Risk Factors Comparison 2023-06-22 to 2022-06-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Investing in our securities involves a variety of risks and uncertainties, known and unknown, including, among others, those discussed below. Each of the following risks should be carefully considered, together with all the other information included in this Annual Report on Form 10- K, including our consolidated financial statements and the related notes and in our other filings with the SEC. Furthermore, additional risks and uncertainty not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Our business, results of operations, financial condition, and cash flow and prospects could be materially and adversely affected by any of these risks or uncertainties. Business and Operational Risks We operate in a highly competitive industry and we may be unable to compete effectively. We compete in both the therapeutic and diagnostic medical markets in more than 150 countries throughout the world. These markets are characterized by rapid change resulting from technological advances **, innovations** and scientific discoveries. In the product lines in which we compete, we face a range of competitors from large companies with multiple business lines to small, specialized manufacturers that offer a limited selection of niche products. Development by other companies of new or improved products, processes, technologies, or the introduction of reprocessed products or generic versions when our proprietary products lose their patent protection may make our existing or planned products less competitive. In addition, we face competition from providers of alternative medical therapies, such as pharmaceutical companies. We believe our ability to compete depends upon many factors both within and beyond our control, including: • product performance and reliability, • product technology and innovation, • product quality and safety, • breadth of product lines, • product support services, • customer support, • cost- effectiveness and price, • reimbursement approval from healthcare insurance providers, and • changes to the regulatory environment. Competition may increase as additional companies enter our markets or modify their existing products to compete directly with ours. In addition, academic institutions, governmental agencies and other public and private research organizations also may conduct research, seek patent protection and establish collaborative arrangements for discovery, research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring necessary product technologies. From time to time we have lost, and may in the future lose, market share in connection with product problems, physician advisories, safety alerts and publications about our products, which highlights the importance of product quality, product efficacy and quality systems to our business. In the current environment of managed care, consolidation among healthcare providers, increased competition, declining reimbursement rates, and national and provincial tender pricing, as recently experienced in China, competitively priced product offerings are essential to our success. Further, our continued growth and success depend on our ability to develop, acquire and market new and differentiated products, technologies and intellectual property, and as a result we also face competition for marketing, distribution, and collaborative development agreements, establishing relationships with academic and research institutions and licenses to intellectual property. In order to continue to compete effectively, we must continue to create, invest in or acquire advanced technology, incorporate this technology into our proprietary products, obtain regulatory approvals in a timely manner, and manufacture and successfully market our products. Given these factors, we cannot guarantee that we will be able to compete effectively or continue our level of success. **Public health crises have** ~~The ongoing global COVID- 19 pandemic has~~ had, and may continue to have, an adverse effect on certain aspects of our business, results of operations, financial condition **,** and cash flows. The nature and extent of future impacts are highly uncertain and unpredictable. Our global operations and interactions with healthcare systems, providers and patients around the world expose us to risks associated with public health crises, including epidemics and pandemics such as COVID- 19. In particular, the ~~continuing~~ preventative and precautionary measures that we and other businesses, communities, and governments have taken to mitigate the spread of the disease has led to restrictions on, **and** disruptions in, ~~and other related impacts on~~ business and personal activities **in certain countries and regions** , including **China, which comprises approximately seven percent of our total revenues. These restrictions have** reduced customer demand for certain of our products ~~and has resulted in many of our employees working remotely~~ . We expect medical procedure rates to continue to vary by therapy and country, and could be impacted by regional COVID- 19 case volumes, healthcare system staffing shortages **and supply chain issues that affect their ability to provide care** , ~~patient~~ **patients** ' ~~s~~ **ability or** willingness to schedule deferrable procedures, travel restrictions, transportation limitations, quarantine restrictions, vaccine and booster immunization rates, and new COVID- 19 variants. ~~While COVID- 19 case volumes appear to be decreasing in the U. S and certain other countries as a result of higher vaccination rates, the global COVID- 19 outlook remains uncertain as new variants emerge.~~ Together with the preventative and precautionary measures being taken, as well as the corresponding need to adapt to new and improved methods of conducting business, such as increased remote monitoring, COVID- 19 ~~is having~~ **has had** , and may continue to have, an adverse impact on certain aspects of our Company and business, including the demand for and supply of certain of our products, operations, supply chains and distribution systems, ~~impacts or delays to product development milestones, clinical trials, or regulatory clearances and approval timing,~~ and our ability to generate cash flow ~~, and may have an adverse impact on our ability to access capital~~ . Some of our products are more sensitive to reductions in deferrable and emergent medical procedures, and ~~, as hospital systems prioritize treatment of COVID- 19 patients and otherwise comply with government guidelines,~~ certain medical procedures have been and may continue to be suspended or postponed. It is not possible to predict the timing of deferrable medical procedures and, to the extent individuals and hospital systems de- prioritize, delay or cancel these procedures, ~~or if unemployment or loss of insurance coverage adversely impacts an individual' s ability to pay for our products and services,~~ our business, results of operations, financial condition, and cash flows

could continue to be negatively affected ~~. Further, the COVID- 19 pandemic has strained hospital systems around the world, resulting in adverse financial impacts to those systems that could result in reduced future expenditures for certain capital equipment and other products and services we provide, as well as potential disruption of product launches of our recently approved products. A number of our global suppliers, vendors, and distributors have been adversely affected by the COVID- 19 pandemic, including employee absenteeism. These impacts could impair our ability to move our products through distribution channels to end customers, and any such delay or shortage in the supply of components or materials may result in our inability to satisfy consumer demand for certain of our products in a timely manner or at all, which could harm our reputation, future sales and profitability. COVID- 19 has impacted and may further impact the global economy and capital markets, including by negatively impacting demand for a number of our products, access to capital markets (including the commercial paper market), foreign currency exchange rates, and interest rates, each of which may adversely impact our business and liquidity. We could experience loss of sales and profits due to delayed payments or insolvency of healthcare professionals, hospitals and other customers, suppliers and vendors facing liquidity issues. As a result, we may be compelled to take additional measures to preserve our cash flow. COVID- 19 could adversely impact our ability to retain key employees and the continued service and availability of skilled personnel necessary to run our complex productions and operations, including our executive officers and other key members of our management team. While the impact of COVID- 19 has had, and may continue to have, an adverse effect on our business, results of operations, financial condition and cash flows, the nature and extent of such impact is highly uncertain and unpredictable, as we cannot predict with confidence the duration of the pandemic~~ . Reduction or interruption in supply or other manufacturing difficulties may adversely affect our manufacturing operations and related product sales. The manufacture of our products requires the timely delivery of a sufficient amount of quality components and materials and is highly exacting and complex, due in part to strict regulatory requirements. We manufacture the majority of our products and procure important third- party services, such as sterilization services, at numerous facilities worldwide. We purchase many of the components, raw materials and services needed to manufacture these products from numerous suppliers in various countries. We seek to maintain continuity of supply by use of multiple options for sourcing where possible. We have generally been able to obtain adequate supplies of such raw materials, components and services, although global shortages of certain components such as semiconductors and resins have recently caused, and may in the future cause, disruptions to our product manufacturing supply chain. In addition, for reasons of quality assurance, cost effectiveness, or availability, certain components, raw materials and services needed to manufacture our products are obtained from a sole supplier. Although we work closely with our suppliers to try to ensure continuity of supply while maintaining high quality and reliability, the supply of these components, raw materials and services may be interrupted or insufficient. In addition, due to the stringent regulations and requirements of regulatory agencies, including the U. S. FDA, regarding the manufacture of our products, we may not be able to quickly establish additional or replacement sources. Additionally, many regulatory agencies are imposing regulatory requirements on safe use of chemicals and their potential impact on health and the environment which also may impact supply constraints. Furthermore, the prices of commodities and other materials used in our products, which are often volatile and outside of our control, could adversely impact our supply. We use resins, other petroleum- based materials and pulp as raw materials in some of our products, and the prices of oil and gas also significantly affect our costs for freight and utilities. A reduction or interruption in supply, and an inability to develop alternative sources for such supply, could adversely affect our ability to manufacture our products in a timely or cost- effective manner and could result in lost sales. Other disruptions in the manufacturing process or product sales and fulfillment systems for any reason, including **infrastructure, information and** equipment malfunction, failure to follow specific protocols and procedures, supplier **or Company** facility shut- downs, defective raw materials **, labor shortages** , natural disasters such as hurricanes, tornadoes, earthquakes, or wildfires, property damage or facility closures from riots or public protests, and other environmental factors and the impact of epidemics ~~or ,~~ pandemics, **or** ~~such as the~~ **other public health crises** ~~COVID- 19 pandemic~~ , and actions by businesses, communities and governments in response, could lead to launch delays, product ~~shortage~~ **shortages** , unanticipated costs, lost revenues and damage to our reputation. For example, in the past we have experienced a global information technology systems interruption that affected our customer ordering, distribution, and manufacturing processes, and we have been adversely impacted by, and may continue to be adversely impacted by, the global COVID- 19 pandemic and the responses of governments and of our partners, including suppliers, manufacturers, distributors and other businesses. Furthermore, any failure to identify and address manufacturing problems prior to the release of products to our customers could result in quality or safety issues. In addition, many of our products require sterilization before sale and several of our key products are manufactured or sterilized at a particular facility, with limited alternate facilities. If an event occurs that results in damage to or closure of one or more of such facilities, such as the Illinois Environmental Protection Agency' s decision to close a supplier' s sterilization facility in February 2019, we may be unable to manufacture or sterilize the relevant products to the required quality specifications or at all. Because of the time required to approve and license a manufacturing or sterilization facility, a third- party may not be available on a timely basis to replace production capacity in the event manufacturing or sterilization capacity is lost. Our research and development efforts rely upon investments and investment collaborations, and we cannot guarantee that any previous or future investments or investment collaborations will be successful. Our Mission is to provide a broad range of therapies to restore patients to fuller, healthier lives, which requires a wide variety of technologies, products and capabilities. The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. In addition to internally generated growth through our research and development efforts, historically we have relied, and expect to continue to rely, upon investments and investment collaborations to provide us access to new technologies both in areas served by our existing businesses as well as in new areas. We expect to make future investments where we believe that we can stimulate the development or acquisition of new technologies and products to further our strategic objectives and strengthen our existing businesses. Investments and investment collaborations in and with medical technology

companies are inherently risky, and we cannot guarantee that any of our previous or future investments or investment collaborations will be successful or will not materially adversely affect our business, results of operations, financial condition and cash flows. The continuing development of many of our products depends upon us maintaining strong relationships with healthcare professionals. If we fail to maintain our working relationships with healthcare professionals, many of our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products, which could cause a decline in our earnings and profitability. The research, development, marketing and sales of many of our new and improved products depends on our maintaining working relationships with healthcare professionals. We rely on these professionals to provide us with considerable knowledge and experience regarding the development, marketing and sale of our products. Physicians assist us as researchers, marketing and product consultants, inventors and public speakers. In addition, as a result of the COVID- 19 pandemic, our access to these professionals has been limited at times, and travel restrictions, shutdowns and similar measures have impacted our ability to maintain these relationships, thereby affecting our ability to develop, market and sell new and improved products. If we are unable to maintain strong relationships with these professionals, the development and marketing of our products could suffer, which could have a material adverse effect on our business, results of operations, financial condition, and cash flows. We have debt obligations that create risk. We are required to use a portion of our operating cash flow to pay interest or principal on our outstanding indebtedness instead of for other corporate purposes, including funding future expansion of our business. We may also incur additional indebtedness in the future to supplement our existing liquidity and cash generated from operations to satisfy our needs for working capital and capital expenditures, to pursue growth initiatives, and to make returns of capital to shareholders. **Over the course of the past fiscal year, interest rate increases in the U. S. and Europe, and recent disruptions in the financial services industry, caused periods of tightened credit availability and volatility in borrowing terms.** At the time we **may** incur such additional indebtedness, or refinance or restructure existing indebtedness, we may be unable to obtain capital market financing with similar terms and currency denomination **to our existing indebtedness** , or at all, which could have a material adverse effect on our business and results of operations. At any time, the value of our debt outstanding will fluctuate based on several factors including foreign currency exchange rate and interest rate movements. Failure to integrate acquired businesses into our operations successfully, **or challenges related to the Company' s strategic initiatives, including divestitures,** as well as liabilities or claims relating to such acquired businesses **or divestitures** , could adversely affect our business. As part of our strategy to develop and identify new products and technologies **and optimize our portfolio of products** , we have made several significant acquisitions **and divestitures** in recent years, and may make additional acquisitions **and divestitures** in the future. Our integration of the operations of acquired businesses requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, manufacturing, and finance. These efforts result in additional expenses and involve significant amounts of management' s time that cannot then be dedicated to other projects. Our failure to manage and coordinate the growth of acquired companies successfully could also have an adverse impact on our business. Further, acquired businesses may have liabilities, or be subject to claims, litigation or investigations that we did not anticipate or which exceed our estimates at the time of the acquisition. In addition, we cannot be certain that the businesses we acquire will become profitable or remain so. Factors that will affect the success of our acquisitions include: • the presence or absence of adequate internal controls and / or significant fraud in the financial systems of acquired companies, • our ability or inability to integrate information technology systems of acquired companies in a secure and reliable manner, • liabilities, claims, litigation, investigations, or other adverse developments relating to acquired businesses or the business practices of acquired companies, including investigations by governmental entities, potential FCPA or product liability claims or other unanticipated liabilities, • any decrease in customer loyalty and product orders caused by dissatisfaction with the combined companies' product lines and sales and marketing practices, including price increases, • our ability to retain key employees, and • the ability to achieve synergies among acquired companies, such as increasing sales of the integrated company' s products, achieving cost savings, and effectively combining technologies to develop new products. We also could experience negative effects on our business, results of operations, financial condition, and cash flows from acquisition- related charges, amortization of intangible assets and asset impairment charges. **In addition, the potential exists that expected strategic benefits from any planned or completed divestiture by the Company may not be realized or may take longer to realize than expected, including but not limited to: • The Company' s ability to consummate the planned separation of the combined Patient Monitoring and Respiratory Interventions businesses from the Medical Surgical Portfolio, • The Company' s ability to realize the anticipated benefits from the recent contribution of half of the Company' s RCS business to Mozarc Medical, • The Company' s performance under various transaction service agreements that have or may be executed as part of a divestiture.** Legal and Regulatory Risks We are subject to extensive and complex laws and governmental regulations and any adverse regulatory action may materially adversely affect our financial condition and business operations. Our medical devices and technologies, as well as our business activities, are subject to a complex set of regulations and rigorous enforcement, including by the U. S. FDA, U. S. Department of Justice, Health and Human Services – Office of the Inspector General, and numerous other federal, state, and non- U. S. governmental authorities. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products. As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations, and trial endpoints. Unfavorable clinical data from existing or future clinical trials may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate, and our business, results of operations, financial condition, and cash flows. We cannot guarantee that we will be able to obtain or maintain marketing clearance for our new products or enhancements or modifications to existing products, and the failure to maintain approvals or obtain approval or clearance could have a material adverse effect on our business, results of operations, financial condition and cash flows. Even if we are able to obtain approval

or clearance, it may: • take a significant amount of time, • require the expenditure of substantial resources, • involve stringent clinical and pre- clinical testing, as well as increased post- market surveillance, • involve modifications, repairs or replacements of our products, and • limit the proposed uses of our products. Both before and after a product is commercially released, we have ongoing responsibilities under the U. S. FDA and other applicable non- U. S. government agency regulations. For instance, many of our facilities and procedures and those of our suppliers are also subject to periodic inspections by the U. S. FDA to ~~determine~~ **assess** compliance with applicable regulations. The results of these inspections can include inspectional observations on the U. S. FDA' s Form ~~-~~483, warning letters, or other forms of enforcement. If the U. S. FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical products are ineffective or pose an unreasonable health risk, the U. S. FDA could ~~ban such medical products,~~ detain or seize adulterated or misbranded medical products, order a recall, repair, replacement, or refund of such products, refuse to grant pending pre- market approval applications or require certificates of non- U. S **.** governments for exports, and / or require us to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health **, and in certain rare circumstances, ban medical devices** . The U. S. FDA and other non- U. S. government agencies may also assess civil or criminal penalties against us, our officers or employees and impose operating restrictions on a company- wide basis. The U. S. FDA may also recommend prosecution to the U. S. Department of Justice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products and limit our ability to obtain future pre- market clearances or approvals, and could result in a substantial modification to our business practices and operations. Furthermore, we occasionally receive subpoenas or other requests for information from **various** ~~state and federal~~ governmental agencies **around the world** , and while these investigations typically relate primarily to financial arrangements with healthcare providers, regulatory compliance and product promotional practices, we cannot predict the timing, outcome or impact of any such investigations. Any adverse outcome in one or more of these investigations could include the commencement of civil and / or criminal proceedings, substantial fines, penalties, and / or administrative remedies, including exclusion from government reimbursement programs and / or entry into Corporate Integrity Agreements (CIAs) with governmental agencies. In addition, resolution of any of these matters could involve the imposition of additional, costly compliance obligations. These potential consequences, as well as any adverse outcome from government investigations, could have a material adverse effect on our business, results of operations, financial condition, and cash flows. In addition, the U. S. FDA has taken the position that device manufacturers are prohibited from promoting their products other than for the uses and indications set forth in the approved product labeling, and any failure to comply could subject us to significant civil or criminal exposure, administrative obligations and costs, and / or other potential penalties from, and / or agreements with, the federal government. Governmental regulations in the U. S. and outside the U. S. are constantly changing and may become increasingly stringent. In the ~~European Union~~ **E. U** , for example, the Medical Device Regulation which became effective in May 2021 includes significant additional pre- market and post- market requirements. Penalties for regulatory non- compliance could be severe, including fines and revocation or suspension of a company' s business license, mandatory price reductions and criminal sanctions. The development and implementation of future laws and regulations may have a material adverse effect on us. Our failure to comply with laws and regulations relating to reimbursement of healthcare goods and services may subject us to penalties and adversely impact our reputation, business, results of operations, financial condition and cash flows. Our devices, products and therapies are purchased principally by hospitals or physicians that typically bill various third- party payers, such as governmental healthcare programs (e. g., Medicare, Medicaid and comparable non- U. S. programs), private insurance plans and managed care plans, for the healthcare services provided to their patients. The ability of our customers to obtain appropriate reimbursement for products and services from third- party payers is critical because it affects which products customers purchase and the prices they are willing to pay. As a result, our devices, products and therapies are subject to regulation regarding quality and cost by HHS, including the Centers for Medicare & Medicaid Services (CMS), as well as comparable state and non- U. S. agencies responsible for reimbursement and regulation of health are goods and services, including laws and regulations related to **fair competition,** kickbacks, false claims, self- referrals and healthcare fraud. Many states have similar laws that apply to reimbursement by state Medicaid and other funded programs as well as in some cases to all payers. In certain circumstances, insurance companies attempt to bring a private cause of action against a manufacturer for causing false claims. In addition, as a manufacturer of U. S. FDA- approved devices reimbursable by federal healthcare programs, we are subject to the Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to U. S.- licensed physicians or U. S. teaching hospitals. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties. We are also subject to risks relating to changes in government and private medical reimbursement programs and policies, and changes in legal regulatory requirements in the U. S. and around the world. Implementation of further legislative or administrative reforms to these reimbursement systems, or adverse decisions relating to coverage of or reimbursement for our products by administrators of these systems, could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them. We are substantially dependent on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to our rights or the rights of others may result in our payment of significant monetary damages and / or royalty payments, negatively impacting our ability to sell current or future products. We are substantially dependent on patent and other proprietary rights and rely on a combination of patents, trademarks, tradenames, copyrights, trade secrets, and agreements (such as employee, non- disclosure and non- competition agreements) to protect our business and proprietary intellectual property. We also operate in an industry characterized by extensive patent litigation. Patent litigation can result in significant damage awards and injunctions that could prevent our manufacture and sale of affected products or require us to pay significant royalties in order to continue to manufacture or sell affected products. At any given time, we are generally involved as both a plaintiff and a defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of patent

litigation, it is possible that the results of such litigation could require us to pay significant monetary damages and / or royalty payments, negatively impact our ability to sell current or future products, or that enforcement actions to protect our patent and proprietary rights against others could be unsuccessful, any of which could have a material adverse impact on our business, results of operations, financial condition, and cash flows. In addition, any public announcements related to litigation or administrative proceedings initiated or threatened against us could cause our stock price to decline. While we intend to defend against any threats to our intellectual property, our patents, trademarks, tradenames, copyrights, trade secrets or agreements (such as employee, non- disclosure and non- competition agreements) may not adequately protect our intellectual property. Further, pending patent applications may not result in patents being issued to us, patents issued to or licensed by us may be challenged or circumvented by competitors and such patents may be found invalid, unenforceable or too limited in scope to protect our technology or provide us with any competitive advantage. In addition, our patents will expire over time, our ability to protect novel business models is uncertain, and infringement may go undetected. Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and such licenses may not be available on reasonable terms or at all. In addition, license agreements could be terminated. We also rely on non- disclosure and non- competition agreements with certain employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. We cannot be certain that these agreements will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. In addition, the laws of certain countries in which we market or manufacture some of our products do not protect our intellectual property rights to the same extent as the laws of the U. S., which could make it easier for competitors to capture market position. ~~Competitors also~~ **For example, business in China comprises approximately seven percent of our total revenues. This** may **increase** ~~harm our sales by designing products that substantially mirror the capabilities of our products or~~ **our vulnerability to our** technology ~~without infringing~~ **being reverse engineered** ~~our~~ **or** ~~intellectual property rights~~ **our trade secrets being compromised**. If we are unable to protect our intellectual property in ~~these~~ **China or other** countries, it could have a material adverse effect on our business, results of operations, financial condition, and cash flows. **Competitors also may harm our sales by designing products that substantially mirror the capabilities of our products or technology without infringing our intellectual property rights.** Quality problems could lead to recalls or safety alerts, product liability claims, reputational harm, adverse verdicts or costly settlements, and could have a material adverse effect on our business, results of operations, financial condition and cash flows. Quality is extremely important to us and our customers due to the impact on patients, and the serious and potentially costly consequences of adverse product performance. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of medical devices. In addition, many of our products are often used in intensive care settings with seriously ill patients and some of the medical devices we manufacture and sell are designed to be implanted in the human body for long periods of time or indefinitely. Component failures, manufacturing nonconformances, design ~~defects~~ **issues**, off- label use, or inadequate disclosure of product-related risks or product- related information with respect to our products, if they were to occur, could result in an unsafe condition or injury to, or death of, a patient. These problems could lead to recall of, or issuance of a safety alert relating to, our products, and could result in product liability claims and lawsuits, including class actions, which could ultimately result, in certain cases, in the removal from the body of such products and claims regarding costs associated therewith. Due to the strong name recognition of the Medtronic brand, a material adverse event involving one of our products could result in diminished market acceptance and demand for all products within that brand, and could harm our reputation and ability to market products in the future. Further, we may be exposed to additional potential product liability risks related to products designed, manufactured and / or marketed in response to the COVID- 19 pandemic, and unpredictable or accelerated changes in demand for certain of our products in connection with COVID- 19 and its related impacts ~~could impact development and production of products and services and~~ could increase the risk of regulatory enforcement actions, product defects or related claims, as well as adversely impact our customer relationships and reputation. Strong product quality is critical to the success of our goods and services. If we fall short of these standards and our products are the subject of recalls or safety alerts, our reputation could be damaged, we could lose customers and our revenue and results of operations could decline. Our success also can depend on our ability to manufacture to exact specification precision- engineered components, subassemblies and finished devices from multiple materials. If our components fail to meet these standards or fail to adapt to evolving standards, our reputation, competitive advantage and market share could be harmed. In certain situations, we may undertake a voluntary recall of products or temporarily shut down production lines based on performance relative to our own internal safety and quality monitoring and testing data. Any of the foregoing problems, including future product liability claims or recalls, regardless of their ultimate outcome, could harm our reputation and have a material adverse effect on our business, results of operations, financial condition and cash flows. Healthcare policy changes may have a material adverse effect on us. ~~In response to perceived increases in healthcare costs in recent years, there~~ **There** have been and continue to be actions and proposals by several governments, regulators and third- party payers globally, including the U. S. federal and state governments, to control ~~these~~ **healthcare** costs and, more generally, to reform healthcare systems. Certain of these actions and proposals, among other things, limit the prices we are able to charge for our products or the amounts of reimbursement available for our products **, increase the importance of our ability to compete on cost,** and could limit the acceptance and availability of our products. These actions and proposals could have a material adverse effect on our business, results of operations, financial condition and cash flows. We rely on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain, to operate our business, and a breach, cyber- attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position. We are increasingly dependent on sophisticated information technology systems to operate our business. That technology includes systems that could be used to process, transmit and store sensitive data. Additionally, many of our

products and services include integrated software and information technology that collects data regarding patients or connects to other internal systems. One of the most prevalent attacks on large organizations has been ransomware which can have a devastating impact on an organization' s operations. **Our** ~~We have invested in~~ ransomware readiness ~~in the pursuit of both prevention~~ **program has required and will continue to require investment and will not guarantee that we will be immune from** ~~and~~ - **an incident or be able to respond** ~~rapid~~ **rapidly** ~~response~~ **enough** to **prevent** a ~~ransomware event~~ **negative impact on our business** . Like all organizations, we routinely experience attempted interference with the integrity of, and interruptions in, our technology systems via events such as cyber- attacks, malicious intrusions, or other breakdowns. The consequences could mean data breaches, interference with the integrity of our products and data, compromise of intellectual property or other proprietary information, or other significant disruptions. Furthermore, we rely on third- party vendors to supply and / or support certain aspects of our information technology systems and resulting products. ~~As we have seen with recent " Supply Chain Attacks, " these~~ **These** third- party systems could also become vulnerable to cyber- attack, malicious intrusions, breakdowns, interference, or other significant disruptions, and may contain defects in design or manufacture or other problems that could result in system disruption or compromise the information security of our own systems. ~~The Russia~~ **Medtronic is constantly monitoring geopolitical events or issues (i. e., U. S.** - ~~Ukraine conflict~~ **China tensions) which** may increase cybersecurity risks on a global basis **, and we take appropriate measures to counter any threats** . Lastly, we continue to grow in part through new business acquisitions and, as a result, may face risks associated with defects and vulnerabilities in ~~their~~ **acquired businesses'** systems, or difficulties or other breakdowns or disruptions in connection with the integration of the acquisitions into our information technology systems. Our worldwide operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. The variety of U. S. and international privacy and cybersecurity laws and regulations impacting our operations are described in " Item 1. Business" – Other Factors Impacting Our Operations – Data Privacy and Security Laws and Regulations. Any data security breaches, cyber- attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and / or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation, or competitive position. In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems. This enables us to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect patient and customer information, changes in the techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated with our changing products and services. There can be no assurance that our extensive efforts (including, but not limited to, consolidating, protecting, upgrading, and expanding our systems and capabilities, continuing to build security into the design of our products, and developing new systems to keep pace with continuing changes in information processing technology **, including, but not limited to, generative artificial intelligence platforms**) will be successful or that additional systems issues will not arise in the future. If our information technology systems, products or services or sensitive data are compromised, there are many consequences that could result. Consequences include, but are not limited **,** to patients or employees being exposed to financial or medical identity theft or ~~suffer~~ **suffering** a loss of product functionality, losing existing customers or have difficulty attracting new customers, experiencing difficulty preventing, detecting, and controlling fraud, being exposed to the loss or misuse of confidential information, having disputes with customers, physicians, and other healthcare professionals, suffering regulatory sanctions or penalties under federal laws, state laws, or the laws of other jurisdictions, experiencing increases in operating expenses or an impairment in our ability to conduct our operations, incurring expenses or losing revenues as a result of a data privacy breach, product failure, information technology outages or disruptions, or suffering other adverse consequences including lawsuits or other legal action and damage to our reputation. The failure to comply with anti- corruption laws could materially adversely affect our business and result in civil and / or criminal sanctions. The U. S. Foreign Corrupt Practices Act (FCPA), the Irish Criminal Justice (Corruption Offences) Act 2018, and similar anti- corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business **and to ensure adequate internal controls, books, and records** . Because of the predominance of government- administered healthcare systems in many jurisdictions around the world, many of our customer relationships outside of the U. S. are with governmental entities and are therefore potentially subject to such laws. We also participate in public- private partnerships and other commercial and policy arrangements with governments around the globe. Global enforcement of anti- corruption laws has increased in recent years, including investigations and enforcement proceedings leading to assessment of significant fines and penalties against companies and individuals. Our international operations create a risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or distributors. We maintain **various controls aligned with** ~~policies and programs to implement safeguards to educate our employees and agents on these~~ legal requirements ~~, and~~ to prevent and prohibit improper practices **, including policies, programs, and training for our employees and third party intermediaries acting on our behalf** . However, existing safeguards and any future improvements may not always be effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we could be held responsible. In addition, regulators could seek to hold us liable for conduct committed by companies in which we invest or that we acquire. Any alleged or actual violations of these regulations may subject us to government scrutiny, criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could disrupt our business, adversely affect our reputation and result in a material adverse effect on our business, results of operations, financial condition and cash flows. Laws and regulations governing international business operations could adversely impact our business. The U. S. Department of the Treasury' s Office of Foreign Assets Control (OFAC) and the U. S. Commerce Department' s Bureau of Industry and Security (BIS) administer certain laws and regulations that restrict U. S. persons and, in some instances, non- U. S. persons, in conducting activities, transacting business with, or making investments in, certain countries, governments, entities and individuals subject to U. S. economic sanctions or export

restrictions. Our international operations subject us to these laws and regulations, which are complex, restrict our business dealings with certain countries, governments, entities, and individuals, and are constantly changing. Further restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations. From time to time, certain of our subsidiaries have limited business dealings in countries subject to comprehensive sanctions, including Iran, Syria, Cuba **,** and the region of Crimea **, as well as Russia and Belarus** . Certain of our subsidiaries sell medical devices, and may provide related services, to distributors and other purchasing bodies in such countries **/ region** . These business dealings represent an insignificant amount of our consolidated revenues and income, but expose us to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. We have established policies and procedures designed to assist with our compliance with such laws and regulations. However, there can be no assurance that our policies and procedures will prevent us from violating these regulations in every transaction in which we may engage, and such a violation could adversely affect our reputation, business, results of operations, financial condition, and cash flows. Climate change, or legal, regulatory or market measures to address climate change may materially adversely affect our financial condition and business operations. Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere presents risks to our current and future operations from natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, wildfires or flooding. Such extreme weather conditions and other conditions caused by or related to climate change could increase our operational costs, pose physical risks to our facilities and adversely impact our supply chain, including: manufacturing and distribution networks, the availability and cost of raw materials and components, energy supply, transportation, or other inputs necessary for the operation of our business. The impacts of climate change on global water resources may result in water scarcity, which could impact our ability to access sufficient quantities of water in certain locations and result in increased costs. Concerns over climate change could have an impact on customer demand for our products and result in new legal or regulatory requirements designed to mitigate the effects of climate change on the environment. Although it is difficult to predict and adequately prepare to meet the challenges to our business posed by climate change, if new laws or regulations are more stringent than current legal or regulatory requirements, we may experience increased compliance burdens and costs to meet the regulatory obligations as well as adverse impacts on raw material sourcing, manufacturing operations and the distribution of our products. We are subject to environmental laws and regulations and the risk of environmental liabilities, violations and litigation. We are subject to environmental, health, and safety laws, and regulations concerning, among other things, the generation, handling, transportation, and disposal of hazardous substances or wastes, the remediation of hazardous substances or materials at various sites, and emissions or discharges into the land, air or water. We are further subject to numerous ~~,~~ laws and regulations concerning, among other things, chemical constituents in medical products and end- of- life disposal and take- back programs for medical devices. Our operations and those of certain third- party suppliers involve the use of substances subject to these laws and regulations, primarily those used in manufacturing and sterilization processes. If we or our suppliers violate these environmental laws and regulations, facilities could be shut down and violators could be fined, or otherwise sanctioned. New laws and regulations, violations of these laws or regulations, stricter enforcement of existing requirements, or the discovery of previously unknown contamination could require us to incur costs or could become the basis for new or increased liabilities that could be material **. We are subject to risks related to our environmental, social and governance (ESG) practices and initiatives. There is an increased focus from our stakeholders, as well as regulatory authorities in the U. S., European Union (EU) and other global jurisdictions in which we operate, on ESG practices and disclosure. If we do not succeed, or are perceived to have fallen short, in any number of ESG matters, such as environmental stewardship, inclusion, diversity and equity (ID & E) initiatives, supply chain practices, good corporate governance, workplace conduct and support for local communities, or if we do not effectively respond to new or revised legal, regulatory or reporting requirements concerning climate change or other sustainability concerns, we may be subject to regulatory fines and penalties, our reputation or the reputation of our brands may suffer, we may be unable to attract and retain top talent, and our stock price may be negatively affected. In addition, enhanced ESG laws, regulations and expectations in the jurisdictions in which we do business may increase compliance burdens and costs for third parties throughout our global supply chain, which could cause disruption in the sourcing, manufacturing and distribution of our products and adversely affect our business, financial condition or results of operations. Further, we have made several public disclosures of objectives and targets (targets) relating to product stewardship, ID & E, patient safety and product quality, access and innovation, and climate stewardship, including our ambition to be carbon neutral in our operations by 2030 and to achieve net zero emissions by 2045. Although we intend to achieve these targets, we may be required to expend significant resources to do so, which could increase our operational costs. In addition, there can be no assurance of the extent to which any of our targets will be achieved, or that any future investments we make to achieve such targets will meet investor, legal and / or any other regulatory expectations and requirements. If we are unable to meet our targets, we may face litigation and could incur regulatory fines and penalties or adverse publicity and reaction from investors, advocacy groups or other stakeholders that may adversely impact our business, demand for our products and services, and / or our financial condition and results of operations** . Our insurance program may not be adequate to cover future losses. We have elected to self- insure most of our insurable risks across the Company, and we made this decision based on cost and availability factors in the insurance marketplace. We manage and maintain a portion of our self-insured program through a wholly- owned captive insurance company. We continue to maintain a directors and officers liability insurance policy with third- party insurers that provides coverage for the directors and officers of the Company. We continue to monitor the insurance marketplace to evaluate the value of obtaining insurance coverage for other categories of losses in the future. Although we believe, based on historical loss trends, that our self- insurance program accruals and our existing insurance

coverage will be adequate to cover future losses, historical trends may not be indicative of future losses. The absence of third-party insurance coverage for other categories of losses increases our exposure to unanticipated claims and these losses could have a material adverse impact on our business, results of operations, financial condition and cash flows. Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our business, results of operations, financial condition and cash flows. We are subject to income taxes, as well as non- income based taxes, in the U. S., Ireland, and various other jurisdictions in which we operate. The tax laws in the U. S., Ireland and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could ~~materially adversely affect our business and our effective tax rate. For example, on December 22, 2017, the U. S. enacted comprehensive tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the" Tax Act"), which resulted in a significant charge to tax expense during our fiscal year 2018 associated with U. S. taxation of accumulated foreign earnings as well as the requirement to revalue U. S. deferred tax assets and liabilities resulting from the reduction in the U. S. corporate tax rate. In addition, the Biden Administration has provided a framework for proposed U. S. tax law changes, which if enacted could~~ have a material impact on our business, results of operations, financial condition, and cash flows. **The** ~~In October 2021, the~~ Organization for Economic Cooperation and Development (OECD) secured agreement from ~~136~~ **142** countries to push forward with proposals to fundamentally rewrite International Tax rules which ~~if enacted by these countries,~~ will likely impact the amount of tax multinationals such as Medtronic pay in the future. ~~During 2022~~ **Certain countries have already enacted or are in the process of enacting legislation in line with guidance provided by the OECD. Ireland is subject to EU Directives** and **as a consequence has committed to enact legislation by December 31st** 2023 ~~more details on~~ **. As a result the first year Medtronic is expected to be impacted by** these **changes is fiscal year** ~~proposals will be released and various consultations will take place. The OECD has set a timeline for the implementation of these proposals in 2023~~ **2025** ~~but may end up being deferred to a later date~~ . The aggressive nature of the timeline set by the OECD may mean that all implications for business may not have been fully worked through or fully understood before rules are finalized. We continue to monitor the implications potentially resulting from this guidance. This action together with other legislative changes in many countries on the mandatory sharing of company information (financial and operational) with taxing authorities on a local and global basis under various information sharing initiatives, could lead to disagreements between jurisdictions associated with the proper allocation of profits between such jurisdictions. We are subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our business, results of operations, financial condition, and cash flows. We have recorded reserves for potential payments of tax to various tax authorities related to uncertain tax positions. However, the calculation of such tax liabilities involves the application of complex tax laws, regulations and treaties (where applicable) in many jurisdictions. Therefore, any dispute with a tax authority may result in a payment that is significantly different from current estimates. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities generally would result in tax benefits being recognized in the period when we determine the liabilities are no longer necessary. If our estimate of tax liabilities proves to be less than the amount for which it is ultimately liable, we would incur additional charges, and such charges could have a material adverse effect on our business, results of operations, financial condition, and cash flows. The Medtronic, Inc. tax court proceeding outcome could have a material adverse impact on our financial condition. In March 2009, the IRS issued its audit report for Medtronic Inc. for fiscal years 2005 and 2006. Medtronic, Inc. reached agreements with the IRS on some, but not all matters related to these fiscal years. The remaining unresolved issue for fiscal years 2005 and 2006 relates to the allocation of income between Medtronic, Inc. and its wholly- owned subsidiary operating in Puerto Rico, which is one of our key manufacturing sites. **The Tax Court issued its opinion on August 18, 2022, and it remains subject to appeal by either or both parties. At this time, the Company is evaluating whether to file an appeal.** An adverse outcome in this matter could materially and adversely affect our business, results of operations, financial condition, and cash flows. See Note 18 to the consolidated financial statements in" Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10- K. Future potential changes to the U. S. tax laws could result in us being treated as a U. S. corporation for U. S. federal tax purposes, and the IRS may not agree with the conclusion that we should be treated as a foreign corporation for U. S **.** federal income tax purposes. Because Medtronic plc is organized under the laws of Ireland, we would generally be classified as a foreign corporation under the general rule that a corporation is considered tax resident in the jurisdiction of its organization or incorporation for U. S. federal income tax purposes. Even so, the IRS may assert that we should be treated as a U. S. corporation (and, therefore, a U. S. tax resident) for U. S. federal income tax purposes pursuant to Section 7874 of the U. S. Internal Revenue Code of 1986, as amended (the Code). In addition, a retroactive change to U. S. tax laws in this area could change this classification. If we were to be treated as a U. S. corporation for federal tax purposes, we could be subject to substantially greater U. S. tax liability than currently contemplated as a non- U. S. corporation. Legislative or other governmental action relating to the denial of U. S. federal or state governmental contracts to U. S. companies that redomicile abroad could adversely affect our business. Various U. S. federal and state legislative proposals that would deny governmental contracts to U. S. companies that move their corporate location abroad may affect us. We are unable to predict the likelihood that, or final form in which, any such proposed legislation might become law, the nature of the regulations that may be promulgated under any future legislative enactments, or the effect such enactments and increased regulatory scrutiny may have on our business. Risks Relating to Our Jurisdiction of Incorporation We are incorporated in Ireland, and Irish law differs from the laws in effect in the U. S. and may afford less protection to holders of our securities. Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. It may not be possible to enforce court judgments obtained in the U. S. against us in Ireland based on the civil liability provisions of the U. S. federal or state securities laws. In addition, there is some uncertainty as to

whether the courts of Ireland would recognize or enforce judgments of U. S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U. S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U. S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U. S. federal or state court based on civil liability, whether or not based solely on U. S. federal or state securities laws, would not automatically be enforceable in Ireland. As an Irish company, we are governed by the Irish Companies Act 2014, which differs in some material respects from laws generally applicable to U. S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in the U. S. As an Irish public limited company, certain capital structure decisions require shareholder approval, which may limit Medtronic' s flexibility to manage its capital structure. Under Irish law, our authorized share capital can be increased by an ordinary resolution of our shareholders and the directors may issue new ordinary or preferred shares, without shareholder approval, once authorized to do so by our articles of association or by an ordinary resolution of our shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders where shares are being issued for cash consideration but allows shareholders to disapply such statutory preemption rights either in our articles of association or by way of special resolution. Such disapplication can either be generally applicable or be in respect of a particular allotment of shares. Accordingly, at our ~~2021~~ **2022** Annual General Meeting, our Shareholders authorized our Board of Directors to issue up to 33 % of our issued ordinary shares and further authorized our Board of Directors to issue up to 10 % of such shares for cash without first offering them to our existing shareholders (provided that with respect to 5 % of such shares, such allotment is to be used for the purposes of a specified capital investment). Both of these authorizations will expire on June ~~9~~ **8** , ~~2023~~ **2024** , unless renewed by shareholders for a further period. We anticipate seeking new authorizations at our ~~2022~~ **2023** Annual General Meeting and in subsequent years. We cannot provide any assurance that these authorizations will always be approved, which could limit our ability to issue equity and thereby adversely affect the holders of our securities. A transfer of our shares, other than ones effected by means of the transfer of book- entry interests in the Depository Trust Company, may be subject to Irish stamp duty. Transfers of our shares effected by means of the transfer of book entry interests in the Depository Trust Company (DTC) will not be subject to Irish stamp duty. However, if a shareholder holds our shares directly rather than beneficially through DTC, any transfer of shares could be subject to Irish stamp duty (currently at the rate of 1 % of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of shares. In certain limited circumstances, dividends we pay may be subject to Irish dividend withholding tax and dividends received by Irish residents and certain other shareholders may be subject to Irish income tax. In certain limited circumstances, dividend withholding tax (currently at a rate of 25 %) may arise in respect of dividends paid on our shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U. S. and other specified countries that have a tax treaty with Ireland may be entitled to exemptions from dividend withholding tax. Shareholders resident in the U. S. that hold their shares through DTC will not be subject to dividend withholding tax, provided the addresses of the beneficial owners of such shares in the records of the brokers holding such shares are recorded as being in the U. S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by us). However, other shareholders may be subject to dividend withholding tax, which could adversely affect the price of their shares. Shareholders entitled to an exemption from Irish dividend withholding tax on dividends received from us will not be subject to Irish income tax in respect of those dividends unless they have some connection with Ireland other than their shareholding in our Company (for example, they are resident in Ireland). Shareholders who are not resident nor ordinarily resident in Ireland, but who receive dividends subject to Irish dividend withholding tax, will generally have no further liability to Irish income tax on those dividends. Our shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax. Irish capital acquisitions tax (CAT) could apply to a gift or inheritance of our shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because our shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children currently have a tax- free threshold of € 335, 000 in respect of taxable gifts or inheritances received from their parents. Irish Revenue typically updates the amount of this tax- free threshold on an annual basis. Economic and Industry Risks Changes in the prices of our goods and services and / or inflationary costs may have a material adverse effect on our business, results of operations, financial condition and cash flows. We have experienced, and may continue to experience, decreasing prices for certain of our goods and services due to pricing pressure from managed care organizations and other third- party payers on our customers, increased market power of our customers as the medical device industry consolidates and increased competition among medical engineering and manufacturing services providers. We have also recently experienced, and may continue to experience, rising costs due to inflation. If the prices for our goods and services change or inflation continues to rise, we may be unable to sufficiently reduce our expenses or offset rising costs through increased prices to customers. As a result, our business, results of operations, financial condition and cash flows may be adversely affected. We are subject to a variety of risks associated with global operations that could adversely affect our profitability and operating results. We develop, manufacture, distribute and sell our products globally. We intend to continue to expand our operations and to pursue growth opportunities outside the U. S., especially in emerging markets. Operations in different countries including emerging markets could expose us to additional and greater risks and potential costs, including: • fluctuations in currency exchange rates, • healthcare reform legislation, • the need to comply with different regulatory regimes

worldwide that are subject to change and that could restrict our ability to manufacture and sell our products, • local product preferences and product requirements, • longer- term receivables than are typical in the U. S., • **economic sanctions, export controls,** trade protection measures, tariffs and other border taxes, and import or export licensing requirements, • less intellectual property protection in some countries outside the U. S. than exists in the U. S., • different labor regulations and workforce instability, • political and economic instability, including as a result of wars and insurrections, • the expiration and non- renewal of foreign tax rulings and / or grants, • potentially negative consequences from changes in or interpretations of tax laws, and • economic instability and inflation, recession or interest rate fluctuations. The ongoing global economic competition and trade tensions between the U. S. and China present risk to Medtronic. Although we have been able to mitigate some of the impact on Medtronic from increased duties imposed by both sides (through petitioning both governments for tariff exclusions and other mitigations), the risk remains of additional tariffs and other kinds of restrictions. Tariff exclusions awarded to Medtronic by the U. S. Government require periodic renewal, and policies for granting exclusions could shift. The U. S. and China **, which comprises approximately seven percent of our total revenues,** could impose other types of restrictions such as limitations on government procurement or technology export restrictions, which could affect Medtronic' s access to the markets. ~~China comprises approximately eight percent of our total revenues.~~ The Russia- Ukraine conflict and resulting sanctions and export restrictions are creating barriers to doing business in Russia and **Belarus and** adversely impacting global supply chains. While we have no manufacturing, distribution or direct material suppliers in the region, we ~~are~~ **continue to** closely ~~monitoring~~ -- **monitor** the potential raw material / sub- tier supplier impact in both Russia and Ukraine. Materials like palladium and neon, which are both dependent on Russia supply, are part of broader semiconductor shortages in industry. Additional sanctions, export restrictions, and potential countermeasures within Russia may lead to greater uncertainty and geopolitical shifts in Asia that could cause additional adverse impacts on global supply chains and our business, results of operations, financial condition **,** and cash flows. More generally, several governments including the U. S. have raised the possibility of policies to induce " re- shoring " of supply chains, less reliance on imported supplies, and greater national production. Examples include potential " Buy America " requirements in the U. S. If such steps triggered retaliation in other markets restricting access to foreign products in purchases by their government- owned healthcare systems, the result could be a significant impact on Medtronic. Other significant changes or disruptions to international trade arrangements, such as termination or modifications of other existing trade agreements, may adversely affect our business, results of operations, financial condition and cash flows. In addition, a significant amount of our trade receivables are with national healthcare systems in many countries. Repayment of these receivables is dependent upon the political and financial stability of those countries. In light of these global economic fluctuations, we continue to monitor the creditworthiness of customers. Failure to receive payment of all or a significant portion of these receivables could adversely affect our business, results of operations, financial condition and cash flows. The COVID- 19 pandemic, and the responses of business and governments to the pandemic, have at times resulted in reduced availability of air transport, port closures, increased border controls or closures, increased transportation costs and increased security threats to our supply chain, and countries may continue to close borders, impose prolonged quarantines, and further restrict travel and other activities. Our business could be adversely impacted if we are unable to successfully manage these and other risks of global operations. Finally, changes in currency exchange rates may impact the reported value of our revenues, expenses, and cash flows. We cannot predict changes in currency exchange rates, the impact of exchange rate changes, nor the degree to which we will be able to manage the impact of currency exchange rate changes **. Instability in the financial sector could adversely affect our revenues, results of operation, or financial condition. Recent disruptions in the financial services industry caused periods of tightened credit availability and volatility in borrowing terms. If these conditions were to recur or worsen, we may experience reduced demand for a number of our products. In addition, we could experience loss of sales and profits due to delayed payments or insolvency of healthcare professionals, hospitals and other customers, suppliers and vendors facing liquidity issues. As a result, our business and liquidity may be adversely impacted, and we may be compelled to take additional measures to preserve our cash flow** . Consolidation in the healthcare industry could have an adverse effect on our revenues and results of operations. Many healthcare industry companies, including healthcare systems, distributors, manufacturers, providers, and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates, competition to provide goods and services to industry participants will become more intense. Further, this consolidation creates larger enterprises with greater negotiating power, which they can use to negotiate price concessions. If we must reduce our prices because of industry consolidation, or if we lose customers as a result of consolidation, our business, results of operations, financial condition, and cash flows could be adversely affected. Healthcare industry cost- containment measures could result in reduced sales of our medical devices and medical device components. Most of our customers, and the healthcare providers to whom our customers supply medical devices, rely on third- party payers, including government programs and private health insurance plans, to reimburse some or all of the cost of the procedures in which medical devices that incorporate components we manufacture or assemble are used. The continuing efforts of governmental authorities, insurance companies and other payers of healthcare costs to contain or reduce these costs could lead to patients being unable to obtain approval for payment from these third- party payers. If third- party payer payment approval cannot be obtained by patients, sales of finished medical devices that include our components may decline significantly and our customers may reduce or eliminate purchases of our components. The cost- containment measures that healthcare providers are instituting, both in the U. S. and outside of the U. S., could harm our ability to operate profitably. For example, managed care organizations have successfully negotiated volume discounts for pharmaceuticals, and GPOs and IDNs have also concentrated purchasing decisions for some customers, which has led to downward pricing pressure for medical device companies, including us.