

ACUMED 2012 UNGC COMMUNICATION ON PROGRESS

Acumed's Commitment to Social Responsibility

Acumed's 2015 vision identifies Social Responsibility as one of four key commitment areas. The company culture has always emphasized ethical business practices, stewardship of resources and support for local and global humanitarian efforts. The formal commitment to social responsibility reaffirms these values in a tangible manner.

To that end, in 2010 the company founded an internal cross-functional Social Responsibility Committee. The committee's purpose statement is as follows:

We serve Acumed and our stakeholders through the promotion and advancement of the company's social responsibility activities. By doing this we influence our organization to integrate principles that protect our people, planet and profits.

Over the last year, the Acumed Social Responsibility Committee has formed work-groups in four core focus areas: Governance, Community Impact, Wellness and Environment. The committee has also developed a communications document to engage both internal and external stakeholders in Acumed activities related to each focus area.

The committee's efforts are aimed at engaging successive levels of Acumed's sphere of influence. In 2011, the committee sought to engage both internal Acumed employees and Colson, Acumed's parent company. By 2015, we will have engaged all levels of the sphere in social responsibility activities.



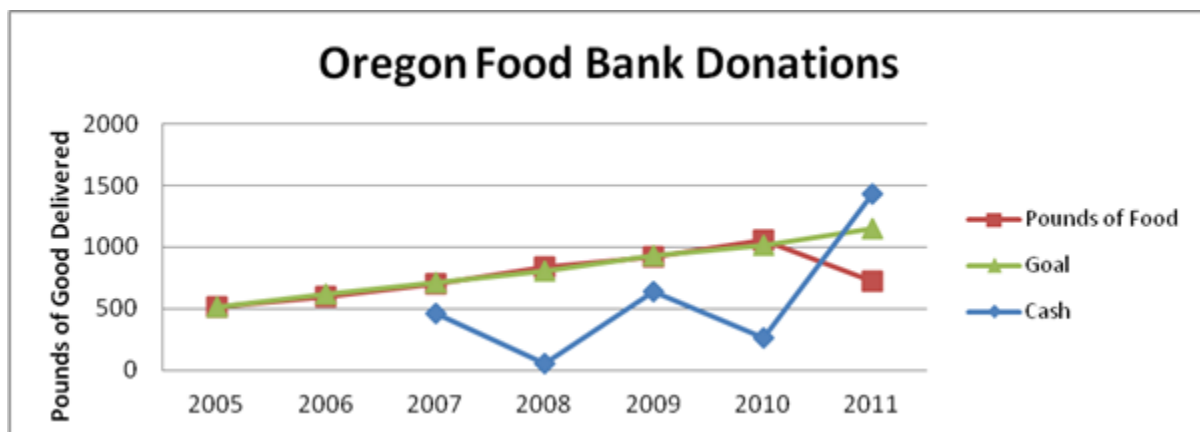
Acumed's demonstrated commitment to social responsibility is consistent with the tenets of the United Nations Global Compact. The remainder of this Communication on Progress will detail Acumed's specific activities and accomplishments in each focus area of the UNGC.

Human Rights

Our activities are motivated by integrity and compassion. Our actions reflect a belief in ownership, accountability and trust.

Food Bank

Oregon Food Bank distributes food and addresses the root causes of hunger through public policy advocacy and educational programs. Acumed participates in this organization's activities by holding team building events throughout the year at their facilities. In December, 108 Acumed employees visited the food bank and repackaged 18,480 lbs of rice into 14,215 individual meals for families in need. In addition, Acumed donated more than 700 pounds of food and over \$1400 for this cause.



SIGN

SIGN is a non-profit organization whose mission is to support surgeons in developing countries by providing them with training and modern equipment so they can offer immediate surgical treatment to their patients. Acumed continues to work closely with SIGN to provide accessible orthopaedic fracture treatments around the world. Acumed engineers donate design time to the organization and many employees assist with sorting and packaging surgical kits to be used in developing nations.

Labor Standards

Acumed promotes an open and safe team-centered environment. Our employees know they are valued.

Safety Team

Employee safety is paramount at Acumed and we are committed to providing employees with a clean and safe work environment. Safety is a shared responsibility and is a regular and ongoing part of our culture. To date, Acumed has worked over 2300 days without a lost time accident.

It is a policy of Acumed to remain proactive in:

- Providing Safety Training and Maintaining Awareness
- Providing a Safe Work Environment
- Prevention of Work Related Injuries

Benefits Package

We encourage health and happiness at Acumed, and we devote a large amount of resources to ensure it. We provide benefits that enhance health, allow planning for the future, and promote general well-being.

- Generous PTO
- Medical, Dental and Life Insurance
- Short and Long Term Disability Insurance
- 401(k)
- Nine Paid Holidays
- Retirement Plan
- Flexible Spending Accounts
- Employee Assistance Program
- Educational Assistance
- TriMet Bus Passes
- Reduced Costco Memberships fees
- Reduced Gym Memberships fees
- Credit Union Membership
- An employee referral program
- Bike room and showers

Environment

Acumed is committed to being a respectful steward of our local community and the global environment.

Bike to Work

Acumed is an active participant in the Bicycle Transportation Alliance's Bike Commute Challenge. This program encourages bicycling as a commuting option in the Portland metropolitan area. In addition, Acumed sponsors an incentive program that allows employees to earn cash for commuting to work by bicycle. Participation and bicycle commute rates continue to increase.

- Participants increased from 16 in 2010 to 19 in 2011.
- Commute rate was 2.8% in 2009; 4.4% in 2010; and 5.2% in 2011.
- Total miles ridden increased from 2500 in 2010 to 4225 in 2011.

Chemical Management

Acumed employs processes that ensure a clean and healthy environment within and outside the facility through waste reduction programs. These programs include limiting solvents in use, seeking environmentally healthy chemical alternatives, and encouraging environmentally responsible materials and processes.

We use the least harmful chemicals a process will allow and actively limit the use of solvents. Solvents are almost always associated with noxious compounds known as “toxic organics” and we regularly test to ensure the absence of these dangerous substances.

Solvents are segregated to avoid contamination and prevent the discharge of toxic organics to any wastewater collection system or the environment.

Green Initiatives

Our vision includes being respectful stewards of our local community and global environment, and a large part of this is our commitment to “green” initiatives. Examples of recent facility improvements include:

- Demand Control Ventilation
 - Our air conditioning units allow the amount of outside air to be varied in a dynamic proportion to need which will result in a 20% reduction in energy usage at our headquarters in Hillsboro, Oregon.
- Sprinkler Controls
 - Acumed uses a “weather-smart” irrigation system that monitors soil precipitation to control landscape watering resulting in a 37% reduction in water usage.
- Eco-Friendly Landscaping
 - Our landscaping includes native species that require minimal water and fertilizer. This results in significantly less runoff that may pollute local streams and rivers.

Anti-Corruption

Acumed maintains ethical behaviors with respect to compliance standards and laws. We use virtue to create value.

Industry Compliance

As a logo member of the Advanced Medical Technology Associate (AdvaMed), Acumed endorses the AdvaMed Code of Ethics. Adherence to this Code ensures our ethical interaction with healthcare professionals.

Acumed requires anti-corruption training for all employees who interact with healthcare professionals or government officials (foreign or domestic). In addition, all US sales representative and all international distribution partners must complete anti-corruption training programs.

Due Diligence

Acumed utilizes a robust due diligence process to ensure that our distribution partners share Acumed's values with respect to anti-corruption and compliance. All potential distributors are screened against denied parties lists prior to becoming an Acumed partner.

Transparency in Business Practices

Acumed is committed to transparency in its business practices. In 2012 the company will begin tracking and reporting all spending related to healthcare practitioners in accordance with the Physician Payment Sunshine Act.

Measurement of Outcome

Acumed is committed to continuous process improvement. While many of the individual activities mentioned previously have their own tracking systems, the Social Responsibility Committee has also developed a scorecard to define the most important goals for 2012. Consistent with the company's strategic management system, Acumed has set a number of measurable Social Responsibility goals that will be acted upon, tracked and reported to management. Those goals include the following:

Engagement

- Promote social responsibility and transparency through engagement of 1500 surgeons at marketing events.
- Conduct baseline audit of top 10 suppliers' social responsibility activities.

Governance

- Increase traffic on Acumed's compliance webpage by 50%.

Community Impact

- Hold at least one "giving back" event per quarter.

Wellness

- Increase the number of participants in Acumed wellness activities by 10%.

Environment

- Decrease paper paystubs by 42%.