

Corporate Social Responsibility

2020 Report



**Building a
stronger,
healthier
future**



A message from our leaders

Medline's mission of making healthcare run better extends beyond the communities in which we live and work. In the past several years, Medline has laid a foundation to make substantive change across our three CSR pillars: Global Health, Community Impact and Sustainability.

While many elements of our lives were put on hold due to the pandemic, positively contributing to social determinants of health in low-resource communities locally and around the world remained as important as ever. Throughout this 2020 Social Responsibility Report, you'll see examples of ways Medline worked to positively impact those communities and help make a lasting impact for the future.

Here are just a few of our accomplishments from 2020:

Global Health: Led a service trip to Tegucigalpa, Honduras in February 2020 where 28 surgeries and 21 patient consultations were performed. We continue to support our partners with supply chain optimization, perioperative efficiency and healthcare education projects that support clinicians and communities around the world.

Community Impact: 2020 saw the launch of our Medline CARES program, which works to address issues affecting low-resource communities by investing crucial and human resources to help stimulate health equity and improve population health. Medline also made a \$1 million donation on behalf of racial equality and social justice.

Sustainability: Introduced our Green Products Portfolio to our customers, as well as our Sustainable Packaging Lab, a cross-functional team of R&D, sustainability, operations and design engineers tasked with reimagining the way we package our products for a more sustainable future.

Ethics & Compliance: Formed our Ethical Sourcing Program to consolidate and build on initiatives to ensure respect for human rights in our global operations and supply chains.

Employee Engagement: Launched our internal employee engagement portal with over 750 members.

We are consistently inspired by the employees whose work made all these accomplishments within this report possible. While 2020 was a difficult year, we recognize there is still work to do in making a lasting impact for those who need it most.



Andy Mills
President



Charlie Mills
Chief Executive Officer



Jim Abrams
Chief Operating Officer

We make healthcare run better.

This mission holds true not only for our healthcare partners but for the world we live in. From the way we do business to the pressing issues we tackle, we're committed to making a lasting positive social and environmental impact, here in the US and around the world.

Corporate social responsibility (CSR) is in the fabric of who we are, and we use our agility and scale to make change happen—creating solutions that strengthen communities, preserve the environment and improve people's access to care.

The work highlighted in our 2020 Social Responsibility Report describes how we're making our communities—and our planet—healthier, stronger and more sustainable.

Making a lasting impact

We work together with our healthcare partners, employees and communities to identify the places—and the causes—where we can make the biggest impact.



Global health

7

Through our Global Health Initiative, we leverage employee skills and expertise to create solutions that empower clinicians and help people in low-resource settings receive the healthcare they deserve.



Community impact

13

We help strengthen our communities by partnering with nonprofit organizations addressing social determinants of health to achieve health equity.



Sustainability

19

Our sustainability solutions help protect the environment—from our eco-friendly products and programs to our renewable energy investments, we're working to make healthcare more sustainable.



Inclusion and diversity

27

We believe tapping into the richness of our employees' diversity allows us to find innovative solutions for our customers, who themselves represent a diverse group both in the US and around the world.



Employee health

31

The foundation of our success is our people. Their tireless dedication and hard work is what enables us to make healthcare run better for patients and families all over the world.



Ethics and compliance

35

We're committed to high ethical and business standards and expect all our employees to behave honestly and with integrity in every part of our business. That's why we developed an extensive ethics and compliance program and Code of Conduct.



Supporting UN sustainable development goals

Our vision for building a better world is closely tied to the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. The SDGs are 17 global initiatives for achieving a sustainable future for all by the year 2030. The work we do to create positive social change aligns with many of these goals, including those to protect the health and well-being of all people, promote sustainable economic growth and ensure access to affordable, clean energy.

Global health



Community impact



Sustainability



Inclusion and diversity



Employee health and well-being



Ethics and compliance



Source: Based on <https://www.un.org/sustainabledevelopment/sustainable-development-goals/> from 2017

A healthcare worker, a woman with brown hair tied back, wearing a blue uniform and a gold hoop earring, is shown in profile, looking down at a green plastic container. She is holding the container with both hands, and her right hand is reaching into it. The container is open, revealing several white packets or sachets inside. In the background, a group of children are gathered around her, looking on with interest. One child, a girl with dark hair, is looking directly at the camera. Another child, a boy, is looking down at the container. The background is slightly blurred, showing other people and a colorful environment. A large, solid blue triangle is overlaid on the left side of the image, containing the text "Global health" in white.

**Global
health**

Make healthcare run better, everywhere we go

We understand that much of the world lives in a clinical desert, unable to access even the most basic care. Partnering with nonprofit organizations and health facilities all over the world, we create solutions that empower communities and free up the resources that healthcare providers need to deliver their best care.

To advance this effort, we began 2020 with a surgical trip to Tegucigalpa, Honduras. But as the reality of COVID-19 became clear, we changed tactics and shifted priorities. Worldwide supply shortages meant learning to operate with finite resources. And though the distance seemed greater than ever, we found ways to close it—providing remote support and developing online education opportunities to help ensure our commitment to global health equity continues.



We focus on three key areas

We're helping healthcare facilities work more efficiently, treat more patients and share the benefits of health education.



Supply chain optimization

We analyze [supply chain performance](#), identifying bottlenecks, process breakdowns and opportunities to improve. We then introduce new processes to help control costs, effectively manage donations, reduce inventory waste and optimize performance.



Perioperative efficiency

We identify the processes healthcare facilities use to manage their operating rooms, and pinpoint challenges within these processes. Then, we work together to create and implement new efficiencies, from stocking inventory to organizing supplies and storage areas. These improvements support [perioperative efficiencies](#) for the long haul.



Health education

We assess a community's health education to find gaps in learning. We then fill in these gaps by teaching everyday healthy habits such as hand hygiene, oral hygiene and basic first aid. Reinforcing—and practicing—these habits creates a ripple effect, advancing the health and well-being of whole communities.

Our global impact at a glance

Together with our international partners, here's what we accomplished in 2020:

28
surgeries

21
consults



4 courses

developed for
clinicians to address
wound care in
low-resource settings



\$4.6 million

in product donated
to medical relief
organizations



10,000

pieces of scrubs
donated to MAP
International

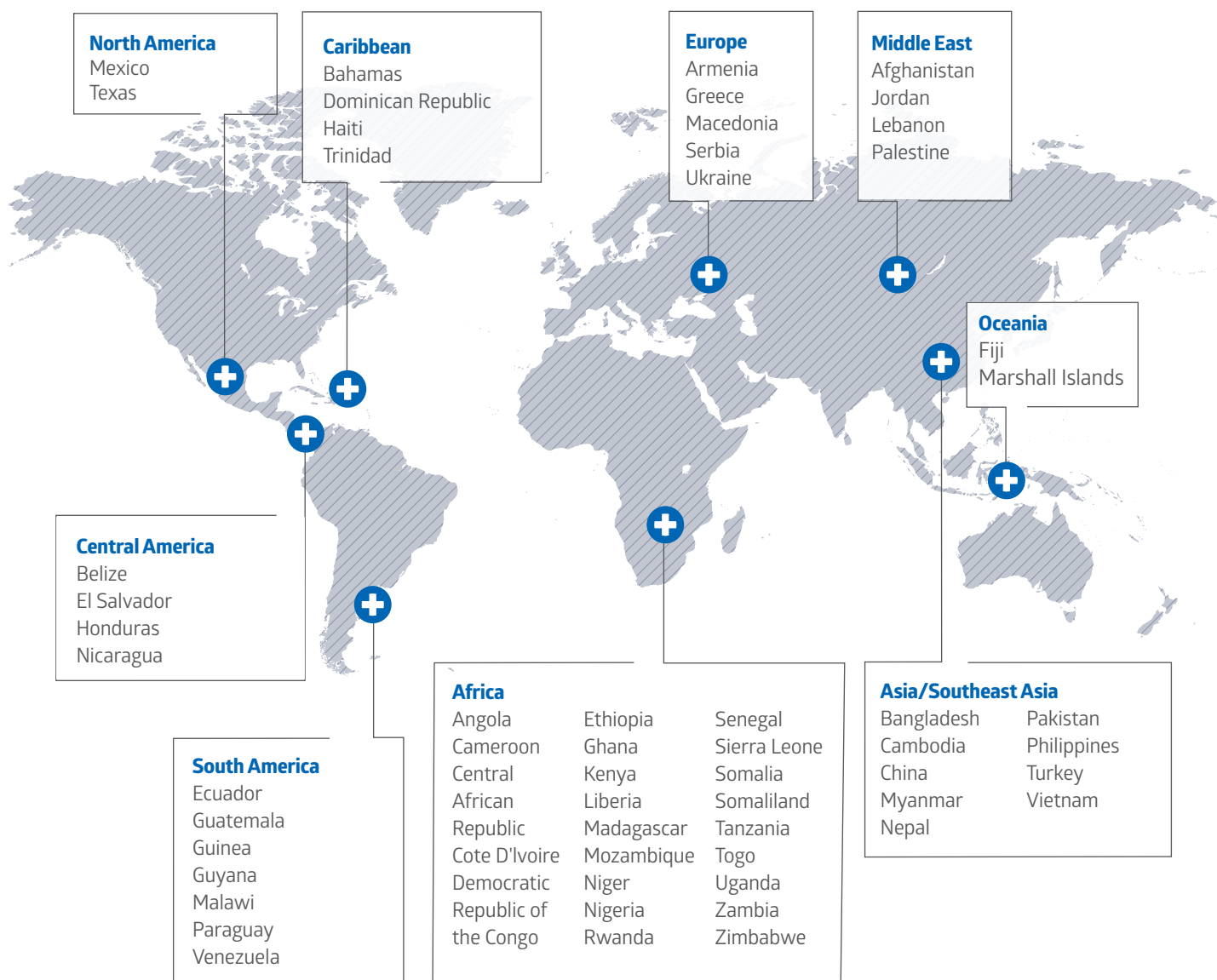


Bringing worldwide medical relief

We work with international aid organizations to collect Medline surplus and unused items and deliver them to developing regions globally. In 2020, Medline donated the equivalent of 513 metric tons of product—valued at more than \$4.66 million, a 342% increase over the previous year. Our partners include:

- Project C.U.R.E.
- Direct Relief
- Medical Teams International
- Giving Children Hope
- MedShare
- MAP International
- Matthew 25 Ministries
- Cristian Aid Ministries
- CURE International

Our products reached 191 facilities, caring for people across 62 different countries.



Making sure everyone gets the healthcare they deserve

Along with donating products, our employees volunteer their time and expertise to help facilities and communities in need. Through our global health projects, our employees lend their skills toward building healthcare capacity in low-resource countries. In 2020, Medline employees donated 1,009 hours of their time to help further our Global Health Initiative.

Safe, affordable surgical care

One World Surgery (OWS) runs a surgery center in Honduras that provides safe and free surgical care to an underserved population. Since 2018, we've worked to help their center [run more efficiently](#) so that staff can focus on what matters most: patient care.

The impact of surgical intervention is unlike any other health intervention. It can cure one third of all human illness and disease and can almost immediately change a person's life. In chronically underfunded health systems, surgical care is ignored and widely inaccessible to the poor. Local facilities lack appropriate supplies and equipment. Medical professionals sometimes do not have training or experience in the latest techniques. Few can afford the high cost of surgery.

In February of 2020, a team of Medline clinical volunteers traveled to OWS Holy Family Surgery Center, where they assisted with a series of orthopedic surgeries for patients who may not have been able to afford care otherwise. 28 surgeries and 20 consults were performed.

In addition, we continued to support OWS Holy Family Surgery Center with supply chain and perioperative efficiency projects initiated in 2019 that have transformed the way purchased and donated perioperative supplies are organized, inventoried and found. Our solution enables surgery center staff to properly itemize and account for each instrument or piece of equipment, which can minimize redundancies and overages.

In 2019, we committed \$250,000 to help OWS build a new surgery center in the Dominican Republic, with plans to begin surgeries in early 2022. Currently, OWS borrows space in facilities in the bateyes—nearby Haitian settlement communities—and provides primary care services to Haitian families that came to work for area sugar fields and mills. We also plan to lend the same skills and expertise that were used to transform the OWS Honduras warehouses to support OWS in the Dominican Republic and will facilitate that process remotely due to COVID-19.

Global health supply chain education

In 2020 we formed a partnership between Partners in Health and Loyola University Chicago to develop a bachelor's degree in global health supply chain management for the University for Global Health Equity in Rwanda. 2020 was spent defining the needs and project scope; in 2021, Medline volunteers will assist with a literature review to help inform the curriculum.

Clinical training

Building upon an [in-person wound care education series](#) in Argentina, Medline volunteers created an online series of chronic-wound care courses to empower clinicians in low-resource settings.

Available free of charge on [Medline University](#) in both English and Spanish, the course series helps clinicians around the world increase their knowledge in chronic wound care, a global health epidemic that still is not a specialty in much of the world.



Resources for patient care

Community Empowerment (CE), a nonprofit partnered with Rush University Hospital, hosts primary care and surgical trips to the Dominican Republic and Haiti.

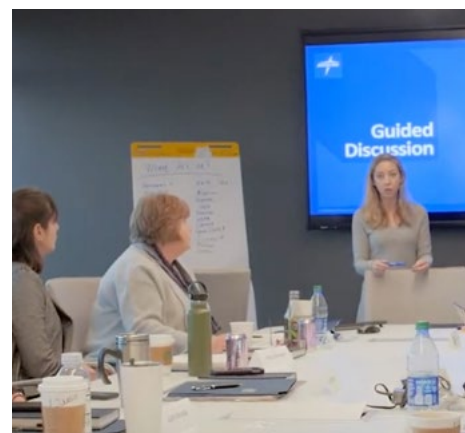
In 2019, we partnered with CE to help them organize supplies and optimize space within their warehouses in the Dominican Republic. Our team helped CE track their inventory more efficiently so they can spend less time managing supplies and more time focusing on patient care. The solution saves the organization time and money when it comes to ordering and managing their supplies—opening up resources they can put toward patient care. We continue to support the organization with supply chain optimization work virtually and will assist CE with the optimization of their Chicago warehouse in 2021.

Medical device donation processes

Each year, developing nations receive tons of free medical supplies donated health systems and nonprofit organizations across the United States. Some credit donations for up to 80 percent of their supplies. The problem is—not all of it is useful. According to one estimate, around 40 percent of donated medical equipment found in low-income nations is not usable.

But in December of 2019, before the potential impact of COVID-19 was even known, Medline hosted a supply chain roundtable with a dozen industry experts to discuss challenges and possible solutions for better, more responsible donation of medical supplies to low-resource countries.

In 2021, we will kick off a pilot project in partnership with a low-to-middle-income (LMIC) country, region or cadre of hospitals. The goal is to document, refine and replicate supply chain best practices for global health settings.



Community impact



Helping people reach their full health potential

We believe every person deserves the opportunity to lead a healthy life, but many people do not have an equal chance because of the social and environmental conditions they live in. These conditions are known as social determinants of health—and the COVID-19 pandemic has shed light on the inequities and lack of support systems like never before.



Volunteerism and employee giving

We believe having a high sense of social responsibility begins from the inside out. That's why we encourage our employees to go out into their communities to volunteer. And we're creating opportunities to help them do just that. From backyard giving to disaster relief, our volunteer opportunities are diverse.

In 2020 we introduced CSRconnect, an online platform for employee volunteerism and charitable giving. This resource helps employees find volunteer opportunities, record their volunteer hours, and track their impact. Employees can also sign up for Medline's Service Corps—made up of employees who have committed to furthering the company's Social Responsibility efforts across Global Health, Community Impact and Sustainability. 2020 volunteer activities ranged from garden harvests to mask distribution events to virtual opportunities.

Our employees were also generous with their money. In June of 2020, Medline donated \$1 million to four organizations working to advance racial justice in the United States—Black Lives Matter, The NAACP Legal Defense and Educational Fund, National Urban League and United Negro College Fund. In addition to the donation, we offered an employee gift-matching campaign, committing to match up to a total of \$250,000 to the four charities. Through the campaign, an additional \$63,856 was raised to support the Black community and advance social justice.



Fighting food insecurity with the Medline garden harvest

Reliable access to healthy food has long been a struggle for millions of Americans, and COVID-19 only made the struggle worse. At the height of the pandemic, one in eight Americans reported experiencing food insecurity.

To help ensure more people have access to nutritious food that fuels a healthy life, [employees harvested more than 550 pounds of fresh produce](#) from our fruit and vegetable garden in Northfield, Illinois. The harvest was donated to two local pantries: the Northfield Township Food Pantry, a nonprofit currently serving 830 families in Illinois, and Meals on Wheels Northeastern Illinois, which delivers nutritious meals to homebound seniors and individuals with disabilities.

Employees donated non-perishable items alongside the produce and, prior to the pandemic, we were donating fresh and prepared food items from our cafeteria to a local food pantry on a weekly basis.



"Everything that the Northfield Township Food Pantry distributes is donated or paid for with donated funds, so it's absolutely critical that places like Medline support us the way that they do."

*-Jill Brickman, Township Supervisor,
Northfield Township Food Pantry*

Medline CARES—addressing social determinants of health

Medline is committed to taking care of its employees, customers and the community at large. Giving back to the communities where our employees live and work is intrinsic to our century-long history and to our vision forward.

Under-resourced communities, already disproportionately affected by social determinants of health, became even more vulnerable due to COVID-19 and were further impacted during the racial unrest spreading throughout these communities.

In 2020 we introduced our [Medline CARES](#) program, which works to address the issues affecting our communities by investing crucial financial and human resources, stimulating health equity and improving population health. This is and will always be our ongoing commitment to our communities.

In 2020, significant resources were invested in communities nationwide through Medline CARES initiatives.

Food insecurity—contributed a total of \$52,500 to 12 organizations addressing food insecurity

Economic stability—contributed a total of \$67,500 to eight organizations that provide emergency relief and safety net programs to vulnerable populations

Education support—contributed a total of \$19,000 to three organizations addressing challenges for students and their families

Health and healthcare—contributed a total of \$17,500 to four organizations addressing access to healthcare

Social and community—contributed a total of \$15,000 to two organizations addressing social cohesion in communities

Awarding grants to uplift communities

Across our nation, Americans face a wide range of uncertainties and health inequities; and, now more than ever, these communities need our support. Medline's [Community Impact Grant Program](#) is investing resources to help address prevalent health challenges, stimulate health equity and improve population health in low-resource areas—awarding financial support to non-profit organizations that share our priorities.

Food insecurity

- Common Pantry
- Curt's Cafe
- Feeding GA Families
- Northern Illinois Food Bank

Student and family support

- Communities in Schools of Douglas County
- Center for Enriched Living

Access to care

- Cradles to Crayons
- Eldercare Lake County
- Glida's Club of South Florida
- Rutgers University Foundation
- Susan G. Komen Oregon and SW Washington

Social cohesion

- A Safe Place
- Court Appointed Special Advocate (CASA) Lake County



Donating masks to those in need

The Medline Wash-and-Wear Community Mask Project provided 100,000 reusable facemasks to help Black and Brown communities that have been disproportionately impacted by COVID-19.

In collaboration with Blue Cross and Blue Shield of Illinois, YMCA Metropolitan Chicago and Knowality, the initiative was created to help provide greater access to basic personal protective equipment.

Chicagoans across twelve neighborhoods picked up Medline PPE to help keep themselves and their communities safe.

Advancing the causes Medline employees care about

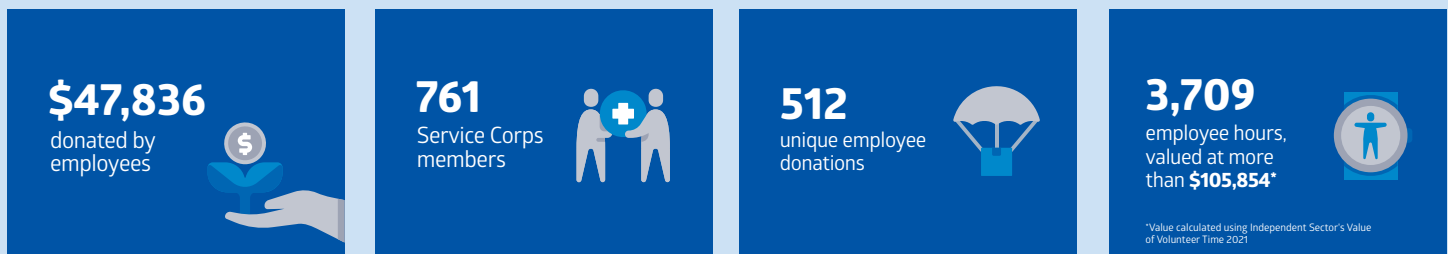
Our people lead the way in improving the health and well-being of every community we touch. That's why we take time to recognize them and support the causes they care most about. We do this through our Employee Recognition Program, which celebrates employees making an impact in their community through volunteerism or fundraising. Because of COVID-19, these acts of kindness are appreciated now more than ever.

In 2020, we recognized 11 employees for going above and beyond in their community and made a charitable donation to the organization on their behalf. In all, we gave \$30,000.

1. Allison Bianchini—Junior League of Wilmington, NC (North Carolina)
2. Carol Barnett—Equal Hope (Illinois)
3. Christine Mau—The NO MORE Foundation (New Jersey)
4. Daniel Johns—Ghana Make a Difference (Idaho)
5. Jamie Buechele—Crossroads Corral (Florida)
6. Jennifer Cerami—Families of FANA-WNY (New York)
7. Julia Karnstedt—Hope Food Distribution Services (Illinois)
8. Krista Stanford—Harbor House of Central Florida (Florida)
9. Kristi Erickson—Nikolas Ritschel Foundation (Illinois)
10. Sarah Klosterman—Heartland Animal Shelter (Illinois)
11. Scott Livingston—Renew Communities (Illinois)

Our community impact at a glance

Together with our employees, here's what we accomplished in 2020:





Sustainability

Protecting our future by protecting our planet

The issue of climate change can't be ignored and addressing it takes big-picture thinking. We're committed to helping healthcare run more sustainably—implementing practices that are scalable and eco-friendly, while encouraging our partners to do the same by offering solutions that help them reduce waste while saving on cost.



Creating sustainable solutions for our partners

We help health systems throughout their sustainability journey, listening to their challenges and problem-solving, together. We then create sustainable programs that meet our partners' unique needs. The solutions we develop are designed to reduce waste while lowering costs. Here are our programs at a glance:



Medline ReNewal

We help our partners reduce waste by reprocessing their medical devices so that they may be used again. In 2020, [Medline ReNewal](#) took in 5,417,706 instruments to be reprocessed and diverted 1,018,673 pounds of waste from landfills, an amount equivalent to 36,381,821 water bottles.



Gloves waste to energy

This program transforms exam gloves into clean, renewable energy. Since the program's inception in 2018, we have transformed 2,156 pounds of gloves from 23 different partners into clean energy.



Tote exchange

The tote exchange program delivers products in reusable totes instead of cardboard containers. This program plays a significant role in reducing the amount of corrugated cardboard in our supply chain and is offered to our qualifying partners nationwide.



OR towel take-back

Rather than having our customers pay to dispose of used operating room (OR) towels, we facilitate a pick up free of charge. Instead of being sent to the landfill, the towels are repurposed to be used in non-healthcare industries. Since 2018, 68 metric tons of towels have been re-purposed—14.5 of those in 2020.



Disposable curtain recycling

As dependence on disposable products surged during the pandemic, so did concern for landfill avoidance. As a countermeasure, we launched a new closed-loop recycling program—recycling used, disposable curtains into new disposable curtains. Our customers collect and ship used curtains in designated collection boxes. Once received, the curtains are sanitized, melted down and repurposed into new curtains.



Centurion

Our [Centurion](#) recycling program provides customers with an eco-friendly option to recover premium surgical instruments from the waste stream, while reducing regulated medical waste costs. Since 2019 the program has diverted 236,109 pounds of instruments from landfills, an amount equivalent to 8,432,809 water bottles.

Reducing waste throughout our supply chain

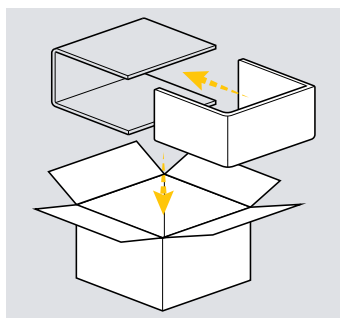
Hospitals produce more than 5 million metric tons of waste each year.¹ Conserving raw material and energy resources is key to reducing environmental impact. At Medline, we're making progress by ensuring surplus products are put to good use, responsibly sourcing and producing more green products and innovating sustainable packaging solutions for our partners across the healthcare continuum.

Putting surplus product to good use

We donate our surplus product to clinics in need around the world. In 2020, we diverted 513 metric tons of waste from landfills by providing nonprofit organizations with unused supplies that fill a crucial gap for healthcare facilities in low-resource countries.

Sustainable Packaging Lab innovates and reimagines packaging

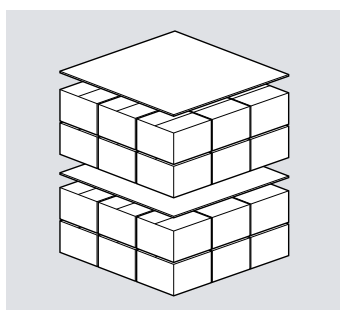
In 2020, Medline launched a Sustainable Packaging Lab—a cross-functional team of R&D, sustainability, operations and design experts and engineers. The team works to reimagine the way we see packaging for a more sustainable future. Here are a few of our latest packaging innovations that are reducing waste not just across our own supply chain, but our partners' as well.



Cold chain shipping

Cold chain packaging ensures products reach their destination at a set temperature, which is more important now than ever. Our previous cold chain packaging underutilized space and generated unnecessary waste. After review by the Sustainable Packaging Lab, previous delivery, shipping and storage methods were scrapped, and a sustainable and efficient design was introduced.

- 100% recycled content—both the liner and outer box
- 100% recyclable
- No Styrofoam



Chipboard pallet sheets

The way we store product in our facilities impacts the amount of product we house per branch, as well as our ability to deliver product on time. Our new chipboard pallet sheets serve as a thinner, more compact version of traditional corrugate dividers. The sheets not only save square footage and allow our team to better optimize warehouse space, but they are the right choice for the environment, too.

- Made from 54% post-consumer recycled content
- Savings of 46,000 pounds of paper
- Optimizes storage space



Green products—setting the standard to lighten our environmental footprint

Introduced in 2020, our [Green Product Portfolio](#) brings our commitment to sustainable sourcing to life and makes the search for sustainable products simple. To be added to our Green Product Portfolio, products must meet our strict green product standards—informed by state laws and regulations and guided by sustainability best practices, such as Kaiser Permanente's Environmentally Preferable Purchasing Standards, the Federal Trade Commission's FTC Green Guides and Practice Greenhealth.

1. <https://practicegreenhealth.org/topics/waste/waste-0>

Investing in renewable energy

To preserve Earth's natural resources, we invest heavily in renewable sources of power. We established our renewable energy portfolio in 2009, when our first geothermal facility was built, and it's been growing ever since.

Geothermal

Medline has three geothermal facilities located in Mundelein, Illinois; Arnhem, Netherlands; and Dubuque, Iowa. Geothermal technology heats and cools buildings using the constant temperature below the earth's surface, which is warmer than the air above it during the winter and cooler in the summer.

Solar

Since 2016, we've invested \$12.6 million in solar energy globally. Our portfolio consists of 1.2 million square feet of solar rooftop space that holds over 24,000 solar panels. The 2,754 newly installed panels on the roof of our 680,000 square-foot headquarters are expected to generate an average of three megawatt hours of clean, renewable energy each day—the equivalent of removing 2.1 metric tons CO₂e emissions from our atmosphere daily.



Our solar energy portfolio at a glance

	Total rooftop square footage	Percentage of rooftop space with solar panels	Solar panel count	Investment (USD)	Power capacity (MW)	Jan–Dec 2020 kWh production	Estimated annual energy offset
Aisai, Japan	130,000	38%	1,665	\$868k	0.4	509,918	33%
Auburndale, Florida	830,000	30%	5,077	\$2.773M	1.65	2,339,886	94%
Kleve, Germany	390,000	33%	3,770	\$1.2M	1	1,064,751	35%
Northfield, Illinois	235,000	47%	2,754	\$1.69M	1.02	1,111,593	12%
Rialto, California	1,100,000	16%	3,152	\$1.882M	1.12	1,732,274	35%
Sydney, Australia	245,000	3%	344	\$82k	0.1	126,790	10%
Tracy, California	1,000,000	47%	7,389	\$4.14M	1.45	3,865,855	74%
Total	4,000,000	30%	24,151	\$12.64M	7	10,751,066	

Building with sustainability in mind

We build and operate our facilities in sustainable ways. Today more than 18.8 million square feet (94%) of our distribution space is Leadership in Energy and Environmental Design (LEED) certified and new Medline buildings are constructed to meet LEED certification standards.

We also have nine locations that are certified according to ISO 14001, a set of global environmental standards set by the International Organization for Standardization (ISO). ISO 14001 lays out the necessary criteria for an environmental management system (EMS) and outlines the steps a company or organization should follow to set up an effective EMS.

Conserving energy and other resources is critical to curbing climate change, and an integral part of achieving ISO 14001 certification.

We're meeting ISO standards by:

- Installing LED lighting in production and warehouse areas
- Identifying and executing alternative means of waste disposal
- Updating our equipment and processes to use less water
- Making our equipment and processes more efficient



Improving fleet fuel economy

EPA SmartWay is a partnership between the Environmental Protection Agency (EPA) and freight industry that provides guidelines and tools for improving fuel efficiency and environmental performance. As an EPA SmartWay partner, we're reducing our carbon footprint on the road by operating vehicles more fuel efficiently, investing in technology to monitor driving performance and streamlining deliveries and transportation services whenever possible.

Since 2018, we've upgraded our trucks to improve fuel efficiency for 8% of our fleet, allowing us to travel 110,362 more miles without increasing transportation emissions.

Recycling by the numbers

Since 2008, we've tracked the amount of plastic and corrugate recycled at our distribution centers. Here are our numbers for 2020:

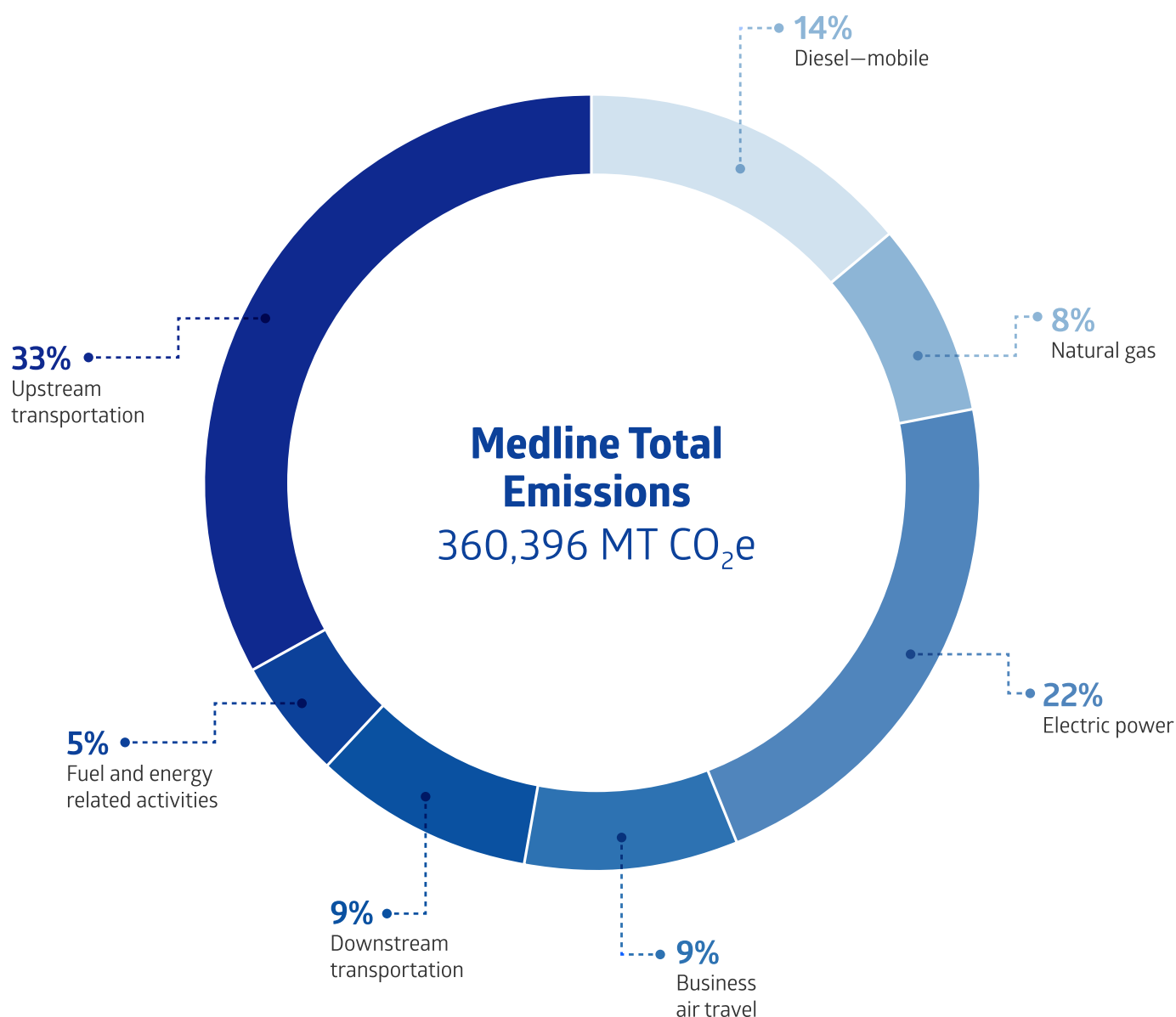
- 162 metric tons of plastic wrap
- 12,864 metric tons of corrugate

New ISO 14001 certification in Slovakia

In 2020, our team in Bánovce, Slovakia passed their ISO 14001: 2015 certification on their first attempt. ISO 14001 is an environmental management system established to identify and minimize impacts while tracking improved green performance over time. Thanks to the efforts of our Environmental Health and Safety and Quality Assurance teams, the British Standards Institution found zero non-compliances.

Being transparent about our progress

We openly share information about our environmental impact so that our partners and communities can see our progress toward becoming a more environmentally responsible company. Along with sharing data, we track our environmental performance over time, and are committed to improving it year after year. In 2019, Medline North America and Medline Europe added more sites and increased square footage space, yet our emissions decreased 4% per square foot of distribution, manufacturing and office space.



Here's how we're sharing and tracking data related to our emissions

We measure our carbon emissions in North America and Europe through an annual greenhouse gas (GHG) inventory. We use the data we gather to develop strategies to better manage reduce our footprint. Our GHG inventory measures our emissions in North America and Europe within three scopes. The majority of our emissions come from upstream transportation and electric power.

Scope 1: Direct

- Company vehicles
- Company facilities



Scope 2: Indirect

- Purchased electricity
- Steam
- Heating and cooling for own use



Scope 3: Indirect

- Purchased goods and services
- Leased assets
- Business travel
- Transportation and distribution
- Use of solid products
- Waste generated in operations
- Employee commuting
- End-of-life treatments of solid products
- Capital goods
- Investments, franchises
- Fuel and energy-related activities
- Processing of solid products



Medline North America and Europe Combined GHG Emissions FY2019*

(measured in metric tons CO₂e**)

Scope 1
79,980

Scope 2
79,797

Scope 3
200,619

* Greenhouse gas emissions data represents the 2019 calendar year

** CO₂e stands for carbon dioxide equivalent and is a standard unit to measure carbon footprints. It is used to compare the emissions from various greenhouse gases based upon their global warming potential.

Source: GHG Protocol, 2013. Scope 3 Accounting and reporting standard

A photograph of three people in an office environment. On the left, a woman with blonde hair is seen in profile, looking towards the center. In the center, a person with a large, dark afro is seen from behind, wearing a yellow shirt with white polka dots. On the right, a man with a beard and glasses, wearing a light pink shirt, is looking towards the center and gesturing with his hand. They are positioned in front of a large window that looks out onto a city skyline. A blue diagonal graphic element is overlaid on the bottom left of the image.

Inclusion and diversity

Creating a more inclusive environment

Our vision is to make Medline an employer of choice by creating an inclusive environment where all employees are valued and celebrated. We believe tapping into the richness of our employees' diversity allows us to find innovative solutions for our customers, who themselves represent a diverse group both in the US and around the world. We are committed to creating a work culture that allows our employees to produce their best work.

Simply put, we want everyone to feel welcome and respected when bringing their uniqueness and authentic selves to work each day.



Building a solid I&D foundation

In 2020, the focus of our inclusion and diversity (I&D) efforts was on laying the foundation for the long-term plans. We began by creating a dedicated function to lead this work. We were also intentional about gathering and analyzing insights from our employees' feedback and the available data, both quantitative and qualitative, to better understand what is working well and needs to continue—and what areas of opportunity need to be prioritized in our initiatives and programs for the next 12-18 months. Here are some of the milestones we reached in 2020.

Launched two
diversity-focused
development
programs



Sponsored five
diversity-focused
education and
awareness events



28

employee
listening
sessions hosted



\$1 million

donated to
organizations
working for
racial justice



Collaboration at all levels of the recruitment process

We took our time and did a comprehensive review of our recruiting and hiring practices, launching several new initiatives in 2020.

Hiring manager training

Our Inclusive Talent Decisions program was rolled out to over 1,400 people managers. The program focused on the following learning objectives:

- Learn how to recognize and mitigate bias when making people decisions including interviewing, employee development, promotions, succession planning and all key people decisions
- Engage potential candidates from a variety of different backgrounds and ensure that we are viewing from a “culture add” rather than a “culture fit” perspective
- Enhance our current practices to incorporate a better understanding of unconscious bias and diversity in decision-making

Enhancing talent acquisition

The Talent Acquisition Team rolled out their internal Talent Acquisition I&D Learning Series focused on education, acknowledgment and tactical action around inclusion, diversity and belonging.

Teaming up for campus recruiting

Our Campus Recruiting Team has put an emphasis on partnering with diverse student organizations and attending diversity-focused career fairs. In 2020, we partnered with the following student organizations:

- Black Business Undergraduate Society (University of Michigan)
- Undergraduate Business Diversity Council (Indiana University)
- National Society of Black Engineers (Purdue University)
- Society of Women Engineers (University of Wisconsin and University of Michigan)
- Two different chapters of Women in Business (Indiana University and University of Wisconsin)
- ALPFA (DePaul University and Loyola University—Chicago)
- Michigan State University Diversity Career Fair
- University of Illinois—Chicago Diversity Career Fair
- Posse Foundation—professional development events
- Evanston Scholars—professional development events

Expanding our reach—career fairs and summer internships

In addition to these formal partnerships, we also attended five diversity-focused career fairs to help expand our reach in attracting diverse applicants. The Campus Team is making an intentional effort to ensure all candidate slates for hiring managers include gender and racial diversity. The Campus Team also worked with divisional leadership to reserve spots in the 2021 summer internship program for students from Historically Black Colleges and Universities (HBCUs) that are part of the United Negro College Fund.

In support of diversity initiatives and the new virtual environment, we also invested in a partnership with Handshake—a networking site for college students and alumni to find jobs. This platform will allow us to broaden our reach to schools across the nation and target candidates that want to live in the Chicagoland area. It will also help us strengthen our diversity recruiting initiatives by targeting candidates from underrepresented minorities, while continuing to partner with HBCUs and our Big 10 core schools that have proven success. With their active alumni users, we are also able to utilize the tool for our professional-level hiring efforts.

Improving employee engagement and support

The COVID-19 pandemic created wide-ranging challenges for our employees—both at home and on-site. But it also inspired us to develop new ways to reach out and engage.

Support resources

Our expanded resources offered a range of sessions for employees—including managing stress and uncertainty, shifting to a work-from-home situation as a working parent or living on your own. We also launched support groups in Yammer, an enterprise social platform, where working parents and employees that live alone can exchange ideas for managing their work and lives during the pandemic. To supplement these groups, we hosted different presenters, events and coffee breaks to connect employees over divisions, teams and locations.

Listening sessions

While research can provide a wealth of information, we wanted to hear real, candid and honest feedback from our employees. To make that happen, we conducted 28 employee listening sessions for different groups of employees—African-American, Hispanic, Asian Pacific American, Women, LGBTQ+, veterans and people with disabilities—across US divisions and locations to learn from employees' experiences, concerns, expectations and ideas to inform I&D priorities and initiatives in 2021 and beyond. We used the summary of the ideas and feedback from the sessions in the development of the company-wide inclusion strategy.

Culture and community

Throughout 2020, we provided learning and education opportunities for all employees by offering webinars with external speakers on the topics of Hispanic Heritage Month and Culture, voting rights, Veterans Day and International Day of Persons with Disabilities. We also offered employees the opportunity to participate in a private screening experience of the documentary John Lewis: Good Trouble.

Employee Resource Groups

At end of 2020, we began the process of forming the first Employee Resource Groups (ERGs). These groups, which will be opened to Medline employees in 2021, will work on impacting our culture and community.

Ensuring supplier diversity

We're committed to developing relationships with small and diverse suppliers that meet the needs of our customers. These businesses represent a cornerstone of economic development, and our goal is to strengthen that foundation by providing opportunities for high-quality, diverse businesses. Our current vendor roster includes small, minority-owned, women-owned, veteran-owned, service-disabled veteran-owned and HUBZone enterprises.

A photograph of a male worker in a warehouse setting. He is wearing a blue long-sleeved shirt, a dark blue quilted vest with a logo, a light blue surgical mask, and a headset with a microphone. He has his arms crossed and is looking towards the camera. The background shows a black metal safety cage and blurred warehouse equipment. A large red diagonal overlay is on the left side of the image, containing white text.

Employee health and well-being



Helping our people be their best

The foundation of our success is our people. Their tireless dedication and hard work is what enables us to make healthcare run better for patients and families all over the world—so we're dedicated to creating a work environment that promotes the health and well-being of every employee. We want people to feel proud to be a part of our company and excited to serve others, whether at work, at home or in their local communities. To achieve this, Medline provides benefits and programs focused on improving health and wellness and helping employees grow—both personally and professionally.



Benefits to support our people's well-being

We offer comprehensive benefits to support the physical, financial and emotional well-being of our employees, including:

- A retirement savings plan with company matching contributions
- A variety of health plans for employees and their families
- Flexible work hours
- Paid time off for vacation, holidays, parental leave and more
- Reimbursements for healthy lifestyle programs, tuition and professional development opportunities
- Access to our Employee Assistance Program, which provides employees and their families with free, confidential counseling 24/7 on personal and work-life issues
- Free preventive health services, including biometric screenings, flu shots and mammograms
- Opportunities to participate in well-being competitions, including the annual HealthyWage Weight-Loss Challenge and employee appreciation events
- Scholarships for children of employees, awarded by the Medline Foundation
- \$400 to assist with work-from-home set up as a result of the COVID-19 pandemic, plus standard equipment like monitors and keyboards



COVID-19 care packages

To help employees keep themselves and their families safe during the first and second waves of the pandemic, we created care packages filled with masks, gloves and hand sanitizer. The care packages were shipped to the homes of more than 18,000 employee homes—a gift totaling more than \$500,000.



Offering growth opportunities through our rotational assignment program

Enabling employees to grow as people and professionals is vital to fostering well-being. That's why we're committed to helping our employees develop new talents and skills so that they can continue to grow both professionally and personally. One of the ways we do this is through our rotational assignment program.

The rotational program allows new hires to gain experience in various roles before ultimately deciding on a permanent career path. Rotational opportunities are available in various divisions and provide our employees with broad and valuable experiences across the company. Rotational employees can participate in as many rotations as they would like to allow for maximum exploration.

Supporting employees through the Medline Foundation

The Medline Foundation is an independent 501(c)(3) private foundation sponsored by Medline Industries, Inc., dedicated to supporting both Medline employees and the broader community. The Foundation offers two distinct programs that support the safety, equity, and betterment of US Medline employees and their families—the Employee Disaster Relief Program and the Scholarship Program.



Medline Foundation Scholarship Program

Created to assist dependent children of our employees, the Medline Foundation offers scholarships to those planning to enroll full-time at an accredited two- or four-year college, university or vocational school. In 2020, we granted 140 scholarships totaling \$556,000.



Employee Disaster Relief Program

Established to provide short-term financial assistance to employees experiencing financial duress due to unexpected events, our Employee Disaster Relief Program supported 18 employees experiencing hardship in 2020 with support exceeding \$65,000.

Our global impact at a glance

Together with our international partners, here's what we accomplished in 2020

9 years

Medline has been named a Chicago Tribune Top 100 Place to Work



\$494,382

in employee health club reimbursements processed in 2020



\$65,088

distributed through the Medline Foundation Employee Disaster Relief Program in 2020



\$556,000

in scholarships awarded to children of employees in 2020





Ethics and compliance

Doing what's right, not just what's required

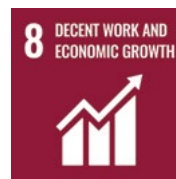
We're committed to high ethical and business standards and expect all our employees to behave honestly and with integrity in every part of our business. We have embedded these principles into our ethics and compliance program and Code of Conduct.

Our program

Our global Ethics and Compliance program, led by the Chief Ethics and Compliance Officer, exists to promote ethical conduct and compliance with local laws and regulations.

To ensure our program reaches all employees, members of our Global Ethics and Compliance team, including a compliance officer based in the Netherlands, support the Chief Ethics and Compliance Officer in implementing and evaluating Medline's Ethics and Compliance program.

The Ethics and Compliance program includes oversight and enforcement of Medline's Code of Conduct, monitoring Medline's anonymous reporting hotline (Open Talk), training and communication, monitoring and evaluative activities, and a response mechanism.



The Medline Code of Conduct

Our [Code of Conduct](#) is the foundation on which our Ethics and Compliance program is built. The Code defines our core values and principles that govern our relationships with government agencies, customers, competitors, and each other. It covers a wide range of topics, including anti-discrimination, workplace safety, employee privacy, data protection, political participation, anti-bribery and anti-corruption. The Code aims to protect everyone and everything involved in our business as we strive to assist our customers.

Live by the Code

From our Code of Conduct, these are some of the guiding principles we expect every Medline employee to follow:

- Act with integrity in all that you do
- Watch for situations that seem unethical or could violate the spirit of the Code
- Report suspected violations of the Code, compliance policies, or local laws and regulations to the Ethics and Compliance team
- Cooperate fully in any investigation or audit of business practices, possible ethical violations, or illegal conduct
- Ask questions and consult with the Ethics and Compliance team if you have concerns that a business activity may be unethical, illegal, or may violate the Code or other compliance policies

Protecting human rights throughout our supply chain

Slavery, forced labor and human trafficking are critical human rights issues. We're committed to implementing systems and controls to prevent these phenomena from occurring. We conduct monitoring in our own operations, as well as those of our suppliers, to prevent and address abuses of workers' human rights. In doing so, we aim to meet recognized international human rights standards and make meaningful contributions toward the fulfillment of the United Nations Sustainable Development Goals. Our Supplier Code of Conduct and [Modern Slavery Transparency Statement](#) reiterate our commitment to the protection of human rights throughout our global supply chain.

To advance our efforts, we formed an Ethical Sourcing Program in 2020 to consolidate and build on initiatives that ensure respect for human rights in our global operations and supply chains. The program is based on eleven pillars:

- | | |
|-------------------------------|--|
| 1. Roles and responsibilities | 7. Remediation |
| 2. Ethical sourcing standards | 8. Customer engagement |
| 3. Risk assessment | 9. Training and capacity building |
| 4. Supplier engagement | 10. External reporting and communication |
| 5. Social compliance audits | 11. Assessing effectiveness |
| 6. Grievance mechanisms | |

Taking a risk-based approach to ethical sourcing, we're focusing our efforts where the greatest risks exist—and where Medline can assert leverage to achieve positive change. Since 2015, our internal auditors conducted 631 social compliance audits, globally.

Also in 2020, we reviewed and enhanced our ethical sourcing policies and procedures, benchmarking ourselves against the UN Guiding Principles on Business and Human Rights (UNGPs) and international best practices.

WRAP-certified facilities

In 2018, Medline developed a new strategic partner in Medan, Indonesia, for the manufacturing of our SensiCare surgical gloves. To help the factory maintain and receive recognition for their high-quality labor standards, Medline worked hand-in-hand with them to achieve Worldwide Responsible Accredited Production (WRAP) certification—the largest factory-based certification that ensures ethical working standards for manufacturers of clothing, footwear and other sewn products.

The factory completed the WRAP audit process in September 2019 and was awarded the Gold Certification of Compliance. This certification ensures safe, legal and ethical manufacturing processes, with ongoing monitoring and evaluation included in the certification process. As part of our ongoing evaluation, an on-site audit was completed by WRAP in December 2020 with zero infractions found. To date, our US customers have received approximately 60 million pairs of gloves produced from this WRAP-certified facility.



Standards we follow globally

Medline is committed to being law-abiding, honest and trustworthy in all of our business dealings. We practice good business by adhering to the highest standards to protect our company and the planet we all call home. We follow all legislation and regulations in the countries where we operate and comply with industry-leading standards.



MedTech Europe

We're a member of the MedTech Europe trade association and comply with its Code of Ethical Business Practice. In compliance with MedTech Europe's code, we avoid conflicts of interest when balancing our customer relations and charitable work. We also do not donate cash or products to, or at the request of, healthcare providers in Europe.



Advanced Medical Technology Association

As a member of the Advanced Medical Technology Association (AdvaMed), we support its mission to advocate for the highest ethical standards and patient access to safe and leading medical technologies, and comply with AdvaMed's Code of Ethics on interactions with US Health Care Professionals.



**We make
healthcare
run better.™**

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