THE MEDTRONIC SOUTHERN AFRICA BEE AND TRANSFORMATIONJOURNEY

Medtronic South Africa

AGENDA

1. ABOUT US – GLOBAL AND SOUTHERN AFRICA – OVERVIEW
2. BEE AND OUR CURRENT SCORE CARD
3. ACTIONS TAKEN TO DRIVE IMPROVEMENT
4. OUR NEXT TARGET

Medtronic
Further, Together

ABOUT
US
Medtronic

OUR GLOBAL PRESENCE

Helping more people in more places

OPERATE IN
150+
COUNTRIES

ORGANIZED IN
4
REGIONS

19
DISTRIBUTION SITES

74
MANUFACTURING SITES

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MEDICAL TECHNOLOGY IS WHAT WE DO. **IT'S WHAT WE'VE ALWAYS DONE.**

You may know us as the **pacemaker company**, the **diabetes pump maker**, or **deep-brain stimulation experts** — **and we do so much more.**

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SOUTH AFRICA

MEDTRONIC OVERVIEW

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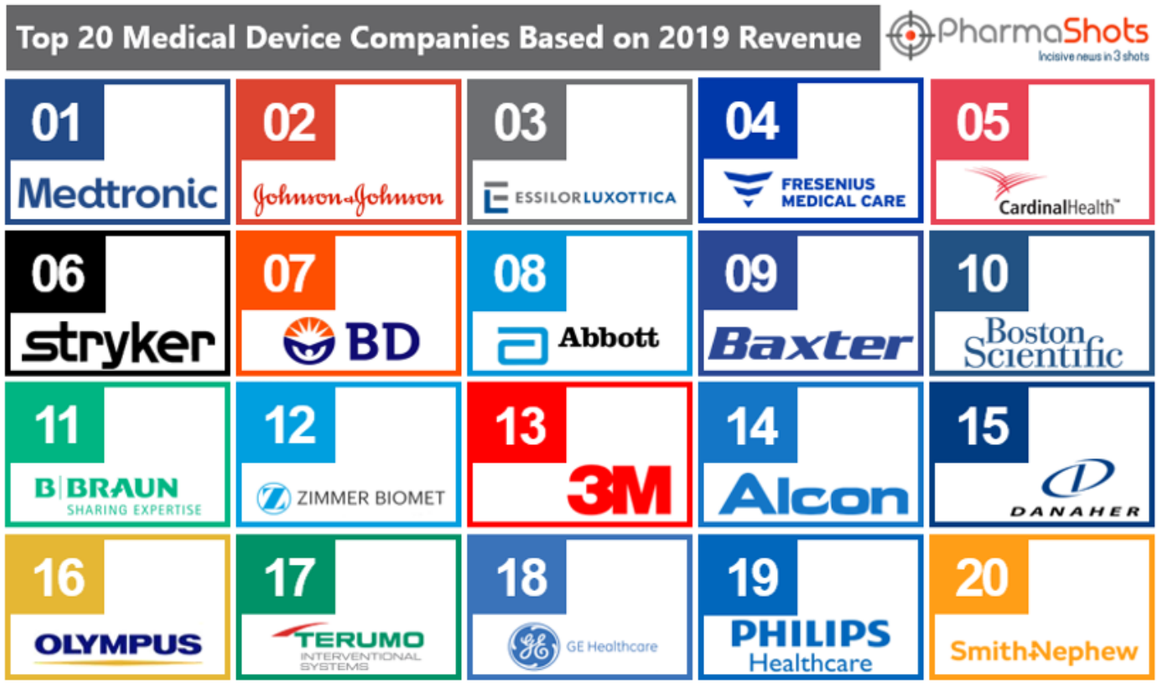
PART OF A GLOBAL FOOTPRINT – NO. 1



TRANSFORMING HEALTHCARE

Collaborating with stakeholders worldwide to rethink the status quo, and take healthcare **Further, Together.**

- Align value
- Meaningful innovation
- Global access

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OUR SOUTH AFRICA PRESENCE

OPERATE IN

10

COUNTRIES
SOUTH AFRICA DIRECT GO TO MARKET
SADC DISTRIBUTOR MODEL

No. 1

MEDTECH COMPANY

DISTRIBUTION

1

OFFICES

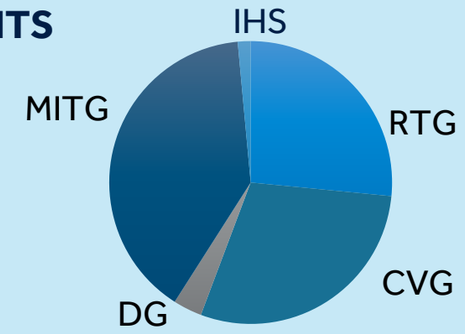
5

BUSINESS UNITS

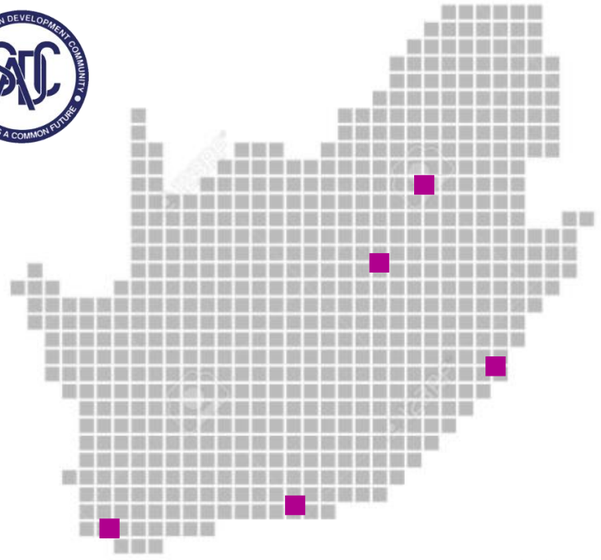
5

EMPLOYEES

450



SOUTHERN AFRICA – EUROPE MIDDLE EAST AND AFRICA REGION



▪ Medtronic SA presence

BEE RATING

LEVEL 4

HCP TRAINING (INCL FELLOWSHIPS)

R3.7M

TOP EMPLOYER

top EMPLOYER SOUTH AFRICA 2021
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

EMPLOYMENT CREATION

yes YOUTH EMPLOYMENT SERVICE

R3.4M

2019-2020

STRATEGIC OBJECTIVES :

- IMPROVING FREE CASH FLOW
- CONSIGNMENT STOCK MANAGEMENT
- IT AUTOMATION : BUSINESS PROCESS IMPROVEMENT
- SERVICE EXCELLENCE INCLUDING TECHNICAL SERVICES & REPAIR
- CUSTOMER CENTRIC SOLUTIONS
- RETAINING OUR NUMBER 1 POSITION
- GROWING MARKET SHARE
- HOLISTIC MEDTRONIC PRODUCT SOLUTION OFFERING

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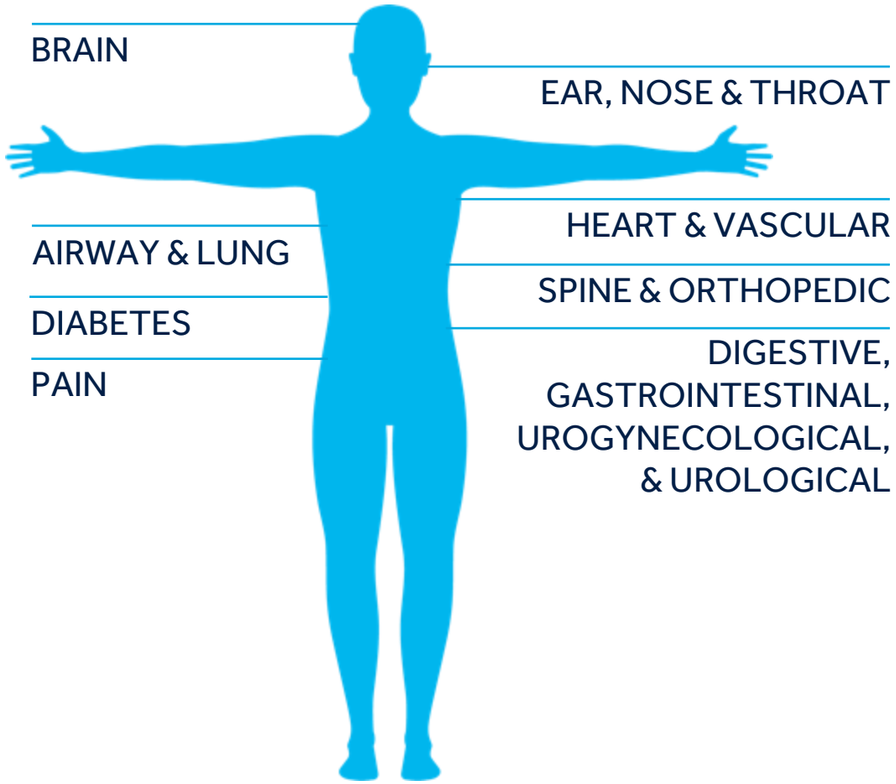
OUR THERAPIES AND SOLUTIONS IMPROVE LIVES



More than 70 conditions in the human body are treated with our therapies, enabling us to address chronic conditions and provide healthcare solutions

CARDIAC & VASCULAR GROUP

DIABETES GROUP

MINIMALLY INVASIVE THERAPIES GROUP

RESTORATIVE THERAPIES GROUP

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OUR B-BBEE AND TRANSFORMATION JOURNEY

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B-BBEE SCORECARD

Medtronic's 2020 scorecard resulted in level 4 rating , confirming our continuous improvement commitment from a level 8 rating in 2018.

	FY'18 Score	FY'19 Score	FY'20 Score
Ownership	0	0	0
Management Control	8,88	12,33	12,88
Skills Development	9,58	14,68	19,30
Enterprise & Supplier Development	32,84	38,36	39,71
Socio-Economic Development	5	5	5
Total Score	56,3	70,37	76,89
B-BBEE Level	Level 8	Level 5	Level 4

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B-BEE
ACTIONS & JOURNEY

- **Ownership**
  - This pillar has not been addressed
  - Part of future assessment as part of equity equivalent programme per statement 103

BEE points
0/25

Management control

- Human Resource national demographic assessment of management
- Focus on representation as per Employment Equity Act
- Employment strategy and ~4 point improvement since 2018

BEE points
12.88/19

Skills development

- Annual planning of Workplace Skills Plan (WSP) and annual Training Report (ATR)
- Optimizing SETA refund programme as part of "self" funding mechanism and accredited training programmes
- Medtronic Graduate programme's and absorption of learners for bonus points
- Fellowships affiliated with health sciences
- ~10 point improvement since 2018

BEE points
19.30/25

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B-BEE
ACTIONS – FOCUS ON PROCUREMENT

- **Enterprise & supplier development**

  Preferential Procurement :

  - Strategy focus to leverage BEE compliant vendors
  - Empowerment of QSE , EME and woman owned entities
  - Bonus point optimization and ~6 point improvement since 2018

BEE points
23.71/29

  Supplier development

  - 2% of NPAT
  - Identification of existing qualifying supplier providing financial support to expand and grow business

BEE points
10/10

  Enterprise development

  - 1% of NPAT
  - Identification of new prospective supplier not on vendor database
  - Alignment with Medtronic procurement strategy
  - Bonus points of ED beneficiary are onboarded as supplier

BEE points
6/7

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B-BEE
ACTIONS

- **Socio economic**
  - 1% of NPAT
  - Identification of qualifying enterprise
- **YES initiative**
  - Subject to compliant criteria : sub minimum of 40% for three priority elements
  - Target measured per new job creation
  - Compensates for -1 level discount due to ownership and +2 level benefit
  - YES support introduced from 2019 and key contributor to improved rating
- **Conclusion**
  - Joint success with cross functional collaboration : HR , finance and procurement
  - BEE committee
  - Annual upfront planning as part of budget cycle with 12 month execution time frame
  - Alignment of BEE initiatives with company strategy for optimal benefit realization

BEE points
5/5

BEE points
76.89
Level 5 : =75 but <80 points
- Ownership = Level 6
+YES = Level 4

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B-BEE
ACTIONS

BEE points
+80.00
Level 4 : =80 but <90 points
-Ownership = Level 5
+YES = Level 3

- **2021 planning**
  - Target level 3
  - Further improvement in skills development and preferential procurement
  - Optimizing bonus points
  - Leveraging YES programme critical
  - Key focus on local income replacement programme and industry alignment
- **Closing comments**
  - Medtronic evolution confirms our commitment to B-BBEE and economic transformation to enable the meaningful participation of the majority of its citizens and to further create capacity within the broader economic landscape at all levels applying the B-BBEE pillars with effective and sustainable implementation . Department Economic Development

  - Our focus aligned with our motto :" Lets take healthcare further together" and derive the best outcomes for our healthcare industry being a BEE compliant contributor and stakeholder.

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OUR SOUTH AFRICAN TEAM

SHAPING THE FUTURE OF HEALTHCARE

PETER MEHLAPE
Managing Director

ARIFA CHARAFARAY

JOHN CRAWLEY

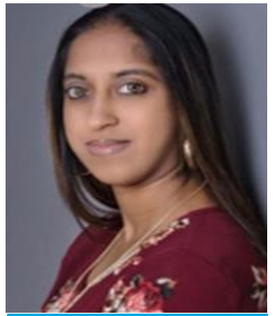
RUWAIDA SHAIKH

DERICK PALMER

LUFUNO TSHIVHASE

PHUTI SETATI

IRENE LOMBARD PELSER



IRENE RAJAH

OTHELIA LANGER

EXTENDED TEAM

SHANNA HIEMSTRA

MICHELLE GOREMUSANDU

OVER 60% OF OUR EMPLOYEES ARE WOMEN

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