

Corporate Social Responsibility

2018 Impact Report



2018 Impact Report

A message from our Executive Office.

Medline helps healthcare run better. For more than 50 years, we have been focused on improving healthcare systems' operating performance by helping them free up the resources they need – people, time and dollars – to deliver the best care to every patient.

That mission is true for all our customers, no matter what size, location or type. And it is evident in the social responsibility programs we take on from the communities where we live and work, to communities in need around the world.

Throughout the pages of this Corporate Social Responsibility report, you will see how we brought Medline's mission to life through service and programming over the past year:

- » Initiating educational programming and investment in people, organizations and causes, designed to help maximize their ability to grow and help others
- » Combining Medline's logistical strategies with our customers' clinical expertise to help build strong, efficient health systems in limited-resource communities around the world
- » Ensuring our products and processes focus on long term strategies to mitigate resource scarcity through diligent reporting and transparency

We are proud of the accomplishments detailed in the following pages, and look forward to continuing to advance the health of healthcare.

Andy Mills
President



Charlie Mills
Chief Executive Officer



Jim Abrams
Chief Operating Officer



Our approach to Corporate Social Responsibility.

Medline Corporate Social Responsibility (CSR) efforts bring to life the company values that have driven action for generations.

Our corporate culture is one that encourages employees to roll up their sleeves. We extend this attitude to our work with communities around the world. By going beyond traditional philanthropy we engage in deep, strategic partnerships that create shared value for all stakeholders and most importantly, create measurable outcomes for those we serve. Medline's CSR work leverages our operational capabilities and expertise, building capacity and sustainability.

Just as we work side-by-side with our customers to help solve their business challenges, we also support CSR programs that engage customers and employees. We bring people together to work toward common goals and create a real impact to alleviate and solve issues facing the healthcare industry and its patients.

CSR Pillars



Global Health

We create solutions that build strong, resilient health systems all around the world. We believe in challenging the status quo. Through innovative partnership we can remove barriers that prevent patients from receiving the care that every human being deserves. This is healthcare in its purest form, and it grounds us in the values that drive us every day.



Community Impact

Medline is committed to social determinants of health, and through community impact we can promote good health for all people. We believe that by investing human and financial resources to address prevalent healthcare concerns and challenges, we can stimulate health equity and improve the well-being of a community. We can make significant contributions to organizations dedicated to helping individuals reach their full health potential.



Sustainability

We believe in approaching sustainability through upstream initiatives to create a lasting, positive impact on the world we live in, for the people we serve. Our innovative products and programs focus on long-term strategies to conserve resources, from the raw materials in our products to our investment in renewable energy.

Alignment with United Nations Sustainable Development Goals.

The United Nations Sustainable Development Goals (SDG) are a set of actions identified by the UN as essential to promote prosperity for all people worldwide. Launched in 2015, the 17 SDGs address economic, social and environmental issues and are backed by 169 targets to be achieved by the year 2030.

Through Medline's approach to sustainability/CSR, we aim to contribute toward the fulfillment of the SDGs. We recognize that the private sector has an important role to play on the global sustainable development stage.

Community Impact



Global Health



Sustainability



Employee Well-being



Ethics & Compliance



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





Our Mission

We make healthcare run better. Everything we do is designed to help customers improve their operating performance. How do we do it? We work together to free up the resources customers need to deliver their best care: to every patient in every care setting at every stage of life.

Our Values

- » Committed to our customers, our colleagues and our communities
- » Open to new ideas, two-way communication and challenging the status quo
- » Relentlessly improving our quality, service and results, and doing so with integrity
- » Determined to do whatever it takes for our customers

20,000+

employees
worldwide

90

countries where
Medline does business

1,500+

direct sales
representatives

9,000+

new positions
since 2014

\$11.7B

in overall
company sales

550,000+

medical and
surgical products

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**Helping
people
reach their
full health
potential.**

Community Impact

We strive to help communities be more resilient, sustainable and healthy. We believe education and investments in results-driven solutions can resolve some of the most prevalent challenges in healthcare.



Class is in session.

We believe in educating and encouraging the next generation so they can reach their full educational and professional potential. In 2018, that meant providing nine Baker College Prep students with an internship during their summer and winter breaks. Students refined their professional skills, explored career paths, and collaborated on projects in their fields of interest with peers and professionals.

“The internship our students completed at Medline was truly life-changing. These invaluable experiences have had a profound impact on their college readiness and the way they are approaching decisions around matriculation.”

- Mary Arrigo, Principal
Baker College Preparatory
High School, Chicago, IL

Our other major educational initiative in 2018 centered around hosting participants of STEMgirls, a program for students from underserved communities to explore possible STEM careers through hands-on learning, field trips, and exposure to industry professionals. Our research and development team led 61 girls through tours of the chemistry and microbiology labs and a demonstration of hands-on epidemiology simulations to learn about controlling the spread of infectious diseases.



OPPOSITE PAGE AND TOP: Medline hosted students from Baker College Preparatory High School providing them with a unique career pathing experience. **BOTTOM:** STEMgirls camp visited our Research and Development lab in Mundelein, IL as part of their week-long activities.

Community Impact Grant Program for Breast Cancer Awareness.

In 2018, Medline launched the Community Impact Grant Program to focus on the issues and causes we care about, and to award organizations that offer results-driven solutions for their community. The inaugural grants were awarded to organizations on the front lines of patient care, fighting to eradicate breast cancer. Since 2005, Medline has been working in tandem with healthcare professionals, breast cancer patients and survivors in support of prevention and early detection. To dive deeper into the communities where we live and work, Medline moved away from one large philanthropic donation and instead awarded \$150,000 to six breast cancer awareness organizations that serve a variety of communities, from rural towns to big cities. The organizations work with diverse groups of patients in all stages of the disease from prevention and early detection to grief counseling for families and loved ones.

While the five-year survival rate for breast cancer is 90 percent when detected early, the reality is breast cancer is the second leading cause of death among women in the United States.

"These six organizations presented ideas to address big challenges. The work they do isn't easy, and listening to their stories brought tears to our panel's eyes. The extra support can help them continue to make a major impact on the lives of patients and their families," says Karen Frey, senior philanthropy manager at Medline.

\$150,000

Amount awarded to six breast cancer awareness organizations

90%

Five-year survival rate when detected early



Healthcare professionals gather in support of breast cancer awareness at a Medline event.

Recipients of the 2018 Community Impact Grant Program for Breast Cancer Awareness



Bright Pink

The Chicago non-profit's mission is to help save women's lives with a unique approach. Their team intervenes before women are even diagnosed through digital education, interactive mobile technology, partnerships and provider education.



Family Health Centers of Southwest Florida, Inc.

The staff at Family Health Centers of Southwest Florida, Inc., has been providing high quality healthcare services to the community since 1964. Today their goal is to provide breast cancer awareness education to 2,000 underserved women through the Healthy Breast Initiative.



Leslie's Week

The Maryland non-profit coordinates aid and relief to women with Stage 4 breast cancer and their families.



Metropolitan Breast Cancer Task Force

Breast cancer kills African-American women at a much higher rate than white women, but in Chicago the difference in the rates decreased significantly after the Metropolitan Breast Cancer Task Force implemented their strategies.



Susan G. Komen New England

The name is one of the most-recognized in breast cancer awareness and research. The New England Komen affiliate created an accessible Shared Decision Making Tool with their grant award.



West Virginia University Foundation

Bonnie's Bus has provided more than 17,500 mammograms to women in all 55 of West Virginia's counties, and found 80 cases of breast cancer.

To learn more about grant opportunities, eligibility and applications visit medline.com/go/social-responsibility.

Employees in Action

American Cancer Society, Making Strides Against Breast Cancer, Polk County \$5K

Medline, Auburndale, FL

Employees in Auburndale, FL gathered in support of breast cancer awareness by participating in the annual American Cancer Society Making Strides Against Breast Cancer Walk and fundraising in support of the cause. Medline and the employees donated \$5,154.



Michelle's Place \$5K

Medline, Temecula, CA

Employees in Temecula, CA continued their partnership with Michelle's Place, a local organization that provides free support services and resources to women dealing with breast cancer. Employees and their family members joined Team Medline for the Walk of Hope event on September 23. Through sponsorship and fundraising, Team Medline contributed nearly \$5,440 to Michelle's Place.

Medline On-Site Mammograms Promote Early Detection for Employees

As part of our breast cancer awareness efforts, our vendor HealthFair provides confidential, digital mammograms free of charge to Medline employees conveniently on-site in Northfield, Mundelein and Waukegan, Illinois and Dubuque, Iowa. Since the benefit began, more than 2,000 employees have received a mammogram and, in some instances, the experience has led to diagnosis and prompt treatment. Read the One Life Saved story below.

1 out of 8

women in the United States will develop breast cancer in their lifetime.

Source: American Cancer Society

2,000

employees who have received a free, on-site mammogram from HealthFair

One Life Saved

Several months after joining Medline, Christine Sewruk received an email inviting her to schedule an on-site mammogram. Thrilled she could do it during her work day, Christine signed up. It was simple and convenient, and she considered it routine and preventative. However, this year was different and on November 6 she heard the words, "you have cancer." While in a state of shock, she knew that breast cancer would not define her. Christine immediately began her cancer journey which, in addition to the love and support of her family, included the wonderful help and newfound friendship of her colleagues. Her work family gave her Medline products to help alleviate radiation burns and repair her skin, donated their vacation time, and covered for her during doctor visits. Christine's advice to all women is to get a mammogram every year. Don't skip and don't delay. Early detection is truly the number one remedy for a cure. "Working at Medline has truly saved my life," says Christine. "If I hadn't been here and the on-site mammograms didn't happen when it did, my outcome might have been drastically different."



Christine Sewruk (center) is joined by her daughter Amanda and son Matthew. All are Medline employees.

Community Giving

When it comes to giving back to the communities where we work and live, our employees certainly raise the bar. Hundreds of employees took action to make a difference by volunteering, participating in events and donating to worthy organizations in support of those less fortunate.

**Shaping a
better future
through
continuous
giving.**



Campaigns

AHA Heart Walk

\$70,000

raised through the 5th annual AHA Heart Walk campaign

500+

employees donated to the campaign or walked for the cause

Northern Illinois Food Bank

12,000

food items donated to help hungry families and individuals in Illinois

\$2,500

raised for the food pantry

Blood Drives

650

pints of blood donated in 2018 by over 700 Medline Northfield employees

420

lives saved through blood drive donations by Medline Canada and Australia employees



LEFT: Employees show their support at the AHA heart walk, hosted at the Northfield campus. **RIGHT:** The Finance division collected and donated 12,000 food items to help hungry families in Illinois.



LEFT: Employees participated in a 5k race to support the Zacharias Sexual Abuse Center. **RIGHT:** Employees and their families prepare meals for undernourished children at a Feed My Starving Children event.



Volunteerism

Feed My Starving Children

198,864

meals packed with essential nutrients for undernourished children

SPT Waukegan Holiday Giving

150

completed wish lists from the Salvation Army Giving Tree campaign

United Way Lake County

100

care kits created for struggling families with infants and preschool-aged children

Zacharias Sexual Abuse Center

\$10,710

raised by 36 employees in a 5k race to support survivors of sexual violence

CSR Around the Globe

Medline Asia helped people with disabilities run Dignity Kitchen, a renowned food court in Singapore.

Medline India planted trees and helped improve a local shelter for disadvantaged children.

Beyond our walls.

To recognize our employees for their commitment to their community and the impact they are making through volunteerism, fundraising and innovation, Medline introduced the Employee Recognition Program (ERP). In addition to spotlighting the great work our employees have done this past year, we reward individuals who have gone above and beyond by donating to the charitable organizations for which the work was completed.

For the first round of the ERP, five employees were selected from the group of applicants who demonstrated significant involvement in a community charity organization. Following an extremely positive employee response and demand for more, a second round was launched in October, where five more employees were selected. The Medline Foundation made a \$3,000 donation on behalf of each award recipient to their charity outlined in the application. In all, Medline received 60 applications, chose 10 winners, and donated \$30,000 on behalf of employee charitable efforts. Learn more about the winning organizations below.

We were overwhelmed by the success and support for the Employee Recognition Program and look forward to rewarding our employees' contributions to their communities into the future.

\$30,000

donated to 10 organizations
on behalf of The Medline
Foundation

60

applications received in 2018
for the Employee Recognition
Program



Allen J. Lynch Medal of Honor Foundation



Greater Chicago Cavalier Rescue



Kids Crushing Cancer



Counseling Center of the North Shore



Concussion Legacy Foundation



The Toby Keith Foundation:
The OK Kids Korral



American Friends of the Bambi
Homes Colombia



Mead Food Bank



Friends of the Chugach
National Forest



Reach High Scholars

Learn more about organizations our employees support:

Allen J Lynch Medal of Honor Foundation Randy Schenck, IL	The Allen J Lynch Medal of Honor Foundation was founded to create stop-gap measure funding to veterans and their families. The goal is to provide assistance in the recovery or education process allowing a veteran to move forward in their life.
Greater Chicago Cavalier Rescue William Laubach, IL	Since 2005, the Greater Chicago Cavalier Rescue has helped save, nurture and re-home hundreds of dogs.
Kids Crushing Cancer Zach Meyers, OH	Kids Crushing Cancer, LLC has a bright, caring and diverse board of directors with the goal of raising funds for pediatric cancer.
Counseling Center of the North Shore Lisa Bauer, IL	The Counseling Center of the North Shore distributes food and clothing to needy families, as well as facilitating personal growth, helping alleviate emotional pain and assisting individuals and families in managing the challenges of modern life.
Concussion Legacy Foundation Jillian Vocke, IL	The Concussion Legacy Foundation is committed to protecting athletes and families through research, policy, and education.
The Toby Keith Foundation: The OK Kids Korral Tim Morris, OK	OK Kids Korral helps make life a little easier for children with cancer by providing a safe, convenient, and hopeful place for families to connect with each other and focus on the well-being of their child.
American Friends of the Bambi Homes Colombia Jennifer Cerami, FL	Bambi Homes Colombia is committed to providing integrated early childhood services to guarantee a better beginning to abandoned, homeless and at-risk children up to six years old. They provide education, basic health services and room and board for children in vulnerable situations.
Mead Food Bank Brian McKell, WA	Determined to serve the hungry and give hope to those in need, Mead Food Bank works in partnership with Second Harvest to provide food and give referrals to other community services.
Friends of the Chugach National Forest Avalanche Information Center Brook Predeger, AK	FOC Center's mission is to increase avalanche awareness in the Turnagain area through advisories and public education.
Reach High Scholars Dan Rollins, ME	A community of students, parents, teachers, administrators, alumni and other supporters provide inspiration, opportunities, knowledge and strategies to enable students to reach higher in their educational pursuits than they otherwise would have imagined possible.

**Share our
strength
around
the world.**





We create solutions that build strong, resilient health systems all around the world.

Much of the world lives in a clinical desert, lacking access to even the most basic healthcare. For these communities, even seemingly minor issues can impact one's ability to work and provide for their family.

We believe that through innovative partnership, we can remove the barriers that prevent patients from receiving the care that every human being deserves. We bring together our customers and non-profit partners to build solutions for healthcare facilities in low-resource countries. Through these cross-sector partnerships we can take a holistic approach to understanding the needs of the recipient facility, and develop a robust project that can be sustained long after we're out of the picture.

We believe that it is healthcare in its purest form and it grounds us in the values that drive us every day.

Join Us

We're looking for healthcare providers who want to join efforts with us, to help those in need. By combining Medline's logistical strategies with our customers' clinical expertise, we can create lasting impact in clinical deserts around the world. Together, we are the sparks that move the engine.

What we do

Through Medline's Global Health program we bring the strength of a \$12B company, combined with the momentum of a start-up. We deploy Global Health Pro Bono volunteers with expertise that fit the needs of the recipient facility. We will understand their specific practices and processes, how they work, what they struggle with, where their biggest gaps and opportunities are, and then build a customized plan to deliver solutions for their unique needs.

How we do it

We bring the same service and expertise that we offer our customers in the U.S. to healthcare facilities in resource challenged countries around the world. We select partner clinics based on how their pain points match with Medline's strengths and capabilities. In advance of commitment to the partnership, we complete discovery trips to conduct a full needs assessment. Once the partnership is confirmed, we rely on skills-based volunteers to develop the scope of work, manage the project remotely, and ultimately implement it during an on-the-ground service trip at the recipient healthcare facility.

Supply Chain Optimization

Healthcare facilities in low-resource countries face a complex set of challenges when managing their inventory. When purchased supplies are supplemented by donations, either via containers or hand-carried, it can be a herculean effort to understand real-time inventory, forecast for future purchases, and have processes for efficient supply usage. Our supply chain optimization experts map and analyze the recipient facility's supply chain to identify bottlenecks, process breakdowns and areas for improvement. They also evaluate and reorganize the physical space and implement new first-in-first-out processes so that fewer supplies go unused.

Perioperative Supply Optimization

Seventy percent of a hospital's product spend is for the operating room (OR).¹ In a low-resource setting, the impact of every dollar goes even further in treating more patients and benefiting families. Medline's perioperative team conducts a 360-degree OR supply assessment to identify opportunities for increased efficiency and improvements in storage, replenishment methodology and PAR levels. We work closely with clinical staff to develop processes that work best for them, and provide ongoing education and consultation long after implementation. As a result, clinical staff can spend more time and give more focus to their OR patients, and less time worrying whether they have the proper supplies.



LEFT: Employees organize perioperative supplies. **RIGHT:** Employees help organize the warehouse at One World Surgery.

1. Vargas LG, May JH, Spangler W, Stanciu A, Strum DP. Operating room scheduling and capacity planning In: Rushkin J, Stonemetz K, editors. Anesthesia Informatics. sl. Springer; 2008. p. 19.

Inventory solutions for better and faster care.

One World Surgery Center (OWS) is an ambulatory surgery center located on the property of a children's home in rural Honduras. OWS performs approximately 1,000 surgeries per year in the specialties of orthopedics, general surgery, ophthalmology, otolaryngology, urology, and gynecology. OWS hosts about 20 medical missions (brigades) per year at their three OR surgery centers. Because of the complex supply chains when providing medical services in low-resource countries, OWS purchases products only 3-4 times a year. Due to the limited staff and resources, surgical items were never accounted for in their inventory, pushing up their operating costs, limiting their ability to plan for the future and contributing to high turnover times.

In August 2018, Medline brought a team of 24 employees to OWS to implement long-term, customized solutions for their most pressing challenges. Now, the surgery center can forecast their supply needs more accurately, hold less inventory and increase OR efficiency from set-up to turn-over. OWS's new system will grow with them as they expand beyond Honduras and open their next site in the Dominican Republic. Improvements include:

- » Reclaiming over 1,000 square feet of underutilized space for more productive uses
- » Removal of five truckloads of excess product for redistribution to local healthcare facilities
- » Inventory management system established
- » Less product kept on hand resulted in additional space freed up for other purposes
- » Access to real-time data on supply inventory and utilization
- » Grant for a local Honduran inventory management expert to oversee the project for the next three years

“Over the past year we have formed a great working relationship with Medline that has allowed us to optimize our supply chain by focusing on local capacity building and adapting world class solutions to our unique center in Honduras. We are so grateful for Medline's support and impressed with what has been accomplished over such a short period of time!”

- Kate Clithero,
Director of Programs
One World Surgery



LEFT: Volunteer staff with a patient at One World Surgery. **RIGHT:** Ophthalmology volunteer at One World Surgery.



Patient Story:
Reina Cristina Lopez Martinez,
Broken and Dislocated Elbows (Merlin)

Reina Christina Lopez Martinez's story shows the incredible adversity many of One World Health's patients face, and the way their surgeries can have huge, even multi-generational impact on patients and their families.

Reina's health issues began 20 years ago, while she was pregnant. She fell and fractured her arm. Having no access to medical attention, the injury went untreated. Without treatment, the arm became permanently hyperextended, causing intense pain and limiting her use of that limb. Ever resilient, Reina dealt with her pain and limited mobility on her own, working and even giving birth to her daughter in this state. For the next twenty years, she managed through the pain in order to provide for her family by harvesting produce in the fields and selling snacks on the street.

Then, she fell again and braced her fall with her functioning arm. Now, both of her arms were broken, hyperextended and immobile. She faced the prospect of life with no mobility in either arm, and no clear way to take care of herself or her children. Her daughter, Cindy, with whom she was pregnant when she first fell, now had to help her mother complete simple tasks like eating and bathing, and took over caring for Reina's younger son. This surgery gave Reina back the ability to take care of herself again, and gave Cindy the chance to concentrate on her own children and plans for the future. With Reina self-sufficient once again, Cindy is free to pursue her own dreams. She has plans to go back to school.

Employee Story: Fanny De Leon's Service Trip to Honduras

My name is Fanny De Leon and I am a quality control inspector for Medline, working at our Temecula, California facility. I was born in Tela, Honduras, so when I heard Medline was conducting a service trip to Honduras, I sprung at the chance to return. Little did I know how much the experience of representing Medline in my home country would mean to me. It was truly such a blessing.

My experience of mentoring the children I met on the trip and being a positive role model for them is something I will always cherish. One World Surgery is located next to Nuestro Pequeños Hermanos (NPH), a home that provides a loving and safe environment for children living in extreme conditions. When I met and talked to the young girls at NPH, I shared my own story of growing up in Honduras. I told them about my parent's separation to show them that having an unstable home life doesn't have to prevent them from flourishing and becoming successful in life. It was tremendously rewarding, mentoring these young girls, and being able to share my knowledge in classes with children eager to learn.

This has been an emotional experience for me. It's been with great pride that I have been able to return to Honduras and represent my roots, the life I've built, and Medline. It gave me a feeling of coming full-circle: accompanying my coworkers to my home country, sharing the expertise I've gained, and inspiring disadvantaged kids.

I'll never forget the team bonding daily with my fellow peers and how Medline employees volunteered for any task the medical center needed help with, whatever it took to complete the mission. I am very appreciative for our global health initiative and all the work our company has done providing a hand to my fellow countrymen and women. This experience has changed my life forever.



Nuestros Pequeños Hermanos

One World Surgery (OWS) is located on the property of Nuestro Pequeños Hermanos (NPH), a home that provides a loving and safe family environment for children living in extreme conditions. NPH shares the Medline and OWS mission to help vulnerable individuals reach their full potential. In fact, many NPH graduates have ended up working for the surgery center, bringing the cycle of service and outreach full circle.



Fanny De Leon, fourth from left, taught health education to NPH kids on a Global Health project in Honduras.

Our reach throughout the world.

Medline works with international aid organizations to collect unused or recently expired items from hospitals to be used in underserved countries around the world. In 2018, Medline donated the equivalent of 80 metric tons of product valued at over \$1,600,000. Recipient organizations include:

- » American Red Cross
- » Hurricane Relief
- » MAP International
- » Medical Teams International
- » MedShare
- » Project C.U.R.E.
- » SEE International
- » United Way

Medline supports non-profit organizations that provide much needed supplies to help patients in developing countries around the world. Through our partnership with Project C.U.R.E. and SEE International, Medline products were sent to 68 countries in 2018, reaching over 100 facilities around the world.



Our partners in global healthcare.



SEE International

Our partner, SEE International, provides essential and transformative eye care and surgery around the world. SEE sent 7,364 pairs of Medline surgical gloves into the humanitarian field in 2018. Since those gloves are also used by SEE surgical support staff during those trips, 6,351 of those Medline gloves were used directly on SEE surgeries in 2018.



One World Surgery

In 2018, we began our relationship with One World Surgery, which is committed to providing world class surgical care to underserved communities, as well as empowering volunteers to make a positive impact on global health. One World Surgery's three cornerstone programs include operating global surgery centers, leading surgical medical missions and supporting local medical communities through education and training.



7,364
pairs of Medline
surgical gloves donated
to SEE International

Pediatric patients treated during SEE trips to Democratic Republic of the Congo (top) and Cambodia (bottom).



Project C.U.R.E.

In 2017, we began working alongside Project C.U.R.E., an industry leader in developing new ways to donate the highest quality of medical supplies and equipment to resource-limited communities across the globe. In addition to providing efficient and accurate inventory systems, supply chain management, expert management of logistics and strong in-country relationships, Project C.U.R.E. also offers numerous domestic and international volunteer opportunities. Since its founding, Project C.U.R.E. has reached patients, families and children in 130 countries.

Coats of Honor

Medline first helped the Alma Mater in Gros Morne, Haiti out through a donation of lab coats. Finally, the clinicians there could wear proper uniforms while interacting with patients and delivering care. The lab coats – embroidered with the hospital logo and badges signifying areas of expertise – were gifted as part of a larger initiative conducted by a large health system in Colorado along with Project C.U.R.E.

While Medline's support has grown more strategic since that initial gift four years ago, the coats planted a seed of change in the hospital, which provides vital care despite residing in a community without running water. Strategic assistance has included helping devise improved workflow and patient management strategies, which resulted in Alma Mater reducing wait times by 57 percent.



CSR Around the Globe

Medline Japan donated surgical gloves and wound drain devices to Japan Heart, which offers crucial medical service to Myanmar and Cambodia.

TOP: A Haitian doctor treats a pediatric patient at Alma Mater in Gros Morne, Haiti.

BOTTOM: Dr. Helena embraces a patient on a 2017 SEE trip to Namibia.

Stewards of the environment.

Sustainability

We take our responsibility as stewards of the environment seriously, and our sustainability goals for 2019 include a continued commitment to diligent reporting and transparency.



Reducing our impact on the Earth.

We value transparency

We believe that protecting the health of our planet is reflected by our company wide commitment to continuous improvement. We believe that being proactive requires us to measure our environmental impacts and set future objectives. It is our priority to maintain the highest quality while lessening the environmental impact of our operations, products and services.

Environmental reporting

We began reporting to the Carbon Disclosure Project in 2012 and completed our first greenhouse gas inventory in 2014. Both the CDP submissions and greenhouse gas inventories are aimed at evaluating energy consumption in our manufacturing facilities, as well as in our offices and distribution centers in both North America and Europe. They provide the world's only disclosure system through which more than 4,500 companies from 80 countries report, manage and share vital environmental information.

We minimize waste

To reduce our carbon footprint, Medline has taken steps to streamline deliveries and transportation. We adhere to EPA SmartWay® principles and guidelines for our internal fleet and choose carriers with this designation. GPS-based tracking software constantly monitors truck speed, idle time, fast starts and stops and other operator and vehicle criteria to minimize fuel consumption.



ISO Certification

Medline's commitment to being stewards of the environment extends to improving the buildings where our products and strategies are created. We currently have 8 locations that are certified according to the ISO's global environmental standard. Key to each certification is having an environmental management system (EMS) in place that identifies, controls and reports on each building's environmental impacts. Some of the changes that have been implemented through these initiatives include:

- » Installing LED lighting in production and warehouse areas
- » Identifying and executing alternative means of waste disposal
- » Updating equipment and processes to use less water during manufacturing
- » Regular equipment and process inspection to ensure maximum efficiency

The ISO certified buildings include four sites in Illinois, including the Northfield headquarters, along with a production plant in Georgia and offices and a facility in Spain, Italy and France.

OPPOSITE: Employees at the corporate campus received plants on Earth Day.

LEFT: A MedTrans driver prepares for his shift.

We're committed to green energy

Medline has continued to expand our renewable energy portfolio since building our first geothermal facility in 2009. More than 12.1 million square feet (85%) of our owned distribution space is Leadership in Energy and Environmental Design (LEED) certified. In addition, all new Medline buildings throughout the world are being constructed to meet LEED certification standards.

Renewable energy investments

Renewable energy is generated from a natural resource that is capable of replenishing itself. It is "renewable" because it almost never runs out. Medline makes use of both solar and geothermal energy in its operations. These two sources, as well as wind and other renewables like hydro, are considered cleaner than fossil fuels because they pollute less and mitigate instead of contribute to climate change.

Geothermal

Medline has three geothermal facilities: offices in Mundelein, Illinois and Arnhem, Netherlands, as well as our customer service call center in 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 than the air in the summer.



Solar panels installed on a Medline distribution center.

Our Solar Energy Portfolio at a Glance

	Square Feet	Number of Solar Panels	Investment (USD)	Power Capacity	Energy Produced in 2018 (kWh)	Energy Produced in 2018 to May 15, 2019 (kWh)	Offset	Expected Offset	System Operational Dates
Tracy, CA	1,000,000	3,235	\$1,985,000	1.1 MW	1,672,328	2,252,358	32%	73%	Feb. 14, 2017
Tracy II, CA	1,000,000	4,154	\$2,155,000	1.35 MW	0	13,998	0%	73%	Apr. 18, 2019
Auburndale, FL	830,000	5,077	\$2,773,000	1.65 MW	66	905,811	36%	102%	Dec. 27, 2018
Aisai, Japan	130,000	1,665	\$868,000	0.4 MW	492,541	686,192	55%	55%	Sept. 1, 2016
Sydney, Aus	270,000	376	\$82,000	0.103 MW	134,440	178,530	12%	9%	Apr. 30, 2019
Rialto, CA	1,100,000	3,152	\$1,882,000	1.12 MW	1,483,204	2,058,547	56%	75%	Feb. 23, 2018
Kleve, Ger	390,000	3,770	\$1,067,000	1.0 MW	1,110,122	1,451,152	28%	24%	Jan. 28, 2017
Total	4,720,000	21,429	\$10,812,000	6.723 MW	4,892,701	7,546,588			

Sustainability innovations.

How one employee returned waste to sender

The status quo doesn't cut it, least of all when it comes to sustainability. So when one Medline employee found the environmental, shipping and handling costs of certain returned items exceeded their value, Medline sprang into action. Based on this insight, we revamped the software that runs the return process. The new, streamlined process identifies and donates certain supplies, thereby lowering the environmental impact of return shipping and drastically reducing the time and energy spent managing the returns backlog.

This one employee's discovery has led to 300 types of medical supplies being made available for donation, some 4,000 products in total. So far, the initiative has generated over \$500 in product donations every month.

ReNewal

Our Redmond, Oregon single-use device reprocessing facility continues to help clients reduce a significant portion of their medical waste. In addition to helping lower the amount of waste that ends up in landfills, reprocessing also represents a growing opportunity for hospitals or ambulatory centers to generate savings they can apply toward improvements to patient care.

Centurion

With the acquisition of Centurion in 2017, Medline gained not only vascular access products, but also a suite of programs and products that help healthcare providers optimize the profitability of their green initiatives.

- » **Instrument Recycling and Rebate Program.** Free collection and pick up of used medical instruments, eliminating instrument disposal costs, reducing landfill and raw material usage, and issuing cash rebates for returned instruments. To date, **six million pounds of instruments have been reprocessed.**
- » **Original Soiled Linen Collection System.** This pioneering soiled linen and liner recycling program has to date **recycled over 50 million pounds of plastic bags** used for soiled linens.



Tree Donation Program

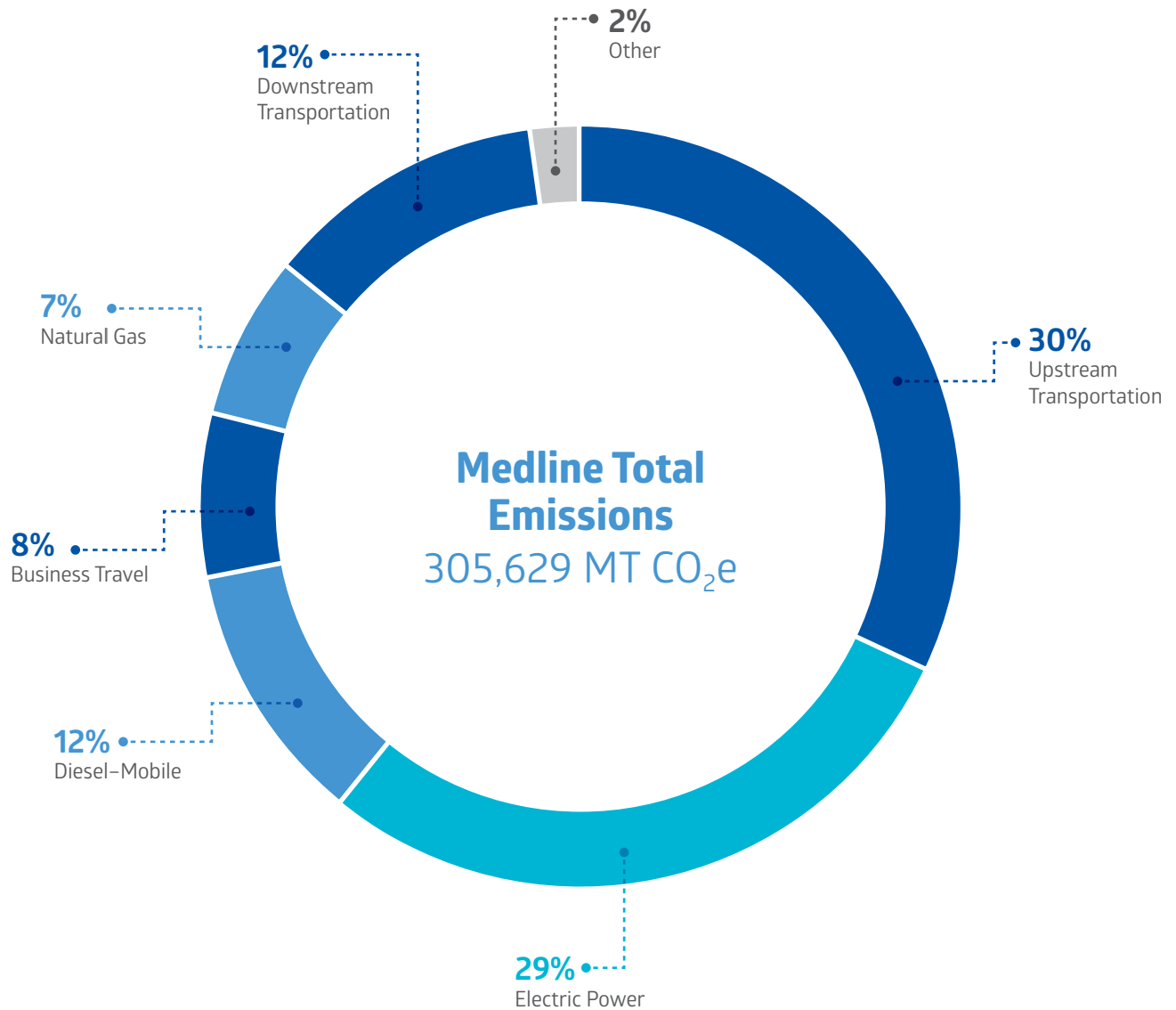
We donate one tree for every container load of gloves we ship.

4,523

trees planted in 2018 by the Exam Glove division, totaling **5 acres** of replanted land

Together with the Michigan Department of Natural Resources, we are striving to plant Jack Pine trees on a large scale. Young Jack Pine forests provide a habitat for the endangered Kirtland's Warbler as well as many other game and nongame species. The 2019 plantings will also help stabilize highly erodible soils and provide a niche for sustainable forestry.

Sources of Greenhouse Gas Emissions



Greenhouse Gas Inventory

Since 2012, we have been measuring our carbon emissions through an annual greenhouse gas (GHG) inventory. Medline's GHG inventory measures scope 1, scope 2 and scope 3 GHG emissions in North America and Europe. The data gathered informs our strategies to better manage and minimize our environmental footprint. We report annually to what was formerly known as the Carbon Disclosure Project (CDP). The CDP is an international organization that produces annual questionnaires on climate change, supply chain, water and forests. The CDP aims to improve companies' disclosure of their environmental performance.

We believe that corporate transparency in greenhouse gas emissions is an essential step toward climate change progress. Medline's total measured scope 1, scope 2 and scope 3 greenhouse gas emissions in the United States and Europe amounted to 305,629 metric tons of CO₂e (carbon dioxide equivalents) in 2017.

Sources of Emissions

The majority of Medline's emissions come from scope 3 emissions made up of upstream and downstream transportation and business travel. Our scope 2 emissions come from the electric power required to run our distribution centers and manufacturing facilities. Scope 1 makes up the smallest portion of our total footprint, consisting primarily of the diesel used to fuel our MedTrans fleet, as well as natural gas used to heat our buildings.

Medline North America & Europe Combined GHG Emissions FY2017

(measured in metric tons CO₂e*)

Scope 1
55,650

Scope 2
90,156

Scope 3
159,823

* 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.

Scope 1: Direct

- » Company vehicles
- » Company facilities



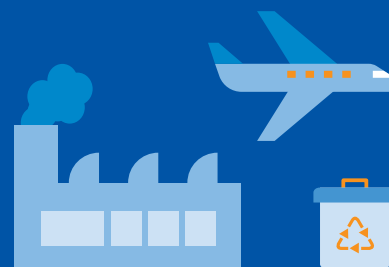
Scope 2: Indirect

- » 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



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

Building a better workplace together.

Employee Well-being

Our employees are the key to our success. We depend on their tireless dedication to meet the needs of our customers and grow the business. For these reasons, we strive to create a rewarding work environment that promotes the well-being of our employees.



8 years

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

43,253

miles employees ran on our fitness center treadmills

\$1,088,315

cafeteria purchases subsidized in 2018

Supporting our employees at work and at home

- » Retirement savings plan with company match
- » Variety of health and welfare plans to fit different needs and budgets
- » Paid time off for vacation, flex time, holidays, jury duty, bereavement, etc.
- » Reimbursements for healthy lifestyle programs, tuition and other professional development
- » Employee Assistance Program
- » Free on-site wellness programs in larger facilities, including biometric screenings, mammograms, flu shots and guest speaker workshops
- » Health and wellness competitions, including HealthyWage Weight Loss Challenge and Walktober Walking Challenge
- » Flexible work hours and employee appreciation events

At our corporate headquarters, which is home to 2,000+ employees, we also offer:

- » Free on-site fitness center as well as both indoor and outdoor basketball courts, open 24/7
- » Fitness and yoga classes for a nominal fee
- » Free commuter benefits and public transportation incentives
- » On-site, full service cafeteria with subsidized healthy eating options
- » On-site credit union, dry cleaning service, outdoor walking paths and vegetable gardens
- » Full-time on-site nurse, certified personal fitness trainer and guest nutritionists

Medline also proudly offers a scholarship program for employees' children. Up to \$4,000 per school year is granted to 51 recipients. Last year's scholarships totaled \$197,650.

Employee Development

To help our employees reach personal career goals, Medline offers numerous tools and resources. Our Rotational Assignment Program allows participants to explore various functions within the company to help them decide on the career path that best suits their needs. In addition, our robust internship program recruits rising seniors from several colleges into short-term roles that we hope to lead to full-time roles upon graduation.

Our Medline Success Factors are a competency model to help employees know the behaviors that support superior performance with the culture of Medline:

- » Focus on the Customer
- » Sense of Urgency
- » Strong Work Ethic
- » Deliver Results
- » Sound Judgment
- » Build Effective Relationships

These factors are used in many processes that impact employees, from recruiting to performance reviews. We also provide career development training and give guidance on how to maximize personal engagement in one's professional life.

Conducting business with ethics and integrity.

Ethics and Compliance

The Medline Code of Conduct is the foundation on which our ethics and compliance program is built. We strive to exceed expectations by going above and beyond mere compliance and aiming to do what we believe is right.



Medline Code of Conduct

Live by the Code of Conduct

- » Communication
- » Ethics and compliance helpline
- » Employee learning

Respect for others

- » European Union data protection framework
- » RESPECT communication campaign
- » Anti-harassment program

Act with integrity

- » Anti-bribery compliance
- » Interactions with healthcare providers
- » Conflicts of interest disclosure tool

Good business practice

- » Global transparency program
- » Fair compensation
- » Charitable donations policy

Medline acts responsibly and in compliance with all legislation and regulations in the countries where we operate; we also adhere to our own internal policies and procedures. We expect all employees to demonstrate honest and ethical conduct in every part of our business and in customer interactions.

Medline's Chief Ethics and Compliance Officer, based at our global headquarters in the United States, bears overall responsibility for the ethics and compliance program worldwide. In Europe, responsibility for coordination and supervision is assigned to the compliance officer for Europe based in the Netherlands. The Office of Ethics and Compliance is supported by a network of compliance liaisons in the European human resources team, and by our European data protection committee.

Overview of our Ethics and Compliance Program

The Medline Code of Conduct is the foundation on which our ethics and compliance program is built. The code elaborates on our core values and principles and explains the rules that govern our relationships with governments, customers, competitors and each other. The code addresses topics such as anti-discrimination, safety in the workplace, employee privacy, data protection, political participation, anti-bribery and anti-corruption. In formulating and implementing the code, Medline strives to exceed expectations by going beyond mere compliance and aiming to do what we believe is right.

More widely, we comply with the MedTech Europe Code of Ethical Business Practice. For example, to avoid conflicts of interest in balancing our customer relations with charitable work, Medline does not donate to, or at the request of, healthcare providers in Europe. This applies to both cash and product donations and is described in more detail in our Charitable Donations Policy.

Plan for 2019

To continue to raise internal awareness of relevant compliance and legal topics, we will train our sales teams on antitrust matters in relation to the handling of competitively sensitive information. While Medline complies with all the relevant competition laws in this regard, we are aware that our sales teams may occasionally find themselves in difficult territory when it comes to price discussions involving customers and distributors. The purpose of the training is to reinforce our employees' understanding of what is permissible, the escalation procedures in place, and the potential consequences of non-compliance.

Comprehensive Ethics and Compliance Program

Medline has an extensive Ethics and Compliance program that is designed to reach all of our employees and is at the core of our business. To achieve this, Medline has appointed a Chief Ethics and Compliance Officer who is assisted by the members of the Ethics and Compliance Office. They oversee the implementation and review the effectiveness of the Compliance Program. This program includes:

- » Chief Ethics and Compliance Office
- » Code of Conduct
- » Training and Education
- » Effective Communication Channels
- » Monitoring and Evaluative Activities
- » Disciplinary Standards
- » Response Mechanism

Medline Makes a Significant Impact in the Community

2018 Overall Impact Stats

Community Impact

\$150,000

awarded to six breast cancer awareness organizations

2,000

employees have received free on-site mammograms from HealthFair

198,865

meals packed with essential nutrients for undernourished children

\$70,000

raised through the 5th annual AHA heart walk campaign

650

pints of blood donated in 2018 by over 700 Medline employees

\$30,000

donated to 10 organizations on behalf of The Medline Foundation

\$5,440

donated by employees to Michelle's Place

Global Health

7,364

pairs of Medline surgical gloves donated to SEE International in 2018.

68

countries received donations from Medline in 2018

80

metric tons of product donated in 2018 with a value of **over \$1.6 million**

262

pallets of medical supplies diverted from landfills

Employee Well-being

\$1,088,315

cafeteria purchases subsidized in 2018

43,253

miles employees ran on our fitness center treadmills

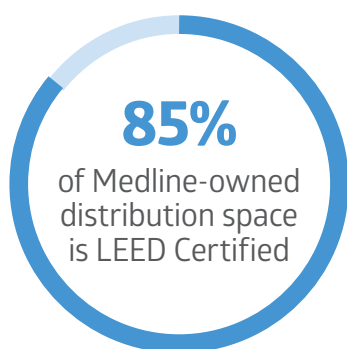
8 years

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

Sustainability

4,523

trees planted in 2018 by the Exam Glove division, totaling **5 acres** of replanted land



6 million

pounds of instruments have been reprocessed through Centurion's Instrument Recycling and Rebate Program

50 million

pounds of plastic bags used for soiled linens have been recycled through the Soiled Linen Collection System

About Medline

Medline is a healthcare company: manufacturer, distributor and solutions provider focused on improving the overall operating performance of healthcare. Medline works with both the country's largest healthcare systems and independent facilities across the continuum of care to provide the clinical and supply chain resources required for long-term financial viability in delivering high-quality care. With the size of one of the country's largest companies and the agility of a family-owned business, Medline is able to invest in its customers for the long-term and rapidly respond with customized solutions. Headquartered in Northfield, Ill., Medline has 20,000+ employees worldwide and does business in more than 90 countries.

Learn more about Medline at www.medline.com.



Medline Industries, Inc. Three Lakes Drive, Northfield, IL 60093

Medline United States
1-800-MEDLINE (633-5463)
medline.com | info@medline.com

Medline Canada

1-800-396-6996 | medline.ca | canada@medline.com

Medline México

01-800-831-0898 | medlinemexico.com | mexico@medline.com

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