



# From ESG talk to action - Reducing MedTech's impact on our ecosystem

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**BCG** BOSTON  
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GROUP

**Medtronic**

**GSK**



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# In 2022 we covered some key aspects of HC x climate

Healthcare accounts for 5% of global emissions



# In 2022 we covered some key aspects of HC x climate

5% of global emissions

**3 different types of emissions categories**



**Scope 1**

Direct emissions

Sources owned or controlled by company



**Scope 2**

Indirect emissions

Generating energy used by company



**Scope 3**

All other emissions

Due to company, but from sources not owned or controlled by company

# In 2022 we covered some key aspects of HC x climate

5% of global emissions

3 emissions categories

**Scope 3 drives 70-90% of Healthcare emissions**



**Scope 1**  
Direct emissions

5-10%



**Scope 2**  
Indirect emissions

10-20%



**Scope 3**  
All other emissions

70-90%

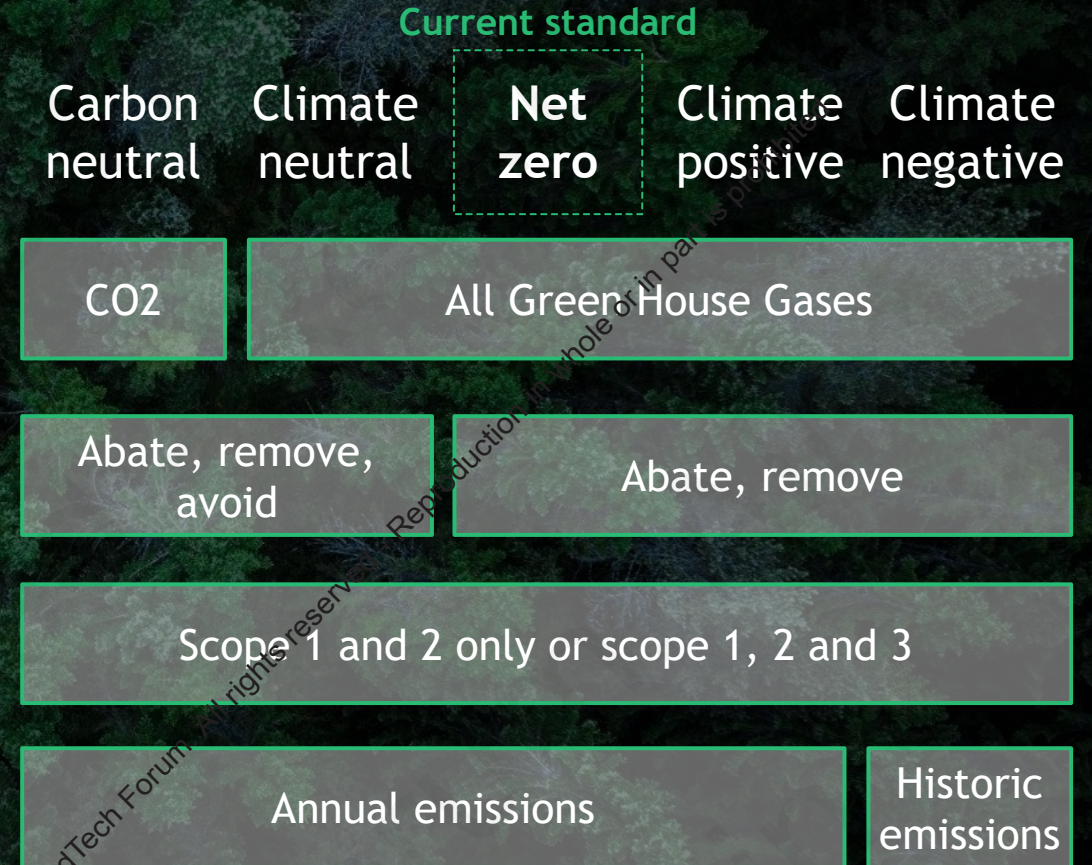
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5% of global emissions

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Scope 3 70-90% of HC emissions

**Many different climate goals described**



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Scope 3 70-90% of HC emissions

Many different climate goals described

**Few MedTech companies have set net-zero targets**

15%

Of MedTech companies have set scope 1, 2 and 3 net zero target *(based on top 20 MedTech)*

70%

Of Pharma companies have scope 1, 2 and 3 net-zero goals *(based on top 10 Pharma)*

# In 2022 we covered some key aspects of HC x climate

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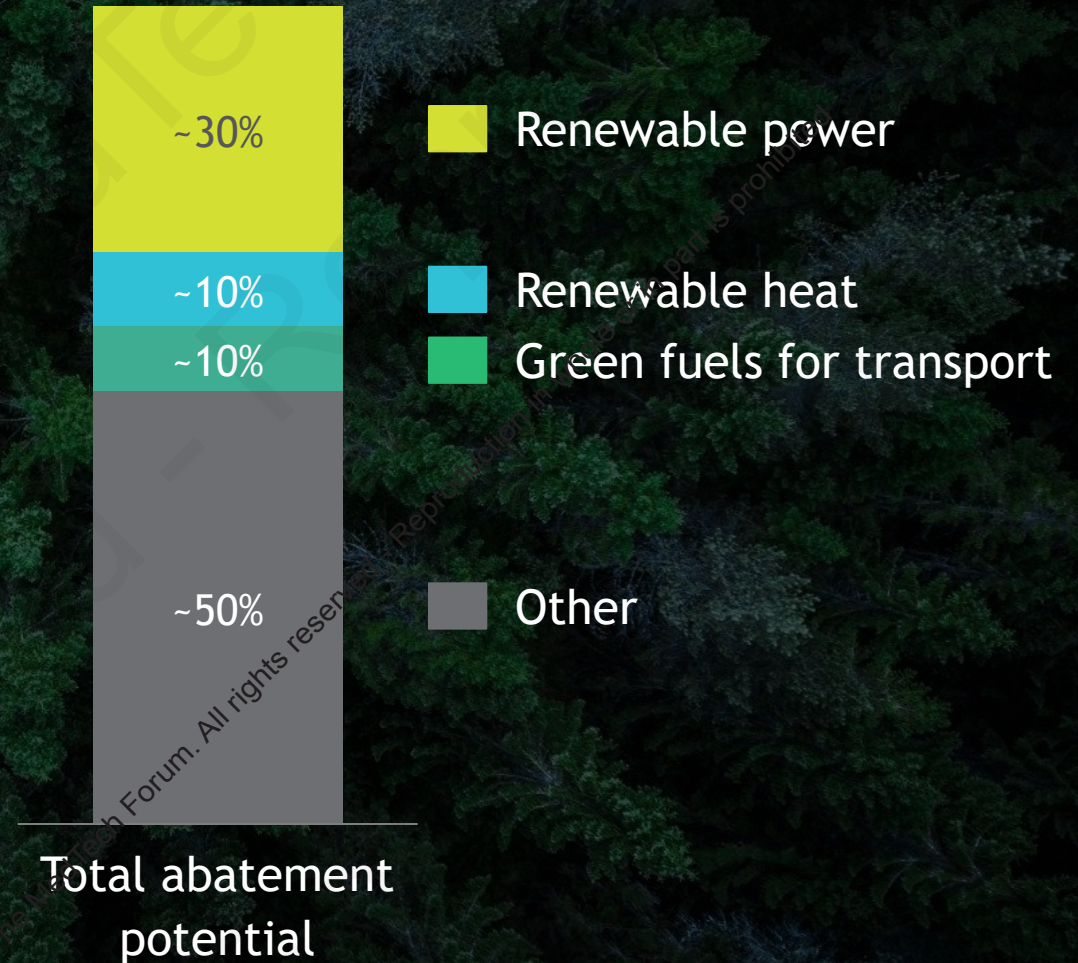
3 emissions categories

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Few MedTech companies with net-zero targets

**~50% abatement can be achieved with 3 levers**





# In 2022 we covered some key aspects of HC x climate

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Scope 3 70-90% of HC emissions

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~50% abatement can be achieved with 3 levers

**Climate actions can be cost neutral**

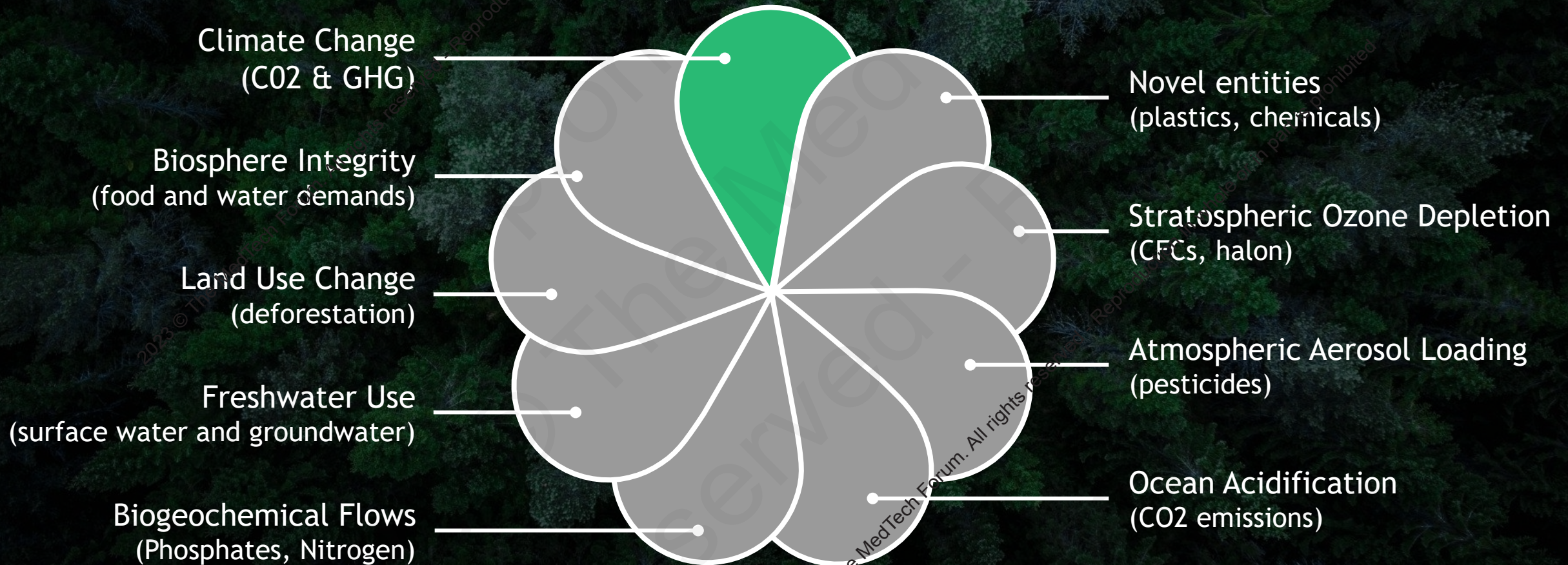
Up to  
30%

Of emissions could be abated  
in ways that generate a net  
cost saving

Up to  
80%

Of emissions could be cut in a  
cost neutral way

# Climate is only one of nine planetary boundaries



# SBTN & TNFD defining Nature assessment and disclosure



Company's impact on the planet



Planet's impact on company





**GSK**

Net Zero and Nature Positive

# GSK aiming for Net Zero and Nature positive

2025

2030

2045



Climate

- 100% renewable electricity (Sc 2)

- 80% emissions reduction
- 20% nature-based solutions

- Net zero value chain (all scopes)



Water

- 100% sites to achieve good water stewardship

- 20% reduction in overall water use
- Water neutral in operations and with key suppliers in water-stressed regions
- Zero impact API for all sites and key suppliers



Waste

- Zero operational waste including SUPs
- 25% environmental impact reduction for products and packaging
- 10% waste reduction from supply chain



Biodiversity

- Positive impact on biodiversity at all sites
- 100% of natural raw materials sustainably sourced and deforestation free

# High ambition for sustainable sourcing

100%

of agricultural, forestry and marine derived materials are sustainably sourced and deforestation free by 2030

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5

categories

Crop, Marine, Livestock, Poultry and Processor

‘Full chain of custody’ trace from producers to processors

Adopting existing globally recognised third-party standards where available

# GSK is driving change through the ecosystem

Examples



## Climate



Energize



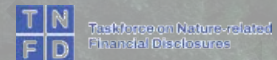
## Water



## Waste



## Biodiversity



# GSK started with a bold ambition and built gradually



1 Set a **bold ambition**, even without line of sight on full delivery plan



2 Started with **Climate** where capabilities (and guidance) **more mature**



3 Progressed key climate initiatives **before focusing on Nature**



4 Working on areas with **biggest footprint impact** and **clearest solution**



5 Identifying **remaining gaps**, developing plans, and **iterating often**



# Let's take a closer look at waste



# Waste is a major challenge for MedTech

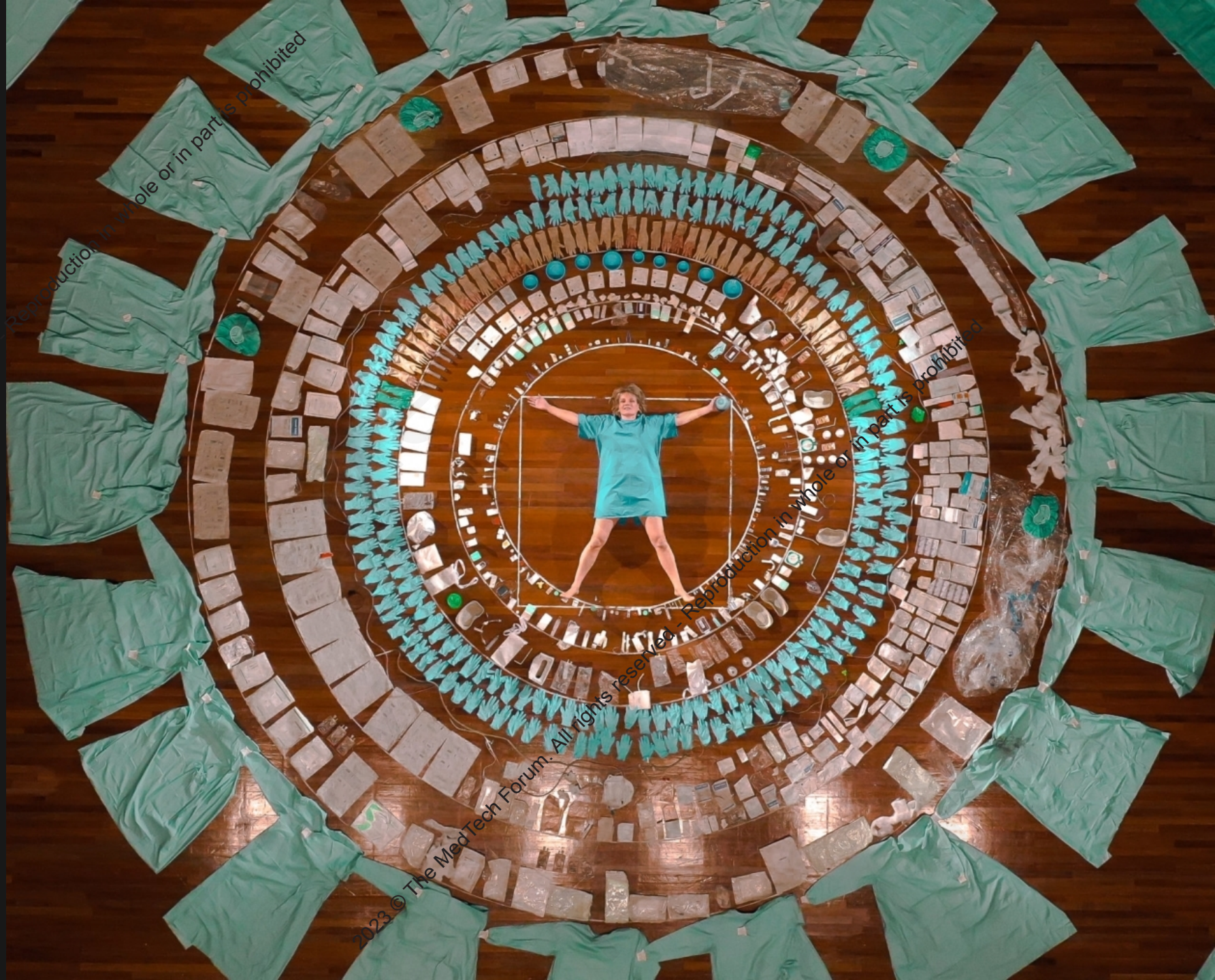
3.5kg

waste per hospital bed per day in high-income countries

13kg

of hospital waste per patient per day in the US

Source: Maria Kojick's artwork; WHO; Greenhealth



Circularity can help us tackle this challenge

## Reduce

Design out waste & pollution



## Reuse

Keep products & materials in use



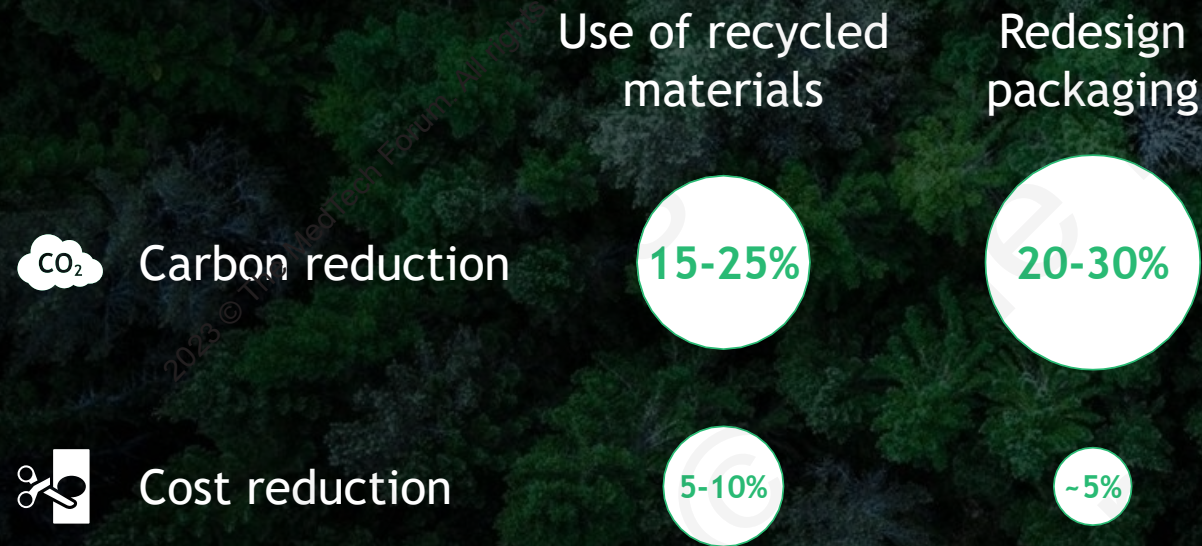
## Recycle

Use recycled materials & recycle used products



# Circularity offers several additional benefits

## Product example: Insulin pen



## Additional business benefits



Increase supply chain **resilience**



Enable use of **higher quality components**



Drive **product differentiation**



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# Medtronic Product circularity

Inspired by our mission,  
in Medtronic we are  
committed to increasing  
our positive impact



## Accelerate patient access and equity

85M patient lives improved annually by FY25



## Foster inclusion, diversity & equity

45% representation of women in manager and above roles globally and 30% from ethnically diverse groups in manager and above roles in the U.S. by FY26



## Further environmental sustainability

50% reduction of green gas emissions by FY25 and net zero emissions across our value chain by FY45

# Our environmental focus is on 3 areas



Reduce our footprint



Deep-dive



Invest in product stewardship



Deep-dive



Boost safe recycling

A healthy planet is essential to human health. Furthering environmental sustainability with an enterprise business strategy to directly advance our Mission to be a good corporate citizenship

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**Product stewardship |**  
Circularity needs to  
balance quality, safety,  
compliance and also  
sustainability

## Reduce waste for diabetes products



Extended infusion insulin tubing set be worn **twice** as long as standard set, saving on average **3-4 lb** of plastic per patient yearly

## Reduce waste in surgery



Signia™ stapling system allows:

- **66%** reduction in clinical waste in open and minimally invasive procedures
- **90%** less material impact to produce
- Multiuse of the handle up to **300** times



## We have set ambitious targets to reduce packaging waste



### Reduce packaging waste

By 25% for targeted high-volume products by FY25 compared to FY21 baseline



### Reduce Instruction for Use (IFU)

By 35% for paper by FY27 compared to FY21 baseline

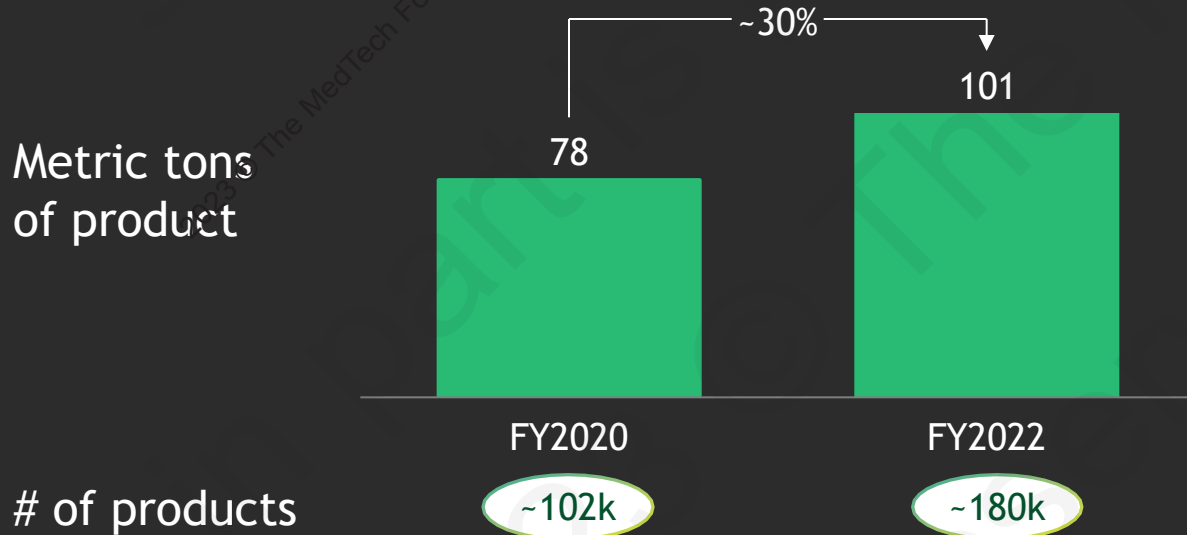


To realize these targets, Medtronic has set up a dedicated Sustainability Development Center

**Safe recycling** | Where feasible, we recollect products at end-of-use to be safely recycled, refurbished or reprocessed

## Example in Cardiac Rhythm Management:

Refurbishment & redeployment of patient monitors & accessories



~30%  
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Increase in refurbishment & redeployment of Cardiac Rhythm Management patient monitors and accessories from FY 2020 to 2022

## Five main learnings on driving sustainability in MedTech



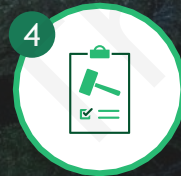
1 Define **strategy with clear targets and KPIs** for measuring performance



2 Set up **governance & coordination mechanisms** that allow for effective cross-functional collaboration across whole organization



3 Foster **end-to-end cultural change** and create a sense of urgency for environmental sustainability



4 Collaborate with Regulators to define a **sustainable roadmap** for change



5 **Partner with customers, MedTech players & researchers** to identify clinical practices that improve patient outcomes & sustainability



Let's look at how to **implement**  
circularity...

# Four steps to get from talk to action



## 1. Set ambition

Define circularity  
**ambition level** (comply,  
compete, lead) and  
**define KPIs**

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## 2. Select product(s)

Select initial product (categories) **maximizing waste and carbon savings potential**

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## 3. Assess and prioritize levers

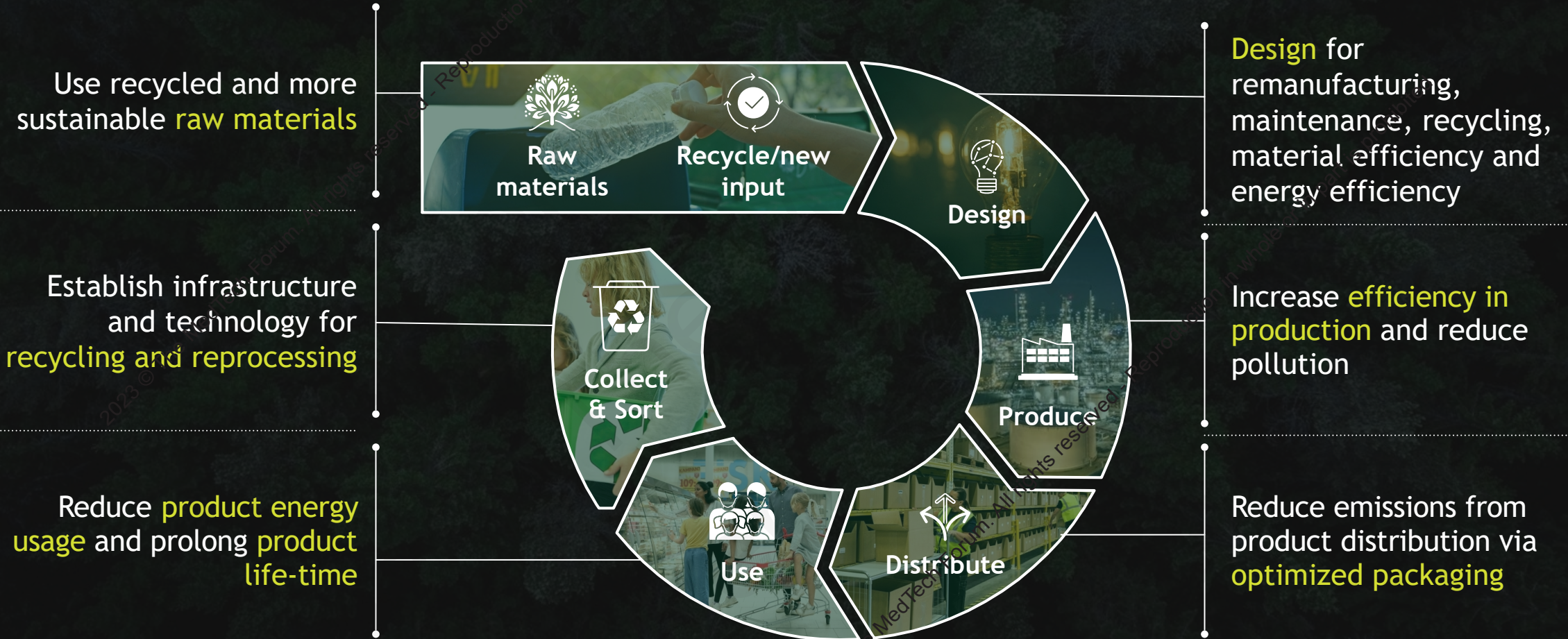
**Create transparency** on circularity potential **along the full value cycle**

**Identify circularity levers** and **simulate impact**

**Prioritize** based on impact and ease of implementation

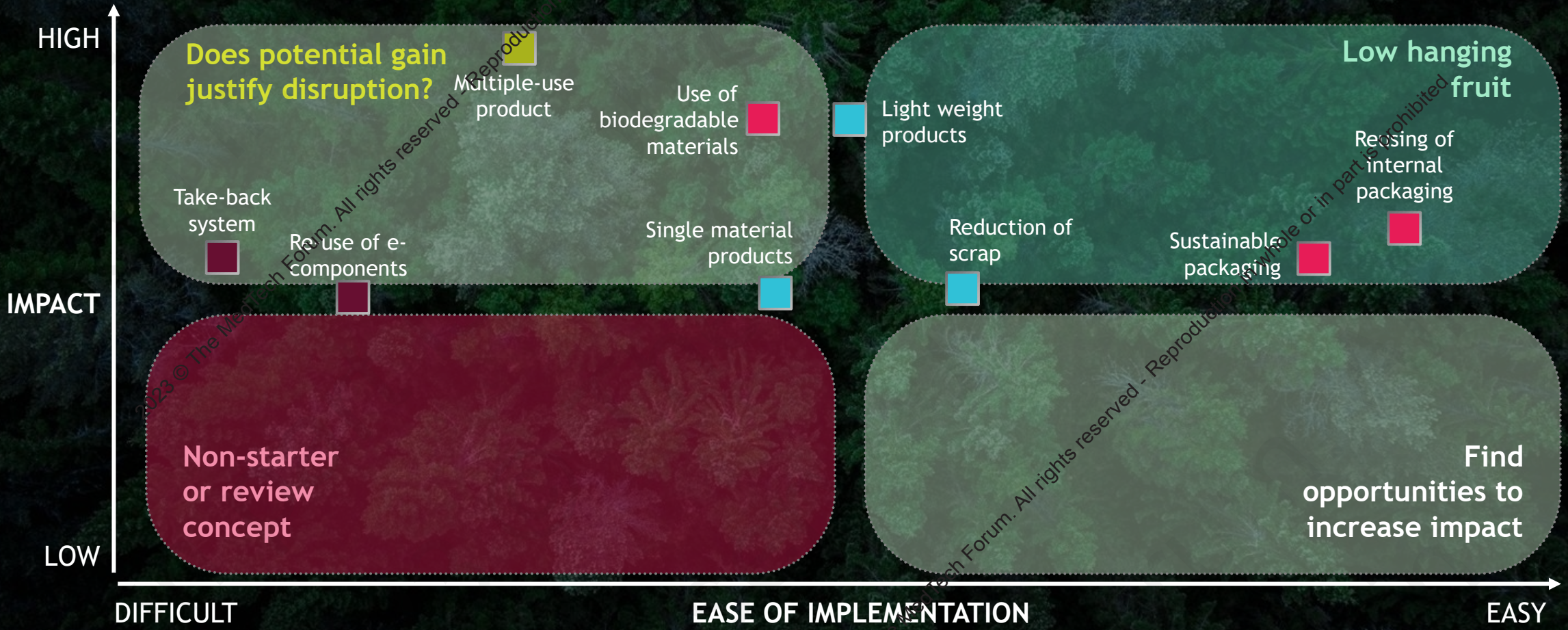
Translate levers into **concrete initiatives**

# Assess levers | Levers span entire product life cycle





# Prioritize levers | Levers to be prioritized based on impact and ease of implementation



Source: Ellen MacArthur Foundation; BCG analysis



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Translate levers into **concrete initiatives**



## 4. Scale

In case of diverse portfolio: **Extend approach to other product categories** and distill learnings

Setup initiative **tracking**

Include circularity principles into **processes**, e.g. product dev.

**Embed circularity into organization**, e.g. via circularity champions and incentives linked to circularity KPIs

Many thanks for attending our session - do you have any questions?



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