

Summary of audit results

Below is a summary of a follow-up on sustainability requirements for a supplier to Sweden's regions. The summary reflects the results of the audit as well as activities carried out as a result. It has been updated continuously as new activities related to the follow-up have been conducted, until all potential non-conformities have been addressed and the follow-up is considered complete. For questions regarding the summary, please contact the Regions' Secretariate for Sustainable Public Procurement.

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Log

Last updated

20260128

General Information

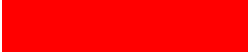
Supplier	Medtronic
Regions with Agreement	Västra Götalandsregionen
Risk Area	A- Medicinal equipment
Product	Ultrasonic dissectors
Type of Follow-Up	Digital office audit
Requirement	Sustainable supply chains and environmental requirements
Date	2025-11-05 & 2025-11-06
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Audit results

Summary of the audit

The supplier has proven to be cooperative and transparent during the audit. The auditors had access to relevant documentation and were able to interview responsible personnel to clarify whether the supplier complies with contractual requirements. The supplier is assessed as deviating from the routine requirements regarding the cascading of contractual terms, and the risk analysis does not cover the entire value chain. Furthermore, the auditors note that the company has limited visibility into certain activities managed by external parties. The supplier has been able to demonstrate completed follow-ups at the sampled supplier, but the auditors observe that future follow-ups should be based on a more comprehensive risk analysis to ensure that high risks are not overlooked. The auditors reviewed a specific incident within deviation management. Prior to the audit, the auditors had information about an incident concerning migrant workers at the sampled supplier in Taiwan, where workers had paid recruitment fees – an indicator of potential debt bondage. The supplier states that reimbursement has been made, but has not been able to provide evidence at an individual level. The lack of verification, combined with the absence of a systematic approach to follow up on such risks, leads the auditors to assess that the supplier is deficient in deviation management. Finally, the supplier also lacks defined environmental objectives in accordance with contractual requirements.

Audit results

Sustainable supply chains	Assessment*
1. Policy commitment	
2. Forwarding of commitment	
3. Division of responsibilities	
4. Risk assessment	
5. Monitoring	
6. Deviation management	
7. Access to production facilities	
Systematic environmental work	Assessment*
1. Systematic environmental work	
2. Environmental policy	
3. Environmental investigation	
4. Goals and action plan environment	
Explanation	
Non-Conformance	
No identified non-conformities	

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* For a detailed description, see Appendix 1. Non-Conformities

Next step

A re-audit is scheduled.

Attachment 1 - deviations

Sustainable supply chains

Deviation

Forwarding of commitment

Regarding the sample, the auditors have noted that there is no valid contractual relationship explicitly incorporating the contractual requirements, i.e., the Code of Conduct. Consequently, the contractual requirements regarding formal communication of the Code to subcontractors are not met.

Supplier's action

We would like to take this opportunity to provide clarification on this finding, as there seems to be some misunderstanding. Medtronic's approach to reinforcing the commitments outlined in [Medtronic's Global Supplier Standards and Policies](#), which align with the contractual obligations as confirmed in the audit report, is as follows:

1. Master Service Agreements (MSA): For suppliers with whom we have an ongoing relationship, Medtronic signs Master Service Agreements (MSAs) which is a legally binding agreement that both parties sign and thereby agree to the terms. These agreements include specific language regarding responsible sourcing. As part of the MSA, both parties agree that the supplier will comply with and forward all applicable laws related to human rights, health/safety, and ethics, as well as [Medtronic's Global Supplier Standards and Policies](#).
2. Purchase Orders (PO): In cases where a formal contract is not in place, the Purchase Order (PO) issued to sub-suppliers includes an acceptance clause. By accepting the PO and agreeing to fulfill the order, the supplier is contractually bound to adhere to and uphold the terms of [Medtronic's Global Supplier Standards and Policies](#).

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1. During the audit, Medtronic provided a co-signed MSA with one of the sub-suppliers (Tecomet) for the product samples within the scope of the audit. This agreement obligates the sub-supplier to adhere to the terms of Medtronic's Global Supplier Code of Conduct. However, we believe this aspect may not have been fully considered during the audit, as the contract sample provided and the PO template do not appear to have been included in the list of documents reviewed by the auditors.

Time frame

N/A

2026-01-28 Note: The company states in its action description that the deviation is currently addressed through the establishment of appropriate contractual relationships. During the re-audit, Medtronic will be required to present documented evidence and verifications demonstrating that contractual requirements, including formal communication and forwarding of the Code of Conduct to subcontractors, are fully implemented.

Deviation

Risk assessment

The supplier's methodology does not meet the requirements for risk analysis. A comprehensive risk analysis covering the entire value chain has not been provided, and the audit has been conducted only on a sample of suppliers. Reliance on external assessments, including EcoVadis, limits the supplier's internal understanding and control of risks. Furthermore, it is difficult for the auditors to gain insight into the information handled by EcoVadis, and the supplier lacks sufficient internal visibility of these data. The risk mapping does not cover the full supply chain and provides limited understanding of country- or operation-specific risks.

Supplier's action

To address this finding, Medtronic will take the following actions:

1. Conduct a potential impact assessment to identify and prioritize social and human rights risks associated with Medtronic's supply chain.

2. Pilot new risk analysis and monitoring tool/system (currently considering FRDM.ai) to explore its ability to generate supply chain visibility to Nth tiers.

Medtronic is actively working to identify the most appropriate tool or system for conducting risk analysis for Medtronic. Over the next six months, we plan to finalize this decision and pilot the selected monitoring tool or system to evaluate its effectiveness. Based on the outcomes of the pilot, a final decision will be made regarding full implementation.

Note by the auditors:

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Note: The action plan is approved on the condition that the potential impact assessment includes a comprehensive risk mapping covering the full supply chain related to the sampled product. The risk analysis shall provide sufficient insight into country-, sector-, and operation-specific risks and demonstrate how identified risks are prioritized for follow-up. Evidence of the applied methodology, data sources, and outcomes of the pilot tool/system shall be presented during the re-audit.

Time frame By June 2026

Observation

Monitoring

According to the contractual requirements, follow-up should be based on a comprehensive mapping of risks and include a systematic approach to ensure that serious risks are not overlooked. In this case, the auditors cannot place full reliance on the supplier's risk analysis and follow-up process, which forms the basis for this observation.

Supplier's action Same as "Risk Analysis" (#2).

Time frame By June 2026

Deviation

Deviation management

The auditors note that the supplier has deficiencies in its approach to mapping risks across the entire product value chain, in accordance with established due diligence practices and the contractual requirements for risk analysis. Since deviation management is normally intended to reflect the overall system and be applied when deviations from expected outcomes occur at various steps of the risk mapping process, the auditors assess that the supplier should develop a deviation management system that aligns with the contractual terms.

Supplier's action To address this finding, Medtronic will take the following actions: Medtronic will update our deviation management process to ensure compliance with contractual terms. As part of this initiative, we will review and consider the model utilized by the Swedish Regions, which was shared during the audit introduction meeting, as a potential source of inspiration for strengthening our process.

Time frame N/A

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Deviation

Deviation management

Furthermore, the auditors have not been able to verify that the third-party auditor has assessed whether repayment of recruitment fees has reached migrant workers, nor the amount reimbursed to each individual worker.

Supplier's action

Medtronic relies on the conclusions of the independent auditor's report (Intertek), as the auditor is uniquely qualified to assess the facts on the ground, including language, cultural context, and other local considerations. Intertek is required to act in accordance with established professional audit standards, ensuring a robust and credible assessment.

The audit report confirmed that the factory has returned recruitment fees to all foreign employees on 10 January, 2024. This conclusion was based on a review of the audit pay period provided and interviews conducted with a sample of 30 workers (20 individuals and 2 groups of 5 employees each). The relevant sections of the Intertek audit report were shared with Goodpoint during the online sustainability audit.

As part of an independent audit, it is standard practice for the auditor to determine the scope of documentation required to perform its duties, while adhering to the agreed audit objectives. Requesting the auditor to transmit worker-level bank account information or similar source documentation to

Medtronic would not align with European data protection requirements, specifically:

- Data minimization and purpose limitation under the GDPR: Medtronic has engaged a reputable and qualified auditor to conduct the on-site verification. Therefore, receiving sensitive worker-level documentation is neither necessary nor proportionate. Additional transmission of this data would not enhance the protection of the vulnerable data subjects involved.

- Appropriate handling of sensitive personal data: When dealing with documentation concerning a vulnerable population, it is entirely appropriate for the auditor to review this information in situ. This approach ensures that personal data is handled responsibly while fulfilling the audit objectives.

- Avoiding unnecessary data transfer and processing: Requiring Medtronic to re-examine all underlying documentation would introduce an unnecessary layer of personal data transmission. This could lead to Medtronic

storing and processing sensitive third-party data without a clear legal basis, creating additional compliance risks. Relying on the auditor's conclusions avoids this complexity and aligns with best practices.

Requesting Medtronic to review the source documentation to verify the auditor's work would, in effect, amount to re-auditing the independent auditor. Based on the auditor's conclusions and Medtronic's established processes, we are confident that the appropriate steps have been taken to address this matter effectively and in compliance with applicable standards.

Additional comments added 24 February 2026

Although Medtronic views the matter closed with sufficient evidence provided by our supplier to our 3rd party auditor for review, we will make an additional effort to contact our supplier again in an attempt to obtain the requested documentation which could be in the form of redacted or anonymized proof of bank transfers or payroll records showing repayment amounts and dates; or aggregated repayment summaries combined with documented worker interviews confirming receipt of payments.

- We are taking this extra step to assure you that the matter is indeed closed.

Note from auditors:

Note: We would like to encourage Medtronic to carefully reassess the approach to requesting worker interview records from the factory. It appears unlikely that such records would be retained by the factory; if available, they would more likely be held by the auditors.

Given the sensitivity of this matter, we also strongly recommend that Medtronic clarify how worker safety and confidentiality will be safeguarded throughout the process. This is particularly important to avoid any unintended risks to workers.

We also recommend that Medtronic use this case as a clear lessons learned opportunity and translate the experience into systemic improvements. In practice, this means reviewing and strengthening internal routines, control points, and follow-up mechanisms so that future incident handling does not rely on assumptions, but on documented verification of remedy outcomes for workers.

Time frame

N/A

Environmental Requirements

Deviation

Goals and action plans environment
The supplier currently lacks environmental objectives as required.

Supplier's action

Medtronic has set ambitious enterprise-level sustainability goals using 2020 as the baseline year, with a target year of fiscal year 2030. These goals include reducing greenhouse gas emissions by 52%, operational energy use by 35%, operational water use by 30%, and waste generation intensity by 40%. For further details, please refer to the [2025 Impact Report](#).

At the facility level, the Boulder facility is aiming for a 15% reduction in water usage in FY27 compared to FY26. This goal will be achieved by converting all gowning rooms to hand-sanitizing stations, thereby eliminating traditional handwashing basins. Remodeling and conversions of the gowning rooms began in the first quarter of FY26 and are scheduled for completion by the end of July FY27. While the project will extend into FY27, approximately 67% of the gowning rooms are expected to be converted by the start of the fiscal year (May 2026).

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	As an additional benefit, the transition to hand-sanitizing stations is anticipated to reduce waste generation by minimizing the use of paper towels.
Time frame	By June 2026
Deviation	
Supplier's action	
Time frame	