



2020 Sustainability Report

Report based on facts from 2019

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Our values

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

Our mission

To provide quality medical products with superior value to healthcare providers and end users, improving patient care and enhancing the quality of people's lives

Group president's message



I am pleased to present Medline's sustainability report for our European operations. In doing so, I cannot help but reflect on the profound changes the world has experienced in recent months. Events such as the global COVID-19 pandemic have highlighted the interconnectedness and fragility of the world we live in. Similarly, the international nature of the 2020 protests against police brutality, inequality and exclusion have emphasised the interconnectedness and resonance of social justice issues.

With the world in a state of flux, it seems clear to me that it is more important than ever for Medline to continue being an ethical and socially responsible company, and to continue its tradition of responsiveness to the needs of our customers and society as a whole. Through this sustainability report, we take the opportunity to point

'Medline is committed to helping bring about a more just and sustainable society.'

out our corporate social responsibility (CSR) achievements in 2019, covering the period 1 January to 31 December. As a company, we acknowledge that we are on a long-term journey towards becoming truly sustainable—consequently, there may be some missteps along the way. We always strive to improve and learn from our mistakes, while celebrating the things we do get right.

Our CSR achievements in 2019

Medline's successes included:

- Promoting labour and human rights in our product supply chain through our WRAP certification project, and initiating an in-depth review of our social compliance programme to identify areas for improvement.
- Receiving favourable ratings in our 2019 employee engagement survey, particularly in the areas of customer focus, quality and sustainable engagement.
- Winning an award in Spain in recognition of our diversity and inclusion efforts.
- Supporting communities in need through donations of cash and medical supplies, as well as medical relief trips to provide healthcare services.
- Maintaining our proud tradition of raising breast cancer awareness through our 2019 Pink Glove Photo Competition and our partnership with Keep A Breast Europe.
- Continuing our One Container, One Tree reforestation project in collaboration with Reforest'Action: an additional 2,500 trees were planted in Spain in 2019, and One Container, One Tree was the focus of our internal 2019 Earth Day campaign.

Did you know?

Our CSR philosophy

In the context of Medline's European operations, sustainability is synonymous with CSR.



Our CSR philosophy is informed by the view that companies in the private sector can make an important contribution towards the global sustainable development agenda, and must take responsibility for their positive and negative impact on society. Furthermore, we have a broad interpretation of what CSR entails: tackling social, environmental and economic issues (People, Planet, Prosperity) in proportion to Medline's resources and limitations. This philosophy is reflected in the material sustainability topics that constitute the main content of this report, as well as in the priority areas of our CSR programme led by our CSR department.

In 2020 and beyond, we will continue to align our CSR activities more closely with the United Nations Sustainable Development Goals (SDGs), building on our existing commitment to the United Nations Global Compact (UNGC) and its 10 principles. Medline has been a signatory to the UNGC since 2016.

Our business performance in 2019

Medline's main strategic focus in 2019 was on business growth and enhanced operational efficiencies as measured by sales growth, strong financial results, new products and services launched, and improved project management.

'Medline successfully delivered on its strategy of growth and efficiency.'

We made good progress in all of these areas during the 2019 financial year. We achieved our eighth consecutive year of sales growth in Europe, introduced more than 350 new products and launched a new project management office. These successes were achieved despite foreign exchange rate fluctuations and pressure to reduce costs all along the value chain in the healthcare sector.

Our CSR programme contributed to our business success by delivering initiatives related to the environment, labour and human rights, charitable giving and breast cancer awareness, which enabled us to strengthen relationships with potential and existing customers interested in these topics. In addition, these initiatives were a positive aspect of our employer branding and contributed to employees' experiences and perceptions of Medline's values. Lastly, aspects of our CSR programme helped us to stay attuned to regulatory developments and requirements.

Special note on Medline's response to COVID-19

Although this sustainability report covers 2019, the economic and social impacts of COVID-19 on Medline, its employees and its customers are simply too significant to omit from this report, despite the fact that the majority of these factors affected Medline (and Europe) in 2020.

In late February 2020, Europe faced its first major outbreak in Italy, which led to a spike in cases across the continent. The World Health Organization (WHO) declared the virus a pandemic in March 2020, and sweeping protective measures of varying degrees were instituted across Europe and worldwide to help curb the spread and severity of the virus.

'We salute healthcare professionals in Europe for their hard work and sacrifice during the pandemic.'

Medline acted early to protect vital stock of personal protective equipment (PPE) for its customers, preserving their ability to provide care while remaining safe and healthy. Knowing that demand would skyrocket and supply would be limited, Medline allowed only existing customers to purchase these products based on a percentage of historical sales beginning in January 2020. This strategy, along with tactical airfreighting and working with European regulatory bodies on facemask regulations, has enabled the company to continue supplying critical products. Alternative products have also been offered in the cases of stock-outs.

At the time of publication of this report, stock levels of some critical products are low, but manageable. Despite many European countries loosening their regulations in a slow return to 'normal' life, Medline is taking a conservative approach to working on-site. Most office-based employees are still working from home, and safety measures have been implemented for those whose presence is required on-site.

We salute the healthcare community in Europe and around the world for their discipline and commitment despite the enormously difficult working conditions caused by the pandemic.

Outlook for 2020

Where COVID-19 and its impacts are concerned, Medline is working tirelessly to reopen supply channels again to enable a normal flow of products. Looking ahead, Medline is working closely with our customers to develop solutions to ensure that an adequate supply of high-quality medical products is available to healthcare providers the next time there is an emergency or pandemic.



Tripp Amdur
Group President

About Medline

Who we are

Medline is a medical device company that manufactures and distributes a wide range of healthcare products and services. We have a strong, established presence in Europe and other key markets around the world. Additional information is available on our corporate website (www.medline.eu).



Our organisational structure

Medline Industries, Inc. is a fourth generation, family-owned company that is the largest privately held manufacturer and distributor of healthcare supplies and services in the United States. Our global headquarters are located in the United States in Northfield, Illinois.

Medline International B.V. (MIBV) is a wholly owned subsidiary of Medline Industries, Inc.

Medline International, with corporate offices in Arnhem, the Netherlands, serves as our international headquarters, overseeing all operations in Europe, Japan, East Asia, Australia and New Zealand. Through various local country subsidiary entities of MIBV, the Medline group operates assembly/manufacturing facilities, distribution centres and sales/distribution offices.

Our governance structure

‘We take economic, social and environmental issues seriously—they are integrated into strategy and decision-making at the highest governance levels of our organisation.’

The executive committee of Medline Industries, Inc. in the United States is the highest decision-making body for Medline’s global strategy, which includes economic, social and environmental issues. Members of the executive committee are the president, chief executive officer and chief operating officer of Medline Industries, Inc.

On a regional level, the most senior decision makers for economic, social and environmental issues in Europe are, collectively, the group president, senior vice president of sales, senior vice president of finance and administration, vice president of European product divisions and corporate social responsibility, two other vice presidents of European product divisions and the senior director of human resources.

Medline’s group president reports to the executive committee of Medline Industries, Inc. in the United States. Medline’s senior leadership in Europe approved the materiality assessment that framed this report and the final version of this sustainability report.

Our engagement with stakeholders

'We actively participate in strategically selected membership organisations to advance our sustainability agenda.'

Medline participates in the following platforms:

- Business in the Community (BITC).
- MedTech Europe.
- The United Nations Global Compact (UNGC).

Our awards and commendations



France
CAHPP
A++ in 2019
Environmental Index

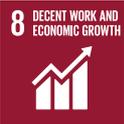
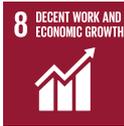
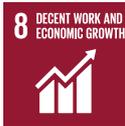
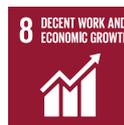


Spain
CEPAIM FOUNDATION
2019 Diversity and Inclusion
Award

Report profile

Identified material topics

The following eight material sustainability topics discussed in this report represent Medline’s most significant economic, social and environmental impacts. Through Medline’s approach to sustainability/corporate social responsibility, we aim to contribute towards the fulfilment of the United Nations (UN) sustainable development goals (SDGs). We recognise that the private sector has an important role to play on the global sustainable development stage.

Sustainability topic in this report	Medline’s contribution to the UN SDGs
Our financial performance and economic contribution	
Conducting business with integrity and ethics	
Respecting labour and human rights	 
Promoting the well-being of our employees	   
Developing appropriate products and services for customers	 
Supporting our communities	 
Limiting our environmental impact	  
Other information: 2020 Modern Slavery and Transparency Statement	 

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

The materiality of our eight sustainability topics was established through:

- Interviews with various Medline employees with relevant expertise, who have knowledge of the business strategy and engage with key internal and external stakeholders.
- A review of market research reports for the medical device industry.
- A review of the GRI Standards, ISO 26000 guidelines, the Ten Principles of the UNGC, the UN SDGs, Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises, and Sustainability Accounting Standards Board guidelines on material sustainability topics for the medical equipment and supplies industry.

The structure and contents of this report are loosely based on the Global Reporting Initiative's GRI Standards. Comments and questions on this sustainability report can be sent to: csr-europe@medline.com.

Reporting period and territories covered

'This report covers our 2019 activities in Europe, and is loosely based on the GRI Standards.'

The reporting period for this sustainability report is 1 January 2019 to 31 December 2019, Medline's financial year.

This report applies to Medline's entities in Europe and excludes Medline's entities in Asia-Pacific (Japan, East Asia, Australia and New Zealand). The European territories that fall under the scope

of this sustainability report are Austria, Belgium, France, Germany, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain, Switzerland and the United Kingdom.

This sustainability report is Medline's fourth annual sustainability report. Due to differences in the sustainability reporting needs of our key stakeholders in our respective geographical markets, as a global company, we publish two separate sustainability reports for the North American and European markets. We have made efforts to align the two sustainability reports to the greatest extent possible, and we will continue to do so in future.

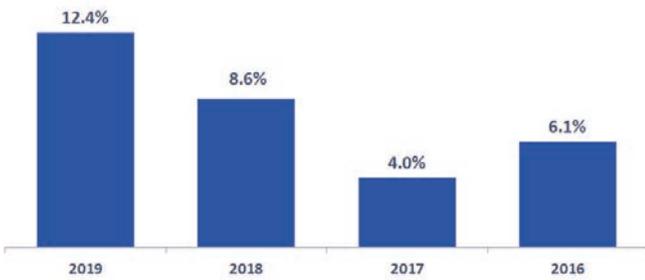
Our financial performance and economic contribution

Our financial performance

Medline’s sales and margin performance in Europe in 2019 was above expectations, with sales revenue growth of 12.4 per cent (2018: 8.6 per cent).

Positive developments in 2019 included gaining some big hospital groups as new customers and extending our market in Eastern Europe with the help of distributors.

‘We continued to be a strong performer, and our sales revenues in Europe grew for the eighth consecutive year.’



Annual growth in sales revenue in Europe

Among our major financial challenges in 2019 was the foreign exchange rate between the euro and the United States dollar (USD), which increased the cost of our component and finished goods purchases (the majority of these purchases are in USD). Despite this, we were able to maintain stable margins. In addition, we encountered problems in our move to a new warehouse in France, disrupting our operations and resulting in a material negative impact on our operating earnings. We are working with our 3PL service provider to manage this ongoing situation.

We look forward to continued strong results in 2020 and beyond, based on a combination of double-digit sales growth and a company-wide focus on cost reductions.

Our economic contribution

Medline’s direct and indirect impact on the local, regional and national economies where we operate is the cumulative result of the following factors:

‘We created direct and indirect job and business opportunities across Europe in 2019, contributing to economic growth.’

<p>114 new jobs filled in our European operations in 2019</p> <p>In turn, our employees’ spending on travel, accommodation and other items benefits the economy.</p>	<p>Opportunities for our suppliers, sub-contractors and other business partners</p> <p>Our relationships with a wide network of local and international business partners help sustain them, their employees and their local economies.</p>	<p>Taxes paid by Medline</p> <p>The taxes paid by Medline in 2019 to local, regional and national governments in Europe were a positive injection into the economy. The tax payments comprised value-added tax, corporate income tax and payroll tax on employee salaries.</p>
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Conducting business with integrity and ethics

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

Medline's chief ethics and compliance officer, based at our global headquarters in the United States, bears overall responsibility for the Ethics and Compliance Programme worldwide. Responsibility for coordination and supervision is assigned to the compliance officer for Europe, based in the Netherlands.

Overview of our Ethics and Compliance Programme

The constituent elements of Medline's Ethics and Compliance Programme are:

Employee Code of Conduct

<p>Live by the Employee Code of Conduct</p> <ul style="list-style-type: none"> · Communication. · Ethics and Compliance Helpline. · Employee learning. 	<p>Respect for others</p> <ul style="list-style-type: none"> · European Union data protection framework. · Speak Up poster campaign. · Anti-harassment programme.
<p>Act with integrity</p> <ul style="list-style-type: none"> · Anti-bribery compliance. · Interactions with healthcare providers. 	<p>Good business practice</p> <ul style="list-style-type: none"> · Global transparency programme. · Fair compensation. · Charitable Donations Policy.

The *Medline Employee Code of Conduct* is the central premise of our Ethics and Compliance Programme. This code of conduct elaborates on Medline's core values and principles, explaining rules that govern our relationships with governments, customers, competitors and each other. Anti-discrimination, safety in the workplace, employee privacy, data protection, political participation, anti-bribery and anti-corruption are amongst the addressed topics. Medline endeavours to do what we believe is right, going beyond basic compliance.

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

Progress in implementing our Ethics and Compliance Programme in 2019

'We launched our Speak Up poster campaign in 2019.'

To keep our Ethics and Compliance Programme as effective as possible, we launched a poster campaign dubbed 'Speak Up'. The posters are visible across offices and encourage open, confidential and retaliation-free communication of information on difficult experiences or observations. Employees are encouraged to speak up and address matters with their direct supervisor, the local human resources manager or with the compliance officer. Employees can also make use of the OpenTalk reporting tool, which offers both a website interface and a toll-free helpline.

Supplementary to the Speak Up campaign, targeted messages around gender equality and the avoidance of all forms of harassment are communicated on an ongoing basis.

A senior compliance officer was appointed in Europe at the end of 2019, and a new chief compliance officer will join our global headquarters in the United States in 2020. Medline is certain to benefit from the new insights and wealth of expertise these team members bring.

Plans for 2020

We will continue to focus on providing guidance to employees, covering a variety of areas in 2020. This will be achieved through new or improved policies as we adapt to the fast- and ever-changing spaces in which we operate. Training in the form of e-learning will also play a key role as it enables the compliance department to address specific knowledge and skills needs in a targeted way. For example, to mitigate exposure to potential competition-related issues in the roll-out of our Prime Vendor business solution, tailored training will be provided to relevant employees.

New technologies present opportunities to improve the integrity and efficacy of our compliance function. We plan to explore tools for sustainable monitoring and auditing in coming months.

Finally, we will improve our processes for the intake of customers, vendors, suppliers and third parties to ensure optimal compliance with the following:

- Current regulations and legislations, namely the Medical Device Regulation (MDR), General Data Protection Regulation (GDPR), United States Foreign Corrupt Practices Act (FCPA) and United Kingdom Bribery Act (UKBA).
- Due diligence regarding restricted parties.

Respecting labour and human rights

Medline recognises the importance of actively monitoring and promoting labour and human rights in our supply chain and in our own operations. Slavery, child labour, forced labour and human trafficking are just some of the critical social justice issues we need to be cognisant of given the scale and complexity of our operations. Enhancing the quality of people's lives is part of Medline's company mission, and we believe this extends to those who work with and for us.

Medline's approach in this sphere is informed by:

- **The United Nations Sustainable Development Goals (UN SDGs)**, namely Goal 8 (decent work and economic growth) and Goal 10 (reduced inequalities).
- **Our participation in the United Nations Global Compact (UNGC)**. The UNGC is underpinned by Ten Principles, 6 of which fall under the 'human rights' and 'labour' pillars. We also observe the UN Guiding Principles on Business and Human Rights.
- **Regulatory developments and trends**, such as the United Kingdom Modern Slavery Act 2015, the Duty of Vigilance Law in France and the Child Labour Due Diligence Act in the Netherlands. Germany, Switzerland, Norway and the European Commission have also tabled draft proposals pertaining to human rights due diligence and reporting.
- **Growing customer awareness** of, and interest in, promoting labour and human rights in the context of sustainable procurement and ethical supply chains in the healthcare sector.

Did you know?

Medline's Modern Slavery and Transparency Statement

Additional information on our approach to labour and human rights is available in our Modern Slavery and Transparency Statement. The statement is available in this report and on our [website](#).



Labour and human rights initiatives in 2019

'Promoting labour and human rights is integral to our operations.'

Depending on the country, we have staff representatives and/or workers' councils in France, Germany, Italy and Slovakia to represent the interests of all employees at those locations. Both the workers' councils and staff representatives give workers a voice on issues such as employment, collaboration, health and safety. In addition,

the workers' councils enable workers to participate in strategic and operational decisions. Trade unions have unrestricted access to our employees; and in accordance with legal requirements, some of our notice boards can be used by trade unions.

More widely, employees can provide feedback and express concerns to their immediate supervisors and through direct interaction with the senior leadership team.

'We continued our WRAP certification project in 2019.'

In 2017, Medline's European operations launched a multi-year project to encourage eligible first-tier suppliers in our supply chain to become WRAP-certified. WRAP (Worldwide Responsible Accredited Production) is an internationally recognised social compliance standard. It is used in on-site facility audits to ensure facility compliance with WRAP's 12 principles for

ethical and socially responsible business conduct. In 2019, we continued to make progress implementing our WRAP certification project.

In October 2019, our sterile procedure tray (SPT) manufacturing facility in Châteaubriant, France, was awarded a WRAP certificate (gold level). In 2020, we plan to certify our SPT facility in Slovakia so that all Medline SPTs made in Europe will be the product of a WRAP-certified facility.

In addition, partner factories in our supply chain that manufacture Medline-branded medical textiles, wearables and protective apparel also achieved WRAP certification in 2019. These WRAP-certified partner factories produce medical supplies, such as surgical gloves, gowns, facemasks and sterilisation wraps.

Plans for 2020

In light of increased scrutiny of human rights issues in global supply chains, in 2019 we initiated a comprehensive, months-long process to review our ethical sourcing policies and procedures. The review will be completed in 2020, and the associated findings and recommendations acted on. The process will include benchmarking our policies against international best practices with the assistance of external experts.

Promoting the well-being of our employees

Medline regards its employees as valuable assets and we strive to create a safe, stimulating and rewarding work environment for them.

We are proud of our ability to attract a talent pool of highly competent individuals who contribute to the business's long-term success and viability, which encompasses Medline's positive social, environmental and economic impacts.

Our local human resources representatives support employees in the 13 European countries where we have operations. The representatives report to the senior director of human resources.

Together, the human resources team develops and implements policies and strategies for the recruitment, selection and retention of employees, and ensures appropriate working conditions. The applicable local and international labour and human rights standards and legislation are strictly enforced.

Promoting employee diversity, inclusion and equal opportunity

Medline's decisions about recruitment, hiring, promotion, compensation, employee development and all other working conditions are taken without regard for race, religious beliefs, gender, sexual orientation, marital status, physical and mental disability, age, ancestry and place of origin.

'We received a Diversity and Inclusion Award in 2019.'

the CEPAIM Foundation in Spain. The award was given within the context of the project *Management of diversity in professional environments* funded by Spain's Ministry of Labour, Migration and Social Security. The CEPAIM Foundation, whose

In 2019, we received a Diversity and Inclusion Award from the CEPAIM Foundation in Spain. The award was given within the context of the project *Management of diversity in professional environments* funded by Spain's Ministry of Labour, Migration and Social Security. The CEPAIM Foundation, whose work focuses on promoting an inclusive and intercultural society, is an implementation partner of the ministry.



Medline Iberia employees at the CEPAIM Foundation's 2019 award ceremony

Medline enjoyed similar success in France, where a new law was introduced in 2018 to support women in their professional development. Known as the Loi d'Avenir Professionnel, it includes a Gender Equality Index. In 2019, all French firms with a minimum of 250 employees were required to calculate their score on the index and publish their results online. The index assesses performance in the following areas:

'We scored 87/100 on France's Gender Equality Index in 2019.'

- The gender pay gap, calculated according to the average pay of women compared to men, by age group and equivalent job category.
- The difference in the rate of individual salary increases between women and men.
- The gap in promotion rates.
- The percentage of employees who received salary increases upon return from maternity leave, if increases were granted during the period in which the leave was taken.
- The number of employees of the under-represented gender amongst the 10 employees with the highest remuneration.

A company's failure to score at least 75/100 may result in financial penalties. Medline attained a high score of 87/100 on the 2019 Gender Equality Index, demonstrating our commitment to creating an equitable workplace. In 2020, we will take steps to improve our policies, procedures and overall employee experience.

Other indicators of our performance on employee diversity and equal opportunity in 2019 were:



Diversity metrics are monitored on an ongoing basis, and appropriate measures are put in place. For example, once per year, we assess pay gaps between men and women in similar roles to ensure disparities are founded on objective and legitimate criteria, rather than gender discrimination.

Celebrating our employees

From 25 to 29 March 2019, each Medline site chose a different day to host a fun activity for employees to celebrate International Employee Appreciation Day.

'In honour of our employees, a series of events were held across Europe in 2019.'

Snack bars and other edible treats, massages, as well as yoga and mindfulness courses were on offer, creating a relaxed and festive atmosphere. In addition, all our employees received Medline-branded backpacks as a token of appreciation.



Medline Employee Appreciation Day 2019

Medline's philosophy is that non-financial rewards and recognition complement the financial ones. Creating a work environment in which employees feel appreciated for their efforts and personal contributions is key to a meritocratic culture.

Training and professional development

Medline places strong emphasis on employee training and professional development. We believe that investing in our employees not only enhances the quality and efficiency of our organisation, but also contributes to employee satisfaction and longevity of tenure at Medline.

The total number and duration of training sessions held in 2019 were as follows (compared to previous years):

Training-related indicators	2019	2018	2017	2016
Total number of training sessions hosted or paid for by Medline (internal and external)	309	286	370	344
Total duration of training sessions held during the year (in days)	833	944	1,286	926

In 2019, 89 per cent of our employees participated in a training session (2018: 66 per cent). More than half of these participants were women. The content and target audiences of the training sessions varied, and included:

- Training for employees on the topic of equality.
- Training for all customer service teams on selected products.
- Training for all sales teams on time management and overall efficiency and productivity.

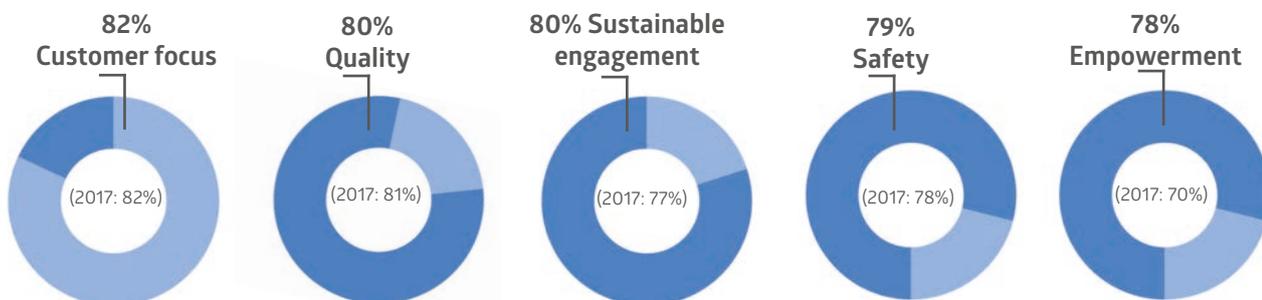
Employee engagement

‘We performed better in the 2019 survey than in the 2017 edition.’

In 2019, we conducted our biennial employee engagement survey amongst our employees in Europe. The survey was administered by our parent company in the United States across all Medline employees worldwide. Employees participated anonymously, and the 15 categories in the survey ranged from occupational health and safety to career development.

Compared to the previous survey conducted in 2017, the 2019 results in Europe were, as a whole, positive. We improved in 12 of 15 categories and did not deteriorate materially in any category compared with our 2017 results—a good sign that we are on the right track. The survey revealed that our customer focus, diversity and inclusion, and quality are amongst our notable strengths.

The survey participation rate in 2019 was 68 per cent (2017: 55 per cent), meaning 68 per cent of Medline’s total workforce in Europe took part in the survey. The areas rated most favourably in 2019 are illustrated below.



Note: Percentages represent the proportion of survey participants who rated Medline favourably on the indicated aspect.

According to the survey, the key areas where we need to improve as an organisation are:

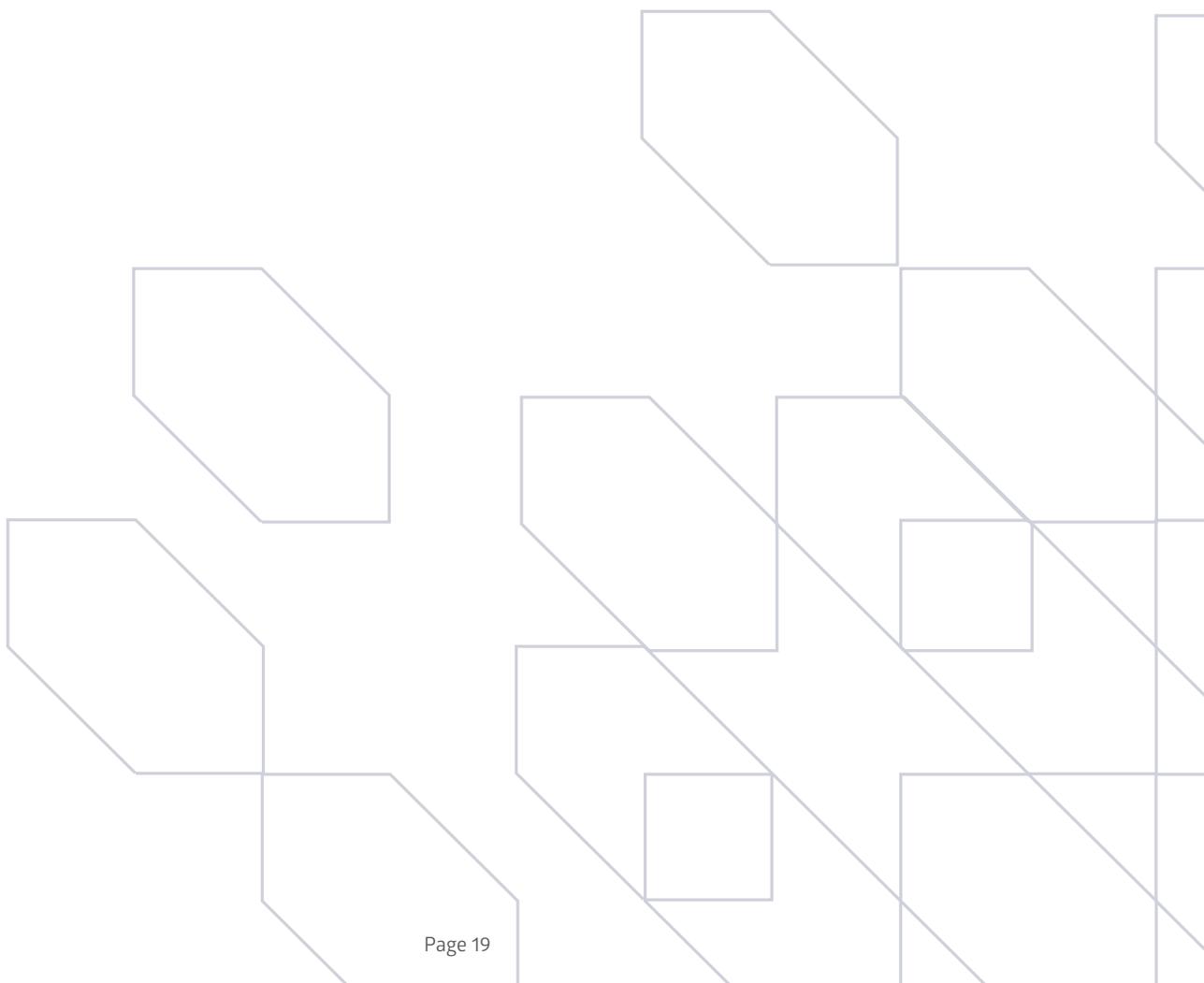
- Efficiency: Although we have made progress in this category since 2017, we, nevertheless, aspire to be amongst the best-in-class in our industry.
- Rewards: We intend to dive deeper into various reward components, paying attention to how best to tailor them to Medline’s organisational culture and expectations in our different markets.
- Career development: We have improved in this category since 2017, but we aspire to do even more to give our workforce opportunities to learn and grow.

In addition to the employee engagement survey, we have other platforms to encourage our employees to express their opinions and constructively criticise Medline. Communication channels in Europe include one-on-one feedback between employees and their supervisors, and direct interaction with the senior leadership team. Other communication tools to reach employees include the company Intranet, internal newsletters and internal town hall meetings.

Plans for 2020

Going forward, we will focus on the following in order to support the company's growth while ensuring a thriving and engaged workforce:

- Talent attraction and retention, including enhancing our employer value proposition, developing a new recruitment toolkit and formulating talent retention plans.
 - » To attract the best talent, we recruit locally and internationally, as evidenced by the more than 40 nationalities represented in our workforce. We support employees during the immigration process and upon arrival in-country. Diversity is one of our strengths in terms of employer value proposition and we will continue to build on this in future.
- Efficient organisational design, with key performance indicators related to flat hierarchies, and agile and growth-scalable teams.
- Leadership development, by deploying our senior managers as coaches and team builders to the rest of the organisation.
- Workforce and succession planning to identify critical people and positions, gaps and action plans.
- Review and optimisation of the systems and processes relied on by our human resources department, such as databases and methods for rolling out campaigns and programmes.



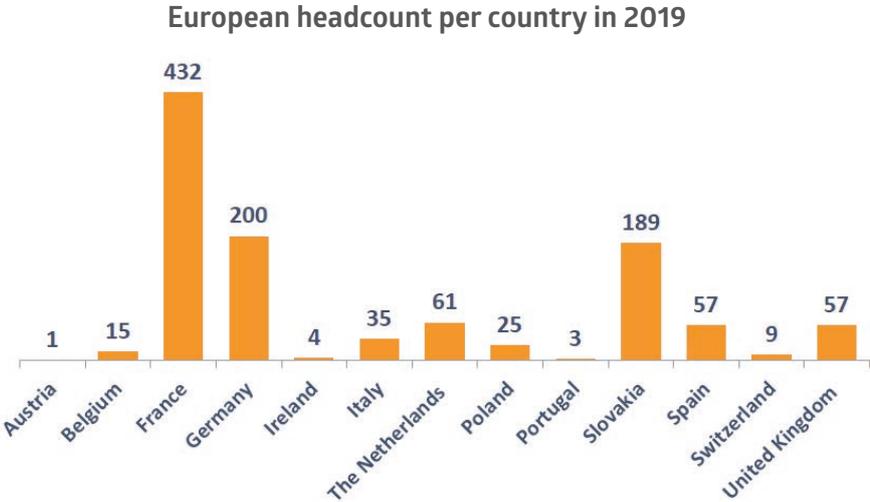
Supplement: Profile of Medline’s workforce

Total headcount

‘Our employee headcount in Europe grew by 12% in 2019 compared to 2018.’

In 2019, our European workforce totalled 1,088 (2018: 974), 58 per cent of which was based in France and Germany. We have two sites in France—a manufacturing facility in Châteaubriant, and a marketing and sales office in Voisins-le-Bretonneux. Germany is both an office site and the location of our largest international distribution centre in Europe.

The number of employees per country was as follows:



Total number of employees in Europe in 2019: 1,088

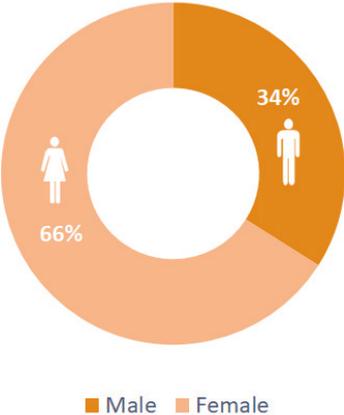
Gender

The gender ratio remained constant in 2019 versus 2018: 66 per cent of our workforce was made up of female employees in 2019 (2018: 66 per cent), and male employees represented 34 per cent (2018: 34 per cent).

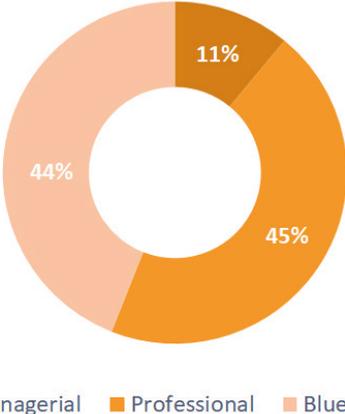
Employees by category

Blue-collar workers constituted 44 per cent of our workforce in 2019 (2018: 44 per cent), with professionals at 45 per cent (2018: 44 per cent) and management at 11 per cent (2018: 12 per cent).

Gender composition of European workforce in 2019



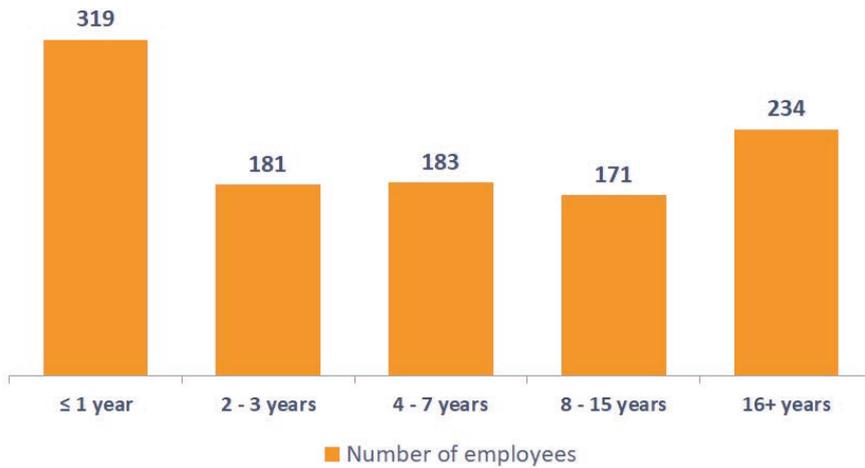
Employees by category in 2019



Longevity of employment at Medline

In 2019, 22 per cent of our employees had worked for Medline for more than 15 years (2018: 25 per cent); 46 per cent for up to three years (2018: 42 per cent); and 32 per cent between four and 15 years (2018: 33 per cent).

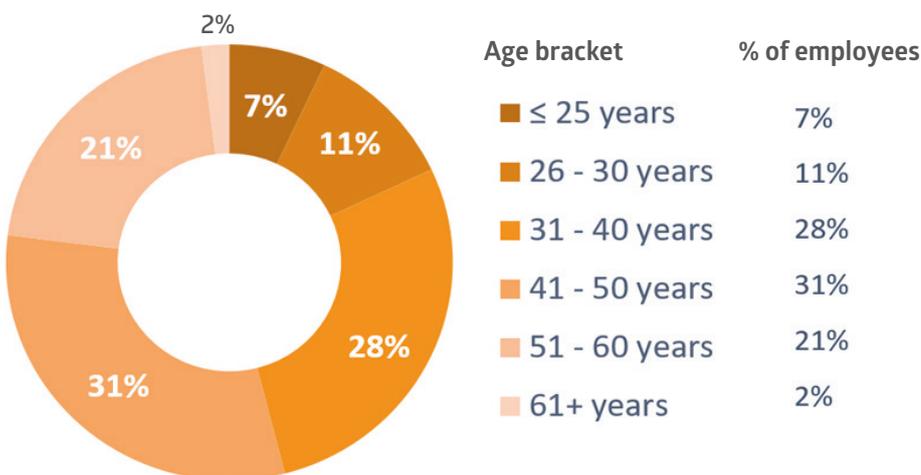
Years employed by Medline as of 2019



Age

In 2019, 39 per cent of our employees in Europe were aged between 26 and 40 (2018: 39 per cent). The average age of our employees was 42 years old (2018: 41 years old).

Age of employees in 2019



Developing appropriate products and services for customers

Medline is always seeking opportunities to enhance the quality and range of products and services offered to our customers. By engaging with our customers, suppliers, distributors and industry networks (e.g. through our sales and customer service representatives), we gain valuable insights that inform product and service development.

Medline's customer base comprises:

- Our final customers: healthcare facilities such as hospitals and clinics.
- Intermediaries: distributors and group purchasing platforms, for instance.

The care settings in which our products and services are used include physicians' offices, surgery centres, emergency medical services and hospices.

New products launched in 2019

'Medline introduced more than 350 new products in 2019.'

During the course of 2019, Medline introduced about 372 new products¹ in Europe, including a patient repositioning solution, fluid management solutions, disposable patient wear, and specialty drapes, facemasks and gloves. And in our sterile procedure tray (SPT) division, we introduced 2,940 new and revised packs to the market. Medline systematically observes (and, in some instances, exceeds) all applicable standards and regulations for

product quality, safety, labelling and other features.

We are especially proud to highlight the following products that were included in our offering to customers across Europe in 2019.

NAMIC®

In 2019, Medline acquired NAMIC, a North American fluid management company previously owned by Angio Dynamics. NAMIC products were launched in Europe in October 2019, and retained the NAMIC branding to ensure recognition and continuity.

The NAMIC fluid management system provides solutions to cardiology and radiology labs to instil greater confidence in angiographic and radiology procedures. The products allow healthcare professionals to manually inject contrast or saline fluid and manage waste in a closed system. Under the NAMIC range, Medline customers will also have access to an expanded selection of cost-effective kitting components, like angiographic syringes, manifolds and contrast controllers, to meet the individual needs of any procedure.

- Complete with specified manifold, 182 cm (72") chambered IV spike with filter and a 182 cm (72") vented IV spike.
- Designed to measure invasive pressures.
- Latex-free.
- Sterile.



NAMIC Standard Angiographic Kit (part of the NAMIC range)

¹ A new product is defined as a new stock keeping unit (SKU).

SteriSet®

In 2019, Medline acquired the SteriSet container system, which was previously owned by Wagner GmbH and has been sold worldwide for over 40 years. Medline will relaunch the SteriSet container in Europe in 2020, but retain its branding and German manufacturing.

It is well known in the sterilisation field of the medical devices industry that moisture and potential contamination are often contributors to surgical site infections. SteriSet eliminates both factors as the first completely reusable sterilisation container system for surgical instrument sets. The system has passed durability tests, and can withstand everyday use for up to 13 years without compromising effectiveness and quality.

SteriSet features include:

- A built-in, pressure-activated stainless steel valve and ThermoLoc® Intelligent Locking System.
- Elimination of the need for disposable paper filters or plastic locks.
- Double-lid protection to keep out dust, excess moisture and other contaminants.
- A thermo-activated condensation drain to ensure a dry, protected instrument load.
- Sterility that lasts between and after sterilisation sessions, as well as during storage and transportation.
- A tamper-evident security seal that ensures the container remains sealed until opened in the operating theatre.



SteriSet sterilisation container

Comfort Glide

Repositioning patients to prevent pressure ulcers is a regular task for healthcare professionals. Without the proper equipment, caregivers are at higher risk of sustaining physical injuries while tending to their patients. Comfort Glide is a solution specifically designed for patient repositioning and comprises the following elements:

- Low-friction and breathable glide sheet that reduces the time and effort required by nurses to reposition patients.
- 30° angled foam wedges for effective pressure offloading.
- A superabsorbent drypad to manage moisture and reduce the risk of moisture-associated skin damage (MASD).

Through this unique combination of products, Comfort Glide offers a new repositioning solution that is designed to protect both patients and caregivers alike.



Comfort Glide repositioning solution

Product safety

Product safety considerations are built into our quality management system. We fulfil product safety standards and objectives by implementing Medline's quality policy and monitoring our quality performance indicators.



Medline Industries, Inc. Quality Policy

We are committed to delivering outstanding customer value, by providing quality healthcare products and services, which consistently meet the needs of our customers, both internal and external, as well as complying with requirements and maintaining the effectiveness of the Quality Management System.



We are committed to continuous improvement of our products, our services, our business processes and our business relationships. We will accomplish these objectives by creating and maintaining a quality-focused environment, while deploying our Total Quality approach with our valued customers, employees and community.

In 2019, we put in place measures to ensure our quality management system and other relevant processes comply with the new Medical Device Regulation (MDR). We successfully changed our SPTs, for example, to comply with Article 12 of the MDR, which places responsibility for SPT components on the legal manufacturer of the components, and not the kit packer. As part of our ongoing efforts to comply with the new MDR, in 2020, we will update our class I non-sterile devices.

Customer service and engagement

'Customer complaints declined by 30% in 2019.'

In 2019, we recorded 0.88 customer complaints per million units sold across all product categories (2018: 1.25). This 30 per cent decrease in complaints compared to the previous year was largely due to customers' better understanding of which surgical gloves best met their needs as many of them decided to switch from Cardinal Health's products to Medline's offering.

In early 2019, our customers in France were negatively affected by the transition from our old warehouse in Torvilliers, France, to our new warehouse in Le Coudray-Montceaux, France. Our customers experienced problems, such as late deliveries, picking errors and incorrect or missing paperwork. We created a cross-functional taskforce to identify areas for improvement, and made good progress in addressing the problems in France. We will continue to do our best to improve the customer experience in France and all our other European markets in 2020.

Improved project management

Our new project management office (PMO) was launched successfully in Europe in 2019. This followed an internal company review process in 2018 that identified the need for a centralised project management function to coordinate and support the implementation of key change management and other projects. The PMO's achievements in 2019 included:

- Supporting the senior leadership team in their strategic planning, including developing a company roadmap for the next 3 years (2020 – 2022).
- Ensuring the appropriate prioritisation, resourcing and execution of various projects to maximise company performance and customer satisfaction.
- Designing a training programme to develop the project management capabilities of our employees. The programme roll-out is set to take place in 2020.
- Reinforcing communication and resource management.

Fair and affordable pricing

'Medline prioritises long-term relationships with customers—we believe that fairly and affordably priced products and services are key to those relationships.'

Our European customers increasingly face budgetary pressures and constraints, in both the public and private healthcare sectors. Accordingly, many healthcare facilities have adopted cost-saving strategies, such as value-based procurement models and ongoing monitoring of product and service costs.

Medline is sensitive to the cost pressures our customers face, and our products and services are designed and priced accordingly. The measures we take to ensure that our products and services are fairly and affordably priced include:

- Setting our prices at competitive levels in line with tender requirements, whilst also taking industry averages into account.
- Carefully managing Medline's operating costs and overhead.

Price information is readily accessible to our customers and is communicated through our sales teams, as well as through mutually agreed-upon contractual terms and conditions.

Plans for 2020

Medline will continue to ensure our products and services are responsive to customers' needs and circumstances in the various European markets, through organic business growth, as well as mergers and acquisitions.

Our strategic objectives for 2020 and beyond include:

- Aiming for newly introduced products to represent 5 per cent of total sales revenue by 2022.
- Further developing our Prime Vendor business.

Supporting our communities

Medline values and supports local communities in European countries where we operate and conduct sales. We give back through a combination of our breast cancer awareness campaign, cash donations and sponsorships. As a global brand, we are also conscious of the realities of poor communities in developing countries, which often require support accessing crucial medical supplies and healthcare services. Our product donations, therefore, target those who need the most assistance from a global perspective. Medical service trips are another way in which we try to have a positive impact in poor and underserved communities.

Medline's charitable giving initiatives are overseen by our corporate social responsibility department for Europe, in collaboration with the marketing and communications department for Europe. Key internal policy documents to structure our activities are our *Charitable Donations Policy* and our *Guidelines for Medical Service Trips*.

Breast cancer awareness

Medline's breast cancer awareness campaign aims to raise awareness about breast cancer and the behaviours needed for prevention and early detection.

In Europe, Medline manufactures and sells limited-edition Generation Pink® exam gloves. These nitrile exam gloves are an eye-catching pink colour commonly associated with breast cancer awareness worldwide. When worn in a clinical setting, the pink gloves help make detection exams less frightening whilst also reminding nurses about the importance of creating comfortable, friendly and open dialogue with patients.

European breast cancer awareness campaign



*Source: <http://www.europadonna.org/breast-cancer-facts/>

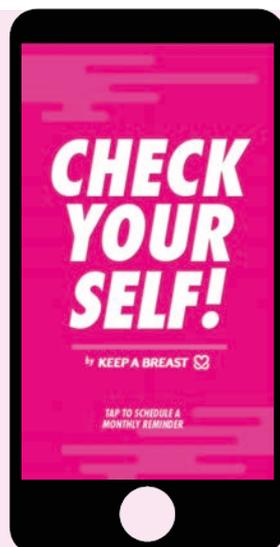
'Medline collaborated with KABE once again in 2019 to translate an educational mobile app into Italian.'

In 2019, Medline donated €7,500 to Keep A Breast Europe (KABE), combining part of the proceeds from our pink glove sales in Europe with wider financial support. This was in the context of a three-year collaboration with KABE that began in 2017 and concluded at the end of 2019. Medline's annual contribution is used to translate KABE's 'Check Yourself' mobile app into additional European languages. For

2019, the selected language was Italian. Find out more about the app [here](#).

About KABE

- » Youth-focused, non-profit organisation.
- » Mission to educate on various breast cancer topics, such as:
 - Prevention.
 - Early detection.
 - Potential sources of carcinogens in daily life.
- » Has developed a mobile app called Check Yourself to:
 - Encourage regular self-checks.
 - Educate about breast health.



The Medline-KABE collaboration

- » Thanks to Medline, the Check Yourself app has been translated into:
 - German (2017).
 - European Spanish (2018).
 - Italian (2019).
- » Impact of the Check Yourself app:
 - 65,000 users/downloads world-wide.
 - Of these, 28% (18,200) users/downloads are in Europe.

For the fourth consecutive year, Medline hosted its Pink Glove Photo Competition via Facebook. As required, participants displayed their creativity through photographs of themselves wearing Medline's Generation Pink exam gloves. The competition was open to healthcare workers in all European countries (Medline employees were excluded). And the top three winners were selected based on the number of Facebook likes.

'Healthcare workers in Europe submitted 180 photos to our 2019 Pink Glove Photo Competition.'

We received 180 photos from 11 European countries, which drew more than 106,000 likes on Facebook. The winner was 5ª Planta Oncología at Hospital de León, a healthcare provider in Spain.

The winning photo will feature in various Medline print and online communication channels during the course of 2020. Furthermore, Medline donated €1,250 to two causes chosen by 5ª Planta Oncología at Hospital de León: Asociación Almohada del Corazón de León and Asociación Cáncer de Mama Mestatóxico (CMM). Both Spanish initiatives support women who undergo breast cancer-related surgeries. The runners-up who finished in second and third place in the photo competition were also recognised; Medline donated a combined total of €1,250 to charities in Italy and Spain on their behalf.

All three winners were mentioned individually in the local press in Italy, France and Spain, respectively, raising the profile of our breast cancer awareness campaign in the process.



ES: Aquí están Nuestras Manos y Nuestro Corazón.
 EN: Here Are Our Hands and Our Heart.
 5ª Planta Oncología – Hospital de León (Spain)

Winning photo of the 2019 External Pink Glove Photo Competition

A separate internal Pink Glove Photo Competition for Medline employees also generated a high level of interest and awareness, and 21 photos were entered. Supergirls, a submission from Germany, was the winning photo. Interessengemeinschaft Krebs e.V. Ortsgruppe Goch was selected as the recipient charity. This interest group helps cancer patients on a voluntary and unpaid basis, providing psychosocial support and assisting patients with cancer-related social emergencies.

2019 internal Pink Glove Photo Competition



1st place: 'Supergirls' (Germany)



2nd place: 'Don't let your world turn upside down. Be aware. Go to the breast cancer screening.' (Germany)



3rd place: 'Kleve Apprentices' (Germany)

Product donations

'Through our partnership with IHP, our products reached those in need in Africa and the Middle East.'

In 2019, we continued our partnership with United Kingdom-based International Health Partners (IHP) to donate our products to communities in developing countries affected by a shortage of medical supplies.

Products donated by Medline in 2019 were distributed in-country by the following aid agencies working with IHP:

- Action Medeor.
- Bring Hope Humanitarian Foundation.
- Christian Missions In Many Lands.
- International Medical Corps.

We also donated medical supplies to other charities, providing medical relief services to developing countries in 2019:

- Partners in Health (PIH), general surgery programme in Haiti.
- Solidarité-Brûlés Nantes-Lomé, plastic surgery on burn patients in Togo.

Overall, in 2019, Medline donated 5 tonnes of product valued at €57,000 to IHP and other partners. This represents a 19 per cent increase (by value) compared to 2018.

Global reach of Medline's product donations in 2019



'Thanks to a generous donation from Medline, via IHP, the recipient NGO partner in Yemen was able to provide medical supplies to 16 health facilities. The health facilities that received these donated supplies range in size and scope—from large hospitals to smaller health centres, and from walk-in clinics to referral units. Many of the health centres suffer from shortages of essential supplies, so this donation allowed the health facilities to remain fully functional for about three months. Thank you, Medline.'



Some of the beneficiaries reached by Medline's charity partners
Photo credits: IHP and PIH

Medical service trips

Medical service trips are an opportunity for our employees in Europe to volunteer and give back to poor communities in developing countries. Medline provides financial and logistical support to all employees who volunteer for medical service trips.

'Four employees took part in medical relief trips with the Global Smile Foundation and One World Surgery in 2019.'

Medline has a partnership with the Global Smile Foundation (GSF), which performs life-changing cleft lip and palate surgeries. In 2019, three employees joined the GSF for week-long service trips in Lebanon, Peru and Ecuador, respectively.

Additionally, we teamed up with One World Surgery (OWS), a Honduras-based charity that carries out surgical procedures and runs a children's home. In 2019, one employee from Europe volunteered with OWS.

Our Medline volunteers worked hard, sometimes up to 12 hours per day. They helped with activities, such as patient screening and registration, managing patient flow pre- and post-operation, and working with photographers to take before and after pictures. To lighten the mood and reduce patient anxiety, numerous Ron Bears were handed out to the children as gifts.



Medline volunteers taking part in 2019 medical service trips with GSF and OWS



Ron the Bear going strong

Following his introduction as the mascot for Medline in March 2018, Ron the Bear has cemented himself as an invaluable aspect of our branding and social media strategy. He has participated in all outreaches to date and continues to interact with and 'get to know' his partners in the medical field. Ron's experience as a nurse has endeared him in the minds of everyone he meets as caring, social, curious, supportive (in terms of patients and customers) and international.

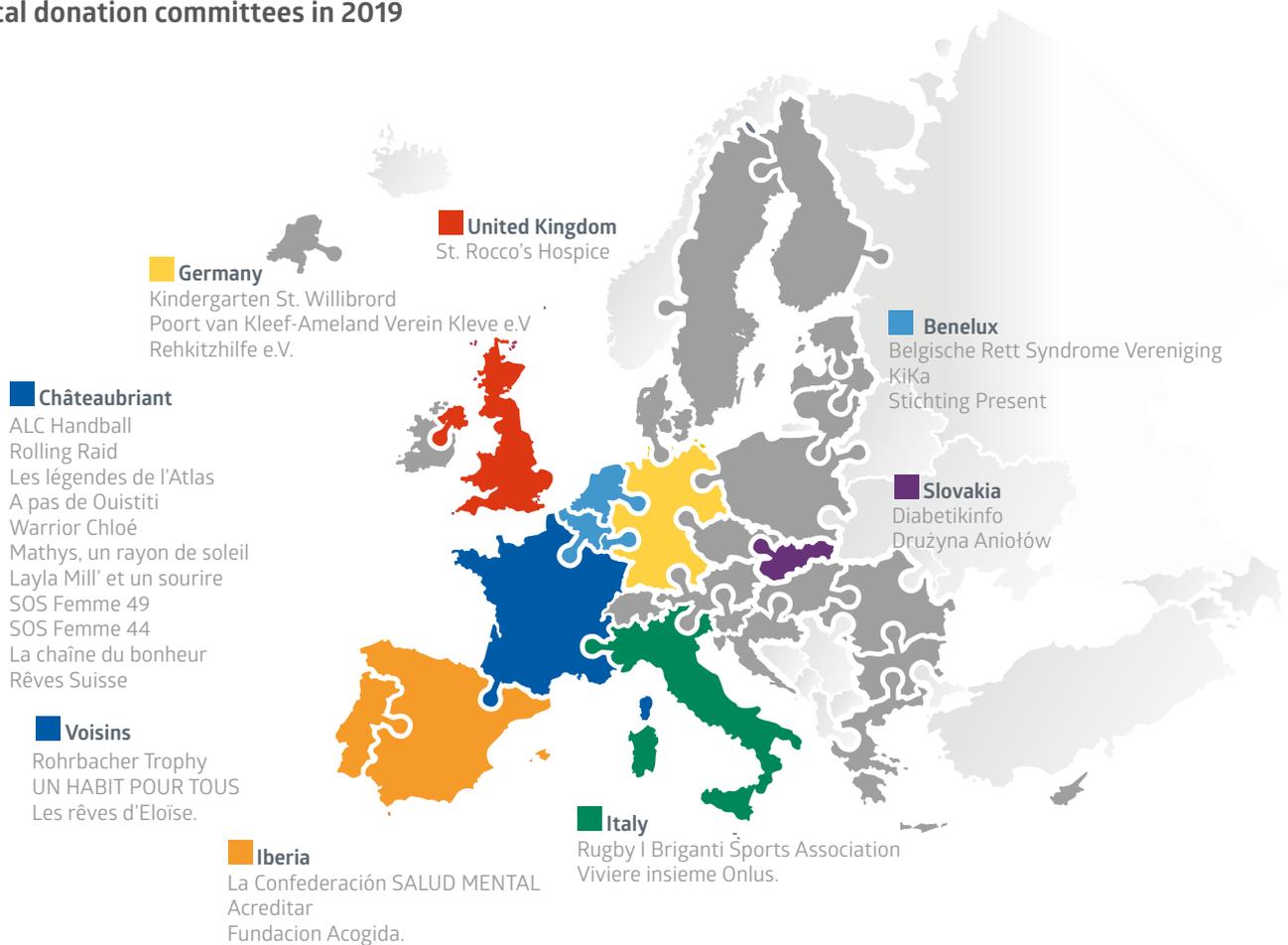
Local donation committees

We have eight local donation committees representing all employees across Europe. The mandate of the committees is to make cash donations that will benefit their respective local communities.

'Our donation committees gave €16,000 to various causes in 2019.'

In 2019, these committees donated a combined total of €16,000 to numerous worthy beneficiaries, focusing particularly on care for childhood and long-term illnesses, people with disabilities, the poor, disadvantaged and victimised (especially women), as well as animal welfare and environmental conservation. In addition, through the committees, Medline sponsored local sports teams and related initiatives and competitions in France. These sponsorships are in line with our goal to support local community initiatives that promote physical and mental health and well-being.

Local donation committees in 2019



Plans for 2020

The fifth and final edition of the Pink Glove Photo Competition will take place in 2021 instead of 2020. Competition participants are members of the healthcare community, whose hard work and dedication during the COVID-19 pandemic have been exemplary. We recognise and appreciate their efforts and focus are where they need to be in the foreseeable future while the pandemic persists.

To the extent possible, we will continue to sponsor our employees' involvement in medical relief trips in 2020, taking into account travel restrictions and other safety precautions related to the COVID-19 pandemic. Our local donation committees will again contribute to our charitable giving by selecting worthy causes for Medline to support in 2020.

Limiting our environmental impact

Globally, 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 is aware of the environmental impacts associated with the manufacture, distribution and use of its products and services. We strive to monitor and manage these environmental impacts to the best of our ability, and we observe the precautionary principle by taking a pragmatic approach that balances business needs and the imperative to minimise and avoid harmful impacts where possible.

Managing our greenhouse gas emissions

Medline acknowledges scientific research, such as that conducted by the Intergovernmental Panel on Climate Change (IPCC), which attributes climate change to a recent and significant increase in anthropogenic (human-induced) greenhouse gas (GHG) emissions. We support the spirit and ambition of the 2015 Paris Agreement and other international climate policies and instruments that facilitate the implementation of the United Nations Framework Convention on Climate Change (UNFCCC).

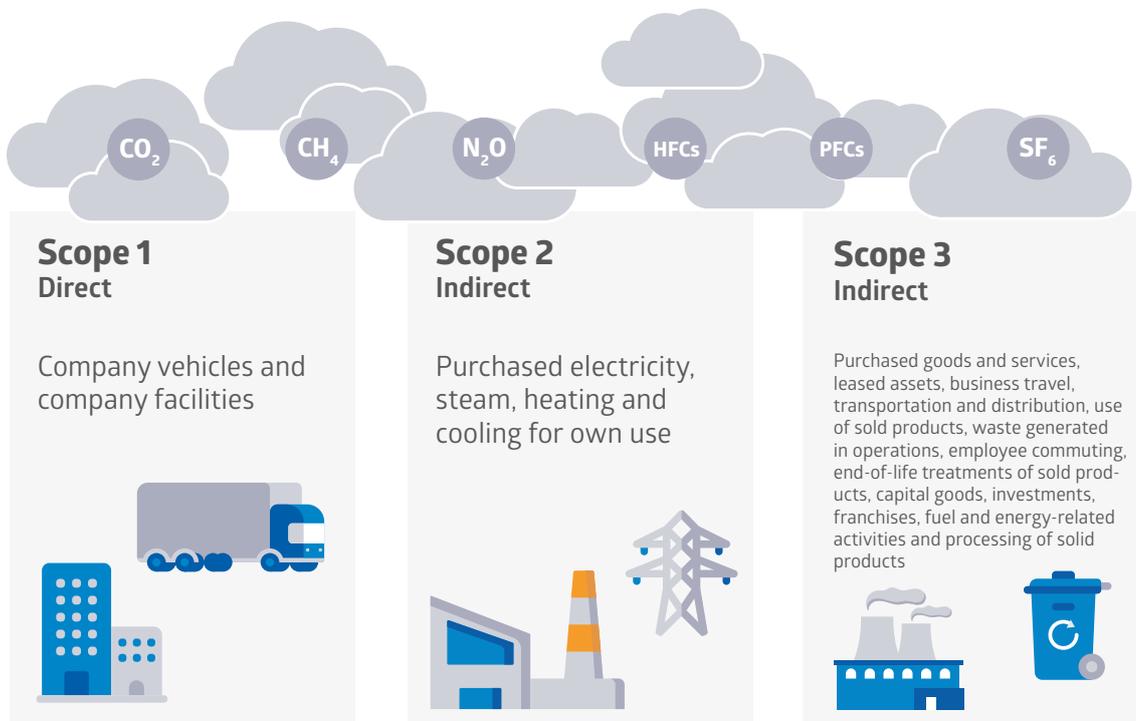
Greenhouse gas (GHG) inventory update

‘Medline submitted its annual GHG inventory report to the CDP in 2019.’

We measure our carbon emissions through an annual GHG inventory that calculates our scope 1, 2 and 3 GHG emissions. Medline’s GHG inventory covers our operations in North America and Europe and is reported annually to the CDP.² Our inventory is prepared in line with the applicable international GHG Protocol standards.

The sources of scope 1, 2 and 3 GHG emissions are illustrated below.³

Relationship between scope 1, 2 and 3 GHG emissions

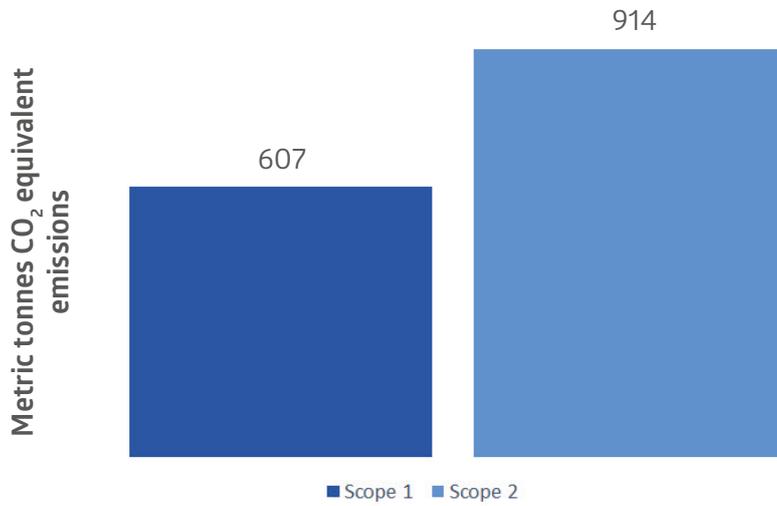


Source: Based on GHG Protocol, 2013: Scope 3 Accounting and Reporting Standard

² The CDP (formerly known as the Carbon Disclosure Project) is an international organisation that produces annual questionnaires on climate change, supply chain, water and forests. The CDP aims to improve companies’ disclosure of their environmental performance.

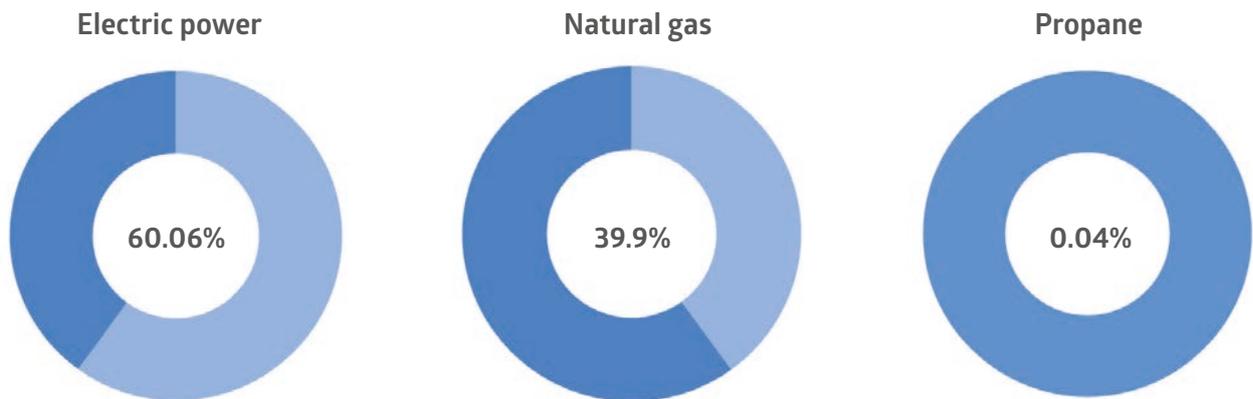
³ The GHG Protocol Corporate Accounting and Reporting Standard classifies a company’s GHG emissions into three ‘scopes’ or categories. Scope 1 emissions are direct emissions from sources owned or controlled by a company. Scope 2 emissions are indirect emissions from the generation of purchased energy (e.g. electricity, heating/cooling, steam). Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.

Scope 1 and 2 GHG emissions in Europe 2018



Due to data availability challenges, scope 3 GHG emissions are not measured and reported in Europe.

Note: Scope 1 and scope 2 emissions are measured for sites where Medline has operating control.



Medline’s combined scope 1 and scope 2 emissions in Europe were 1,521 tonnes of CO₂ in 2018 (2017: 1,720). Our carbon emissions were 12 per cent lower than the previous year, largely due to reduced natural gas consumption in France and Germany.

GHG emissions in metric tonnes (CO₂ equivalents)

	2018	2017	2016
Scope 1	607	849	387
Scope 2	914	871	1,000
Total	1,521	1,720	1,387

Raising environmental awareness amongst our employees

Medline celebrated Earth Day by highlighting our One Container, One Tree initiative. For every container of product shipped to Europe, we plant one tree in Europe to support wider reforestation efforts on the continent. Our partner is Reforest'Action, a social enterprise based in France with reforestation projects across Europe. Since 2018, 4,500 trees have been planted in France and Spain respectively.

'We observed Earth Day in 2019 by inviting our employees to vote for the next tree planting site in Europe.'

On Earth Day, we invited our employees to vote for the next site in Europe where trees will be planted as we continue our One Container, One Tree initiative. Germany was the winner, and 2,500 trees will be planted there in 2020.



Plans for 2020

In 2020, Medline's Prime Vendor service will introduce a tote exchange programme to deliver Prime Vendor products to customers in reusable totes. Small orders and samples will be aggregated in the Medline totes instead of being individually packaged. The totes will be collected by our drivers from the customer site when the next delivery is made. This initiative is an environmentally sustainable way for customers to reduce their use of corrugated packaging. In addition, the totes are made from recycled plastic and are themselves recyclable, thus observing circular economy principles.

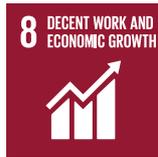


Prime Vendor tote exchange programme

Other information: 2020 Modern Slavery and Transparency Statement

Introduction

Slavery, forced labor and human trafficking are critical human rights issues. Medline is committed to implementing effective systems and controls throughout our organization to prevent these phenomena from occurring in our global operations and supply chains. We monitor our own internal operations, as well as those of our suppliers, to prevent and address such abuses of workers' human rights. In doing so, we aim to meet recognized international human rights standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), and make meaningful contributions towards the fulfilment of the United Nations Sustainable Development Goals, in particular:



This Modern Slavery and Transparency Statement, published in accordance with the United Kingdom's Modern Slavery Act of 2015 and The State of California Transparency in Supply Chains Act of 2010, describes the steps we take to combat slavery, forced labor and human trafficking. This statement applies to our 2019 financial year, which ran from January 1, 2019 to December 31, 2019. In addition to being publicly available on our website, this statement is included in our European sustainability report. Medline Industries, Inc. publishes this statement on behalf of the Medline group.

Our organizational structure and business

Medline Industries, Inc. is a fourth generation, family-owned company that is the largest privately held manufacturer and distributor of healthcare supplies and services (e.g. exam gloves, protective apparel, packs and gowns, and surgical trays) in the United States of America (USA). Our global headquarters are located in Northfield, Illinois, USA.

Medline International B.V. (MIBV) is a wholly owned subsidiary of Medline Industries, Inc. The MIBV corporate offices in the Netherlands serve as our international headquarters, overseeing all operations in Europe (including the United Kingdom), Japan, East Asia, Australia and New Zealand. Through various local country subsidiary entities of MIBV, the Medline group operates assembly/manufacturing facilities, distribution centers and sales/distribution offices.

550,000
medical and surgical products globally

26,003
employees worldwide

+56
distribution centers worldwide

90
countries where Medline does business

+18
manufacturing locations worldwide

US\$13.9B
in global company sales



We have a diverse and complex product supply chain spanning thousands of first tier suppliers in more than 40 countries. The labor and human rights risk profile of these suppliers varies, depending on factors such as:

- » The country/region in which the supplier is located
- » The type of product manufactured.



Our company policies

Medline is committed to ensuring legal, ethical and socially responsible business and employment practices throughout its global operations and supply chains. We are committed to ensuring workers in our supply chain are treated with dignity and respect. Group-wide policies that are relevant to combatting slavery, forced labor and human trafficking include:

- Supplier Code of Conduct
- Employee Code of Conduct
- Non-retaliation Policy

We base our policies on key international human rights principles, set out in agreements such as core International Labour Organization (ILO) conventions and the United Nations Universal Declaration of Human Rights (UDHR). Additionally, we seek to comply with local labor and related laws and regulations at national and sub-national levels, in countries where we operate, and ask our suppliers to do the same.

Our aim is to ensure there is no slavery, forced labor or human trafficking in any of our business operations, including in our direct workforce. As such, we implement strict employment practices and procedures across our global business, ensuring adherence to local labor laws. All employees are required to enforce standards set out in our Employee Code of Conduct in the course of their work. Medline's Supplier Code of Conduct explicitly prohibits slavery, involuntary labor and child labor in our supply chain. Our Supplier Code of Conduct also sets out some minimum standards that Medline expects its suppliers to adhere to, regarding wages and benefits, worker health and safety, and working hours.

Our due diligence process

Medline's recruitment and employment policies, as well as our Employee Code of Conduct, are enforced by local human resources representatives at all our factories, distribution centers and sales offices around the world.

In 2010, we began introducing social compliance audits of suppliers' factories. These audits are largely conducted by Medline, but are sometimes conducted by third parties. The internal audits conducted by Medline are in line with the SA8000 standard. The SA8000 standard is an internationally recognized verification system for ensuring fair and safe working conditions. It applies to labor and human rights issues such as child labor, forced or compulsory labor, human trafficking, working hours, working conditions and remuneration. Between 2015 and 2019, our internal auditors conducted 461 social compliance audits in Asia.

Responding to identified risk

In the event that actual or potential risks surrounding slavery, forced labor and human trafficking are uncovered through our due diligence efforts, Medline is committed to addressing those risks. If we become aware of non-compliance with minimum standards, we seek to respond to these issues in line with best practice—including through supplier engagement, enhanced due diligence, training and education, further social auditing, and corrective action plans. In line with the UNGPs, we seek to leverage our influence to ensure suppliers comply with standards surrounding slavery, forced labor and human trafficking. Where necessary, we may terminate our business relationship with non-compliant suppliers.

All employees in our global operations are encouraged to report any concerns they may have about potential labor and human rights abuses, and we designed our reporting systems to protect them from retaliation.

Grievance mechanisms

Concerns and complaints can be raised confidentially:

- » **In writing**, through our dedicated online portal, called [Open Talk](#)
- » **Verbally**, via our 24/7 toll-free hotline
 - Calls originating inside the United Kingdom: 0800-032-8483
 - Additional phone numbers, per country, are listed on Medline's [Open Talk](#) website



The collective Open Talk platform (online portal and toll-free hotline) is also referred to as the Medline Ethics and Compliance Helpline. The **Medline Ethics and Compliance Helpline** is global in scope and can be used by internal parties (our employees), as well as external parties (including our suppliers and their workers).

Training and capacity building of employees

Medline seeks to ensure its employees are adequately trained and aware of risks surrounding slavery, forced labor and human trafficking. Employees in key functions, such as quality assurance and social compliance auditing, receive annual training on topics that include slavery, forced labor and human trafficking.

Conclusion

Medline is committed to continuous improvement and building on its efforts to tackle slavery, forced labor and human trafficking year-on-year.

Andy Mills, President of Medline, approves this statement.



Andy Mills
President



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