Delivering Solutions for a HEALTHIER TOMORROW

"Throughout Henry Schein’s more than 90 year history, we have remained committed to our five constituents: customers, supplier partners, shareholders, Team Schein Members, and society at large. Guided by our purpose-driven mission and higher ambition model, we will continue to operate as a socially responsible and sustainable organization dedicated to delivering solutions for a healthier tomorrow."

– Stanley M. Bergman, Chairman of the Board and Chief Executive Officer of Henry Schein, Inc.

INTRODUCTION

At Henry Schein, we are committed to “doing well, by doing good” and recognize the importance of being accountable to all of our stakeholders. Our sustainability and corporate social responsibility (CSR) approach reflects a long history as a purpose-driven company that integrates our sense of purpose into the way we operate our business.

We are committed to continuing to improve our measurement, monitoring, and reporting of our sustainability performance and developing a deeper understanding of our impacts and stakeholders’ expectations, especially regarding impending global regulatory rules and global standardization work. 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.

Our governance structure lays the foundation for our sustainability efforts and helps us drive it in an effective, inclusive, and transparent way. It is well integrated into our business strategy and operations and helps us manage sustainability risks and opportunities appropriately to build a more resilient business.

ESG PROGRESS AGAINST OUR GOALS AND COMMITMENTS

1. By 2025, we will have an ALL-ELECTRIC OPERATIONS lift truck fleet in our U.S. distribution centers.

2. By 2025, we will increase our North America distribution center RECYCLING PROGRAM over 2020 metrics by 10%.

3. Committed to setting a SCIENCE-BASED NET-ZERO TARGET by the end of 2023.

4. By 2030, in alignment with our commitment to PARADIGM FOR PARITY, we will strive to have gender parity at senior leadership levels globally (Director and Vice President). We are also committed to ensuring our senior leadership reflects the demographics of our customers and society as a whole, which we will look to achieve through our talent planning, compensation, and recruitment processes.

5. By 2022, educate globally all Directors and Vice Presidents on the key concepts of DIVERSITY & INCLUSION. By 2023, provide education for Managers globally and U.S. TSMs at all levels.

6. By 2025, DONATE AT LEAST $50 MILLION IN CASH AND PRODUCT through Henry Schein cares and the Henry Schein Cares Foundation to advance health equity.

H E A L T H I E R T O M O R R O W
Delivering Solutions for a HEALTHIER TomORR0W

INTRODUCTION

With our vast global footprint spanning 32 countries and our 29 strategically located distribution and 19 manufacturing facilities around the world covering approximately 3.8 million square feet of space, serving more than a million customers worldwide, we recognize our impact on the environment, and embrace our responsibility to seek to manage that impact and drive positive change across our global value chain. We work to reduce our environmental impact and scale sustainable business practices in our value chain, in collaboration with our suppliers, partners, and customers.

2022 Task Force on Climate-related Financial Disclosures (TCFD) report

2022 CDP Report

FOCUS AREAS

CLIMATE IMPACT MITIGATION

Mitigating our impact on climate and addressing climate risks and opportunities for our business

CIRCULARITY IN OPERATIONS

Striving for circularity in our operations, continually reducing waste, recycling, and reusing materials

ELECTRICITY USE

Smart and efficient use of electricity, fuel, water, and raw materials

SUPPLY CHAIN ACTION

Driving action and innovation in the supply chain together with partners and suppliers

ENVIRONMENTAL GOALS AND COMMITMENTS

COMMITMENT TO AND PROGRESS AGAINST OUR ALL-ELECTRIC GOALS

By 2025, we have committed to an all-electric operations lift truck fleet in our U.S. distribution centers, while upgrading to high efficiency charging equipment from a 2019 baseline of 52%.

Our core U.S. distribution network has made infrastructure investments and progress to further this 2025 goal. As a result, we are currently at 76% from the 2019 baseline of 52%.

In 2022, we developed and implemented formal tracking classification categories throughout the core U.S. distribution centers to consistently track and document all recycling and waste goals across the U.S. We are currently on track and are monitoring these goals to ensure we achieve our targets by 2025.

2019

2022

2023

2025

2050

SCOPE 1, 2, AND 3 CARBON EMISSIONS IN 2022 (METRIC TONS)

SCOPE 1 EMISsIONS FROM OWN FLEET IN 2022 (*U.S. ONLY)

EMEA fleet emissions are reported in 2022 for the first time, in line with our continual efforts to expand on our reporting. Global emissions in 2022 are therefore not comparable to historical data. Our EMEA fleet emissions include sales force vehicles in addition to the service technician cars.

SCOPE 1, 2, 3 EMISSIONS FROM OWN FLEET IN 2022 (*U.S. ONLY)

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

CO2 emissions in (metric tons)

CO2 emissions per unit of vehicle (in metric tons per vehicle)

PRACTICE GREEN™

Practice Green™ is a new global initiative, which aims to encourage communities to become more eco-friendly, by providing solutions to support, educate, and enhance the environmental sustainability efforts of our customers and suppliers. Since 2008, Henry Schein has offered its customers environmentally friendlier products through the U.S. Global Reflections™ Program, which has since evolved into Practice Green.
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SOCIAL 2022

INTRODUCTION
Our Team Schein Members (TSMs) continue to be an important part of our Mosaic of Success. We have a strong values-based culture that cultivates a meaningful people-centered experience. Our business success is built in part on the engagement and commitment of our team, which is dedicated to meeting the needs of fellow TSMs, our customers, supplier partners, stockholders, and society.

CARING ABOUT OUR TEAM
We kicked off 2023 with a “New Year in Wellness,” where the Mental Wellness Committee spotlights a different theme each quarter and month that aligns with how TSMs might be feeling at that time.

2022 DIVERSITY & LEADERSHIP
We have a strong safety foundation and mindset in our distribution centers, other operational facilities, and offices. We experienced a total of 93 lost-time accidents (2021: 103), expanding our reporting to global distribution centers in all regions of operation, leading to a total of 1,581 lost days (2021: 1,863). Globally, our lost-time injury frequency rate was at 0.70 per 200,000 hours worked.

HENRY SCHEIN CARES DONATIONS
Henry Schein Cares and the Henry Schein Cares Foundation, Inc. donated $28.8 million in cash and products globally to advance health equity.

HENRY SCHEIN CARES DONATIONS
• 30% of our Directors and Vice Presidents globally identified as female
• 18% of our U.S. management identified as ethnic minorities

EDUCATING LEADERSHIP
We are committed to pay equity and continue to align our processes and programs. As in prior years, we conducted a pay equity study for the majority of our U.S. workforce. Our results indicate pay continues to be administered fairly and equitably across gender and ethnicity.

COMPLIANCE HELPLINE
We have evaluated our compliance helpline reporting process against the effectiveness criteria of the United Nations Guiding Principles for Business and Human Rights. We also continue to evaluate our compliance helpline reporting processes and provide meaningful education to those handling investigations.

EEO-1 DATA
Click Here

PROGRESS ON DIVERSITY & INCLUSION GOALS AND COMMITMENTS
We have a strong values-based culture that... 
• cultivates a meaningful people-centered experience 
• focuses on building an inclusive community 
• invests in the engagement, personal and professional development, and wellbeing of each other

TSMs globally are offered...
• a broad suite of leadership and professional development opportunities 
• wellness programming 
• settings to connect both virtually and in-person 
• occasions to volunteer and give back to our communities to make health happen

CONTINUED FOSTERING OF INCLUSION AND ENGAGEMENT AMONGST OUR TEAM THROUGH OUR EMPLOYEE RESOURCE GROUPS.

SUSTAINABILITY AND CSR AT A GLANCE

Click here to view our SUSTAINABILITY REPORT

SUSTAINABILITY AND CSR AT A GLANCE

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A FOCUS ON CONNECTION, CARING, AND CAREER

We have a strong values-based culture that...
• invests in the engagement, personal and professional development, and wellbeing of each other

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Our governance structure lays the foundation for our sustainability efforts and helps us drive it in an effective, inclusive, and transparent way. Our governance incorporates Board of Director (Board) oversight, management accountability, corporate policies, and stated public policies and positions (including on key ESG topics).

A part of governance is also our culture of ethics and compliance. Ethical behavior is one of the Team Schein Values, and we strive to conduct ourselves with ethics and integrity in all our actions. We also engage with our TSMs, customers, stockholders, supplier partners, and the communities in which we operate to ensure we understand their needs and can respond accordingly. 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.

71% of Directors are INDEPENDENT

40% of Independent Directors are ETHNICALLY DIVERSE

30% of Independent Directors are FEMALE

9 years is the AVERAGE TENURE OF ALL INDEPENDENT DIRECTORS*

68 years is the AVERAGE AGE OF ALL INDEPENDENT DIRECTORS*

*As of June 2023, there are 7 Independent Directors with tenure of less than the average of 9 years.

**As of June 2023, there are 6 Independent Directors under the age average of 68.

For more details about the diversity and specific skills of our Board, please see pages 3-7 and 12 in our 2023 Proxy Statement.

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Since 2021, we have formally used the Global Reporting Initiative’s (GRI) and Sustainability Accounting Standards Board’s (SASB) sustainability reporting frameworks. After assessing the Company’s strategic ESG priorities and commitments, the Nominating and Governance Committee then delegates the collection, review, and reporting of ESG information for publication in the CSR Report to the Chief Sustainability Officer with oversight from the Company’s Chief Executive Officer. For more information:

We completed a new ESG materiality assessment in 2023 to update our 2020 assessment. While this year’s methodology was fresh, our goal was the same: to better understand how our stakeholders see the most important sustainability and broader corporate responsibility questions relevant to Henry Schein. Through a combination of quantitative and narrative analysis, we distilled a list of key issues to inform our strategy-setting, reporting, and disclosures.

HENRY SCHEIN’S ESG MATERIALITY ASSESSMENT: OUR SUSTAINABILITY COMMITTEE HAS IDENTIFIED THE TOP 10 TOPICS FOR ONGOING CSR REPORTING

- Customer Satisfaction
- Product Quality & Patient Safety
- Public Health Crises
- Employee Health & Safety
- Talent Attraction, Retention & Training: Evolving Workplace
- Ethics & Legal Compliance
- Diversity, Equity, & Inclusion
- Governance & Accountability
- Transparency
- Greenhouse Gas Emissions