



# 2020

UNITED NATIONS GLOBAL COMPACT

MARCH 30, 2021

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## COMMUNICATION ON PROGRESS

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## WHO WE ARE

Sarnova is a family of companies comprised of: Bound Tree Medical, Cardio Partners, Emergency Medical Products and Tri-anim Health Services. Together, we have been 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.

# 665+

Employees  
Nationwide

Percentage of  
Female Employees  
at Sarnova

# 46%

# 14

Distribution  
Centers in the  
United States.

USD Millions in  
Sales

# \$725

 **Bound Tree**  **Tri-anim**

 **Emergency  
Medical Products**

 **Cardio Partners**

## A WORD FROM JEFF

# Hello,

Social unrest, a contentious election, economic challenges, and a deadly pandemic have powerfully highlighted Sarnova's interconnectivity with and responsibility to its employees, customers, suppliers and communities. We are challenging ourselves to re-examine how we deliver on our Mission – to be the best partner for those who save and improve patients' lives – in a way that continues to create value for all of these stakeholders.

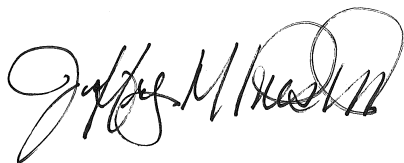
Within this context, and as we mark one year since our first Communication on Progress, we recognize the importance of staying true to the values that define us, while embracing the opportunity to listen, to engage and to evolve.

Our Vision is to be the best company in health and safety sales and distribution. We aim to impact society and create a more sustainable future by being the best partner for vendors and customers, provide the best opportunities for our employees and deliver the best financial and operating performance in our industry. We made some notable progress this year – from nearing gender parity among employees, to extending the UN Global Compact Principles featured in our Supplier Code of Conduct to all prime suppliers. However, in this profound turning point in our nation's history, our Mission and Vision takes on new meaning, and we recognize that there is greater, deeper work ahead.

2021 is now upon us. This provides an opportunity to look at the successes of the past year and continue to strive for our future goals. We will endeavor to grow while overcoming challenges with optimism and courage. If we continue to do the right things, we will see even better results in the coming year.

In this manner, Sarnova is proud to be a signatory of the United Nations Global Compact, continuing our steadfast commitment to aligning our business operations and strategies with the UNGC's ten principles.

Sincerely,



Jeff Prestel  
CEO



**JEFF PRESTEL**  
CHIEF EXECUTIVE OFFICER

## UN GLOBAL COMPACT PRINCIPLES

By incorporating the Ten Principles of the UN Global Compact into policies and procedures, and establishing a culture of integrity, Sarnova is not only upholding its basic responsibility to people and planet, but also setting the stage for long-term success. We believe and support the following principles:

### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## 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.



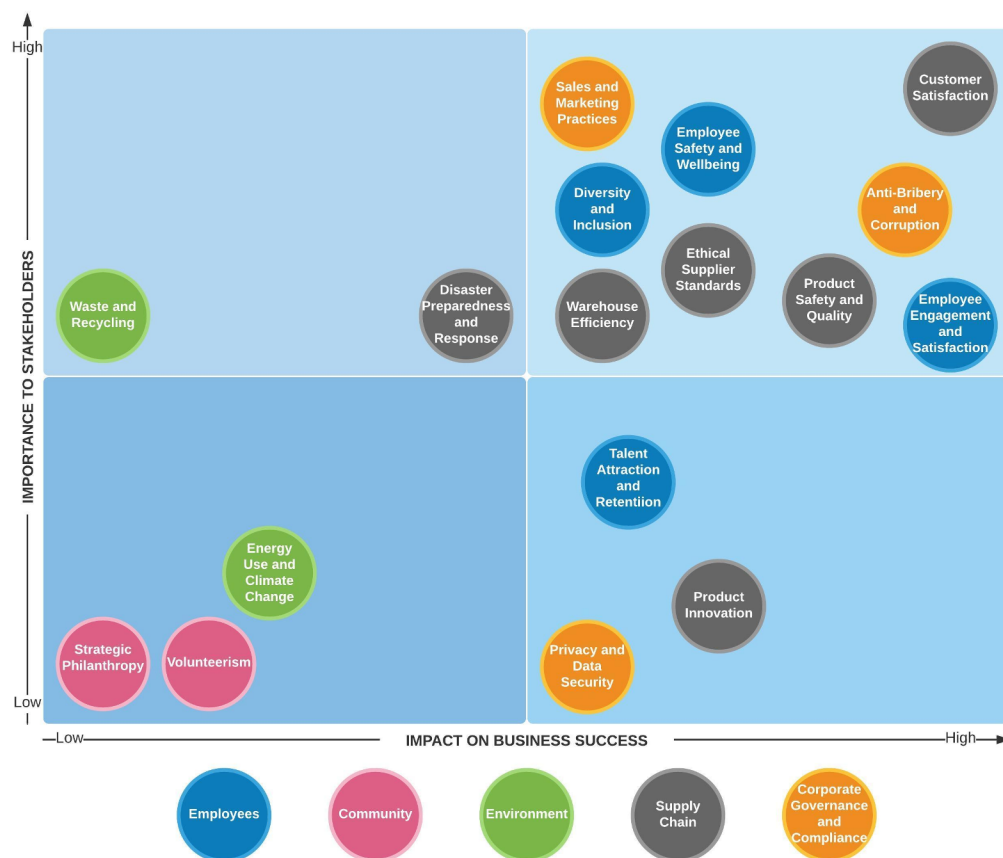


# MATERIALITY ASSESSMENT

Our 2020 Materiality Assessment results for Sustainability are summarized and prioritized in the materiality matrix below. The matrix features five different colors, each representing a broader grouping of the identified material topics. The horizontal axis represents the material topics that Sarnova perceives to be more important to its success, and the vertical axis represents the material topics that external stakeholders perceive as more important.

We identified the following topics as both highly material to Sarnova and very important to external stakeholders.

- Customer Satisfaction
- Employee Engagement and Satisfaction
- Anti-Bribery and Corruption
- Product Safety and Quality
- Employee Safety and Wellbeing
- Ethical Supplier Standards
- Sales and Marketing Practices
- Diversity and Inclusion
- Warehouse Efficiency



The material issues identified in the upper right quadrant of the materiality matrix represent our initial focus directed towards establishing and growing what are traditionally the most impactful areas of sustainability. In addition to the areas named above, the 2020 initiatives for **Waste and Recycling** and **Energy Use and Climate Change** are also included as part of our first steps towards pursuing environmentally oriented initiatives.

## 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.

### Code of Conduct

Our 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.

We believe protecting human rights is imperative to our success. Therefore, we routinely review and update the Code to remain at the forefront of all applicable legal and ethical standards. In 2020, the Code of Conduct was revised to include a Data Protection policy to demonstrate Sarnova's commitment to protecting the Personal Data of employees, customers and business partners. In addition, our Sustainability policy within the Code was revised to reflect our desire for a safe and healthy workplace set upon a foundation of diversity and inclusion.

#### Measurement:

- **100% of employees and new hires received Code of Conduct training in 2020.**
- **All employees are expected to read and certify their commitment to uphold all aspects of the Code.**
- **The Code of Conduct was last updated September 20, 2020 and continues to be regularly reviewed to remain current with company policy and government regulations.**

### Supplier Code of Conduct

In 2020, Sarnova issued its Supplier Code of Conduct to the prime suppliers of all its business units. 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 prime suppliers were delivered a copy of the Supplier Code of Conduct.**
- **Conducted online risk assessment of 100% of prime suppliers.**
- **100% of new supplier agreements contain reference 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 revised the International Trade Procedure to include the most up-to-date information governing international sales across all businesses and trained relevant employees to execute the revised procedure. When fully implemented, the procedure ensures the company and personal identification information of all international customers is reviewed against all applicable United States sanctions and embargoes.

#### 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

Our first responders are working tirelessly to keep our communities safe throughout the COVID-19 pandemic. It's a challenging time and Bound Tree University is working to ensure first responders have the latest and most relevant information about PPE supplies, infection control, and funding to navigate this unprecedented situation.

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.

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:

- **29,391 new user registrations in 2020.**
- **61,604 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

Sarnova understands forced labor happens in the context of poverty, lack of sustainable jobs and education, as well as a weak rule of law, corruption and an economy dependent on cheap labor. Essentially, the weakest and least represented in society are most likely to fall victim to forced 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 665 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 Code of Conduct training in 2020, which addressed abusive labor issues.
- All new hires are expected to read and certify their commitment to uphold all aspects of the Code.

### 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:

- All of Sarnova's approximately 665 employees are over the age of 18.
- 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 6 OSHA recordable incidents in 2020 that resulted in a TCIR score of 3.44.



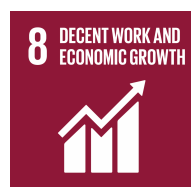
# LABOR

## 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 2019, we internally identified gender and race as areas to be annually measured to demonstrate and achieve a diverse workforce. In 2020, we created a Diversity, Equity and Inclusion Council to focus on improving diversity among employees and vendors. We also engaged Knight Consulting Group, a noted expert in Diversity, Equity & Inclusion (DEI) to Fortune 500 companies, to provide Sarnova with guidance on our DEI journey.

### Measurement:

- **Created a Diversity, Equity and Inclusion Council to focus on improving diversity within the workforce and with vendors.**
- **46% of our workforce is female. 54% is male. (In 2019, the workforce was 44% 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.**
- **Ethnic minority employee population increased from 25% in 2019 to 27% in 2020.**



## 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.**



## HEALTH, SAFETY, AND ENVIRONMENT

### AED Battery Recycling Program

The Cardio Partners division of Sarnova purchases and refurbishes thousands of 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:

- 100% of AED batteries recovered during maintenance were recycled.
- 2,500 AEDs were refurbished for sale on the used market in 2020.
- 2,020 pounds of AED batteries were sent to a recycler for disposal in 2020.

### 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 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

Beyond the world of laws and enforcement, Sarnova understands corruption involves a number of very human elements. Corruption corrodes the fabric of society. It undermines people's trust in political and economic systems, institutions and leaders. It can cost people their freedom, health, money – and sometimes their lives.

For these reasons, all employees are required to complete a biannual anti-corruption and anti-trust training courses that specifically addresses 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 received Code of Conduct training in 2020, which outlined our Anti-Corruption and Bribery policy.**
- **All new hires read and certify their commitment to uphold all aspects of the Code.**
- **The Code of Conduct is routinely reviewed and was last revised and published on all business sites in September 2020.**
- **A third-party consultant conducted a risk assessment of Sarnova's policies and procedures with regard to bribery and corruption, financial controls, gifts and hospitality, donations, sponsoring, whistleblowing and corruption investigations.**

### Whistleblower Hotline

Despite the dramatic images it conjures and the negative connotations, whistleblowing is simply reporting a problem. Allowing and encouraging employees to report internally is integral to prospectively identifying problems, creating strong culture and protecting employees.

Sarnova encourages employees to report any possible violations 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.**
- **Quarterly whistleblower reports are made to the Board of Directors.**
- **Zero reports of employees or vendors engaging in bribery.**





**Serve First, Together.**