A Message from Our Executive Office

Seeing the big picture of our customers’ business and understanding the small details that go into delivering exceptional service is at the core of Medline’s culture.

**Everything we do is focused on strengthening our customers’ ability to serve their own patients.**

That spirit of serving our customers’ growth and needs has been our focus for more than 50 years. It’s embedded in our company DNA, and it is evident in the empowerment of our employees to be flexible for customers, to challenge the status quo and to collaborate on new approaches that serve healthcare systems.

Our employees bring that same focused approach to our social responsibility programs.

Within the Medline Corporate Social Responsibility report, you can see tangible ways that spirit of service has come to life over the past year:

» The support of organizations such as the Susan G. Komen Foundation, the American Heart Association, Make-A-Wish, the United Way and more

» The medical relief program we have built to leverage our capabilities, and provide surplus medical supplies to resource-limited communities around the world

» The emergency preparedness we have in place to ensure our customers can serve their patient communities through even the most active storm seasons

» Monitoring and managing the environmental impact associated with the manufacture, distribution and use of our products and services.

We always will remain focused on providing the best service, and advancing the health of healthcare, both locally and in communities around the world.

Andy Mills
President

Charlie Mills
Chief Executive Officer

Jim Abrams
Chief Operating Officer

**ON THE COVER:** A Nicaraguan child and her grandmother await basic medical care and education at a clinic Medline employees volunteered at in El Crucero.
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, so too do we 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

COMMUNITY IMPACT
Whether it’s through our disaster preparedness efforts to minimize impact on hospitals and patients or partnering with non-profit organizations in our backyard, we strive to make the communities where we live and work more resilient and sustainable. Our employees contribute to their communities through fundraising, volunteering and supporting local charities.

MEDICAL RELIEF
Quality healthcare is not attainable for every community, and Medline believes it should be. We provide our clinic partners the same service that we do for our customers every day: We listen, dig, uncover insights and provide tailored solutions to match their unique needs. Our goal is sustainable, impactful, replicable solutions to advance healthcare around the globe.

SUSTAINABILITY
Modern environmental challenges require companies and individuals to be proactive stewards of the natural environment. Medline invests heavily in sustainability initiatives to offset our carbon footprint and drive lasting impact. In 2017 we expanded our renewable energy portfolio to include solar panel installations in Germany, Australia and California. Looking forward we will utilize our greenhouse gas inventory data to better manage energy enterprise-wide.
Our Mission
To provide quality medical products with superior value to healthcare providers and end users, improving patient care and enhancing the quality of peoples’ lives.

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

18,000+ employees worldwide
550,000+ medical and surgical products
1,500+ direct sales representatives

8,300+ new positions since 2014
90 countries where Medline does business
$10.2B in overall company sales
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NICARAGUA SERVICE TRIP (Top left)
Through service we advance healthcare around the globe. Photo by Jonathan Mthombeni | www.jbodystudios.com

SOLAR PANELS INSTALLED ON DISTRIBUTION CENTER (Top right)
Renewable energy contributes to cleaner air in our communities.

2017 AHA HEART WALK (Bottom)
Medline employees rally for heart health.
Bringing Our Values to Life

Our mission to improve the quality of lives extends to the communities in which we live and do business. Year round, Medline teams support organizations such as the Susan G. Komen Foundation, the American Heart Association, Make-A-Wish Foundation, the United Way and more. When employees come together, unified in support, seemingly small impacts can make a world of difference.
Heart-Healthy Living

Heart disease is the leading cause of death in the United States, killing more than 600,000 Americans a year. With so many people touched by heart disease, Medline has taken an active role to promote healthy lifestyles and reduce the associated risks. We are proud to partner with the American Heart Association (AHA) in support of its mission to fight heart disease, build healthier lives, and encourage heart-healthy living.

Through corporate sponsorship of the AHA Heart Walk and other fundraising events, Medline and its employees have donated more than $350,000 to the organization. The AHA chose the Northfield campus as host site for the 2017 North Suburban Heart Walk. The event garnered more than three thousand walkers, including nearly 400 Medline employees and their families.

“We were honored to open our Medline campus to the community this year for the AHA walk. Each year, I hear the personal stories from so many of our co-workers and it is a great reminder of why we walk and the importance of the AHA’s work,” says Andy Mills, president, Medline.

With so many employees touched by heart disease, Medline also is dedicated to implementing worksite initiatives that promote a heart-healthy lifestyle, including wellness activities like free blood pressure checks, CPR training, educational seminars, healthy food options in our cafeterias and on-site fitness centers.

Medline understands the seriousness of heart health, and has incorporated several prevention tactics into day-to-day life at work:

Maintain a Healthy Weight
More than 1,000 employees participated in company sponsored weight loss programs, losing a combined 7,000 pounds. Medline offers Weight Watchers at Work, Real Appeal, a yearlong online program including coaching, and HealthWage, a 12 week weight-loss challenge. Weight loss is significant in reducing the risk of cardiovascular disease as well as diabetes and other related conditions.

Diet
In addition to providing subsidized healthy options in our cafeterias and vending machines, employees have the opportunity to work with an on-site dietician to create healthy eating plans. The dietician shares her expertise on topics ranging from Eating Right for a Healthy Diet, Add Color to Your Diet, Anti-Inflammatory Nutrition, Nutrition Strategies for Skin Health and more.

Exercise
The Medline health clubs saw a record number of employee athletes use the facilities and programs. In addition to new equipment, including the popular Peloton bikes, the fitness center introduced an eight week Krav Maga self defense class, PiYo classes, and recreational badminton, basketball and volleyball leagues. Employees also participated in Walktober, a walking challenge that encourages consistent exercise routines.

The Personal Side: Why I Walk
Employees across Medline have been personally impacted by heart disease. The personal stories they share remind us just how important our support can be.

DAVE ROULEY
My mother who had survived multiple strokes, had her last stroke in October 2009 and peacefully passed away. Two months later a stroke took my dad. This gives me no better reason to want to be part of the AHA Walk. No one should have to lose a loved one to this disease.

JAYNE BENSON
My father's heart condition started in 2015, “Honey, Dad’s been admitted to the hospital.” I raced over to Advocate Good Shepherd Hospital. Atrial fibrillation they called it; AFib. He underwent a successful procedure to regulate his heartbeat and, as a result, we had two more wonderful years together. Jack Benson is the reason why I walk.

DAVE BLOOM
American Heart Association Chicago September 6, 2017 post: Our #ChicagoHeartWalk Walker of the Week is Dave Bloom. Dave’s life was saved with CPR when he had a heart attack in 2006. It was a STEMI heart attack, an event so serious it’s often called the “widow maker.” Dave owes his life to the emergency responders who leapt into action at the scene.
LifeSource Blood Drive

Since 2002, Medline offices in Mundelein, Ill. and Northfield, Ill. have hosted between 8-10 blood drive campaigns per year with LifeSource. LifeSource is the largest blood center in the Chicagoland area, supplying the needs for over 60 regional hospitals. In 2017, 392 employees participated in the drive which resulted in 352 pints of blood donated, potentially saving 1,056 lives. Each blood donation can impact up to three lives.

“Since partnering with Medline, there have been approximately 4,500 patients whose lives have been potentially saved. It’s pretty awesome to save lives like that,” said Phillip Sanfratello, LifeSource. “With the increased need for blood products, we certainly appreciate the continued support from the Medline employee donors.”

“Handling the blood drives simply started as an assignment. It’s become a mission now. People are really passionate about helping their community; everyone has a personal story contributing to their desire to help.”

- Jay Dionisio, Director, QA

<table>
<thead>
<tr>
<th>392 employees participated in blood drives at Medline in 2017</th>
<th>10 blood drive campaigns held in 2017</th>
<th>38% of the national population is eligible to donate blood</th>
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<tr>
<td>1,056 lives potentially saved through blood drives</td>
<td>352 pints of blood donated by employees</td>
<td>4.5 MILLION Americans would die each year without lifesaving blood transfusions</td>
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</tbody>
</table>

Source: http://www.lifesource.org/donate-blood/facts
Breast Cancer Awareness: Prevention and Beyond

2017 Komen Donation
Medline donated $100,000 to the Susan G. Komen Foundation, who for more than 30 years has led the way in saving lives, groundbreaking research, community health outreach, advocacy and programs in more than 60 countries. The Medline donation supports Komen’s National Treatment Assistance Fund which provides financial assistance, education, and support services to low-income, underinsured or uninsured women across the country. This program helps achieve the Komen Bold Goal to reduce the current number of breast cancer deaths in the U.S. by 50 percent by 2026.

Breast Cancer Awareness Breakfast
Nearly 1,000 nurses danced at Medline’s 12th Annual Breast Cancer Awareness Breakfast at AORN in Boston, MA, and another 500 nurses joined up at the 6th Biennial Medline Canada BCA event. The incredible turnouts honor the strength and courage of patients, survivors and caregivers.

Employee Mammograms
Medline is also focused on the health of our employees and their families by offering mobile mammogram buses to employees free of charge. Early detection and prevention are critical in the face of a disease that touches nearly every one of our employees. We’re proud that more than 200 Medline employees participated in mammography screenings on our campuses in 2017, and more than 1,700 since we began the program.

International
Medline International formed a new partnership with Keep A Breast Europe (KABE), a non-profit organization dedicated to empowering young people around the world with breast health education and support. The initial 7,500EUR donation will help fund “Check Yourself,” a mobile application designed to educate young people about breast health and encourage regular self-checks. These monies are essential as KABE seeks to translate the app into multiple languages in order to reach the most people throughout Europe.

A Mother’s Courageous Battle
William Johnson III, International Business Manager, lost his mother, Terry Johnson, to breast cancer in 2017. At the age of 46, Terry was diagnosed with breast cancer. For 16½ years she battled with courage and persistence, never letting anyone feel sorry for her. Instead, she counseled others battling cancer and helped them navigate their journey. “My mother will forever inspire me to be my best,” said William.
Shaping a Better Future through Continuous 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.
Employee Drives

March 2017 Jeans Drive (IL)
Jeans have proven to be a necessity during the winter months. Employees donated 1,266 pairs of jeans to Chicago-area shelters including PADS, Lake County Haven, Clara’s Place and Pacific Garden Mission.

Northern Illinois Food Bank (IL)
In an effort to help solve hunger in IL, employees donated more than 1,000 pounds of food. Medline also participated in their annual Foodie 5K as a Silver Medal Sponsor.

July 2017 United Way School Supply Drive (Nationwide)
Hundreds of Medline employees from 17 of our distribution centers throughout the United States participated in the United Way School Supply Drive.

October 2017 Bernie’s Book Bank (IL)
Employees collected 3,205 books for at-risk children aged birth through 6th grade and raised $2,822. For every dollar donated, the organization can provide two quality books to the children. These donations are critical to their reading as well as their pursuit of happiness and future success in life.

“On behalf of the United Way, I wish to thank you for your most generous contributions to assist the Back to School Drive. The partnership between Medline and United Ways across the country is commendable and one we value and appreciate.”

-Kathy Vinzant,
Executive Director, United Way of Lincoln County
Volunteerism

Feed My Starving Children (IL) ▶
More than 200 employee volunteers helped pack 154,488 life-saving meals for starving children around the world. These meals will feed 423 children for a year. An additional 18 employee volunteers participated in packaging 58,800 Potato-D meals which are fed to clinical groups to aid in their recovery from intestinal disorders.

Kits for Kids (IL) ▶
Colleagues throughout our Northfield campus came together to pack 400 kits filled with vital, yet basic, medical supplies which were hand-delivered by our service trip volunteers to Nicaraguan children. Our service volunteers also educated the people of El Crucero on basic hygiene that complimented these products.

Cradles2Crayons (IL) ▶
Thirty summer interns, their managers and professional mentors donated 60 volunteer hours at the Cradles to Crayons Giving Factory Warehouse. Their efforts impacted close to 150 Chicago-area children living in poverty.
Events

Make-A-Wish Illinois (IL)
Hundreds of employees participated in celebrating 18-year old Pierson and 6-year old Kayla as part of our commitment to help make life-changing wishes come true for children facing severe medical conditions. Since 2011, Medline has donated nearly $60,000 and has granted the wishes of 8 children.

Veterans Day (Nationwide)
On November 1, employees honored more than 500 veteran employees representing all branches of the armed forces with a special luncheon and inspiring panel discussion which included a Vietnam War Medal of Honor recipient, two World War II veterans, two veterans from Operation Enduring Freedom and an Army Reservist.

Community Fundraising

Jeans Days for Charity (Dubuque, IA)
Employees in Dubuque raised $2,120 for a variety of non-profit organization in their community including Hills & Dales, Riverview Center, the American Red Cross, Toys for Tots and LIVE LIKE JACK-Thanksgiving baskets.

Jacob’s House (Temecula, CA)
Employees raised more than $500 to assists families with housing when they have a loved one hospitalized.

Michelle’s Place (Temecula, CA)
Employees supported 50 families facing breast cancer by purchasing gifts for children during the holiday season and donating $280 to the charity.

American Heart Association (IL)
Employees raised nearly $21,825 during the annual AHA Heart Walk campaign through a variety of unique fundraising events. In addition to a $132,500 corporate donation, Medline contributed $154,325 in support of their mission to promote healthy lifestyles and reduce the associated risks of heart disease and stroke.

Even in their free time, employees give back.

Tarlan Zaltash (Acute Care Sales) donated a week to Baja Bound, helping to build houses for the working poor of Baja.

Byron Wicks (Quality) and his wife Nikeisha have started Parkside Sunday School, an outreach program that helps meet the needs of at-risk children in Maywood and Bellwood, IL.

A nursing student at College of Lake County, Daniel Zelaya (Dynacor) joined with Remote Area Medical Volunteer Corps in Knoxville, TN, to provide free healthcare to people who cannot afford to visit or don’t have access to a doctor.

In honor of her husband, Brian Kavanagh, a Major in the U.S. Army who died from complications of PTSD last June, Jessica Kavanagh (Post-Acute Care Sales) launched VetLinks.org, a charity and website that helps military veterans receive essential support and services.
Responding to Our Communities

The 2017 Atlantic Hurricane season was one of the most active seasons on record, causing widespread destruction to several parts of our country. The Medline community—our customers and employees—was not spared from these storms, feeling the effects on business, customers, homes, friends and families.
Emergency Action Plan

While it may be impossible to know exactly when and where a storm will hit, preparation to ensure team members are safe, and customers can continue to serve those in need is paramount. Medline has an Emergency Action Plan (EAP), which mobilizes key leaders from across the company to help minimize disruptions in service to healthcare providers, as well as ensure the safety of team members throughout impacted areas.

This team, comprised of leaders in Operations, Customer Service and Sales, is empowered with the full resources of Medline and begins advance preparations during storm season, ensuring the company is fully prepared to respond to customers’ needs.

All aspects of Medline business is accounted for during preparations, from repositioning trucks, trailers, inventory, equipment, and other resources, to working directly with customers to encourage advance ordering to overcome for any potential storm related logistical challenges. Medline’s network of distribution centers across the country has back-up and mobile generators and satellite communication trailers that can be immediately set up in affected areas. This infrastructure provides the flexibility needed to redirect resources from neighboring facilities.

Through it all, operational effectiveness and safety are top of mind. In 2017, emergency preparation paid off as Medline remained operational through the entire storm season and recovery, and most importantly, all team members were accounted for and safe.

Aligned with Medline’s constant pursuit of improvement, the EAP team continues to evaluate the plan and look for ways to readjust response for future improved efficiencies.

“ Our determination to serve customers every day, and also stand by customers and team members during the storm season, represents all that is great about Medline.”

-Bill Abington, EVP, President Global Operations

In the most difficult of circumstances, we take customer service to a new level.

Going the extra mile for our customers is a core tenet at Medline, and the 2017 storm season saw that belief come to life.

In the first few destructive days of Hurricane Harvey in Houston, product distribution became a challenging uncertainty at times. A third-party carrier informed Medline it would be unable to deliver an important customer shipment. Regional Sales Group Manager Matt Bishop placed an evening call to Senior Customer Service Director Chuck Mobley to work through the logistics of needing to immediately unload nearly 20 pallets of product.

Chuck was at church when he received the call and knew the job would be more manageable with a team. An idea came to him as he looked around at fellow church-goers, and a call to a sister church put in motion a plan that was nothing short of a miracle.

After the local pastor sent out an SOS for volunteers, and conducted a quick in-service on how to read item numbers and build orders, a newly formed team got to work. This “bucket brigade,” comprised of the Huntsville Pentecostal Church, Sam Houston State University fraternity and sorority members, friends and family had the truck unloaded in 15 minutes.
Share Our Strength Around the World

At Medline, we are in the business of giving organizations and people tools they need to help their patients live healthier lives. For the past three years Medline has built a robust medical relief program to leverage our expertise and surplus medical supplies to resource-limited communities around the world.
Medical Relief Trip to Nicaragua

In 2017, Medline collaborated with Project C.U.R.E., a leading humanitarian relief organization, to extend our expertise, skills and experience to a community that doesn’t have the same health care that we have in the United States. A group of 16 Medline employees traveled to El Crucero in Nicaragua on our first medical service trip. In this town about an hour’s drive from the capital city of Managua, employees provided health education on topics like hand and dental hygiene, first aid and nutrition.

Prior to the trip, employees from around the company packed 400 Project C.U.R.E. Kits for Kids—personal hygiene and basic “medicine cabinet” items that are scarce in the developing world. These supplies are vitally important in these underserved locations. Without them, even minor cuts or scrapes could require a long distance trip by bicycle, bus or even on foot to reach a clinic for proper care. Project C.U.R.E. worked with pediatricians and nurses to develop Kits for Kids to give parents in developing countries the supplies they need to provide basic care and hygiene at home.

“Medline continues to ask the question, ‘What else can we do?’ Medline has shown to be willing to push the boundaries of the relationship and explore new ways to partner doing what we both do best—improve healthcare.”

- Jennifer Manhoff, Director of Clinics and Training, Project C.U.R.E.
Importance of Hygiene in Developing Countries

It’s been nearly 200 years since the Hungarian doctor Ignaz Semmelweis first made the connection between hand washing and infection rates. But today, even with all the technologies, resources and education we have available in the United States, hand hygiene is still among the top issues healthcare facilities face.

It is only when we consider the difficulty of behavior change among clinicians and caregivers in a country with so many advantages, that we can truly appreciate the herculean task of addressing hand hygiene around the world, where over 1.4 million children die before the age of five from diarrhea and pneumonia.¹ These diseases are preventable using the simple habit of handwashing with soap and water.

Medline supports the United Nations Millennium Development Goal to reduce deaths of children under five years old by two-thirds over 1990 rates of 12.7 million.

Collaboration around the world between aid organizations, governments and the private sector has resulted in a decrease of these deaths to 5.9 million by 2015.² Our health education workshops for the community of El Crucero, Nicaragua was just the most recent way in which Medline worked to promote proper hand hygiene.


NICARAGUA SERVICE TRIP Employees actively engage with the Nicaraguan community and find time to immerse themselves in their culture.

Photos by Jonathan Mthombeni | www.jbodystudios.com
Our Reach Around 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 2017, Medline donated the equivalent of 48 metric tons of product, a value of over $850,000. Recipient organizations include:

» American Red Cross
» AmeriCares
» Blue Cross Blue Shield of Puerto Rico
» Feed the Hungry
» Hurricane Relief

» MAP International
» Medical Teams International
» 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., Medline product went to 35 countries in 2017, reaching 124 healthcare facilities around the world.

Sustainable and Socially Responsible Solution to Excess Supplies
Hospitals around the country routinely have excess or surplus medical supplies for various reasons, including items that are opened, but unused. Although these products have not been used they are often tossed in the trash and end up in landfills. In 2015, Medline launched a program to leverage our logistics capabilities and our customers’ commitment to medical relief to collect supplies and equipment for donation to communities around the globe.

In 2017 alone, 395 pallets of medical supplies were diverted from landfills, an 86% increase from 2016. Medline provides shipment of all supplies to the local Project C.U.R.E. warehouse, where they are then sorted and shipped to clinics all around the world. With the help of participating hospitals, surplus medical supplies are being diverted from landfills and put into the hands of people that need them most.

Participating Hospitals
» Advocate Health System
» Amita Health Adventist Medical Center
» University of Chicago Hospital
» Rush University Medical Center
Stewards of the Environment

Environmental challenges such as natural resource depletion, climate change, pollution and threats to biodiversity require companies and individuals alike to be proactive stewards of the natural environment. Medline strives to monitor and manage the environmental impacts associated with the manufacture, distribution and use of our products and services.
Renewable Energy Around the Globe

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

Since our first geothermal facility was built in 2009, Medline has continued to expand our renewable energy portfolio. These green initiatives not only boost the proportion of our energy consumption derived from “clean” renewable sources, but also reduce our scope 2 greenhouse gas emissions and builds on Medline’s long time commitment to green building. For all of Medline’s owned distribution space in the U.S., 79% of our square footage is Leadership in Energy and Environmental Design (LEED) Certified, representing more than 10.7 million square feet of warehouse space. In addition, all new Medline buildings throughout the world are constructed to meet LEED certification standards.

Geothermal Energy

Medline has three geothermal facilities at our corporate offices in Mundelein, Illinois and Arnhem, the 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.

References:
1. Using EPA calculator http://www.epa.gov/energy-resources/calculator.html

Clean Air Improves Human Health

The healthcare industry uses about 73 billion kWh of electricity annually, enough to power more than 6 million homes for one year.¹ Ironically, this footprint means that we are creating the very health concerns we aim to treat. The combustion of fossil fuels to make electricity creates air pollution that is the source of several health concerns, such as asthma, pulmonary disease and tuberculosis.

Children and people with acute and chronic respiratory disease are especially at risk for health problems linked to air pollution.² Rising global temperatures not only exasperate these issues, but also bring the spread of infectious disease and mosquito-borne illness. All of this increases health costs in our communities and to our customers. By investing in solar energy, we’re investing in clean air.

Daylight harvesting skylights automatically adjust the output level of electric lighting. The result: electric lighting energy use can be reduced by as much as 70%

Increased roof insulation means less energy is spent to heat and cool the building

White TPO roof membrane keeps the building cooler and lowers energy costs

Geothermal heating and cooling uses the relatively constant temperature of the ground several feet below the earth’s surface as a source of heating and cooling to help reduce energy consumption from 44-72%

SOLAR POWER (Above) Medline’s call center in Dubuque, IA is LEED Silver certified and has a geothermal heating and cooling system. (Left) The power derived from more than 3,152 rooftop solar panels will provide meaningful environmental benefits for Medline, Rialto and the greater Southern California community at large.
Solar Panels

Germany
Kleve is home to our 400,000-square-foot international distribution center, an office and our European data center. In total, 3,770 solar panels were installed on the roof of our distribution center, Medline’s biggest solar panel project worldwide. Operational since February 2017, the installation has already met expectations. By the end of 2017, we generated 100% of the projected solar electricity for the year (940 MWh) and met our target for avoided emissions (560 tonnes of avoided CO₂ emissions per annum). Solar electricity represented 30% of our total electricity consumption in Kleve in 2017. To raise awareness internally, we created a Solar Energy Tracker on our Intranet so that our employees can view daily and monthly solar power generation and avoided carbon emissions.

Tracy, CA
Medline’s distribution center in Tracy, California is one of our largest facilities, measuring 1.1 million square feet. A $2 million investment, it’s also the largest commercial solar project in all of the Pacific Gas and Electric Utility System. In total, more than 3,000 solar photovoltaic panels generated approximately 35% of the building’s electricity usage in 2017.

Aisai, Japan
Our solar panel installation at our distribution in Aisai, Japan opened in 2016. On days with optimal conditions the 1,665 solar panels generate the majority of the energy needed to power the building, and the excess goes back to the grid.

Sydney, Australia
Medline Australia’s flagship facility in Sydney’s Marsden Park is built on 473,600 square feet of land and consists of a manufacturing, distribution, and office center. The facility itself is approximately 270,000 square feet. It went online in July 2017 and now serves as the hub for both Medline’s Australia and New Zealand operations.

Rialto, CA
In 2017 we launched our second North American solar project at our distribution center in Rialto, California. When completed in 2018, this will be our largest solar installation yet in the U.S., and will reduce the same emissions of nearly two million miles driven every year.

Medline continues to be an exemplary client in their commitment to sustainability. We have been proud to work with them on the Rialto system on the heels of completion of their Tracy, CA system.”

- Peyton Boswell,
Managing Director, EnterSolar

Our Solar Energy Portfolio at a Glance

<table>
<thead>
<tr>
<th>Location</th>
<th>Square Feet</th>
<th>Solar Panels</th>
<th>Investment (USD)</th>
<th>Power Capacity</th>
<th>Energy Produced (kWh)</th>
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By the Numbers

12,105 solar photovoltaic panels across five facilities

$6M investment in solar worldwide

3.6MW total solar power capacity

4.9M kWh of solar energy produced
Sources of Greenhouse Gas Emissions

Total Emissions = 249,397 MT CO₂e

In 2016, Medline reduced 6.4% emissions per employee

Tree Donation Program Offsets 786 Tons of CO₂ Emissions

Our Exam Glove Division launched a new environmental initiative, donating one tree for every container the division ships. Last year 4,502 trees were planted in the Douglas County Forest near Solon Springs, Wisconsin. Replanting native tree species in this area will support restoration of local watersheds and critical habitat for area wildlife. In addition to ecological sustainability, this project will offset 786 tons of carbon dioxide emissions over the next 40 years.

“This project will result in areas currently devoid of trees being returned to a healthy and thriving forest ecosystem. These tree plantings will provide many benefits on a social, ecological, economical, and biological level.”

– Jon Harris, Director of Forestry & Natural Resources Douglas County Forestry Department
**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 249,397 metric tons of CO₂e (carbon dioxide equivalents) in 2016.

**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.

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**SCOPE 1**
**DIRECT**
Company vehicles and 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 sold products, waste generated in operations, employee commuting, end-of-life treatments of sold products, capital goods, investments, franchises, fuel and energy-related activities and processing of solid products

*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.*
Building a Better Workplace Together

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.
Employee Engagement
Medline measures employee engagement every few years with a global survey. The survey allows employees to anonymously rate the company on topics ranging from safety to senior leadership. Data from the survey is used to create and implement action items that will address the concerns and needs of our employees. In the 2017 survey, engagement scores increased in every single category of the survey from the 2014 survey. In the areas of Customer Focus and Performance Management, employees rated us more favorably than the norm for global manufacturing companies, as well as companies belonging to a high performing norm.

Medline provides forums for employees to express their opinions and provide feedback about their workplace experiences on a regular basis, too, including one-on-one feedback between employees and their supervisors and direct interaction with the senior leadership team whose members are generally accessible. In 2017, our company intranet was re-designed and expanded to make information more accessible, consistent and easier to access for all employees. Other internal communication tools to reach employees include newsletters, email alerts and town hall meetings.

Support Employees at Work and at Home
Our ability to attract and retain highly talented employees is helped by the wide range of benefits that we offer. These benefits are designed to protect the health and financial security of our employees and to improve the quality of life at home and at work.

» 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, 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 1,800+ 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 health eating options
» Benefits including a credit union, dry cleaning, outdoor walking paths and vegetable gardens
» Resources including a full time nurse, certified personal fitness trainer and guest nutritionists

Medline is also proud to promote the scholarship program for employees’ children (up to $1,000 per semester) through the Medline Foundation, a nonprofit organization.

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 strive to lead to full-time roles upon graduation.

We launched the Medline Success Factors—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 Integrity and Ethics

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 it explains the rules that govern our relationships with governments, customers, competitors and each other. 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.
Live by the Code of Conduct
Medline’s ethics and compliance helpline facilitates questions and good faith reporting of any potential issues. There are procedures in place for follow up and resolution of matters reported through the helpline. Although in 2017 no material reports were received, we did see a trend for more questions and support requests from teams and functions across the company. This trend is a positive sign of increased awareness and understanding of ethics and compliance topics, which lead to constructive and healthy collaboration between business and the Office of Ethics and Compliance.

Employee learning opportunities include training for new hires as part of their on-boarding experience, ongoing compliance training for all employees and targeted in-depth training for geographic groups of employees. Recently, we added data protection e-learning to our training program, and regularly communicate with employees to educate and inform them about potential compliance-related risks and concerns.

Act with Integrity
In 2017, Medline reinforced its business strategy and company values for internal alignment and communication. It was a deliberate choice to include Acting with Integrity in these values because it is an integral part of the company.

Medline’s anti-bribery compliance program targets our employees’ interactions with government officials, suppliers and third parties, as well as interactions with healthcare providers. Our policy is not to make or receive improper payments and not to tolerate incidents of corruption. Having this policy in place resulted in the absence of fines or sanctions related to bribery or corruption. Moving forward we will consider if and how to adapt our global program to numerous European anti-bribery legislative initiatives, in order to further strengthen and broaden the effectiveness of our program.

Conflicts of interests are often at the heart of compliance concerns. Medline prioritizes identifying and managing conflicts of interests as a key area in our ethics and compliance program. In order to protect both employees and the company, it is Medline’s policy to avoid any activity or personal interest that creates an actual or perceived conflict of interest.

Respect for Others
Respect for others extends to respect for employee, customer, supplier and other categories of data in our business activities. With General Data Protection Regulations becoming effective in 2018, considerable efforts have been made to adjust all our operations to this major legislative change in Europe, including the appointment of an Information Security Officer and the preparation of Privacy Policies and related controls to ensure all data in our care is kept private as needed. In addition, a program to enhance respect between and towards employees will be rolled out in 2018.

Good Business Practice
It is Medline’s policy to avoid practices that unfairly restrict—or might appear to restrict—competition in the marketplace. Medline takes this practice seriously, and no occurrences of restricted competition have been recently identified.

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

ETHICS & COMPLIANCE WEEK Medline employees celebrate Ethics and Compliance Week.
Medline Makes a Significant Impact in the Community
2017 Overall Impact Stats

395 pallets of medical supplies diverted from landfills

154,488 life-saving meals packaged for 423 starving children around the world

940 MWh of solar electricity generated at Kleve, Germany facility

Ten blood drive events

352 pints of blood donated by employees

200+ employees participated in mammography screenings on our campuses

400 Kits for Kids containing basic medical supplies were hand delivered to children in Nicaragua

7,000 lbs combined weight loss among 1,000 employees in company sponsored weight loss programs

$154,325 total 2017 donation to the American Heart Association

35% of the electricity for the Tracy, CA 1.1 million square foot building was generated from solar panels

$1,812,774 donated to 739 healthcare organizations

3,205 books donated to Bernie’s Book Bank for at-risk children

Nearly 400 employees walked in the AHA North Suburban Heart Walk

1,266 pairs of jeans donated to Chicago area shelter

$1,812,774

35%

940

395

154,488

200+

7,000

1,812,774

35%
About Medline

Medline is a global manufacturer and distributor serving the healthcare industry with medical supplies and clinical solutions that help customers achieve both clinical and financial success. Headquartered in Northfield, Ill., the company offers 550,000+ medical devices and support services through more than 1,500 direct sales representatives who are dedicated points of contact for customers across the continuum of care.

For more information, go to medline.com, or medline.com/social-media to connect with Medline on its social media channels.