structure for sustainability and citizenship. This year, we integrated management responsibility into the business, promoting direct coordination between functional groups rather than through a centralized Citizenship Team. Individual leaders and groups from across the Company will continue to take responsibility for key sustainability issues, including the environment, supply chain, human resources, and philanthropy. In light of potential changes to our overall organization, we will continue to assess the most effective management approach for sustainability and citizenship.

## STAKEHOLDER ENGAGEMENT

Collaboration and engagement are integral to furthering our [Mission](#). We work with a variety of stakeholders who play a role in the healthcare ecosystem, including physicians, hospital administrators, patients and patient advocacy groups, public health organizations, employees, suppliers, shareholders and institutional investors, government regulators and policymakers, nongovernmental organizations, and local communities. A representative sample of the many different stakeholders we engage includes:

- AdvaMed
- American Heart Association
- Business for Social Responsibility
- Calvert
- EucoMed
- Electronic Industry Citizenship Coalition
- International Association of Privacy Professionals
- Interfaith Center on Corporate Responsibility
- MSCI
- NCD Alliance
- NCDChild
- Partners in Health
- Practice Green Health
- World Bank
- World Health Organization

One particularly noteworthy example of stakeholder engagement in FY2014 was our work with the nonprofit group Business for Social Responsibility (BSR) to conduct a materiality assessment for the Company. The goal of the

engagement was to better understand the sustainability issues most critical to our business, and the priority and expectations that stakeholders placed on those issues. In the process of conducting the sessions, we were able to reach out to a wide range of people, including policy makers, customers, investors, and representatives of nongovernmental organizations and industry associations. We received robust feedback that informed the development of a materiality map that will guide our sustainability focus and strategies in FY2015.

We are constantly engaging in meaningful dialogue with other leaders who are focused on chronic, noncommunicable diseases (NCDs) to understand how we can best support our collective goal to reduce premature mortality due to NCDs by 25 percent by 2025. As part of this ongoing engagement, we presented our strategies and engaged in multi-sectoral discussions during several thought leadership events advancing global and national NCD policy. This included joining presentations with NCD Alliance and NCDChild at critical events such as the 67th World Health Assembly, 6th Congress of the International Alliance of Patient Organizations, and NCDChild Conference “Doing What Needs to be Done.” We also ensure continued dialogue through our participation on key steering committees for NCDAlliance, NCDChild, and the International Alliance of Patients’ Organizations (IAPO), alongside other private sector companies and multi-sectoral partners.

In FY2014, we also participated in events, such as the Investment Advisory Council of Turkey and International Association of Privacy Professionals convention, in which we engaged with stakeholders to discuss critical issues facing the healthcare industry. During the Investment Advisory Council of Turkey, we collaborated with regional policymakers and international business leaders to understand opportunities to better serve physicians and patients in Turkey, the Middle East, and Africa. Through the International Association of Privacy Professionals convention, we met with experts on medical device privacy and discussed topics such as device data security and patient access to device data.

Also in FY2014, Medtronic participated in a Sustainability Supplier Roundtable hosted by Inova Health Systems, joining sustainability and supply chain managers from other leading healthcare organizations in a cross-industry discussion of environmentally preferable purchasing (EPP) issues. The roundtable meeting included conversations on EPP issues and supply chain solutions that recognize the complex convergence of business and environmental sustainability.

Additional examples of these types of engagements are found throughout the report, including our [Access](#) and [Supply Chain](#) chapters.

We also engage employees in efforts to better understand their perspectives on the workplace and uncover areas of opportunity for the Company. One way that we receive their feedback is through employee surveys. In FY2014, our survey had a 77 percent response rate, and showed that 86 percent believe that their work supports our [Mission](#). Survey responses are reported to the Executive Committee to help inform their decisions about the workplace and business. Our managers are equipped with online tools, such as our “Action Planning Discussion Tips” and a “Manager PlayBook,” to help them share organization-specific results with their employees and work with their teams to translate their survey results into actionable improvement plans.

## **U.S. PUBLIC POLICY DEVELOPMENT**

Meaningful advocacy supports medical technology innovation and patient access to necessary and affordable care. We are well-positioned to contribute thoughtful insights to policy dialogues through:

- U.S. Public Policy Development and
- International Public Policy Development.

### ***U.S. Public Policy Development***

Consistent with our corporate strategy, our U.S. public policy and government affairs team has focused on healthcare system changes that promote therapy innovation, drive economic value, and support globalization. In FY2014, we focused on the following:

#### **Health System Reforms – Transition to Pay-For-Value**

We are working with policymakers and elected officials in support of new healthcare payment models that shift from the traditional fee-for-service system that reward volume, to a pay-for-value paradigm. Building off emerging trends accelerated by the Affordable Care Act, Medtronic is actively participating in the discussion around the value of medical technology and our role in care coordination, delivery, and remote patient management in the hospital and in the post-acute settings to help avoid readmissions and more costly care in the future. We are working to define technology as

part of the healthcare solution through expansion of new payment and delivery system models including Accountable Care Organizations (ACOs) and episode-of-care and bundled payments, ensuring that appropriate quality measures align with advances in technology and new reimbursement models. Working within the U.S., we have embarked on a series of partnerships with payers and integrated health systems. And we also support reform initiatives that reward breakthrough technologies and incremental innovation where incremental value in outcomes and savings can be demonstrated.

#### **Providing Therapy Access – Diabetes**

Medtronic works to ensure therapy access across the Cardiac and Vascular, Restorative Therapies, and Diabetes Business Groups. In Diabetes, for example, we are working to make sure our therapies are available through public payer programs. We led efforts to mobilize patient organizations and physician societies to educate the Centers for Medicare and Medicaid Services (CMS) about the need to expand coverage for diabetes therapies, including Continuous Glucose Monitoring (CGM). CGM is a stepwise technology on the path to a full artificial pancreas system. Our government affairs team led a careful alliance building and advocacy strategy which resulted in the introduction of legislation that would require access to CGM in Medicare. We will continue partnering with stakeholders on this effort, raising and pursuing access to therapy innovations, including legislative and regulatory solutions where necessary.

#### **Promoting International Trade & Tax Reform**

Trade agreements are crucial to growing the U.S. economy and creating new jobs tied to exports, and to provide life-sustaining and life-saving therapies to patients globally. In FY2014, Medtronic continued to lead a coalition of disparate stakeholders we organized who are pressing for more focused attention to medical technology issues in our trading relationships. One priority for Medtronic is the passage of Trade Promotion Authority (TPA) legislation – a collaborative construct between Congress and the President outlining key objectives for trade negotiations, which creates a more streamlined and aligned trade agreement process. A key objective in TPA is fair and transparent government reimbursement and pricing rules for health care products, which in turn allows for full market access for U.S. products.

Medtronic supports international trade liberalization and is also supportive of two pending trade agreements: the Trans Pacific Partnership (TPP), a trade agreement between the U.S. and a number of Asia Pacific countries, and the Trans-Atlantic Trade and Investment Partnership (TTIP), an agreement between the U.S. and the European Union.

## Corporate Tax Reform

U.S. corporate tax reform continues to remain an important priority, including lowering the U.S. corporate tax, which is one of the highest in the world. Moving to a more rationalized tax code for multinational companies would level the playing field, including a transition to a territorial-based tax system. We will continue to press for reforms that will allow for more nimble movement of capital to invest in innovation and to meet the demands of an increasingly global marketplace and the entry of new local competitors in many markets.

## International Public Policy Development

Our international relations team contributes to global public policy development through a multi-pronged advocacy campaign. In FY2014, this included advocacy and support for:

- New and enhanced healthcare policies in more than 50 countries related to fair and transparent reimbursement and funding systems, health technology assessment, regulatory approvals and post-market surveillance, procurement, and pricing in regards to medical technology therapies.
- Healthcare policy that strengthens the prevention, diagnosis, treatment, and control of noncommunicable diseases (NCDs), such as cardiovascular disease and diabetes. We regularly engage with global NCD stakeholders (as noted in our Stakeholder Engagement section above) and our government affairs team is working to educate U.S. policy makers about the scope and impact of NCDs and the need to reallocate resources to battle this growing global burden.
- An ongoing International Roundtable Series, coordinated with the Conference Board of Canada and Advamed, the first of which produced a report that captures the experience of a wide range of experts from Canada, the U.S., and Europe on best practices in procuring innovative medical devices, as well as several related case studies.

## LOBBYING DISCLOSURE

Medtronic files lobbying disclosure reports quarterly, for the [U.S. House of Representatives](#) and [U.S. Senate](#), and reported approximately \$2.84 million in lobbying expenditures during the calendar year of 2014, as of the time of this reporting.

We also maintain memberships in [AdvaMed](#) and [EucoMed](#), medical device trade associations in the U.S. and Europe, which advocate for legal, regulatory, and economic initiatives that advance global health by ensuring access to medical technology. Our AdvaMed dues are based on domestic sales, and a portion is used for public policy advocacy. Additional information can be found at <http://disclosures.house.gov>.

We are a member of industry associations in Brazil, China, India, Japan, Mexico, Russia, Southeast Asia, Turkey and other countries and regions. In the U.S., Medtronic also maintains memberships in the Asia Society, Alliance for Healthcare Competitiveness, Americas Society/Council of the Americas, Corporate Council on Africa, U.S. ASEAN Business Council, U.S. Brazil Business Council, U.S. China Business Council, U.S. India Business Council, U.S. Japan Business Council, U.S. Korea Business Council, U.S. Russia Business Council, and the World Economic Forum.

## POLITICAL CONTRIBUTIONS

Our approach to political contributions is laid out by Medtronic's [Political Contribution Policy](#), and we disclose all [political contributions](#) annually. As of July 2014, Medtronic's political action committee cash contributions totaled \$92,500 for the calendar year.

## Employees

We are a knowledge-based business and our success depends on attracting and retaining exceptional talent. Because of this, we are always seeking ways to reach across our different business units, geographies, and functions to drive engagement and collaboration among our diverse employee base.

## TALENT MANAGEMENT & DEVELOPMENT

To build Medtronic capabilities and grow, leverage, and retain talent, we have a variety of initiatives and development programs to cultivate the next generation workforce and leaders. These initiatives include:

- Global training programs,
- Medtronic University,
- External Education Programs,
- Leadership and Career Development Programs,
- Employee Resource Groups, and
- Performance Management System.

### Global Training Programs

In FY2014, we spent \$45.8 million on training employees at all levels through various programs. Our spend was significantly lower than previous years because all programs for high-potential employees were in a re-design stage and, therefore, were not offered during this period. To ensure that all new employees develop the skills needed to succeed, we require completion of a minimum of eight hours of Medtronic New Employee Orientation training. Additionally, all new managers are encouraged to complete New Leader Orientation (1 to 2 hours of self-paced eLearning), and we recommend participation in a three-day instructor-led program for mid-level management.

EMPLOYEE TRAINING & DEVELOPMENT				
	FY2011	FY2012	FY2013	FY2014
Total Amount Spent on Employee Training and Development	\$63.5 million	\$56.9 million	\$53 million	\$45.8 million
Average Amount Spent per Employee	\$1,431	\$1,267	\$1,137	\$929
Number of eLearning Courses Available to Employees	133	137	140	64

### Medtronic University

Medtronic University is a globally accessible online education portal, which provides learning resources to employees worldwide. Courses range from core business training, global and cultural awareness, and Medtronic leadership development. We have an extensive library of global elective courses to provide education on topics focused on our key business strategies and common development needs. These elective courses are offered in multiple languages.

### External Education Programs

We offer tuition aid for employees who wish to enroll in university programs or courses to build their skills and expertise. In FY2014, we provided \$2.8 million in aid to 1,407 employees in the U.S. and Puerto Rico.

### Leadership & Career Development Programs

We develop high potential leaders through programs like *Emerging Leaders*, *Women's Leadership Exchange*, *High Impact Leadership*, and *MBA Leadership Development Rotation Program (LDRP)*. For example, our LDRP is open to recent MBA graduates and enrolls participants in two 12- to 18-month assignments in different business areas within the Company, including marketing, business development, and strategy. Through the program, these high-potential employees are placed in strategic assignments and interact with company leaders, gaining exposure to multiple experiences across our business units.



*"My experience with LDRP has been invaluable. LDRP allowed me to have great visibility to the company by requiring participants to rotate to two different business units and two different geographies. By taking a role in the cardiac and corporate*

*business units, I gained a much more comprehensive knowledge about Medtronic, its offerings, its customers, and its people,"* said Ravyn Miller, Implementation Leader, Cardiovascular Group.

Medtronic conducts an annual process to identify and develop talent with high leadership potential and to identify potential successors for significant leadership roles. Career development plans are created for these employees who are identified as having high potential to hold significant leadership roles in the future.

Our employee resource groups and networks also help develop young leaders by connecting emerging junior managers at Medtronic to our broader network of employees to learn from each other's experiences.

### Employee Resource Groups

Medtronic supports 14 different employee resource groups in the U.S. These groups play a critical role in creating community, providing development opportunities to members, and serving as Medtronic ambassadors both at work and in the communities we serve.

### Performance Management System

We continue to use a process called Performance Acceleration to optimize employee performance globally. Through the process, managers meet with all employees on at least an annual basis to set goals and provide focused feedback. In addition to setting business goals, employees also set career goals and development goals.

Employees are assessed on how well they demonstrate Medtronic Traits, receive feedback and coaching from their managers, and form development goals based on this feedback. The Medtronic Traits are a set of compelling expectations and behaviors that are designed to support Medtronic's strategic imperatives, centered around the [Mission](#), and considered essential for all employees at Medtronic. The nine Medtronic Traits are: Mission Values, Compliance and Integrity, External Focus, Clear Thinking, Driven to Win, Inspires Others, Executes, Boundaryless, and Global.

## GENDER REPRESENTATION

With women historically underrepresented in the medical technology industry, we are committed to increasing female representation in leadership roles because we believe it expands our breadth of experience and pushes both our company and our entire industry forward. We implemented several initiatives intended to increase gender representation at the Executive Committee, vice president, and director levels.

Our *Global Inclusion, Diversity, and Engagement (GIDE)* office facilitates the retention and advancement of women in leadership positions by building strong pipelines of diverse/female talent, creating a culture of engagement, and integrating diversity and inclusion into all our talent practices. The Medtronic Women's Network also enhances our ability to attract, develop, retain, and accelerate the advancement of women. The network includes employee resource groups (or "hubs") around the world, which focus on local issues of importance to women.

An overall operations team helps oversee all the groups and identify any common issues, such as professional development, mentoring, and networking. As a result of these initiatives, women continue to comprise 49 percent of our global population and the *Medtronic Women's Network* and *GIDE* now support more than 40 different women's "hubs" around the world.

## OCCUPATIONAL HEALTH & SAFETY

We are committed to the health and safety of our employees, ensuring the well-being of our people and the continuity of our business. Medtronic has 2020 goals that focus on ergonomics and safe driving training programs to reduce serious employee injuries. In FY2014, our incident rate was 0.87.

OCCUPATIONAL HEALTH AND SAFETY					
	FY2010	FY2011	FY2012	FY2013	FY2014
Employee injury incident rate <sup>1</sup>	1.00	1.13	1.05	1.03	0.87
Employee lost/restricted workday case rate <sup>2</sup>	0.47	0.51	0.47	0.45	0.39

<sup>1</sup>The number of work-related injuries or illnesses serious enough to require treatment beyond first-aid, per 100 employees working a full year.

<sup>2</sup>The number of work-related injuries or illnesses serious enough to cause an employee to miss one or more work days or to have one or more work days of restricted duty, per 100 employees working a full year.

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## Medtronic at Work: Ergonomic Program in Italy

In our facility in Brescia, Italy, we adopted a new ergonomic program to evaluate and manage employees' risk of exposure to repetitive stress injuries. Over the year, this initiative helped reduce stress-related disease symptoms, and with a healthier workforce, the facility decreased legal and insurance costs.

To develop this program, we first created a detailed risk map of all assembly working tasks and identified the risk level of each employee. We then implemented a new software application that controls ergonomic risk by not allowing certain employees to perform tasks exceeding their risk level. After implementation, the Brescia facility successfully reduced related stress injuries among employees. It saved approximately \$50,000 in insurance costs in 2013 and is estimated to save about 1,300 hours per year through better work flow organization and optimization.

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- Wellness Screenings (blood draw/blood pressure);
- Flu vaccinations;
- On-site Fitness Centers;
- Employee assistance programs; and
- Health club discounts.

## WORK-LIFE BALANCE & WELLNESS

We provide our employees with a variety of resources to encourage a healthy and active lifestyle. As we continue to expand our programs, we see this investment providing value to not only our employees, but also to our business.

To proactively address preventable employee risk factors, including poor diet, smoking, obesity, high blood pressure, high cholesterol, and lack of exercise, we introduced our Total Health program to U.S. employees in 2006. The Total Health program features include:

- Customized, translated Total Health websites;
- Health assessments;
- Health improvement programs, including lifestyle health coaching;
- Nutrition information, with recommendations for healthy eating;
- Recreational sports teams;
- Incentives to improve health and wellness;
- Wellness challenges;

Since the program's implementation, Total Health has improved employee lives, increased employee productivity, and saved us millions of dollars in healthcare costs annually. With this success, we have expanded *Total Health* to cover nearly all of our employees around the world (see table below). During the year, we realized a \$2.5 return on every \$1 invested in the program based on cost savings as well as cost avoidance from improved health. Overall, we saved an estimated \$4 million due to this initiative during FY2014.

Additionally, to encourage physical activity and healthy choices, we have also invested in offering *Global Wellness Challenges* throughout the year. These challenges are team based, lasting 6 to 8 weeks, and focus on physical activity, nutrition, stress, and/or weight loss. Our most recent challenge, the European Expedition, had 270 teams participate from 30 countries around the world. Nearly 2,300 participants accumulated 938,409,831 steps during the eight-week challenge, which is equivalent to 469,205 miles or walking nearly 19 times around the world.

Our *Medtronic Employee Assistance Program* is an additional wellness program that helps employees resolve workplace or personal challenges through problem assessment, short-term counseling, skill-based coaching, referrals, and follow-up services.



*"We're being rewarded for helping ourselves to better health and fitness. We're so fortunate to have a wellness program and work for a company where wellness and good overall health is actively encouraged,"* said Adeliade Kiah Foxworth, employee of Medtronic in Minneapolis, Minnesota, U.S.

## EMPLOYEE ENGAGEMENT

Each employee is an ambassador of the values and principles that guide us in pursuing our [Mission](#), so we encourage them to support the communities in which we operate through several corporate-wide employee engagement programs, including:

- Global Innovation Fellows,
- Project 6 employee volunteerism,
- Global matching grants, and
- Volunteer grants.

### *Global Innovation Fellows*

After a successful skilled service pilot in FY2013, this year we fully launched our [Global Innovation Fellows](#) program, which seeks to increase access to healthcare for underserved communities around the world through individual and group projects. In FY2014, 25 talented and passionate employees traveled to communities in South Africa, India, and Ghana to partner with nongovernmental organizations and social enterprises to address healthcare issues. These employees gained exposure to local issues, leveraged their skills to benefit communities in need, and ultimately brought their experiences back to their roles to push all of us forward.

MEDTRONIC TOTAL HEALTH PROGRAM GLOBAL REACH					
	FY2010	FY2011	FY2012	FY2013	FY2014
Countries with Program Access	1 (US only)	2 (US and Puerto Rico)	12	19	43
Percentage of Employees with Program Access	58%	65%	82%	85%	98%
Employees Completing Health Questionnaire	19,026	21,559	25,324	24,792	23,521
Employees Receiving Personal Health Coaching	2,605	4,144	3,736	3,613	4,560

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## Medtronic at Work: Kujali Living Lab in Cape Town, South Africa

In FY2014, two of our Global Innovation Fellows, Patrick Wells and Rony Weisman, traveled to Cape Town, South Africa, to partner with The Kujali Living Lab at the Cape Peninsula University of Technology. This lab connects students with industry partners to develop health solutions, including those that use mobile technology, to increase access to educational information and quality healthcare services in underserved and under-resourced areas of South Africa.

During their time in South Africa, Patrick and Rony helped the Kujali Living Lab to develop a more formal innovation process that would use best practices and leverage key learnings from past projects. They worked with the students, staff, and partners at the University and in the field to observe projects first-hand and gain greater insight into the Living Lab's processes. Based on their research, they devised a plan to strengthen and formalize the lab's innovation process. Their recommendations are designed to help the Living Lab improve its work and reach and raise its profile, which will ultimately help to attract more industry partners and funding, as well as draw more talented students.

*"The Global Innovation Fellows program provided me with the opportunity to work with my Medtronic colleagues in a distinct new setting and see Medtronic solutions in use in underserved areas of the world. Through this experience I gained better insight into the needs of our customers. I bring this knowledge to my job every day. It inspires me, and motivates how I drive my team,"* said Patrick Wells, senior product specialist in Medtronic's Cardiac and Vascular Group.

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### Project 6 Employee Volunteerism

Our employees bring to life the sixth tenet of our [Mission](#) – to maintain good citizenship as a company – by participating in volunteer projects every June in communities around the world as part of our Project 6 employee volunteerism program. Additionally, to help expand a project's impact,

each year we award a \$10,000 Impact Grant to the beneficiary organization of one Project 6 volunteer initiative based on its outcomes and employee participation numbers (see example below).

Last year, 6,365 employees participated in Project 6 events in 30 countries around the world, volunteering 18,570 hours throughout the month. Projects included public bone marrow donor screening and CPR training events, assembling hospital supply packets for clinics reaching underserved patients in emerging countries, creating grooming kits for the homeless, and working at local food banks.

PROJECT 6 IMPACT				
	FY2011	FY2012	FY2013	FY2014
Number of Countries	22	36	36	30
Number of People	2,000	4,200	5,878	6,365
Number of Employee-Led Projects	84	255	483	215

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## Medtronic at Work: Hospital Refurbishment in Lebanon

This past year, as part of our annual Project 6 volunteer program, nearly 90 Medtronic employees, families, and friends made several improvements to the pediatric chemotherapy unit in Rafik Hairi University Hospital in Lebanon. In a four-day effort, they painted the walls of the pediatric ward, bringing much needed light and color to the facility. With the help of Ajjalouna, a renowned charitable nonprofit organization, the volunteers separated the adult ward from the pediatric ward, giving the pediatric ward its own entrance and helping eliminate risks of cross-infection. Additionally, through fundraising activities, the team raised \$25,000 in three weeks to bring in supplemental equipment and supplies, including an external defibrillator, wheelchairs, scales, new bedding, and sterilizer hand gel. Medtronic recognized our employees' volunteer efforts by awarding the hospital a \$10,000 Impact Grant, which it can invest in additional improvements of its choice.

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Medtronic employee, Andrew Von Fossen, with students at Balboa Magnet Elementary School.

### Global Matching Grants

In FY2014, we launched our global *Matching Grants* program to increase the impact of our employees' individual charitable contributions with a dollar-for-dollar match. Under this new program, the number of employees with access to matched giving opportunities increased significantly from 16 to 100 percent.

Through this *Matching Grants* program, Medtronic Philanthropy charitable donations totaled \$6 million in FY2014. Together, our employees and Medtronic Philanthropy donated nearly \$12 million to our communities.

### Volunteer Grants

*Volunteer Grants* encourage employees to pursue causes that are important to them. *Medtronic Philanthropy* awards a \$500 grant annually to qualifying nonprofit/nongovernmental organizations at which an employee contributes 25 hours of volunteer service. The program also matches employee donations to the organization up to an additional \$500 annually.

### Medtronic at Work: Balboa Magnet Elementary School

Medtronic employee Andrew Van Fossen started volunteering in 2010 at Balboa Magnet Elementary School in Los Angeles, U.S., and in the following years, organized annual field trips to a Medtronic facility to expose the school's 5th grade class to our scientists, engineers, museum, and other interesting manufacturing tools. As of FY2014, 19 other employees joined Andrew and volunteered to tutor one-on-one with Balboa students. Through their efforts, Medtronic has provided nearly \$6,000 in volunteer grants to the school, which it plans to use to upgrade its science lab with the latest technology. Medtronic volunteers also planned the first Diabetes Science Fair, which challenged the 5th graders to develop ideas to better treat diabetes and offered \$1,000 in prize money to be split among the top three participants.

*"Following the Diabetes Science Fair, a parent of one of the finalists came to me and told me how excited his daughter was to learn about diabetes and treating the disease. She had done an incredible job in the fair, creating a 3-D model of her idea and presenting her findings in front of the judges. I hope this experience will show her that inventing and science and math can be fun. Maybe one day she'll work at Medtronic and help us develop the Artificial Pancreas or fight another disease that may arise in the next 30 years,"* said Andrew Van Fossen, Director of Channel Strategy.

MEDTRONIC VOLUNTEER GRANTS					
	FY2010	FY2011	FY2012	FY2013	FY2014
Volunteer Grant Hours	56,221	60,708	59,075	40,319	39,855
Employees Generating Volunteer Grants	773	713	776	581	619
Value of Volunteer Grants	\$540,935	\$688,167	\$581,229	\$465,268	\$432,465

## LABOR POLICIES & PRACTICES

We support all employees — part-time and full-time — through strong labor policies and practices that align with the fifth tenet of our [Mission](#) as well as increase employee well-being and engagement. Policies and practices include:

- Compensation and benefits,
- Retirement plans, and
- Union representation policies.

### Compensation & Benefits

Our global compensation philosophy is based on competitive and equitable pay and determined by our industry and local markets as well as company and employee performance. Compensation and benefit programs provide employees the means to share in the company's success and provide security, two key components of the Medtronic [Mission](#) Fifth Tenet. Compensation is also tied to quality and ethics, which are two of our sustainability priority issues. Managers and employees have a portion of their annual incentive tied to successfully completing quality and ethics training. Additionally, corporate and business unit employees have a portion of annual incentive tied to key quality performance indicators. On top of annual compensation, employees may receive additional rewards through our *Recognize!* program, which allows managers to acknowledge outstanding performance at any time throughout the year.

Information on executive compensation can be found in our [Governance](#) chapter.

All global full- and part-time employees are eligible to receive benefits that are delivered by Medtronic-sponsored plans. We comply with all country benefit regulations. Employees receive medical and dental benefits in countries where universal healthcare or company-sponsored healthcare benefits are available.

Globally, our benefits package for regular full-time and part-time employees typically includes:

- **Health plans:** medical, dental and vision, with coverage options for spouse, domestic partner, and children.
- **Paid time off:** vacation, sick leave, maternity leave, anniversary bonus week, holidays, bereavement, and compassionate leave to care for immediate family members who are terminally ill. Paternity leave is available unpaid.

- **Insurance:** life, dependent life, accidental death and dismemberment, and disability, both short- and long-term.
- **Flexible spending accounts:** health and dependent care.
- **Retirement plans:** personal investment account or personal pension account (see below for more information) and 401(k) with employer contribution. The employer contribution varies based on company performance.
- **Employee stock purchase** at a 15 percent discount.
- **Tuition aid** and scholarship programs, for employees and their children.
- **Employee assistance** program/work-life resources, such as onsite childcare and fitness facilities at major locations, counseling referrals, financial consultation, and adoption and eldercare assistance.

Medtronic uses a mix of electronic and print material coupled with live meetings or webinars to help employees learn about compensation and benefit programs. Beginning in calendar year 2013, we started utilizing ALEX, a virtual and interactive benefits guide, to help our employees more easily learn about benefit programs and maximize program value.

### Retirement Plans

At Medtronic we offer both defined benefit and contribution pension plans to global employees, although we have continued to emphasize defined contribution plans. Using our U.S.-based defined contribution plan as an example, the Company contributes 5 percent of a U.S. employee's annual earnings in an investment account which he or she controls. In addition, we offer a 401(k) savings plan with an employer contribution based on company performance. We also provide U.S. retirees with access to medical and retiree life benefits.

### Union Representation Policies

Medtronic is currently non-unionized in the U.S. and observes all applicable laws in other locations regarding collective groups, such as works councils; 4.4 percent of our permanent employees are represented by works councils and 4.1 percent are covered under agreements with trade unions.

## MEDTRONIC GLOBAL WORKFORCE

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Global</b>	<b>39,986</b>	<b>43,234</b>	<b>42,471</b>	<b>43,091</b>	<b>43,707</b>
Asia Pacific	3,003	3,171	3,465	4,053	4,470
Canada	416	750	734	749	738
Europe/Central Asia/Middle East/Africa	7,676	9,007	9,229	9,126	9,270
Latin America	237	2,713	2,972	3,064	3,302
U.S. & Puerto Rico	28,654	27,593	26,071	26,099	25,927

Note: Global Workforce does not include temporary or contingent workers.

## EMPLOYMENT TYPE

	FY2010	FY2011	FY2012	FY2013	FY2014
Hourly	18,408	17,560	19,396	19,184	19,219
Salary (non-management)*	17,186	20,886	18,322	18,956	19,358
Management**	4,084	4,461	4,450	4,654	4,855
Executive***	308	327	303	284	275

\*Salary (non-management) = employees at or above a specific pay band not in a management or executive role

\*\*Management = managers, senior managers, directors, and senior directors

\*\*\*Executive = all levels of vice presidents

## REPRESENTATION

	FY2010	FY2011	FY2012	FY2013	FY2014
Female	19,189	21,211	20,824	21,148	21,468
Percentage of Females in Total Workforce	48%	49%	49%	49%	49%
U.S. Diversity (Race/Ethnicity), excluding Puerto Rico	N/A	28%	28.3%	28%	29%

## GLOBAL FULL-TIME

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Total</b>	<b>38,906</b>	<b>42,025</b>	<b>41,293</b>	<b>41,895</b>	<b>42,497</b>
Under 30	7,509	7,633	7,464	6,950	7,065
	19%	18%	18%	17%	17%
31-50	24,847	26,909	26,570	27,076	27,299
	64%	64%	64%	65%	64%
51 and above	6,550	7,483	7,259	7,869	8,133
	17%	18%	18%	19%	19%
Female	18,213	20,115	19,767	20,066	20,371
Asia Pacific	1,183	1,335	1,492	1,694	1,900
	6%	7%	8%	8%	9%
Canada	234	455	444	465	456
	1%	2%	2%	2%	2%
Europe/Central Asia/Middle East/Africa	3,272	3,962	4,000	4,054	4,099
	18%	20%	20%	20%	20%
Latin America	117	2,021	2,172	2,201	2,357
	0.6%	10%	11%	11%	12%
U.S. & Puerto Rico	13,407	12,342	11,659	11,652	11,559
	74%	61%	59%	58%	57%

Note: Percentages refer to the percentage of full-time employees within that category (Total or Female); percentages may not total 100 due to rounding.

GLOBAL PART TIME					
	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Total</b>	<b>1,080</b>	<b>1,209</b>	<b>1,177</b>	<b>1,196</b>	<b>1,210</b>
Under 30	98	113	94	73	71
31-50	808	892	897	924	937
51 and above	174	204	186	199	202
Female	976	1,096	1,057	1,082	1,097
Asia Pacific	48	45	57	60	59
Canada	7	8	7	9	6
Europe/Central Asia/Middle East & Africa	661	797	798	821	845
Latin America	1	0	0	0	0
U.S. & Puerto Rico	259	246	195	192	187

NUMBER AND RATE OF TURNOVER					
	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Total</b>	<b>4,219</b>	<b>4,100</b>	<b>7,062</b>	<b>4,630</b>	<b>4,502</b>
	<b>11%</b>	<b>10%</b>	<b>17%</b>	<b>11%</b>	<b>10%</b>
Under 30	1,062	1,359	1,635	1,188	922
	14%	18%	21%	16%	13%
31-50	2,271	2,181	3,893	2,750	2,671
	9%	8%	14%	10%	9%
51 and above	886	560	1,534	692	909
	13%	8%	20%	9%	11%
Female	2,245	2,370	3,664	2,373	2,226
	13%	11%	17%	11%	10%
Asia Pacific	191	253	249	307	257
	16%	19%	17%	19%	14%
Canada	18	39	52	51	44
	8%	9%	11%	11%	9%
Europe/Central Asia/Middle East/Africa	298	332	455	378	410
	8%	7%	10%	8%	8%
Latin America	5	743	750	440	266
	5%	41%	36%	20%	12%
U.S. & Puerto Rico	1,733	1,003	2,158	1,196	1,249
	13%	8%	18%	10%	11%

Note: Total turnover rate was calculated based on total global population. Category turnover rates were calculated using the total number of terminations in a category divided by the average number of people in that category during the year. They include voluntary & involuntary terminations/retirements.

# Environment

At Medtronic, we have a long-standing commitment to managing and minimizing our environmental impact. We take a holistic approach to our environmental strategy, focusing not just on the immediate impact of our business and products, but also considering the full continuum of our value chain. Our 2020 Environmental Goals guide our efforts at waste and emissions reduction and energy and water efficiency.

## OPERATIONS SUSTAINABILITY TEAM

A multi-function team that consists of Environment, Health and Safety (EHS); Sourcing; Facilities; Packaging; Distribution; Transportation; Communications; and Human Resources was formed to develop a sustainability strategy specific to our operations. The framework of the strategy is based on the following priorities, which specifically address two of the priority issues identified in our materiality assessment—responsible sourcing and product and packaging environmental impacts:

- **Advance Product and Packaging Stewardship** by integrating life cycle considerations into product development.
- **Drive Responsible Sourcing** by establishing responsible sourcing criteria for suppliers and assessing the substances used in our products and packaging.

- **Reduce our Environmental Impact** by setting 2020 Goals to reduce waste and greenhouse gas (GHG) emissions and to conserve energy and water.
- **Improve Workers’ Health and Safety** by reducing all injuries, especially ergonomic injuries, and piloting a safe driving training program.
- **Align with Stakeholder Expectations** by understanding and partnering with key stakeholders on their material interests and issues.

## ENVIRONMENTAL PERFORMANCE HIGHLIGHTS

After achieving the majority of our [2013 Environmental Performance Goals](#), we set new and even more ambitious goals for 2020. These goals focus on areas of environmental sustainability, including:

- Waste and recycling,
- Energy use,
- Emissions, and
- Water use.

All data in the Environmental Performance section reflects ongoing updates by our contributing locations, which may cause minor discrepancies in numbers reported in past years.

	FY2013 (Baseline)	FY2014	FY2020 Goals	
			% Change FY2013 to FY2014	Improvement Target
<b>Non-Regulated Waste</b> (Tonnes/\$Billion Revenue)	772	760	-2%	-15%
<b>Regulated Waste</b> (Tonnes/\$Billion Revenue)	99	104	5%	-10%
<b>Energy Use</b> (MWh/\$Million Revenue)	31.8	31.2	-2%	-15%
<b>CO2 Emissions</b> (Tonnes/\$Billion Revenue)	12	11.7	-3%	-15%
<b>Water Use</b> (Cubic Meters/\$Million Revenue)	75	77	3%	-10%
<b>Air (VOC) Emissions</b>	(No FY2020 Goal Specified for VOC or Recycling)			
<b>Recycling</b>				

Note: All percentage reduction goals are relative to Medtronic fiscal year 2013 baseline.

## Waste & Recycling

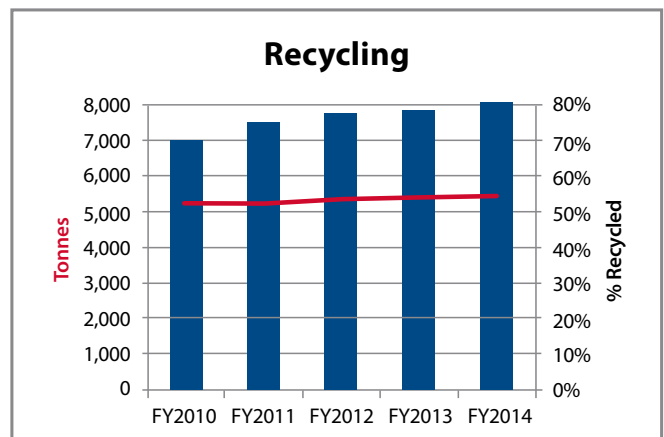
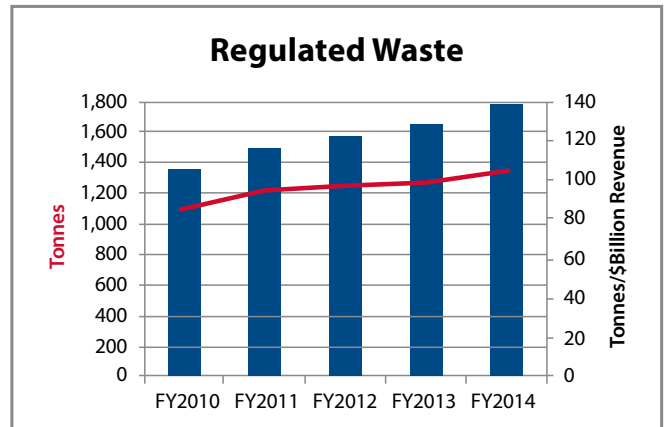
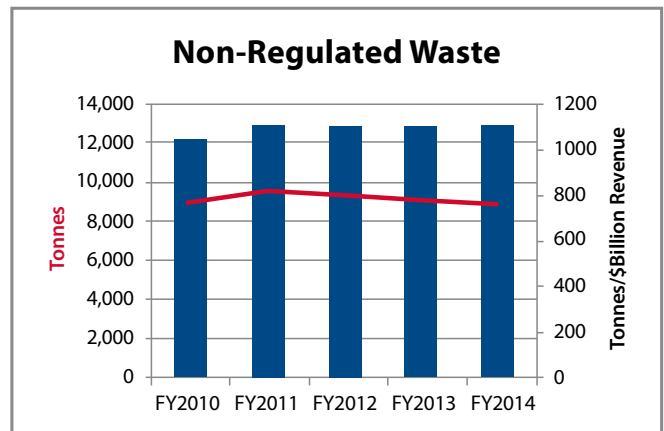
Throughout the company, we seek ways to reduce waste and prevent our products from ending up in landfills and have adopted a number of innovative programs, including product repurposing and resource reclamation. Through these initiatives alone, we have reduced more than 40 tonnes of waste and obtained more than \$4 million in cost savings. In restating our commitment to waste prevention, we have mapped out an ambitious new target to reduce our total waste generation rate by 15 percent by 2020.

In FY2014, Medtronic generated approximately 12,900 metric tonnes of non-regulated solid waste, nearly 88 percent of the company's total waste generation. Combined with 1,775 metric tonnes of regulated waste — which includes hazardous waste as well as regulated industrial wastes— our total waste represented a slight decrease (less than 1 percent) from FY2013, when normalized to revenue.

Excluding construction and demolition debris, Medtronic recycled nearly 8,000 metric tonnes of waste, or 54 percent of our total waste generation in FY2014. This rate is similar to our FY2013 recycling and continues to demonstrate our overall commitment to responsible waste management.

### Medtronic at Work: Reclamation at Rice Creek Facility

Many of our implantable devices, such as pacemakers and defibrillators, contain metals like gold, silver palladium, and platinum. In the past, we typically incinerated these products at a cost to our Company. However, realizing that these metals are desirable and could be recycled rather than incinerated, EHS staff and employees in our Rice Creek facility in Fridley, Minnesota, U.S., launched a precious metal reclamation project. Over the course of 12 months, this pilot program diverted more than 5 metric tonnes of regulated waste from incineration. Along with saving money on incineration costs, the program delivered a precious metal recovery return of nearly \$150,000. Over the next ten years, as we continue to expand this program, we anticipate our efforts will bring in revenue of more than \$700,000 and significantly minimize related waste.



A few examples of recent initiatives to help our company go further in reducing waste include:

- Packaging of External Pulse Generators:** Our Cardiac Rhythm Disease Management Global Packaging Group is spearheading a program to minimize packaging for our External Pulse Generators. Through research and analysis that spanned several business functions, the team developed a new packaging design that reduced consumer waste by 42 percent; product volume by 40 percent; and package system costs by 75 percent. This innovative new packaging design will create cumulative savings of \$350,000 through FY2015.

- **Internet Delivery of Product Manuals:** In 2013, we became the first medical device business to obtain approval to use internet delivery for product manuals in Europe, complying with the European Union’s Electronic Instructions for Use regulation. The implementation of this program saved 51 million sheets of paper, and resulted in \$1.6 million in savings by removing the paper delivery process.
- **Recycling in Puerto Rican Facilities:** Two of our Puerto Rican facilities were recognized by the Puerto Rico Manufacturers Association for their achievements in recycling. Our Medtronic Villalba facility in San Juan won the GOLD Environmental Excellence Award for recycling 76 percent of its waste, and our Juncos site won the SILVER Award for achieving a 68 percent recycling rate.

Through our use of energy conservation technologies such as energy efficient lighting, ventilation systems, and automated building controls, Medtronic continues to focus on ways to effectively manage energy use. Along with traditional methods, our businesses are using innovative renewable energy projects, such as solar photovoltaic systems, which provide renewable energy to our locations in Italy, South Africa, and California, U.S. We also recently constructed green certified buildings, including a LEED certified facility in South Africa. During the past year, we began our most recent phase of energy conservation efforts supporting our 2020 Environmental Goal of 15 percent energy use reductions.

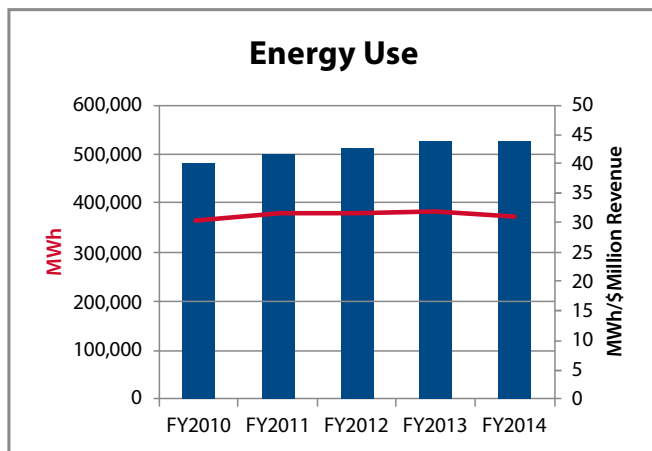
Other green energy and energy reducing initiatives achieved during FY2014, included:

## Energy Use & Greenhouse Gas Emissions

### Energy Use

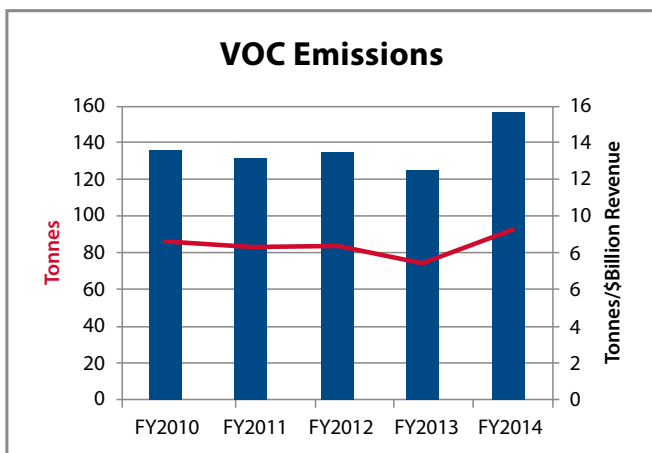
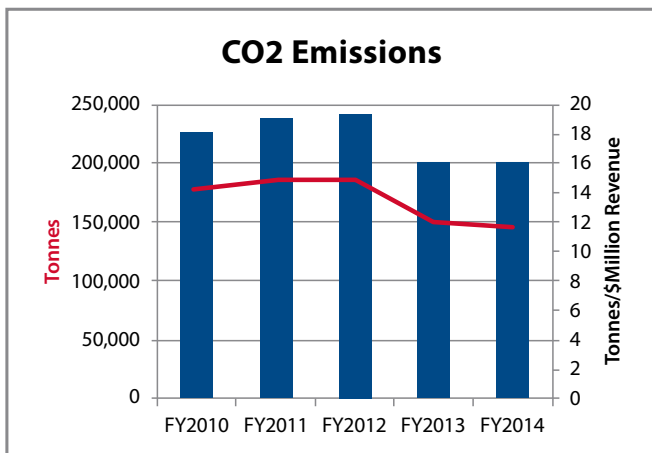
In FY2014, Medtronic used approximately 530,000 megawatt-hours of energy, including electricity, natural gas, liquefied petroleum gas, and fuel oil. Corresponding GHG emissions equaled approximately 200,000 metric tonnes of carbon dioxide equivalent (CO2e). Normalized to revenue, our rates of energy use were nearly 3 percent less than FY2013.

- **Greening our Spine Campus in Memphis, Tennessee, U.S.:** This facility now uses eight million kilowatt hours of green power annually, which is equivalent to avoiding the carbon dioxide emissions of nearly 1,200 passenger vehicles per year or the CO2 emissions generated by the annual electricity use of more than 800 average American homes. For these efforts, this campus was recognized by the U.S. Environmental Protection Agency (EPA) on their Fortune 500 list of largest green power users.
- **Consolidating our Medtronic Heart Valve Operations:** We recently completed a project in California that consolidated our Heart Valve Operations from three facilities into one. The new facility meets California’s “Green Code,” reduces our energy use, and was specifically designed to be an environmentally sustainable building. Additionally, having all the operations under one roof has led to greater workplace efficiency and significantly mitigated our indirect energy output by reducing travel between sites.



## Emissions

Emissions from our operations are primarily comprised of CO<sub>2</sub>e or GHG emissions associated with general energy use and volatile organic compounds (VOCs) linked to our production operations. CO<sub>2</sub>e emissions in FY2014 were just less than 200,000 tonnes, which equates to an approximate 2.5 percent CO<sub>2</sub>e emissions reduction from the prior year when normalized to revenue. VOC emissions during FY2014 remain small at 156 tonnes. This equates to an increase of nearly 23 percent in VOC emissions from the prior year, due mainly to increases in production. Medtronic has established a 15 percent reduction target (normalized to revenue) over a FY2013 base year for CO<sub>2</sub>e emissions by FY2020.

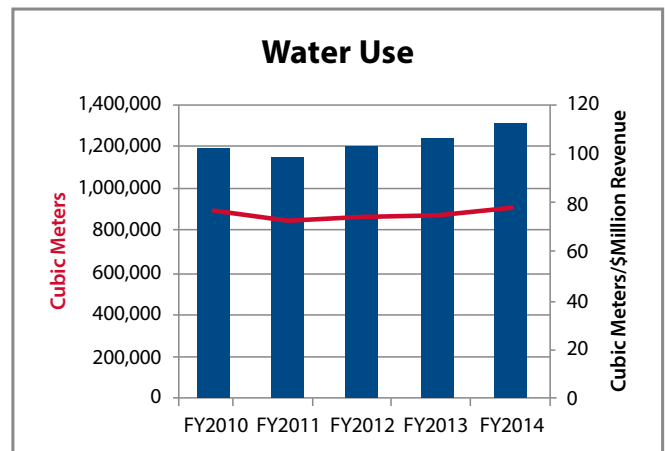


## Medtronic at Work: Reducing Emissions and Waste

We recently achieved significant reductions in both emissions and waste at our Energy and Component Center in Brooklyn Center, Minnesota, U.S. by replacing the canned refrigerant used for a critical cleaning process with nitrogen. This change reduced our annual GHG emissions at this location by over 3,500 metric tonnes and our waste by more than 3 metric tonnes.

## Water Use

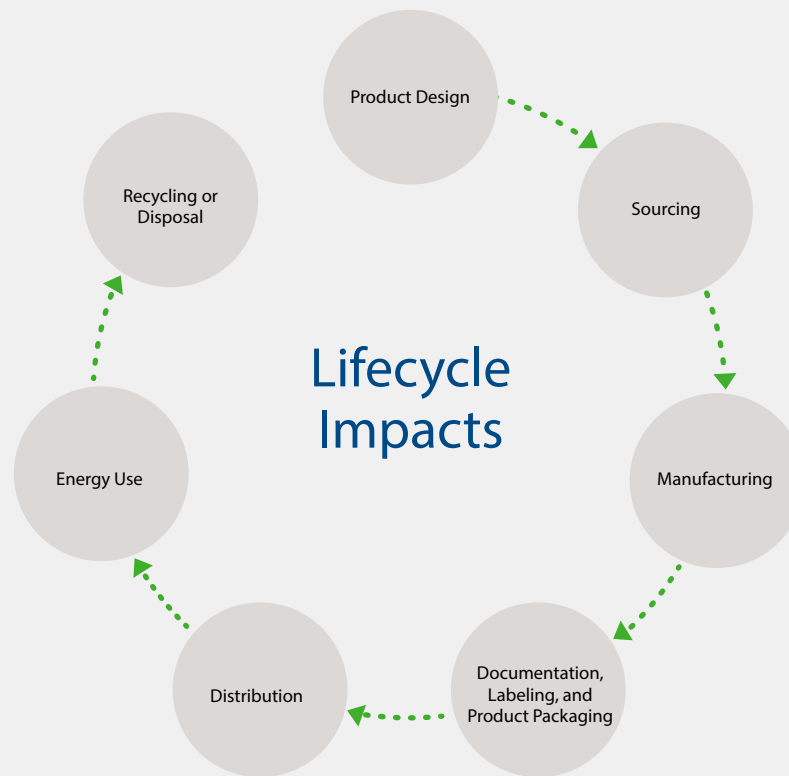
Our water use for FY2014 was approximately 1.3 million cubic meters. Normalized to revenue, this usage was similar to FY2013, representing only a slight increase of 2.7 percent. While our overall water use is low, our 2020 Environmental Goals reassert our commitment to achieving improved water efficiency, by setting a target of 10 percent water use reduction over the base year of 2013. In support of this goal, we have targeted several initiatives at selected sites including landscape and irrigation system upgrades, improved HVAC (heating, ventilation, and air conditioning) efficiencies, and production water use reductions.





## LIFECYCLE IMPACTS

We strive to mitigate the environmental impact of our products throughout their life cycle, from design through disposal.



- **Product Design:** We conduct an EHS Evaluation during the product design phase, assessing the use of hazardous materials, waste generation, air emissions, energy use, waste water generation, packaging, and product disposition at end of life.
- **Sourcing:** We evaluate materials introduced into electronic components in our products in response to regulations such as the European Union's Restriction of Hazardous Substances (RoHS) Directive. These guidelines help ensure product integrity and performance.
- **Manufacturing:** We require an EHS evaluation to identify ways to reduce manufacturing waste by analyzing and enhancing aspects of the production process, such as materials selection and assembly.
- **Documentation, Labeling and Product Packaging:** We include online eManuals with our products to reduce waste from paper copies. We are also always seeking new ways to minimize packaging waste, and have recently launched a company-wide initiative to collect data on product and packaging materials to assess and ultimately manage both the environmental impact and costs of our packaging.
- **Distribution:** We work to consolidate our distribution hubs and strategically place these facilities in close proximity to our customers. Additionally, we partner with several transport organizations with commitments to minimizing their energy consumption and emissions output.
- **Energy Use:** Our products use minimal amounts of energy, however, our engineers strive to develop smaller, more energy efficient devices when applicable, to improve functionality, extend product life, and decrease environmental impact.
- **Recycling or Disposal:** Internally, we have initiated several programs like product repurposing and resource reclamation to eliminate waste. We also view waste and responsible treatment of products at the end of their useful life as a shared responsibility with our customers. We therefore label and disseminate information about appropriate disposal practices to promote more sustainable disposal of products.

## EMPLOYEE ENGAGEMENT

We actively seek ideas from all employees to save energy, reduce water use, generate less waste, and increase recycling rates. To encourage participation among all employees, we maintain a *Go Green for Life* environmental awareness program to communicate our goals and share success stories company-wide.

So far, employee-driven initiatives include desk-side recycling, maximizing power-saving options on personal computers, reducing manufacturing and packaging waste, and reducing carbon emissions through lower carbon food choices and the use of alternative transportation. The Medtronic EHS *Sustainability Award*, established in 2009, also recognizes facilities or teams that have achieved superior results in their EHS initiatives.

## ENVIRONMENT, HEALTH, & SAFETY POLICY & MANAGEMENT

We want to promote the health of our employees, customers, communities, and the environment. Beyond compliance with laws, our EHS policy asserts that we continuously review and set new targets, integrate EHS into all business decisions, communicate our policy to stakeholders, educate our employees, and maintain an EHS infrastructure to ensure that we use the necessary resources to uphold our standards. Read more about our [EHS Policy](#) on our corporate website.

A Senior Management EHS Committee and EHS Council oversee environmental issues within the Company. These groups provide input and approval regarding EHS strategies, performance metrics, risk identification and management, and sustainability opportunities. They work to hold our business accountable not only to applicable EHS regulations, but also to our own company policies and EHS performance goals. Additionally, we have established a Regional EHS Council focused on global EHS risks in the sales organization and distribution centers. To further enhance our EHS management process we are members of the U.S. EPA's [Energy Star Program](#) and participate in the [Carbon Disclosure Project](#).

Fifteen of our locations are certified to the International Standards Organization (ISO) 14001 Standard for environmental management systems: Bourbon, France; Brescia, Milan and Rome, Italy; Brooklyn Center and

Woodbury, Minnesota, and Tempe, Arizona, U.S.; Deggendorf, Germany; Heerlen, Netherlands; Humacao, Juncos and Villalba Puerto Rico; Madrid, Spain; and Neuchatel and Tolochenaz, Switzerland.

In addition to inspections by external regulatory agencies, we continually monitor EHS performance and compliance to our EHS standards through audits conducted by corporate EHS and qualified EHS representatives from our businesses as well as external auditors. Audit frequency is based on risk, typically occurring on a two- to four-year cycle.

## Supply Chain

We work closely with our supply chain – from our planners, to suppliers, manufacturers, and logistics teams – to achieve our [Mission](#) and develop and deliver our life-sustaining and life-saving therapies and solutions. In working with our partners, we are guided by a common adherence to fair policies, high ethical standards, regulation, and a commitment to diversity, as well as training and development. And by promoting workplace safety, encouraging strong environmental practices, and offering skills development and training programs across our supply chain, we create benefits for stakeholders and safeguard our own long-term performance.

## BUSINESS CONTINUITY MANAGEMENT

We also proactively mitigate business risks and disruptions that could affect our operations and our solutions and services. Our Business Continuity Management program focuses on four disciplines:

- **Business continuity planning:** strategies and plans that ensure we can continue to operate to a pre-determined capacity and meet demand.
- **IT response and recovery:** plans and actions designed to respond to technology incidents and recover the applications and infrastructure that support business continuity.
- **Emergency response:** plans and actions to ensure human health and safety, protect physical assets, and limit environmental impact.
- **Crisis management and mobilization:** overall coordination of our response to a crisis.

Our crisis management teams are in place at all levels of the organization and work to effectively manage crisis and coordinate responses. Those events that have potentially significant business impacts are escalated to the Corporate Global Command Center (a 24/7 operation) and evaluated by the Corporate Crisis Filter Team to determine the appropriate level of organizational response. This team serves as the primary liaison to the Executive Committee, providing regular status updates and ensuring proper execution of all approved strategies.

## SUPPLY CHAIN HIGHLIGHTS

As the trusted partner of many suppliers throughout the world, we continue to invest in those with whom we have established relationships. We also develop new partnerships in line with our business growth. When possible, we seek to work with suppliers that are located near our offices and other facilities, helping to support the local economies while also minimizing our environmental footprint.

Medtronic spent nearly \$6.2 billion with suppliers worldwide in FY2014. We saw growth in emerging market regions as a result of our business expansion in these areas and desire to reach more patients.

<b>SUPPLY CHAIN SPEND</b> <i>(\$ in Millions)</i>				
	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Australia	\$57.0	\$68.0	\$59.0	\$56.8
Canada	\$58.2	\$70.9	\$72.4	\$76.0
China	\$92.0	\$101.2	\$113.1	\$127.3
France	\$85.2	\$88.9	\$107.4	\$87.6
Germany	\$121.5	\$162.0	\$153.0	\$171.2
Ireland	\$95.6	\$134.1	\$118.8	\$132.1
Israel	\$17.1	\$17.9	\$9.7	\$10.9
Japan	\$120.1	\$112.0	\$123.7	\$114.1
Mexico	\$5.9	\$7.5	\$24.9	\$40.2
Netherlands	\$132.3	\$128.3	\$126.2	\$137.0
Singapore	\$18.2	\$17.6	\$23.8	\$29.9
Switzerland	\$115.8	\$151.0	\$139.7	\$134.2
U.S.	\$4,183.9	\$4,277.4	\$4,080.5	\$4,386.5
<b>Total for Locations Listed</b>	<b>\$5,102.8</b>	<b>\$5,336.8</b>	<b>\$5,152.2</b>	<b>\$5,503.8</b>
<b>Total Spend</b>	<b>\$5,675.0</b>	<b>\$5,954.8</b>	<b>\$5,725.9</b>	<b>\$6,180.4</b>

## SUPPLIER QUALITY

Because we recognize the critical role our suppliers play in product quality, our Supplier Controls Policy addresses risk management, evaluation and selection, performance, monitoring, and certification in our supplier base.

In addition, we drive continuous improvement throughout our supply chain through our [supplier development](#) program. We expect suppliers to participate in our Design, Reliability, Manufacturability (DRM) process, and we offer select suppliers additional Lean Sigma training designed to improve quality, minimize waste, and reduce process variation.

We provide all suppliers with a Quality and Excellence Manual that clearly communicates our quality requirements and expectations.

Visit our website for more information about [supplier quality](#).

## RESPONSIBLE SOURCING

Responsible management and operations of our supply chain helps to ensure that we have a positive impact on the communities where we source and adhere to relevant local regulations and expectations. We expect our suppliers to conduct business operations in an ethical manner and to comply with our Code of Conduct and all applicable laws related to environmental responsibility, workplace health and safety, and human resources. As a member of the Electronics Industry Citizenship Coalition (EICC), we adopted the EICC Code of Conduct in 2010 to drive responsible practices throughout our global supply chain and have communicated our expectation that our suppliers also comply with the code.

In addition, we are developing responsible sourcing criteria to be incorporated into our supplier risk assessment process and are evaluating other ways to embed responsible sourcing into our day-to-day sourcing practices.

For more information about our approach to [responsible sourcing](#), visit our website.

## Materials of Concern

To better understand the social and environmental impacts of the materials we use throughout our supply chain, we formed a *Global Environmental Product Information for Compliance and Customers (EPIC<sup>2</sup>)* team in 2012 to develop a comprehensive approach for meeting product requirements and satisfying customer sustainability expectations.

We are currently gathering information on the material contents of our products and packaging, so that we can ensure compliance with regulations, such as the European Restriction of Hazardous Substances (RoHS) and Registration, Authorization and Evaluation of Chemicals (REACH) directives, as well as many other country-specific environmental regulations.

With this information, we will also be able to respond to customer inquiries and set targets for reduction of materials of concern and increases in recyclable content.

## Conflict Minerals

Medtronic supports the goals and objectives of Section 1502 of the Dodd-Frank Act that requires public companies to determine the sourcing of tin, tungsten, tantalum, and gold used in their products and to file an annual report disclosing any such use, as reflected in our [Conflict Minerals Policy](#).

We have established a cross-functional team to implement our Conflict Mineral compliance strategy and policy. This team has executive-level involvement and access to various subject-matter experts from such areas as sourcing, procurement, legal, and finance. As of the date of our conflict minerals report for the 2013 calendar year, we were unable to obtain the necessary information on conflict minerals from all of our suppliers and were unable to determine that all of our products are conflict free. However, we continue to take steps to identify whether our products include any conflict minerals, including surveying our suppliers, providing suppliers with training, and adding a clause to supplier contracts to understand the source of minerals supplied to us or used in the products manufactured for us that requires the suppliers to provide information about the sourcing of conflict minerals and smelters and to ensure that suppliers are conducting due diligence on the source and chain of the conflict minerals.

## SUPPORT FOR SUPPLIERS

As a trusted partner, we like to provide our suppliers with opportunities to network and share best practices. We often host a one-day supplier conference and offer sessions on a range of important business topics including innovation, quality, and globalization. In post-event surveys, our suppliers have indicated that they better understood our business and identified new areas for future growth as a result of the conference.

## SUPPLIER DIVERSITY

We look for opportunities to work with diverse suppliers, including but not limited to U.S. veteran-owned, minority-owned, and women-owned business enterprises. We believe that their diverse backgrounds, perspectives, and knowledge enable better quality products and more innovative thinking.

Our business units tap the strengths of our suppliers by engaging them on local and national levels. Our Supplier Diversity Team, Supplier Diversity Steering Committee, and executive management are accountable for and monitor supplier diversity performance.

We provide financial support to several supplier diversity advocacy groups through memberships and sponsorships, as well as non-financial support through leadership and volunteerism. For example, Medtronic employees serve on boards and advisory and working committees for several advocacy organizations, including the Metropolitan Economic Development Association (MEDA), the North Central Minority Supplier Development Council, the National Minority Supplier Development Council (NMSDC) Healthcare Industry Group, Diversity Information Resources, and Itasca's Executive Council and Business Bridge.

We leverage diverse suppliers in our supply chain base and identify high potential diverse businesses through trade shows, supplier directories, purchasing organizations, and our [Medtronic Supplier Registration Portal](#), a tool that helps to integrate supplier diversity into our standard procurement process. We also participate in events geared towards small diverse suppliers, including the NMSDC's Annual Conference and Trade show, Veteran's National conferences, and small business and chamber of commerce events.

In FY2014, we were especially focused on working more with veteran-owned businesses and saw an increase in spend of 21.4 percent during the past year. Spend with certified minority-owned businesses also increased by 23.3 percent. Spend with certified women-owned businesses decreased due to the acquisition of a key women-owned business by a large business.

More on our supplier diversity program can be found on our [Supplier Diversity site](#).

## Medtronic at Work: Diverse Supplier Networking

In November 2013, we held a supplier networking/matchmaking event, bringing together 255 people, including members of the women and minority-owned business community associated with the North Central Minority Supplier Development Council and the Women's Business Development Center, and Medtronic employees. During the event, attendees participated in structured networking sessions and met one-on-one with sourcing professionals.

### SUPPLIER SPEND BY CATEGORY

*(\$ in Millions)*

	U.S. Spend	FY2011 % of Total U.S. Spend	U.S. Spend	FY2012 % of Total U.S. Spend	U.S. Spend	FY2013 % of Total U.S. Spend	U.S. Spend	FY2014 % of Total U.S. Spend
Small Business	\$1,403.0	33%	\$1,191.3	27.9%	\$1,175.0	28.9%	\$1,069.0	30.7%
Veteran-Owned Business	\$50	1.2%	\$45.2	1.1%	\$35.4	0.9%	\$42.9	1%
Minority-owned Business Enterprise	\$94.1	2.3%	\$108.3	2.5%	\$106.6	2.6%	\$131.4	3.8%
Women-owned Business Enterprise	\$183.6	4.4%	\$167.1	3.9%	\$166.0	4.1%	\$74.2	2.1%

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# **Awards & Recognition**

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## Awards & Recognition

In FY2014, we were recognized by a variety of stakeholders for our performance, policies, practices, and programs through which we create value in society and operate responsibly. This includes those that honor our business performance, community involvement efforts, employment programs, and environmental initiatives. Listed below are some of the awards, rankings, and recognitions we received that we are most proud of.

For a complete list of our awards and recognitions in FY2014, visit our [website](#).

### VALUE TO SOCIETY

#### Business:

- Ranked 173rd overall and 2nd in the Medical Products and Equipment industry on the Fortune 500 list
- Ranked 61st among 150 U.S. companies Forbes' America's Most Reputable Companies in 2013
- Received the Edison Award Gold Seal for best new funding model in the lifestyle and social impact category for Medtronic's Healthy Heart for All program

#### Corporate Sustainability:

- Named to the 2014 Dow Jones Sustainability World Index
- Listed on the Euronext Vigeo – US 50 and the Euronext Vigeo – World 120 Index
- Named as a FTSE4Good Index Series member
- Ranked 81st on Corporate Responsibility Magazine's 2014 100 Best Corporate Citizens List

## WORKING RESPONSIBLY

#### Environment:

- Ranked 191st among the 500 largest publicly-traded U.S. companies and 281st among the largest publicly-traded companies globally on Newsweek's Green Rankings
- Recognized by the Puerto Rico Manufacturers Association for two of our Puerto Rican facilities' recycling efforts. Our Medtronic Villalba facility in San Juan won the GOLD Environmental Excellence Award and our Juncos site won the SILVER Award
- Recognized by the U.S. Environmental Protection Agency (EPA) on their Fortune 500 list of largest green power users for our Medtronic Spine and Pyramid Campus in Memphis, Tennessee

#### Diversity & Inclusion:

- Received 100% rating on Corporate Equality Index, which recognizes best practices in recruiting and maintaining a diverse workforce
- Ranked 41st in DiversityInc's Top 50 Companies for Diversity

#### Workplace:

- Ranked 48th in Business Insider's 50 Best Employers in America
- Named Best Employer for Health Lifestyles Platinum Category by the U.S. National Business Group on Health
- Ranked among Canada's Best Large Workplaces for 2014 by the Great Places to Work Institute
- Ranked 6th in the Best Workplaces in Germany for 2014 list by Great Places to Work Institute
- Ranked 22nd in Computerworld Magazine rankings of Best Places to Work in IT

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# About this Report

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## About this Report

This Integrated Report includes financial and non-financial information and references the G3.1 guidelines of the Global Reporting Initiative or GRI, the world's most recognized framework for sustainability reporting. We self-declare a Level B Application for this report.

It also considers points of interest as determined by the Sustainability Accounting Standards Board's Medical Equipment and Supplies guidance and those in Dow Jones' Sustainability Index, which we respond to each year.

Performance data in this report are from Medtronic's fiscal years as noted, unless otherwise stated. Medtronic's fiscal year ends on the last Friday in April. All references to FY2014 are within the timeframe of April 26, 2013 to April 25, 2014.

Data includes Medtronic, Inc. and all of its consolidated subsidiaries, with the exception of some recently acquired companies as noted below. Excluded entities are not believed to be significant (<10% effect on overall data).

- **EHS Data:** does not include Kanghui, PEAK Surgical, Salient Surgical Technologies, or TYRX
- **Global Workforce Data:** does not include Cardiocom, Kanghui, or TYRX
- **Patent Data:** does not include Kanghui
- **Supplier Diversity Data:** does not include Cardiocom, Kanghui, Osteotech, PEAK Surgical, or TYRX
- **Wages Paid Data:** does not include Cardiocom, Kanghui, or TYRX

Data does not include joint ventures or strategic alliances. Financial information is reported in U.S. dollars. Environmental, health, and safety data are from manufacturing and research and development facilities.

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.

We provide additional business and sustainability information through our annual submissions to the [Carbon Disclosure Project](#), our [10-K form](#), our [proxy filing](#) and our [press releases](#).

Medtronic has not sought independent verification of this report but has practices in place to internally validate the data.

This is our first Integrated Report, with both financial and sustainability information. Our most recent Annual Report was published in July 2013. In August 2013, we released an update to our full Citizenship Report, which was published in August 2012.

## Feedback

We encourage stakeholder feedback to assess the usefulness of this report and to provide suggestions regarding the content of future reports. To provide feedback or request additional information, please email [citizenshipreport@medtronic.com](mailto:citizenshipreport@medtronic.com).

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# **GRI Table**

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# GRI Table

## G3.1 Content Index

### APPLICATION LEVEL

Standard Disclosures Part I: Profile Disclosures			
1. Strategy and Analysis			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
1.1	Statement from the most senior decision-maker of the organization.	Fully	<a href="#">CEO Letter</a>
1.2	Description of key impacts, risks, and opportunities.	Fully	<a href="#">CEO Letter</a> ; <a href="#">Company Strategy</a> ; <a href="#">10-K</a>
2. Organizational Profile			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
2.1	Name of the organization.	Fully	Medtronic, Inc.
2.2	Primary brands, products, and/or services.	Fully	<a href="#">Organizational Profile</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<a href="#">Organizational Profile</a> ; <a href="#">10-K, Item 1. Business</a>
2.4	Location of organization's headquarters.	Fully	Minneapolis, Minnesota
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	<a href="#">Our Global Footprint</a>
2.6	Nature of ownership and legal form.	Fully	Medtronic, Inc. is a publicly traded company on the New York Stock Exchange, Inc. under the ticker symbol MDT.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<a href="#">Organizational Profile</a> ; <a href="#">Our Global Footprint</a> ; <a href="#">Governance &amp; Engagement</a> , <a href="#">Stakeholder Engagement</a>
2.8	Scale of the reporting organization.	Fully	<a href="#">Organizational Profile</a> ; <a href="#">Financial Strength</a> , <a href="#">Financial Highlights</a> ; <a href="#">Employees</a> , <a href="#">Global Workforce Highlights</a> ; <a href="#">10-K</a>
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	<a href="#">Organizational Profile</a> ; <a href="#">Financial Strength</a>
2.10	Awards received in the reporting period.	Fully	<a href="#">Awards &amp; Recognition</a>
3. Report Parameters			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	<a href="#">About this Report</a>
3.2	Date of most recent previous report (if any).	Fully	<a href="#">About this Report</a>
3.3	Reporting cycle (annual, biennial, etc.)	Fully	<a href="#">About this Report</a>
3.4	Contact point for questions regarding the report or its contents.	Fully	<a href="#">Feedback</a>
3.5	Process for defining report content.	Fully	<a href="#">Sustainability</a> ; <a href="#">About this Report</a>

3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	<a href="#">About this Report</a>
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	<a href="#">About this Report</a>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	<a href="#">About this Report</a>
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	<a href="#">About this Report</a>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	Fully	<a href="#">Environment, Environmental Performance Highlights</a>
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	No significant changes. More details see <a href="#">About this Report</a>
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	<a href="#">GRI Table</a>
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	<a href="#">About this Report</a>

#### 4. Governance, Commitments and Engagement

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	<a href="#">Governance &amp; Engagement, Corporate Governance; Corporate Governance site</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	<a href="#">Governance &amp; Engagement, Corporate Governance</a>
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	<a href="#">Governance &amp; Engagement, Corporate Governance</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	<a href="#">Governance &amp; Engagement, Corporate Governance</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	<a href="#">Governance &amp; Engagement, Executive Compensation</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	<a href="#">Governance &amp; Engagement, Corporate Policies; Principles of Corporate Governance site</a>

4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	<a href="#">Governance &amp; Engagement, Corporate Policies; Principles of Corporate Governance site</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	<a href="#">Our Mission site; Patient Safety; Community Investments, Giving Highlights; Governance &amp; Engagement, Corporate Policies; Environment, EHS Policy &amp; Management; Supply Chain, Supplier Quality</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	<a href="#">Governance &amp; Engagement, Corporate Policies; Principles of Corporate Governance site</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	<a href="#">Governance &amp; Engagement, Corporate Policies; Principles of Corporate Governance site</a>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	<a href="#">Patient Safety; Environment</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	<a href="#">Patient Safety; Governance &amp; Engagement, Ethics Compliance &amp; Communication and Stakeholder Engagement; Environment, EHS Policy &amp; Management; and Supply Chain, Responsible Sourcing</a>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	<a href="#">Access; Patient Safety, Product Performance &amp; Post-Market Surveillance; Financial Strength, Investments; Governance &amp; Engagement, Stakeholder Engagement and Lobbying Disclosure; Supply Chain, Responsible Sourcing and Supplier Quality</a>
4.14	List of stakeholder groups engaged by the organization.	Fully	<a href="#">Governance &amp; Engagement; Stakeholder Engagement</a>
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	<a href="#">Sustainability; Governance &amp; Engagement, Stakeholder Engagement</a>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	<a href="#">Sustainability; Governance &amp; Engagement, Stakeholder Engagement</a>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	<a href="#">Sustainability; Governance &amp; Engagement, Stakeholder Engagement</a>

## Standard Disclosures Part II: Profile Disclosures

G3.1 DMAs	Disclosure	Level of Reporting	Location of Disclosure
<b>DMA EC</b>	<b>Disclosure on Management Approach EC</b>		
Aspects	Economic performance	Fully	<a href="#">Financial Strength</a>
	Market presence	Fully	<a href="#">Our Global Footprint</a> ; <a href="#">Financial Strength</a>
	Indirect economic impacts	Fully	<a href="#">Financial Strength</a> ; <a href="#">Community Investments</a> ; <a href="#">Supply Chain</a>
<b>DMA EN</b>	<b>Disclosure on Management Approach EN</b>		
Aspects	Materials	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a>
	Energy	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a>
	Water	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a>
	Biodiversity	Not	Not Applicable
	Emissions, effluents and waste	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a>
	Products and services	Fully	<a href="#">Environment</a> , <a href="#">Lifecycle Impacts</a>
	Compliance	Fully	<a href="#">Environment</a> , <a href="#">EHS Policy &amp; Management</a>
	Transport	Partially	<a href="#">Environment</a> , <a href="#">Lifecycle Impacts</a>
Overall	Fully	<a href="#">Environment</a>	
<b>DMA LA</b>	<b>Disclosure on Management Approach LA</b>		
Aspects	Employment	Fully	<a href="#">Employees</a>
	Labor/management relations	Fully	<a href="#">Employees</a> , <a href="#">Labor Policies &amp; Practices</a>
	Occupational health and safety	Fully	<a href="#">Employees</a> , <a href="#">Occupational Health &amp; Safety</a>
	Training and education	Fully	<a href="#">Employees</a> , <a href="#">Talent Management &amp; Development</a>
	Diversity and equal opportunity	Fully	<a href="#">Employees</a> , <a href="#">Global Workforce</a> , <a href="#">Gender Representation</a>
	Equal remuneration for women and men	Not	This is proprietary information
<b>DMA HR</b>	<b>Disclosure on Management Approach HR</b>		
Aspects	Investment and procurement practices	Partially	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
	Non-discrimination	Partially	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
	Freedom of association and collective bargaining	Fully	<a href="#">Employees</a> , <a href="#">Labor Policies &amp; Practices</a>
	Child labor	Fully	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
Aspects	Prevention of forced and compulsory labor	Fully	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
	Security practices	Partially	<a href="#">Responsible Supply Chain site</a>
	Indigenous rights	Partially	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
	Assessment	Partially	<a href="#">Supply Chain</a> , <a href="#">Responsible Sourcing</a> ; <a href="#">Responsible Supply Chain site</a>
	Remediation	Partially	<a href="#">Responsible Supply Chain site</a>

DMA SO Disclosure on Management Approach SO			
Aspects	Local communities	Fully	<a href="#">Community Investments; Employees, Employee Engagement</a>
	Corruption	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
	Public policy	Fully	<a href="#">Governance &amp; Engagement, Public Policy Development and Political Contributions</a>
	Anti-competitive behavior	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
	Compliance	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
DMA PR Disclosure on Management Approach PR			
Aspects	Customer health and safety	Fully	<a href="#">Patient Safety; Governance &amp; Engagement, Patient Privacy &amp; Device Security</a>
	Product and service labelling	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
	Marketing communications	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
	Customer privacy	Fully	<a href="#">Governance &amp; Engagement, Patient Privacy &amp; Device Security</a>
	Compliance	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
Standard Disclosures Part III: Performance Indicators			
Economic			
Indicator	Disclosure	Level of Reporting	Location of Disclosure
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	<a href="#">Financial Strength, Financial Highlights and Wages Paid; Community Investments, Giving Highlights; Governance &amp; Engagement, Public Policy Development, Political Contributions, and Lobbying Disclosure; Supply Chain, Supply Chain Highlights; 10-K</a>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	<a href="#">Environment; Carbon Disclosure Project Submission</a>
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	<a href="#">Employees, Labor Policies &amp; Practices</a>
EC4	Significant financial assistance received from government.	Fully	<a href="#">Financial Strength, Financial Assistance</a>
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	<a href="#">Supply Chain, Supply Chain Highlights</a>
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	

<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	<a href="#">Financial Strength, Investments; Community Investments, Health Access Investments and Disaster Relief</a>
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	<a href="#">Financial Strength</a>
<b>Environmental</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>
<b>Materials</b>			
EN1	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Not	
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Partially	<a href="#">Environment, Environmental Performance Highlights</a>
EN4	Indirect energy consumption by primary source.	Partially	<a href="#">Environment, Environmental Performance Highlights</a>
EN5	Energy saved due to conservation and efficiency improvements.	Fully	<a href="#">Environment, Environmental Performance Highlights</a>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	<a href="#">Environment, Environmental Performance Highlights</a>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	<a href="#">Environment, Environmental Performance Highlights</a>
<b>Water</b>			
EN8	Total water withdrawal by source.	Partially	<a href="#">Environment, Environmental Performance Highlights</a>
EN9	Water sources significantly affected by withdrawal of water.	Not	
EN10	Percentage and total volume of water recycled and reused.	Not	
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	
EN13	Habitats protected or restored.	Not	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Partially	<a href="#">Environment, Environmental Performance Highlights</a>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	<a href="#">Environment, Environmental Performance Highlights</a>
EN19	Emissions of ozone-depleting substances by weight.	Not	



EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	
EN21	Total water discharge by quality and destination.	Not	
EN22	Total weight of waste by type and disposal method.	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a>
EN23	Total number and volume of significant spills.	Not	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a> and <a href="#">Lifecycle Impacts</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	
<b>Transport</b>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	<a href="#">Environment</a> , <a href="#">Environmental Performance Highlights</a> and <a href="#">Lifecycle Impacts</a>
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Not	
<b>Social: Labor Practices and Decent Work</b>			
Indicator	Disclosure	Level of Reporting	Location of Disclosure
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	<a href="#">Employees</a> , <a href="#">Global Workforce</a>
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	<a href="#">Employees</a> , <a href="#">Global Workforce</a>
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	<a href="#">Employees</a> , <a href="#">Global Workforce</a>
LA15	Return to work and retention rates after parental leave, by gender.	Not	<a href="#">Employees</a> , <a href="#">Global Workforce</a>
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	<a href="#">Employees</a> , <a href="#">Labor Policies &amp; Practices</a>
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	

<b>Occupational health and safety</b>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	<a href="#">Employees, Occupational Health &amp; Safety</a>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	<a href="#">Employees, Work-Life Balance &amp; Wellness</a>
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	With 4% of our workforce in trade unions, we do not consider this a material issue to our business
<b>Training and education</b>			
LA10	Average hours of training per year per employee by gender, and by employee category.	Not	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	<a href="#">Employees, Talent Management &amp; Development</a>
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	<a href="#">Employees, Talent Management &amp; Development</a>
<b>Diversity and equal opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	<a href="#">Governance &amp; Engagement, Corporate Governance; Employees, Global Workforce</a>
<b>Equal remuneration for women and men</b>			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not	
<b>Social: Human Rights</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>
<b>Investment and procurement practices</b>			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	<a href="#">Supply Chain, Responsible Sourcing; Responsible Supply Chain site</a>
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
<b>Non-discrimination</b>			
HR4	Total number of incidents of discrimination and corrective actions taken.	Not	
<b>Freedom of association and collective bargaining</b>			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not	

<b>Child labor</b>			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not	
<b>Prevention of forced and compulsory labor</b>			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not	
<b>Security practices</b>			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
<b>Indigenous rights</b>			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
<b>Assessment</b>			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
<b>Remediation</b>			
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Not	
<b>Social: Society</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>
<b>Local communities</b>			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not	
SO9	Operations with significant potential or actual negative impacts on local communities.	Not	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	
<b>Corruption</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	<a href="#">Governance &amp; Engagement, Ethics, Compliance &amp; Communication</a>
SO4	Actions taken in response to incidents of corruption.	Not	
<b>Public policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	<a href="#">Governance &amp; Engagement, Public Policy Development and Political Contributions; Governance &amp; Engagement, Lobbying Disclosure</a>
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	<a href="#">Governance &amp; Engagement, Public Policy Development and Political Contributions</a>

<b>Anti-competitive behavior</b>			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	
<b>Compliance</b>			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	See our latest <a href="#">10-K</a> for information on important settlements
<b>Social: Product Responsibility</b>			
<b>Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>
<b>Customer health and safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	<a href="#">Patient Safety</a>
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	<a href="#">Patient Safety</a> , <a href="#">Regulatory Performance</a>
<b>Product and service labelling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	<a href="#">Patient Safety</a> , <a href="#">Product Responsibility and Product Performance &amp; Post-Market Surveillance</a> ; <a href="#">Environment</a> , <a href="#">Lifecycle Impacts</a>
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	<a href="#">Patient Safety</a> , <a href="#">Customer Satisfaction</a>
<b>Marketing communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	<a href="#">Governance &amp; Engagement</a> , <a href="#">Ethics, Compliance &amp; Communication</a>
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	
<b>Customer privacy</b>			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	There were no substantiated complaints during fiscal year 2014.
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		<a href="#">10-K</a>



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