



**2021**

**UNITED NATIONS GLOBAL COMPACT**

**Communication on Progress**

March 8, 2022





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# ABOUT US

**Sarnova is a family of companies comprised of: Bound Tree Medical, Cardio Partners, Emergency Medical Products, Tri-anim Health Services and Allied 100.**

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.

**677+**

Employees  
Nationwide

**16**

Distribution  
Centers in the  
United States

**48%**

Percentage of  
Female  
Employees

**\$835**

USD Millions  
in Sales



Bound Tree



Emergency  
Medical Products



Tri-anim



Cardio Partners





# 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.



# A LETTER FROM OUR CEO

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**Creating a healthier and more sustainable future for our employees, customers, communities and business has never been more critical.**

For more than two years, COVID-19 has ravaged our communities and upended our way of life. The virus has infected millions of people in the United States and continues to tragically claim the lives of tens of thousands more, including many of our family, friends, neighbors, and colleagues. The pandemic has become the reason we as a company carefully source life-saving inventory, make financial investments toward effective product solutions, and focus the full power of our distribution resources—from our nationwide supply chain and network operation upgrades to our unparalleled in-person customer care capabilities—to ensure first responders and medical professionals are equipped with the best medical devices and drugs to most effectively combat this virus.

Amid the scramble to stay ahead of the pandemic, securing a healthier and more sustainable future for our employees, customers, communities and business has never been more critical. The COVID-19 pandemic continues to reveal how


interconnected we all are and the urgent need for collaboration and innovation that addresses barriers to equality and opportunity as well as health and safety. The sustainability and corporate social challenges we face today are no less daunting than they were when we first became a U.N. Global Compact Signatory in 2019, but our commitment has also increased in the face of a global pandemic.

This past year Sarnova closely examined its Curaplex® private label suppliers to understand how each one presently supports the UN Global Compact and makes sustainability a priority. Doing so promotes a broader understanding of sustainability and influences how decisions made, beyond procurement, can affect the supply chain. Sarnova will continue to look closely at its supply chain as a whole and carefully evaluate the suppliers that may have the most significant challenges to address.

In the following pages of this communication on progress, you will discover how Sarnova continues to promote the U.N. Global Compact Principles each and every day.

Stay Safe, Stay Healthy.

Sincerely,



Jeff Prestel

CEO





# SUSTAINABILITY IN THE SUPPLY CHAIN

## We benchmarked the sustainability efforts of our Curaplex® private label suppliers.

Sarnova recognizes its supply chain represents a significant opportunity to create lasting social, economic and environmental change. With this in mind, we have made sustainable supply chain management one of our business priorities. This year we benchmarked the sustainability efforts of our Curaplex® private label suppliers by requiring each one to complete our Supplier Sustainability Survey. Using the results from the survey, we will create an infrastructure for our suppliers to not only support commercial and operational growth but also systems and practices that manage social and environmental impacts related to medical device and drug distribution. These efforts will outline mutual benefits and expectations to improve our communication and cooperation with our suppliers to carry out our shared sustainable development goals.

The Supplier Code of Conduct we issued to prime suppliers in 2020 communicated Sarnova's value system and a principles-based approach that we expect our suppliers to follow when doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. The Supplier Sustainability Survey builds upon the Supplier Code of Conduct by documenting the current state of each participating supplier's sustainability efforts. Using these tools, Sarnova refrains from partnering with businesses who violate the fundamental principles of the UN

Global Compact and identifies suppliers who may be excelling or languishing in the areas measured.

Using the results of the Supplier Sustainability Survey, Sarnova identified red flag areas that in the case of nonconformance represent areas of risk impacting the preservation of a sustainable supply chain. Accordingly, in case of nonconformities with the principles that we identify as red flags, it is expected that the risk in that subject is mitigated or the situation is improved.



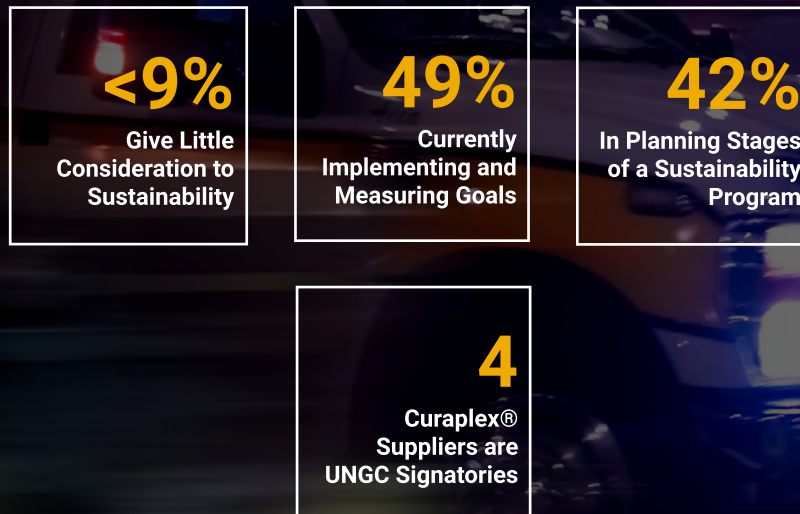
# GENERAL RESULTS

## SUPPLIER SUSTAINABILITY SURVEY

### Survey Response Snapshot:



### Current State of Supplier Sustainability



**Periodic evaluation is the most effective way to improve supplier sustainability.**

This past year we documented and assessed our Curaplex® suppliers' activities and progress regarding sustainability in the areas of Human Rights, Labor, Environment and Anti-corruption. The goal of this exercise was to gain clearer perspective of our suppliers' sustainability efforts while at the same time beginning to identify priorities and make commitments towards improving the overall sustainability of our supply chain in a way that ensures that Sarnova and the stakeholders depending on it can thrive for generations to come.

Sarnova's sustainability survey includes questions that align with Sarnova's sustainability priorities and goals as outlined in the Supplier Code of Conduct. Suppliers are not penalized by their responses. We are striving to continually improve the sustainable level of our supply chain. Our current objective is to track and monitor our suppliers' sustainability activities and progress towards continuous year-over-year improvement as our suppliers put more attention towards current sustainability issues.





# HUMAN RIGHTS

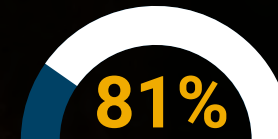
## SUPPLIER SUSTAINABILITY SURVEY

### Supplier Policy and Procedure Metrics:



Ninety-Five percent of Suppliers have policies governing the following policy elements:

- Minimum pay and overtime rates.
- Forbid physical violence, threats of physical violence, and physical, sexual, psychological or verbal harassment or maltreatment in the workplace or work-related situations.
- Privacy of personal information obtained from employees.
- Diversity, equity and inclusion within the organization.
- Safe, suitable and sanitary work facilities for employees.



Actively Monitoring and Auditing Human Rights Issues



Current Exempt and Non-Exempt Employee Audits



Train Employees on Health and Safety Risks



Enforce Reasonable Work Hours and Overtime Policy



Provide Protective Equipment



# LABOR

## SUPPLIER SUSTAINABILITY SURVEY

### Supplier Policy and Procedure Metrics:



Eighty-two percent of Suppliers have policies governing the following policy elements:

- Prohibits forced labor under any circumstances.
- Promotes the right of your employees to freely associate and collectively bargain.
- Promotes safe working conditions and manages employee health and safety issues.
- Requires compliance with all applicable wage and hour laws and regulations.





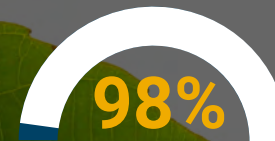
# ENVIRONMENT

## SUPPLIER SUSTAINABILITY SURVEY

### Supplier Policy and Procedure Metrics:

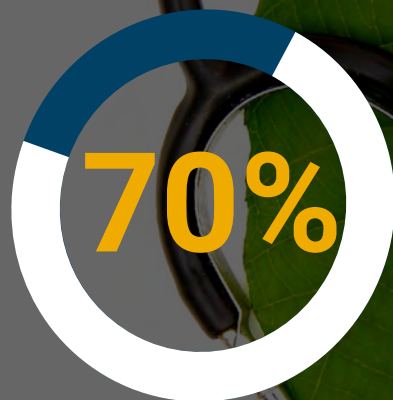


Actively Monitoring  
and Auditing  
Environmental Issues



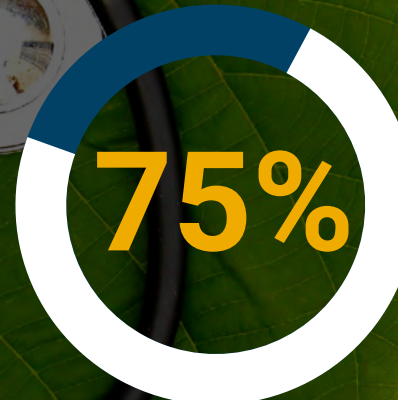
Verify Age, Hours  
Worked and Rest  
Breaks

9  
Suppliers have ISO  
14001 or UL 880  
Certifications



Seventy percent of our suppliers have implemented or are implementing an Environmental Policy that includes one or more of the issues below:

- Customer Health and Safety
- Energy Consumption and Green House Gases
- Local Pollution
- Materials
- Chemicals and Waste
- Promotion of Sustainable Consumption
- Water/Environment Policy



Seventy-five percent of our suppliers have implemented or are implementing an Emissions Policy that includes one or more of the issues below:

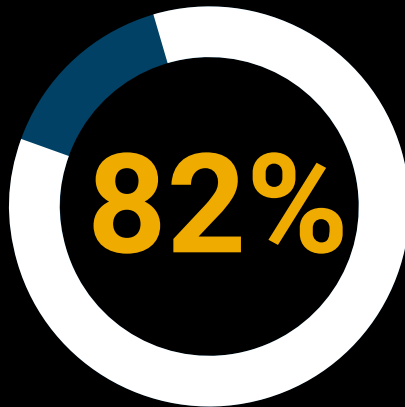
- Employee awareness on energy conservation/climate actions
- Energy or carbon audit.
- Purchase or generation of renewable energy.
- Reduction of carbon emissions in logistics or optimization of fleet efficiency.
- Reduction of energy consumption of HVAC systems.
- Reduction of energy consumption of lighting systems.



# ANTI-CORRUPTION

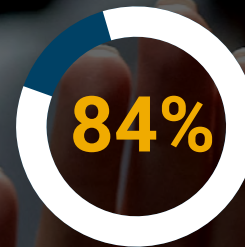
## SUPPLIER SUSTAINABILITY SURVEY

### Supplier Policy and Procedure Metrics:



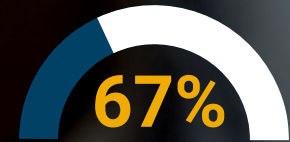
**Eighty-two percent of our suppliers have implemented or are implementing a Anti-Corruption Policy that includes one or more of the issues below:**

- Anti-competitive practices
- Conflict of interest
- Corruption
- Fraud
- Information security
- Money laundering



**Eighty-four percent of our suppliers utilizes one or more of the mechanisms below to control corruption:**

- Anti-corruption due diligence program on third parties in place.
- Audits of control procedures (e.g. accounting, purchasing etc.) to prevent corruption and bribery.
- Awareness training performed to prevent corruption and bribery, corruption risk assessments performed.
- Specific approval procedure for sensitive transactions (e.g. gifts, travel).
- Whistleblower procedure for stakeholders to report corruption and bribery.



**Actively Monitoring and Auditing Anti-Corruption Issues**



**Ninety-One percent of our suppliers implemented or are implementing IT Security controls that:**

- Audits of control procedures to prevent information security breaches.
- Awareness training to prevent information security breaches, Implementation of a records retention.
- Measures to protect data from unauthorized access or disclosure and a whistleblower procedure.
- Measures for the processing, sharing and retention of confidential information.
- Incident response procedure and IT security due diligence program.



# 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.

### Measurement:

- 100% of new hires received Code of Conduct training in 2021.
- The Code of Conduct was last updated March 30, 2021 and continues to be regularly reviewed to remain current with company policy and government regulations.

## Supplier Code of Conduct

In 2021, 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 require the supplier to adhere to the Supplier Code of Conduct.





# 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.

## 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 677 employees are over the age of 18.
- 100% of all employees are paid at a rate equal to or above local minimum wage standards.

## 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:

- Total Case Incident Rate (TCIR) is 5.65.
- Warehouse Operations reported 8 OSHA recordable incidents in 2021. Recordable incidents were not due to unsafe work conditions and were limited to strain injuries and minor collisions, scrapes or lacerations





# LABOR

## Embracing Diversity

Excellence in delivering upon our mission is dependent upon having a diverse team that is empowered to bring their full, authentic self to work each day. We strive to create a workplace that reflects the communities we serve, and we are passionate about creating an inclusive workplace that promotes and values diversity.

In 2021, we launched a comprehensive Diversity, Equity & Inclusion (DEI) Strategic Plan to support the sustainable, profitable growth of Sarnova through the attraction, retention and development of diverse talent at all levels of the organization and to become a DEI Employer of Choice in our industry and community.

We made significant progress toward these goals across all workgroups and at all occupational levels by adjusting talent acquisition practices to produce a diverse employee population which equals or exceeds industrial and demographic DEI benchmarks. These small adjustments allowed us to attract, retain and develop a diverse internal and external leadership talent base that equals or exceeds industrial and demographic DEI benchmarks.

### Measurement:

- **Posted open positions on Diversityjobs.com and 10+ other web sites catering to minority, female, disabled and/or veteran individuals.**
- **Launched DEI Strategic Plan and established a DEI Council to provide ongoing oversight.**
- **Formed five Employee Resource Groups with over 100 employee participants.**
- **100% of all employees receive DEI training as part of the annual Compliance training. All Sarnova leaders completed additional DEI training module in our Leadership Academy.**
- **95% achievement of Diverse Candidate Slates company-wide.**
- **48% of our workforce is female, up from 46% in 2020.**
- **28% of our workforce is a racial/ethnic minority, up from 27% in 2020.**
- **85% favorable rating on DEI in the 2021 Sarnova Employee Engagement Survey.**
- **Sarnova earned national recognition in 2021 by "Great Places To Work".**





# LABOR

## Employee Resource Groups

In 2021, Sarnova implemented five new Employee Resource Groups - Sarnova P.R.I.D.E, Women Empowered (W.E.), African American Network, Emerging Professionals Group (E.P.G.) and Care Providers Alliance (C.P.A.). Led by employees, ERGs aim to build communities among people with shared identities and experiences to support member growth and development. They help foster a supportive environment, enhance company culture around diversity, equity and inclusion, and build a bridge between Sarnova and the communities we serve.



**P.R.I.D.E.**



**W.E.**



**AFRICAN AMERICAN  
NETWORK**



**E.P.G.**



**C.P.A.**





# 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 sustainable environmental progress through the development and maintenance of a warehouse system that is optimized to reduce the transportation impact 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.

## 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.
- 3,995 AEDs were refurbished for sale on the used market in 2021.
- 2,210 pounds of AED batteries were sent to a recycler for disposal in 2021.
- Paper and cardboard recycling continued.
- Added aluminum and plastic to the list of recycled material in 2021
- Started an e-waste program, sending pallets of AED pads to be recycled in 2021.





# 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.

## 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.

## Whistleblower Hotline

Despite the dramatic images it conjures and the negative connotations, whistleblowing is simply a reporting function. 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 believes 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.
- Whistleblower procedures of Curaplex suppliers are actively surveyed.

## 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 new hires completed Code of Conduct training in 2021, which outlined our Anti-Corruption and Bribery policy.**
- **100% of employees received Anti-Corruption and Bribery training in 2021.**
- **Conducted Sarnova Anti-corruption Risk Assessment to identify all the potential areas of corruption that could impact each business unit. Then analyzed each area to arrive at the inherent and residual risk to Sarnova. Finally, documented manner in which different risks are managed or mitigated.**





sarnova 



**We serve those who serve first.**