Building a stronger, healthier future
A message from our leaders

More than 10 years ago, Medline’s Corporate Social Responsibility (CSR) efforts started in the areas we thought we could make the largest immediate impact. These initial efforts eventually expanded into three key initiative pillars, which would drive our efforts in the years to follow: Global Health, Community Impact and Sustainability.

In 2021, Medline focused on investments in renewable energy, elevating clinical knowledge in low-resource countries and continuing to address social determinants of health. This 2021 CSR Report details the work completed last year to make a positive and substantive impact in these areas of focus. It also illustrates our commitment to building new, strong foundations and measurable results across the communities in which we live and work.

Beyond this year’s highlights, this report also represents another step forward in our work to become better corporate citizens. In 2022 and beyond, Medline will adapt a new approach to responsible business, focusing our efforts on key Environmental, Social and Governance (ESG) issues.

Our adoption of ESG is a natural evolution of our CSR efforts, comprising of priorities and values across all regions, and expanding upon current activities to include additional areas of impact: emissions reduction targets, a deeper commitment to diversity and inclusion throughout our ranks, an ethical sourcing program spanning our supply chain, good governance and more.

We find this report and shift toward ESG especially meaningful—each represents the culmination of success and impact of CSR at Medline to date, and holds our efforts to make a positive impact, both past and present, to a higher standard.

Despite the global challenges we have all faced over the past few years, so many employees continue to donate their time and resources to make a positive impact in the world. We couldn’t be prouder of the individual and collective efforts of all those who contributed.

Jim Abrams
Chief Operating Officer

Charlie Mills
Chief Executive Officer

Andy Mills
President
We make healthcare run better. This mission holds true not only for our healthcare partners but for the world in which we live.

We aim to make a positive impact together with our employees and partners in the US and beyond. Our 2021 Corporate Social Responsibility Report details the work we’re doing to make communities—and our planet—healthier, stronger and more sustainable.

“In line with the maturation of our Corporate Social Responsibility program, we are transitioning to a global Environmental, Social and Governance (ESG) model. The work we’ve done to be a positive social and environmental steward has had a tangible effect on the health systems we partner with and the communities we serve, and we are eager to adopt a data-driven approach to impact that requires deeper integration, coordination and transparency—all in an effort to make healthcare more sustainable and equitable.”

Francesca Olivier
Vice President, Environmental, Social and Governance
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.

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.

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

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.

By recognizing and celebrating the diversity of our employees and creating an inclusive workplace, we tap into their unique perspectives, which allows us to create innovative solutions for our customers.

The foundation of our success is our people. Their tireless dedication and hard work is what enables us to make healthcare run better, which is why we prioritize our employees’ well-being.

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.
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.
Sustainable Development Goals

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
Global health

Making 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.

In 2021, we continued to help our partners around the world through remote support and online education opportunities to ensure our continued commitment to global health equity.
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.
Providing worldwide medical relief

We work with international aid organizations to collect Medline surplus and unused items and deliver them to developing regions globally. In 2021, Medline donated the equivalent of 275 metric tons of product—valued at more than $3.61 million. Our partners include:

- Direct Relief
- Globus Relief
- MAP International
- MedShare
- One World Surgery
- Project C.U.R.E.
- World Medical Relief
- CURE International

Our products reached people across 80 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, employees lend their skills toward building healthcare capacity in low-resource countries.

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.

The impact of surgical intervention is unlike any other health intervention. It can cure one-third of all human illness and disease. But in chronically underfunded health systems, oftentimes surgical care is ignored and widely inaccessible to the poor. Local facilities sometimes lack appropriate supplies and equipment. Medical professionals sometimes do not have training or experience in the latest techniques, and few can afford the high cost of surgery.

We continue to support OWS with supply chain and perioperative efficiency projects that have transformed the way purchased and donated perioperative supplies are organized, minimizing redundancies and overages. Additionally, in 2021, three Medline volunteers assisted with setup of the organization’s new facility in the Dominican Republic.

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. In 2021, a group of volunteers from our Medical Affairs team conducted a literature review and competitive analysis to inform the curriculum.

Resources for patient care

Community Empowerment (CE), a nonprofit partner of Rush University Hospital, hosts primary care and surgical trips to the Dominican Republic and Haiti. We partner with CE to help organize supplies and optimize space within their warehouses in the Dominican Republic. In 2021, to better streamline the organization’s supply chain, Medline volunteers conducted a physical inventory of CE’s Chicago Warehouse.

Clinical training

Medline’s Global Health Initiative created a comprehensive online series program to support clinicians in low-resource countries. The free, four-course series helps bring Medline’s wound care knowledge to more people around the world, empowering clinicians to further impact their communities.
Helping people reach their full health potential

We believe every person deserves the opportunity to lead a healthy life, but many are denied that opportunity because of the social and environmental conditions in which they live. Hand-in-hand with our employees, we’re working to address pressing issues affecting the communities where we live and work so that all people can live healthy lives.
Volunteerism and employee giving

We believe having a strong sense of social responsibility begins from the inside. That’s why we provide our employees with a range of volunteer opportunities where they can lend their time and talent to enact positive social change. From backyard support to skills-based global health work, our volunteer opportunities are diverse.

Our online platform for employee volunteerism and charitable giving, CSRconnect, helps employees find volunteer opportunities, record 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. 2021 volunteer activities ranged from distributing facemasks and hand sanitizer to communities impacted by COVID-19, to planting and harvesting produce for local food pantries.

First-ever Medline Month of Service

Medline launched its first-ever Month of Service in November 2021, encouraging and incentivizing employees to participate in organized volunteer activities—in person or virtual.

Through the initiative, employees could choose from a list of Medline-organized volunteer events or find their own activity through a matching database. The organized events allowed employees to donate blood, pack life-saving meals, fulfill holiday and other wish lists, and create craft cards for seniors and recently resettled immigrants and refugees. And for every volunteer hour logged on CSRconnect, Medline made a donation to the charity where the work was performed. Nearly 600 Medline employees volunteered more than 1,400 hours during the Month of Service.
Medline CARES—addressing social determinants of health

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

Through Medline CARES, we collaborate with community leaders to understand their challenges—access to healthy food and healthcare, population health, economic empowerment and more. We invest resources to help establish a social impact, demonstrate our civic responsibility and address community needs. In 2021, significant resources were invested in communities nationwide through Medline CARES.

Donating products to communities in need

Throughout 2021, Medline donated and shipped about $3.61 million—275 metric tons—of product to various community and nonprofit organizations around the world. Product was delivered to 80 countries through our international medical relief organizations, which help us reach the most people with the greatest needs.

Medline also shipped over 25,500 cases of hand sanitizer and soap from its ReadyCare division to be distributed nationwide. In our home state of Illinois, the company provided nearly $310,000 worth of hand sanitizing products to more than 25 communities.

We assisted with the distribution of donations, too, handing out product to schools, fire and police departments, animal shelters and nonprofits helping underserved communities, like United Way and Toys for Tots.

Awarding grants to uplift communities

Medline’s Community Impact Grant Program invests resources to help address prevalent health challenges, stimulate health equity and improve population health in low-resource areas—awarding financial support to nonprofit organizations that share our commitments. In 2021, we awarded Community Impact Grants to the following organizations:

**Economic Stability**
- Healthy Mothers, Healthy Babies Coalition of Georgia, GA

**Education**
- Mothers Trust Foundation, CA

**Health and healthcare**
- Atlanta Ronald McDonald House Charities, GA
- Equal Hope, IL
- Michelle’s Place, CA
- Riverview Center, IL
- Zacharias Sexual Abuse Center, IL

**Social and community**
- A Safe Place, IL
- Bethany House of Laredo, TX
- CASA Lake County, IL
- Gilda’s Club of Chicago, IL
- Northern Illinois Food Bank, IL
- Women’s Center Youth and Family Services, CA
- South Texas Food Bank, TX
- Midhudson Chocolate Milk, NY
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. One of the ways we do this is through our Employee Recognition Program, which celebrates employees making an impact in their community through volunteerism or fundraising. In 2021, we awarded a total of $45,000 to 15 grant recipients receiving $3,000 each.

1. Mitchel Kenoe—Arthritis Foundation—Illinois Office (Atlanta, GA)
2. Regina Keefe—Casa Lake County (Vernon Hills, IL)
3. Abdul Habeeb Mohammed—Chi-Care (Glendale Heights, IL)
4. Jessie Hernandez—Faith Acres Foundation (Island Lake, IL)
5. Vanessa Nevarez—Illinois Spina Bifida Association (Chicago, IL)
6. Danielle Sharfman—Michael Rolfe Pancreatic Cancer Foundation (Chicago, IL)
7. Sujata Dayal—New York Asian Women’s Center Inc (New York, NY)
8. Kristi Erickson; Joe Bryzek—Mikolas Ritschel Foundation (Rockford, IL)
9. Christine Mau—No More Foundation (Maplewood, NH)
10. Rosemarie Castillo—PADS Lake County Inc. (Waukegan, IL)
11. Scott Livingston—Renew Communities NFP (Lake Forest, IL)
12. Molly Moon—Sports Shed Inc (Libertyville, IL)
13. Gianna Allegretti—Susan G Komen Breast Cancer Foundation (Deerfield, IL)
14. Thomas Barker—Trek Medics International Inc (Charlotte, NC)
15. Padala Vaibhavi, Elizabeth Andreas—Tutoring Chicago (Chicago, IL)

See how we’re making a difference in our local communities

Medline volunteers provide food and donations in preparation for the holidays
Medline employees contributed over 500 pounds of food to the Northfield Township Food Pantry in 2021.

Read article

Medline employees participate in 2021 Metro Chicago Heart Walk
Hundreds of Medline employees participated in the 2021 American Heart Association’s Heart Walk, raising funds for a life free of cardiovascular disease and stroke.

Read article

Medline celebrates volunteers going above and beyond
Throughout the holiday season, Medline and its employees donated hand sanitizer, food, hygiene kits and more to those in underserved communities.

Read article
Protecting our future by protecting our planet

Addressing climate change takes big-picture thinking. We’re committed to helping healthcare run more sustainably by implementing practices that are scalable and eco-friendly. We also encourage 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 2021, Medline ReNewal took in 6,344,304 instruments to be reprocessed and diverted 1,095,793 pounds of waste from landfills, an amount equivalent to 39,137,130 water bottles.

**Gloves waste to energy**
This program transforms exam gloves into clean, renewable energy. In 2021 we partnered with customers to transform 1,504 pounds of gloves into clean energy.

**Tote exchange**
Our tote exchange program delivers products in reusable totes instead of cardboard containers. It 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 pickup free of charge. Instead of being sent to the landfill, the towels are repurposed for use in non-healthcare industries.

**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 104,057 pounds of instruments from landfills, an amount equivalent to 271,264 iPhones.
Reducing waste throughout our supply chain

Hospitals produce more than 5 million metric tons of waste each year. 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 2021, we diverted 275 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.

Reimagining packaging with the Sustainable Packaging Lab
Launched in 2020, Medline's Sustainable Packaging Lab—a cross-functional team of R&D, sustainability, operations and design experts and engineers—works to reimagine the way we see packaging for a more sustainable future. Within a year of the lab’s creation, it was awarded a 2021 Sustainability, Environmental Achievement and Leadership (SEAL) award for its innovations. Here are a few of our 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 underused 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
- 398,916 pounds of raw material saved per year

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
- Optimize 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

Since 2016 we’ve invested $34.5 million in solar energy globally. With two new solar installations initiated in 2021 and slated to go into production in 2022, our portfolio now includes 2,735,595 million square feet of solar rooftop space with over 60,000 solar panels.

Our solar energy portfolio at a glance

<table>
<thead>
<tr>
<th>Location</th>
<th>Total solar square feet</th>
<th>Solar panel count</th>
<th>Investment (USD)</th>
<th>Power capacity (MW)</th>
<th>Jan–Dec 2021 kWh production</th>
<th>Estimated annual energy offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisai, Japan</td>
<td>50,000</td>
<td>1,665</td>
<td>$868k</td>
<td>0.40</td>
<td>497,912</td>
<td>48%</td>
</tr>
<tr>
<td>Auburndale, Florida</td>
<td>250,000</td>
<td>5,077</td>
<td>$2.773M</td>
<td>1.65</td>
<td>2,239,822</td>
<td>59%</td>
</tr>
<tr>
<td>Kleve, Germany</td>
<td>130,000</td>
<td>3,770</td>
<td>$1.2M</td>
<td>1</td>
<td>967,503</td>
<td>68%</td>
</tr>
<tr>
<td>Montgomery, New York</td>
<td>715,000</td>
<td>19,203</td>
<td>$11.5M</td>
<td>7.39</td>
<td>N/A, system operational in 2022</td>
<td>TBD, system operational in 2022</td>
</tr>
<tr>
<td>Northfield, Illinois</td>
<td>111,500</td>
<td>2,754</td>
<td>$1.69M</td>
<td>1.02</td>
<td>1,095,681</td>
<td>20%</td>
</tr>
<tr>
<td>Rialto, California</td>
<td>180,000</td>
<td>3,152</td>
<td>$1.882M</td>
<td>1.12</td>
<td>1,767,222</td>
<td>34%</td>
</tr>
<tr>
<td>Sydney, Australia</td>
<td>29,095</td>
<td>1,344</td>
<td>$406k</td>
<td>0.55</td>
<td>583,460</td>
<td>35%</td>
</tr>
<tr>
<td>Tracy, California</td>
<td>470,000</td>
<td>7,389</td>
<td>$4.14M</td>
<td>2.45</td>
<td>3,864,187</td>
<td>59%</td>
</tr>
<tr>
<td>Uxbridge, Massachusetts</td>
<td>800,000</td>
<td>16,219</td>
<td>$10.05M</td>
<td>6.66</td>
<td>N/A, system operational in 2022</td>
<td>TBD, system operational in 2022</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,735,595</strong></td>
<td><strong>60,573</strong></td>
<td><strong>$34,609,000</strong></td>
<td><strong>22</strong></td>
<td><strong>11,015,787</strong></td>
<td></td>
</tr>
</tbody>
</table>
Building with sustainability in mind

We build and operate our facilities in sustainable ways. As of 2022, 98% of our distribution centers in the U.S. are LEED certified or pending certification, representing over 19.2 million square feet out of a total 19.7 million square feet.

We also have 10 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

Making transportation more sustainable

Piloting fully electric semitrucks

As part of a pilot program with Volvo Trucks, MedTrans, Medline’s private truck fleet, is using a fully electric semitruck to make deliveries to hospital systems in Southern California. The Volvo VNR Electric truck was developed as part of the Volvo LIGHTS (Low Impact Green Heavy Transport Solutions) project, a collaboration between Volvo Trucks and 12 other organizations to develop a blueprint to successfully introduce battery-electric trucks and equipment into the market at scale.

MedTrans has been working with Volvo Trucks for the past two years on its VNR Electric Class 8 heavy-duty truck. Most recently, MedTrans began using the VNR Electric as one of five pilot vehicles to make regular product deliveries. Through the pilot, MedTrans and Volvo Trucks closely monitor truck diagnostics and operating metrics, including battery life, driving range and charge station requirements. MedTrans then regularly provides operating data back to Volvo Trucks with the goal of making these trucks as efficient, effective and viable as possible.

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. Our private fleet delivers over 96% of prime vendor hospital sales and over 75% of all Medline sales. The remaining 25% of our sales are distributed by UPS, FedEx and LTL carriers.
Measuring our emissions

Transparency—especially in the realm of environmental impact—is important.

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 our footprint.

There are two ways to evaluate progress against emission reductions: absolute emissions and emission intensity. Absolute emissions refer to the total quantity of greenhouse gas emissions being emitted, whereas emission intensity compares the amount of emissions to some unit of economic output. Both measures can be used to help organizations gauge the success of their emission reduction management strategies over time.

Our absolute emissions in 2021

Our GHG inventory measures our emissions in North America and Europe within three scopes. Most of our emissions come from upstream transportation and electric power.
**Medline North America and Europe Combined GHG Emissions FY2020**
(measured in metric tons CO₂e*)

<table>
<thead>
<tr>
<th>Scope</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>91,759</td>
</tr>
<tr>
<td>Scope 2</td>
<td>98,702</td>
</tr>
<tr>
<td>Scope 3</td>
<td>151,966</td>
</tr>
</tbody>
</table>

* Greenhouse gas emissions data represents the 2020 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.

**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

**Our emission intensity over time**
Medline has consistently calculated its North American and European Scope 1 and Scope 2 greenhouse gas emissions since 2013. Since then, we’ve significantly grown year over year, increasing production, employee headcount and revenue, among other things.

With this growth, we have increased operational efficiency over the last 9 years by integrating LEED building practices, investing heavily in renewable energy and maintaining several ISO certified facilities. These operational changes have allowed for our revenue, square footage and employee count to increase at a pace much faster than our emissions output.

While our absolute greenhouse gas emissions output increased from 2019 to 2020, emissions per dollar of revenue, square foot and employee have been reduced 40%, 36% and 42% respectively between 2013 and 2020. The below graph shows a consistent downward trend of emissions versus each metric, including revenue.
As Medline transitions a mature CSR function into a holistic Environmental, Social and Governance program, the management of our greenhouse gas emissions is a top priority. Currently, we are working to set emission reduction targets that align with the Science Based Target (SBTI) standards. For context, SBTI standards guide organizations in aligning to the goals outlined in the Paris Agreement, which in 2015 provided a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. Medline will need to demonstrate that the targets are in line with the Paris Agreement by using the latest methods and tools approved by SBTI. We plan to have ambitious emission reduction scenarios both near- and long-term, in 2030 and 2050 respectively.

See our sustainability efforts in action

**MedTrans uses electric semitruck to deliver products in Southern California**
Medline's private truck fleet partners with Volvo Trucks to reduce environmental impact.

**Medline receives 2021 SEAL Award for Environmental Initiatives**
In its first year, Medline's Sustainable Packaging Lab reduced waste by 455,000 pounds.

**Medline's solar portfolio to triple in size by Q1 of 2022**
Medline works to build a future where healthcare operates more sustainably.

Looking ahead

As Medline transitions a mature CSR function into a holistic Environmental, Social and Governance program, the management of our greenhouse gas emissions is a top priority.
Together, we’re better

Our vision at Medline has always been to be an employer of choice by creating an inclusive environment where all employees are valued and celebrated. Simply put, we want everyone to feel welcome and respected when bringing their unique and authentic selves to work each day.

When our guide post is inclusion, Medline is equipped to deliver on our promise of developing innovative solutions at the best cost to make health care run better.
Strengthening our foundation to advance diversity and inclusion (D&I)

In 2021, we engaged a cross-functional group of leaders at the vice president and director level through a task force that helped define our mission, vision and establish our direction. The chart at right outlines the steps we identified as the roadmap for our journey. We began by spreading awareness through the creation of Employee Resource Groups (ERGs)—voluntary, employee-led groups that foster a diverse and inclusive workplace.

Building an inclusive culture through employee engagement

At Medline, our inclusive culture is a result of the talent we’ve acquired through recruitment, onboarding and career development. To continue fostering this environment, employees can engage in our employee resource groups, cultural awareness events, D&I training and more. Here are some examples from 2021.

Growing Employee Resource Groups

ERGs help build community and a sense of belonging at Medline. They offer a dedicated space to build stronger connections, as well as cultural, educational and outreach activities. They also help us with employee recruitment, retention, development and engagement, while helping us identify blind spots in our initiatives through diverse perspectives.

In 2021, we created five new ERGs to join our Black Employee Network. Each ERG has an executive sponsor, an HR advisor, two co-chairs, and a board made up of a cross-functional group of employees. There are 1,200+ participating employees across the six groups, and we intend to launch a seventh ERG—Disability Awareness and Action Alliance—in 2022. Leaders at the highest level are enthusiastic executive sponsors of these groups, and members are not only people who identify with the affinity of the group, but also allies.
Asian Pacific American (APA)
The APA ERG seeks to build an inclusive platform for Medline employees to learn and engage in open dialogue about Asian Pacific American cultures and topics, grow their network, feel comfortable speaking up, and promote professional and personal growth for all.

Black Employee Network (BEN)
Medline’s Black Employee Network seeks to create and nurture an inclusive culture that supports the proactive recruitment, retention and professional development of the Black segment of Medline’s workforce while improving the holistic representation of Black people throughout Medline’s workforce and leadership through culture and social awareness.

A Latinx Medline Alliance (ALMA)
ALMA seeks to attract, retain, engage, empower and celebrate Hispanic and Latinx diversity to enhance Medline’s success.

LGBTQ+
The LGBTQ+ ERG seeks to support the personal and professional growth of all employees, promoting an affirmation of the unique identities that make up the LGBTQ+ community through recruitment, retention, professional development, networking, mentorship and accessing resources.

Women (WERG)
The Women’s Employee Resource Group celebrates the voices of women to educate and empower all employees to achieve their full potential, fueling the future growth of our business and communities.

Medline Veteran Engagement Team (M-VET)
M-VET seeks to champion a supportive network for current and former service members and veteran advocates by sharing experiences, perspectives and resources.

Hosting cultural awareness events
ERGs have created dynamic programming and learning opportunities, including month-long heritage and cultural celebrations with guest speakers, videos and panel discussions featuring Medline employees who share their personal stories, book discussions, and educational and developmental events. Some of the most well-attended events include the Women in Leadership Panel in which women across Medline shared experiences and advice, and the Stop Asian Hate Panel, which addressed the uptick in hate crimes targeting the Asian American community.

Implementing trainings to advance diversity and inclusion
Events organized by our Employee Resource Groups are a primary source of D&I education at Medline. In addition, in 2020 and early 2021 we held training for managers called “Connecting with Others.” We also held a pilot program around senior leadership trainings, pivoting to provide more practical solutions in 2022.
Growing diverse leaders with targeted coaching and mentoring

Skill Enhancement and Employee Development Program (SEED)
We created a development program for high-potential women and people of color at the manager level and above. The program, which included seminars and mentorship, aims to increase exposure and development of up-and-coming talent. Together with an assigned mentor, each of the 23 participants created a focused and specific development plan for their professional growth. In addition, an executive coach led four sessions that covered topics such as executive presence, dealing with conflict and change management. SEED is sponsored by two senior executives for employees in the Sales and Product Divisions, two areas of the business that need diversification.

McKinsey Black Leaders Academy (BLA)
We sponsored 50 Black leaders across various functions at Medline to participate in two programs—Black Leadership Accelerator, for up-and-coming talent, and Black Executive Leadership Program, for VP-level and above. These programs helped participants learn about business strategy, problem solving, critical thinking and business acumen from McKinsey consultants, executive presenters and peer coaches.

Teaming up for campus recruiting
Our Talent Acquisition team is committed to bringing young, diverse talent to Medline. Investing in the value that these candidates offer continued to be a focus during 2021:

**Expanding our reach: Career fairs and summer internships**
Our Campus Recruiting Team emphasizes partnering with diverse student organizations and attending diversity-focused career fairs. During the 2020-2021 school year, we partnered with 14 student organizations at the high school and collegiate levels to promote opportunities for demographics that have been underrepresented in healthcare. The Campus Team is making an intentional effort to ensure all candidate slates for hiring managers include gender and racial diversity.

**Partnering with the United Negro College Fund**
In 2021, we partnered with the United Negro College Fund (UNCF) to provide scholarships and internship opportunities for students that attend historically Black colleges and universities. We hired seven UNCF interns in Product Management and Finance. Medline’s Black Employee Network partnered with the Campus team to provide mentorship to our UNCF interns, as well as participated in a welcome reception and a feedback session at the end of the internship. Five UNCF interns received offers to join Medline following their graduation.

**Working with Handshake**
We continued our investment in Handshake, a networking site for college students and alumni to find jobs. The platform allows us to broaden our reach to schools across the nation and targeted candidates who want to live in the Chicagoland area. It also helps us strengthen our diversity recruiting initiatives by targeting specific candidates.
Partnerships to advance D&I in our communities

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, women-owned, minority-owned, veteran-owned (including service disabled veteran owned), small disadvantaged and HUBzone enterprises.

Medline continuously monitors our small business partnership opportunities and looks for opportunities to diversify the supplier base. Approximately 16% of Medline’s 2021 total sub-contracted spend was with small or diverse vendors. Here are some of Medline’s diversity product examples:

**Women Owned:** Medicare billing, shampoo, mouthwash, slippers, recliners, cotton tip applicators, aloe gloves

**Minority Business Enterprise:** Skin scrub trays, non-sterile kits

**Veteran Owned:** Instrument cleaner, elastic bandages, advanced wound care products, distribution

**Service Disabled Veteran Owned:** Pallets, lockers, totes, storage racks for warehouse, distribution

**Small Disadvantaged:** Housekeeping supplies, tapes and cleaners for computers, component parts and labor for installation of cable at warehouse

**Historically Underutilized Business:** OR accessories, zinc oxide, gowns, scrubs, warm-ups, DME

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**Our 2021 spend with diverse suppliers, by category:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Spend in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women Owned</td>
<td>235</td>
</tr>
<tr>
<td>Minority Business Enterprise</td>
<td>162</td>
</tr>
<tr>
<td>Veteran and Service Disabled Veteran Owned</td>
<td>155</td>
</tr>
<tr>
<td>Small Disadvantaged</td>
<td>129</td>
</tr>
<tr>
<td>Historically Underutilized</td>
<td>15</td>
</tr>
</tbody>
</table>

**$1.9 billion**
Total small and diverse business spend
Helping people reach their full health potential

Addressing social determinants of health
We believe every person deserves the opportunity to lead a healthy life, but many people do not have an equal chance because of their social and environmental conditions. These conditions are known as social determinants of health—and COVID-19 shed light on these inequities and lack of support systems like never before. Almost all of our grant recipients and volunteer opportunities work to address social determinants of health so that all people can achieve their full health potential.

Prioritizing inclusive skin and hair care
When Ascension Providence Rochester Hospital leadership was looking for skin and hair care products to meet the unique and diverse needs of their acute care patients, they turned to Medline for help.

Read the article

Stories celebrating and championing diverse voices

Medline and CURAD® partner with illustrator and artist advocate Kendra Dandy
A Philly artist lends her designs to a new line of “fashion forward” adhesive bandages—adding color and flair to classic offerings.

Read article

Medline celebrates Pride
Medline employees reflect on their personal experiences and what it means to them to celebrate Pride.

Watch video

The Black Employee Network celebrates Black History Month
Celebrating Black pioneers who forged a path in healthcare and helped move America forward.

Watch video
Our impact, by the numbers

- 6 Employee Resource Groups
- Over 3,800 employees participating in D&I events
- 1,200+ Employee Resource Group members
- 8 leadership panels hosted in 2021
- Partnered with 12 diverse student organizations
- 25 culture and learning events

Looking ahead

We’re proud of the progress we’ve made to advance diversity and inclusion in 2021, and we’re excited about what’s in store for 2022. With a growing team dedicated to this work, here are a few of the projects that we’ll tackle:

- To better understand our population and inform our strategy moving forward, we will launch a self-identification campaign where, if desired, employees can share additional demographic data that is not traditionally collected
- We’re introducing a seventh Employee Resource Group, Disability Awareness and Action Alliance, with the opportunity to add additional ERGs in the future
- We’re building upon our diversity and inclusion-focused employee training curriculum to further enhance our culture
- We intend to create measures and targets around our D&I initiatives
- We’ll continue the collection of employee feedback to improve our culture and expand our D&I efforts
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 well-being 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:

- Free on-site preventive health services, such as blood pressure checks, and vaccine clinics for COVID-19 and flu
- Adapting to the pandemic and remote work allowed an increase in virtual and on-demand platforms for well-being engagement with employees. Medline has hosted numerous well-being workshops across a variety of topics, from mental health to nutrition, and more
- 24/7 access to support through Ginger, a mental healthcare app, and our Employee Assistance Program, which provides employees and their families with free, confidential counseling and resources on personal and work-life issues
- A variety of health plans for employees and their families
- A retirement savings plan with company matching contributions
- Reimbursements for healthy lifestyle programs, tuition and professional development opportunities
- A dedicated UnitedHealthcare nurse liaison who addresses employee well-being on a personal level with confidential 1:1 consultations virtually or on-site
- Flexible work hours
- Paid time off for vacation, holidays, parental leave and more
- Opportunities to participate in well-being competitions, including the annual HealthyWage Weight-Loss Challenge and employee appreciation events

Our impact, by the numbers

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

1,575
employees accessed app-based mental healthcare through Ginger, a new mental health benefit, from May–Dec. 2021

$496,000+
in employee health club reimbursements processed in 2021
Offering growth opportunities through our rotational 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.

Prioritizing mental health through the Ginger app

As of May 2021, benefits-eligible employees in all 50 states and their eligible dependents have access to mental health and emotional support through the Ginger app. Ginger offers on-demand, confidential mental healthcare through coaching via text-based chats, self-care activities, and video-based therapy and psychiatry—all from the privacy of your smartphone.

Supporting employees through the Medline Employee Support Trust

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

Medline Scholarship Program

Created to assist dependent children of our employees, Medline offers scholarships to those planning to enroll full-time at an accredited two- or four-year college, university or vocational school. In 2021, we granted 200 scholarships totaling $800,000.

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 20 employees experiencing hardship in 2021 with support exceeding $65,000.
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 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 as well as compliance policies and procedures managing Medline’s anonymous reporting hotline, Open Talk, training and communication, and auditing and monitoring.
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, healthcare providers, competitors and each other. It covers a wide range of topics, including anti-discrimination, workplace safety, conflicts of interest, employee privacy, data protection, health care compliance, 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

Compliance and charitable donations

Medline wishes to give back to the community and help those in need by contributing to a variety of worthy causes. Ethics and Compliance helps that the charitable donations approach is in line with Medline’s Code of Conduct by:

- Confirming that all charitable donations align with Medline’s overall healthcare and philanthropic objectives and that the receiving organization uses the donations for charitable or philanthropic purposes only
- Making charitable donations to organizations that share Medline’s commitment to D&I
- Ensuring that charitable donations are given at arms-length and not as a way to receive potential benefits or business gain
Protecting human rights throughout our supply chain

Modern slavery, forced labor and human trafficking are critical human rights issues that require continuous vigilance. Medline is committed to implementing systems and controls to prevent these phenomena from occurring to the best of our abilities. We conduct monitoring in our own operations, as well as those of our suppliers, to prevent and address abuses of workers’ fundamental human rights.

In 2020, Medline formalized an Ethical Sourcing Program to consolidate resources and build on existing initiatives with the goal of ensuring respect for all workers throughout our global operations and supply chains. This new program involved review and enhancement of our existing ethical sourcing policies and procedures, as well as ensuring we are benchmarking ourselves against the United Nations Guiding Principles on Business and Human Rights (UNGPs) and other international best practices. These efforts are designed to help our company achieve meaningful growth toward the fulfillment of the UN Sustainable Development Goals. Medline has formalized our standards for our supply chain in the Medline Supplier Code of Conduct, available here.

By taking a risk-based approach to ethical sourcing, we focus our efforts where the greatest risks exist—and where Medline can assert leverage to achieve positive change. In the 2021 calendar year, Medline’s ethical sourcing audit team conducted over 520 audits globally.

Standards we follow globally

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

MedTech Europe

As a member of the MedTech Europe trade association, we are required to 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.