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About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 22,000 TSMs [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 help 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 32 countries and territories. The Company's sales reached \$12.4 billion in 2021, and have grown at a compound annual rate of approximately 12.5 percent since Henry Schein became a public company in 1995.

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



OPERATIONS OR AFFILIATES IN **32** COUNTRIES AND TERRITORIES

47
DISTRIBUTION AND MANUFACTURING FACILITIES

AVERAGE OF **156,000**
CARTONS SHIPPED DAILY

120,000
PRODUCTS IN STOCK*

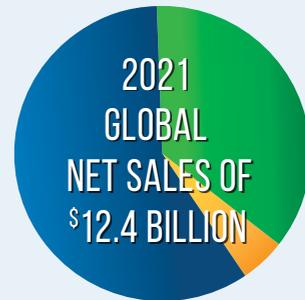
MORE THAN **3,200**
SUPPLIER PARTNERS

180,000
ADDITIONAL PRODUCTS AS SPECIAL-ORDER ITEMS*

SERVING MORE THAN **1 MILLION**
CUSTOMERS

* Products for global Dental and Medical distribution businesses only

HENRY SCHEIN AT A GLANCE



- 61% DENTAL
- 34% MEDICAL
- 5% TECHNOLOGY & VALUE-ADDED SERVICES

FORTUNE 500 RANKING OF THE LARGEST U.S. CORPORATIONS
(16 YEARS)

A FORTUNE WORLD'S MOST ADMIRABLE COMPANY
(21 YEARS)

AN ETHISPHERE® INSTITUTE WORLD'S MOST ETHICAL COMPANY
SINCE 2012

COMPONENT OF S&P 500® INDEX
(6 YEARS)



2021 NET SALES OF \$7.6 BILLION

DENTAL

Only global dental distributor to general practitioners, specialists, and laboratories

Growth Opportunities:

- Increasing penetration with existing customers
- Greater penetration of specialty markets
- Advancing technology solutions
- Continued focus on large group practices
- Digitalization of prosthetic solutions
- Geographic expansion

2021 NET SALES OF \$4.2 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

2021 NET SALES OF \$641 MILLION

TECHNOLOGY & VALUE-ADDED SERVICES

Full-service provider of practice management software, claims management, patient relationship management, and practice services

Growth Opportunities:

- Expand cloud-based solutions
- Increasing penetration with existing customers
- Ability to serve large group practices
- Expand range of practice services and solutions-based product offerings
- Facilitating financial services for technology investments, office expansion, and practice transitions
- Geographic expansion

FROM THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

We welcome Henry Schein's 90th year with tremendous gratitude for all that Team Schein has accomplished to support our customers and our business in the face of the pandemic – and with great optimism about our ability to continue advancing the interests and well-being of all our stakeholders, from our customers and Team Schein Members (TSMs) to our supplier partners, shareholders, and society at large.



Our concern for the success of our stakeholders has long been the foundation of our purpose-driven approach to business and continues to inform our bold efforts to create a healthier world. This requires tackling significant external impediments to our collective success such as climate change and health inequities as well as the underrepresentation of women, ethnic minorities, and other diverse populations in key roles to help ensure our company reflects the demographics of our customers and society. We continue

to advance these important issues and while progress has been made in 2021, there is more we can and will do.

With respect to the environment, we are steadily increasing the efficiency of our operations and aspire to be carbon neutral in our supply chain by 2050 or sooner. We have announced our commitment to set a science-based net-zero target for our carbon emissions by the end of 2023, aligning our climate ambitions with the goals of the Paris Agreement and what climate science deems necessary to avoid the worst impacts of climate change. In 2021, we signed the Business Ambition for 1.5°C and the Race to Zero campaign and we will continue to do our part to reduce the climate impact of our operations and within the supply chain of the wider health care industry. As part of this work, we joined the World Economic Forum (WEF) Alliance of CEO Climate Leaders and the National Academy of Medicine Action Collaborative on Decarbonizing the U.S. Health Sector. We also continue to collaborate and innovate with our partners and suppliers towards an ethical, inclusive, circular, and carbon-neutral supply chain.

Building on our environmental, social, and governance (ESG) transparency efforts, this year we have reported in accordance with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) standards. We are also cognizant of the need for more information on our climate risks and opportunities to ensure the resilience of the business and to meet the needs of our shareholders and other stakeholders. We are, therefore, pleased to issue our first Task Force on Climate-Related Financial Disclosures report alongside our Sustainability and Corporate Social Responsibility report.

With respect to social concerns, our work has been broad and deep. With the pandemic starkly highlighting inequities in health care access and outcomes, we continued to vigorously advocate for the equitable distribution of health care services to underserved and underrepresented populations – a core tenet of our health equity work and emergency health care response. In addition to advocacy, we committed last year to donating at least \$50 million in cash and product through Henry Schein Cares and the Henry Schein Cares Foundation, Inc. by 2025 to advance health equity, and we are pleased with our progress in donating over \$21.5 million in 2021.

We also remain focused on increasing the representation of women and other underrepresented groups in senior operating roles by evaluating and focusing on our talent processes, while fostering an inclusive environment to elevate and support a diverse network of TSMs. Beyond adding the COLEGAS Employee Resource Group (ERG) for our Hispanic and Latin American TSMs and elevASIAN for our Pan-Asian TSMs to our existing ERG roster, we also announced the formation of ERGs for our military veterans, members of the armed forces, and their families, and individuals with disabilities and allies later in 2022. In addition, we rolled out a new initiative to educate each of our global directors and vice presidents on Diversity & Inclusion (D&I) concepts – education that will be expanded to all managers globally and to all U.S.-based TSMs by 2023. We also added a new Team Schein diversity and inclusion value that reads: "Diversity and Authenticity Are Embraced to Create a Sense of Belonging for All."

And we strengthened our investment this year in what we believe is our greatest competitive advantage – our Team Schein Members. In these challenging times, we increased our emphasis on wellness and being more

intentional with the way we work to reduce stress as part of a broader effort to drive a culture of wellness and empower every TSM to be their best self – mentally, emotionally, and physically.

As our world faces a rise in geopolitical instability unparalleled since 1945, Team Schein is committed to responding to the health care needs of the Ukrainian people and other refugees – as we did during prior humanitarian crises in Haiti, Syria, Libya, Yemen, Sudan, and other parts of the world – working in partnership with philanthropic partners, customers, and suppliers.

Our ability to give back in times of crisis is a direct result of our business success. That success reflects the extraordinary commitment, hard work, and dedication of Team Schein. Despite the many challenges we face as an industry and a society, it is this determination and the resourcefulness our team brings to solving problems and serving our stakeholders that gives me great confidence in the future. As a team, we will continue to reach for our higher ambition as a socially responsible and sustainable business while leading boldly toward a healthier future for all.

Stanley M. Bergman

*Chairman of the Board and
Chief Executive Officer,
Henry Schein, Inc.*

ONGOING COVID-19 PANDEMIC RESPONSE

As a global health care solutions company that focuses on “doing well by doing good,” we align our core strengths with the needs of our stakeholders, aiming to succeed in business while positively impacting health in communities worldwide. In keeping with our higher ambition, during the COVID-19 pandemic, we focused on:

- Protecting the physical and mental health and welfare of our Team Schein Members (TSMs) and their families;
- Engaging with public and private sector partners to support the global response to the COVID-19 pandemic;
- Navigating supply chain challenges to bring personal protective equipment (PPE) and other COVID-19-related supplies to 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 suppliers.

Our ongoing response to COVID-19 includes the following:

Engaging Team Schein

As the COVID-19 pandemic continued through 2021, we remained focused on safeguarding the safety and security of our TSMs as they continued to serve and support our customers. Key efforts included:

- Continued to apply broad work-from-home policies, along with flexible work practices, for TSMs in our administrative office-based functions
- Implemented enhanced cleaning and sanitation processes at our manufacturing and distribution facilities

- Promoted and enforced established social distancing and face mask policies for all TSMs in our facilities, including our customer-facing field sales consultants and equipment service technicians.
- Regularly provided resources to educate and inform TSMs about COVID-19, including hosting a Vaccine Education Town Hall featuring Dr. Lisa Waddell, Chief Medical Officer of the CDC Foundation, to help answer TSMs’ questions about the virus and the vaccines.
- Supported the mental health of our TSMs by providing resources, guidance, and support, and by working across our businesses to establish enhanced workplace norms to help improve and preserve the team’s wellness.
- Held regular virtual Global Town Halls to enable all TSMs to stay connected and get answers to their questions.
- Mobilized our Employee Resource Groups through global virtual programming and networking for our members on relevant topics to stay connected and provide resources.
- Moved to virtual offerings for more than 50 professional development training programs, including executive education, and mentorship and coaching programs, which enable our TSMs to enhance their knowledge, skills, and abilities and advance their careers.



ONGOING COVID-19 PANDEMIC RESPONSE (CONTINUED)

Strengthening Resilience

Pressures on the global health care supply chain resulting from the COVID-19 pandemic – from increased demand for goods, to shortages of labor and shipping containers, and delays at ports – continued to create unprecedented challenges for the health care industry and our customers, affecting product availability and driving cost increases. To mitigate the impact of these challenges on our customers, we continued to work tirelessly to source high-quality supplies while also providing our customers much-needed information and links to resources.

Among our efforts to strengthen customer resilience during this crisis, we:

- Developed and executed sourcing strategies focused on supplier and geographic diversification to help stabilize our global supply chain, especially for products that were negatively affected during the peak of COVID-19 (e.g., PPE). In addition to our diversification strategies, we routinely monitor world events that have the potential to cause disruption and increase our inventory levels to mitigate customer impact.
- Worked to expand access to COVID-19 point-of-care diagnostic testing, PPE, and medical products and supplies for customers in university health, K-12 education, local and state government health care, and first-aid services through a cooperative agreement with OMNIA Partners, one of the nation's largest purchasing organizations for public and private sector procurement.
- Continued to maintain a robust and up-to-date COVID-19 Resource and Education Center on our website, offering our customers a rich selection of practical information – from tools for clinicians to patient communication resources – to help them navigate the wide range of issues impacting their practices as a result of the pandemic.
- Implemented several initiatives to understand better the end-to-end journey of our customers' interactions such as our Henry Schein U.S. Dental Voice of Customer (VoC) Program and our Customer Experience Council (CEC). The VoC program is designed to gather feedback directly from our customers across key moments in their journey with Henry Schein. The Henry Schein CEC, which includes obtaining feedback from our TSMs, assesses the needs, recommends potential solutions, and drives the implementation of customer-centric improvements better and faster. The goal is to make it easier for customers to do business with us, and for our teams to support our customers even better than they do today.

- The inaugural launch of our U.S. Medical Key Opinion Leaders (KOL) Program will take place in September of 2022. This community of highly-respected industry leaders is intended to fortify professional relationships, engage in cross-discipline discourse, and pursue professional insights in matters that are relevant to our marketplace.
- Emphasis on customer centricity in our strategic plan – where our customers recognize that we provide a high-quality experience in the industry, so they can focus on building their business caring for patients. To do this, our entire team must feel supported, engaged, and that we are working together for the customer. As we grow, it remains critical to retain the 'customer-first' attributes and attitude that the company was founded on, which have made us successful.
- Provided information to our customers regarding 2021 tax laws, with a focus on PPP loans and tax implications and the Employee Retention Credit that many dental and physician offices were eligible for.
- Developed an interactive business plan tool – a step-by-step guide to help customers prepare for practice ownership.
- Assisted over 3,000 customers with total funding in excess of \$250 million.
- Launched the first [Dentology powered by Henry Schein® Symposium](#) led by our European team– an online virtual experience that delivered the latest thought leadership in digital dentistry with over 14 internationally renowned dental experts, 10 participating countries, 5 stages, and 8 exhibition booths.

Increasing Flexibility

Many of the cost-reduction measures implemented early in the pandemic to support the long-term health of our business and strengthen our financial flexibility (including reductions in payroll, capital expenditures, and planned corporate spending; the suspension of our annual short-term incentive compensation program and implementation of a reduced, modified plan; and suspension of Company matching contributions under our 401(k) Savings Plan and the Supplemental Employee Retirement Plan) were reversed as patient traffic at dental and physician offices rebounded and the negative impact of the COVID-19 pandemic on the Company's business operations and financials lessened.

The spread of COVID-19 and its variants caused us to modify many of our business practices, including employee travel, employee work locations, and physical participation in meetings, events, and conferences. While employees at our manufacturing and distribution facilities, as well as field

sales consultants and equipment service technicians, have continued to work onsite or in the field to provide vital services to our customers, most employees in administrative office-based functions have effectively worked remotely since the start of the pandemic.

Advancing Partnerships

The COVID-19 pandemic has severely tested and underscored the fragility of the global supply chain for life-saving PPE and other critical health care products. Building on our long history of leadership in this area, we remained deeply engaged throughout 2021 in working collaboratively with partners across the public and private sectors to strengthen the supply chain's resilience while ensuring one that is ethical, fair, and respects and protects both human rights and the environment. Among these efforts, we were pleased to contribute our leadership, resources, and expertise to:

- Strategic National Stockpile (SNS). In 2021, Henry Schein was awarded a contract by the U.S. Department of Health and Human Services (HHS) for the storage and distribution of 80,000 pallets of PPE and COVID-19-related products to support the SNS, part of the Office of the Assistant Secretary for Preparedness and Response (ASPR) within HHS. This work followed our efforts earlier in the pandemic when we partnered with the SNS to deliver essential products to COVID-19 testing sites and collaborated with the U.S. government to source and accelerate the availability of PPE to help safeguard and support front-line health care workers.
- COVID-19 Response Coordination Working Group. Henry Schein has been deeply engaged in public-private partnership supply chain efforts of the COVID-19 Response Coordination Group (formerly known as the HHS Supply Chain Stabilization Task Force), a U.S. Government cross-agency partnership with key private sector stakeholders. The group later evolved into the Joint Supply Chain Resilience Working Group and is working to share information and best practices, identify threats, and mitigate risks to develop a more agile and robust U.S. public health supply chain. Henry Schein has actively participated by sharing critical information, advising on and escalating key supply chain issues, and collaborating on recommendations.
- Supply Chain Data Control Tower. We continue to actively participate in the Supply Chain Data Control Tower, a public-private partnership established by FEMA in April 2020 that aggregates domestic supply and demand data from the nation's largest medical distributors, enabling HHS and FEMA to make data-driven decisions in emergency management.

ONGOING COVID-19 PANDEMIC RESPONSE (CONTINUED)

- **FEMA 708.** Henry Schein is a participant in the FEMA-sponsored voluntary agreement under the Defense Production Act. FEMA established the voluntary agreement in 2020 in response to the COVID-19 pandemic, to enhance coordination and cooperation between FEMA and its other federal government partners with the private sector to provide critical health and medical resources to respond to COVID-19 and future pandemics. Participants include various private sector manufacturers, distributors, and other industry representatives.
- **Pandemic Supply Chain Network (PSCN).** During the past seven years, as the co-founder and private-sector lead of the PSCN, together with the World Health Organization (WHO), World Food Programme (WFP), World Economic Forum, World Bank, U.S. Centers for Disease Control and Prevention (CDC), and more than 60 companies spanning health care distribution, manufacturing, and logistics, Henry Schein has played a leadership role in fostering coordination and improving the resilience of the worldwide health care supply chain. The PSCN has been instrumental in enabling the sharing of critical information on a global scale, providing governments with detailed guidance on critical medical supplies, supply market assessments, and operational coordination to help mitigate supply chain risks to the availability of critical health care products. In 2021, the PSCN began work to develop a Market Intelligence Platform and Essential Supply Forecasting Tool designed to enable secure data sharing across key private sector actors and the public sector to strengthen procurement planning, scenario-based forecasting, and health emergency planning based on key demand and supply signals.

The COVID-19 pandemic has underscored the major threat to lives and livelihoods posed by infectious disease outbreaks – and the critical importance of public-private partnerships to strengthen global health security. Henry Schein has long been engaged in these efforts to bolster health security and continued this work in 2021 through:

- **Global Health Security Agenda Private Sector Roundtable.** As a founding member and chair of the Roundtable's Advocacy Committee, Henry Schein continues to be deeply engaged in integrating global health

security efforts as a key component of strengthening health systems. This platform links like-minded companies with national governments, WHO, World Bank, and United Nations agencies to effectively harmonize our efforts and provide private sector expertise to help countries prevent, detect, and respond to health-related crises and strengthen health systems.

- **Global Humanitarian Action Executive Alliance (GHAEA).** Founding members, including Henry Schein, formed this Alliance in 2019 to enhance collaboration between the private sector and the United Nations to foster a more effective humanitarian response. GHAEA serves as a private-sector advisory group to high-level United Nations officials, providing them with strategic advice and exploring areas of potential engagement and partnership for the United Nations and the private sector in strengthening emergency preparedness, response, and recovery.

The COVID-19 pandemic also tragically underscored the stark disparities in health care access and global health outcomes. In 2021, Henry Schein continued to build on two decades of work to promote access to care for



underserved and underrepresented communities, develop a pipeline for the next generation of diverse health care professionals, and increase awareness of health equity needs globally by:

- **Advocating for the increased leveraging of physicians and dentists in partnership with community-based organizations in administering the COVID-19 vaccine to improve vaccine access and equity.** Our advocacy helped contribute to an amendment of the COVID-19 Declaration under the PREP Act to enable an expanded group of health professionals, including dentists, to be vaccinators.

- Continuing our Wearing is Caring public health campaign, launched in partnership with the UPS Foundation in 2020, to promote access to health care among underserved communities and encourage mask-wearing as an effective measure in reducing the spread of COVID-19.
- Partnering with the Black Coalition Against COVID to co-sponsor their Virtual Town Halls. These reached 54,000 viewers and included leadership from minority medical associations (including the National Medical Association, National Hispanic Medical Association, National Council of Asian Pacific Islander Physicians, and Association of American Indian Physicians), historically Black university medical schools, and the National Dental Association.

Supporting Health Equity

In 2021, Henry Schein Cares and the Henry Schein Cares Foundation, Inc. donated over \$21.5 million in cash and product globally, a significant portion of which went towards COVID-19 relief efforts, including:

- **Go Give One Initiative.** Henry Schein supported the Go Give One Initiative, created by the WHO Foundation, to support COVID-19 vaccination in low-income countries.
- **Wearing is Caring Campaign.** For the third phase of our Wearing is Caring public health campaign, which focused on advancing education about and access to COVID-19 vaccines in communities of need, Henry Schein and the Henry Schein Cares Foundation supported several organizations with cash and in-kind grants, including Choose Healthy Life, an initiative that addresses COVID-19 and health disparities through Black churches; Society of American Indian Dentists (SAID), a national, nonprofit organization dedicated to promoting and improving the oral health of the American Indian/Alaskan Native community; Confederated Salish and Kootenai Tribes (CSKT); and the Hispanic Dental Association, a leading advocate for oral health for the Hispanic community.
- **PPE Donations.** Henry Schein donated more than 12.5 million items of PPE and infection control items, which was the majority of the \$21.5 million in cash and product donations in 2021, that were distributed by nongovernmental organizations and professional associations such as American Dental Education Association, to more than 40 countries and territories to enhance the safety of front-line health care professionals, social service providers, underserved populations, and people with intellectual disabilities.

A STAKEHOLDER-INCLUSIVE ESG STRATEGY

Henry Schein completed the Company's 2022–2024 BOLD+1 Strategic Plan in the first quarter of 2022. As part of this process in 2021, we established the North America Distribution Group and the International Distribution Group, representing an evolution of our "One Distribution" strategy to more tightly integrate the management of our Dental and Medical distribution businesses. This new structure is designed to better leverage functions, talent, processes, and systems across Henry Schein's distribution businesses to enhance our customer experience and maximize efficiency and performance. Our operating model provides the basis for us to leverage a "One Schein" offering. Customers increasingly rely upon Henry Schein's comprehensive network of innovative solutions and services, along with our distribution

capabilities, to provide an exceptional experience that helps make their practices more successful and improve patient outcomes. More than three decades ago, we adopted our stakeholder engagement concept of "Henry Schein's Mosaic of Success". This formalized the company's commitment to balancing the needs of our five key stakeholders – Team Schein Members, our Customers, our Suppliers, our Shareholders, and Society. By giving back to society in concert with our team, customers, and suppliers, we strive to generate greater value for our investors.

This report summarizes of our environmental, social, and governance (ESG) approach and performance during 2021, and our goals for driving sustainable growth in the coming years.



BUILD ("B") complementary software, specialty, and services businesses for high growth

OPERATIONALIZE ("O") One Distribution to deliver exceptional customer experience, increased efficiency, and growth



DRIVE ("D") digital transformation for our customers and for Henry Schein

+1 – A strategic plan for pursuing profit & purpose

LEVERAGE ("L") One Schein to broaden and deepen relationships with our customers

THE FINANCE FUNCTION'S GROWING ROLE IN ESG REPORTING:

A CONVERSATION WITH HENRY SCHEIN'S NEW CHIEF FINANCIAL OFFICER (CFO) RONALD SOUTH



Q: WHAT IS THE IMPACT OF HENRY SCHEIN'S ESG ACTIVITIES ON ITS ECONOMIC PERFORMANCE?

Ron South: Henry Schein has long integrated our sense of purpose with the way we operate our business. We know that holding ourselves accountable to all our stakeholders has been the key to our sustainability and success. And, in fact, several studies bear out the economic benefits of a strong commitment to ESG. We're excited now to take on the challenge of more formally measuring the benefits of our various ESG initiatives – and we are confident of the impact they will have on our success.

Q: COMING INTO THE CFO ROLE, IS THERE ANYTHING YOU WOULD YOU LIKE TO DO DIFFERENTLY AS IT RELATES TO HENRY SCHEIN'S SUSTAINABILITY WORK AND ITS LONG-TERM GROWTH?

Ron South: Stan [Bergman, Henry Schein's CEO] always says that Henry Schein was focused on ESG before ESG was trendy. But until recently, measuring the impact of our commitments wasn't something that we – or most companies – really knew how to do. That's where our Finance function comes into play because that's what we do – we measure things. We're focused on putting the right kind of infrastructure in place to measure and report on our ESG activities, which will contribute directly to Henry Schein's corporate citizenship efforts and long-term growth.

Q: WHAT SORT OF INFRASTRUCTURE IS HENRY SCHEIN DEVELOPING?

Ron South: A big piece is the work we are doing to adopt and report our ESG accomplishments against global standards, including the Global Reporting Index (GRI) and the Sustainable Accounting Standards Board (SASB). Also, as we await greater global standardization in ESG reporting, we are going through a third-party readiness assurance process to verify our internal controls and processes, so our stakeholders can have confidence in the data we report.

Q: HOW ARE ESG CONSIDERATIONS INCORPORATED INTO HENRY SCHEIN'S INVESTMENT DECISIONS?

Ron South: ESG considerations have always been important to our investment decisions, but perhaps in a more implicit rather than explicit way. Ensuring that companies we invest in are a good fit with our Team Schein values and our commitment to all our stakeholders has always guided our decision-making. But as our approach to measuring and reporting on ESG gets more sophisticated, ESG will become a more explicit part of the investment decision process.

Q: WHAT CHANGES DO YOU EXPECT GOING FORWARD IN HOW HENRY SCHEIN MEASURES AND REPORTS THE FINANCIAL RETURNS ON ITS SUSTAINABILITY ACTIVITIES?

Ron South: We're looking closely at what is happening globally with standardization as well as the SEC proposed rules on climate-related financial disclosures. Unlike the well-established reporting frameworks we have on the financial side, non-financial and ESG reporting is in its infancy. So, although there are things we can do and are doing to accelerate our own progress on ESG reporting, we are also looking to global groups like the International Sustainability Standards Board and International Federation of Accountants to help consolidate and agree upon global sustainability reporting. I think we can expect much more on this over the next three to five years, but it will take time. Standardization will make it much easier for investors to compare apples to apples.

Q: WHAT ADVICE WOULD YOU GIVE TO OTHER CFOS WHO ARE JUST BEGINNING THEIR ESG JOURNEY?

Ron South: Most important, I would say, is to keep an open mind and don't treat ESG just as a cost of doing business. As a CFO, you may be tempted to think that ESG is outside your purview. But it's actually an investment in your business – and in your customers, your suppliers, and your employees. Looking for ways to enhance this investment will ultimately benefit your business.

Q: HOW DO YOU MAKE ESG WORK ACROSS THE ORGANIZATION?

Ron South: We are exploring ways to make metrics relevant at all levels throughout the organization to activate TSMs. Working at the local level and pushing it through the organization to be real and tangible will help everyone see how each of us has a hand in helping Henry Schein be a sustainable company.

OUR APPROACH TO CORPORATE CITIZENSHIP

Advancing Our Higher Ambition

When Henry and Esther Schein founded the company in 1932, they believed that a sense of purpose and commitment to our values would be a key driver of the Company's success. Over the past nine decades, we have remained steadfastly committed to this core philosophy that our purpose-driven mission of "doing good" for our stakeholders is inextricably linked to our Company "doing well" in business. We continue to innovate and evolve in the ways that we leverage our core capabilities to do precisely this.

Our customers, suppliers, shareholders, and teams increasingly look to our businesses to find new and innovative ways to create shared value for society as an expectation and a responsibility for doing business. Anchoring this is our ability to build trusted relationships for nine decades to engage with the communities in which we live and work, underscored by our "Mosaic of Success" stakeholder engagement model.

Since we formalized our corporate social responsibility program, Henry Schein Cares, in 2001, we have:

- Helped more than 7 million children access free oral health services through programs such as Give Kids A Smile, which celebrated its 20th anniversary in 2022;
- Cared for the health, safety, and well-being of our TSMs;
- Promoted an environment for Team Schein where diversity and inclusion thrives;
- Expanded our portfolio of environmentally friendly products in partnership with our supplier partners, and;
- Reduced the environmental impact of our offices, distribution centers and supply chain, in order to mitigate our climate impact and contribute to the circular economy.

During the past decade, we have focused significant effort on our higher ambition commitment, and formalized our ESG and sustainability strategy. This is evident in our strong governance structure for managing ESG efforts within the Company, in setting ambitious targets on climate change and the circular economy, and in our transparency efforts. Our 2021 CSR Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and Sustainability Accounting Standards Board (SASB) – Health Care Distributors Standard (October 2018). See our ESG Reporting Indices [here](#).

We continue to focus on improving the measurement, monitoring, and reporting of our sustainability performance and developing a deeper understanding of our impacts and our stakeholders' expectations. The WEF's Stakeholder Capitalism Metrics initiative, in which we are a participant, seeks to improve ways companies measure and demonstrate their performance against ESG indicators and to enable positive contribution towards achieving the United Nations Sustainable Development Goals (UN SDGs). Through our involvement, we remain at the center of discussions on global reporting standards and are committed to transparency and reporting that is rooted in responding to stakeholder needs and triggering meaningful corporate action. We have identified key internal teams and external stakeholders in setting sustainability goals that are grounded in science, aim to secure the future of the business and our stakeholders, and contribute to the UN SDGs. We are disclosing more information on our climate risks and opportunities according to the recommendations made by The Financial Stability Board's Task Force on Climate-Related Financial Disclosures and exploring a pathway to setting a science-based target. See our TCFD report [here](#).

The values that underpin our current Diversity & Inclusion (D&I) efforts have been a part of the Company since our founding. We embrace and celebrate the diversity of our TSMs, our customers, the patients they serve, our shareholders, our supplier partners, and the communities in which we operate. Our business success is about valuing people. With the changing demographics of our customers and communities, we are committed to driving a diverse and inclusive space within our organization and society. For over 25 years, Henry Schein has supported various professionals in health care by partnering with professional organizations, schools, and universities. We also have a long-standing commitment to health equity, including promoting pathways of opportunity to encourage greater diversity within the health care profession and supporting access to quality health care for underserved and underrepresented communities regardless of the ability to pay, social status, race, religion, sexual orientation, or physical or mental abilities. We support these communities through programs that provide care and education around prevention and wellness. As our populations become increasingly diverse, it is more important than ever to continue our investment in cultural competency so all populations receive quality care in a culturally relevant manner.

With support from Henry Schein's Senior Leadership, Executive Management Committee, and with oversight by the Board of Directors' Nominating and Governance Committee, our sustainability approach reflects our long history as a purpose-driven company that integrates our sense of purpose into the way we operate our business.

PROGRESS ON OUR GOALS AND COMMITMENTS

We have a strong foundation for managing our sustainability, from the environmental footprint of our operations and supply chain to our social impact as an employer and job creator, taxpayer, business partner, supplier, and community member. Sustainability is managed at the highest level of accountability in the organization, up to our Chief Executive Officer, embedded at all levels. It is supported by our policies and control mechanisms. Read more on page [39](#).

With the role of companies increasingly pivotal to global sustainability efforts and stakeholder needs, we believe this is an opportune moment to deepen our commitment to these issues through strategic, mid-, and long-range planning that will maximize an enduring response and impact. This is why we are committed to setting smart targets across our sustainability focus areas – targets that will help drive action in the business and supply chain. Our teams continue to enhance our baseline data and planning initiatives that will support our environmental and societal efforts. In our journey to be a just company, we will continue to report progress in setting and monitoring our goals, deepen our work with strategic suppliers, and further expand our global data disclosures to create meaningful sustainability insights and drive action in the coming years.

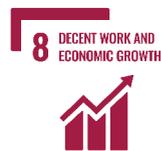


PROGRESS ACHIEVED IN OUR ENVIRONMENTAL AND SOCIAL COMMITMENTS, AND CONTRIBUTION TO UN SDGS WHERE HENRY SCHEIN MOST POSITIVELY ALIGNS

SUSTAINABLE DEVELOPMENT GOALS COMMITMENT



- **GOOD HEALTH AND WELL-BEING.** See pages 34 to 38 to learn more on how we are promoting health equity, systems strengthening, and optimized health care delivery.



- **DECENT WORK AND ECONOMIC GROWTH.** Decent Work and Economic Growth. See pages 23 to 38 to learn how we work towards a fair, safe, diverse, and inclusive workplace for more than 22,000 TSMs who benefit from good working conditions, skills development, physical and mental wellbeing, and purposeful employment – in addition to human rights in our operations and supply chain. Pages 25 to 30 describe our work on diversity and inclusion efforts.



- **RESPONSIBLE CONSUMPTION AND PRODUCTION.** See pages 13 to 17 describing our work in the responsible, smart, and efficient use of natural resources, and to minimizing our impact on the environment within our own operations and in our supply chain.



- **CLIMATE ACTION.** See pages 14 to 16 describing our efforts to reduce our own impact and contribute to global efforts to combat climate change.



- **PARTNERSHIPS FOR THE GOALS.** See pages 7 to 11 describing our differentiated position at the intersection of health care at the nexus of our supplier partners, customers, and their patients, which positions us to develop, catalyze, and lead innovative public-private partnerships in the thematic areas covered in this report.

ENVIRONMENT



- **ENVIRONMENT.** See pages 13 to 22. We are committed to Science-Based Targets and to set our science-based net-zero target in 2023. Last year, we announced other climate and waste reduction goals. See progress on pages 14, 15, and 16. We also broadened the geographic and operational scope of our environmental reporting and included further global facilities. This year, we expect to expand our metrics to include the remaining distribution centers, fleet, and key facilities around the world and broaden the scope of our reporting on supply chain emissions.

SOCIAL



- **SOCIAL.** See pages 23 to 38. D&I is a strategic priority for the organization and is advanced by recruiting, developing and retaining diverse talent, cultivating our culture, supporting our marketplace, and continuing our commitment to society. See progress on our goals on page 26. As our 2022 and beyond goal, utilizing and enhancing our talent planning and recruitment processes to create expanded targeted initiatives to achieve concrete results, we are committed to increasing the diversity of underrepresented groups in senior leadership roles.
- We continue in our belief that regardless of where someone is born, their social or economic situation, or the color of their skin or sexual orientation, all people should have access to quality, affordable health care that is unwavering and steadfast. We committed last year to donating \$50 million in cash and product through Henry Schein Cares and the Henry Schein Cares Foundation, Inc. by 2025 to advance health equity, and we are nearly halfway through our goal with over \$21.5 million donated in cash and product in 2021.

As a global organization with a large and complex supply chain, **we are mindful of our impact on the environment**, as well as the effects of the environment on our business, both now and in the future. Importantly, **we embrace a responsibility to reduce our carbon emissions** while recognizing that climate change may affect our operations and supply chain through physical, technological, regulatory, and market impacts. Other environmental dependencies include access to energy, raw materials, infrastructure, and skills, **all of which can be impacted by climate change in the areas we operate in or source from.**

In recognition that our global environmental footprint and deep relationships with suppliers and business partners obligate us to be a driving force for sustainability in the health care supply chain, we have taken several necessary steps, including in 2021, signing the [Business Ambition for 1.5°C](#). In addition, we are **committing to setting a science-based net-zero target by the end of 2023** to limit our contribution toward the factors most deeply exacerbating the climate crisis.

INNOVATION AND EFFICIENCY

Henry Schein operates a vast network spanning 32 countries and territories, serving more than one million customers worldwide. We run a centralized and automated distribution network with more than 3.8 million square feet of space in 28 strategically located distribution centers around the world. This structure supports our operational efficiency and enables us to serve our customers.

We work to reduce our environmental impact and promote responsible business practices in our own operations and supply chain, in collaboration with our suppliers, partners, and customers.

Based on our ability to maximize impact, we focus principally on four environmental areas:

- Mitigating our impact on climate and addressing climate risks and opportunities for our business
- Smart and efficient use of electricity, fuel, water, and raw materials
- Striving for circularity in our operations and continually reducing waste, recycling, and reusing materials
- Driving action and innovation in the supply chain together with partners and suppliers

We have put in place near-term targets in our North American distribution network by 2025 to expand our usage of high-efficiency electric charging equipment, increase our recycling, and decrease our landfill waste. We are building climate roadmaps for distribution and transportation and continue to integrate this thinking into our supply chain, from our energy management to our transportation decisions. We have also engaged our upstream and downstream suppliers and transportation partners to collaborate on initiatives to drive climate resilience and sustainability across the value chain.

HENRY SCHEIN'S FOUR ENVIRONMENTAL FOCUS AREAS



COLLABORATING ON OUR CLIMATE RESPONSE

We are committed to climate action and transparency as well as supporting global efforts and international treaties to tackle climate change and achieve sustainable development, including The Sustainable Development Goals and 2030 Agenda for Sustainable Development, both adopted by all United Nations Member States and the Paris Agreement. Beyond joining the Business Ambition for 1.5°C and committing to set a science-based net-zero target¹ by the end of 2023, we have published our first [Taskforce on Climate-related Financial Disclosures \(TCFD\) Report](#) and joined the World Economic Forum’s (WEF) Alliance of CEO Climate Leaders.

We continuously strengthen our approach to measuring, monitoring, and reporting on our carbon emissions and other environmental impacts. For example, we now report on the environmental impact from nearly all of our global distribution centers in North America, Europe, Australia, Brazil, New Zealand, and China. We have also expanded the reporting of our transport-related Greenhouse Gas Protocol (“GHG”) emissions with relevant transport partners globally. We continue to report on further supply chain-related emission streams, such as from business travel in our U.S. operations².

Our primary sources of carbon emissions are:

- Fuel consumption by our fleet and at our distribution centers (Scope 1 emissions³)
- Electricity consumption from external (purchased) sources in our distribution centers and office buildings (Scope 2 emissions⁴)
- Transport-related fuel consumption by our logistics partners, as well as other indirect emissions in our supply chain such as from business travel (Scope 3 emissions⁵)

We use the Greenhouse Gas (GHG) Protocol and the Corporate Value Chain (Scope 3) Standard, developed by WBCSD/WRI, as our corporate GHG accounting standards.

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 15,189 metric tons, for North America, Australia, and New Zealand during 2021, with the emissions-per-vehicle reduction (19.8% in the U.S. since the 2008 baseline) mainly due to vehicle and vehicle power train selections (e.g., moving from V8 to V6 engines and the use of telematics). The dip in the 2020 U.S. fleet emissions was a direct result of actions taken during our COVID response. A large percentage of our equipment service technicians were furloughed during the 2nd quarter of 2020, and the rest of the technicians were working reduced schedules. We do believe that our emissions will level out to pre-pandemic levels as our efforts to utilize more fuel efficient vehicles and improved dispatch routing will offset the double digit percentage increase in the number of service technicians. Over the next five years, we plan to invest in technology that will create more efficient routing of technicians and a reduction in mileage and greenhouse gas emissions. In addition, we are working with our U.S. fleet providers to add our first set of hybrid vehicles to our service fleet in 2023.

COMMITMENT TO AND PROGRESS AGAINST OUR EMISSIONS GOALS

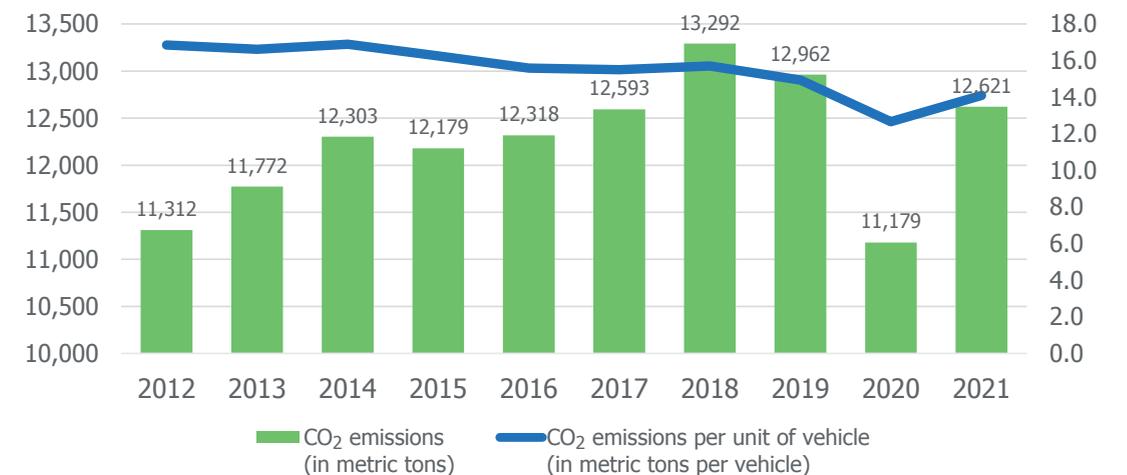
In 2021, we focused on base lining our distribution and transportation metrics in key markets in North America, Brazil, Europe, China, and Australia.

This year, we expect to expand our metrics to include the remaining distribution centers, fleet, and key facilities around the world and broaden the scope of our reporting on supply chain emissions.

We aspire to be carbon neutral in our supply chain emissions by the year 2050, if not sooner.



SCOPE 1 EMISSIONS FROM OWN FLEET (*U.S. ONLY)



¹ A GHG emission target is defined as "science-based" if it is in line with the scale of reductions required to keep global temperature increase below 2°C compared to pre-industrial levels. The Science-Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the Worldwide Fund for Nature (WWF). It champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy.

² Based on data from our centralized human resource database, accounting for approximately 85% of all U.S. TSMs.

³ Our Scope 1 emissions are direct emissions from Henry Schein's owned or controlled sources.

⁴ Our Scope 2 emissions are indirect emissions from the generation of energy that we purchase from suppliers.

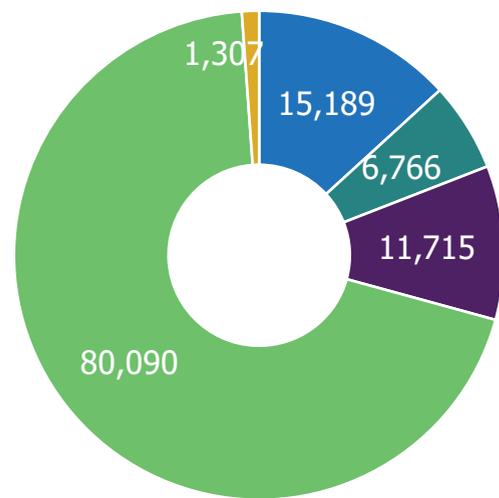
⁵ Our Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of Henry Schein, including both upstream and downstream activities.

COLLABORATING ON OUR CLIMATE RESPONSE (CONTINUED)

The other contributor to our Scope 1 emissions is the use of natural gas⁶ (mostly for heating) at each of our distribution centers in North America, Europe, Australia, and New Zealand, and at our Melville, N.Y., headquarters in the U.S. In 2021, this totaled 6,766 metric tons from 518,947 U.S. therms of natural gas.

Electricity purchased from local energy suppliers is the source of our Scope 2 emissions. In our distribution centers, approximately 33,522 MWh of electricity was used during the year, leading to Scope 2 emissions of 11,715 metric tons. We implement efficiency measures at our distribution centers to save electricity and reduce our Scope 2 emissions. Our U.S. Distribution Operations Fleet is now primarily electric, and the major objective between now and the end of 2025 is to convert the legacy lift truck battery charging equipment to a high frequency solution. This will allow us to better maintain the quality of charging while prolonging the lives of the batteries, reducing the time to properly charge the equipment, reducing battery swaps, and reducing overall electrical use in the facilities. In 2021, we started rolling out our plan to entirely switch to electric forklifts at all distribution centers.

SCOPE 1, 2, AND 3 CARBON EMISSIONS (METRIC TONS)



- Scope 1 from fleet (Global)
- Scope 1 from natural gas consumption (Global)
- Scope 2 from purchased electricity (Global)
- Scope 3 from transport (Global)
- Scope 3 from business travel (U.S. only)

⁶ One distribution center in Italy also consumes diesel for heating, which has been incorporated into our Scope 1 figure.

COMMITMENT TO AND PROGRESS AGAINST OUR ALL-ELECTRIC GOALS

We have upgraded to high efficiency charging equipment from a 2019 baseline of 52%.

Our high efficiency charging equipment is currently at 62% in 2021, and we are on track to increase this further by 2022.

We commit that by 2025, we will have an all-electric operations lift truck fleet in our U.S. distribution centers.

2019

2021

2022

2025

COLLABORATING ON OUR CLIMATE RESPONSE (CONTINUED)

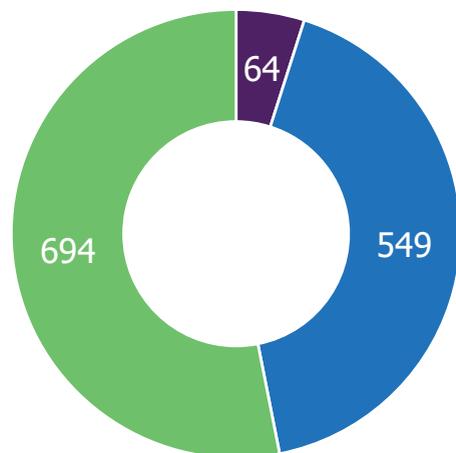
Our headquarters in Melville, New York, in the U. S., have LEED® Silver Certification, and the total LEED-certified square footage at our offices is 285,000. Automatic lighting in most of our U.S. distribution centers and a significant part of our European distribution centers enables us to reduce electricity consumption. Our U.S. distribution centers use energy-efficient lighting, including LED fixtures and motion sensors, HVAC (heating, ventilation, and air-conditioning) controls, energy-efficient heating/cooling units, high-efficiency battery chargers, and conveyor motors.



In 2021, our combined transport-related Scope 3 emissions from transportation partners in North America totaled approximately 70,655 metric tons. These emissions in Australia and New Zealand totaled 2,493 metric tons; in Europe, they amounted to 6,939 metric tons and a further 3 metric tons, in other geographies. Our increase in reported Scope 3 emissions from 48,846 metric tons in 2020 to 80,090 metric tons in 2021 is primarily due to our efforts to expand data capture, namely our U.S. businesses outside our core 5 DC network and our European distribution network. We have also seen an increase in reported emissions from our transportation partners as they transition to more enhanced reporting tools and use the Global Logistics Emissions Council (GLEC) methodology.

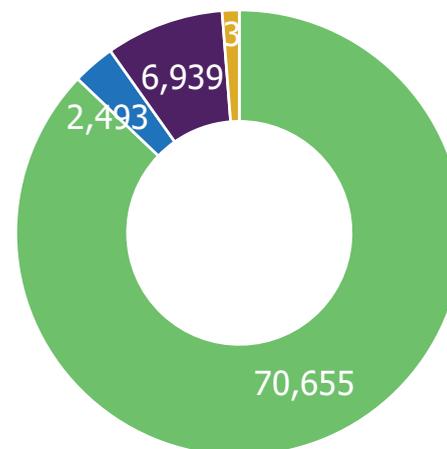
Our business travel-related emissions during the year in our U.S. operations were 1,307 metric tons. Travel restrictions resulting from the pandemic which continued into 2021 are the primary reasons behind the lower numbers reported since the onset of the pandemic.

SCOPE 3 EMISSIONS FROM BUSINESS TRAVEL IN THE U.S., BY SOURCE (IN METRIC TONS)



- Car rental for business travel
- Reimbursed private car travel for business purposes
- Air travel for business purposes

TRANSPORT-RELATED SCOPE 3 EMISSIONS (METRIC TONS), BY REGION



- North America
- Europe
- Australia & New Zealand
- Other/Rest of World

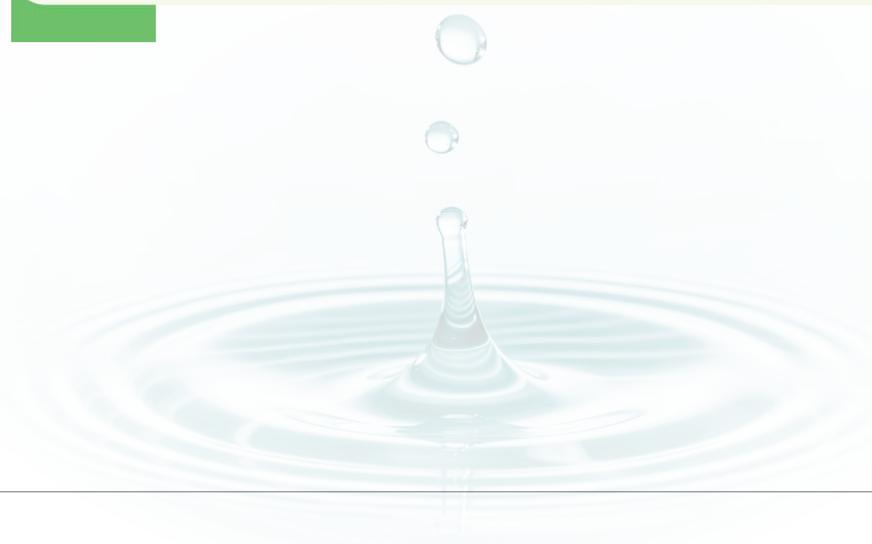
COMMITMENT TO AND PROGRESS AGAINST OUR GOALS FOR REDUCING, RECYCLING, AND REUSING WASTE

Our recycling volumes increased by approximately 21% during 2021 against the previous year, which exceeds our 2025 target of 10%. We will continue to track and actively scale up our recycling programs, so that we maintain or exceed our current levels in future.

For our landfilled waste, we are working on comprehensive collection of data for all relevant waste streams that are currently not recycled. We plan to drive up our recycling efforts while working to reduce non-recycled waste, thereby decreasing the need for landfilling waste from our distribution centers.

By 2025, we will increase our North American distribution center recycling program, over 2020 metrics by 10%, which includes our paper, glass, plastic, wood, corrugated cardboard, and lift truck batteries in tons, out of total solid waste produced at our DCs.

By 2025, we will decrease the landfill waste disposed by our North American distribution centers by 5% compared with 2020 metrics, normalized to the relevant operational output (to be defined in our future reports).



OUR RECYCLING EFFORTS



13,870
METRIC TONS

In 2021, we recycled approximately 13,870 tons of material at our distribution centers in North America, Brazil, Europe, China, Australia, and New Zealand. Approximately 90% of our recycled material was wood pallets and corrugated packaging.



418
METRIC TONS

We sent a total of 418 metric tons of waste generated by our distribution network to landfills in 2021* and are working on reducing this number progressively.



14,924
METRIC TONS

Our total generated waste in 2021 in our distribution network in the regions mentioned above was 14,924 metric tons, of which only 50 metric tons were categorized as hazardous waste to landfill.



18,000
POUNDS

Every four years when we replace our UPS battery modules, we recycle 18,000 pounds of batteries.



275
POUNDS

We also recycle fluorescent light bulbs; however, this is decreasing as we switch to LEDs. In 2021, we recycled 275 pounds of light bulbs.



\$8.7M
DONATIONS AND
THOUSANDS
OF TONS

In addition, by donating more than \$8.7 million in health care products to over 100 global medical and dental health non-governmental organizations through the Henry Schein Cares Global Product Donation Program, we kept thousands of tons of imperfectly packaged products out of landfills in 2021.

*Data excludes our UK distribution centre due to data not being available.

STRIVING FOR CIRCULARITY IN OUR OPERATIONS

Responsible use of water at our distribution centers

We have limited direct product manufacturing; 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. Our water consumption at our distribution centers in North America, Europe, Australia, China, Brazil, and New Zealand, and our Melville offices in the U.S. during 2021 was 78 million liters⁷.

Reducing, recycling, and reusing waste

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

Helping our customers go green

Scaling the environmental impact downstream in our supply chain by encouraging our customers to go green in their health care practices and to adopt a shared commitment to sustainability is another way we are driving impact. We achieve this through a number of efforts, such as our Global Reflections® Program and the Green Leader Initiative of the American Association of Dental Office Management (AADOM). We also assist practice owners in designing spaces that meet globally recognized standards for environmental sustainability through our Integrated Design Studio.

Since 2012, we have supported the [AADOM Green Leader Award](#), which recognizes and aids in the adoption of environmentally conscious practices in dental offices. See [leader videos here](#) on how dental office managers and their teams are helping to reduce the impact of "business as usual" dentistry by using environmentally friendly products and implementing specific changes to reduce waste.

We offer over 235 environmentally friendly products through the Global Reflections® Program, and have sold over \$10 million in sales of environmentally friendly products since 2017 through the program. This program provides customers a range of products to help reduce their own carbon footprint, including items made with biodegradable, recycled, chlorine-free, and natural materials.

ALTATEC GmbH is a key part of Global Oral Reconstruction Group manufacturing network, with approximately 250 Full-time Equivalents and located in Wimsheim and Tübingen, Germany. Both facilities are certified by EMAS and ISO 14001. Altatec manufactures dental implant systems and restorative components. Recently, Altatec installed a circulation cooling for the chemical process, which creates the Promote© surface, a sand-blasted and acid etched surface structure, for all Camlog implants. The purpose of the circulation cool system is to chill the process temperature, which previously used flow cooling, and this change is saving 400,000 liters of water per year.

⁷ Excludes our Denver and Sparks Distribution Centers in the U.S., and Calgary and Vancouver Distribution Centers in Canada due to water consumption data not being available.

A CONVERSATION ABOUT SUSTAINABILITY WITH CUSTOMER

CLYDE MUNRO DENTAL

Clyde Munro Dental Group is Scotland's largest dental group, with 62 practices that serve more than 500,000 patients across the country. We spoke with Amy Reilly, Head of Commercial Finance & ESG, and Fiona Jarvis, ESG Support Coordinator, about some of the company's sustainability initiatives and what it expects from health care solutions partners like Henry Schein.

Q: WHAT ARE YOU DOING IN YOUR OWN PRACTICE AND IN YOUR OPERATIONS IN BEING ENVIRONMENTALLY FRIENDLY?

We know there are no quick fixes, so we're looking at the technological, material and behavior changes we can make in the short and long term to help us establish priorities. For example, in the area of energy efficiency, we are in the process of ensuring every practice makes the switch to a renewable energy provider once existing contracts allow. We're also upgrading our fixtures by replacing incandescent filament bulbs with modern LEDs. And our fleet of electric cars and vans and strategically positioned EV charge points enable us to support our growing family of practices emission-free.

To minimize waste, we've introduced a new protocol to reduce cup usage across our practices and are

working to digitize communication where appropriate to significantly reduce the use of paper. We're also in the middle of some really interesting trials to understand the scope, feasibility, and impact of reusable items.

Finally, we're taking steps to create sustainable supply chains by communicating our priorities to suppliers and changing our internal procurement practices, such as changing automatic purchasing behaviors or bulk buying where appropriate. We've also been working hard, in collaboration with select suppliers, to trial new products and forge new research partnerships.

Q: WHAT DO YOU EXPECT FROM YOUR HEALTH CARE SOLUTIONS PARTNERS IN BEING SUSTAINABLE?

Our business believes the environmental and social challenges facing the dental industry, society, and planet are opportunities to make a difference. Clyde Munro's supply chain partners play a key role in addressing these challenges. As such, we expect our partners to know what is happening upstream in their supply chains, understand the impact, and share these insights honestly, both internally and externally. Similarly, we want our partners to understand the downstream impact on us, such as the impact of excessive packaging and how this may hinder our sustainability ambitions and harm the wider environment.

We also expect our partners to set targets ambitious enough to reflect the urgency and severity of the challenges we face and measure results in order to drive continuous upstream and downstream improvement. Since data capture is essential in developing achievable sustainability strategies and carbon route maps, and assessing where improvements are most needed, we require our supply chain to invest in adequate data capture,

management, and delivery. This will increase the chances of success for the industry as a whole.

To make impactful change across the industry, Clyde Munro also looks to partners like Henry Schein to help educate on the practical benefits of sustainability initiatives and build capacity among other stakeholders within the supply chain to support innovation. And we expect our partners to invest in the research and development of alternative materials, technology improvements, and more, while also supporting the highest quality care for patients. Despite positive attitudes toward sustainable products and services, consumers often believe these to be of a lesser quality. So investment in closing this 'intention-action gap' is just as important as product innovation itself. Clyde Munro would expect the opportunity to support R&D efforts by taking part in relevant product trials.

Q: WHAT ABOUT WORKING WITH HENRY SCHEIN MAKES YOU FEEL ALIGNED IN HAVING A HEALTHIER PLANET AND HEALTHIER PEOPLE?

For Clyde Munro, the importance of supporting a healthier planet and healthier people is central to business success. Selecting supply chain partners that line up with this understanding will help to maximise our impact. We believe we have several key areas of alignment with Henry Schein.

The first is shared values. Henry Schein has acknowledged the crucial role that industry can and should play in addressing climate change. It also believes all people should have access to quality, affordable health care. These are values Clyde Munro shares; we are committed to making a measurable contribution to the communities we serve and understand that it is more important than ever to have a positive impact on the world around us.

Our two companies also share a commitment to developing appropriate responses to the climate crisis and addressing the urgent need for action. We understand that by working together we can achieve more. So far, we have explored alternative options to plastic cups used by patients for rinsing and hope to work together on more feasibility studies, increasing the chance that we will develop solutions that tick all of the boxes.

Finally, Clyde Munro recognizes the effort being made by Henry Schein to understand customer expectations on sustainability and the importance of maintaining an open dialogue on the subject. We can only attain our goal of being a sustainable industry leader through the support and commitment of our supply chain partners. While there is still much more to do, we are optimistic about partnering to move these efforts forward and make a difference for our planet and our society.



SUSTAINABILITY IN THE SUPPLY CHAIN

Our global supply chain is structured to create value locally and globally and help us meet our customer needs. We are collaborating with our partners and suppliers to mitigate the environmental impact of our supply chain, such as CO₂ emissions from our Distribution Centers, transport activities, packaging, employee business travel and other sources, as well as the ethical and labor risks inherent in operating in and working with suppliers in higher-risk countries.

We aim to co-create an ethical, inclusive, circular, and carbon-neutral supply chain, jointly manage our impacts, and innovate for sustainability.

Reducing the CO₂ footprint of our supply chain

We distribute our products from our strategically located distribution centers. Orders are electronically transmitted to the distribution center nearest to the customer's location. This helps us deliver high-quality service at top speed to our customers and supports our climate goals by ensuring the shortest possible transport distance for delivering our products.

Our fleet handles only a small portion of our customer shipments, with most of such deliveries outsourced to logistics partners, leading to transport-related Scope 3 emissions. Scope 3 emissions are indirect CO₂ emissions in our value chain, including upstream (inbound) and downstream (outbound) activities. We address upstream and downstream contributions in partnership with our carriers in North America, Europe, Australia, New Zealand, and other global regions.

We value partnerships with transportation providers that share our sustainability values and a joint commitment to decarbonizing the supply chain. We exchange data to increase the visibility of climate impact in the supply chain, work to improve the emission measurement and calculation

methodologies, and use these insights to work on ways to reduce our joint impact. For example, we use an enhanced distribution network in our U.S. operations to minimize shipping via air [\(See next page\)](#). Many of our carriers are switching to electric or hybrid vehicles and adopting other efficiency measures such as the use of modern engines and efficient fuels to reduce the carbon intensity of transport.

But we also recognize that we can't eliminate or mitigate all transport-related emissions. In our path to Net Zero, we ultimately need to utilize carbon removal and offset mechanisms for residual emissions that can't be mitigated. Together with our partners, we are exploring credible offset strategies that are Net-Zero aligned and will ensure long term removal of carbon from the atmosphere. In 2021, working with select carriers, we offset 4,954 metric tons of emissions. This included a special initiative in our U.S. network to ship carbon neutral during the month of April in recognition of Earth Day. Supported projects included reforestation, landfill gas destruction, wastewater treatment, and methane destruction.

Brasseler USA Surgical Instrumentation manufactures a comprehensive line of high-quality orthopedic cutting accessories. During the last year, Brasseler USA changed its nitric based chemical passivation process, which is a widely-used surface finishing and treatment process, to a more sustainable and environmental friendly citric based treatment process to achieve the same high performance standards.



Hear from Stephanie Shen, Vice President of Category Management for the North American Distribution Group, as she discusses the benefits of an ethical and environmentally-minded supply chain.



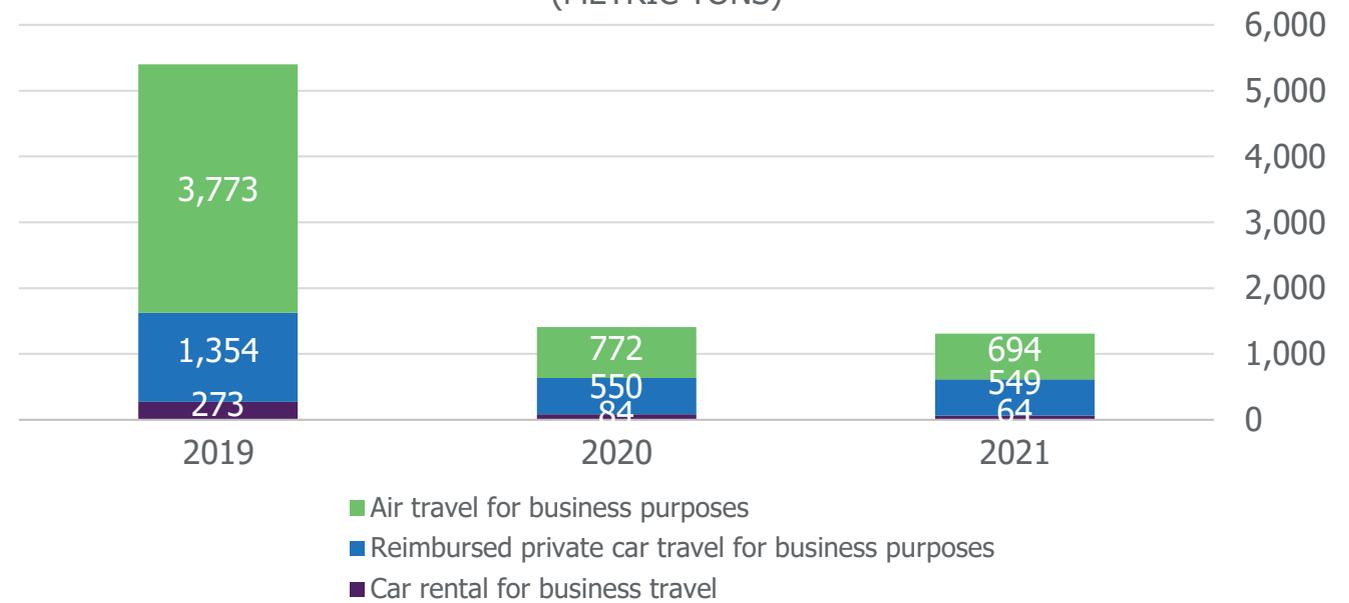
Transportation and business travel

In the U.S., we continue to work with United Parcel Service (UPS), one of our key transport partners, on our joint commitment to sustainability. Based on a joint study in 2018, we now operate an enhanced network of mostly ground transport which uses special operating plans to reach specific customers by ground in one day. Without this network, we would require air transport to guarantee same-day delivery service to our customers. We review and monitor the emissions from this enhanced network annually to avoid unnecessary emissions and identify further improvement opportunities.

Through the use of our enhanced network (which applies only to our core distribution centers in the U.S.), we mitigated our carbon impact in 2021 by 74%, which is equivalent to taking approximately 20,263 passenger cars off the road⁸.

We report on our employee business travel in the U.S.⁹ using private cars or car rentals as well as flights, that we started to capture and calculate in 2020. Travel restrictions resulting from the pandemic continued into 2021 and are the primary reasons behind the lower numbers. We aim to continue to expand the scope of regions and activity streams included in our Scope 3 reporting in our future reports.

SCOPE 3 EMISSIONS FROM BUSINESS TRAVEL IN THE U.S., BY SOURCE (METRIC TONS)



⁸ Based on the estimate provided by United Parcel Service.

⁹ Based on data from our centralized human resources database, accounting for approximately 85% of all U.S. TSMs.

Packaging

Packaging matters to our business and our customers as it protects the product during storage, distribution, and transport. However, our packaging also contributes to our emissions and environmental impact in the supply chain.

The choice of packaging material, the extent of damage prevention, and the product-to-package ratio all determine the overall footprint of our packaging operation. Corrugated boxes and cartons are a significant part of our packaging and are inherently renewable and recyclable. We prioritize fiber-based packaging from sources certified as responsible forest products, such as those that conform with FSC®: Forest Stewardship Council®, PEFC: Programme for the Endorsement of Forest Certification, and SFI®: Sustainable Forestry Initiative®. Our packaging also includes recycled fiber. Our corrugated boxes and cartons in North America have recycled content between 40-60%.

We have also worked with our logistics partners to assess our packaging processes and used those observations and recommendations to improve our packaging processes, practices, and choice of materials across our distribution centers. We have also received validation that we have good packaging practices in place, including sufficient and consistent packaging operations, effective damage prevention practices, labeling techniques, and special sealing methods to stabilize larger packages.

Damage prevention is an 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 means further use of resources, additional emissions, and costs that would otherwise have been avoided. To address this, we have established a cross-

functional damages committee that meets regularly to target high-frequency damage products and implement action plans. These include partnering with suppliers to redesign their packaging, engaging carriers on high-damage transport lanes, and implementing product-specific packaging protocols in our distribution centers.

Ethical and labor aspects in the supply chain

We are committed to upholding human rights standards in all areas of our business and support the UN Guiding Principles on Business and Human Rights, which provides a practical, useful framework for businesses to manage and address the Company's human rights impacts in the supply chain. Please see our [Human Rights Statement](#) here. We also support various existing and emerging supply chain transparency laws, such as those in effect in California (the California Transparency in Supply Chains Act 2012), the Uyghur Forced Labor Prevention Act (2021), the UK (the UK Modern Slavery Act 2015), and the Australia Modern Slavery Act 2018.

We respect human rights throughout our supply chain with our Global Supplier Code of Conduct. The Code includes provisions on business integrity, labor practices and human rights, health and safety, and environmental management.

We monitor our suppliers' ethical and labor performance, whose adherence to our Global Supplier Code of Conduct is supported by desk audits, site visits, business reviews, supplier scorecards, and other mechanisms. We continue to expand our due diligence protocols with advanced standards, tools, and initiatives. This includes, for example, co-founding in 2022 the Responsible Glove Alliance, a collaborative established to prevent, identify, and remediate forced labor in the medical supplies industry in Malaysia through recruitment transformation, collective influence, and the application of due diligence with advanced standards, tools, and programs.

For our Asia-based private-label supplier partners, we use the Social Accountability International's SA8000 standard as the basis for the social aspects of our audit program, such as health and safety, working hours, wages, child labor, and forced labor. Since 2015, we have conducted audits throughout our supply chain with all identified actions successfully addressed and closed. During 2021, due to the ongoing pandemic, most of our external supplier audits were conducted virtually or via desktop (similar to the prior year). We conducted a total of 100 audits during 2021, including 55 at our Asian supplier sites in China, Malaysia, Thailand, and Indonesia. In total, 44 audits were done on site, 39 virtually, and 17 via desktop. We investigated and addressed a total of 288 observations, including 232 from our Asia supplier audits.

Supplier diversity

We are committed to working with a diverse supplier base that includes small businesses owned by ethnic minorities, women, LGBT+, disabled, veterans, service-disabled veterans, historically underutilized business zones (HUBZone), and small business enterprises, to provide our customers with the best selection of high-quality products and to foster innovation, additional perspectives, and develop stronger relationships with the communities we serve. The values of @Team Schein guide our efforts — to our suppliers, we are dedicated to promoting an environment that enables growth in the spirit of partnership, and to society at large, we are dedicated to enabling further access to health care. Our supplier diversity program supports the U.S. Small Business Administration (SBA), and we recognize its importance in contributing to a positive economic impact, locally and nationally.

- **Encouraging a diverse and inclusive workforce**
A foundational element of our supplier diversity program is fostering a diverse and inclusive workforce. Our dedication in this area is prominent throughout our D&I work, and we encourage our suppliers to adhere to standards in our Global Supplier Code of Conduct. We believe that a diverse and inclusive workforce nurtures an environment that understands and promotes supplier diversity.
- **Integrating supplier diversity into our processes**
During our supplier evaluation process, each supplier partner is requested to complete our Business Partner Certification. This enables us to review diversity classification(s) and certification(s) before onboarding a supplier. Additionally, as part of our RFP and bids processes, we continue to make enhancements to advance opportunities with diverse suppliers.
- **Enhancing reporting and providing visibility**
Having the right tools and reporting in place is essential to advancing our efforts. We have enhanced our capabilities in this area to support the integrity of our data and provide reporting to track and monitor diversity spending. Furthermore, we continue to educate our teams on the importance of supplier diversity and have enhanced the visibility of our diverse supplier partners. This provides an opportunity to help support and advance our partners in a meaningful way.

Our dedication to supplier diversity is a continuous learning journey and our processes will continue to evolve. As the demographics of our customers and their patients change, we are committed to supporting them and partnering to serve their specific needs.



Customer health and safety

Henry Schein maintains high-quality and regulatory standards. Our U.S. facilities are registered with the U.S. Food and Drug Administration (FDA), the Drug Enforcement Agency (DEA), as applicable, and State Board of Pharmacies and International regulatory authorities as appropriate. We maintain ISO 13485:2016 or ISO 9001:2015 Quality Management System certification.

We comply with both the FDA's Drug Supply Chain Security Act (DSCSA) for pharmaceutical traceability throughout the supply chain and the Unique Device Identification (UDI) regulations for medical devices.

We have strict procedures in place, aimed at minimizing the health and safety risks of the products we distribute.

- **Supplier review process:** Through our vendor approval process, we conduct reviews to verify that suppliers maintain proper licensure and that their products are approved for sale with appropriate FDA clearance. During 2021, we approved 190 suppliers through this procedure and established quality agreements with them to specify regulatory and post-market surveillance responsibilities. Additional audits of suppliers are conducted on a risk basis and are limited to medical devices and wholesale drug distributors. Given that the FDA routinely audits pharmaceutical manufacturers, our quality agreements with these manufacturers require them to notify us of any negative findings impacting any products that we distribute.
- **Communication of product safety and toxicity:** When any potentially toxic chemicals are contained in products, we require that our manufacturing partners, who have the expertise in product formulation, provide relevant information on the label and on the applicable Safety Data Sheets (SDS). The label and SDS could also contain information on training, and education on the safe handling and storage of packaged products to meet the regulatory requirements of the FDA, Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), and other international agencies. The SDS is available on our website and may be used by First Responders in case of adverse exposure.

- **Providing access to medical advice:** In the event of a concerning exposure, our customers can seek medical advice from a 24/7/365 hotline service by Chemtrec, with whom we have an ongoing and longstanding agreement, for shipments originating in North America and delivery anywhere in the world.

We follow FDA Risk Evaluation and Mitigation Strategies (REMS) for applicable drug products, which include our regulatory analysis of the REMS' requirements that are applicable to wholesale distributors. We also have controls to help address the specific safety concerns and requirements for the covered drug product prior to the first distribution to a health care professional.

In addition, during the year, in response to the updated European Union Medical Device Regulation (EU MDR)¹⁰ we implemented procedures and monitoring processes to help comply. Our Corporate Quality Management System successfully passed a Notified Body audit. Several Quality System documents were issued during the year to address any remaining gaps noted. We also initiated a process for foreign translations and updates of product labels and Safety Data Sheets.

We monitor the safe distribution of controlled substances and List I chemicals, conduct suspicious order monitoring, and know your customers' due diligence on ordering these products. The purpose of these processes is to confirm that controlled substances and List I chemicals are only used within the scope of practice of medical and dental professionals and to prevent any diversion or abuse in line with the DEA requirements within the U.S.

During 2021, our Verifications Team completed over 9,000 reviews, and our Regulatory Affairs Team conducted approximately 1,800 due diligence reviews, all to comply with the relevant DEA regulations and to identify and address any customer risks linked with the abuse or misuse of the controlled substance products we distribute within the U.S.

Our Quality Management system processes train employees to provide awareness and conformance to quality standards. In 2021, our customer complaints (related to quality issues and reporting of incidents) increased by 23% from 2020, with the caveat that customer complaints in 2020 decreased by about 50% due to the COVID-19 pandemic. Also, increased awareness due to the implementation of the new EU MDR in our different countries of operation may have contributed to the increase in customer complaints. On average, we routinely investigate, address, and close all complaints within 60 days.

The customer service and distribution team conducts customer surveys regularly to assess and improve customer perception of and overall satisfaction with product quality, service, and their relationship with

In 2021, the overall satisfaction rate was rated as excellent or good by over 96% of customers, with merchandise quality rated as such by more than 98% (exceeding our 2021 goal of 90%).

In addition to surveys, we conduct internal audits to supplement our approach and continually identify ways to improve our service quality

and delivery and be a strategic partner to our customers. Consistent with the requirements of our quality management system commitments to support our global Corporate Brand product distribution, twenty-one such audits were conducted during 2021 in addition to 6 U.S. Distribution Audit Exchanges, with action taken to address findings, which were mostly related to document control and training of employees.

The Henry Schein Quality Policy is committed to quality at every level of the organization. Our Quality Management System is deployed for any potential non-compliance noted and includes product and service information, labeling, and marketing communications. The quality processes include monitoring proactively for potential issues, regular reporting of any incidents to senior management, and continuous process improvement by prompt corrective and preventive action programs.

WE MONITOR THE **SAFE DISTRIBUTION OF CONTROLLED SUBSTANCES AND LIST I CHEMICALS, AND CONDUCT "SUSPICIOUS ORDER MONITORING" AND "KNOW YOUR CUSTOMER" DUE DILIGENCE.**

¹⁰ Regulation (EU) 2017/745 is a regulation of the European Union on the clinical investigation and sale of medical devices for human use that came into force in May 2021. It repeals Directive 93/42/EEC, which concerns medical devices, and Directive 90/385/EEC, which concerns active implantable medical devices.

PUTTING TEAM SCHEIN AT THE CENTER

As the realities of the pandemic shaped another year across our operations globally, we faced new and continuing challenges together as one team. Our commitment to our TSMs remained the same: putting their safety and health at the forefront, supporting their overall well-being, enabling all to work remotely and on-site, and keeping everyone engaged and connected.

Alongside the distribution of health products to our customers and communities, we create important social value by providing quality jobs and developing transferrable skills. We want purposeful, rewarding careers for our TSMs – so they can fulfill their potential and contribute to society, the economy, and the environment. Their engagement, commitment, skills, creativity, and teamwork help our business serve our customers and communities every day.

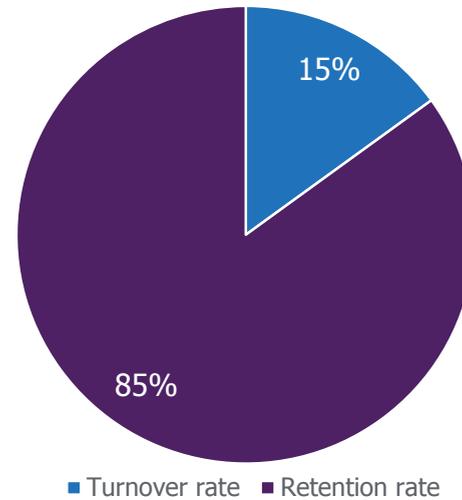
Globally, in 2021, we provided jobs to nearly 22,000 TSMs (full-time equivalent) with approximately 50% of our workforce based in the United States.

At Henry Schein we have a multi-generational workforce made up of TSMs from different generations. Our age groups of new hires are reflected here to the right. We continue to see our age demographics shift with younger talent joining Team Schein each year. We continue to evolve our culture and offerings to balance the needs of all generations working at Henry Schein.

With the current competitive landscape for talent, we have put a stronger emphasis on reviewing our voluntary turnover. Although our voluntary turnover remains below industry benchmarks at 15%¹, we continue to evaluate our practices to retain talent.

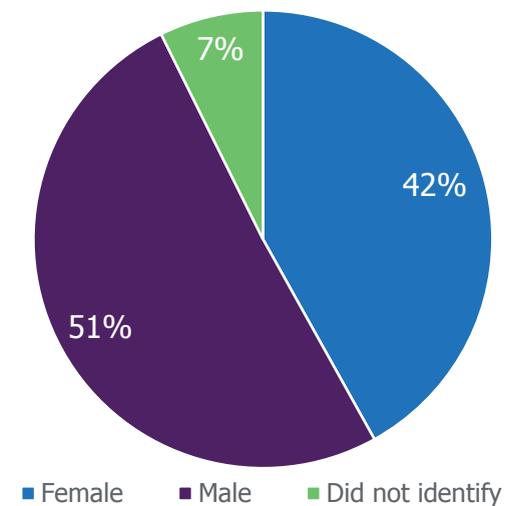
¹ In the U.S., U.K., and Ireland

VOLUNTARY TSM TURNOVER IN 2021*



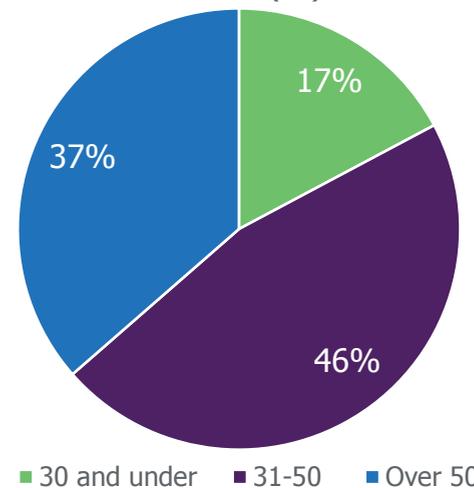
* Scope covers 100% of U.S. TSMs, the UK, and Ireland

NEW HIRES BY GENDER*



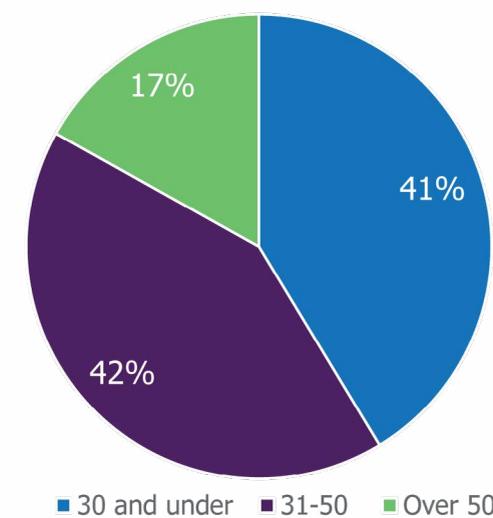
* Scope covers 100% of U.S. TSMs, the UK and Ireland

TSM AGE GROUPS ACROSS THE COMPANY IN 2021 (%)*



* Scope covers 85% of all U.S. TSMs, the UK and Ireland (available in our HCM system)

AGE GROUPS OF NEW HIRES*



*Scope = Data covers 85% of U.S. Population and UK, and Ireland (available in our HCM system)

PUTTING TEAM SCHEIN AT THE CENTER (CONTINUED)

Continued support of our TSMs during the pandemic

Safeguarding the health and safety of our TSMs remained a priority in 2021. We kept up to date with federal, state, and local mandates and the U.S. Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO) guidelines to implement appropriate health and safety protocols for all TSMs. We have and will continue communicating updates on guidance, protocols, and resources to keep all TSMs informed. Our ongoing virtual Global Town Halls focus on critical business updates for all TSMs. Our learning and development programs, and diversity and inclusion efforts, such as supporting our team through employee resource groups (ERGs), and various wellness initiatives, also continued to address the pandemic and its consequences.



DIVERSITY AND INCLUSION

Our ambitions

We embrace and celebrate the diversity of our TSMs, our customers, the patients they serve, our shareholders, our supplier partners, and the communities in which we operate. All of our constituents' voices are reflected in the decisions we make. Ultimately, business success is about valuing people. With the changing demographics of our customers and communities, we are committed to driving a diverse and inclusive space within our organization and society.

Diversity and Inclusion (D&I) is a strategic priority for the organization and is advanced by recruiting and retaining diverse talent, cultivating our culture, supporting our marketplace, and continuing our commitment to society.



To showcase the Company's commitment to D&I, our Diversity and Inclusion Council recommended adding a formal diversity and inclusion value to our existing Team Schein Values. The new value reads, "Diversity and authenticity is embraced to create a sense of belonging to all." Each TSM's performance is evaluated annually, based on a measure of Team Schein Values and job performance, including this new D&I value.



TEAM SCHEIN VALUES

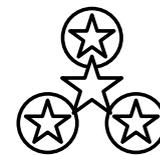
The Guiding Principles and Shared Responsibilities of Henry Schein, Inc. and its Team Schein Members

DIVERSITY AND INCLUSION



Diversity and authenticity are embraced to create a sense of belonging for all

EACH PERSON IS AS IMPORTANT AS THE NEXT



We recognize the value of all TSMs and their individual and collective contributions to the Company

ETHICS



We believe that conducting ourselves with the highest degree of ethics and integrity is foremost in driving a successful business

MUTUALITY



We believe that Henry Schein and its TSMs are mutually responsible for the success of the business

NO POLITICS



We believe that politics distracts from great business practices; it never enhances them

OPEN COMMUNICATION



We believe that effective communication is critical to our continued success

PEOPLE ARE OUR GREATEST ASSET



The uniqueness of Henry Schein has always been the richness of its history, the power of its values, and the dedication of its people

RECOGNIZE CREATIVITY AND ENCOURAGE IT



We strive to create an environment where creative thinking is the norm, not the exception

OUR DIVERSITY AND INCLUSION GOALS AND COMMITMENTS

OUR GOALS

- By 2022, educate all Global Directors and Vice Presidents on the key concepts of Diversity and Inclusion. By 2023, provide education for Managers globally and U.S. TSMs at all levels

PROGRESS 2021

- Required education implemented in 2021 for Global Directors and Vice Presidents on key concepts of D&I
- Required education being rolled out in 2022 for Global Directors and Vice Presidents with a focus on equity and the role leaders play in D&I
- Educated 500+ TSMs on key concepts of D&I
- Designed a course utilizing our Learning Management System for global managers and all U.S. TSMs

OUR GOALS

- By 2022, evaluate our compliance helpline reporting process against the effectiveness criteria of the United Nations Guiding Principles for Business and Human Rights for reporting of potential discrimination incidents, and include diversity education to those handling the investigations

PROGRESS 2021

- Educated those handling investigations on the United Nations Guiding Principles for Business and Human Rights and key concepts of D&I, including bias and equity.

OUR GOALS

- By 2030, in alignment with our commitment to Paradigm for Parity®, we will strive to have gender parity at senior leadership levels (Global Director and Vice President)

PROGRESS 2021

- Partnered with a new vendor to enhance and expand our mentorship program to include a diversity lens
- Continued education for our leadership and TSMs on unconscious bias
- Enhanced recruiting partnerships (see right)
- Continued expansion of Women's Leadership Network (WLN) employee resource group

OUR GOALS

- We are committed to pay equity and continue to align our processes and programs to our commitment

PROGRESS 2021

- We have conducted a pay equity study for the majority of our U.S. workforce. Overall, our study shows that pay is administered in a fair and equitable manner across gender and ethnicity, which is a positive and important data point as we continue to focus on diversity and inclusion across the Company. One area needing improvement relates to creating further opportunities for women and members of other underrepresented groups to advance into senior leadership roles. As our 2022 and beyond goal, we are committed to increasing the diversity of all underrepresented groups in senior levels by improving the Company's talent acquisition and organizational development practices, as well as by enhancing its compensation processes to better align with the Company's strategic objectives. These efforts will help to enrich opportunities for all TSMs and better position the Company to achieve its overall business goals.

Diversity and Inclusion Council

Our Diversity and Inclusion Council drives our Company-wide D&I strategy and helps prioritize efforts. Established in 2020, this Council is made up of a global cross-functional group of senior leaders with engagement from our Board of Directors and Executive Management Committee.

The Council oversaw a number of initiatives and efforts across the Company to strengthen our D&I values and improve our practices.



Board of Director Lead
Dr. Reed Tuckson
 Board Member,
 Henry Schein Inc.,
 Board of Directors



Board of Director Lead
Anne H. Margulies
 Board Member,
 Henry Schein, Inc.,
 Board of Directors



Executive Management Committee Lead
Kelly Murphy
 Senior Vice President
 and General Counsel



Executive Sponsor
Shirley Taylor
 Vice President,
 Global Chief Security
 and Safety Officer



Co-Chair
Seema Bhansali
 Vice President,
 TSM Experience & Inclusion



Advisor to the Council
Brad Connett
 CEO,
 North America
 Distribution Group



Co-Chair
Carol Rodriguez-Bernier
 Vice President,
 HR Strategy, Operations
 and Inclusion



Advisor to the Council
Jim Breslawski
 Vice Chairman and President,
 Henry Schein, Inc.



Advisor to the Council
Kristen Kapoor
 Vice President,
 Senior Counsel,
 Labor & Employment



Co-Secretary to the Council
Melissa Birchall
 Corporate Account
 Manager



Co-Secretary to the Council
Zecki Dossal
 Senior Director,
 Customer Loyalty



Member
Leigh Benowitz
 Vice President,
 Digital & Customer Experience
 and GEP Transformation
 Officer



Member
Trinh Clark
 Vice President,
 NA Distribution Technology
 Enablement



Member
Pierre Detours
 Managing Director,
 Southwest Europe – Dental



Member
Ron Dubois
 Senior Director,
 Sales – BioHorizons



Member
Barbara Fisenne
 Vice President,
 Global Organizational
 Development



Member
Vikki Goodall
 Senior Director & General
 Manager, Henry Schein
 Dental UK



Member
Earl Greene
 Vice President and General
 Manager of Kitting, Infection
 Prevention, Compliance and
 Service (“KICS”) Group



Member
Paulo Guilhon
 Vice President,
 Henry Schein Brazil



Member
Ken Hunt
 Vice President of Sales –
 Brasseler Dental



Member
Gerard Meuchner
 Vice President,
 Chief Global
 Communications Officer



Member
Prashant Ohri
 President,
 Henry Schein Canada



Member
Mike Richardson
 Vice President,
 Distribution – North America



Member
Dave Rodriguez
 Vice President,
 Talent Acquisition



Member
Janine Vincent
 Regional Sales Manager,
 Dental – Australia

DIVERSITY AND INCLUSION (CONTINUED)

Recruiting and retaining talent

We strive to attract, develop, engage, and retain top talent with diverse backgrounds and experiences to drive innovation and achieve business success. Our Talent Acquisition team builds strong partnerships and relationships with TSMs and candidates and continues to invest in tools that promote and encourage a diverse slate during our recruiting search. In 2021, we entered into a partnership with Jopwell, a career platform designed specifically for Black, Latinx, and Native American students and professionals, to enable more diverse and inclusive recruitment across the U.S., especially in sales roles. We also provided toolkits for all recruiters and hiring

managers on how to hire and promote a diverse workforce, including some recommendations on how to handle potential bias and thinking about how we move away from asking if someone will fit into our culture, which creates homogeneity, to asking if someone will add to our culture, which allows us to grow and innovate.

Recruiting and retaining a diverse workforce

requires us to have a culture of inclusion. This is done through conversation, education, and a strong organizational commitment to these values.

To educate our teams, we have established a formalized strategy called Henry Schein's Diversity and Inclusion Learning Journey (Learning Journey), which includes education designed to help TSMs develop foundational D&I knowledge and leadership skills to advance the mission of D&I.

IN 2021, 28% OF OUR GLOBAL LEADERSHIP (GLOBAL DIRECTORS AND VICE PRESIDENTS) INCLUDING IN THE U.S. WERE FEMALE.

Through this Learning Journey, we:

- Hosted 30 educational sessions during the year, and educated more than 1,200 TSMs, including all Global Directors and Vice Presidents, on key D&I concepts most relevant to Henry Schein
- Held a "Violence Against Diverse Communities" session for all TSMs
- Provided a targeted D&I education for those TSMs who are involved in investigating D&I related incidents reported through our Helpline (see more on page 45)
- Hosted a specialized Inclusive Leadership session for our Dental Sales Leadership
- Hosted D&I-focused roundtables where we listened to TSMs to learn what we're doing well and where there may be room for improvement.

To complement our educational efforts, and in addition to our recruiting toolkits, we introduced guidelines for managers on how to practice D&I, inclusive leadership, and promoting diversity in teams. TSMs are also encouraged to learn from one another continuously and our Employee Resource Groups while modeling behaviors that educate others and promote D&I. We are also constantly measuring our progress concerning D&I. Every quarter, we internally report to our Executive Management Committee and key business leaders on the demographics of our TSMs. To ensure the alignment amongst our stakeholders, we will be disclosing our [2021 EEO-1 report](#) to illustrate the diversity of our U.S. workforce. Once available and certified by the Equal Employment Opportunity Commission, this information will be released on our Henry Schein website. The gender diversity of our Executive Management Committee globally is illustrated here.

Leigh Benowitz
Senior Vice President
and Chief Global Digital
Transformation Officer

Trinh Clark
Senior Vice President
and Chief Global Customer
Experience Officer

IN 2022, WE ADDED TWO ADDITIONAL FEMALES TO OUR EXECUTIVE MANAGEMENT COMMITTEE.

REPRESENTATION OF WOMEN IN EXECUTIVE MANAGEMENT



DIVERSITY AND INCLUSION (CONTINUED)

Cultivating our 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. Employee Resource Groups (ERGs) at Henry Schein are voluntary, employee-led networks that foster a diverse, inclusive workplace aligned with our Corporate Charter, Team Schein Values, and business goals. ERGs support the Company's efforts to attract and retain the best talent, promote leadership and development at all levels, build an internal support system for employees within the Company, educate TSMs on the challenges and successes of diverse communities, and encourage diversity and inclusion amongst employees at all levels. ERGs serve as an important vehicle to listen to the voices of our TSMs and collect insights that can improve business success.

Henry Schein has four Employee Resource Groups: The Women's Leadership Network; Pride & Allies; Black Legacy Professionals; and COLEGAS. In 2021, we announced plans to launch two additional ERGs – one for the Pan-Asian community and an additional one for military veterans and members of the armed forces, and their families. The Pan-Asian ERG, elevAsian, launched in May 2022 and we expect to launch our ERGs for military veterans, members of the armed forces, and their families, and individuals with disabilities and allies later in 2022. In 2021 and early 2022, more than 30 events were hosted by the ERGs, with a focus on networking, professional development, wellness, and business impact. We dove into critical topics such as coming-out stories, embracing empathy to overcome racism, the value of mentorship, and the power of allies. Our Women's Leadership

Network hosted its first external event, which invited both TSMs and our customers to participate in a panel event titled SHE: Successful Healthcare Entrepreneurs. Our ERGs have acted as an important way to keep our TSMs and customers connected and engaged during the unprecedented times of the COVID-19 pandemic.

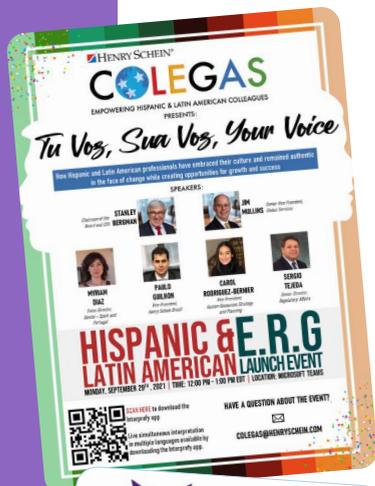
We are pleased that five of our TSMs heavily involved in our D&I efforts were recognized for their efforts externally, including:

- **Trinh Clark**, Executive Sponsor, WLN, was recognized as part of the Top 25 Women Leaders in Medical Devices by The Healthcare Technology Report;
- **Ann Marie Gothard**, Executive Sponsor, Pride & Allies, was recognized as part of the Top 50 Women in Business by LIBN and as a 2021 Honoree by Girls Inc. of Long Island;
- **Geoff Au**, Former Co-Lead and Current CSR Chair, Pride & Allies, was recognized as a 2022 Honoree for Diversity in Business LIBN Awards; and,
- **Kristen Kapoor**, Executive Advisor, D&I Council, was recognized as a [2022 Premier Business Women Honoree of Long Island by The Herald](#)
- **Kelly Murphy**, Executive Management Committee Sponsor, D&I Council, was recognized as a [2022 Executive Circle Honoree](#).

Additionally, **Stan Bergman** was recognized by the National Hispanic Health Foundation for his leadership in helping to improve health equity and supporting the needs of Hispanic communities and health professionals. See more on page [36](#).

We also collect feedback through hosting roundtables where our senior leaders actively listen to our TSMs on topics related to D&I, and the insights learned are used to guide our efforts.

All these efforts have had a strong impact on our culture, which is borne out by data from The Pulse, our global employee feedback survey. The data showed that our team, across all demographics, feels that Diversity and Inclusion is one of our greatest strengths.



Employee Resource Groups



Revelations 16:
"Why Tolerance and Acceptance are Dirty Words"
 A virtual conversation with Robert Vitelli
Date: July 13, 2022 | 12:00pm EST

Join us for a deep dive with **Robert Vitelli, MA**, the Executive VP & COO LGBT Network as he reviews the words and attitudes regularly used within the LGBTQ+ community and tips to change our thinking and language.

[Add to Calendar](#)

[Join Now](#)

Society and marketplace

We believe that creating a diverse and inclusive environment goes beyond Henry Schein, which is why we are committed to engaging with external partners who share our common mission, as well as ensuring we understand the changing demographics of our customers and their patients. Henry Schein formally joined the Paradigm for Parity Coalition in 2017, which is dedicated to achieving gender equality in corporate leadership. In 2019, we signed the United Nations Human Rights Office LGBTI Standards for Business, which is aimed at promoting equal rights and fair treatment of LGBTI people. And, in 2020, we signed the World Economic Forum's Partnership for Racial Justice in Business. We also have continued with our long history of support for diversity in the health care professions through our support of the Black Coalition against COVID, National Dental Association (NDA), the Hispanic Dental Society (HDA), the Society of American Indian Dentists (SAID), Alpha Omega International Dental Society (AO), and other culturally specific professional organizations. Henry Schein was one of four founding



corporate sponsors of the American Dental Association's Diversity in Leadership Institute, which was created to foster leadership training and a corporate mentoring network within the dental profession in order to improve the business management skills of dentists from racial, ethnic, or gender backgrounds that have been underrepresented in such roles. In 2021, we also joined the Higher Ambition Leadership Alliance's Learning Group – Diversity, Equity & Inclusion. In early 2022, we partnered with the Diverse Dental Society, which includes representation from the NDA, HDA, and SAID, and supported their mission of bringing underrepresented groups in the profession together. At their most recent summit, we presented an education called Bias Interrupted, helping underrepresented groups understand their own biases and how to cope with biases to which they may have been subjected.

Henry Schein earned a grade of 100 on the Human Rights Campaign Foundation's 2021 and 2022 Corporate Equality Index, a benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. 2022 marked the seventh consecutive year that Henry Schein has been designated as one of the Best Places to Work for LGBTQ+ Equality.

Incorporating D&I into pay and incentives

In 2020, we introduced an individual D&I goal tied to our annual performance incentive program (i.e., cash bonus plan) for the senior managers in our Company (Directors, Vice Presidents, and the members of our Executive Management Committee) globally. In 2021, we increased the percentage for the D&I goal for many Directors and Vice Presidents, as well as key business leaders and our Executive Management Committee, which included action items to further champion D&I throughout the Company and increase representation of diverse talent.

At Henry Schein, we are committed to maintaining fair and competitive pay. We strive to ensure that TSMs who perform similar work are paid equitably. With this commitment in mind, we recently conducted a review of compensation for TSMs within the U.S., looking closely at base pay and bonuses. In addition, we review our pay structure and levels on an ongoing basis and remain focused on enhancing our monitoring and reporting systems to identify and address potential gender pay gaps. See pay equity goal progress on page [26](#).



HUMAN CAPITAL DEVELOPMENT

We invest in the personal and professional development of our TSMs by providing formal and informal learning opportunities to enhance their knowledge, skills, and abilities. TSMs globally are offered a broad suite of leadership and professional development educational opportunities to enable success in their current and potential future role(s) within the Company.

Our Organizational Development (OD) team offers more than 50 formal workshops to TSMs, including opportunities to connect with colleagues cross-functionally for the sharing of best practices. Our 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 foster a strong leadership pipeline across the organization and are key to enabling the engagement, development, and retention of TSMs. Through one global process, the strategic development of talent leads to internal mobility as well as targeted development opportunities and actionable plans, that enable the acquisition of skills necessary to drive success.

Our Talent Planning strategy aligns with our overall D&I strategy, as we educate about bias that may come into play throughout the process and the importance of equity when developing talent. Information derived from our Talent Planning efforts informs curriculum design and content so that the right capabilities are developed through intentional career development efforts aligned with the future needs of the organization. The range of key focus areas includes, but is not limited to, coaching, strategic thinking, managing remotely, managing change, career development, management essentials, and presentation skills.

Executive education, mentoring, and coaching programs also play an important part of our development and career support initiatives, with our OD team responsible for organizing these opportunities for TSMs across the organization.

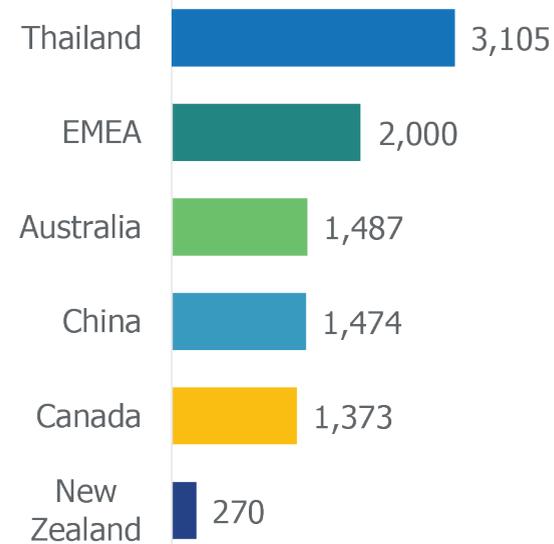
In 2021, our U.S. TSMs recorded a total of 8,292 hours of education related to talent, leadership, and professional development, with approximately 55% of these completed by women, and 21% by ethnic minority groups. Education hours per employee group are as illustrated. When we look outside of our U.S. businesses, we had formal education related to professional development across our major markets across North America, EMEA and APAC. These professional development sessions range in topics from leadership development, presentation skills, coaching, management essentials and many others.

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



*Scope covers 85% of all U.S. available in our HCM system

GLOBAL TRAINING HOURS



HUMAN CAPITAL DEVELOPMENT (CONTINUED)

Medical sales training

Henry Schein Medical provides several modules of training for their various sales teams, including leadership development and the Health Industry Distributors Association (HIDA) Accredited in Medical Sales (AMS) certification, as well as targeted sales skills programs. Our goal is to build consistent and measurable training programs to drive business growth and job success, and support sales across the organization. We continue to modernize both the content and the delivery to evaluate the effectiveness of our training. We track the number of training sessions, participants, hours, and modules attended. A significant portion of our training is targeted at new hires. Amid the backdrop of the continued pandemic causing “digital fatigue” and reduced in-person learning opportunities, we are working on innovative ways to maintain the quality and effectiveness of our training. These include optimizing our technology, deploying field-based training, and enhancing our new-hire offering to engage employees onboarded remotely during the pandemic.

In 2021, we offered 1,312 sessions to 3,811 participants (which consists of individual TSMs enrolling in multiple courses) totaling 7,647 hours of training. We are reconfiguring our approach to training and working toward the development of knowledge, skills, and abilities (KSAs), learning journeys for our sales TSMs, which are tailored to their needs throughout their respective careers. The aim is to build key skills over time, improve job performance, and enhance the professional repertoire that

EDUCATION TRAINING PROGRAMS FOR MEDICAL SALES TEAMS



TSMs will be able to apply throughout their careers within and beyond Henry Schein. We have established 125 role-specific KSAs, and, for each medical sales position – from corporate account managers to tele managers and sales consultants – we have mapped the relevant KSAs for each TSM’s job and provided them with the relevant training modules over the course of the year.

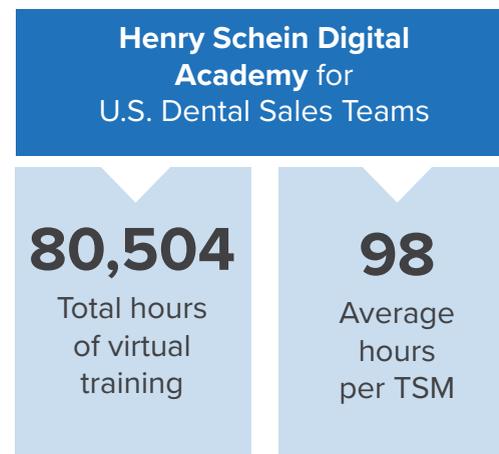
Dental sales training

The Henry Schein Sales Training and Development of our U.S. Dental business focuses on providing the dental field sales team with the knowledge, confidence, and efficiency they need to compete and expand in today’s dental market. Our Dental field representatives and leaders received 80,504 training hours from instructor-led virtual training and coursework on our Digital Academy learning management system (LMS), averaging 98 hours per TSM. This reflects an increase of over 40% in both categories against 2020. With ongoing restrictions related to the pandemic limiting in-person learning to 480 hours, the training team successfully transitioned learning to virtual models. We made significant strides in our Rookie program by adding product training and experiential learning through cross-training with key internal partners. We added further Salesforce and tech tools training for new hires to decrease time-to-fluency in the field. In 2022, we will combine efforts with our North American Distribution Businesses into a single Sales Training and Development Organization that will incorporate the success of multiple divisions into an elite resource for Henry Schein.

Compliance training

Our Global Compliance Learning program educates all TSMs in significant potential risks and instills responsibility for compliance in the everyday

EDUCATION TRAINING PROGRAMS FOR U.S. DENTAL SALES TEAMS



actions of our TSMs. During 2021, nearly 22,000 TSMs were offered 18 courses in 16 languages. In addition to our standard training programs, TSMs can seek help and guidance from the Compliance Department and through our optional compliance month vignettes.

In 2021, we provided training on a range of compliance topics covering different TSM groups, targeted to the employee function, organizational level, and the geography where TSMs are based. Examples include:

- Preventing sexual harassment training;
- HIPAA — Ensuring the protection of protected patient health information;
- EU GDPR and Data Privacy for all TSMs based in Europe, and all U.S.-based TSMs with exposure to EU data;
- Preventing Workplace Violence for all U.S.-based TSMs, as well as managers, supervisors, and above, globally;
- Antitrust and Anti-Corruption globally for directors and above as well as selected sales and purchasing functions;
- OSHA (Occupational Health and Safety Administration) Certification for TSMs to advance our return-to-work planning; and
- Multiple courses for the detection and prevention of phishing scams and other cyber-security issues.

Please see also page [46](#).

GLOBAL COMPLIANCE TRAINING PROGRAMS FOR ALL TSMS



HUMAN CAPITAL DEVELOPMENT (CONTINUED)

Performance, engagement, feedback, and recognition

Our TSMs' ability to effectively communicate and collaborate across functional and departmental teams positively impacts our performance. Our team's engagement across the Company is evaluated via a global culture survey, called "The Pulse," which is conducted every two years. Distributed to all TSMs globally, The Pulse addresses collaboration, D&I, communication, and wellness, among other things.

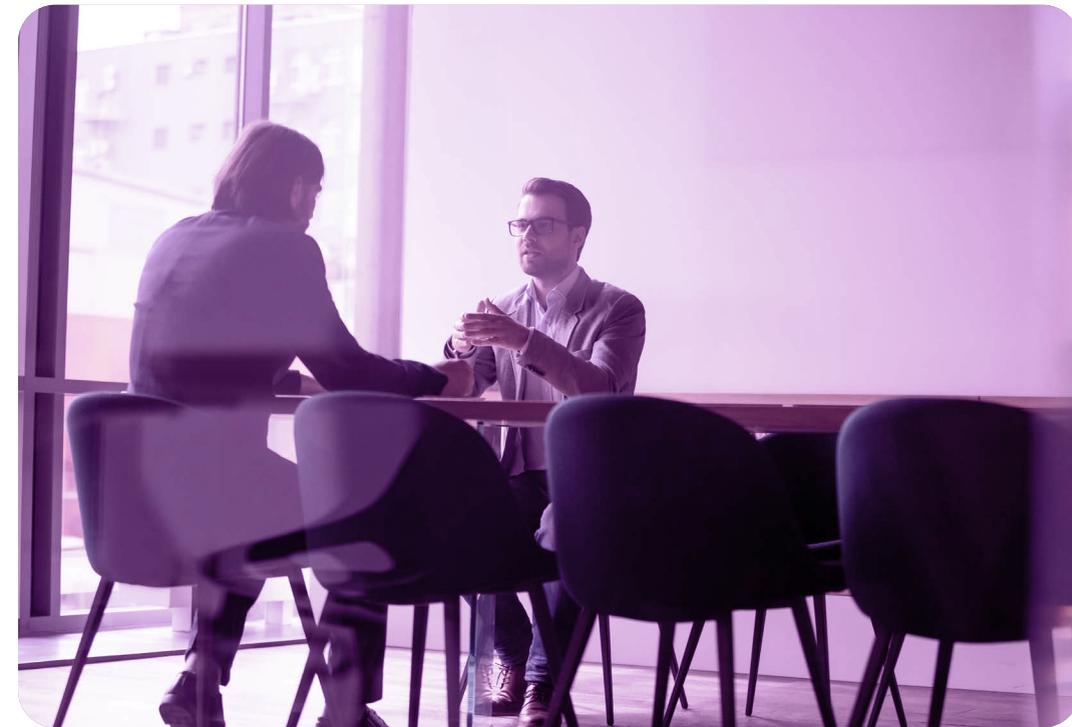
All global management reviews the results from our culture survey, including senior leaders, reported to the Board of Directors, and used to implement new and enhanced programs and processes designed to improve our culture further.

Our 2021 global culture survey generated a response rate of 75% (more than 15,000 TSMs), with our employee net promoter score (eNPS) standing well above our vendor's external benchmark data, which is an aggregate of 2-year survey results from their clients who are on Fortune's World's Most Admired or Best Companies to Work For lists. Our Executive Management Committee and key business leaders throughout the organization have committed to hosting TSM roundtables, where we will be seeking further TSM insights and ideas for improvement. We have already begun to take action on some of the feedback we received through our survey by introducing New Workplace Norms for Wellness, a program aimed at reducing stress. See more information on page [35](#) in Health and Wellness.

TSM performance is evaluated annually, based on a measure of Team Schein values and job performance, with a focus on open communication. We believe that feedback and recognition are crucial in motivating our TSMs and helping them realize their full potential. We engage in meaningful performance and career development conversations throughout the year. We have a "pay for performance" philosophy, with employees recognized and incentivized for high-quality performance in alignment with our values. Eligible TSMs have individual goals and are assessed for performance against transparently and collaboratively set targets and criteria, with financial and non-financial recognition. An example of financial recognition may be bonuses paid in addition to fixed salaries. Examples of non-financial recognition include our Teddy Philson Team Schein Award, which recognizes TSMs across the globe for living and promoting Henry Schein's values, and the Henry Schein Service Award program, which recognizes TSMs for their years of service with the Company.

Career transition services

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.



HEALTH, SAFETY, AND WELLNESS

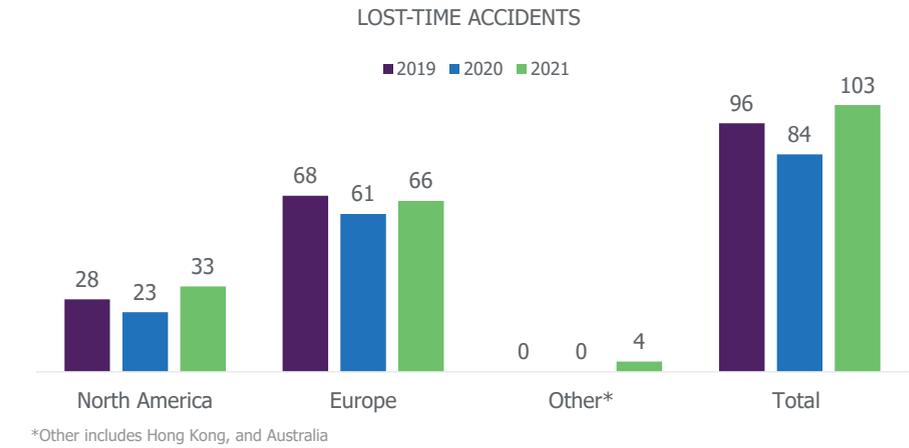
Safety

We have a strong safety foundation and mindset in our distribution centers, other operational facilities, and offices. Our Physical Security Policy guides our performance across all Henry Schein operations, supported by our safety rules and other guidance material. The policy and supporting safety rules ensure that consistent safety standards and practices are followed in all distribution centers and offices. These relate to reporting safety-related incidents, general housekeeping and safety, PPE, fire safety, mobile equipment operation, and dress standards. They help us promote and foster a safe working environment and minimize accidents and safety-related incidents in the workplace.

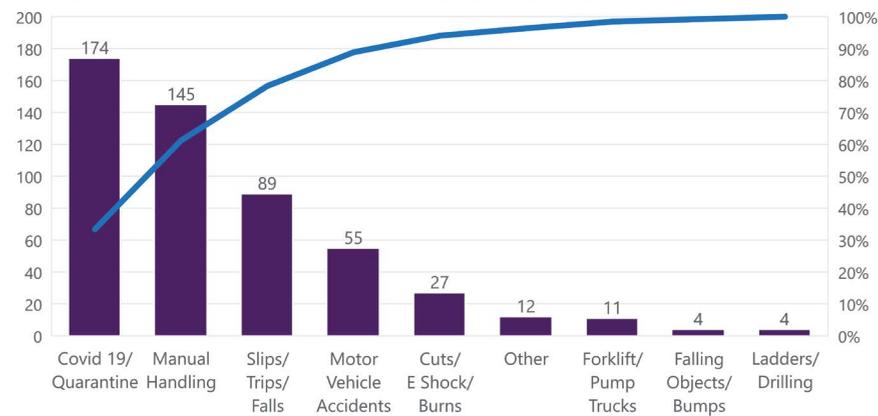
Dedicated training strengthens our approach. Safety training is conducted at the distribution centers to TSMs operating forklifts and those who may have contact with chemicals and spills.

In 2021, we experienced a total of 103 lost-time accidents² (2020: 84) across North America, Europe, Hong Kong, and Australia, leading to a total of 1,863 lost days (2020: 1,439). The increase in the number of accidents and lost days can be mainly attributed to phased return of TSMs to work, and our facilities operating at a higher capacity compared with 2020. Globally, our lost-time injury frequency rate was at 0.80 per 200,000 hours worked³.

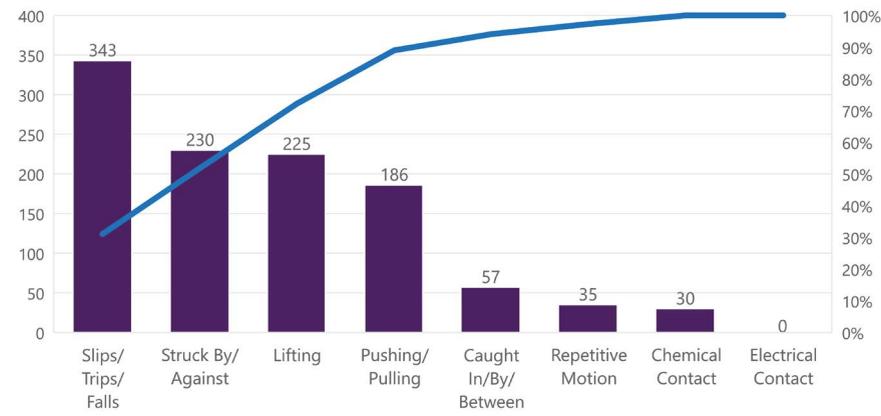
Our lost-time accidents and lost days per region during 2021, as well as the number of lost days per injury type (as an illustration of the most common causes of injury), are shown below. As part of our accident-prevention program, we conduct studies on an as-needed basis to measure air quality or noise level in order to manage any occupational health impacts on our employees.



NUMBER AND % OF LOST DAYS DURING 2021 BY INJURY TYPE (EUROPE, HONG KONG & AUSTRALIA)



NUMBER AND % OF LOST DAYS DURING 2021 BY INJURY TYPE (NORTH AMERICA)



² An on-the-job accident (defined as an incident that causes injury or ill health) that results in an employee being absent from the workplace for a minimum of one full workday.

³ Reported injury frequency rate is not comparable to 2020, given the expanded geographic scope of our reporting (for North America, Europe, Australia and Hong Kong in 2021, versus the U.S. in 2020).

Health and wellness

We offer competitive health and wellness programs, and other benefits plans to eligible TSMs. We also offer programs to support TSMs and their families, including Workplace Flexibility and Paid Parental Leave programs. One reason for implementing a paid parental leave was to provide additional paid time off for new mothers, but also offer an opportunity for new fathers to take paid time off. The chart to the right highlights the gender breakdown of TSMs that took parental leave, where you can see men took advantage of the benefit more often than women. In 2021, 8,157 TSMs were entitled to parental leave, 42% of whom were female. Of those, 197 TSMs took leave, 46% of whom were female. Of the 197, 177 returned to work during the year, and 90% of all TSMs who took parental leave returned to work and remained with the Company.

In addition to employee health and safety, we are committed to providing a work environment for TSMs that drives a culture of overall wellness. While wellness has always been an essential focus for us, it is especially so now as we see the long-lasting impacts of the COVID-19 pandemic. Henry Schein established a Mental Wellness Committee in 2020, whose mission is to empower every TSM to be their best self – Mentally, Emotionally, and Physically. The committee focuses on community, education, resources, and communication in four key pillars of wellness: physical, emotional, social, and financial. The Company makes available a competitive 401(k) plan with a generous employer match to encourage savings to bolster financial security for the future. The Company also offers many education programs/seminars on savings for college, buying your first home, home mortgage information, preparing for a new child, and preparing for retirement. We also offer a family-building program to support family planning, health/fertility resources, emotional support, new family resources, etc.

We offer resources, guidance, and support to TSMs, and work across our business to establish enhanced workplace norms to improve productivity while reducing incidents of stress and burnout. We also have employee assistance programs with trained counselors to assist TSMs with personal needs. We partner with our employee assistance program vendor to introduce new wellness-focused education for TSMs on topics such as Financial Wellness, Working Remotely, Working on Site, Personal Health, Emotional Health, and Caring for Others.

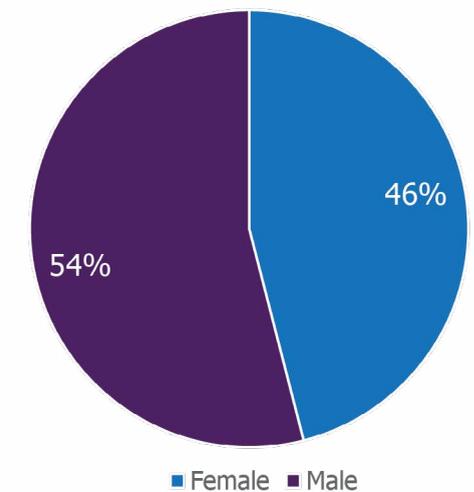
In 2021, we introduced a Wellness Awareness Education program for all managers across the Company in the U.S., in partnership with the YES Community Counseling Center (YESCCC), whose mission is to increase awareness about personal and community issues, prevent and treat substance abuse, and to promote healthy families and a safe community. This program educates TSMs on identifying wellness concerns in others, holding safe and productive conversations, and referring TSMs to other resources for self-care and caring for their teams.

To secure their support, we created awareness of our wellness initiatives and goals with our Executive Management Committee and Board of Directors. Our Wellness Internal Microsite provides access to various educational and communication resources for all TSMs. We also enable our TSMs to share their individual experiences, and we offer advice and best practice on specific topics through our TSM Experience Panels. This helps create a sense of connection, inclusion, and belonging among TSMs. During 2021, our Experience Panels included best practices on working remotely, networking effectively while remote, caring through the COVID-19 pandemic, reintegration and defining the new normal, and dealing with grief during the holidays.

We also launched a new app in partnership with Journey – a preventive mental health solution provider for companies to help employees with stress management, performance, and productivity.

In 2022, we introduced new Henry Schein family building benefits that remove barriers to care with no medical diagnosis requirement or treatment mandate, ensuring equitable and inclusive access for all participating including LGBTQ+ individuals and couples, and single parents-by-choice. The family building benefits include enhanced access to a fertility benefit provider, an increase in adoption and surrogacy benefits, and access to a maternity and family benefit support apps which provides one-on-one support from health coaches, registered nurses and certified midwives for a variety of maternity and family needs.

TSMs THAT TOOK PARENTAL LEAVE BY GENDER (%)*



* Scope covers 85% of all U.S. TSMs, available in our HSM System



ADVANCING HEALTH EQUITY AND ACCESS TO CARE FOR STRONGER COMMUNITIES

Our belief is unwavering and steadfast that regardless of where someone is born; their social or economic situation; color of their skin; sexual orientation; religion; or physical or mental abilities, all people should have access to quality, affordable health care. It drives us in our continued efforts to promote health equity and access to care, leveraging our unique position among key health care stakeholders.

We committed last year to donating \$50 million in cash and product through Henry Schein Cares and the Henry Schein Cares Foundation, Inc. by 2025 to advance health equity through:

- Building capacity of health care professionals to care for those in need and in the development of future and diverse health care professionals
- Supporting the strengthening of health systems
- Partnering with government, nongovernmental organizations, and health care professionals in disaster preparation and response
- Expanding access to care for underserved and underrepresented populations through initiatives targeting wellness and prevention, treatment, and health literacy

We are nearly halfway to that goal.

And we are committed to doing more. With the Ukraine humanitarian crisis that began in February 2022, we committed to \$1 million in cash and product donations toward the crisis by supporting our long-standing global humanitarian aid partners with the necessary medical supplies to health care professionals and civilians in need. For more information, visit www.henryschein.com/ukrainereponse.

For more information on our health equity work, visit www.henryschein.com/healthequity.

Investing in Diversity for Greater Health Equity in Partnership with Health Care Professionals

We continue to invest in supporting diversity within and among today's health care profession while building towards a future workforce that better reflects our diverse society to create more impactful care while closing health care gaps.

IN 2021, HENRY SCHEIN CARES AND THE HENRY SCHEIN CARES FOUNDATION, INC. DONATED OVER \$21.5 MILLION IN CASH AND PRODUCT GLOBALLY.

Our efforts start with our association partners representing minority health care professionals. Last year, Henry Schein supported the first annual conference in June 2021 of The Diverse Dental Society, comprised of three minority oral health professional organizations: the Hispanic Dental Association, National Dental Association and Society of American Indian Dentists. These associations

partnered during the COVID-19 pandemic to address unmet needs in under-resourced communities with the goal of drawing attention to care disparities. More broadly, this coalition educates stakeholders about care gaps and advocates for social justice in the health of traditionally disenfranchised populations, including by deepening culture competency among health care professionals to more effectively work with diverse patient populations. By participating in the strategic planning process and as a committed stakeholder, Henry Schein plays an active role in supporting the important work of our minority health care professionals.

In addition to the needs and initiatives of today's health care professionals, we also are focused on supporting the development of a more diverse workforce for tomorrow's health care professionals. By creating visibility around the exciting opportunities within the health care workforce for students and engaging students with current diverse health care professionals, we hope to develop and expand pathways to the profession that will ensure greater culture competency, care utilization, and employment within and among historically under-represented communities.

Supporting Health Systems Strengthening

Henry Schein leverages its global position in health care to build the capacity of health care professionals and strengthen national health systems, global health security, and supply chain sustainability through partnerships with professional associations, academia, United Nations agencies, and the World Economic Forum.

We have been an early champion for, and are working collaboratively with, many in the health care industry and public health arena to break down the silos that separate the various elements of the health care system and promote an integrated approach to health care. As a founding member of the UHC2030 Private Sector Constituency, we promote matters of universal importance to health care, including wellness, prevention, and the integration of oral health into overall health to improve outcomes and lower healthcare costs. For other examples of our work in the integration of global health security efforts as a key component of health systems strengthening and enhancing global supply chain resilience, see page 19.

Expanding Access to Care for Underserved and Underrepresented Populations

We help health happen by:

- Helping to reduce gaps in access to health care through wellness, prevention, and treatment
- Planning, preparing, and pre-positioning products with leading global NGO partners to help enable the swift availability of life-saving supplies for health care professionals responding to disasters.

The [following page](#) has examples of our commitment and how we catalyze change for improving health equity and expanding access to health care especially by advocating for and raising awareness of the needs of underserved and underrepresented populations, particularly communities of color, to promote fair and equitable access to care.





In 2021, Henry Schein Cares and our Foundation **supported hundreds of global charitable partners** with over \$21.5 million in cash and product to whom we are grateful for their work to help health happen. Special thanks to the CDC Foundation, Direct Relief, Heart to Heart International, International Medical Corps, MAP International, MedShare, MCW Global, and Project HOPE, UNHCR, and the WHO Foundation to name a few. For a full list of our 2021 charitable recipients, please visit <https://www.henryschein.com/us-en/corporate/csr-contribution-recipients.aspx>.



Throughout 2021 our **Global Product Donation Program distributed over \$8.7 million in dental and medical products** to more than 100 non-profit organizations.



In late 2021, we completed the **Wearing is Caring campaign** with a third phase focused on promoting health equity in the delivery of the **COVID-19 vaccines and supporting efforts** at addressing resistance, hesitancy, access, and education around vaccines. This campaign distributed **more than 9,000 reusable face coverings** to underserved and at-risk populations in 11 U.S. states.



In 2021, Henry Schein **donated eight wheelchair scales to Special Olympics** to support regional and local **Healthy Athlete programs** in Nebraska, Minnesota, New Mexico, Michigan, Texas, Illinois, Hawaii, and Alaska. Many athletes have had no opportunity to weigh themselves, but with this new equipment, Special Olympics will be able to record each athlete's starting weight and progress throughout the years.



In its 24th year, the **Back to School Program** returned from a virtual project to **helping children around the world return to the classroom. Team Schein Members** at 22 locations in the U.S., Canada, Spain, and Ireland **donated backpacks filled with school supplies to almost 4,500 children.**



In response to the severe flooding across Western Europe in 2021, we committed **more than \$150,000** to support relief and recovery efforts, donating much-needed health care supplies to non-governmental organizations, and supporting customers residing within the flood disaster areas. Funds and needed product went to Aktion Deutschland Hilft, International Medical Corps, Caritas Westeifel e.V., and Heimatverein Alt-Ahrweiler e.V., two local NGOs assisting with relief efforts across Germany.



In its 23rd year, TSMs from more than **17 Company Locations** participated in the program, spreading holiday cheer in the U.S., Australia, Canada, Ireland, New Zealand, and Spain. **"Holiday Cheer for Children"** takes different forms depending on the location.



In February 2022, Zahn Dental announced a commitment of \$150,000 to support **Feeding America**, particularly in support of programs across the U.S. aimed at providing **seniors facing food insecurity** with access to nutrition so they can enjoy healthier lives.



We continued to sponsor the **American Association of Dental Office Management's Green Leader Initiative** to recognize and support 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.**



Henry Schein is proud to be the exclusive professional product sponsor of Give Kids A Smile as the program continued in its 19th year in 2021 and **nearly 1,500 events** were registered. Henry Schein distributed **1,800 product kits** to support these invaluable events.

A CONVERSATION WITH PARTICIPANTS IN THE ALPHA OMEGA-HENRY SCHEIN CARES HOLOCAUST SURVIVORS ORAL HEALTH PROGRAM

Q: HOW DID YOUR EXPERIENCE DURING THE HOLOCAUST IMPACT YOUR HEALTH?

José Urbach, Holocaust survivor: The kind of food we had during [these] years... was horrendous. I mean, it was the minimum just to survive basically, but it created lots of problems for people. They couldn't eat, you know... because they were undernourished for such a long time, as I was. (0:33–0:54)

Q: BEFORE GETTING INVOLVED WITH THIS PROGRAM, DID YOU HAVE CONCERNS ABOUT YOUR ORAL HEALTH OR PROBLEMS ACCESSING CARE?

José Urbach: I was worried... because I knew that if nothing would be done I would lose some of those teeth. When the social worker told me about this possibility – it was a new possibility – I was very happy, really very happy that that will happen for me [and] for other people like me. (2:58–3:24)

Q: WHAT HAS BEEN YOUR EXPERIENCE WITH THE DENTISTS PARTICIPATING IN THE PROGRAM?

Robert Brajer, Holocaust survivor: In words it's very tough for me to say how grateful I am and what it means for me to have friends and family, because that's what I consider you guys. (4:10–4:23)

José Urbach: I thank them when it [is] over. I said it is [most] a wonderful experience besides the fact that they help with my teeth, but also a human experience, which was... quite outstanding. (4:24–4:43)

Sylvia Guttman, Holocaust survivor: You walk into that office and they're like family. It's very comfortable and very comforting to know that I'm getting the best of care. We've been through so much. It just fills my heart, it really fills my heart. I'm so indebted to this program. (3:38–3:55, 4:43–5:14)



Since 2015, the Alpha Omega-Henry Schein Cares Holocaust Survivors Oral Health Program has provided free dental care to nearly 1,600 Holocaust survivors living in poverty in 23 cities across North America. Because of prolonged nutritional deprivation and little to no dental care during the Holocaust, many survivors suffer from a range of oral health

problems. By eliminating pain and restoring function, the program greatly enhances the quality of life for many survivors and helps them age with dignity and respect.

The COVID-19 epidemic has presented us with an incredible opportunity to eliminate many of the inequalities throughout our health care system. In just the past few years, we have accomplished much, but true health equity remains elusive. Every person, regardless of their circumstances, deserves high-quality health care. Too often, we continue to see inequality drive negative health outcomes, and it is incumbent upon every health care stakeholder to take action and push for positive change. Each of us has the ability to improve the systems in which we work and the communities in which we live. Henry Schein understands this responsibility and the important role every Team Schein Member can play in raising awareness of and advocating for greater health equity around the world.

– *Louis W. Sullivan, MD, Co-chair of the Henry Schein Cares Foundation*



OUR GOVERNANCE STRUCTURE

The foundation for our CSR and Sustainability efforts is strong governance to help provide a structured, effective, inclusive and transparent approach. Our governance structure helps us manage and respond to risks and opportunities, monitor progress, and build a resilient business. We include our stakeholder voices in our decisions, and openly engage with our TSMs, customers, shareholders, supplier partners, the communities in which we operate, and society at large.

Our Board of Directors committees, each with a separate Chairperson, are the: Audit Committee; Compensation Committee; Nominating and Governance Committee; Regulatory, Compliance and Cybersecurity Committee; and Strategic Advisory Committee. Each of the Audit Committee, Compensation Committee, and Nominating and Governance Committee is comprised solely of independent directors. Each of the Regulatory, Compliance and Cybersecurity Committee and Strategic Advisory Committee is currently comprised solely of independent directors.

Oversight of ESG and sustainability activities

Oversight of sustainability and environmental, social, and governance (ESG) issues is incorporated within the Board of Directors' Nominating and Governance Committee charter. The Nominating and Governance Committee reviews and reassesses our governance procedures and practices, assesses the structure and performance of our ESG activities, and recommends proposed changes to the Board of Directors for its consideration. As outlined in its charter, the Compensation Committee also plays a role (in coordination with the Nominating and Governance Committee) in ESG matters related to human capital management and executive compensation.

The management of ESG and sustainability matters is supported by our Sustainability Committee, a cross-

functional team of senior and middle management TSMs. At least quarterly, the Sustainability Committee reviews the Company's ESG matters. With the assistance of the Sustainability Committee, the Company's Vice President of Corporate Social Responsibility coordinates Company-wide ESG activities and regularly reports risks, opportunities, and progress toward achieving strategic ESG goals to the Nominating and Governance Committee.

In 2020, the Company formed the Diversity and Inclusion Council to drive our Company-wide D&I strategy and help prioritize efforts. This Council is made up of a global cross-functional group of senior leaders with engagement from our Board of Directors and Executive Management Committee. The Council oversaw a number of initiatives and efforts across the Company to strengthen our D&I values and improve our practices. To showcase the Company's commitment to D&I, the Council recommended adding a formal diversity and inclusion value to our existing Team Schein Values. The new value reads "Diversity and authenticity is embraced to create a sense of belonging to all." Each TSM's performance is evaluated annually, based on a measure of Team Schein Values and job performance, including this new D&I value.

In 2022, the Company formed the Environmental Impact Council, a committee consisting of a cross-functional team of senior and middle management TSMs with Jim Mullins, Senior Vice President, Global Supply Chain, as the Executive Management Committee lead, and Kurt Kuehn, a member of the Company's Board of Directors, serving as a liaison. The Council is tasked with driving, coordinating, operationalizing and tracking our climate change and other environmental impact, risks, opportunities, and progress toward achieving strategic environmental goals. The Council is responsible for two strategic pillars:

- The reduction of greenhouse gas (GHG) emissions in operations and supply chain, transparency including our response to CDP and Taskforce on Climate-Related Financial Disclosures (TCFD) requirements and expanding our reporting, driving emission reductions from transport, and increasing our share of renewable energy; and
- Advancing our role in the circular economy within our supply chain to minimize and eliminate waste.

We have published a CSR Report annually since 2014. We will continue to formalize our ESG and sustainability goals, reporting across the Company and up to the Board of Directors through our various management committees to drive and manage these issues with a long-term view in an integrated manner. This year, we formally adopted Global Reporting Initiative's (GRI) and Sustainability Accounting Standards Board's (SASB) sustainability reporting frameworks for our 2021 CSR Report, having steadily worked towards compliance with these standards since 2019. In 2022, we plan to conduct an assurance readiness review for our ESG reporting to strengthen our climate and other ESG data further.

Our [2022 Proxy Statement](#) provides an overview of the structure, function, and performance of our Board of Directors and its independent committees. The following provides a summary of key sustainability and ESG developments at Henry Schein.

Key sustainability and ESG developments

Key sustainability and ESG developments overseen by the Company's Board of Directors during 2021 and 2022 include:

- Continued response to the COVID-19 pandemic (see page [6](#))
- Signing on to the Business Ambition for 1.5°C and committing to setting a science-based net-zero target by the end of 2023 (see page [13](#))
- Publishing our [first TCFD Report](#)
- Strengthening our Human Rights approach (see page [21](#))
- Progress on our social and environmental goals and targets (see page [13](#))
- Continued expansion of our reporting scope, with some of our disclosures now also covering our facilities in Asia and South America, in addition to reporting on North America, Europe, Australia and New Zealand (see also page [49](#))



Sustainability Committee

The management of ESG and sustainability matters is supported by the Sustainability Committee, a cross-functional team of senior and middle management that reviews the Company's progress regularly.



Daniel Balduf
Director,
Manufacturing -
Altatec



Seema Bhansali
Vice President,
TSM Experience
and Inclusion



Regina Cavaliere
Vice President,
Regulatory and
Compliance,
Chief Ethics and
Compliance Officer



Jennifer Ferrero
Vice President and
Senior Counsel,
Deputy Secretary



Jennifer Kim Field
Vice President,
Corporate Social
Responsibility and
Vice President
of Henry Schein
Cares Foundation



Scott Grossfeld
Director, External
Financial Reporting



Mike Hughes
Vice President,
Supply Chain –
North America



Lisa Kerr
VP, Global Risk
Management and
Business Continuity



Maureen Knott
Vice President,
Product Advertising
and President
of Henry Schein
Cares Foundation



David Kochman
Chief Corporate
Affairs Officer



Amber Lewis
Director,
Emerging Markets



Lorelei McGlynn
Senior Vice
President, Chief
Human Resources
Officer



Gerard Meuchner
Vice President,
Chief Global
Communications
Officer



Aqiyla Mohammed
Project Manager,
Distribution



Jim Mullins
Senior Vice
President, Global
Supply Chain



Allison Neale
Vice President,
Public Policy and
Managing Director
of Henry Schein
Cares Foundation



Jim Patterson,
Vice President &
General Auditor



Jeff Peacock
Vice President,
Global Quality
Assurance and
Regulatory Affairs



Pam Richter
Senior Manager,
Corporate Affairs



**Zuzanna
Piorowska**
Director, Business
Operations and
Strategic Projects,
CAMLOG

Sustainability Committee (continued)

The management of ESG and sustainability matters is supported by the Sustainability Committee, a cross-functional team of senior and middle management that reviews the Company's progress regularly.



Carol Rodriguez-Bernier
Vice President,
Human Resources
Strategy, Operations,
and Inclusion



John Scano
Vice President,
Finance -
Corporate Shared
Services & Deputy
Chief of Staff,
Office of the CEO



Eric Schuler
Executive Director,
Distribution
Engineering



Markus Stammen
Vice President,
CAMLOG Sales -
DACH



Graham Stanley
Vice President,
Investor Relations
and Strategic
Financial Project
Officer



Howie Stapler
Vice President,
Corporate
Shared Services
Administration -
Office of the CEO



Pete Tawadros
Vice President,
Global Financial
Planning, Treasury
and Analysis



Shirley Taylor
Vice President,
Global Chief
Security and
Safety Officer



Margaret Watt
Director,
Supply Chain
Strategy and
Analytics

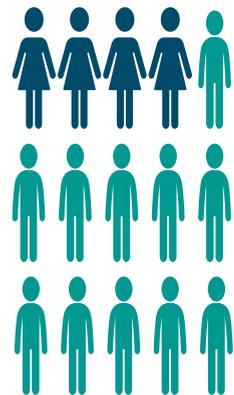


Schuyler Weiner
Senior Compliance
Attorney

BOARD OF DIRECTOR DIVERSITY

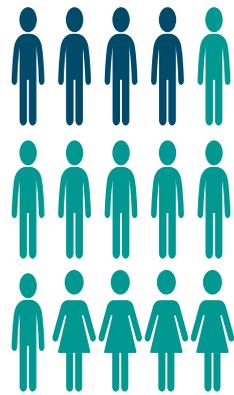
27%

of our Board of Directors are
WOMEN



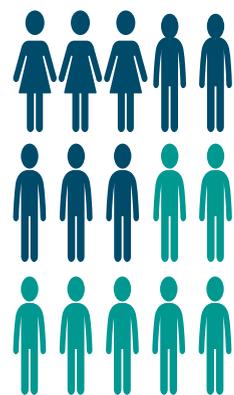
27%

of our Board of Directors are
ETHNICALLY DIVERSE/
MINORITY GROUPS



53%

of our Board of Directors have
LESS THAN 9 YEARS
OF TENURE



73%

of our Independent Directors are
WOMEN AND/OR
ETHNICALLY DIVERSE/
MINORITY GROUPS



For more details about the diversity and specific skills of the Board of Directors, please click here for pages 3–7 of our Proxy statement.

As of June 2022

Board diversity and skills

Our Board of Directors brings a diversity of perspectives, backgrounds, and skills to the boardroom, reflecting the diversity of our customers, investors, suppliers, and TSMs, which enables the diversity of thought that we believe is necessary to advance the needs of the business and our stakeholders in an evolving societal, environmental, and operational context.

Four new independent directors joined the Company’s Board of Directors in 2021. Three of the four new directors had gender or ethnic diversity.



Nomination and selection of the Board of Directors

ESG and sustainability considerations 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 our Board of Directors members relating to environmental, social, and governance topics, among others, are considered part of a director nominee's overall qualifications. See pages 9 to 10 of the Henry Schein, Inc. proxy statement filed on April 6, 2022 (the "[2022 Proxy Statement](#)") for more information on how our Nominating and Governance Committee identifies individuals qualified to become Board of Directors members, recommends to the Board of Directors the persons to be nominated by the Board of Directors for election as directors at the annual meeting of stockholders, determines the criteria for selecting new directors and oversees the evaluation of the Board of Directors.

Conflicts of interest

Our approach to identifying and managing potential conflicts of interest is guided by our written global policy that applies to all TSMs. We maintain processes to identify potential conflicts of interest between the TSMs and the company. In addition, potential conflicts of interest are required to be disclosed and reviewed to help ensure each is appropriately managed. Moreover, on an ongoing basis, the Audit Committee of the Board of Directors is required by its charter to review all "related party transactions" (those transactions that are required by SEC and Nasdaq rules to be disclosed in our proxy statement), if any, for potential conflicts of interest and all such transactions must be approved by the Audit Committee.

Evaluation of the Board of Directors

With the goal of increasing the effectiveness of the Board of Directors and its relationship to management, the Nominating and Governance Committee evaluates the performance of the Board of Directors as a whole. The evaluation process, which occurs at least annually, includes a survey of the individual views of all directors, which are then shared with the full Board of Directors. In addition, each of the committees of the Board of Directors performs a similar annual self-evaluation.

Consultation with stakeholders

Stakeholders, and in particular shareholders and other investors, have the opportunity to address the Board of Directors on ESG topics through our Secretary and our Investor Relations team, which bring stakeholder queries to the attention of the Chair of the Nominating and Governance Committee/Lead Director, chair of another independent committee of the Board of Directors, if applicable, and/or senior leadership and reports back to the inquiring party, as appropriate.



OUR CULTURE OF ETHICS AND COMPLIANCE

Our Mission Statement and Corporate Governance Guidelines set out our commitment to our customers, shareholders, TSMs, suppliers, and society. We are proud of our culture of ethics and compliance, which guides our conduct and decisions at all levels of the organization. For more information, visit <https://investor.henryschein.com/corporate-governance/highlights>. See page 45 for more detail.

Adherence to privacy and data protection regulations

At Henry Schein, privacy is important to us. Henry Schein is committed to protecting the personal information that our TSMs, customers, prospects, suppliers, and vendors have entrusted to us. We collect and use personal information to perform our business functions and provide quality health care products and services to our customers.

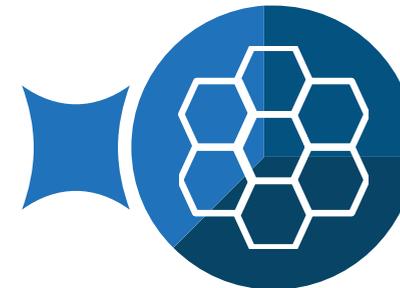
We continue to educate and support our global businesses that collect and/or process personal data. We also have implemented systems and/or training in response to other global privacy and data protection regulations. In 2022, we hired a Chief Data Officer who will lead the development and execution of a comprehensive strategy to maximize our data assets in alignment with our 2022-2024 BOLD+1 Strategic Plan, and in accordance with applicable laws.

WORLDWIDE BUSINESS STANDARDS

Our Worldwide Business Standards define the values and responsibilities that apply to every TSM, 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 anti-corruption, antitrust and fair competition, human rights, workplace safety, data privacy and security.

OUR GLOBAL SUPPLIER CODE OF CONDUCT

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.



TEAM SCHEIN VALUES

Our Team Schein Values are the guiding principles and shared responsibilities of Henry Schein and our TSMs. They 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.

OUR CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

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. These include our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller (if any), or persons performing similar functions.

Compliance and ethics concerns

The Regulatory, Compliance and Cybersecurity Committee of the Board of Directors provides guidance to, and oversight of, the Company's senior management responsible for assessing and managing Company-wide regulatory, corporate compliance, and cybersecurity risk management programs. See pages 10 to 11 of the [2022 Proxy Statement](#) for more information on our Regulatory, Compliance and Cybersecurity Committee. Our Compliance Committee and Regulatory and Compliance Executive Steering Committee, each comprised of senior management representatives, regularly meet to consider and support key compliance initiatives and activities. In addition to adhering to relevant laws and regulations, the scope of our compliance activities include the custodianship of our Worldwide Business Standards, which cover topics such as anti-corruption, antitrust and fair competition, human rights, workplace safety, data privacy, and security.

In addition to policy-level initiatives, we also provide training, conduct monitoring, and perform audits to help ensure adherence to our Worldwide Business Standards, particularly in areas of risk. Our corporate compliance program includes third-party intermediary due diligence (to help identify and address potential risk relating to corruption and bribery), data privacy in compliance with the GDPR, due diligence on potential acquisitions, and implementation of our standards in newly acquired businesses. Our anti-corruption and anti-bribery initiatives include training of relevant staff, use of software and monitoring/screening tools for third-party management, and certification requirements for third parties. We offer our tools, communications, and training in multiple languages to increase their effectiveness.

Effective lines of communication and confidential reporting channels

Henry Schein deploys the three lines of defense model and empowers TSMs to be the first line of defense in detecting potential compliance issues and in speaking up about conduct that may not comply with our Worldwide Business Standards, values, policies, applicable laws, rules, or regulations. We have a speak up and non-retaliation policy that establishes this expectation and prohibits retaliation against an individual who speaks-up and/or participates in an investigation, proceeding, hearing, or litigation.

Another key supporting mechanism in our Compliance toolkit is our global Compliance Helpline, which enables our TSMs and other stakeholders to raise concerns about potential violations of our Worldwide Business Standards, policies, or the law. Our toll-free confidential global Compliance Helpline is available 24 hours a day, seven 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 provide reports of allegations and investigations to our Compliance Committee and relevant senior management. We also provide metrics to the Regulatory, Compliance and Cybersecurity Committee and the Audit Committee of the Board of Directors.

In 2021, we selected a new third-party service provider for our Helpline, as part of our efforts to have a globally compliant and effective system with country-specific telephone numbers and web portal. Country-specific posters in local languages advertise the Helpline. We allow for anonymous reporting and emphasize confidentiality and non-retaliation to increase TSM and stakeholder trust in the system. As a result, we saw

increased engagement against the previous years, with more frequent use of the new system globally. This system improvement was also a key component of our approach to comply with the EU Whistleblower Directive.

The Audit Committee of the Board of the Directors also receives regular updates on critical issues related to accounting, internal accounting controls and audit matters. Employees can also raise concerns in other ways, outside of the Helpline, such as through their supervisors, compliance team, Chief Ethics and Compliance Officer, or the Human Resources or Legal teams. See page 8 of the [2022 Proxy Statement](#) for more information on our Audit Committee.

We prohibit retaliation against a TSM who makes a good faith complaint through any channel. After investigating, we take remedial actions as necessary and develop preventive and corrective plans as needed.

The strengths mentioned above and improvements of our global Helpline support our ambition to have an effective grievance mechanism according to globally established standards. By the end of 2022, we plan to evaluate our Compliance helpline reporting process against the effectiveness criteria of the United Nations Guiding Principles for Business and Human Rights, specifically to establish the effectiveness of this system for reporting potential discrimination incidents and will include diversity education to those handling the investigations. Read more on page [26](#).



Education, Training, and Communication

To uphold our principles, policies, and promote our values, we regularly engage with TSMs through education, training, and communications and provide them with an array of reference tools. Our Global Compliance Learning program educates our TSMs on significant potential risk areas and requires knowledge checks; the curricula are based on location and role. Through effective and continuous learning, we instill responsibility for compliance in the everyday actions of our TSMs. Our Ethics and Compliance training for all TSMs is compulsory and provides guidance on topics such as anti-corruption, anti-discrimination, data protection, and how to use our Helpline system. We also provide regular training to raise awareness on key issues of focus by the members of our Board of Directors, such as our Worldwide Business Standards, anti-corruption, and sexual harassment.

In 2021, our population of nearly 22,000 TSMs received 18 compliance courses available in 16 languages. In addition to our standard training programs, we provided additional training during “compliance month” and communications during the year. TSMs can always seek help and guidance from the Compliance Department. Read more on page [32](#) about the range of training provided to our TSMs globally during the year. Our compliance training modules include human rights training provided to all our global TSMs in 32 countries. This training focuses on labor and human rights in the supply chain and training TSMs in dealing with third parties who do business with Henry Schein. The topics discussed during the training include child or forced labor, human trafficking and modern slavery, discrimination in the workplace, harassment, fair wages, and collective bargaining, and how to act when identifying an incident involving the violation of these and other human rights.

Please see page [31](#) for our overall approach to education, training, and communications for our TSMs.

Cybersecurity

Cybersecurity is a critical focus area for us as a company relying on a complex global network of data and information systems that connect our business, supply chains, customers, partners, and other organizations. While undoubtedly a strategic risk mitigation mechanism, cybersecurity is also essential in helping us comply with international laws and regulations, including data privacy laws globally.

The mission of our Office of Cyber Security (“OCS”) (in partnership with the other functions of our Global Technology Solutions (“GTS”) team) is to implement measures designed to protect Company, customer, and supplier digital assets and defend against security incidents. The OCS monitors cybersecurity risks, including operational risks related to information security and system disruption, and partners with our Global Chief Security and Safety Officer to monitor physical security risks. A cross-functional, enterprise-wide management program continuously evaluates our global cyber security program’s effectiveness and our Chief Information Security Officer and Chief Technology Officer, along with other key executives, review strategy, policy, program effectiveness, standards, enforcement and cyber issue management with the Board of Directors’ Regulatory, Compliance and Cybersecurity Committee on at least a quarterly basis and with the Audit Committee on at least a bi-annual basis. Additionally, all employees with systems access are required to participate in mandatory annual cybersecurity and anti-phishing courses and compliance programs. Per written Company policies, employees are also required, to safeguard confidential information. Plus, our employees who perform financial gatekeeper roles receive additional mandatory annual data security training specific to spoofing, phishing, and similar data security threats.

Our Cyber Risk Mitigation Strategy is designed so that the Company’s cyber security program is aligned with generally accepted cyber security standards and frameworks (e.g., NIST CSF, ISO27001). We perform periodic independent third-party security audits that measure our compliance with those standards and frameworks and assess potential risks. This then drives continuous improvement of our cyber security controls. From an operational cyber security perspective, our Cyber Threat Intelligence function helps maintain awareness of new and emerging cyber threats, assesses the potential impact to the Company, and implements cyber risk management plans to address the threats.



ESG MATERIALITY AND STAKEHOLDER ENGAGEMENT

An inclusive approach

We are committed to strong, robust engagement with our stakeholder groups, including our supplier partners, customers, TSMs, shareholders, and society, in our business practices and decisions. Dialogue with stakeholders is continuous and grounded in a core set of principles designed to deepen our engagement and ensure the inclusion of stakeholder voices in our decision-making. This, in turn, supports the business in understanding and responding to material issues, risks, and opportunities. Our business and operating environments, and the needs of our stakeholders, are constantly evolving, and we review and adapt our approach accordingly.

We increasingly engage with the investor community on key sustainability issues in our sector, such as climate change. We are encouraged to see continued investor engagement on this important topic, recognizing the direct link between a purpose-driven strategy and a positive impact on the world around us. We believe that together we can drive climate action across the value chain and support the global efforts in tackling the climate crisis. Read more about the progress we have made in environmental leadership on pages [13](#) to [22](#).

HENRY SCHEIN'S RESPONSE TO STAKEHOLDER NEEDS



Continuing customer success and satisfaction through innovative business solutions and high-quality service



Enhancing our human capital strategies, particularly on employee recruitment and retention as well as diversity and inclusion



Reducing our environmental footprint in our operations and supply chain in collaboration with suppliers and partners



Enhancing our corporate governance and helping to protect human rights, ecosystems, and responsible business everywhere we operate



Furthering our work in access to quality and affordable care for vulnerable populations globally

ESG materiality assessment

We initiated our first formal ESG materiality assessment in 2020, to better understand the issues most relevant to the business and our stakeholders, and to determine the issues that should be prioritized in our response and reporting. The assessment was targeted, scoped, and informed by GRI principles. The issues identified through the ESG materiality assessment have informed the content and structure of this report.

The ESG materiality assessment included an in-depth review of the sustainability considerations that a sampling of our peers, suppliers, and customers report on, care about, and identify as material issues or risks, as well as surveys and interviews with a targeted subset of stakeholders.

These stakeholders included selected TSMs and senior leadership, as well as external stakeholders such as investors, suppliers, sustainability organizations, professional associations, community partners, customers, clients, and business partners. Read more about the scope and findings of our ESG materiality assessment in our [2020 CSR Report](#), pages 44-45. We plan to conduct another ESG materiality assessment within the next five years to ensure that we stay informed of the business's risks and opportunities. Our plans to conduct scenario analysis as part of our next TCFD reporting process will also support our materiality process by identifying climate-related risks and opportunities that we may face under different climate scenarios in the future.

RISK MANAGEMENT

Board and executive management oversight

Henry Schein's management has a longstanding commitment to employing and embedding risk management practices and disciplines into its business planning and management processes throughout the Company to better enable achievement of the Company's strategic, business, operational, financial, sustainability, and compliance objectives as well as to achieve and maintain a competitive advantage in the marketplace.

The Company's Executive Management Committee is responsible for oversight and active management of material¹ risks to the Company (including, without limitation, strategic, development, business, operational, human, sustainability, financial, and regulatory risks) as an integral part of the Company's business planning, succession planning, and management processes. Members of the management team provide periodic reports to the Audit Committee, Compensation Committee, the Regulatory, Compliance and Cybersecurity Committee, and Strategic Advisory Committee on select risk management topics and the Chairperson of each respective committee reports, as appropriate, on these topics to the full Board of Directors. Risk oversight is provided by a combination of our full Board of Directors and by the Board of Directors' committees.

Enterprise risk management and compliance risk assessments and continual improvement

The Company conducts company-wide risk assessments at least every two years, which include enterprise risk management and compliance. Recently, we performed both an enterprise risk management assessment, and a compliance-focused risk assessment as outlined below.

We worked with over 100 key internal leaders – independent Board Members, the Executive Management Committee, and 70 Vice Presidents – to conduct a global interdisciplinary risk assessment to identify the greatest enterprise-wide risks that could affect our business now and in

the future. Risk factors were studied across strategic, operational, legal, regulatory, compliance, finance, and technology categories. We reviewed and strengthened strategies and plans and continuous measurement of such programs to address relevant identified factors. We determined that the impact and likelihood of these risks are similar to those of other peer companies articulated in benchmarking studies. Read our [2021 TCFD Report](#) for more detail on how our enterprise risk management process supports our management of ESG issues, including climate matters.

In 2020, the Compliance team conducted a broad global compliance risk assessment, working with 113 key internal leaders (including Executive Management Committee members and leaders of the business units), that focused on potential compliance risks covering our global geographies, businesses, and operations. This assessment has served as the basis for continuous improvements in compliance program activities during 2021 and 2022. The results of the biennial compliance risk assessment along with risk mitigation plans are regularly reviewed with the Regulatory, Compliance and Cybersecurity Committee.

Transparency

We support and encourage transparency and accountability in our ESG work and believe in the power of transparency to promote sustainability, generate action and create learnings in all we do. Our performance is disclosed in a number of sustainability and ESG ratings and platforms, including CDP, Ethisphere, Human Rights Campaign Corporate Equality Index, MCSI ESG ratings, Institutional Shareholder Services (ISS), Sustainalytics, CPA-Zicklin Index, and JUST Capital rankings, among others.

We also recognize the importance of meeting the recommendations made by TCFD for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. Our first [TCFD report](#) is now publicly available alongside our 2021 CSR Report.

¹ Material in this and related contexts refers to traditional financial materiality, and not materiality in the context of the ESG materiality assessment described above.

ABOUT THIS REPORT

This 2021 CSR report covers the calendar year January 1, 2021 to December 31, 2021. Our previous report was published in May 2021 for the calendar year January 1, 2020 to December 31, 2020.

The data included in this report relates to 2021, with historical data, including certain data underlying our KPIs, provided for comparison and to show progress. Where indicated, certain data relates to 2022.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option as well as the Sustainability Accounting Standards Board (SASB) – Health Care Distributors Standard (October 2018). Our CSR Reporting has been informed by the GRI Guidelines on a high level since 2018, with our 2021 Report being formally prepared in accordance with the GRI Standards: Core option, and the SASB Healthcare Distributors Standard, for the first time.

We believe that these frameworks offer us the best way to present our most important environmental, social and governance (ESG) information in a transparent, accurate and reliable way. Guided by the GRI Standards for structure and principles of reporting, the content is defined through various internal and external processes including ESG materiality assessment (see page 47), internal focus areas and priorities such as our future goals and targets (see page 12), external standards and transparency requirements

(see page 48) and mapping our business against the UN Sustainable Development Goals (see page 12). The geographic scope of our data varies based on ESG materiality and central availability of data.

Environmental data reported this year includes:

- Scope 1 and 2 greenhouse gas (GHG) emissions, energy, waste, and water for our Distribution Centers (DCs) in North America, Europe, Brazil, Australia, New Zealand, and China, as well as our Melville offices in the U.S. Water is not reported for our Denver, Reno, Calgary and Vancouver DCs, waste is not reported for Vancouver DC, and landfilled waste not reported for Gillingham DC, in all cases due to data not being available. None of these omissions materially impact the consolidated performance of our DCs.
- Scope 1 GHG emissions related to fleet cover North America, Australia and New Zealand.
- Scope 3 GHG emissions related to transport cover global upstream and downstream shipping in North America, Europe, Australia, New Zealand, and other parts of the world.
- Scope 3 GHG emissions related to business travel cover our U.S. TSMs.

Social data reported this year includes:

- Overall TSM numbers and roles, as well as Compliance training data are provided for the full scope of our TSMs globally.
- Most other TSM topics (employment, new hires, turnover, D&I, etc.) are reported for approximately 85% of our U.S. TSMs as well as those based in the UK and Ireland (where we have centralized reporting systems).
- Equal Employment Opportunity (EEO) data relates to our U.S. based TSMs and is reported for the 2021 financial cycle.
- Health and safety data is reported for North America, Europe, Hong Kong and Australia.

For Scope 1 and 2 emission calculations, we have used credible, established sources for emission factors, such as those published by the U.S. Environmental Protection Agency (EPA), and the International Energy Agency (IEA). The majority of data on our Scope 3 emissions (greenhouse gas emissions in the supply chain) are provided by third parties (including suppliers and service providers) and not calculated or assured by Henry Schein.

There have not been any material restatements of data and information published in our previous CSR reports. We are conducting an assurance readiness review this year and working towards externally assuring and auditing our ESG data within the next two years, as we continue to strengthen our data and reporting approach.



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 fuller discussion of our operations, financial condition and status of litigation matters, 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, including our Annual Report on Form 10-K, 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. Forward looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity and financial condition (including any estimates of the impact on these items), the rate and consistency with which dental and other practices resume or maintain normal operations in the United States and internationally, expectations regarding personal protective equipment (“PPE”) and COVID-19 related product sales and inventory levels, whether

additional resurgences or variants of the virus will adversely impact the resumption of normal operations, whether vaccine mandates will adversely impact the Company (by disrupting our workforce and/or business), whether supply chain disruptions will adversely impact our business, the impact of restructuring programs as well as of any future acquisitions, and more generally current expectations regarding performance in current and future periods. Forward looking statements also include the (i) ability of the Company to have continued access to a variety of COVID-19 test types, expectations regarding COVID-19 test sales, demand and inventory levels, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures and (ii) potential for the Company to distribute the COVID-19 vaccines and ancillary supplies.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: risks associated with COVID-19 and any variants thereof, as well as other disease outbreaks, epidemics, pandemics, or similar wide-spread public health concerns and other natural disasters; our dependence on third parties for the manufacture and supply of our products; our ability to develop or acquire and maintain and protect new products (particularly technology products) and technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits; financial and tax risks associated with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market;

the repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global and domestic macro-economic and political conditions, including inflation, deflation, fluctuations in the value of the U.S. dollar as compared to foreign currencies, and changes to other economic indicators, international trade agreements, potential trade barriers and terrorism; failure to comply with existing and future regulatory requirements; risks associated with the EU Medical Device Regulation; failure to comply with laws and regulations relating to health care fraud or other laws and regulations; failure to comply with laws and regulations relating to the collection, storage and processing of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; risks related to product liability, intellectual property and other claims; litigation risks; new or unanticipated litigation developments and the status of litigation matters; risks associated with customs policies or legislative import restrictions; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, employee hiring and retention, and our relationships with customers, suppliers and manufacturers; and disruptions in financial markets. The order in which these factors appear should not be construed to indicate their relative importance or priority. We caution that these factors may not be exhaustive and that many of these 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 except as required by law.

