



Medline Industries, LP
2022 ESG Report

Making
healthcare more
sustainable **for**
people and the
planet



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About this report

This Environmental, Social and Governance (ESG) Report describes our efforts between 1 January 2022 and 31 December 2022 and encompasses the full scope of our global operations.

To access our online ESG reporting hub with links to policies, past reports and data downloads, visit our [ESG report library](#). To learn more about Medline, visit www.medline.eu. For queries, please email csr-europe@medline.com.

How we report

The structure and content of this report consider the guidance of the Sustainability Accounting Standards Board (SASB) Health Care Distributors and Medical Equipment & Supplies standards. We intend reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) Risk Management framework and are currently evaluating the development of, and commitment to, science-based targets and a carbon reduction strategy.

We recognise the importance and relevance of the UN Sustainable Development Goals (SDGs). We believe that goals 1–13 and 15–17 are material to our business and cover efforts aligned to these goals in this report. In addition, we report our performance to EcoVadis annually.

To assure the quality and safety of our products, Medline is a Medical Device Single Audit Program (MDSAP) participant and maintains a quality system compliant with applicable Food and Drug Administration (FDA) regulations, EU Medical Device Regulations (EU MDR), ISO standards and regional requirements. Our corporate headquarters and certain Medline locations maintain specific quality and environmental system certifications, including but not limited to:

- MDSAP – Quality Management Systems
- ISO 13485 – Quality Management Systems
- ISO/IEC 17025 – Laboratories Competence of Testing & Calibration
- EU MDR – European MDR Quality Systems
- ISO 14001 – Environmental Management Systems



Who we are

Medline is a healthcare company: a manufacturer, distributor and solutions provider focused on improving the overall operating performance of healthcare.

Partnering with healthcare systems and facilities across the continuum of care, Medline provides the clinical and supply chain resources required for long-term financial viability in delivering high-quality care.

Leading with agility and scale, Medline invests in the future and rapidly responds to a dynamically changing market with customised solutions.

Headquartered in Northfield, Illinois, US, Medline has more than 34,000 employees worldwide and does business in more than 125 countries and territories. We employ 22,271 people in the US, which represents 65.5% of our total workforce.

Our footprint

Medline is the largest privately held manufacturer and distributor of medical supplies in the US and we continue to expand our global footprint.

Global Manufacturing

More than 50% of Medline branded sales are products manufactured by Medline in North America or by our US supply partners. We have more than 20 manufacturing sites across North America. Our US sites are based in California, Connecticut, Georgia, Illinois, Michigan, New Jersey, New York, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas and Wisconsin. We have additional facilities in Mexico. Outside of North America, Medline has manufacturing sites in Australia, France, Japan, Poland and Slovakia.

Global Operations

In North America alone, Medline has over 50 distribution centres and more than 2.5 million square metres of warehousing. Outside the US, we have distribution centres in Australia, Canada, France, Germany, Ireland, Japan, Mexico, Puerto Rico, Spain, Switzerland and United Kingdom.



Our products

Medline offers over 360,000 products across more than 250 product categories. We offer a broad product portfolio with approximately 200,000 Medline branded products for which we leverage our vast manufacturing network and global sourcing capabilities. Additionally, we maintain strong relationships with nationally branded manufacturers and we distribute over 160,000 of their products.

Complementing this broad product portfolio, we have built a leading distribution capability that allows us to coordinate shipments and provide high service levels to all channels we serve. Medline serves every channel across the continuum of care, including but not limited to the following settings: Acute Care, Ambulatory Surgery Centres, Managed Care, Doctors Surgeries and Post-Acute Care.

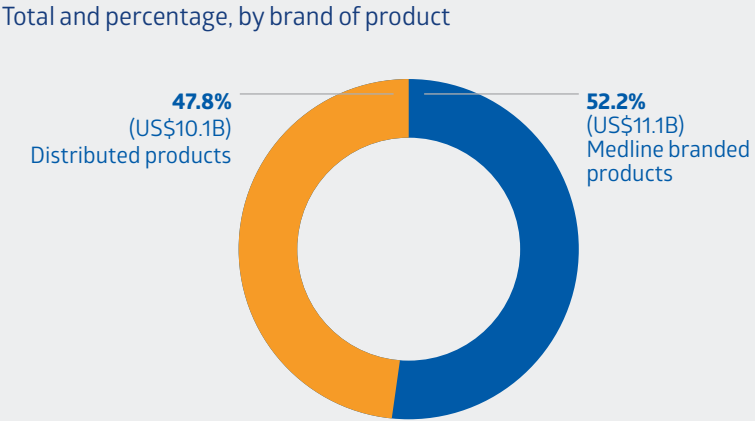
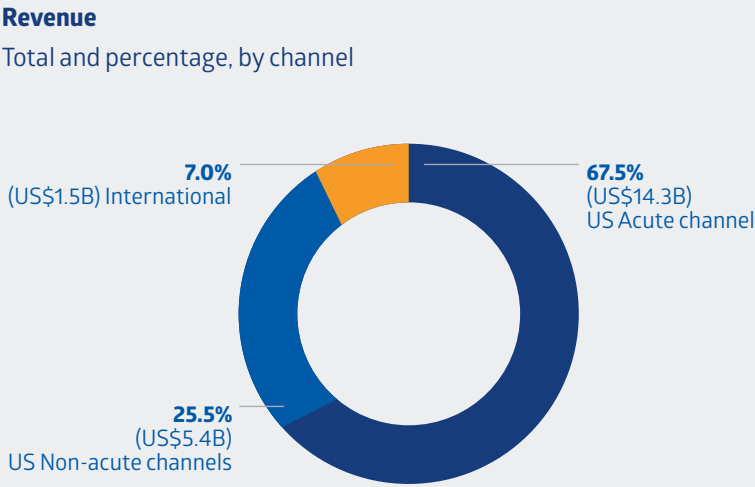


Products are categorised across the following product divisions:	
Access and Fluid Management	Non-sterile Trays and Minor Procedure Trays
Advanced Skin Care	Operating Room
Advanced Wound Care	Orthopaedics (Foot & Ankle)
Anaesthesia	Patient Cleansing and Infection Prevention
Device Reprocessing	Primary Care Essentials
Diagnostics	Repositioning & Offloading
Distributed Products	Respiratory
Equipment & Furnishings (DME)	Sterile Procedure Trays
Exam Gloves	Surgical Gloves
Face Masks, Isolation Gowns, Surgical Gowns/Drapes (PPE)	Textiles
Incontinence	Urology
Interiors	Vascular Access
Laboratory	

Who we are continued

Fast facts	
360,000+	products to meet every need
125+	countries where we do business
28+	million square feet of warehousing in North America
1 day	to deliver to 95% of the US with an average 60-day inventory on hand for each customer
34,000+	employees worldwide
70%	of the US News & World Report Honour Roll hospitals choose Medline
50+	years of consecutive annual growth in revenue
1,500+	MedTrans lorries domestically

Our revenue breakdown
In the financial year 2022, Medline experienced strong sales growth within the US across all channels resulting in global revenues of US\$21.2 billion. Our US segment accounted for 93% of our global revenue. Within the US segment, the Acute Care channel is the largest and continues to hold a leading market position with regards to medical-surgical supply distribution.



2022 ESG highlights

Leadership

In 2022, we expanded our focus from traditional Corporate Social Responsibility (CSR) to ESG, adopting a more holistic view of what it means to be a responsible corporate citizen. Additionally, we identified Global Alignment Committee members who support ESG work in their respective markets to ensure worldwide programmatic reach.

Environment

Invested **US\$34.4 million** in solar energy globally since 2016

98% of our owned distribution centres in the US are Leadership in Energy and Environmental Design (LEED) certified or pending certification

10 ISO 14001-certified facilities worldwide

Reprocessed **2.3+ million medical devices** in 2022, diverting 1.1 million pounds of waste from landfill

Social

7 US Employee Resource Groups representing Medline's unique and diverse population

1,636 US employees volunteered 8,814 hours in support of 151 charities

Donated the equivalent of 643.75 tonnes of product – valued at more than **US\$2.7 million** – to support worldwide medical relief

Governance

Conducted **592** social audits to ensure ethical sourcing throughout our supply chain in 2022

Hosted inaugural **Global ESG and Compliance summit** that involved participation from senior, cross-functional leadership

Enhanced compliance policies and procedures, including development of global policies

Awards and accreditations

- Forbes America's Largest Private Companies (ranked no. 15)
- Forbes Best Employer for Women (28th out of 400)
- Forbes Best Employer for New Grads (80th out of 300)
- US News & World Report Honour Roll (70% of the US News & World Report Honour Roll Hospitals choose Medline)
- Top Workplaces 2022, Chicago Tribune
- Becker's Healthcare (150 Top Places to Work in Healthcare, 2022)
- Forbes Best Large Employers 2022 (360 out of 500)
- Forbes Best Employers in Illinois 2022 (32nd out of 100)
- The Instituto Mexicano del Seguro Social's Safe Company Certification (Mexicali, Mexico)
- ELSSA Distinction, Safe and Healthy Workplace Environments (Nuevo Laredo, Mexico)
- ELSSA Distinction, Safe and Healthy Workplace Environments (Mexicali, Mexico)
- Great Place to Work Mexico's Northeast Region recognition
- La Asociación de Maquiladoras de Exportación de Nuevo Laredo's Environmental Excellence Award (Nuevo Laredo, Mexico)
- Silver Certificate from Disabled Certificate for Organisations (DisCert) (Europe)

Industry association memberships

- Practice Greenhealth
- Healthcare Distribution Alliance
- Health Industry Distributors Association
- MedTech Canada
- MedTech Europe
- Advanced Medical Technology Association (AdvaMed)

Approach and strategy



In 2022, guided by ESG principles to inform our sustainability planning and implementation framework, Medline’s enhanced ESG strategy is global in scope and now includes all operations worldwide.

While we’ve expanded our global view, we also defined the specific needs of each local market. We believe this dual focus makes us a better employer and a stronger, more responsible force in the medical device industry.

Medline believes companies in the private sector make important contributions towards the global sustainable development agenda and should carefully consider their impact. We interpret CSR broadly and we will continue this under our ESG framework by addressing social, environmental, economic and governance issues in proportion to our resources and limitations.

This philosophy is reflected in the material ESG topics that constitute the main content of this report.



A message from our CEO,
Charlie Mills



For more than 50 years, Medline has worked tirelessly to best serve our employees, customers and the communities where we live and work. To do that, and grow as a business, requires a culture of listening, learning and adapting.

As part of our company’s evolution, Medline has embraced a broader view of what it means to be a responsible corporate citizen, recognising the responsibilities and global benefits of addressing the environment, social equity and good governance.

With that in mind, Medline has incorporated ESG principles into existing business strategy, establishing a broader, global and data-driven approach to our work. This model consists of global, cross-functional efforts, including a focus on greenhouse gas emissions (GHG), sustainable products and packaging, supplier diversity, ethical sourcing, and diversity, equity and inclusion (DEI). Doing right by our employees, customers and communities remains of the utmost importance.

A commitment to these priorities is increasingly a business imperative for operating in the US and around the world. But more importantly, it is how a responsible corporate citizen should operate in the modern economy.

Given the recent expansion of our ESG efforts, this is Medline’s first truly global report on its ESG impacts. Not only does this report reflect the increasing internal collaboration to advance ESG topics most relevant to our business, but also our alignment to the SASB standards. This illustrates our commitment to industry standards and transparency.

The content of this report documents the early steps in our ESG journey. Our reporting will increase over time as our evolution continues. We look forward to sharing future accomplishments and demonstrating a high standard of social consciousness.

Charlie Mills
Chief Executive Officer
Medline Industries, LP
May 2023



“As part of our company’s ongoing evolution, Medline has embraced a broader view of what it means to be a responsible corporate citizen, recognising the responsibilities and global benefits of addressing the environment, social equity and good governance.”

Charlie Mills, Chief Executive Officer

Q&A with our Vice President – ESG,
Francesca Olivier



“Our approach to ESG is aligned to our business strategy – investing in renewable energy, developing sustainable products and programmes, and ensuring an ethical supply chain are not just the right things to do – they are good for business, too.”

Francesca Olivier,
Vice President – ESG

Why is ESG important to Medline?
There are few sectors that are as intrinsically tied to ESG topics as healthcare. Health equity, access and affordability are basic human rights. While other sectors may have trouble seeing the immediacy of climate change, our customers experience the effects on their patients and communities every day. The impact on human health resulting from air pollution, temperature extremes, weather events and vector-borne diseases are changing the needs of patients and entire communities. These issues shape the future of healthcare, and it is our responsibility to our stakeholders – employees, customers and communities – to ensure we build a resilient, forward-thinking company. ESG provides a framework to identify the needs most pertinent to us, and a blueprint for the future.

What are some highlights from 2022 that you are proud of?
There is much to be proud of in our first year since expanding our strategy to encompass the broader principles of ESG, and numerous stories to highlight our progress against each pillar.

As part of our efforts to reduce our environmental footprint, we continue to invest in solar energy and expanded our portfolio of global solar panel installations.

From a social perspective, we now have seven Employee Resource Groups (ERGs) representing Medline’s unique and diverse population, allowing employees to feel included in many ways. Additionally, I am proud of the work done to provide worldwide medical relief through product donations during times of disaster and hardship.

Lastly, under governance, I am particularly proud of the active participation and substantive contributions to our ESG strategy from Medline leaders throughout the company. A successful ESG programme requires cross-functional collaboration across all of Medline’s divisions, departments, markets and regions. Our global leaders are essential to building our ESG foundation and will continue to be vital as our ESG strategy matures and grows.

What has been the most significant change since evolving to an ESG model?
In expanding from a traditional CSR to an ESG model, we adopt a more holistic view of what it truly means to be a responsible corporate citizen. Accordingly, we take a global approach that aligns our ESG goals with our existing business strategy. We are also widening our focus to include increased data and transparency. Previously, we limited our scope of work to a few key causes, but since initiating our ESG strategy, we expanded our scope to address 17 material ESG topics globally.

We also now emphasise that ESG is the responsibility of every Medline employee. We are working to push the ESG strategy and spirit to all corners of the company. Our belief is that we can only achieve what we aspire to if we have the full force of Medline behind us.

What has been done to make sure Medline is taking a global approach to ESG?
In 2022, we made headway in developing a truly global ESG programme. The US and EU were the first regions with dedicated ESG employees. Australia added a full-time ESG manager and Japan will follow suit in 2023. We assembled a Global Alignment Committee whose members support ESG activities in their respective markets and in addition to their day jobs, lead other ESG support roles focused on human resources, communications and more.

While a relatively simple step on paper, having the right people in place to promote ESG efforts globally is critical to ensure success.

What makes this ESG report different from past Medline CSR reports?
While we have been publicly reporting our CSR initiatives for years, this report marks a few firsts. This 2022 ESG Report is the first report which is global in scope, and the first that aligns our efforts to the SASB standards. This is significant, as third-party standards ensure transparency and alignment in ESG reporting across companies.

What are the key focus areas for Medline's ESG team looking ahead?
In 2022, we conducted our first materiality assessment and identified the material ESG topics most important for Medline to address. The immediate next step is to assemble global working groups for each topic to develop global strategies and capture relevant data. We have already initiated this process for DEI, ethical sourcing and supplier diversity. Other priorities include establishing processes for collecting auditable data globally and working to more closely align our public reporting with global standards such as SASB.

What matters most – reporting on our material ESG topics

We recognise the importance of understanding and incorporating issues that are most material to our business and to our stakeholders into our ESG strategy and reporting.

In 2022, we undertook a materiality assessment to identify those ESG topics that are most material to Medline's entire value chain.

In conducting this assessment, we were guided by the approach to materiality advocated by the Global Reporting Initiative (GRI) and SASB (now part of the International Financial Reporting Standards Foundation). ESG topics were identified based on several sources including GRI, SASB: Health Care Distributors and Medical Equipment & Supplies standards, as well as industry organisations such as Practice Greenhealth.

We identified 17 material ESG topics. In our assessment we considered the importance of these issues to our customers, investors, employees and non-governmental organisations. We also considered a risk-based approach, assessing the potential magnitude of impact.



Environment

★ **PRIORITY TOPIC**
Greenhouse gas emissions: We are reducing our carbon footprint and helping our customers do the same.

★ **PRIORITY TOPIC**
Sustainable products, programmes and packaging: We offer an array of sustainable products, programmes and packaging.

Waste management: We are developing policies and programmes to reduce the environmental impact associated with waste.

Air emissions: We proactively manage air quality impacts across our factories, fleet and more.

Water and wastewater management: Though early in our journey, we are exploring opportunities to reduce water consumption and wastewater generation throughout our operations.

Climate-related risk: We recognise the risks that climate change poses and factor those risks into our business decisions.



Social

★ **PRIORITY TOPIC**
Diversity, equity and inclusion: Our aim is to build and retain a diverse and inclusive workforce.

★ **PRIORITY TOPIC**
Supplier diversity: We are committed to strengthening and growing our base of small and diverse suppliers.

Employee health and safety: We are committed to maintaining a safe, healthy workplace environment.

Employee engagement: We strive to create a welcoming and enriching workplace.

Product safety: We minimise health and safety risks of products.

Community engagement: We are committed to being positive stewards in our communities.

Healthcare access and affordability: We want to ensure broad access to our products and services, especially among those living in low-resource countries.



Governance

★ **PRIORITY TOPIC**
Ethical sourcing: We respect, honour and uphold fundamental human rights throughout our supply chain.

Business ethics: We do what is right, not only what is required.

Data privacy and security: We secure and protect personal data throughout the information lifecycle.

Product labelling and marketing: We aim to be transparent, accurate and comprehensive in our marketing statements, advertising and labelling of products and services.



Sustainability
strategy and framework

We have grouped the topics identified as part of our materiality assessment into four pillars, which inform our strategic approach and are aligned with our ESG aspirations. We have structured our report according to these four areas of focus.

Our ESG purpose:

Making healthcare more sustainable for people and the planet

Pillar 1
Climate resilience and environmental action

We are committed to building an environmentally sustainable business by investing in new and established 'green' technologies and creating practical solutions to conserve natural resources and reduce waste. We are committed to reducing our carbon footprint and helping our customers do the same.

- Material ESG topics:
- GHG emissions
 - Climate-related risk
 - Air emissions
 - Waste management
 - Water and wastewater



Pillar 2
Responsible products

We are focused on providing high-quality healthcare products that are safe for both patients and the environment. We strive to be transparent in our product labelling and engage in responsible marketing practices.

- Material ESG topics:
- Product safety
 - Sustainable products, programmes and packaging
 - Product labelling and marketing



Pillar 3
People and communities

We want our employees, communities, suppliers and patients to achieve their full potential. We help by maintaining the highest standards of safety and health in the workplace, creating opportunities for connection and development for our employees, promoting DEI, and addressing health equity in the communities in which we operate and around the world.

- Material ESG topics:
- Employee health and safety
 - Employee engagement
 - DEI
 - Community engagement
 - Healthcare access and affordability
 - Supplier diversity



Pillar 4
Robust governance

We do what is right, not only what is required. We hold our business, employees and suppliers to high ethical standards.

- Material ESG topics:
- Ethical sourcing
 - Business ethics
 - Data privacy and security



ESG governance and accountability

ESG governance is reserved to the Board of Managers (Board). There are three fundamental principles that govern our approach.

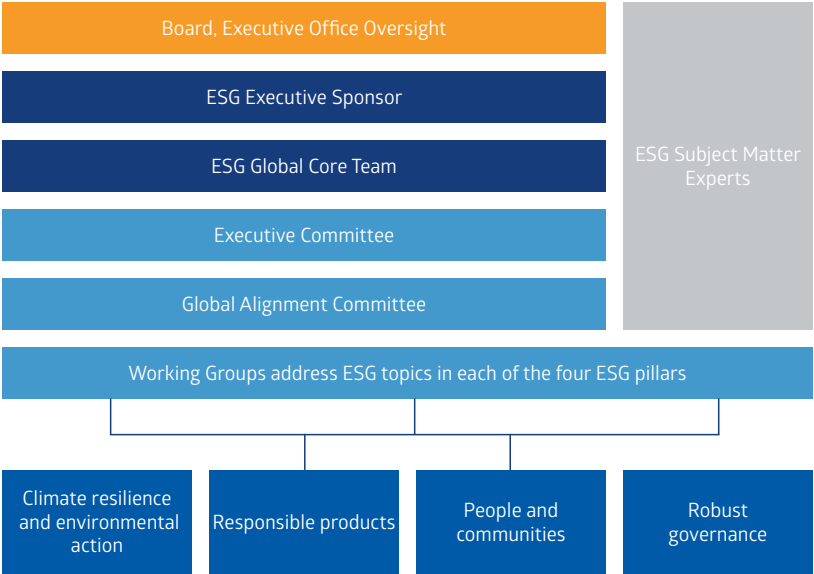
Our Board and Executive Office provide guidance and oversight.
The Board and Executive Office of Medline Industries, LP, provide oversight to Medline's global strategy and are the highest decision-making bodies regarding economic, social, environmental and governance issues. Members of the Executive Office are the Chief Executive Officer, President and Chief Operating Officer of Medline Industries, LP.

ESG is a Board agenda item and is also discussed at the committee level. Both the Board and Executive Office members reviewed and approved the materiality assessment that framed this report.

Our Executive Sponsor and ESG Global Core Team set and execute our overall strategy.
The Executive Sponsor of ESG activities is Medline Industries, LP's Chief Legal Officer, who also serves as Secretary of the Board and works closely with the ESG Global Core Team, which is led by the Vice President – ESG. This team sets and executes the company's global ESG strategy, monitors regulation and adjusts our strategy and policies accordingly, and reports our efforts in alignment with third-party standards. All team members are based in our global headquarters in Northfield, Illinois, but have global responsibilities.

Our ESG Executive Committee, Global Alignment Committee and Working Groups advise on material topic activities.
We are in the process of developing global strategies aimed at ensuring tangible progress managing our material ESG topics. Our approach to each material ESG topic is developed by a cross-functional global working group; reviewed by our Global Alignment Committee (with representatives from Australia, Canada, China, EMEA, Japan, greater Latin America, Mexico, New Zealand and Vietnam); and approved by our cross-functional Executive Committee consisting of senior leaders across the company.

Medline ESG governance



Climate resilience and environmental action

We are committed to building an environmentally sustainable business by investing in new and established ‘green’ technologies and creating practical solutions to conserve natural resources and reduce waste.

We actively work to reduce our carbon footprint and help our customers do the same.

7

AFFORDABLE AND CLEAN ENERGY

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

11

SUSTAINABLE CITIES AND COMMUNITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

Highlights

\$34.4 million
invested in solar energy since 2016

Approximately **60,000**
solar panels installed at our facilities

98%
of our owned distribution centers in the US are LEED certified or pending certification

10
ISO 14001 certified facilities globally

Material ESG topics:

GHG emissions:
We are reducing our carbon footprint and helping our customers do the same.

Climate-related risk:
We recognise the risks that climate change poses and factor those risks into our business decisions.

Air emissions:
We proactively manage air quality impacts across our factories, fleet and more.

Waste management:
We are building policies and programmes to reduce the environmental impact associated with waste.

Water and wastewater management:
Though early in our journey, we are exploring opportunities to reduce water consumption and wastewater generation throughout our operations.

Climate change is a pressing healthcare issue. The increase in the frequency of hurricanes, heat waves, wildfires, droughts and flooding have been attributed to the warming of the atmosphere. In the US, the Centers for Disease Control and Prevention reports that public health can also be impacted by the disruptions of physical, biological and ecological systems.

The health effects of these disruptions include increased respiratory and cardiovascular disease, injuries and premature deaths related to extreme weather events, changes in the prevalence and geographical distribution of food- and water-borne illnesses and other infectious diseases, as well as threats to mental health.

We understand that climate change ultimately affects the health of the patients who use our products, so we aim to reduce our impact on our environment.


Addressing climate change takes big-picture thinking. We are committed to sustainability by implementing practices that are scalable and eco-friendly. Medline has previously tracked and reported Scope 1 and 2 emissions from North American and European operations, along with a limited subset of Scope 3 emissions. Beginning in 2023, we will start collecting global Scope 1 and 2 emissions, as well as additional Scope 3 emissions data. We are currently evaluating the development of, and commitment to, science-based targets and a carbon reduction strategy.

We recognise that climate change poses continuity risk to our business. To better understand this potential risk, we will conduct a formal analysis to identify our highest risk areas and locations and take action to mitigate those risks.




Scope 1: Direct

- Company vehicles
- Company facilities



Scope 2: Indirect

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



Scope 3: Indirect

The following list includes all material categories that can be measured to quantify Scope 3 emissions. Medline's 2021 Scope 3 emissions monitoring evaluated US data for business travel, both upstream and downstream transport and distribution, and fuel and energy-related activities.

- Purchased goods and services
- Capital goods
- Fuel and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transport and distribution
- Processing of sold products
- Use of sold products
- End of life treatment of sold products
- Downstream leased assets
- Franchises
- Investments



Medline's measurement of its country level Scope 1 and Scope 2 GHG emissions in Spain earned it a MITECO Certificate. Issued in June 2022 by the Spanish Ministry for the Ecological Transition and the Demographic Challenge, the certificate is awarded to companies to encourage transparent measurement and disclosure of their carbon footprint. The certificate is valid for 12 months and we aim to renew it annually.

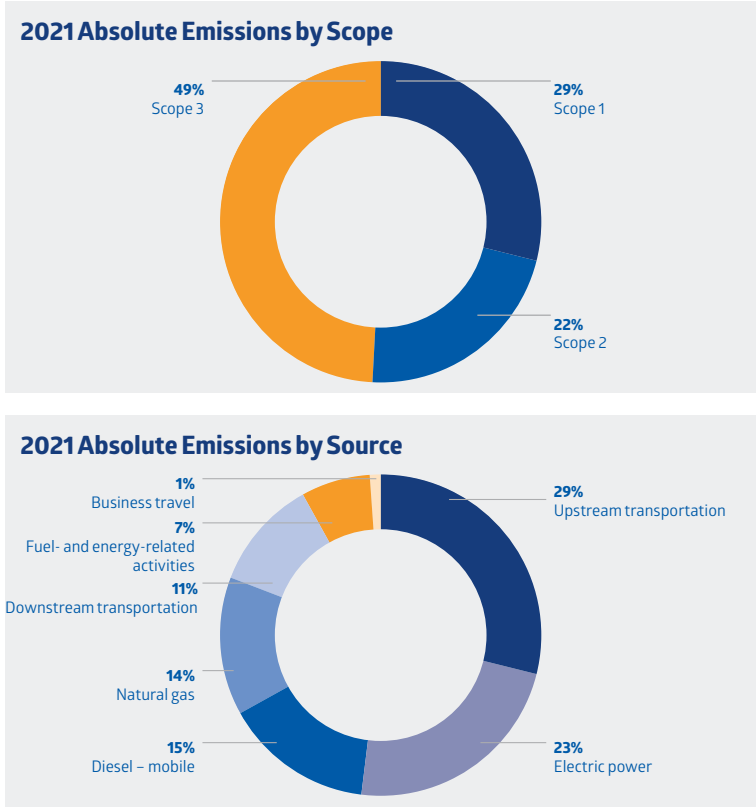
Our performance

We measure our carbon emissions through an annual GHG inventory and will use this data to develop strategies that will allow us to better manage our carbon footprint. In early 2023 we convened a decarbonisation working group focused on reducing energy use and analysing our supply chain – initial tactics include energy audits, improved energy management practices, and investments in updated equipment and solar technology.

2021 Absolute Emissions

Scope	Absolute CO2e Emissions (mtons CO2e)
Scope 1	92,621.86
Scope 2	72,036.90
Scope 3	156,119.62
Total by scope:	320,778.38

Absolute emissions refer to the total quantity of GHG emissions emitted. Medline's absolute emissions in 2021 decreased by 4%* compared to 2020, largely due to a reduction in Scope 2 emissions. Most of our measured emissions come from upstream transportation, electric power and the use of diesel and natural gas. 2022 emissions data was not yet available at the time of reporting.



*Medline's 4% reduction applies to an inventory management plan (IMP) inclusive of North America and Europe. The same IMP was used in 2020 as in 2021 to determine the 4% absolute reduction.

Investing in renewable energy

We invest heavily in renewable sources of power. We established our renewable energy portfolio in 2009 when we built our first geothermal facility, and the portfolio has been expanding ever since.

- **Geothermal.** Medline has two geothermal facilities located in Mundelein, Illinois, and Arnhem, Netherlands. Geothermal technology heats and cools buildings using the Earth’s stable underground temperature.
- **Solar.** Since 2016, Medline has invested \$34.4 million in solar energy globally. Our portfolio consists of approximately 60,000 solar panels across 10 facilities. In 2022 we generated more than 11 million kWh of energy from these facilities, all of which offset a significant level of the respective sites’ annual energy consumption, ranging from 16% to 73%.



Our solar energy portfolio at a glance

Location	Installation Area Square Feet	Solar Panel Count	Investment (US\$)(000's)	Power Capacity (MW)	Jan-Dec 2022 kWh Production	Site Energy Offset
Aisai, Japan	50,000	1,665	\$868	0.4	518,902	16%
Auburndale, Florida	250,000	5,077	\$2,773	1.65	2,299,416	52%
Kleve, Germany	130,000	3,770	\$1,200	1	1,067,917	73%
Montgomery, New York	715,000	19,203	\$11,500	7.39	0	In Front of Meter**
Northfield, Illinois	111,500	2,754	\$1,690	1.02	1,111,837	16%
Rialto, California	180,000	3,152	\$1,882	1.12	1,770,739	32%
Sydney, Australia	29,095	1,344	\$406	0.55	427,304	32%
Tracy, California (Site 1)*	218,000	3,140	\$1,985	1.09	1,782,679	70%
Tracy, California (Site 2)*	237,000	3,914	\$2,155	1.35	2,128,681	70%
Uxbridge, Massachusetts	800,000	16,219	\$10,000	6.66	0	In Front of Meter**
Totals	2,720,595	60,238	\$34,459	22.23	11,107,475	

*Tracy Site 1 and 2 are two separate installations at the same location.
**“In Front of Meter” refers to a type of solar installation where the electricity generated is fed directly to the grid. This allows for a larger installation and also does not directly offset the power used by our facility.



Addressing climate change continued



Building with sustainability in mind

As of 2022, 98% of our owned distribution centres in the US are LEED certified or pending certification, representing approximately 2 million square metres.

Medline Canada's Guelph Distribution Centre is the most recent facility to achieve LEED certification. The 55,750-square-metre facility opened in November 2021 and has one of the largest medical inventory and storage spaces in Canada.

In Europe, our sterile procedure tray (SPT) facility in Slovakia achieved Building Research Establishment Environmental Assessment Methodology (BREEAM) certification in 2022, while our other SPT facility in France achieved BREEAM certification in the same year. Our international distribution centre in Germany is certified by the German Sustainable Building Council (DGNB).

Ten of our global locations are ISO 14001 certified. This global environmental standard set by ISO lays out the necessary criteria for an environmental management system (EMS) and outlines the steps a company should follow to set up an effective EMS.

Conserving resources is critical to curbing climate change and an integral part of achieving ISO 14001 certification. We are meeting ISO standards by:

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

ISO 14001-certified facilities include:

- Dynacor (patient plastics) – Mundelein, Illinois
- Lithia Springs, Georgia
- Northfield, Illinois
- ReadyCare (patient cleansing and infection prevention) – Waukegan, Illinois
- Sterile Procedure Trays – Waukegan, Illinois
- Bánovce nad Bebravou, Slovakia
- Châteaubriant, France
- Florence, Italy
- Kleve, Germany
- Madrid, Spain

Our manufacturing site in Châteaubriant, France, obtained a Passive House certification in April 2022. The certification applies to the newly constructed building featuring offices, meeting rooms and a showroom. Passive House certification proves the building has high energy efficiency, resulting in low annual energy consumption and costs, and hence low GHG emissions.

Other energy efficiency projects include a lighting upgrade at Medline Mexico, where LED lighting has been fitted in the production and warehouse areas of multiple facilities.

Making transportation more sustainable

Our supply chain sources products from both Medline-owned and third-party facilities across the world. While we have previously undertaken local transportation initiatives, we are working to build a global sustainable transportation strategy. Our decarbonisation working group is collaborating with sourcing, operations and manufacturing leaders across the organisation to identify ways to further reduce emissions.

One way that we reduce GHG emissions today is through our private fleet of lorries. In the US, our vehicles are directed by a computer algorithm to provide the most fuel-efficient routes. Lorries are also loaded with a capacity that reduces distance travelled and the number of vehicles on the road.

Our efforts extend beyond North America into our global markets. In Japan, 87% of company cars used by our sales representatives have been switched from petrol-powered to hybrid electric vehicles. In Europe, our fleet of 12 lorries makes a small portion of deliveries in France, Germany, Ireland, Italy and Spain. All lorries have engines that meet the Euro VI emissions standard.

Medline deploys a fully electric articulated lorry to deliver products to Southern California hospitals

In Southern California, Medline is trialling the use of a fully electric articulated lorry to make deliveries to hospital systems as part of a pilot programme with Volvo Truck. The electric lorry was developed as part of the Volvo LIGHTS (Low Impact Green Heavy Transport Solutions) project, a collaboration between Volvo Trucks and 12 other organisations to develop a blueprint to successfully introduce battery-electric lorries and equipment into the market at scale.



We recognise the direct link between climate change and the impact of our operations on the natural environment – specifically, air emissions, waste and water usage.

Waste, air emissions, water usage and wastewater are all key elements of Medline's environmental management plans. With many of our owned facilities being ISO 14001 certified, energy and emissions control plans are built into everyday operations.

Air emissions

Medline meets and exceeds all local standards for regulated air emissions.

There were no incidences of non-compliance and resulting fines related to air emissions in 2022.

In the early stages of our global emissions monitoring initiatives, Medline is establishing a working group that will identify areas of importance, develop strategies and measure impact in the future.

Waste management

Our approach to waste management involves the reduction of the environmental impact associated with the disposal of hazardous and non-hazardous waste generated by the business. These initiatives encompass treatment, handling, storage and disposal of waste, as well as regulatory compliance.

In 2023, a Medline cross-functional working group from sites around the world will identify additional waste reduction projects that can be applied across the organisation. This will also establish a baseline for our waste footprint. The group will build on our existing environmental management efforts to centralise and streamline our approach to hazardous and non-hazardous waste.

Water and wastewater management

Similar to waste management, in 2023 a working group will analyse our water and wastewater footprints and develop a global plan inclusive of strategic initiatives and key performance indicators.



Details on our approach to sustainable products and packaging can be found in the Responsible Products section of our report located on [page 21](#).

Details on our product donation programme can be found in the People and Communities section of our report located on [page 33](#).

Environmental initiatives in Australia

In Australia, several environmental initiatives are in place. Waste management is tracked, and key indicators have been established to divert waste from landfill via recycling or surplus product charitable donations. Cardboard, paper, soft plastics and organic waste are recycled, and our procedure packaging boxes are re-used in a closed-loop system. A purpose-built rainwater tank at the Sydney facility serviced approximately 55% of our recycled water usage in 2022. And in supporting Greenfleet with our Tree Per Container programme, the team has donated 3,700 trees for planting since 2018.



Responsible products

We are focused on providing high-quality healthcare products that are safe for both patients and the environment. We strive to be transparent in our product labelling and engage in responsible marketing practices.



Material ESG topics:

Sustainable products, programmes and packaging:
We offer an array of sustainable products, programmes and packaging.

Product safety:
We minimise health and safety risks of products.

Product labelling and marketing:
We aim to be transparent, accurate and comprehensive in our marketing statements, advertising and labelling of products and services.



Sustainable products, programmes and packaging

Our healthcare partners are seeking new and innovative ways to shrink their environmental footprint by eliminating chemicals of concern, reducing waste and decreasing carbon emissions. We support their efforts by providing products and services designed to meet these objectives.

Hospitals produce more than 5 million tonnes of waste each year*. Further, the healthcare industry accounts for 4.4% of global net GHG emissions, and 71% of the industry's emissions stem from the healthcare supply chain through production, transport and disposal of goods and services**. Conserving raw material and energy resources is critical to reducing environmental impact.

At Medline, we are making progress by putting surplus products to good use, sourcing responsibly, producing sustainable products and developing innovative packaging solutions for our partners across the healthcare continuum.

Green Product Portfolio

Introduced in 2020, our US Green Product Portfolio brings our commitment to sustainable sourcing to life by simplifying the search for sustainable products. Products fall into three broad categories:

- Environmental services: When it comes to cleaning products that are safe and effective, ingredients matter. Our environmentally friendly formulations have no harsh chemicals, keeping surfaces clean and people healthy.
- Healthcare essentials: From plastic tableware to cleansing wipes, we keep healthcare hygienic without producing excess waste by using recycled materials, manufacturing responsibly and incorporating less packaging.
- Perioperative care: The operating room accounts for up to 30% of all hospital waste. In a bid to reduce this we offer sustainable OR products, from transport trays to surgical towels, that are also cost effective.

To qualify for our Green Product Portfolio, products must meet our strict 'green product' standards. We base our standards on environmentally preferred purchasing guidelines from industry leaders including Kaiser Permanente, Practice Greenhealth, the Federal Trade Commission (FTC) and the Environmental Protection Agency (EPA).

Since August 2021, all of Medline Japan's plastic wrapping from pallets is collected and recycled to the raw material level, then incorporated into new plastic products made by a third party.

Green product verification

We validate all sustainability statements made in relation to Medline products before they go to market. All products in our Green Product Portfolio have one or more sustainable attributes making them more environmentally friendly than their traditional counterparts. Some of these characteristics include bio-based materials, reduced plastic, reduced chemicals of concern, enhanced recyclability or third-party verified products with organisations such as Green Seal. All traits are verified by Medline's strict internal approval process to ensure no unintentional green claims are made.

[Learn more about our green standards.](#)

71%**

of the healthcare industry's emissions stem from supply chain



*Waste | Practice Greenhealth. (n.d).
**Health Care Without Harm & Arup. (2019). Health Care's Climate Footprint. Health Care Without Harm. Arup.

Sustainable products, programmes and packaging continued

Sustainable packaging solutions that align with business strategy

Medline's Dynacor division focuses on manufacturing a variety of single-use patient products including plastics, labels, wristbands, patient experience kits, minor procedure-based trays, instruments and dressings. The division changed its rectangular washbasin packaging from our traditional two stacks of 25 each to a single stack of 50, allowing for stacking efficiency and a reduction in both packaging raw material and freight cost. Not only was this change good for the environment, resulting in a 190-tonne reduction in raw materials annually, but it was also good for business, saving the company US\$440,000.



We create sustainable programmes that meet customers' unique needs.

We support health systems on their sustainability journey by listening to their challenges and solving them, together. The following Medline programmes have been designed to help customers reduce waste while lowering cost.

We offer the following programmes to our customers:

• ReNewal Medical Device Reprocessing (US)

We minimise hospital waste by reprocessing single-use medical devices so they may be safely used again, which helped customers divert 500 tonnes of waste from landfills in 2022.

• Single-Use Instruments (US)

Single-use instruments found in minor procedure trays such as forceps and scissors are designed to be recycled and reprocessed through our instrument recycling programme, providing an eco-friendly disposal alternative and decreasing red bag waste costs.

• Tote Exchange (US and Europe)

By delivering products in reusable totes instead of cardboard containers, Medline US has helped reduced the amount of cardboard in our supply chain. Totes are made from recycled plastic and are themselves recyclable, thus observing circular economy principles. A small-scale version of this programme exists in Europe, in which low volume orders are filled in reusable totes in lieu of individual packaging.

• Gloves Waste-to-Energy (US)

We transform used exam gloves into clean, renewable energy.

Sustainable packaging

Our efforts to discover, innovate and improve sustainable practices is ongoing. We understand the challenges of minimising packaging and making it fully recyclable.

To address this, in 2021 we launched a Sustainable Packaging Lab – a cross-functional team of research and development (R&D), sustainability, operations and design experts tasked with reimagining the way we package our products for a more sustainable future. While the team sits in the US, the changes they implement have a global reach.

Within a year of its creation, the Sustainable Packaging Lab was awarded a 2021 Sustainability, Environmental Achievement and Leadership (SEAL) Business Sustainability Award for its innovations. It has seen success in projects such as cold chain shipping material conversion to recyclable materials and product configuration to increase shipping efficiency.

Our global markets are also exploring sustainable packaging solutions. Japan's SPT division switched from white boxes to standard corrugated cardboard boxes in 2020, reducing the need for bleach in packaging materials. Instead of packaging SPTs into individual boxes, since 2022 Medline Europe loads multiple SPTs into a single pallet box, saving an estimated 50% in corrugated cardboard and 30% in plastic.

Life cycle assessments

To implement more environmentally friendly product design, manufacturing and transportation practices, Medline Europe initiated life cycle assessments of selected gowns and drapes in 2022. By generating product-specific carbon footprint information, we are able to identify areas for intervention while presenting our customers with useful data to back their sustainable purchasing decisions.



Product safety

Every product we sell must comply with our high standards of quality, and we are committed to the continuous improvement of our products. We will accomplish these objectives by creating and maintaining a quality-focused environment, while applying our total quality approach to all we do.

Our total quality process

Corporate Quality at Medline consists of several distinct areas: Quality Assurance, Quality Control, Regulatory Affairs, R&D, Lab and Sterilisation.

Our staff of more than 1,800 highly trained employees oversee all quality-related functions for Medline products. The team includes chemists, microbiologists, statisticians, registered nurses, regulatory professionals, quality professionals and engineers whose combined knowledge and experience contribute to our goal of continuous improvement. In addition, numerous technicians, inspectors, coordinators and administrative personnel perform vital functions to assure effective implementation of our quality process.

- Quality Assurance: This function guarantees that Medline products meet or exceed all relevant requirements and standards, including stringent product quality attributes.
- Quality Control: Quality Control is the final check prior to distribution, where we confirm that our design and validation processes have yielded products that meet our customers' needs. Quality Control is not a substitute for creating processes that ensure good product off the line, but it acts as a safety net in case an error occurs.
- Regulatory Affairs: It is the job of Medline's Regulatory Affairs staff to ensure compliance with the complex set of requirements set by the FDA, ISO and regulatory bodies worldwide. This team is responsible for obtaining marketing clearance for our medical devices, pharmaceuticals and EPA products and provides similar assistance to our many suppliers and partners.
- R&D/Medline Laboratories: This function designs quality into our products. We utilise a combination of design engineering, human factors and verification and validation testing to assure we develop high-quality products. We are now applying these same methods to integrate sustainability into our products.
- Sterilisation: This team evaluates Medline products for which sterility is a requirement and assigns the appropriate sterilisation method and cycle to assure products are free from microorganisms and safe to use in the operating room and other healthcare settings and applications. Staff members continually research alternative sterilisation technologies that reduce lead time and costs while ensuring that our products meet all sterility requirements.

We perform extensive post-market surveillance on our products to make sure our products are performing as intended.

If an adverse trend is detected, corrective actions are taken to address the trend. In rare circumstances, this may include a product recall. Our team of clinical experts aid in making recall-based decisions, never compromising the safety of our patients and clinicians. Our recall procedures and processes comply with FDA and other international regulatory requirements.

Our quality system certifications include but are not limited to:

- MDSAP
- ISO 13485
- EU MDR – European MDR Quality Systems

Additionally, Corporate Research and Development Laboratories certifications include ISO/IEC 17025 for laboratories' competence of testing and calibration.

Finally, 19 Medline distribution centres are accredited under the National Association of Boards of Pharmacy (NABP) as drug distributors for prescription drugs. Accreditation is granted following a thorough review of Medline's policies and procedures and on-site audits conducted by a representative of the NABP.

Product labelling and marketing

Medline's procedures and guidelines governing the advertising and promotion of our products and services are developed in accordance with all applicable global laws and standards, including ISO, EPA, FDA and the FTC. Over the course of the next 18 months, we will convene working groups with global representation to identify strategic initiatives and KPIs for product labelling and marketing.



Please see page 21 for details on our green product standards.



People and communities

We want our employees, communities, suppliers and patients to achieve their full potential.

We help by maintaining the highest standards of safety and health in the workplace, creating opportunities for connection and development for our employees, promoting DEI and addressing health equity in the communities in which we operate and around the world.



Highlights

24,000+
employees participated in our 2022 Global Employee Engagement Survey

643 tonnes
of product – valued at more than US\$2.7 million – donated to support worldwide medical relief

8,814 hours
US employees volunteered in support of 151 different charities

Material ESG topics:

Employee health and safety:
We maintain a safe, healthy workplace environment.

Employee engagement:
We strive to create a welcoming and enriching workplace.

DEI:
Our aim is to build and retain a diverse and inclusive workforce.

Community engagement:
We are committed to being positive stewards in our communities.

Healthcare access and affordability:
We want to ensure broad access to our products and services, especially among those living in low-resource countries.

Supplier diversity:
We are committed to strengthening and growing our base of small and diverse suppliers.



Focus on our employees

Our people, communities and suppliers are the foundation of our success. Their tireless dedication and hard work are what enable us to make healthcare run better for patients and families all over the world.

We are dedicated to:

- Creating a work environment that promotes the health and wellbeing of every employee
- Establishing an organisational culture where people are proud to be associated with our brand and excited to serve others, whether at work, at home or in local communities
- Improving the health of communities where we live and work
- Strengthening and growing our base of small and diverse suppliers

Employee health, safety and wellbeing

Medline is committed to the safety and wellbeing of our employees, customers, contractors and the global communities in which we operate. We are proactive and dedicated to continuous improvement and ensuring compliance with Medline's Environmental Policy and Code of Safety.

Employee health and safety

We believe accidents can be prevented and have implemented best practices and benchmarked these against industry leaders. We provide the proper tools and knowledge to perform work-related tasks safely and perform ongoing assessments to set and attain our health and safety goals.

Medline undertakes a variety of environmental, health and safety initiatives annually. These are focused on maintaining compliance and continuously improving the safety of our workplace.

We do this by:

- Undertaking routine internal facility and programme audits
- Conducting training for our team members
- Investigating to root cause all accidents
- Implementing effective corrective actions

Medline engages employees in safety initiatives such as Golden Cone and SAFE, which require compliance and best practice implementation for US locations to earn points. At the end of the year, the locations with the most points win the competition. We have systems to monitor and measure safety performance and review these regularly to determine progress against goals and other environment, health and safety initiatives.

Promoting employee wellbeing

We value our employees and are committed to creating a safe, stimulating and rewarding work environment. We are proud of our ability to attract a talent pool of highly competent individuals who contribute to Medline's social, environmental and economic performance.

Various hardship assistance programmes exist to support Medline employees throughout the world.

- The Medline Hardship Assistance Programme assists US-based employees experiencing severe financial hardship due to an unexpected event or disaster.
- In 2023, Medline Canada started providing financial assistance to employees facing unique and temporary hardships. The programme grants range from CAD\$500 to CAD\$5,000 (approximately US\$372 to US\$3,725*). Eligible situations include natural disaster, serious illness or crime.

*As at 2 June 2023

Safety week in Mexico

At Medline Mexico, all employees enjoy a health and safety week where they learn about safety, health and environmental issues through various activities such as conferences, games and other shared activities. This initiative reaches more than 5,000 employees each year. It also hosts an environmental expo to inform staff about key environmental issues.

5,000+ employees reached each year

Focus on our employees continued

Employee health, safety and wellbeing continued

Advancing mental health

Benefits and programmes vary by region, but below are a few programmes that highlight our commitment to mental health globally.

Medline US provides employees and members of their household with access to a variety of resources to support mental health and wellbeing. Some of these include an Employee Assistance Programme (EAP), which covers counsellor visits and Ginger, a mental and emotional support app offering coaching services, self-care activities and virtual therapy sessions.

Medline's EAP extends to other regions, including Mexico and the EU. While services vary by region, these programmes generally offer personal development, broader work-life support and access to qualified counsellors and specialists.

Medline India offers a programme called MedFit, which offers employees access to a quarterly session led by an expert and focuses on physical, mental and emotional wellbeing.



24,000+

employees completed
Medline's 2022 Global
Employee Engagement
Survey

Employee engagement

Employee feedback is integral to the success of our business. Whether through our global engagement survey or a simple conversation between an employee and their manager, we listen to our employees. Candid feedback is encouraged to help Medline grow and continue being a great place to work. Equally important to the employee experience are managers who openly listen to feedback and take action, and our training emphasises this.

Our Global Employee Engagement Survey

Medline's 2022 Global Employee Engagement Survey was conducted by Willis Towers Watson. More than 24,000 employees responded worldwide, and the survey questions were grouped into 15 categories and organised into indices to assess different themes.

The overall results showed significant improvement over our 2019 survey, with ratings higher across all categories. Additionally, when comparing our scores to other companies, we outperformed scores for manufacturing organisations and, in several categories, our scores were aligned with the baseline for the highest-performing organisations across various industries.

"Customer focus" continues to be one of our highest-scoring categories for all employees, demonstrating a shared commitment to serving our customers.

Our scores in the process efficiency category indicate opportunities for growth. Employees are eager to find ways to remove any barriers, obstacles or unnecessary rules to getting our work done.

Leaders receive training on how to interpret engagement survey results and build action plans to address areas of opportunity. Leaders then share results with their teams and work with them to develop and implement improvement plans.

Focus on our employees continued

Employee engagement continued

Speak Up

In addition to the engagement survey, US employees have other ways to voice their opinions, ideas, questions or concerns such as through our Speak Up process introduced in 2022.

In 2023, we are planning to enhance Speak Up with new branding and easier access to the platform. The continued campaign will focus on employee feedback, which will continue to be collected and shared with Medline leadership on a monthly basis. A more robust analysis of feedback will allow for swifter action and better alignment on major themes that are evident from the data.

Celebrating Employee Appreciation Week

Every year Medline celebrates employees during Employee Appreciation Week. While the week's programming varies by site, the focus is always on recognising our employees' time, effort and accomplishments. For example, at Medline India, the week consisted of an office olympics and other team-building games and sporting events, activities for employees to explore new hobbies, themed dress-up days, a fitness challenge and a family day.



To remain among the best, we will continue to benchmark our employment policies and practices against other highly ranked companies.

Recognition as a top employer

Medline is dedicated to attracting and retaining the best talent and fostering a positive, inclusive and engaging work environment. We are honoured to be consistently named as a top employer.

- **Chicago Tribune Top Workplaces 2022**, awarded to Medline for 12 of the past 13 years. Selected companies are determined by third-party employee survey results. The focus is on companies with strong leadership, a culture of collaboration and communication, and a commitment to helping employees advance their careers.
- **Forbes Best Large Employers**, for the second consecutive year. We advanced from 440 in 2021 to 360 in 2022. The 2022 list was chosen based on survey results from more than 60,000 employees working for companies employing at least 1,000 people in the US. The 500 "Best Large Employers" were chosen from more than 3,500 companies under consideration.
- **Forbes America's Best Employers for Women**, ranking 28th out of 400 companies. Medline was recognised for "leading the way when it comes to trying to support women inside and outside their workforces."
- **Forbes Best Employers for New Grads**, ranking 80th on a list of 300 US companies "most liked by new workforce entrants." The list was compiled based on survey results of 20,000 Americans with less than 10 years professional experience working for businesses with at least 1,000 employees.
- **Great Place to Work Mexico**, with our Nuevo Laredo, Mexico, facility ranking 15th in the northeast region. The award recognises companies excelling across a variety of dimensions including credibility, pride, respect, fairness and companionship.



Focus on our employees continued

Employee engagement continued

Engaging employees around the world

Here are some of the ways in which we connect with employees around the world.

Medline Canada's CARES model:

Medline Canada uses CARES values to connect employees to our corporate purpose. The CARES model stands for Customer Focused, Accountable, Respectful, Efficient and Strength of our People. Each quarter, employees are nominated by their peers for demonstrating these qualities and modelling values-based behaviour. An award is given for each value, as well as an overall award for a role model who consistently demonstrates his or her commitment to all five values.

Medline China's initiatives:

Throughout the year, Medline China offers employees the opportunity to participate in team building activities including employee clubs and monthly office outings. During the traditional Chinese festivals such as Women's Day, the Mid-Autumn festival and the Spring Festival, employees are given comfort products. This helps to enhance employee experiences, improving their sense of belonging, happiness and productivity, as well as building team cohesion.

Medline Europe's campaigns:

Medline Europe's You Talk, We Listen campaign improves employees' sense of safety in speaking up about issues of concern. This campaign included messaging on how we communicate with each other and how we can facilitate communication that will reach all levels of the organisation. In 2022, Europe also launched an internal initiative called Walk this May. Medline employees from European countries participate in this walking contest that encourages team spirit and camaraderie.

Medline India's MedTalks:

Medline India regularly organises employee engagement activities aside from the Global Employee Engagement Survey and Employee Appreciation Week. One of these activities is MedTalks, a speaking platform for employees to share their experiences and thoughts on various topics.



Focus on our employees continued

Employee volunteerism

We provide our employees with a range of volunteer opportunities that allow them to lend their time and talent to facilitating positive social change. Currently our volunteer programmes vary by region. In 2023, we will convene working groups on employee engagement and community engagement. These groups are tasked with creating a truly global volunteer programme and experience for all employees. In 2024, we plan to expand the online platform we use for volunteerism and charitable giving in the US to global markets, which will allow us to report global volunteer and employee giving data. In 2022, 1,636 US employees volunteered 8,814 hours in support of 151 different charities.

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Here’s a glimpse of what volunteerism looked like around the world in 2022.

- Medline US celebrates Month of Service**
Medline US hosted its second annual Month of Service in 2022. Throughout November, we offered an array of volunteer opportunities across the country for employees, friends and family. To reward employees for their service, Medline made charitable contributions for every volunteer hour served that month with donations set at up to US\$250 per employee. Employees were also celebrated through our Employee Recognition Programme, which rewards employees for making a difference in their communities through volunteerism, fundraising or nonprofit board service by granting US\$3,000 to the charity served in the employee’s name. Over the course of the month, 50 nonprofits received more than 1,200 hours of volunteer support from Medline employees. Highlights include packing 38,664 meals for Feed My Starving Children and sorting and packing 3,000 kilograms of food with the Northern Illinois Food Bank, which provided 5,625 meals for neighbours experiencing food insecurity.
- Medline Australia donates life-saving blood**
Hospitals rely on the donation of blood for life-saving care. In Australia, the Medline team supports Lifeblood – part of the Australian Red Cross and an organisation where people can donate blood and plasma. Since 2018, the Medline team has made more than 450 donations, the equivalent of saving over 1,300 lives, and they aim to reach 1,000 donations by 2025.
- Medline Japan supports Ronald McDonald House Tokyo**
As part of Medline Japan’s community outreach programme, a volunteer-led housecleaning activity was completed at the Ronald McDonald House in Tokyo.
- Medline Mexico supports and recognises Children’s Day “Juguétón”**
Medline Mexico partnered with nonprofits supporting abandoned children through volunteerism and in-kind product donations in recognition of Children’s Day. The day was celebrated with games, food, social activities and gifts at our sites.

Focus on our employees continued

Diversity, equity and inclusion (DEI)

Through our DEI initiatives, we are working to create an environment where everyone can be their authentic selves and thrive. We believe tapping into the richness of our employees' diversity results in a better employee experience, stronger ideas and better outcomes.

Our DEI strategy

In 2022, the US DEI team formulated a strategy comprised of four key focus areas:

- Culture
- Hire, engage and retain top talent
- Inclusive leadership
- Business enhancement

This strategy is currently US-focused but will become global over time. We will develop a global DEI statement to guide our strategy on this topic, and then form a Diversity Council comprised of regional representatives. We have already established a DEI ESG working group to create global KPIs.

Understanding who we are

We are working towards global collection of demographic data where legally permissible. As at 31 December 2022, Medline's US workforce consisted of 41% women and 59% men, and 47% white employees and 53% ethnic minorities. We plan to collect global data in the future.

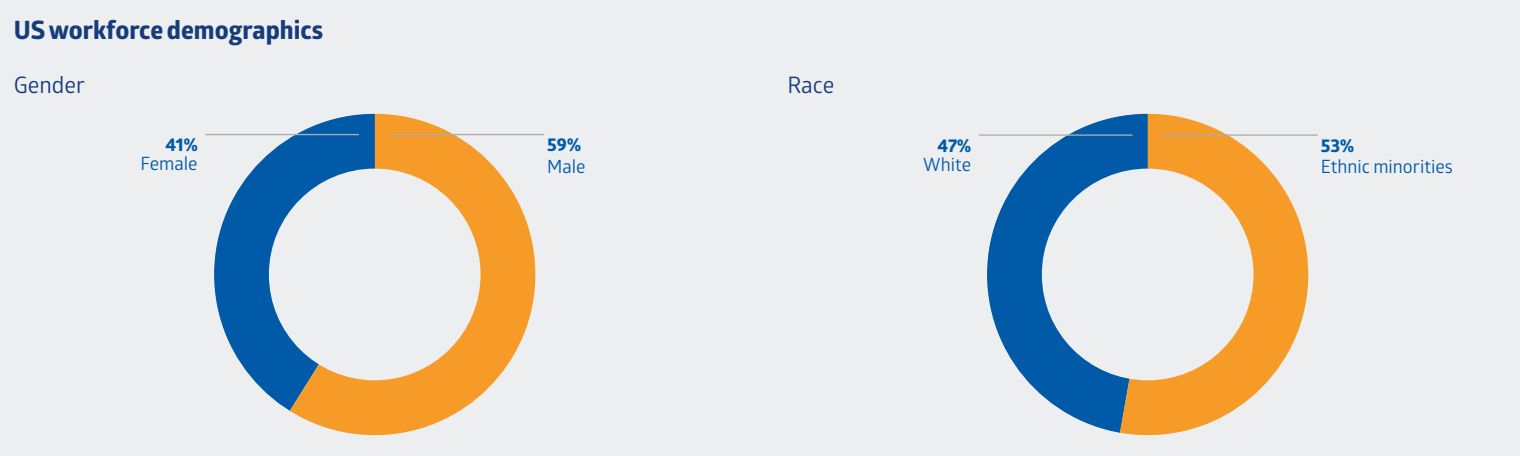
Two initiatives related to strengthening employee demographic data include our US Self-ID campaign and Europe's DEI dashboard.

Self-ID campaign in the US

In November 2022, Medline US launched a Self-ID campaign to broaden our understanding of employee demographics. Participants, whether currently employed or a prospective candidate, can voluntarily self-select their race, ethnicity, gender identity, sexual orientation, veteran and disability categories, which allows us to capture this data. This data is used solely to benefit participants, for example, through development of employee programmes.

DEI dashboard in Europe

In May 2022, Medline Europe created a dashboard for tracking DEI metrics on promotions, seniority and average tenure by gender, nationality and disability status.



Focus on our employees continued

Hire, engage and retain top talent

At Medline, finding and keeping the right candidates involves more than recruitment and selection processes; we seek to attract and retain the specialised talent required to keep our business competitive.

US

To address retention with a targeted approach, the DEI team has begun the following work in the US:

- Listening sessions designed to gather feedback from employees from various demographic backgrounds
- Partnering with Learning & Development to identify DEI LinkedIn Learning opportunities and include DEI topics in leadership development programmes, and creating DEI training curriculum for all levels of the organisation
- Updating the ERG structure to improve the sustainability of groups and provide development opportunities for individual contributors with plans to expand into operations and manufacturing

In addition, the Talent Acquisition team collaborated with the DEI team to create a strategy to diversify the candidate pools for US job openings. This will be implemented in 2023 with the goal of building teams that match the demographic diversity of qualified candidates in the relevant market. Strategy components include:

- Leadership engagement
- Partnerships with professional associations focused on diverse talent
- Updated marketing materials and images reflecting our employee diversity
- Teaching leaders about recognising bias in the interview process
- Promotion of internal mobility and advancement opportunities
- Campus hiring programmes with an emphasis on securing a diverse slate of qualified candidates

Finally, in 2022, our US DEI team is reviewing Medline's work environment and human resources systems, policies and practices to determine our DEI goals for the future. We are focusing on our culture, the employee experience, development, engagement and retention practices. Initiatives aimed at strengthening DEI include:

- Creating an Inclusion Index using questions from the Employee Engagement Survey that directly relate to employees' perceptions of an inclusive culture
- The sales organisation's work to proactively establish a council in partnership with the DEI team to guide inclusion initiatives
- In collaboration with Learning & Development, the DEI team worked to develop a training programme that will be piloted in 2023 in both corporate functions and product divisions

Europe

In 2022, Medline Europe received a Silver Certificate from Disabled Certificate for Organisations, or DisCert. The award recognises companies' commitments to disability inclusion, evaluating applicants across nine categories, some of which include commitment and policies, direct hiring and accessibility.

Our European team celebrated International Women's Day in March 2021 and 2022 with a communications campaign, including interviews with, and blog posts written by, women at Medline. It also celebrated Pride in June 2021 and 2022 with a communications campaign. The 2021 Pride focus was on members of the community and their experience at Medline while 2022 focused on the importance of allyship.

Canada

Medline Canada has formed key association partnerships to increase diversity in recruitment, spanning underrepresented talent, indigenous communities, new immigrants, LGBTQ2S (lesbian, gay, bisexual, transgender, queer and questioning and two spirit) community, people with disabilities and the demographic cohort referred to as Generation Z. For example, partner organisations like Miziwe Biik and Indigenous Link provide training and employment for indigenous job seekers.

Members of indigenous communities are actively recruited for open positions at Medline Canada. This effort directly supports the Truth and Reconciliation Commission's Call to Action #92, which calls upon the Canadian corporate sector to adopt the UN Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles, norms and standards to corporate policy and core operational activities involving indigenous peoples and their lands and resources. To commemorate National Truth and Reconciliation Day in 2022, Medline Canada's Brave Conversations group also made a financial donation to the Anishinawbe Health Foundation, which supports residential school survivors and their families.

Mexico

Medline Mexico has hosted various events in honour of International Women's Day, Pride Month, International Day of Persons with Disabilities and more. A webinar was hosted on International Day of Persons with Disabilities with an objective to inform all employees about the value and importance of individuals with disabilities and ways to avoid discrimination against these employees.

Japan

Medline Japan's Kasugai Manufacturing Facility, a SPT kitting facility, was featured as a diverse workplace in The Nikkan Kogyo Shimbun, one of Japan's leading business newspapers.

Focus on our employees continued

Inclusive leadership

Inclusive leadership is critical to employee engagement and retention. Understanding what makes each team member unique is important in creating a collaborative environment that encourages diverse thinking among team members.

Medline India has also paved the way for women in leadership roles. Women were enrolled in a 52-week programme focusing on strength assessments. These assessments involved detailed interviews with the participants and their reporting managers followed by the creation of Individual Development Plans with the help of an external female coach.

Employee Resource Groups (ERGs)

ERGs continue to be a conduit for engaging with and retaining employees by contributing to a positive work culture and establishing a greater understanding of our employees’ experiences. ERGs have built a stronger sense of community and belonging at Medline, offering time and space to make new connections and ensure all voices are heard and amplified.

In 2022, Medline grew the number of ERGs operating in the US to seven with the launch of the Disability Awareness and Action Alliance (DAAA). DAAA joined A Latinx Medline Alliance (ALMA), the Asian Pacific American (APA) ERG, Black Employee Network (BEN), the LGBTQ+ ERG, Medline Veteran Engagement Team and the Women’s ERG (WERG).

Professional development is a key objective for our ERGs. Following the success of a 2021 pilot mentoring programme between ALMA and BEN, a broader programme was developed. Using a platform for smart matching, the mentorship programme expanded to four ERGs: ALMA, BEN, the APA ERG and WERG with more than 200 participants.

Medline Canada introduced an ERG, Medline Canada Women’s Alliance, which helps further career development and equity. Medline Brave Conversations, a forum focused on celebrating diversity and creating opportunities for connection, development and advancement, was also launched to drive broader awareness and inclusion.

Business enhancement

The growth of our business depends on finding new ways to address market needs. As we expand our DEI efforts, we are creating avenues to gather diverse perspectives that help us improve and positively impact the industry.

In the US our ERGs are exploring new ideas that will enhance our business by developing unique offerings for diverse populations. Building on the success of a collaboration with designer Kendra Dandy, the Curad™ brand released Pride Bandages in June 2022.



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Focus on our communities

Every person deserves the opportunity to lead a healthy life, but many people do not have an equal chance to do so because of the social and environmental conditions they face. These conditions are known as social determinants of health (SDOHs). Through our philanthropic efforts, we work to address SDOHs and help individuals and families reach their full health potential, regardless of their circumstances.

Our approach to global giving
In 2022, Medline worked to globalise our charitable giving efforts, beginning with the development of a global process and policy for charitable donations, which includes financial giving and in-kind giving such as product donations. The ESG team is responsible for reviewing and approving charitable donations within the structure and guidelines set out in the policy. We also established a global charitable vision which prioritises charitable giving aligned to three core pillars – healthcare access and affordability, community engagement and environmental sustainability.
In the coming year we will convene a cross-functional, global working group dedicated to community engagement with an emphasis on philanthropy. This group will develop a global strategy inclusive of strategic initiatives and key performance indicators that will guide our work in the future.

2022 Giving at a glance

US\$5.1 million +
Total charitable donations*

US\$1.5 million
Given by the Medline Employee Support Trust, which funds our scholarship and hardship assistance programmes*

US\$2.7 million +
In-kind donations*

643 tonnes
Weight of product donations*

*US contributions only. Medline is currently establishing a process to capture data globally.





Giving around the world

The US

392,000

medically tailored meals delivered to 2,450 low-income Coloradans

Medline offers three grant programmes to stimulate health equity and support the causes that our employees care about.

- Our Community Impact Grant Programme awards US\$250,000 per year to charities addressing prevalent health challenges, advancing health equity and improving population health in low-resource communities. For example, Project Angel Heart, a 2022 Community Impact Grant recipient, will meet clients’ medical dietary needs by preparing and delivering 392,000 medically tailored meals to at least 2,450 low-income Coloradans living with severe illness.
- Through Medline’s Employee Recognition Programme, we invest in causes that our employees care about. The programme recognises employees for creating a positive impact in their communities by issuing grants in their name to their selected charities. One of the 2022 grant recipients was Aspiretech, a nonprofit software and quality assurance testing organisation that empowers individuals with autism to fulfil their potential through meaningful employment. As one of the largest employers of individuals with autism in North America, the organisation is working to improve a troubling trend – one in 44 children in the US has autism, yet the unemployment rate for adults with autism is as high as 83% and nearly half of 25-year-olds with autism have never held a paying job.
- Our Medline CARES donation programme supports the communities where our employees live and work. Waukegan to College, a Medline CARES charity partner, provides wraparound services to prepare students and families for college success. Our donation supports the organisation’s College Persistence Programme, which helped launch the college careers of 21 high school seniors and supported 68 college students to ensure their success and persistence as first-generation students.

India

2,000+

villagers benefitting from water ATMs

In March 2022, Medline India donated projectors and laptops to Masoom, an organisation focused on improving the education of underprivileged night school students. This donation benefitted around 120 students in and around the Pune area, where Medline’s office is located.

Another pressing issue facing Indian society is access to clean and safe drinking water. To address this, Medline India worked with the Deepastambha Charitable Trust (in association with the Gramarthan project and with the help of local villagers) to install automated water dispenser machines (called Water ATMs) with reverse osmosis filtration plants at two nearby villages. Installed in April 2022, these water ATMs benefit more than 2,000 villagers. Having access to clean, potable drinking water for themselves and their livestock has helped reduce rising health issues caused by feculent water.

Europe

€31,400

awarded to organisations that help people living with critical or long-term illnesses and disabilities

Medline Europe has nine local donation committees, representing all employees across Europe. These committees are responsible for making cash donations to organisations and charities that will benefit their respective local communities. In 2022, the team awarded €31,400 (approximately US\$33,826*) to organisations that help people living with critical or long-term illnesses and disabilities, those assisting people in need, and to those who promote children and youth welfare.

*As at 2 June 2023



Giving around the world continued



Australia

A\$100,000+

raised for Cancer Council and the Black Dog Institute

In Australia, Medline employees chose two charities to support. Since 2021, the team has supported the Cancer Council, a charity supporting people diagnosed with cancer and their families, and the Black Dog Institute, a charity researching and advocating for good mental health. In that time, the team raised more than A\$100,000 (approximately US\$66,154.50*) for these important causes.

Canada

CAD\$5,000

raised for heart and stroke research

Medline Canada's Ride for Heart team raised CAD\$5,000 (approximately US\$3,725*) for heart and stroke research by walking, running and riding along the lakeshore in Toronto.

Japan

¥120,000

donated on average annually in support of Japan Pink Ribbon

Medline Japan donates an average of ¥120,000 annually (approximately US\$864*) in support of Japan Pink Ribbon of Smile and Happiness Campaign and J. POSH, which raise awareness about breast cancer.

*As at 2 June 2023



€142,000 in medical supplies donated through the European Commission's rescEU programme

A global response to the Ukraine crisis

Medline donated much-needed medical products to Ukraine through the European Commission's rescEU programme as part of the EU Civil Protection Mechanism. The donation consisted of 14 tonnes of medical supplies valued at €142,000 (approximately US\$152,969.50*). Products included oxygen therapy equipment, scrub suits, delivery kits, sutures, scalpels and hypodermic needles.

Medline's local employee-driven donation committees also contributed.

- The Slovakia donation committee organised a drive to collect necessities for babies and children, including hygiene products and canned food. These goods were taken to a humanitarian warehouse in Bánovce nad Bebravou where they were distributed to refugees from Ukraine who arrived in Slovakia.
- In Poland, Medline donated products including disinfectants, masks and gloves. Local employees in Poland also donated to three other organisations – Polish Humanitarian Action, Polish Medical Mission and SOS Children's Villages Association in Poland.
- The Benelux donation committee organised a drive to gather clothing, personal care products, food and other necessities. These items were donated to an association in Utrecht, the Netherlands, that shipped these goods to the Polish-Ukrainian border to help refugees there.

The US business also worked with Direct Relief to coordinate a donation of 12 kilograms of Medline Micro-Kill™ Wipes to the Modern Village and Town Charity Fund.

*As at 2 June 2023



Focus on our communities continued



Healthcare access and affordability

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

We partner with international aid organisations to collect Medline surplus or unused products and deliver them to developing regions globally.

In 2022, Medline US donated the equivalent of 643 tonnes of product – valued at more than US\$2.7 million. Partners included the US arms of Direct Relief, Global Smile, MAP International, MedShare, MedWish, One World Surgery, Partners in Health, Project C.U.R.E., See International and Matter.

Medline Europe worked closely with International Health Partners (EU), and Medline Canada donated CAD\$418,000 (approximately US\$311,385*) in bandages to Health Partners International Canada in support of the organization’s global medical aid programmes.

Zambia

One key partner, MAP International, identified the Tree of Life Children’s Village as an organisation that could benefit from Medline supplies. Spanning over 130 acres, the facility is a transitional, full-time care facility in Lusaka, Zambia. Children at the Tree of Life may suffer from significant medical conditions, and their guardians may either be unable to provide necessary care, or their home situation is unsuitable for the child to live and thrive. COVID-19 hit their community extremely hard and a shipment containing Medline scrubs and other products allowed them to continue fighting the virus. Medline has provided MAP International with US\$1.6 million in supplies over the past four years, including scrubs, urinary catheter kits, gauze pads, assorted bandages and tape, heparin and sodium chloride single-use syringes, disinfection wipes and products, and surgical gloves.

*As at 2 June 2023

Yemen

Through International Health Partners, medical supplies donated by Medline supported eight health facilities in Yemen, including an all-boy orphanage that was established in 1925. Many of the orphans lost their families during the civil war that has been fought for the past six years. Others were abandoned, found alone, and turned over to authorities to shelter. The area’s Jahza Hospital had been completely empty of primary healthcare medicines, and many organisations were unable to access the area and deliver aid as a result of the clashes. People who had been displaced, especially children, were suffering from diarrhoea and respiratory infections. Medline supplies helped to treat these cases.

Skills-based volunteering

Our US Global Health Initiative, Medline’s skills-based volunteer programme, lends pro bono employee expertise and counsel to health systems with low-resource volunteers. These projects focus on three areas aligned to Medline’s business acumen – supply chain optimisation, perioperative efficiency and health education.

In 2022, we resumed our international trips after a two-year hiatus due to the pandemic, with US employee volunteers travelling to Santo Domingo, Dominican Republic. The group of 11 led a project intended to strengthen supply chain systems and inventory management protocols for Community Empowerment, a nonprofit organisation and Medline partner providing essential healthcare in the Dominican Republic and Haiti.

Medline Europe shares similar commitments to advancing health equity through its longstanding partnership with Global Smile Foundation, a nonprofit organisation providing free, comprehensive integrated cleft care for underserved children and adults in Africa, Central America and the Middle East. Over the years, European employees have joined the organisation on voluntary service trips to Lebanon, Ecuador and Peru.



Focus on our suppliers

Supplier diversity

Our work to make our company more inclusive extends to how we choose the businesses with whom we work. We are committed to using our purchasing power to increase diversity in our supply chain, strengthening and growing our base of small and diverse suppliers.

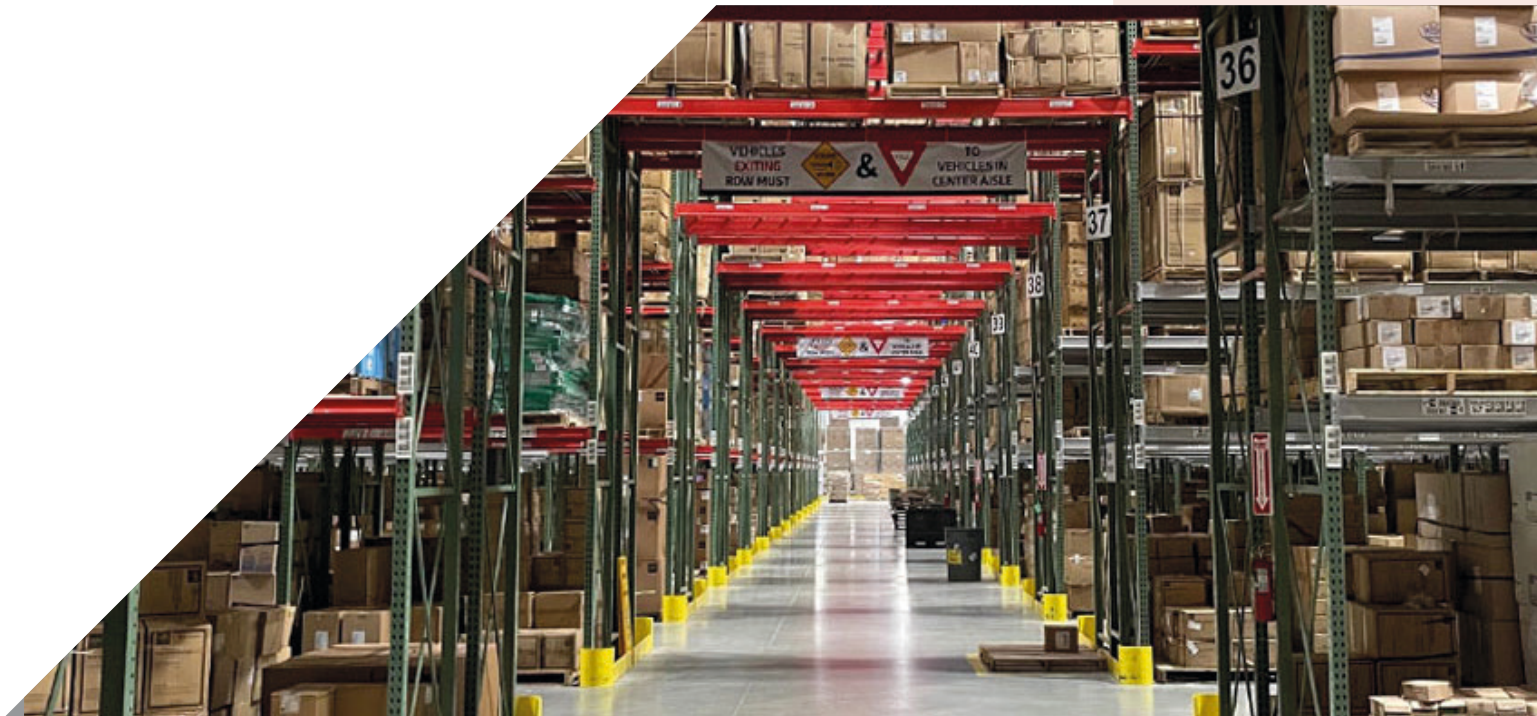
To enhance our reporting capabilities, Medline procured a new supplier diversity data, software and management solution to enrich our supplier data, benchmark against peers, easily find diverse suppliers, and report on diverse spend.

Also in 2022, we convened a cross-functional working group to better define the company's approach to supplier diversity in 2023.

Meet GCB Medical Supply

We are particularly proud to have a relationship with GCB Medical Supply (GCB), a woman-owned business with a mission of bringing transparency, stability and true partnership to health systems across the US. As a supplier, GCB offers an array of products including gloves, sterilisation wraps, isolation and surgical gowns, headwear and footwear, suction canisters, and paediatric gowns.

GCB is also committed to uplifting women around the world. In its Paraguay factory, the company established a scholarship programme that pays to send children to school while their mothers work at the factory. The scholarship covers care for children aged 2 to 5 years old during the work week and includes meals and transportation to and from school. In addition, 10% of all GCB profits go towards funding paediatric heart research.



Robust governance

We do what is right, not only what is required. We hold our business, employees and suppliers to high ethical standards.



Highlights

592
ethical sourcing audits conducted by Medline personnel

Engaged
an independent social audit firm to extend the reach of our ethical sourcing programme

Continued
Worldwide Responsible Accredited Production (WRAP) certification programme for glove manufacturers

Material ESG topics:

Ethical sourcing:
We respect, honour and uphold fundamental human rights throughout our supply chain.

Business ethics:
We do what is right, not only what is required.

Data privacy and security:
We secure and protect personal data throughout the information lifecycle.



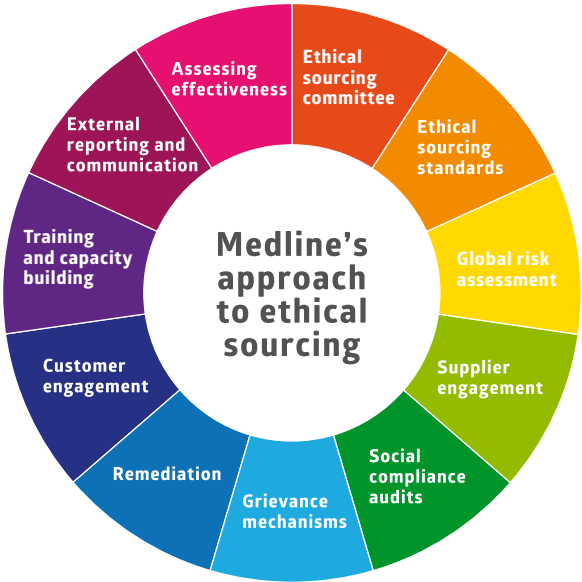
Ethical sourcing

Our ethical sourcing programme ensures that our supply chain is reflective of our values, taking a sustainable and responsible approach to supply chain management.

Medline offers more than 360,000 products, employs more than 34,000 workers worldwide, and operates in complex and diverse global supply chains. We use thousands of first tier suppliers in more than 40 countries worldwide. In this complex environment, Medline's ethical sourcing programme reinforces our commitment to:

- Promoting human rights, fair labour practices, responsible environmental management, and safe and healthy workplaces throughout our business and supply chains, including in the communities where we operate
- Assessing and, when necessary, investigating credible allegations of human rights violations in our operations, and responding appropriately
- Providing channels both for Medline employees and for workers in Medline's supply chains to report ethical sourcing concerns in a confidential manner
- Empowering our employees and suppliers with information and training on best practices related to ethical sourcing and human rights
- Setting expectations and requirements for our suppliers to extend our values through all tiers of our supply chains

The 11 pillars of our ethical sourcing programme specify how we operationalise these commitments.



Benchmarking and guidelines

In 2020, Medline undertook a comprehensive process to review our ethical sourcing policies and procedures. As part of this review, we benchmarked our policies and procedures against widely accepted international best practices with the assistance of external experts.

Medline's approach to ethical sourcing due diligence is heavily influenced by the UN Guiding Principles on Business and Human Rights (UNGPs). We also subscribe to UNGP's principle of ongoing reassessment and improvement of a company's human rights due diligence efforts.

Medline has incorporated standards, conventions and principles from the International Labour Organisation, the UN Universal Declaration of Human Rights, the UN Global Compact, Worldwide Responsible Accredited Production (WRAP), Social Accountability International/SA8000, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

The [Medline Supplier Code of Conduct](#) serves as the foundational document for sharing our core ethical sourcing principles with our suppliers and ensuring they uphold Medline's ethical sourcing commitments.

Human rights

Modern slavery, forced labour and human trafficking are critical human rights issues that require continuous monitoring and due diligence. Medline is committed to maintaining systems and controls to prohibit and prevent these fundamental human rights violations. We conduct monitoring in our own operations and those of our suppliers to identify, prevent and remediate instances of human rights concerns, with particular focus on suppliers in known high-risk regions.

Our [Modern Slavery Statement](#) indicates our global commitment to the protection of human rights throughout our supply chain.

By taking a risk-based approach to ethical sourcing, we focus our efforts where the greatest risks exist since we believe this is where we can leverage our networks to achieve positive change. In 2022, Medline's ethical sourcing audit team conducted 592 audits globally.

Ethical sourcing continued

WRAP is a world-renowned organisation with the objective to independently monitor and certify compliance with fundamental health, safety and human rights standards in the global supply chain.

Maintaining traceability within the distribution chain

Medline's ethical sourcing due diligence processes include steps for gathering information on the materials used to manufacture Medline branded products. To form our foundation, Medline's Supplier Code of Conduct includes a prohibition on all forms of forced labour throughout our supply chain, as well as a requirement for our direct suppliers to apply Medline's high ethical standards for contractors or subcontractors including the production of Medline products. Medline takes a risk-based approach to our due diligence, focusing on materials and regions known to be at high risk for violations of Medline's Supplier Code of Conduct.

WRAP certification for gloves division

In 2022, Medline's gloves divisions initiated the first-ever WRAP certification project in the medical device sector. WRAP is a world-renowned organisation with the objective to independently monitor and certify compliance with fundamental health, safety and human rights standards in the global supply chain. WRAP conducts its own rigorous social audits that assess compliance against the organisation's 12 principles. Like Medline's own ethical sourcing standards, WRAP derives its 12 principles from the tenets outlined in the UNGPs, in the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises, and by the UN's International Labour Organisation.

Prior to its partnership with Medline, WRAP focused primarily on the retail clothing sector. Medline worked closely with WRAP to develop a protocol that applied its 12 principles to the medical device sector. WRAP also collaborated with Medline's glove manufacturers to test the protocol. In 2022, Medline conducted 68 audits in line with the WRAP certification and 33 of Medline's glove suppliers achieved certification.

Managing risks associated with the use of critical materials

We ensure a global reach by leveraging strategic partnerships with suppliers on six continents. With a supply chain that incorporates such broad geographic diversity, we diligently monitor and mitigate situations that pose potential risk for workers. For example, we apply heightened levels of scrutiny to suppliers in the following areas:

- Industries with potential for exploitation of lower paid, migrant or vulnerable workers, such as cotton production, rubber compounding, illegal timber harvesting or mineral extraction
- Jobs with physical demands or risks to physical safety, such as the use of potentially toxic chemicals or the operation of heavy industrial equipment
- Temporary or contracted employees who may come to our partners from third-party agencies
- Labour practices that, although legal under local law, may not meet the high standards to which we hold ourselves

In addition, as part of the process for developing and onboarding Medline branded products, Medline's Quality Assurance team is tasked with assuring our products do not contain critical materials or conflict minerals. We do not approve production if conflict minerals are found during this process.

Business ethics

The mission of our ethics and compliance programme is to manage risk by developing guidelines, tools and resources to comply with laws, regulations and industry codes. In other words, we conduct business the right way.

Our global ethics and compliance programme

Our global ethics and compliance programme, led by Medline's Chief Ethics and Compliance Officer, exists to promote ethical conduct and compliance with local laws and regulations. To ensure our programme reaches all employees, members of our Global Ethics and Compliance team support the Chief Ethics and Compliance Officer in implementing and evaluating the programme.

The programme includes the oversight, training, enforcement and monitoring of compliance risk areas which include, but are not limited to:

- Conflicts of interest
- Anti-bribery and anti-corruption
- Interactions with healthcare providers
- Transparency reporting
- Reporting allegations of misconduct

Open Talk, a confidential channel

Medline encourages all employees and business partners to report and raise any concerns. Open Talk is Medline's global, confidential channel through which employees and business partners can ask questions and raise concerns about ethics, compliance, violations of regulations, laws or policies, or Medline's Code of Conduct. The platform is administered by an independent company, available 24 hours per day, seven days per week, and can accommodate reports in more than 75 languages.

Our Code of Conduct

The Medline Code of Conduct is the foundation on which our ethics and compliance programme is built. It defines our core values and the principles that govern our relationships with government agencies, customers, competitors and each other. It covers a wide range of topics, including anti-discrimination, harassment, workplace safety, employee privacy, political participation, conflicts of interest, and providing or accepting gifts.

Our Code of Conduct lists the guiding principles we expect every Medline employee to follow:

- Act with integrity in all that they do
- Watch for situations that seem unethical or could violate the spirit of the code
- Report suspected violations of the code, compliance policies or local laws and regulations to the Ethics and Compliance team
- Cooperate fully in any investigation or audit of business practices, possible ethical violations or illegal conduct

- Ask questions and consult with the Ethics and Compliance team if they have concerns that a business activity may be unethical, illegal or may violate the code or other compliance policies

Compliance and charitable donations

In 2022, Medline introduced its Global Charitable Giving policy which requires that all charitable donations:

- Align with Medline's overall healthcare and philanthropic objectives and that the receiving organisations use the donations for charitable or philanthropic purposes only
- Are made to organisations that share Medline's commitment to DEI
- Are given at arm's length and not as a way to receive potential benefits or business gain

Standards we follow globally

Medline is also committed to interacting with healthcare professionals in an ethical and compliant manner. We have enacted policies and procedures in accordance with local laws, regulations and industry codes including:

- **AdvaMed:** As a member of AdvaMed, we support the association's mission to advocate for the highest ethical standards and patient access to safe and leading medical technologies. We comply with AdvaMed's Code of Ethics on interactions with US Health Care Professionals.
- **Medtech:** As a member of the MedTech Europe trade association, we are required to comply with its Code of Ethical Business Practice. In compliance with MedTech Europe's code, we avoid conflicts of interest when balancing our customer relations and charitable work. We also do not donate cash or products to, or at the request of, healthcare providers in Europe.
 - During 2021 and 2022, Medline remained an active participant in MedTech Europe's Ad Hoc Working Group on Sustainable Corporate Governance, which it also chairs. The activities of the working group include raising awareness of existing and upcoming ESG legislation among member companies, helping the medical device industry to agree on key messages and positions, and facilitating lobbying and advocacy with policy makers. Key European regulatory developments informing the group's work include the proposed EU Corporate Sustainability Due Diligence Directive, as well as the proposed EU Corporate Sustainability Reporting Directive and its associated European Sustainability Reporting Standards.

Data privacy and security

Data privacy

When we talk about privacy at Medline, we are focused on how Medline handles and protects personal data throughout the information lifecycle. It starts with the collection of personal data, continues through its authorised use, and remains a focus until the information is discarded in alignment with the expectations of customers, patients, employees and vendors who provide it to Medline.

Privacy matters, and we have legal and ethical obligations to treat personal data carefully and in compliance with applicable laws, regulations and internal Medline policies, including our Code of Conduct and Global Privacy Governance Policy.

Medline's Global Privacy Office is responsible for developing data privacy policy, standards and related training and education. This team also establishes privacy strategy across Medline (with an emphasis on privacy by design), oversees data privacy governance, and provides data protection law guidance and interpretation. In 2023, the team will be dedicated to driving the adoption and application of the National Institute of Standards and Technology (NIST) Privacy Framework globally.

Security

Medline's cybersecurity programme is managed by our Global Chief Information Security Officer with direct oversight by the Board of Directors. The Board receives regular joint reports from the Chief Information Security Officer and Chief Information Officer on Medline's cyber risks and threats, assessments of our security programme, the status of projects to strengthen our information security posture, and emerging threat intelligence.

Our cybersecurity programme focuses on protecting our company assets and our customers' privacy through a robust methodology based on the NIST Cybersecurity Framework.

Using a defence-in-depth approach, multiple layers of technology, policies and training are deployed at all levels of the enterprise to keep the company's IT infrastructure secure. Employee training, strong identity and access management, vulnerability management, endpoint protection, network segmentation, event monitoring and a Global Cybersecurity team work together to ensure the confidentiality, integrity and availability of our systems.

Our cybersecurity programme is vetted through third-party audits, assessments and penetration tests to validate its effectiveness and compliance with legal and regulatory requirements.



SASB content indices

- Medline has adopted two applicable SASB standards under the healthcare sector:
- Medical Equipment & Supplies Sustainability Accounting Standard
 - The Health Care Distributors Sustainability Accounting Standard

SASB Index: Medical Equipment & Supplies Standard

Sustainability disclosure topics and accounting metrics			
Topic	Accounting metric	SASB Code	Disclosure
Affordability & Pricing	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index	HC-MS-240a.1	Medline has elected not to disclose performance on this metric for 2022.
	Description of how price information for each product is disclosed to customers or to their agents	HC-MS-240a.2	Medline has elected not to disclose performance on this metric for 2022.
Product Safety	Number of recalls issued; total units recalled	HC-MS-250a.1	Relevant information on FDA medical device recalls can be found here . Information on FDA drug recalls can be found here .
	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	HC-MS-250a.2	Relevant information on the products listed on the FDA's MedWatch Safety Alerts for Human Medical Products can be found here .
	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	HC-MS-250a.3	Medline reports all data as required by the US FDA regarding Manufacturer and User Facility Device Experience (MAUDE). To see Medline information, please visit the MAUDE Database .
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-MS-250a.4	Information on the number of FDA enforcement actions can be found here .
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-MS-270a.1	There were no monetary losses as a result of legal proceedings associated with false marketing claims in 2022.
	Description of code of ethics governing promotion of off-label use of products	HC-MS-270a.2	Medline adheres to established guidelines – and in the case of off-label content, draft guidance – set out by the FDA. Medline does not promote or suggest usage of any drug, medical device or biologic outside of the FDA approved guidelines or indications for use. This applies to all forms of sales and promotional activities including but not limited to direct communications with healthcare providers and conducting and/or sponsoring promotion events or discussions. Medline has an established Medical Affairs department, which assists in the training of commercial staff regarding off-label compliance, and a team of Medical Science Liaisons devoted to handling unsolicited off-label requests from the healthcare community.

SASB Index: Medical Equipment & Supplies Standard

Sustainability disclosure topics and accounting metrics			
Topic	Accounting metric	SASB Code	Disclosure
Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	HC-MS-410a.1	Medline is a medical device company and complies with all FDA regulations with regards to its products. For details on our Green Product Portfolio, which includes products free of chemicals of concern, see page 21 .
	Total amount of products accepted for takeback and reused, recycled or donated, broken down by: (1) devices and equipment and (2) supplies	HC-MS-410a.2	Medline engages in both the take-back and reprocessing of single-use medical devices for reuse as well as donation of medical product each year. Medline US reprocessed 2.3+ million medical devices in 2022, diverting 500 tonnes of waste from landfill, and donated more than 643 tonnes representing US\$2.7 million in medical products.
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programmes for manufacturing and product quality	HC-MS-430a.1	Medline has elected not to disclose performance on this metric for 2022.
	Description of efforts to maintain traceability within the distribution chain	HC-MS-430a.2	For details on maintaining traceability within the distribution chain, see page 41 .
	Description of the management of risks associated with the use of critical materials	HC-MS-430a.3	For details on management of risks associated with the use of critical materials, see page 41 .
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	HC-MS-510a.1	There were no monetary losses as a result of legal proceedings associated with bribery or corruption in 2022.
	Description of code of ethics governing interactions with healthcare professionals	HC-MS-510a.2	For details on the standards Medline follows globally, including the code of ethics governing interaction with healthcare professionals, see page 42 .
Activity metric	Code		
Number of units sold by product category	HC-MS-000.A	For information on Medline revenue, see page 6 .	

SASB Index: Health Care Distributors Standard

Sustainability disclosure topics and accounting metrics			
Topic	Accounting metric	SASB Code	Disclosure
Fleet Fuel Management	Payload fuel economy	HC-DI-110a.1	Diesel efficiency is 8.65 MPG.
	Description of efforts to reduce the environmental impact of logistics	HC-DI-110a.2	Please see page 18 for details on sustainable transportation.
Product Safety	Total amount of monetary losses as a result of legal proceedings associated with product safety	HC-DI-250a.1	Medline has elected not to disclose performance on this metric for 2022.
	Description of efforts to minimise health and safety risks of products sold associated with toxicity/chemical safety, high abuse potential or delivery	HC-DI-250a.2	Medline follows all US Department of Transportation regulations respective to the shipment of hazardous goods. All appropriate licensure and credentialing are verified per state and federal regulatory requirements. Medline has processes in place to assure that pharmaceutical products that we manufacture follow established US Pharmacopeia requirements to assure the safety and efficacy of ingredients uses and that elemental impurities are well controlled. Additionally, for medical devices, Medline complies with applicable biocompatibility requirements to assure our devices do not cause adverse biocompatibility clinical impacts (e.g. toxicity, pyrogenicity, irritation etc.).
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the distribution chain and prevent counterfeiting	HC-DI-260a.1	Medline utilises track and trace pedigree software to receive and transmit manufacturer's serialisation data to ensure regulated products securely move through our warehousing system.
	Discussion of due diligence process to qualify suppliers of drug products and medical equipment and devices	HC-DI-260a.2	Suppliers who will provide Medline with Medline-labelled product undergo extensive due diligence, including evaluation of quality systems (both remote assessments and onsite audits as dictated by risk), ethical sourcing risk assessments and audits (as dictated by risk), the signing of our Code of Conduct and the signing of quality agreements. Medline has a very large presence throughout our supply chain, and due diligence is an ongoing effort, which includes a continuous evaluation of risk, scorecard generation, engineering collaboration and ingredient chemical and microbiological qualification as applicable on the pharmaceutical side.
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-DI-260a.3	In the event of a known risk of counterfeit on product which had been distributed, the process would be handled by our recall process, which is compliant with FDA regulations. We have an automated software platform that we utilise and have a dedicated recall team to assure customers and regulatory authorities are appropriately notified.

SASB Index: Health Care Distributors Standard

Sustainability disclosure topics and accounting metrics			
Topic	Accounting metric	SASB Code	Disclosure
Product Lifecycle Management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	HC-DI-410a.1	Please see page 22 for details on sustainable packaging.
	Amount (by weight) of products accepted for take-back and reused, recycled or donated	HC-DI-410a.2	Medline engages in both the take-back and reprocessing of single-use medical devices for reuse as well as donation of medical product each year. Medline US reprocessed 2.3+ million medical devices in 2022, diverting 500 tonnes of waste from landfill, and donated more than 643 tonnes representing US\$2.7 million in medical products.
Business Ethics	Description of efforts to minimise conflicts of interest and unethical business practices	HC-DI-510a.1	Our Code of Conduct outlines our corporate values and standards of integrity and behaviour. Please see page 42 to learn more about how we guide our employees to act with integrity and in compliance with law.
	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption or other unethical business practices	HC-DI-510a.2	There were no monetary losses as a result of legal proceedings associated with bribery, corruption or other unethical business practices in 2022.
Activity metric		Code	
Number of pharmaceutical units sold by product category		HC-DI-000.A	This activity metric is not material.
Number of medical devices sold by product category		HC-DI-000.B	For information on Medline revenue, see page 6 .