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In this Report, we are pleased to share expanded data and information about our environmental, social, and governance (ESG) work, reflecting our sense of purpose and commitment to values that make the world a better place to live. Our ESG work is guided by the reporting principles and standards of the Global Reporting Initiative (GRI) and will be applied to future reports.

As a global health care solutions company, we sit at the nexus of 3,500 manufacturers, one million health care providers, and the one billion patients they serve. In this role, we are uniquely positioned to contribute to enhanced global supply chain sustainability and health security, while also working to mitigate climate change and its impact on health. Through our efforts, we are building a more sustainable future for our Company, and the wider health care profession.

We release our 2019 Corporate Social Responsibility Report against the backdrop of the world addressing the worst public health crisis in a century – the SARS CoV-2 pandemic – which has claimed countless lives, led to the unprecedented lockdown of countries and businesses throughout the world, and severely tested our health care systems.

First and foremost, on behalf of all Team Schein Members (TSMs), I would like to thank the health care professionals – doctors, dentists, physician assistants, nurses, emergency medical technicians, dental hygienists, dental assistants, and so many more – who risk their own personal health and that of their family. These heroes are continuing their essential services work to maintain our health care infrastructure, care for our loved ones, and help our communities to safely and speedily navigate the path forward. To you, and all who aid in this work by carefully following quarantine, isolation, and infection control protocols to halt the spread of this dreadful disease, we extend our deepest gratitude.

In these extraordinary circumstances, our long-standing commitment to the well-being of all our stakeholders has never been more important. By aligning our core strengths with the needs of society, we aim to succeed in business while positively impacting health around the world. In keeping with our “higher ambition,” Henry Schein’s focus during this crisis is on:

• Protecting the health and welfare of our TSMs and their families;
• Engaging with public and private sector partners to support the global response to COVID-19;
• Navigating the complicated supply chain to bring personal protective equipment to our front-line health care workers and first responders, along with infection control equipment and products and testing to health care workers; and
• Ensuring business continuity for our customers and our suppliers.

Learn more about the ways we are responding [here](#).

Turning to our ESG efforts specifically, this past year we devoted particular focus on collaborations with industry partners to reduce climate impact of our business operations, such as by maximizing the volume of our line hauls, leveraging lower-emission ground transport instead of air, advancing environmental reporting capabilities globally, and exploring options for carbon offsets.

In addition, we invested in our TSMs engagement by launching several new chapters of our Women’s Leadership Network and adding a new employee resource group, Pride & Allies. Our Team also continued our Diversity & Inclusion learning journey through TSM roundtables focused on diverse communities and open dialogue about complicated topics such as implicit bias, work-life challenges, and career opportunities. Hearing insights directly from our team on a recurring basis enables our leadership to nimbly respond with frameworks, protocols, and programs that will advance our culture, talent, the marketplace, and society.

Stanley M. Bergman
Another key to our ESG work is the development of multi-stakeholder partnerships that leverage the expertise and resources of partners across industries and sectors to tackle critical health care challenges and global health security, including through efforts to:

- Save lives through innovative disaster preparedness and response models;
- Advocate for health equity and system strengthening, in line with Sustainable Development Goal 3, including serving as a founding member of the Private Sector Constituency for Universal Health Coverage (UHC) 2030;
- Forge partnerships to promote matters of universal importance to health care, including wellness, prevention, and oral health as primary care; and
- Collaborate with leading public sector partners and international organizations – including the World Economic Forum (WEF), World Health Organization, United Nations, and U.S. Centers for Disease Control and Prevention (CDC) – to strengthen health security through better coordination and enhanced supply chain sustainability, such as Henry Schein’s role as the private-sector lead of the Pandemic Supply Chain Network.

Our history and corporate culture foster an overriding commitment to the highest standards of integrity, ethics, and excellence. These values remain cornerstones of our business success and extend to all levels and positions within our Company and all aspects of our global operations. In a quest for continued improvement, in 2019, we formalized the Regulatory, Compliance and Cybersecurity Committee as a committee of the Board of Directors, comprised of Independent Directors, and included oversight of our ESG work within the scope of our Nominating and Governance Committee’s charter.

We firmly believe in Benjamin Franklin’s concept of “enlightened self-interest”—that we can make the world a better place while doing well in business. Three decades ago, we adopted our stakeholder-based Mosaic of Success, balancing the needs of our TSMs, customers, supplier partners, investors, and society. We couldn’t be more pleased to see our approach to business gaining traction across many sectors of the economy. It is the blueprint for how we will continue to engage in creating a sustainable and successful future for all.

And as we manage our business through this current crisis, Henry Schein will continue to serve as a thought leader, problem solver, and catalyst of public-private partnerships—ensuring that the world is better prepared to face future global health threats. Because of the combined efforts of so many, we can all look forward to emerging strong from this crisis and better prepared to build a brighter future.

Stanley M. Bergman
Chairman of the Board and
Chief Executive Officer,
Henry Schein, Inc.
ABOUT HENRY SCHEIN, INC.

Henry Schein, Inc. is a solutions company for health care professionals powered by a network of people and technology. With more than 19,000 Team Schein Members worldwide, the Company’s network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that improve operational success and clinical outcomes. Our Business, Clinical, Technology, and Supply Chain solutions help office-based dental and medical practitioners work more efficiently so they can provide quality care more effectively. These solutions also support dental laboratories, government and institutional health care clinics, as well as other alternate care sites.

Henry Schein operates through a centralized and automated distribution network, with a selection of more than 120,000 branded products and Henry Schein private-brand products in stock, as well as more than 180,000 additional products available as special-order items.

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 31 countries. The Company’s sales from continuing operations reached $10.0 billion in 2019, and have grown at a compound annual rate of approximately 13 percent since Henry Schein became a public company in 1995.

For more information, visit Henry Schein at www.henryschein.com, Facebook.com/HenrySchein, and @HenrySchein on Twitter.

Board of Directors

Back row, left to right:
Bradley T. Sheares, Ph.D. – Former Chief Executive Officer, Reliant Pharmaceuticals, and Former President of U.S. Human Health for Merck & Co.; Philip A. Laskawy – Lead Director, Henry Schein, Inc., and Retired Chairman, Ernst & Young, LLP (now known as EY LLP); Gerald A. Benjamin – Executive Vice President and Chief Administrative Officer, Henry Schein, Inc.; Steven Paladino – Executive Vice President and Chief Financial Officer, Henry Schein, Inc.; Kurt P. Kuehn – Former Chief Financial Officer of United Parcel Service, Inc.; Paul Brons – Former President of Organon International BV; and Mark E. Mlotek – Executive Vice President and Chief Strategic Officer, Henry Schein, Inc.

Front row, left to right:
E. Dianne Rekow, DDS, Ph.D. – Professor Emirates and Fellow at King’s College London, Former Executive Dean and Professor of Orthodontics at King’s College Dental Institute, and Former Senior Vice Provost of Engineering Technology and Provost of Polytechnic Institute at New York University; Shira Goodman – Former Chief Executive Officer, Staples, Inc.; Barry J. Alperin – Retired Vice Chairman, Hasbro, Inc.; Anne H. Margulies – Vice President and Chief Information Officer, Harvard University; Stanley M. Bergman – Chairman of the Board and Chief Executive Officer, Henry Schein, Inc.; Joseph L. Herring – Former Chief Executive Officer, Covance, Inc.; Carol Raphael – Senior Advisor for Manatt Health Solutions, and Former President and Chief Executive Officer, Visiting Nurse Service of New York; and James P. Breslawski – Vice Chairman of the Board and President, Henry Schein, Inc.
HENRY SCHEIN AT A GLANCE

2019 GLOBAL Net Sales of $10 BILLION
- 65% DENTAL
- 30% MEDICAL
- 5% TECHNOLOGY & VALUE-ADDED SERVICES

2019 net sales of $6.4 billion*

DENTAL
Only global dental distributor to general practitioners, specialists, and laboratories
Growth Opportunities:
• Increasing penetration with existing customers
• Geographic expansion
• Advancing technology solutions
• Greater penetration of specialty markets
• Continued focus on large group practices
• Digitalization of prosthetic solutions

2019 net sales of $3 billion

MEDICAL
A leading U.S. distributor to health care providers in multiple segments: alternate-site practices; ambulatory surgery centers; laboratory; public safety; government; and health systems
Growth Opportunities:
• Increasing penetration organically and through acquisition
• Continued focus on large accounts, health systems, and surgery centers
• Focus on specialty segments and solutions
• Create unique offering with supply partners
• Select international opportunities

2019 net sales of $515 million

TECHNOLOGY & VALUE-ADDED SERVICES
A leader in practice management software, patient relationship management solutions, and patient demand generation solutions for dental practices
Full-service provider of financial services
Growth Opportunities:
• Increasing penetration with existing customers
• Geographic expansion
• Ability to serve large group practices
• Continued focus on facilitating financial services for technology investments and office expansion

FORTUNE 500 RANKING OF THE LARGEST U.S. CORPORATIONS (16 Years)
A FORTUNE WORLD’S MOST ADMired COMPANY (19 Years)
AN ETHISPhERE® INSTITUTE WORLD’S MOST ETHICAL COMPANY (9 Years)
COMPONENT OF S&P 500® INDEX (5 Years)

(As of February 2020)

*Excludes sales to Covetrus.
SERVING MORE THAN 1 MILLION CUSTOMERS

MORE THAN 3,600 FIELD SALES CONSULTANTS

28 DISTRIBUTION CENTERS

MORE THAN 3,200 SUPPLIER PARTNERS

120,000 PRODUCTS IN STOCK

AVERAGE OF 112,000 CARTONS SHIPPED DAILY

99.5% OF ITEMS ORDERED ARE SHIPPED ON THE SAME BUSINESS DAY THE ORDER IS RECEIVED

MORE THAN 2,000 FIELD TECHNICIANS

MORE THAN 19,000 TEAM SCHEIN MEMBERS

88 YEARS IN BUSINESS

HENRY SCHEIN AROUND THE WORLD

OPERATIONS OR AFFILIATES IN 31 COUNTRIES

(As of February 2020)
HENRY SCHEIN’S ESG WORK AT A GLANCE

Key highlights of our sustainability performance in 2019 outlining our continued improvement in data transparency. For more details on the geographic scope of the data, refer to page 9 “About This Report.”

ENVIRONMENTAL SUSTAINABILITY: WORKING CLEAN, THINKING GREEN

In 2019, recycled approximately 10,028 tons of material at our North American distribution centers, saving over 6,380 metric tons of carbon emissions, an equivalent of removing 4,238 cars from our roads

Mitigated our carbon impact by 76% by limiting the use of air transport in our U.S. core business supply chain

Offered customers over 100+ products, such as items made with biodegradable, recycled, chlorine-free, and natural materials

SOCIAL PERFORMANCE: TEAM SCHEIN AND COMMUNITY ENGAGEMENT

In 2019, recycled approximately 10,028 tons of material at our North American distribution centers, saving over 6,380 metric tons of carbon emissions, an equivalent of removing 4,238 cars from our roads

Mitigated our carbon impact by 76% by limiting the use of air transport in our U.S. core business supply chain

Offered customers over 100+ products, such as items made with biodegradable, recycled, chlorine-free, and natural materials

GOVERNANCE AND ETHICS: ENSURING ACCOUNTABILITY

Updated in 2019, our Worldwide Business Standards codify the values and responsibilities that apply to every Team Schein Member

Global Supplier Code of Conduct – global expectation of supplier partners around business integrity, labor practices, employee health and safety, and environmental management

ESG oversight in 2019 within the charter of the Board of Director’s Nominating and Governance Committee

Formalizing our ESG goals and reporting across the Company

40% of Independent Directors of our Board of Directors are Women
Henry Schein’s sense of purpose and commitment to good corporate citizenship goes back to our founding in 1932. Throughout our history, we have aligned our strengths as a business with the needs of society to improve global health. Our unique position as a health care thought leader, problem solver, and catalyst for change allows us to engage our five constituencies—our Team Schein Members (TSMs), customers, supplier partners, investors, and society—in a “higher ambition” model of deep, trust-based relationships driven by a sense of purpose and accountability. As a corporate citizen, we utilize these relationships to improve sustainability and expand access to health care.

Underpinning our “higher ambition” approach to corporate responsibility is an environment of ethics and compliance built on our Team Schein Values and our commitment to our five key constituencies. We ensure accountability by upholding ethical standards in all areas of our business.

Our longstanding commitment to “doing well by doing good” is also exemplified by our Corporate Social Responsibility program, Henry Schein Cares.

ABOUT THIS REPORT

This 2019 CSR report covers the calendar year January 1, 2019 to December 31, 2019. Our previous report was published in May 2019 for the calendar year January 1, 2018 to December 31, 2018.

The data included in this report relate to 2019, with historical data provided in addition for some of our KPIs, for comparison, and to show progress.

The geographic scope of the majority of data is our U.S. core operations, unless stated otherwise. For many of our environmental metrics we include data from our Melville headquarters in the U.S., and Canada distribution centers, as stated in the report. Certain exceptions apply, for example water data is not reported for our Denver (U.S.), Calgary and Vancouver (Canada) DCs due to data not being available.

In our commitment to transparency and communicating our impacts to our stakeholders, we are working to increase the geographic scope and the range of KPIs that we publicly report on. We aim to be stakeholder-inclusive, and to report on material issues. In our reporting efforts, we are increasingly guided by the reporting principles and standards of the Global Reporting Initiatives (GRI), and are working to apply the GRI Standards to our future reports.

Cautionary Note Regarding Forward-Looking Statements

In accordance with the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make” or other comparable terms. A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the United States Securities and Exchange Commission, or SEC, and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations. We caution that such factors may not be exhaustive and that many of the factors are beyond our ability to control or predict. Accordingly, any forward-looking statements contained herein should not be relied upon as a prediction of actual results. We undertake no duty and have no obligation to update forward-looking statements.
ENVIRONMENTAL SUSTAINABILITY

Innovation and Efficiency for Environmental Sustainability

At Henry Schein, we believe that a sustainable operation is also a smart, efficient, and successful strategy for our business success long into the future. For us, this means four priorities everywhere we operate:

- Smart and efficient use of energy and water
- Mitigating our impact on the climate
- Continually reducing waste to landfills
- Recycling and reusing valuable resources

We follow the same principles across the value chain, by managing our upstream and downstream impacts, and collaborating with our suppliers for an ethical, inclusive, and carbon-neutral supply chain (see page 14).

Our Commitment to the Global Efforts to Fight Climate Change

Climate change is among the defining issues of our time, and we acknowledge the crucial role that Henry Schein and industry overall can and should play in leading the world’s efforts to address it. We are on a continuous journey of measuring, monitoring, and reducing our carbon emissions and other environmental impacts. This helps us have visibility of, and therefore manage, our impacts, but also, importantly, it supports our approach to transparency and learning. By reporting publicly on our emissions and reduction measures, we contribute to transparency in the industry, and enable peer-learning and collaboration.

Given the reliance of our industry and business model on the supply chain to provide goods and services to our customers and patients around the world, much of our climate action is focused on addressing the impact of transportation—both from our own fleet and from our suppliers.

Our primary sources of carbon emissions are:

- Fuel consumption by our fleet and at our distribution centers (Scope 1 emissions)
- Electricity consumption in our distribution centers and office buildings (Scope 2 emissions)
- Transport-related fuel consumption by our logistics partners (Scope 3 emissions)

Since 2008, we have tracked the carbon emissions of our fleet of service technicians in the U.S., which form part of our Scope 1 emissions. Our total fleet emissions were 12,962 metric tons, with the emissions-per-vehicle (15% since the 2008 baseline), mainly due to vehicle and vehicle power train selections (e.g., moving from V8 to V6 engines). The other contributor to our Scope 1 emissions is the use of natural gas (mostly for heating) at our U.S. and Canadian distribution centers (DCs) and Melville headquarters. In 2019, this totaled 2,808 metric tons for our core U.S. and Canadian distribution centers and Melville headquarters from 480,054 therms of natural gas.

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1 Our Scope 1 emissions are direct emissions from Henry Schein’s owned or controlled sources
2 Our Scope 2 emissions are indirect emissions from the generation of energy that we purchase from suppliers
3 Our Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of Henry Schein, including both upstream and downstream activities
**ENVIRONMENTAL SUSTAINABILITY**

Electricity purchased from our local energy suppliers is the source of our Scope 2 emissions. In the core U.S. and Canadian distribution centers and Melville headquarters, approximately 25,670 MWh of electricity was used during the year, leading to Scope 2 emissions of 11,166 metric tons.

We take efficiency measures at our distribution centers to save electricity and reduce our Scope 2 emissions where we can. Both of our headquarter buildings in the U.S. have LEED® Silver Certification, and total LEED-certified square footage at our offices amounts to 285,000. Automatic lighting in 80% of our U.S. distribution centers and 41% of our European distribution centers enables us to reduce electricity consumption for lighting. At our U.S. distribution centers, we increasingly use energy-efficient lighting including LED fixtures and motion sensors, HVAC (heating, ventilation, and air-conditioning) controls, energy efficient heating/cooling units, and high-efficiency battery chargers and conveyor motors. As a result of these and other initiatives since our base year of 2007, electricity consumption in our U.S. distribution centers has decreased by 22%, or 4.3 million kWh. This is the equivalent of removing 646 cars from the roads for one year.

We expanded our Scope 3 emissions reporting capabilities in North America this year for small package and truckload carriers. In 2019, a combined transport-related Scope 3 emissions from both small package and truckload transportation partners in the U.S. totaled approximately 48,370 metric tons. In Canada, our third-party logistic partners accounted for 1,462 metric tons of Scope 3 emissions.

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**Conserving Water at our Distribution Centers**

We have limited manufacturing of products such as through Camlog and BioHorizons, therefore our operations are not water-intensive. We use water mainly at our distribution centers and offices for drinking, sanitation, and cooling purposes, primarily from utility sources. However, we recognize the value of this precious natural resource and use it wisely. Our water consumption at core U.S. and Canadian distribution centers and Melville during 2019 was 194 million liters.

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“At every step of the service process, we look for ways to mitigate negative effects on the environment, from more fuel-efficient vehicles to lowering idle times and reducing electricity consumption. When we arrive at a customer site, they can be confident in our actions and ability to be as sustainable as possible. We are encouraged by the steps we’ve taken and pleased to see the progress we’ve made. But we understand that we can always do more and look forward to finding new and enhanced ways to be better.”


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*Excludes our Denver distribution center in the U.S. and Calgary and Vancouver distribution centers in Canada because water data is not available.
WE also recycle fluorescent lightbulbs (over 800 per year); however, this number is decreasing as we switch to LEDs. We replaced 800 Fluorescent Hi Hat fixtures with LED fixtures and lights. In addition, by donating more than $7.8 million in health care products to nearly 92 global medical and dental health humanitarian organizations through the Henry Schein Cares Global Product Donation Program, we kept thousands of tons of imperfectly packaged products out of landfills in 2019.

Continually Reducing Waste to Landfills

We work to avoid landfilled waste, both to retain precious raw materials in the economic cycle and to prevent soil and water contamination, air pollution, and degradation of nature in and around landfills.

We recycle much of the material we use at our distribution centers to prevent them from ending up in landfills; this consists mainly of packaging and pallets. The categories that we recycle include wood, corrugated paper and cardboard, plastic, and paper. In 2019, we recycled approximately 10,028 tons of material at our North American distribution centers; more than 98% of our recycled material was wood pallets and corrugated packaging. Preventing the landfiling of this material saved over 6,380 metric tons of carbon emissions, an equivalent of removing 4,238 cars from our roads. We sent a total of 58 metric tons of waste to landfills in 2019 and are working on reducing this number progressively, with the ultimate goal of zero. Our total generated waste in 2019 in North American DCs was 10,477 metric tons, of which only 22 metric tons were categorized as hazardous waste.

We use mostly recycled materials for shipping cartons, and many of our distribution centers opt for eco-friendly and recycled supplies, such as copy paper, printer cartridges, packing dunnage, corrugated material, and cleaning products. In our Melville headquarters, we collect batteries from Team Schein Members for recycling. In 2019, we collected 540 pounds of batteries for recycling purposes. In the years in which we replace our UPS battery modules (every 4 years), this number rises to 4,000 pounds. In 2019, we eliminated Styrofoam™ cups and plastic straws from all cafeterias and pantries.

2019 Recyclables and Landfill Reduction in Melville Headquarters

- 540 Pounds of Batteries in Melville Headquarters
  540 pounds of batteries were collected from TSMs in our Melville headquarters for recycling purposes.

- 4,000 Pounds of Batteries Replaced
  4,000 pounds of batteries were replaced on our UPS battery modules in our Melville headquarters (replaced every 4 years).

- 800 Fluorescent Bulbs/Year
  800 fluorescent light bulbs were recycled per year.

- # of Fluorescent Bulbs Decreasing
  By switching fluorescent bulbs to LEDs, Henry Schein has significantly reduced light-bulb waste every year.

- Eliminated Styrofoam Cups and Plastic Straws
  Henry Schein has eliminated Styrofoam™ cups and plastic straws from all cafeterias and pantries.

- Increasing Use of Recyclable Utensils and Tableware
  Eliminating non-recyclable Expanded Polystyrene Styrofoam™ (EPS) cups and non-biodegradable straws has notably reduced our landfill waste.
ENVIRONMENTAL SUSTAINABILITY

2019 U.S. DONATIONS THROUGH GLOBAL PRODUCT DONATION PROGRAM

$7.8M IN HEALTH CARE PRODUCTS
$7.8 million dollars in health care products were donated to organizations or kept out of landfills.

NEARLY 92 ORGANIZATIONS RECEIVED DONATIONS
Nearly 92 global medical and dental health humanitarian organizations received products through the Henry Schein Cares Global Product Donation Program.

TONS OF WASTE ELIMINATED FROM LANDFILLS
Thousands of tons of imperfectly packaged products were kept out of landfills in 2019.

Helping our Customers ‘Go Green’
We believe that environmental initiatives can have more impact and scale if adopted as a shared commitment among each of our constituencies, including our customers’ health care practices. We encourage engagement in this effort through a number of initiatives, including our Global Reflections Program, sponsoring the American Association of Dental Office Management’s (AADOM’s) Green Leader Initiative to recognize and aid in the adoption of environmentally conscious practices in the dental office, and by assisting practice-owners in designing spaces that meet globally recognized standards for environmental sustainability through our Integrated Design Studio.

In eight years of the AADOM Green Leader Award, we have offered 100+ products through the Global Reflections Program, an equivalent of $2.4 million in sales in 2019, and $5.8 million in sales since 2017. Meanwhile, we offer customers a range of products, including items made with biodegradable, recycled, chlorine-free, and natural materials, which can help them to reduce their own carbon footprint.
## Supply Chain Pillar

### Our Ethical and Inclusive Supply Chain

Operating in 31 countries and offering more than 300 solutions to more than one million customers worldwide, we have a complex and globalized supply chain. We operate a centralized and automated distribution network stocking more than 120,000 branded products and Henry Schein private brand products, as well as more than 180,000 additional products available as special order items. With over 3.5 million square feet of space in 28 strategically located distribution centers around the world, we are able to serve our customers’ varied needs and optimize our operating efficiency.

Our global operations and supply chain create jobs and support local enterprises both directly and indirectly, and collectively contribute to communities and national governments. In addition, our products and solutions enable our customers to care for patients globally while also creating value for our shareholders. However, we recognize the environmental impact of our supply chain, such as CO2 emissions from our distribution centers and transport, as well as the ethical and labor risks inherent in operating in and working with suppliers in countries with weaker institutions and national governance.

Our vision is an ethical, inclusive, and carbon-neutral supply chain, and we work towards it by partnering with our suppliers, managing our impacts, and innovating for sustainability.

### Reducing CO2 Emissions and Other Environmental Factors in the Supply Chain

Our distribution channels are designed for efficiency. We distribute our products from our strategically located distribution centers. Once an order is entered, it is electronically transmitted to the distribution center nearest to the customer’s location. This not only helps us deliver high quality service at top speed to our customers, but also supports our CO2 emission reduction goals by ensuring the shortest possible transport distance for delivering our products.

Our own fleet handles only a small portion of our customer shipments, with the majority of such deliveries outsourced to logistics partners, leading to transport-related Scope 3 emissions. Scope 3 emissions are indirect CO2 emissions that occur in the value chain of Henry Schein, including both upstream and downstream activities. Transporting products to our customers is a key downstream contributor to our Scope 3 emissions, and the practices related to packaging our products is a key upstream contributor. We address both upstream and downstream contributions in partnership with our small package and truckload carriers in North America.
SUPPLY CHAIN PILLAR

Transportation

In the U.S., we continue to work with UPS on our joint commitment to sustainability. As reflected in our 2018 CSR report, we previously embarked on a joint study to benchmark and quantify the CO2 emission reductions resulting from the use of an enhanced network of mostly ground transport. Without this network—which uses special operating plans to reach certain customers by ground in one day—we would require air transport to guarantee same-day delivery service to our customers.

In 2019, we repeated the study to calculate our emissions and identify further opportunities for improvement. This time we expanded the scope of the study beyond our five distribution centers to include key customer accounts in the U.S. Through the use of our enhanced network (which applies only to our core distribution centers in the U.S.) we avoided emissions in 2019 by 76% over the standard network incorporating air transport equal to taking approximately 19,729 passenger cars off the road.\(^5\)

We also collaborated with our truckload carriers to capture a more complete picture of our transport-related emissions in the U.S., and identified an additional approximately 11,990 metric tons of CO2, which is relatively unchanged from 2018.

Together, our U.S.-based transport emissions by our small package and truckload carriers were 48,370 metric tons during 2019. In Canada, through our third-party logistic partners in 2019, we measured our Scope 3 emissions totaling approximately 1,462 tons of CO2-equivalent\(^6\) (or CO2e), with roughly 13% of shipments by air and 87% by ground. Overall, our North American emissions from small package and truckload carriers in 2019 totaled approximately 49,830 metric tons.

“Our distribution centers are a critical link in our supply chain, and our customers can rely on us to pack and ship their orders quickly and accurately. Henry Schein’s supply chain excellence factors heavily into our ability to support the economic success of our customers and their ability to care for their patients. Perhaps most importantly, every Team Schein Member who works in our distribution centers understands this and is empowered by it.

In addition, our TSMs enthusiastically support the Company’s sustainability goals. Our TSMs are on the front lines of Henry Schein’s efforts to reduce waste, improve recycling, and support environmental stewardship. Many of Henry Schein’s most effective sustainability measures have originated in, or take place in, our distribution centers. For example, we have adopted a range of technologies to greatly improve our accuracy and efficiency, and we are regularly exploring new packaging materials, maintenance practices, and other facility improvements. It’s incredibly rewarding to watch our process improvements show results in terms of greater efficiency, reduced costs, and a lower environmental impact. We know that this impact goes beyond our facility. A cleaner, greener supply chain benefits our teams, our customers, the industries we support, and our communities.”

Diana McGlynn,
Head of Canadian Distribution Center

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\(^5\) Based on EPA’s greenhouse gas calculator, 2019: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

\(^6\) The weight of Non-CO2 greenhouse gases (GHGs) such as CH4 or N2O can be converted into an amount of CO2 with an equivalent warming potential. Total GHG emissions are the sum of the equivalent amount of CO2 for each GHG, abbreviated as CO2e.
SUPPLY CHAIN PILLAR

Packaging

Our packaging practices matter. The choice of packaging material, the extent of damage prevention through packaging, and the product-to-package ratio each independently and collectively determine the overall footprint of our packaging operation. In our efforts to be more sustainable along the value chain, we are looking at our packaging practices to identify opportunities for improvement. We worked with logistic partners in 2019 to conduct a pilot packaging assessment at our Indianapolis distribution center. Given that Indianapolis is one of our major distribution facilities, we plan to use the observations and recommendations from the pilot packaging study to identify opportunities to improve packaging processes, practices, and choice of material across U.S. Henry Schein distribution centers in the future.

In assessing the sustainability of our packaging operations, we evaluated three criteria:

- **Damage Prevention**
  - Arguably the most important aspect of sustainable packaging. If a product is sufficiently protected before it reaches the customer, it only needs to be manufactured once and shipped once. A repeat of these processes (due to damage to the product while in transit) means further use of resources, additional emissions, and other financial and environmental costs that would otherwise have been avoided.

- **Sustainability of Packaging Material**
  - Different packaging materials could have different environmental footprints. In our methodology, this was determined by the distance to packaging source, its biodegradability, its recyclability, expected number of uses, extent of its recycled content, and other environmental factors involved over the life cycle of the packaging such as use of fossil fuels, CO2 emissions, water consumption, toxicity to natural water bodies, and other factors.

- **Product-to-Package Ratio**
  - A comparison of the size of the packaging to the size of the product inside. The smaller this ratio, the larger the environmental footprint of the package (because not only is a larger than necessary packaging used, but it also requires more fill material to keep the product from moving around in the packaging).

In our study, a number of good practices were observed, such as sufficient and consistent packaging operations in the distribution center, as well as effective damage-prevention practices, sealing and labeling techniques, and our H-style sealing method for larger packages. The opportunities that we identified included increasing the ratio of post-consumer recycled content in packaging material without compromising on functionality (for example, up to 100% of our paper mailers and 50% of our plastic-based packaging can be from recycled content without any performance issues); replacing plastic-based air pillows with Kraft paper\(^7\) as void fill material (renewable fiber-based materials have a generally better overall environmental footprint); and reducing the thickness of our (plastic-based) poly bags.

We are currently analyzing the results to explore the feasibility of recommendations and the way forward for our packaging operations. We will report on our progress in our next CSR report.

\(^7\) Paper or paperboard produced from chemical pulp produced in the kraft process, which is designed for packaging products with high demands for strength and durability.
Customer Health and Safety, and Marketing/Labeling Information

We are committed to the highest standards of product quality and customer service, and compliance with all marketing and labeling requirements. We are compliant to both the U.S. Food and Drug Administration’s Drug Supply Chain Security Act (DSCSA) for pharmaceutical traceability throughout the supply chain and the Unique Device Identification (UDI) regulations for medical devices.

Stepping Up Efforts in the Face of a Global Health Crisis

Since the COVID-19 pandemic began in late 2019, causing significant challenges for the global supply chain especially around personal protective equipment (PPE), we have worked in close partnership with industry partners, international agencies, and governments to deliver supplies to those most in need. In the U.S., Henry Schein is a participant in the Federal Emergency Management Agency (FEMA) COVID-19 Supply Chain Taskforce, working to deliver critical supplies to health care professionals and institutions, and we have worked with the Strategic National Stockpile to deliver PPE to COVID-19 testing sites.

This is in addition to our work over the past five years as the co-founder and private-sector lead of the Pandemic Supply Chain Network (PSCN), together with the World Health Organization (WHO), World Food Programme (WFP), World Economic Forum (WEF), World Bank, Centers for Disease Control and Prevention (CDC), Becton Dickinson, Johnson & Johnson, UPS, and 40+ manufacturers, to develop tools to foster coordination and improve the efficiency of the worldwide supply chain. At the beginning of the outbreak, the PSCN developed guidance for governments on the critical medical supplies and consumables needed for health professionals to effectively respond, as well as the appropriate technical specifications. The PSCN is now working together with the UN’s Supply Chain Taskforce, initiated by WHO and the UN Secretary General, to secure products for allocation to the most vulnerable countries, ensure that allocations of supplies are based on country needs, and support distribution through the WFP.
SOCIAL PERFORMANCE

Putting Team Schein at the Center

Our Team Schein Members (TSMs) make Henry Schein what it is. Their skills, expertise, diversity, creativity, commitment, and teamwork ensure that we make progress every day in running a successful business, meeting our customers’ needs, supporting our communities, and creating value for our shareholders.

Creating meaningful employment is one of the most significant ways that business contributes to the livelihoods of individuals and communities. Today’s socially conscious employees want purposeful, rewarding careers that contribute social, economic, and environmental value. It is in our interest, as well as that of our employees and the wider society, that we create a working culture that respects and includes, collaborates and innovates, energizes and inspires, educates and adapts, leads and empowers, and enables us to respond to our stakeholders needs.

We are working to improve our group-level monitoring and reporting of employee data and our engagement and development measures in order to strengthen our approach. Headquarters, field offices, and distribution centers manage human resources locally, but key development initiatives run across the group and are monitored globally.

In 2019, we had approximately 19,000 TSMs across Henry Schein, including 8,076 in our core U.S. businesses.

We hired 1,451 TSMs during the year in our core U.S. businesses, with their gender and age diversity illustrated below, along with other data.

**TSMs: GLOBAL AND CORE U.S. BUSINESSES IN 2019**

<table>
<thead>
<tr>
<th># TSMs Globally</th>
<th>19,000</th>
</tr>
</thead>
<tbody>
<tr>
<td># TSMs in U.S. Core Businesses</td>
<td>8,076</td>
</tr>
</tbody>
</table>

**TSM NEW HIRES BY GENDER IN CORE U.S. BUSINESSES IN 2019 (%)**

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>55%</td>
<td>45%</td>
</tr>
</tbody>
</table>

**TSM NEW HIRES BY AGE GROUP IN CORE U.S. BUSINESSES IN 2019 (%)**

<table>
<thead>
<tr>
<th>Over 50</th>
<th>31-50</th>
<th>30 &amp; Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>14%</td>
<td>36%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**TSM TURNOVER BY GENDER IN CORE U.S. BUSINESSES IN 2019 (%)**

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>56%</td>
<td>44%</td>
</tr>
</tbody>
</table>

**TSM TURNOVER BY AGE IN CORE U.S. BUSINESSES IN 2019 (%)**

<table>
<thead>
<tr>
<th>Over 50</th>
<th>31-50</th>
<th>30 &amp; Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>36%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**13.9% OVERALL TSM TURNOVER IN CORE U.S. BUSINESSES IN 2019**

**TSM AGE GROUPS ACROSS THE COMPANY IN 2019 (%)**

<table>
<thead>
<tr>
<th>Over 50</th>
<th>31-50</th>
<th>30 &amp; Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td>47%</td>
<td>17%</td>
</tr>
</tbody>
</table>

*These figures are for our core U.S. businesses during 2019.*
In 2019, we conducted our biennial global culture survey ‘The Pulse’, a mechanism for our TSMs to provide feedback to help us continuously improve.

We have communicated the results with all TSMs and are planning company-wide and business-unit actions to address the findings of the 2019 survey and make progress in our strategic areas of focus and where we have the largest gaps.
SOCIAL PERFORMANCE

Diversity and Inclusion

It is our mission to promote an environment for our TSMs where diversity and inclusion (D&I) thrives to best support the diversity of our customers, the patients they serve, and society at large.

At Henry Schein, diversity is about you being you. Your unique background, perspective, and experiences, when combined with those of your colleagues, ignites creativity and helps develop strategic solutions in alignment with our values.

Inclusion means valuing you for who you are. It is paramount to unleashing the power of diversity. Inclusion ensures you feel a sense of belonging, empowers you to share insights and ideas, and fosters collaboration with your colleagues. Together, we contribute to Henry Schein’s success.

We believe an integrated approach to our D&I journey ensures success by cultivating our culture, recruiting and retaining diverse talent, supporting our marketplace and continuing our commitment to society.

CULTURE

We use the power of inclusion to foster an intrapreneurial environment focused on the well-being of our employees, driven by our core values.

SOCIETY

We believe that creating a diverse and inclusive environment goes beyond the walls of Henry Schein, which is why we are committed to engaging with external partners who share our common mission.

TALENT

We strive to attract, develop, engage, and retain top talent with diverse backgrounds and experiences to drive innovation and ensure our best years are yet to come.

MARKETPLACE

We understand the changing demographics of our customers and their patients, and are committed to supporting them and serving their specific needs.
SOCIAL PERFORMANCE

We recognize the importance of understanding our diverse landscape across the Company. To that end, we report internally on a quarterly basis on the different demographics of our TSMs. These figures are illustrated below for our U.S. core businesses during 2019 where data is based on TSM self-identification. As our D&I programs continue to develop, we believe the self-reporting will increase.

Additionally, we recognize the changing demographic of health care providers and the importance of ensuring our TSMs understand their needs and are reflective of the patients they serve. For more information about our D&I work, please visit here.

**WOMEN AND MINORITIES IN DIFFERENT EMPLOYEE GROUPS (%)**

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>7%</td>
<td>42%</td>
<td>30%</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minorities¹</td>
<td>7%</td>
<td>14%</td>
<td>13%</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* These figures are for our U.S. core businesses during 2019.

¹ Defined as race and ethnicity.
² Executive Management Committee.
³ Defined as a position between a Vice President and a Manager.
SOCIAL PERFORMANCE

D&I ENGAGEMENT

- Women’s Leadership Network (WLN)
  - Six chapters in the U.S. and Germany
  - More than 1,000 members
  - Focused on CSR, career development, networking, and business impact

- PRIDE & ALLIES
  - Focuses on the LGBTQ+ community and allies
  - Launched in 2019 in Melville headquarters
  - Participated in Pride Month and National Coming Out Day

- Hosted 8th annual conference with Board and TSMs to engage on various topics, including D&I

* ERGs: Voluntary, employee-led networks which foster a diverse and inclusive workplace. Each ERG has a governance structure that includes an executive sponsor at the EMC-level.

2020 CORPORATE EQUALITY INDEX

The 2020 Corporate Quality Index is a national benchmarking survey and report on corporate policies and practices related to LGBTQ+ workplace equality administered by the Human Rights Campaign Foundation.

For the fifth consecutive year, we achieved a perfect score of 100
Henry Schein’s commitment to LGBTQ+ equality in the workplace is best demonstrated by its employee resource group, PRIDE & ALLIES, which aims to enhance, foster, and preserve an inclusive environment where LGBTQ+ Team Schein Members are empowered to be their authentic selves and are valued for their diverse perspectives, which contribute to Henry Schein’s business success.

The mission of the Henry Schein Women’s Leadership Network is to provide a forum that empowers, develops, and connects a network of women to drive business success.

Henry Schein’s Women’s Leadership Network has chapters at Company locations across the U.S. Team Schein Members in Germany, shown here, launched the first international chapter in May 2019.
SOCIAL PERFORMANCE

We also place emphasis on attracting diverse skills through our Talent Acquisition Outreach initiative, which involves building strategic partnerships that help deliver on our D&I strategy and recruit strong diverse talent.

Since joining the “Paradigm for Parity®” pledge in 2017, a coalition of business leaders, board members, and academics committed to addressing the corporate leadership gender gap, we have introduced a Diversity and Inclusion Learning Journey with the aim of building foundational diversity and inclusion knowledge and skills to progress the mission of D&I, including minimizing biases and leading inclusively.

TALENT ACQUISITION AND DIVERSITY AND INCLUSION

To help attract and retain talent, the Company has implemented multiple programs including Workplace Flexibility and Paid Parental Leave.

PAID PARENTAL LEAVE BENEFIT FOR TSMs*

- Introduced in 2019, paid parental leave includes four weeks of paid leave for fathers and mothers
- Supports TSMs in balancing career and family responsibilities
- In 2019, ~8,000 TSMs were entitled to parental leave

% female TSMs who took parental leave 37%
% male TSMs who took parental leave 63%
% of TSMs who did not take parental leave 97%
% TSMs who did take parental leave 3%

*These figures are for our U.S. core businesses during 2019.

*Member as of 2017. Paradigm for Parity® is a coalition of business leaders, board members, and academics committed to addressing the corporate leadership gender gap.
Learning and Development

Personal and professional development of our TSMs is important to us, so we invest in education and skills, and provide formal and informal learning opportunities. As such, Henry Schein invests in its Team Schein Members by providing both formal and informal learning opportunities that are dedicated to growing and enhancing knowledge, skills, and abilities. These educational opportunities enable the continued development of relevant skills necessary for success. In 2019, our core U.S. businesses recorded a total of 8,618 hours of training related to leadership and professional development, with approximately 62% of these completed by women.

Education hours per employee group are illustrated below, along with education program information and hours from our business teams.

**EDUCATION HOURS FOR CORE U.S. BUSINESSES, PER EMPLOYEE GROUP (HOURS)**

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Total Hours by Employee Group</th>
<th>Total Hours of All Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President</td>
<td>494</td>
<td>8,618</td>
</tr>
<tr>
<td>Director</td>
<td>548</td>
<td>4,025</td>
</tr>
<tr>
<td>Manager</td>
<td>2,005</td>
<td>1,547</td>
</tr>
<tr>
<td>Supervisor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>4,025</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8,618</td>
<td></td>
</tr>
</tbody>
</table>

* These figures are for our U.S. core businesses during 2019.

**EDUCATION TRAINING HOURS FOR U.S. MEDICAL SALES TEAMS**

- **'Education Online' (EOL) Training Program for U.S. Medical Sales Teams**
  - Total hours of training: 3,087
  - Total TSMs: 588
  - Average hours per TSM: 5.25

- **HIDA AMS Training for U.S. Medical Sales Teams**
  - Total hours of training: 2,550
  - Total TSMs: 425
  - Modules per TSM: 6

**HENRY SCHEIN MEDICAL’S CENTER OF EXCELLENCE**

Henry Schein Medical provides several modules of training for medical sales teams, including leadership development and the Health Industry Distributors Association (HIDA) Accredited in Medical Sales (AMS) certification. The Center’s mission is to provide TSMs with:

- A supportive environment that promotes self-discipline, motivation, and excellence in learning
- Customized and relevant educational content efficiently in a manner which is engaging, measurable, and affordable
- Collaboration opportunities across disciplines to promote change that can significantly improve outcomes
- Skill development which supports customer insights and is in alignment with medical group strategic goals
Our Organizational Development (OD) team is dedicated to supporting business objectives focused on human capital development, including leadership development and talent planning. Talent Planning efforts are an integral part of Henry Schein’s intention to ensure a strong leadership pipeline across the organization. Through one global process, the strategic development of talent leads to targeted development opportunities and actionable plans which enable the acquirement of skills necessary to drive success. Information derived from Talent Plant efforts informs curriculum design and content so that the right capabilities are aligning career development efforts with the future needs of the organization. The range of leadership development workshops include, but are not limited to coaching, strategic thinking, managing change, executive presence, and presentation skills.

Executive education, mentoring, and coaching programs also form an important part of our development and career support initiatives, with our OD team responsible for organizing these opportunities for TSMs. A reverse-mentoring program has also been established to enable leadership teams to benefit from exposure to junior employees outside of their usual circles, developing awareness of the challenges they may face, the unique value they bring, and what they expect from leaders in the organization.

Our career transition services support TSMs in managing career changes and upgrading their skills. These services are provided by our external partner, Lee Hecht Harrison, and are tailored to the needs of TSMs at various organizational levels. These include coaching, career and skills assessment, access to seminars and career resource networks, job search, networking opportunities, and administrative support, among others.

**Performance Evaluation, Feedback, and Recognition**

We believe that feedback and recognition are crucial in motivating our TSMs and helping them realize their full potential, so we perform regular performance and career development reviews.

We have a “pay for performance” philosophy, with employees recognized and incentivized for high quality performance. Each TSM has individual goals and is assessed for performance against transparently and collaboratively set targets and criteria.

Recognition mechanisms include financial and non-financial models. An example of financial recognition is bonuses paid in addition to fixed salaries, and an example of non-financial recognition is our Teddy Philson Award, which recognizes TSMs across the globe for living and promoting Henry Schein’s values.
Our Health and Safety

Making sure that work is conducted safely at Henry Schein and that our TSMs stay safe in the workplace takes priority in running our operations. We have a Physical Security Policy in place, which guides our performance across all Henry Schein operations, supported by our safety rules and other guidance material. The policy and the supporting safety rules seek to ensure that consistent safety standards and practices are followed in all distribution centers and offices. These relate to the reporting of safety-related incidents, general housekeeping and safety, personal protective equipment, fire safety, motorized equipment operation, and dress standards. They help us promote and foster a safe working environment and to minimize the occurrence of accidents and safety-related incidents in the workplace.

Dedicated training strengthens our approach. Safety training is conducted at the distribution centers to employees operating forklifts, and those that may have contact with chemicals and spills.

In 2019, we experienced a total of 345 accidents across the U.S., Canadian and European operations, leading to a total of 1,817 lost days. In our core U.S. business, our lost-time injury frequency rate was at 0.65 (per 200,000 hours worked). Our accidents per region during 2019, as well as the number of lost days per injury type (as illustration of the most common causes of injury) are shown below.

As part of our accident prevention program, we conduct studies on an “as needed” basis to measure air quality or noise level in order to manage any occupational health impacts on our employees.
Engaging TSMs in creative ways to improve their communities is a key ingredient in our vibrant organizational culture. In 2019, nearly 6,000 TSMs participated in community service projects, which provided a unique outlet for TSMs to contribute their talents and more than 11,000 hours of their time. Among these community service projects are:

**Back to School**

Henry Schein’s annual Back to School program provides a timely boost of confidence to students each fall. The Company provides children in need around the world with backpacks filled with school supplies, books, and hygiene products. In addition, TSMs at many Henry Schein locations donate first-day-of-school outfits to participating children. Since 1998, the Back to School program has helped more than 50,000 return to classroom equipped—and dressed—for success. In 2019, the program served more than 5,000 across 32 Company locations.

**Holiday Cheer for Children**

For more than 20 years, Team Schein has made the holiday season brighter for underserved families around the world through the Holiday Cheer for Children program. At Company locations around the world, TSMs collect and donate gifts and food to local nonprofit organizations, or purchase and donate gifts to children and families identified by the Company’s local social service agency partners. This year, we hosted more than 1,200 children to receive gifts, enjoy a family dinner, and visit with Santa Claus.
INVESTING IN ACCESS TO CARE AND THE COMMUNITY

We Care Global Challenge

In 2019, “Helping Health Happen” was the rallying cry for more than 2,000 TSMs who came together at national sales meetings, local Company offices, and distribution centers to assemble 27,000 comfort kits for people fighting cancer. Our second annual “We Care Global Challenge” was an opportunity for TSMs in the United States, Australia, Canada, and Germany to join forces for those in need.

Henry Schein Cares supports health care activities in three main areas: advancing wellness, building capacity in the delivery of health care services, and assisting in emergency preparedness and relief. We partner with associations, nonprofit partners, and other organizations to enhance access to care for those in need, particularly at risk and underserved populations. Examples of these include:

Give Kids A Smile

Since 2003, Henry Schein has joined its supplier partners to donate more than $18 million in oral health care products to support Give Kids A Smile (GKAS). The Company’s donations support the thousands of dental professionals who volunteer their time with GKAS, and who have provided free oral health services and education to more than 6 million underserved children.

Alpha Omega-Henry Schein Cares Holocaust Survivors Oral Health Program

Since 2015, the Company has partnered with more than 500 volunteer dentists who have provided free oral health care to more than 1,600 Holocaust survivors living in poverty across North America.

Children’s Health Fund

In 2018, Henry Schein launched a partnership to provide medical product donations to the Children’s Health Fund (CHF) and its medical centers. CHF is a nonprofit organization committed to ensuring high-quality health care to America’s most disadvantaged children.

Special Olympics

In 2018, Henry Schein launched a partnership to support Special Olympics Healthy Athletes® program, which provides free health education and medical and oral screenings to people with intellectual disabilities.
INVESTING IN ACCESS TO CARE AND THE COMMUNITY

Miracle Corners of the World
In 2019, we continued our partnership and support of Miracle Corners of the World (MCW) and its ongoing efforts to increase access to care and build capacity through the Oral Health Care Outreach Program. Through this program, MCW partners with Dental Therapy Training schools in Mbeya and Tanga, Tanzania, and helps to train dental therapists to conduct community-based dental outreach twice a year, as well as mobilizing oral hygiene supplies to the regions.

Promoting a Lifetime of Activity for Youth (PLAY)
We partner with the Professional Baseball Athletic Trainers Society® and its PLAY campaign, which helps kids understand the importance of eating right, avoiding performance-enhancing drugs, and visiting their doctor and dentist regularly. Henry Schein provides financial support and gives each participating child a kit packed with supplies to empower healthy decision making.
For a list of organizations that received in-kind support through Henry Schein Cares, please visit www.henryschein.com/CSR-Recipients

About the Henry Schein Cares Foundation, Inc.
Established in 2008, the Henry Schein Cares Foundation works to foster, support, and promote dental and overall health by helping to increase access to care in communities around the world. The Henry Schein Cares Foundation carries out its mission through financial and health care product donations to non-profit organizations supporting health care professionals and community-based programs focused on prevention, wellness, and treatment; disaster preparedness and relief; and capacity building of health institutions that provide training and care.
In 2019, the Foundation supported over 50 organizational partners in their efforts globally to “help health happen”. For a list of organizations that received financial support from the Henry Schein Cares Foundation, please visit www.hscaresfoundation.org/grants.asp.
For a list of organizations that received in-kind support from the Henry Schein Cares Foundation, please visit www.hscaresfoundation.org/inkind.asp.
“Each day we see more clearly the importance of ensuring that everyone has access to quality health care. We would be remiss if we did not take to heart the lessons of late 2019 and early 2020. For years, Henry Schein has been at the forefront of expanding access to care for people in need. Its work through the Henry Schein Cares program and the Henry Schein Cares Foundation has benefitted people and communities in the United States and around the world. That mission has never been more important than today, as the Company and its customers adjust to new challenges and new realities. With the support of our customers, our suppliers, and our NGO partners, Team Schein remains steadfastly committed to ‘Helping Health Happen’ in America and around the Globe.”

– Louis W. Sullivan, MD,
co-chair of the Henry Schein Cares Foundation
HENRY SCHEIN CORPORATE GOVERNANCE AT A GLANCE

Our Company’s steadfast commitment to ethical corporate governance starts with our strong, largely independent Board comprised of five Committees.

50% of Independent Directors
MINORITIES*

40% of Independent Directors
WOMEN

1 CEO/CHAIRMAN +
1 LEAD INDEPENDENT DIRECTOR

REGULAR MEETINGS
Independent Directors hold Regular Meetings in Executive Session

INDEPENDENT DIRECTORS

NOMINATING & GOVERNANCE†

COMPENSATION

REGULATORY, COMPLIANCE AND CYBERSECURITY‡

AUDIT

STRAategic ADVISORY

HENRY SCHEIN’S GOVERNANCE MODEL

OUR FIVE BOARD OF DIRECTORS COMMITTEES ARE COMPRISED SOLELY OF INDEPENDENT DIRECTORS AND EACH HAS A SEPARATE CHAIRPERSON§

50% of Independent Directors
MINORITIES*

40% of Independent Directors
WOMEN

2/3 INDEPENDENT DIRECTORS

16 CORPORATE GOVERNANCE GUIDELINES

KEY CORPORATE GOVERNANCE GUIDELINES
1. Director responsibilities
2. Orientation and continuing education of directors
3. Executive sessions of independent directors
4. Management development and succession planning
5. Annual evaluation


† Defined as women, race, and ethnicity.
‡ In 2019, formalized as a committee of the Board of Directors, comprised of Independent Directors, to manage Company-wide regulatory, corporate compliance and cybersecurity risk management programs.
§ In 2019, environmental, social, and governance oversight was incorporated within this committee.

HENRY SCHEIN’S ESG WORK CORPORATE GOVERNANCE AT A GLANCE
Our Company’s steadfast commitment to ethical corporate governance starts with our strong, largely independent Board comprised of five Committees.
GOVERNANCE AND ETHICS

Accountability
A robust governance program is essential in embedding corporate social responsibility (CSR) and sustainability into our decision-making. We are building a stronger baseline of high-level accountability and governance for key risks and opportunities of importance to Henry Schein and our stakeholders. We took an important step in this direction in 2019, when we incorporated environmental, social, and governance (ESG) oversight within the charter of the Board of Director’s Nominating and Governance Committee. We are also formalizing our ESG and sustainability goals and reporting across the Company through various management committees to drive and manage these issues with a long-term view and in an integrated manner. We will report on the scope of the responsibilities and activities related to 2020 in our next report.

Our annual proxy statement provides a comprehensive overview of the structure, function, and performance of our Board of Directors and its independent committees. The following provides more clarity to our stakeholders on CSR governance at Henry Schein.

Nomination and Selection of the Board
CSR and sustainability considerations, in particular those that present risks to or opportunities for long-term success and growth of the Company, are integrated into decision making at Henry Schein. Therefore, the experience and expertise of Board members relating to economic, environmental, and social topics are considered as part of their overall qualifications. See pages 9-10 of our proxy statement for more information on our Nominating and Governance Committee.

Conflicts of Interest
We have processes in place for the Board to ensure conflicts of interest are avoided and managed. Our approach is guided by our conflict of interest policies on all organizational levels. See page 49 of our proxy statement for related party disclosures. We maintain a database of all issues that could qualify as conflicts of interest, and report annually to the Board’s Audit Committee. Process improvements such as automation are part of our approach. All issues are investigated, addressed, and managed.

Evaluation of the Board
The Board’s Nominating and Corporate Governance Committee coordinates an annual self-evaluation of the Board of Directors and each committee. The Board and each committee review the results of the evaluations and take appropriate actions to address any areas of concern.

Consultation with Stakeholders
Stakeholders, and in particular shareholders and investors, have the opportunity to address the Board on CSR and environmental/social topics through our Investor Relations team, which bring stakeholder queries to the attention of the Chair of the Nominating and Governance Committee and reports back to the inquiring party.
GOVERNANCE AND ETHICS

Our Culture of Ethics and Compliance
Based on our Mission Statement, our Corporate Charter sets out our commitment to our customers, shareholders and venture partners, TSMs, suppliers, and society at large.

Our Code of Ethics for Senior Financial Officers promotes honest and ethical conduct, proper disclosure of financial information in the Company's periodic reports, and compliance with applicable laws, rules, and regulations by the Company's senior officers who have financial responsibilities.

Our Worldwide Business Standards updated in 2019, define the values and responsibilities that apply to representatives and leaders of Henry Schein. They apply to every Team Schein Member (TSM)—that is, everyone who is employed by Henry Schein and its subsidiaries—members of our Board of Directors and to every TSM’s dealings with third parties, including contractors, subcontractors, suppliers, customers, and other persons with whom Henry Schein does business. They provide guidance and resources to help resolve questions about appropriate conduct in the workplace and include such topics as

- Interactions with Health Care Professionals
- Anti-Corruption
- Antitrust Laws and Fair Competition
- Human Rights
- Political Contributions
- International Trade Regulations
- Workplace Safety
- Data Privacy and Security
- Confidentiality
- Insider Trading

Our Global Supplier Code of Conduct clarifies our global expectations of our supplier partners in the areas of business integrity, labor practices, employee health and safety, and environmental management. The Code complements Henry Schein’s Worldwide Business Standards.

Our Team Schein Values are the guiding principles and shared responsibilities of Henry Schein and our TSMs and affirm that:

- people are our greatest asset,
- each person is as important as the next,
- politics distracts from great business practices,
- we are all mutually responsible for the success of the business,
- creativity should be recognized and encouraged,
- open communication is critical,
- and ethics and integrity are foremost.

Through our Global Compliance Learning program, compliance education is provided to all TSMs on risk areas identified as significant potential risks for the Company and is customized on location-based and role-based risks.

To further reinforce that everyone is responsible for compliance in their everyday actions and decisions, a Global Compliance Month is celebrated each year highlighting key compliance topics and resources. For example, in 2019 we included “Hearing Your Concerns,” during which we described the actions taken in response to employee focus groups, and other suggestions gathered throughout the year, including feedback on the education program. We also hosted a meet-and-greet event in our Melville headquarters, sent weekly global communications reinforcing available Compliance resources, and presented “Integrity Partner Awards,” recognizing colleagues globally who go the extra distance in supporting the development and implementation of compliance initiatives.

“We believe that our high standards of ethical conduct have been one of the keys to why we excel in our business.”
– Stanley M. Bergman, Chairman of the Board and Chief Executive Officer, Henry Schein, Inc.

Henry Schein has had a Lead Independent Director serving since 2012.
**ENSURING INTEGRITY IN THE SUPPLY CHAIN:**
**A CONVERSATION WITH HENRY SCHEIN’S HEAD OF GLOBAL QUALITY ASSURANCE**

Henry Schein’s deep commitment to quality assurance and regulatory compliance is foundational to its business success. Jeff Peacock, Vice President, Global Quality Assurance & Regulatory Affairs, discusses how the Company’s approach ensures product integrity, enabling customers around the world to treat their patients with confidence.

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<th><strong>Q</strong></th>
<th>Why is it important to maintain integrity at every stop of the supply chain?</th>
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<tr>
<td>Jeff Peacock</td>
<td>First, because product integrity impacts how our customers view Henry Schein. With a corporate tagline of Rely on Us, we aim to be our customers’ trusted supplier. The introduction of questionable products could negatively impact our standing with customers and regulators, ultimately hurting our business. Just as important, we are in business to support good oral and general health. Although dentists and doctors are our customers, the real judges of our products are the millions of patients our customers treat. It is our goal to provide reliable, high quality products to providers so that their patients can get the very best care.</td>
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<th><strong>Q</strong></th>
<th>How do we manage risk in general, and ESG risks in particular, considering the scale and complexity of our globalized supply chain?</th>
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<td>Jeff Peacock</td>
<td>Supply chain risks are directly related to our suppliers. Henry Schein has a solid vendor approval program that includes a quality agreement covering necessary manufacturing, shipping, and post-market surveillance issues, and a Code of Conduct that suppliers must attest to. We continually follow up using a risk-based approach with desk audits, site visits, business reviews, supplier scorecards, and post-market surveillance trend reports to identify developing issues. Our post-marketing surveillance team manages complaints and adverse event reporting to the FDA, as well as timely communications to our customers of any product recalls. For our suppliers in Southeast Asia and China, we also conduct audits for both quality and social responsibility to ensure that our critical suppliers are complying with SA 8000 regulations.</td>
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<th><strong>Q</strong></th>
<th>Do we have the necessary structure, governance, and resources in place to manage the emerging risks and compliance issues?</th>
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<td>Jeff Peacock</td>
<td>Yes. We continually evaluate and assess the changing regulatory environment so we can quickly identify gaps in expertise or resources. Senior management is supportive in helping us plan for and meet those needs for today and tomorrow. We have also implemented IT solutions to improve our efficiency and compliance standards. And we have strong governance through our Regulatory, Compliance and Cybersecurity Committee, which advises our Board of Directors, as well as our Executive Management Committee Executive Regulatory, Compliance and Cybersecurity subcommittee and Controlled Substance Governance subcommittee.</td>
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<th><strong>Q</strong></th>
<th>What keeps you up at night?</th>
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<td>Jeff Peacock</td>
<td>I sleep well, given the team we have, the commitment we share, and the support we have received in meeting our compliance goals. While issues will inevitably crop up given our size, we have the team knowledge, networks, and corporate support to achieve good outcomes. We will continue to support the Company’s growth by detecting, avoiding or diminishing any compliance issues before they become a significant issue.</td>
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Henry Schein’s deep commitment to quality assurance and regulatory compliance is foundational to its business success. Jeff Peacock, Vice President, Global Quality Assurance & Regulatory Affairs, discusses how the Company’s approach ensures product integrity, enabling customers around the world to treat their patients with confidence.
COMPLIANCE AND ETHICS

Compliance and Ethics Concerns
Everyone is responsible for compliance and our Team Schein Values and Worldwide Business Standards make clear that open communication is critical, and ethics and integrity are foremost. We reinforce this culture of ethics and compliance by communicating our policies, conducting regular trainings through our global learning program, and continual reinforcement communications, including during our annual Compliance Month. Our Board of Director’s Regulatory, Compliance and Cybersecurity Committee, and our Compliance Committee and Executive Steering Committee, each comprising senior management representatives, regularly meet to consider and support key compliance initiatives and activities.

Our employees raise concerns if they believe something inappropriate is occurring in the workplace. Our toll-free confidential global Compliance Helpline is available 24 hours a day, 7 days a week, in multiple languages, and is accessible to internal and external stakeholders by phone or through the web for anyone to share ethical or compliance concerns, including anonymously if desired by the reporter. We investigate all allegations, and we provide reports of allegations and investigations to our Compliance Committee, relevant senior management and the Audit Committee of the Board of Directors. The Board’s Audit Committee also receives regular updates on critical issues related to accounting, internal accounting controls or audit matters. Employees can also raise concerns in other ways, outside of the hotline, such as through their supervisors, compliance team, Chief Compliance Officer or the Human Resources or Legal teams with any concerns. We prohibit the retaliation against an employee who makes a good faith complaint through any channel. After investigating, we develop a preventive and/or corrective plan, as needed.

Materiality and Stakeholder Engagement
We are committed to a strategy that embraces transparency and strong engagement with each of our key stakeholders, including our supplier partners, customers, TSMs, shareholders, and society. Understanding the interests and needs of these stakeholders is fundamental to our ability to create shared value over the long-term, and in so doing to secure business success. Dialogue with stakeholders is ongoing, regular, and grounded in a core set of principles. All of which is designed to deepen our engagement.

Our business and operating environments are constantly evolving, and it is essential that we understand the issues that influence us and impact our stakeholders. We believe that an inclusive approach best ensures long-term success and provides a competitive advantage. As such, we prioritize focus and advancement in the following areas: continued customer success and satisfaction through innovative business solutions; enhancing our human capital strategies particularly on employee recruitment and retention as well as diversity and inclusion; reducing our environmental footprint; strengthening our corporate governance; and furthering our work in access to quality and affordable care for vulnerable populations globally.
GOVERNANCE AND ETHICS

Risks and Opportunities

Henry Schein conducts risk assessments every two years, which alternate between enterprise risk management and compliance. In 2016, the Compliance team conducted a broad global risk assessment, working with approximately 100 key internal leaders, focused on potential compliance risks. This assessment served as the basis for continuous improvements in compliance program activities. Then, in 2018, our Compliance, Risk Management, and Internal Audit teams, worked with over 100 key internal leaders, to conduct a global interdisciplinary risk assessment to identify the greatest enterprise-wide risks that could affect our business now and in the future. Of the risk factors studied across strategic, operational, legal, regulatory and compliance, finance and technology categories, strategies and plans were reviewed and strengthened, and measurement of such plans continues in order to address applicable identified factors. The impact and likelihood of these risks are similar to those of other companies articulated in benchmarking studies. In 2020, a similar risk assessment from the 2016 study focused on compliance is being conducted.

Transparency: CDP and Other Valued ESG Ratings

Henry Schein seeks transparency and accountability in our ESG work and participates in the following ESG ratings:

- CDP
- Ethisphere
- Human Rights Campaign Corporate Equality Index
- MCSI ESG ratings
- ISS
- Sustainalytics
- CPA-Zicklin Index
- JUST Capital rankings

“Henry Schein’s strong commitment to socially responsible business practices demonstrates it is entirely possible to drive profitable growth while providing goods and services consistent with a healthy and fair society. The Company’s exceptional response to the coronavirus crisis is a testament to what we have known for many years, that they have a strong culture that acts in the long-term interests of all their stakeholders.”

Rema Rajeswaran, Partner, Generation Investment Management
THANK YOU TO OUR SUPPLIERS

Our suppliers are integral to our business and to our efforts to expand access to care, build health care capacity, strengthen disaster preparedness and relief, and support environmental sustainability. By leveraging our collective strengths, we are able to do more and support people and communities in need.

We sincerely thank the many suppliers who have partnered with us to make our Henry Schein Cares program such a success, and we look forward to many more years to “HELP HEALTH HAPPEN” together.