



2019

UNITED NATIONS GLOBAL COMPACT

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**COMMUNICATION ON
PROGRESS**

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UNGC PRINCIPLES

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
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10. Businesses should work against corruption in all its forms, including extortion and bribery.

WHO WE ARE

Sarnova and its family of companies: Bound Tree Medical, Cardio Partners, Emergency Medical Products and Tri-anim Health Services, have been collectively serving the emergency medical services (EMS) and acute care markets for nearly 50 years.

By offering more than 100,000 innovative healthcare products to thousands of national emergency care providers, hospitals, advanced patient-care facilities, schools, universities, businesses and federal government agencies, we're proud to say that the products we sell, help our customers save lives and help keep our communities safe.

Sarnova is a company of Patricia Industries, a part of Investor AB, which makes significant investments in best-in-class companies with strong market positions, brands and corporate cultures.



A WORD FROM JEFF

Hello,

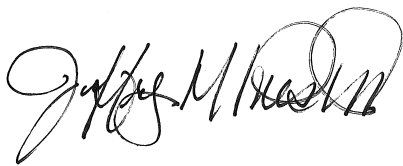
Sarnova's mission is to be the best partner for those who save and improve patients' lives. To fulfill this mission, Sarnova became a proud member of the United Nations Global Compact (UNGC) in 2019.

We support the UNGC's goal to build cooperation between businesses and to implement a set of core values focusing on human rights, labor, anti-corruption, and health, safety and the environment.

As a part of Sarnova's commitment to the UNGC, we have prepared this annual Communication on Progress. During the past year, Sarnova has introduced and continued several businesses practices, which were designed to hold the company accountable to the UNGC's Ten Principles of Responsible Business Conduct.

By offering more than 100,000 innovative medical products to providers throughout the healthcare industry, we're proud to say that the products Sarnova sells, help our customers save lives and keep our communities safe. As we continue to grow as a company and perfect the vision we have for Sarnova, we will not neglect our responsibility and commitment to promote business practices that support the principles of the UNGC.

Sincerely,



Jeff Prestel
CEO



JEFF PRESTEL
CHIEF EXECUTIVE OFFICER

SUSTAINABLE DEVELOPMENT GOALS

Sarnova supports the United Nation's Sustainable Development Goals (SDGs) and works to advance these goals in the emergency medical and acute care industry. Each SDG represents the United Nations' global vision to eliminate some of the most pressing problems the world faces today. Our commitment to the Global Compact Principles goes hand-in-hand with the SDGs identified below. Please take a moment to learn more about our contributions to the SDGs as you read further through this Communication on Progress.

Human Rights



Labor



Health, Safety, and Environment



Anti-Corruption



HUMAN RIGHTS

Sarnova values and respects the uniqueness of all individuals and does not do business with any vendor who practices discrimination based on race, religion, gender, age, nationality or sexual orientation. We do not tolerate physical violence, threats of violence, or physical, sexual, psychological or verbal harassment or maltreatment in the workplace or work-related situations. Because our people are our greatest resource, we will continue to operate our business in a transparent and trustworthy way. For these important reasons, we support the United Nations' Universal Declaration of Human Rights.

New Code of Conduct

Our new Code of Conduct is the bedrock of our compliance program and serves as an ethics guide for our employees to support human rights. The Code of Conduct is compliant with the Ten Principles of the UNGC, represents the industry values and best business practices of our senior leadership, and is approved by our Board of Directors.

Our customers and vendors depend on us to distribute our products with integrity and in a manner that respects the dignity of human life. By lawfully and ethically offering healthcare products to thousands of national emergency care providers, hospitals, advanced patient-care facilities, schools, universities, businesses and federal government agencies, we're proud to say that the products we sell, help our customers save lives and help keep our communities healthy. We believe complying with all applicable legal and ethical standards that protect human rights is imperative to our success.

Measurement:

- **100% of employees received our new Code of Conduct in 2019, which carefully outlines our strategy to support human rights.**
- **All new hires are expected to read and certify their commitment to uphold all aspects of the Code.**
- **The new Code of Conduct was published on all websites in 2019.**

Supplier Code of Conduct

In 2019, Sarnova adopted a formal Supplier Code of Conduct. The Supplier Code of Conduct reflects the values of the employee Code of Conduct and similarly calls on vendors to protect internationally proclaimed human rights. Sarnova refrains from cooperating with business partners who violate fundamental human rights, such as using forced and compulsory labor or child labor.

Measurement:

- **100% of private label suppliers were delivered a copy of the Supplier Code of Conduct.**
- **100% of the Purchasing Department received training on "Sustainability and Supplier Code of Conduct".**
- **The General Counsel now requires all new and renewed supplier contracts to contain language assenting to the Supplier Code of Conduct.**



HUMAN RIGHTS

International Sales Restrictions

Sarnova is committed to compliance with the laws and regulations of the United States government that impose limitations on U.S. export trade and other foreign trade and dealings, as well as the relevant laws where each company does business worldwide. Over the past year, the Regulatory department implemented and revised procedures governing international sales across all businesses. These procedures include processes to review the company and personal identification information of all international customers against all applicable United States sanctions and embargoes. The procedure outlines a systematic review of the customer's information, order history and selected products to ensure the products we ship overseas never wind up in the possession of a restricted party.

Measurement:

- **100% of all international orders are reviewed against applicable government sanctions screening lists and approved by the Regulatory department.**
- **100% of all international shipments are audited monthly to ensure an order is never shipped internationally without Regulatory approval.**

Educating Emergency Medical Professionals

Bound Tree University is dedicated to the continuing education of EMTs and Paramedics. Through this program, Bound Tree offers free online courses accredited by the EMS1 Academy, a CAPCE accredited organization. The student web portal is loaded with articles, videos, webinars, e-Books and other educational resources created with the help of industry-leading organizations and professionals who are passionate about EMS. Professionals who sign up to attend online courses may refresh their skills by receiving instruction in airway management, capnography monitoring, cardiac care, CPAP therapy, diabetic care, mass casualty incidents, opioid exposure risks, patient handling, pediatric care, sepsis detection, Stop the Bleed® kits, new medical technology and trauma management.

Investment in education expands business opportunities and solidifies our customer base, but it also results in a more skilled workforce with greater productivity. As it relates to healthcare, we believe a more educated workforce leads to a higher standard of care for patients and the possibility of better wages and greater opportunity for medical professionals.

Measurement:

- **17,383 new user registrations in 2019.**
- **28,721 total active users.**



LABOR

Sarnova is a socially responsible employer that strives to provide the most humane and ethical working conditions for its employees. We tirelessly preserve a nondiscriminatory, engaging and positive work environment where employees can conduct their work with safety and security.

We believe employees need a compensation package that is fair, a work environment that is productive and a clear path towards advancement. In addition, we support the right of our employees to freely associate and collectively bargain. For these reasons, Sarnova commits to providing compensation in line with local standards, a safe and comfortable working environment and well-established performance and evaluation tools.

We commit to upholding the labor standards set by all domestic laws and regulations. In particular, we support a workplace that cultivates diversity and fosters inclusion. We expect all employees to treat everyone fairly and decently. Working for Sarnova should be a choice made freely and without unjust consequence.

Eliminating Forced or Compulsory Labor

By signing Sarnova's Code of Conduct, Sarnova and all its employees commit that they will comply with all applicable employment and labor laws, especially those aimed at eradicating all forms of forced and compulsory labor. In addition, employees agree to abide by a prohibition against all forms of employment discrimination. Every employee from executive leadership to warehouse personnel must recommit to these pledges in writing annually.

Measurement:

- All of Sarnova's approximately 625 employees are over the age of 18.
- 100% of all employees are paid at a rate equal to or above local minimum wage standards.
- 100% of employees received our new Code of Conduct in 2019, which addressed abusive labor issues.
- All new hires are expected to read and certify their commitment to uphold all aspects of the Code.
- The new Code of Conduct was published on all business sites in 2019.

Embracing Employee Safety

Sarnova is focused on safety first, promoting the Sarnova Safety Program to strengthen occupational health and safety culture and performance in all warehouse facilities. The program is designed to prevent occupational injuries and illnesses, and promote a culture of reporting. Safety measures include tailored training sessions to address specific injury incidents or risks, monthly refresher courses on a variety of safety topics, monthly safety checklists completed by each warehouse, public signage counting the days since the last injury, and gift incentives to warehouse teams for consecutive quarters without injuries.

Measurement:

- Maintain a Total Case Incident Rate (TCIR) less than 4.5, which is the average for companies our size operating within a distribution-warehousing network. Warehouse Operations reported 4 OSHA recordable incidents in 2019 that resulted in a TCIR score of 2.11.
- 4 injuries resulted in 1,592 of lost work hours or 0.12% of 1.35 Million total warehouse operations hours in 2019.



LABOR

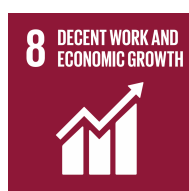
Embracing Diversity

Sarnova is committed to selecting, recruiting, developing and supporting people solely on the basis of their professional capability and qualifications, irrespective of gender, ethnicity, nationality, class, color, age, sexual identity, disability, religion, marital status or political opinion. In determining the measurable objectives for achieving diversity, Sarnova considered a number of areas that it believed were important to both demonstrate and achieve a diverse workforce. These included gender, race and age.

We annually review and report on the relative proportion of women and men in the workforce at all levels of the company. In addition, we specifically track the age, race and gender of the executive management team and board of directors with the goal of pursuing greater diversity over time. Finally, our new Code of Conduct includes detailed sections on anti-discrimination, which are stressed among employees at the time of hire and during annual training.

Measurement:

- **44% of our workforce is female. 56% is male. (In 2017, the workforce was 41% female.)**
- **100% of all employees receive training on discrimination and diversity as part of the annual Code of Conduct training or a separate learning module.**



HEALTH, SAFETY, AND ENVIRONMENT

Sarnova supports a precautionary approach to environmental challenges and undertakes initiatives to promote greater environmental responsibility. Also, we encourage the development and diffusion of environmentally friendly technologies.

We actively support a sustainable environmental progress through the development and maintenance of a warehouse system that is optimized to reduce the impact of transportation of finished goods from the point of distribution.

Monitoring Energy Usage

Sarnova began tracking gas and electricity consumption in 2018 as the first step in its long-term environmental initiative to "Monitor and Minimize" energy consumption. The company's overall goal is to identify areas in which it can maintain or reduce consumption year after year as the company grows.

Sarnova's warehouse and administrative facilities operate across the country in seven different States. Each facility varies in size and is expected to manage different temperature and humidity conditions based on the products stored in the location. Therefore, energy consumed by each facility is subject to different product storage requirements, regional weather and physical footprints.

Sarnova measures its environmental impact by recording the energy consumption of each local facility. This practice allows leadership to individually evaluate the performance of each location to determine where future sustainable improvements will have the greatest impact.

Measurement:

- **Sarnova tracks gas and electricity usage at all facilities in which it is responsible for payment to the service provider.**

Headquarters Electricity Reduction

Sarnova's headquarters in Dublin, Ohio houses over 230 employees, well-ahead of any other satellite location, and manages the core business functions for the company.

Using an automated utility bill management platform called JadeTrack, Sarnova loaded thirty-six months of historical data into the platform, which identified ways to save energy and reduce supplier charges.

Measurement:

- **In 2019, Sarnova's Dublin headquarters was able to reduce energy consumption by 63,920 kWh, which was a 7% decrease compared to the previous year.**



HEALTH, SAFETY, AND ENVIRONMENT

AED Battery Recycling Program

The Cardio Partners division of Sarnova purchases and refurbishes 4,000 to 6,000 used Automatic External Defibrillators (AED) each year. This service allows Cardio Partners to make AEDs available to customers who might otherwise not be able to afford a new model.

As part of the refurbishing process, the original batteries are removed from each used AED and recycled. Depending upon the condition, used batteries are sent to a battery processor to be refurbished and sold on the used market or to a recycler who recovers certain valuable materials and disposes of hazardous waste responsibly.

Measurement:

- **2,396 batteries were sent to a battery processor and refurbished for sale on the used market in 2019.**
- **3,500 pounds of batteries that could not be refurbished were sent to a recycler for disposal in 2019.**

Reduce and Recycle

Sarnova aims to minimize the environmental impact of its operations by encouraging employees to use less paper and recycle discarded documents whenever possible.

Measurement:

- **Recycle paper materials placed in recycling bins in different locations at each facility.**



ANTI-CORRUPTION

The Board of Directors and Executive Compliance Committee of Sarnova are convinced that compliant and ethical behavior is a precondition for a successful and sustainable future. Sarnova's Code of Conduct prohibits any form of bribery or corruption, irrespective of whether the recipient is a public official or an employee of a private customer. In all instances, bribery and corruption are recognized as barriers to sustainable development and free trade. Sarnova supports the work against corruption in all its forms, including extortion and bribery.

Anti-Corruption and Bribery Training

All employees are required to complete a biannual anti-corruption and anti-trust training courses that specifically addressed areas of risk related to bribery and fair competition. These online courses are designed to train employees to recognize certain situational risks and implement methods to mitigate or avoid conflicts or the appearance of conflicts.

Measurement:

- **100% of employees completed the 2019 Anti-Corruption and Bribery Training Course.**
- **100% of employees completed the 2019 Anti-Trust and Competition Training Course.**
- **100% of employees received our new Code of Conduct in 2019, which outlined our Anti-Corruption and Bribery policy.**
- **All new hires read and certify their commitment to uphold all aspects of the Code.**
- **The new Code of Conduct was published on all business sites in 2019.**

Whistleblower Hotline

Sarnova encourages employee to report any possible violation of our Code of Conduct, policies, or the law. If an employee believe he/she has witnessed a reportable act, the employee is encouraged to notify human resources, the legal department or anyone in management. However, anonymous reports may also be made through our compliance hotline.

We strive to make employees feel comfortable reporting ethics or compliance violations without fear of retaliation. Otherwise our mission, vision and values are at risk, which places the financial health of our company in peril. We maintain a confidential compliance hotline that allows employees to report concerns anonymously or to seek guidance on ethical, safety or compliance issues day or night.

Measurement:

- **Human Resources manages the Compliance Hotline, which is audited by the Regulatory Department and administered by a third-party provider to ensure all reports are directed to the appropriate recipients.**



Serve First, Together.