



HENRY SCHEIN[®]
SOLUTIONS FOR HEALTH CARE PROFESSIONALS

Rely on Us[™]

2023 CARES REPORT

SUSTAINABILITY AND CORPORATE CITIZENSHIP REPORT





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OVERVIEW

At Henry Schein, we are committed to “doing well, by doing good” and recognize the importance of being accountable to all our stakeholders – Team Schein Members (TSMs), customers, suppliers, stockholders, and society at large – that make up our Mosaic of Success model to drive long-term business success.

Building on the sense of corporate citizenship instilled by Henry and Esther Schein at our founding in 1932, our innovation, leadership, and trusted partnerships inspire and catalyze positive impact across health care, helping to ensure a sustainable and healthier future for generations to come.



[Learn more about Henry Schein’s Corporate Citizenship](#)
[CLICK HERE](#)

HENRY SCHEIN AT A GLANCE

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 25,000 [Team Schein Members](#) worldwide, the Company's network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that 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 300,000 branded products and Henry Schein corporate brand products in our distribution centers.

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 33 countries and territories. The Company's sales reached \$12.3 billion in 2023, and have grown at a compound annual rate of approximately 11.5 percent since Henry Schein became a public company in 1995.



**OPERATIONS OR AFFILIATES
IN 33 COUNTRIES AND
TERRITORIES**

2023 GLOBAL NET SALES OF \$12.3 BILLION

61%
DENTAL

2023 net sales of \$7.5 billion

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

32%
MEDICAL

2023 net sales of \$4.0 billion

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

7%
TECHNOLOGY & VALUE-ADDED SERVICES

2023 net sales of \$806 million

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

FORTUNE 500 RANKING OF THE LARGEST U.S. CORPORATIONS SINCE 2007

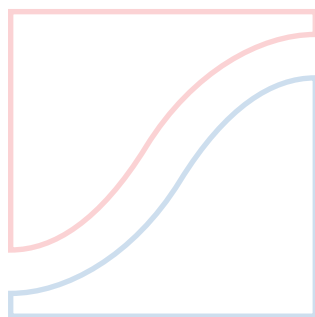
COMPONENT OF S&P 500® INDEX SINCE 2015

CORPORATE EQUALITY INDEX SINCE 2015



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





FROM THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Henry and Esther Schein founded our company more than 90 years ago with a profound respect for the value of people and a commitment to building the trust-based relationships with stakeholders that are indispensable to business success. From the beginning, the business thrived because Henry and Esther cared about all those who made it possible — from team members to suppliers, customers, and the wider community.

Our Company's reach and scope have exponentially grown, always supported by the same culture and commitment to our values of community, caring, and career for our five key constituencies — our Team Schein Members (TSMs), customers, supplier partners, stockholders, and society at large, which comprise our "Mosaic of Success." By reliably delivering on our business commitments to our stakeholders and caring for our people, our communities, and our planet, we continue to nurture the trust that has propelled our success over the past nine decades and made us resilient in the face of great change.

We faced one such challenge stemming from a cybersecurity incident in October of last year. This complex episode proved the value of the enduring relationships we have built with our constituencies and that are essential to our success. Even during this incident, we were pleased to continue advancing our corporate citizenship efforts and sustainability goals in line with our overall business strategy.

We are driving our success with our 2022-2024 BOLD+1 Strategic Plan which rests upon the Company's three core competencies: distribution, technology and value-added services, and owned brands. For more specifics on our BOLD+1 accomplishments and 2023 financial results, see our [2024 Annual Report](#). In this year's CARES report, we focus particularly on the value generated for our stakeholders through our care for the environment, Team Schein and our communities, and the good governance of our Company. We have long understood that creating this shared value is fundamental to the engagement of our stakeholders and thus drives the long-term success of our Company and our collective efforts to create a healthier world.

We envision a future where our innovation, leadership, and trusted partnerships inspire and generate positive impact across health care, ensuring a sustainable and healthier future for generations to come. This year's report reflects the many ways we advance health care access, accelerate environmental sustainability, advance policies and solutions for global health equity, and foster a culture of care and support to deepen relationships and cultivate trust with our five constituents, advancing the values of Team Schein.

Simply put, Henry Schein Cares. Guided by our refreshed Sustainability Materiality Assessment ([see page 42](#)) in 2023, the issues most relevant for our ability to generate value for our stakeholders include ensuring customer satisfaction; advancing governance and accountability in the areas of product quality, patient safety, and ethics and compliance; addressing public health crises; attracting and retaining talent and supporting Team Schein through health and safety, training and other career support, and diversity and inclusion initiatives; and limiting greenhouse gas emissions.

We believe the culture of caring on which we were founded is the only route to a healthy business and a healthy world. We are pleased with the progress we made this year in each of our priority areas, and we look forward to delivering on our commitments and continuing to harness the trust from our partners and constituencies to help ensure a healthier world for all.



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



FROM THE CHIEF SUSTAINABILITY OFFICER, JENNIFER KIM FIELD

Our business strategy is built on the bedrock of our values and commitment to treating all our stakeholders (our Team Schein Members, customers, suppliers, stockholders and the larger society) as partners in our success. We have always understood that sustaining these trusted relationships by caring for Team Schein, our partners, and our communities while ensuring good governance is the key to our growth. Today, we continue to drive forward on that commitment while pivoting to meet the needs of an evolving corporate sustainability regulatory and reporting landscape.

Given the threat to human health posed by climate change, the health care industry is stepping up to reduce emissions to safeguard our planet and our health. We are pleased to help drive solutions through our participation in several industry initiatives, including the National Academy of Medicine's (NAM) Action Collaborative on Decarbonizing the U.S. Health Sector, the Healthcare Distribution Alliance (HDA) Decarbonization Task Force, the Dental Trade Alliance (DTA) Sustainability Taskforce, and the Collective Healthcare Action to Reduce MedTech Emissions (CHARME) collaborative.

This year, we are pleased to have submitted our targets to the Science-Based Targets initiative (SBTi) – the culmination of a two-year effort across the business.

We are now laser-focused on meeting our near-term and Net Zero commitments by improving the efficiency of our operations, increasing our renewable energy sourcing, purchasing from more sustainable sources, and continuing to work with all our partners along the value chain on joint decarbonization projects.

We will continue to report progress in setting and monitoring our goals, deepen our sustainability work with strategic suppliers, and further expand our global data disclosures to create meaningful sustainability insights and drive action in the coming years.

Please see our latest [Sustainability progress on page 8](#).



CARING FOR A HEALTHIER WORLD

Through our BOLD+1 strategy, we are focused on expanding our value-added offerings and broadening and deepening our relationships with our customers to help build a stronger business and a healthier world. The "plus 1" of our strategy reflects our foundational belief that achieving our goals is possible only when we create value for all stakeholders. Thus, we have implemented several initiatives – chief of which is our Voice of Customer Program – to gather feedback from our customers and drive improvements, so we can best support them in building their practices and caring for patients. Of course, key to delivering this exceptional experience is the care Team Schein takes every day in supporting our customers, which is why we also implemented a new Voice of the Employee program in 2023, based on our internal Pulse Survey results to ensure our entire team feels supported, engaged, and motivated to work together to make the world a healthier place.



Henry Schein Cares, our global corporate citizenship program, is one manifestation of the “plus 1” aspect of our **BOLD+1** corporate strategy and aims to drive positive change through our five pillars.

C

Catalyzing Health Care Access
— supporting equitable access to quality health care through programs, products, and partnerships for underserved and underrepresented communities

A

Advancing Policies, Solutions, and Innovation — bringing awareness and advocating for a healthier tomorrow by empowering health care professionals and removing barriers for integrated health care

R

Relationship Building for Change
— partnering and maintaining our strong network of relationships with the health care profession, supply chain industry, non-governmental entities, our customers, our Team Schein Members, and governments in the locations where we operate to uphold our values

E

Empowering Team Schein
— cultivating a meaningful people-centered experience through our strong values-based culture

S

Sustaining the Planet
— accelerating our environmental sustainability by driving positive change across our global value chain

Key 2023 highlights from these five pillars have included:

- Opening the Nasdaq Stock Market in early 2023 to recognize the vital role of public-private partnerships in catalyzing change within health care and to celebrate some of our key partnerships to enhance access to care, including **Give Kids A Smile**®, **Release the Pressure**, and **S.M.I.L.E. Healthcare Pathways**™. More specifically, highlighting the work of partners such as the **American Dental Association Foundation (ADAF)**, the **National Medical Association (NMA)**, the **National Dental Association (NDA)**, **Robert I. Schattner Foundation (RIS)**, and the **American Academy of Pediatric Dentistry (AAPD)** to build a robust pipeline of diverse health care professionals so important to advancing health equity;
- Launching the **Henry Schein Cares Foundation Prevention Is Power (PIP) campaign**, a new, multi-year public health awareness campaign aimed at supporting patients in accessing preventive, integrated health care to improve overall health outcomes;
- Continuing to expand the capacity of health care providers to serve those in need by **donating nearly \$41 million in products** to an array of non-governmental organizations, academic institutions, UN agencies, and industry partners focused on health;
- Rolling out our **Voice of the Employee** continuous-listening program to garner feedback from our TSMs on their employee experience;
- Expanding our **employee resource groups (ERGs)** ([see page 22](#)), which have proven instrumental in fostering inclusion and allowing us to harness the power of our diverse workforce; and
- Updating our **Worldwide Business Standards**, which now reflect today's current environment in our ethical behaviors and actions.

For more information on our approach to corporate citizenship, please visit www.henryschein.com/corporatecitizenship.

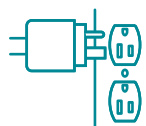
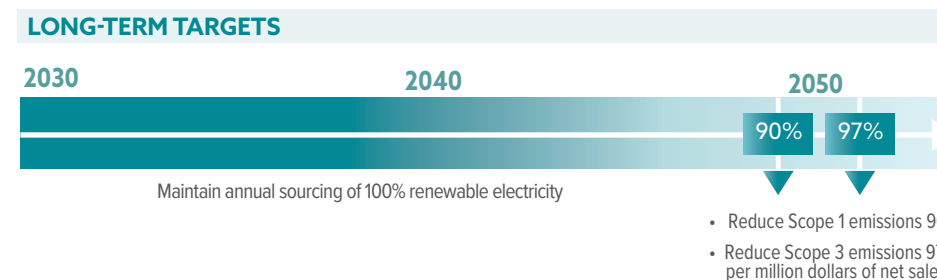
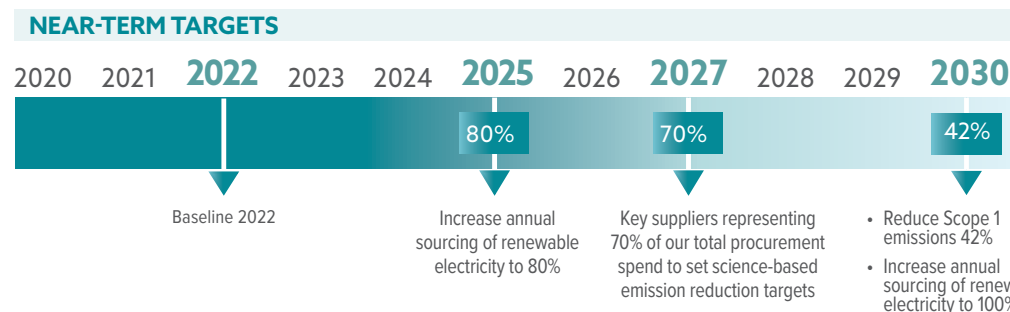


PROGRESS ON OUR GOALS AND COMMITMENTS

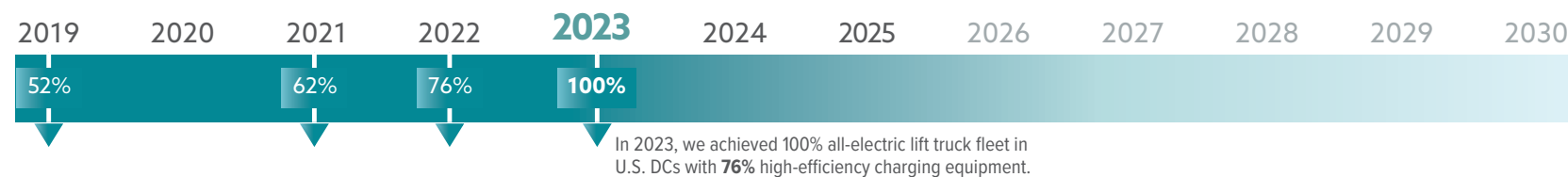
CARING FOR THE ENVIRONMENT



1 Submitted near- and long-term targets committing to Net Zero by 2050 to the **SCIENCE-BASED TARGETS initiative** with 2022 Baseline



2 By 2025, we have committed to an **ALL-ELECTRIC OPERATIONS LIFT TRUCK FLEET** in U.S. DCs, while upgrading to high-efficiency charging equipment from a 2019 baseline of 52%.



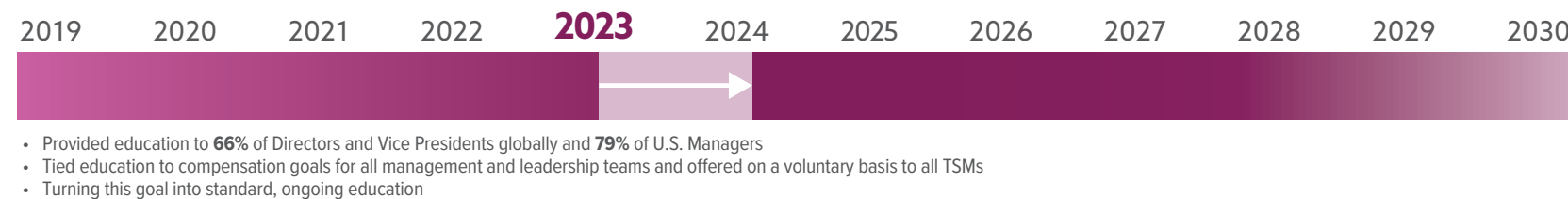
3 By 2025, increase North American distribution center **RECYCLING PROGRAM** by 10% for our recycled paper, glass, plastic, wood, corrugated and lift truck batteries in tons, out of total solid waste produced at our DCs, over 2020 metrics.



4 By 2025, we will decrease the **LANDFILL WASTE DISPOSED** by our North American distribution centers by 5% over 2020 metrics.



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



6 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 committed to ensuring that our leadership team reflects the demographics of our customers and society at large.



7 In 2023, Henry Schein Cares and our Foundation **DONATED MORE THAN \$40 MILLION IN CASH AND PRODUCT** to hundreds of global charitable partners.

CARING FOR OUR COMMUNITIES AND TEAM SCHEIN

GOOD GOVERNANCE



8 From July 2023 to July 2024, we increased the percentage of **INDEPENDENT** directors (71% to 85%) and **FEMALE** directors (21% to 31%) on our Board.

9 Conducted **LIMITED ASSURANCE** of Scope 1 and 2 emissions by a third-party.

10 Updated our **WORLDWIDE BUSINESS STANDARDS** and social media guidance for Team Schein Members as well as issued our Global Principles on Data Protection and Security and the Responsible Use of AI Systems.

CARING FOR THE ENVIRONMENT

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SUSTAINING THE PLANET

The World Health Organization (WHO) has declared that climate change is one of the greatest health threats for humanity, with an estimated one in four deaths attributed to environmental causes. As climate change increases the planet's temperature, wildfires, air pollution, and the frequency and severity of extreme weather events, we each have a role to play in addressing this impact, including those working in and serving our primary health care practices.

Henry Schein continues our environmental sustainability journey in doing our part to reduce our carbon and waste footprints by continuing to enhance our data systems and methodologies, in line with our commitment to transparency. We submitted our near- and long-term targets to the Science-Based Targets initiative (SBTi) covering all three emission scopes and are working on our net zero roadmap.

[Learn more about how Henry Schein is Sustaining the Planet](#)
[CLICK HERE](#)

THE IMPORTANCE OF SUSTAINABILITY IN OUR GLOBAL SUPPLY CHAIN

A CONVERSATION WITH JIM MULLINS, SENIOR VICE PRESIDENT, GLOBAL SUPPLY CHAIN



Q: *Why is environmental sustainability important to you in your role as head of Henry Schein's global supply chain and as Executive Management Committee (EMC) Sponsor of our Environmental Impact Council?*

Jim Mullins: Like most companies, Henry Schein's biggest source of carbon emissions is in its supply chain, so sustainability is top of mind for me. It's also a priority for our global supply chain and manufacturing teams, who recognize the role of their operations and who are building and managing roadmaps to reduce our environmental impact.

A key part of my role in driving sustainability is change management. We need to keep doing what we do well while continuing to incorporate sustainability into our strategy, culture, and everyday decision-making. As the EMC Sponsor of our Environmental Impact Council, I've been inspired by the passion, creativity, and collaboration of TSMs across the organization who are building initiatives to improve sustainability, such as our Practice Green initiative. There is no better way to enable the future of our business than through the protection and care of our planet.

Q: *What are Henry Schein's top supply chain priorities over the next few years and why?*

JM: As we navigate a global supply chain that is increasingly dynamic and complex, we are focused on three top priorities. The first is investing in and developing our team, which is central to our success. The second is building a technology roadmap that supports our planning and distribution needs into the future, including adopting innovative solutions to manage and



respond to supply chain risks in real time. And the third is further enhancing our resiliency by accelerating diversification of sourcing across regions, suppliers, and product categories.

Underpinning these priorities is attention to both the resiliency and sustainability of our supply chain, which are essential to ensuring that we are able to respond to supply chain risks in real time while safeguarding our planet and the health of our customers and their patients.

Q: *What do you see as the key mechanisms that will help us reach these supply chain sustainability goals, and how are we leveraging them?*

JM: We see a combination of innovation and efficiency as the means to achieve a sustainable supply chain, and we are pursuing this in three key ways:

First, we continue to upgrade our facilities and equipment to support an efficient and sustainable supply chain, including automatic lighting in many of our U.S. and European distribution centers (DCs) to reduce our electricity consumption, as well as our goal which we reached in 2023, for a 100% all-electric operations lift truck fleet with high-efficiency charging equipment in the U.S. by 2025; our European DCs are already all-electric.

Second, our teams are focused on continuous improvement and challenging ourselves to do things differently and better for greater sustainability. Examples include reviewing and improving our packaging materials, as our Brasseler team did in switching to a 100% paper-based void fill solution, and our packing processes, which led our Australia team to reduce packaging tape by almost two-thirds.

And third, we are leveraging the scale and expertise of our long-term strategic partners to drive sustainability in our supply chain. This includes better capturing and tracking data to give us visibility into patterns and volumes in the supply chain, so we can consolidate and optimize our routes. We are also working collaboratively with our suppliers and transport partners to evaluate new technologies to reduce shared emissions.

Q: *Beyond our efforts to reduce the environmental impact of our business, how are we encouraging sustainability throughout our value chain and the wider health care industry? Why is this important?*

JM: There is a clear link between climate change and human health, and yet the health care industry, if imagined as a country, would be the world's fifth largest country emitter of greenhouse gases. Improving sustainability throughout our value chain and the larger industry is crucial to the future health of our planet, our people, and our industry.

As a distributor, we are in a unique position to connect supplier partners, customers, and other stakeholders upstream and downstream in the value chain to improve sustainability and are doing so in a number of ways. Through our Practice Green initiative, we are offering products, solutions, and resources for our suppliers and customers to build and enhance more sustainable dental and medical practices. Our Global Product Donation Program, which donated more than \$8 million in products to humanitarian organizations globally in 2023, keeps thousands of tons of products with superficially damaged packaging out of landfills each year. We are also committed to collaborative efforts to drive sustainability

across the health care industry and beyond, including as a participant in the Collective Healthcare Action to Reduce MedTech Emissions (CHARME) Collaborative, the National Academy of Medicine Action Collaborative on Decarbonizing the U.S. Health Sector, the World Economic Forum's Alliance of CEO Climate Leaders, and more.

Q: *In your view, how does our increased focus on sustainability in the supply chain help strengthen our business and contribute to our success?*

JM: Having a good sustainability program is not just good for the planet, it's good for business. As the health care industry becomes increasingly focused on sustainability, more and more of our customers are approaching us for help in making their practices more environmentally friendly, while still maintaining high-quality care. For large customers and government accounts, this is now a prerequisite to doing business. Our suppliers also want to partner more closely with us to make a collective impact on reducing our carbon footprint. And we see the link between climate change and the potential for disruptions to the supply chain as an important business factor. We firmly believe that the companies that lead on sustainability will be the ones to lead in the marketplace. At Henry Schein, we intend to be that leader.

ADVANCING CLIMATE ACTION THROUGH SCIENCE AND COLLABORATION

We believe that for a meaningful contribution to climate mitigation, we need to collaborate across our industry and its supply chain, and take actions rooted in evidence and climate science. This is why we joined the Business Ambition for 1.5°C campaign in 2021. As part of that commitment, we submitted our targets to the Science-Based Targets initiative (SBTi) in early 2024, slightly delayed given our cyber incident in October 2023, (see page 41 for more details) and await SBTi validation, which we expect later in 2024.

We have committed to near-term and net-zero targets, covering Scopes 1, 2 and 3 greenhouse gas (GHG) emissions from relevant sources within our operational control. We aim for emission reductions through efficiency and mitigation measures as well as active sourcing of renewable electricity, purchasing products and services that originate from more sustainable sources, and engaging with customers and suppliers along our value chain on joint decarbonization projects.

Our science-based targets (SBTs) are a culmination of a two-year effort across the business to understand and map our emission-causing activities, determine our boundaries for accurate carbon accounting, collect quality data, set the right level of ambition, and establish our reporting baseline. As a result, we have expanded our GHG reporting across various categories both in geographies and entities included and in the scope of activities. Our historically reported GHG figures are therefore not comparable with our SBT baseline, and certain emission categories are reported for the first time in this report.

¹ In compliance with the SBTi requirements, we are reporting on our Scope 2 emissions according to both methodologies of location-based and market-based allocation, but our Scope 2 target uses the market-based method for reporting progress. All our charts reflect market-based figures for Scope 2. According to the GHG Protocol, a location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

OUR SUBMITTED SCIENCE-BASED TARGETS WITH 2022 BASELINE

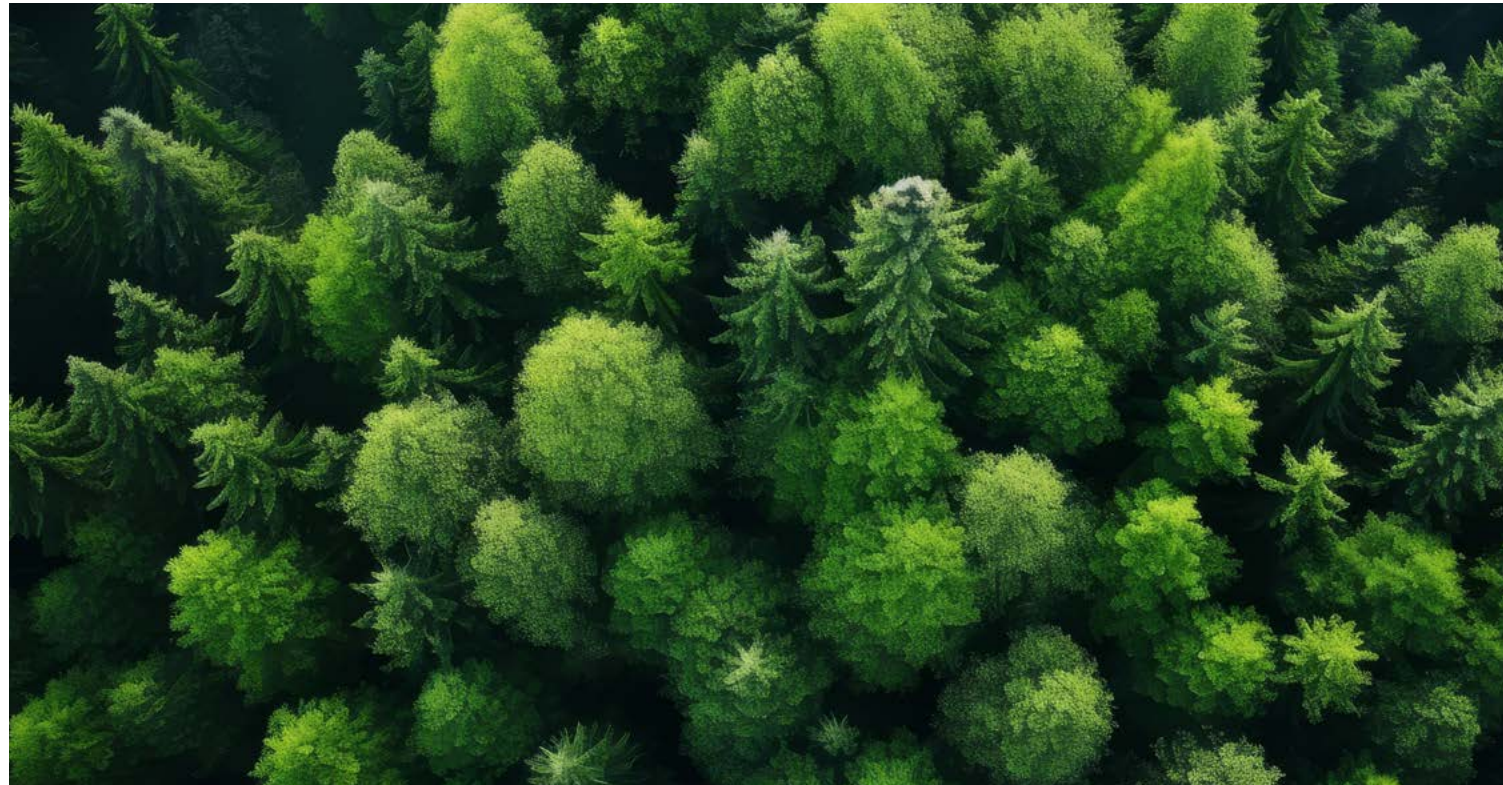
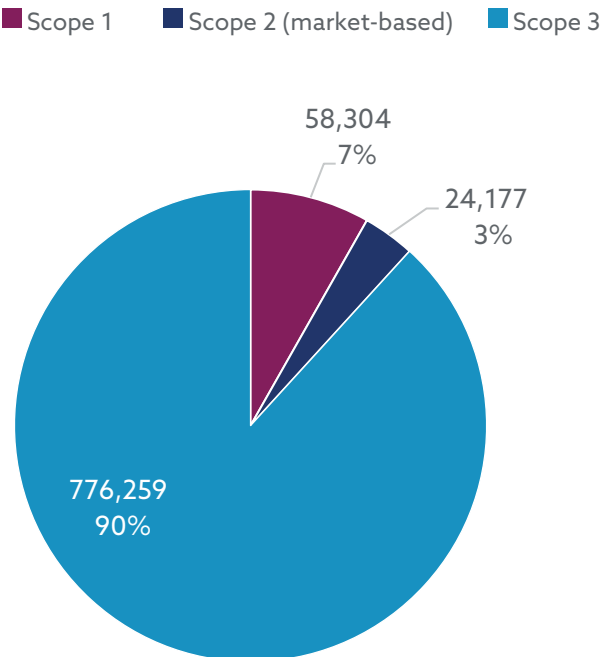
- In the near term, we commit to:**
 - 2025: Increase annual sourcing of renewable electricity to **80%** by 2025
 - 2027: Key suppliers representing **70%** of our total procurement spend to set science-based emission reduction targets by 2027
 - 2030: Reduce Scope 1 emissions **42%** by 2030 from a 2022 base year
- In the long term to reach net-zero, we commit to:**
 - 2030: Increase annual sourcing of renewable electricity to **100%** by 2030, and maintain **100%** thereafter
 - 2050: Reduce Scope 1 emissions **90%** by 2050 from a 2022 base year
 - 2050: Reduce Scope 3 emissions **97%** per million dollars of net sales by 2050 from a 2022 base year

- Our 2022 baseline consists of (all in metric tons of CO₂e):**
 - Scope 1 emissions: **61,179**
 - Scope 2 emissions (location-based¹): **24,246**
 - Scope 2 emissions (market-based): **27,697**
 - Scope 3 emissions: **797,369**

Our 2022 baseline and 2023 progress numbers are calculated in alignment with the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) GHG Protocol. We also conducted limited assurance on our Scope 1 and 2 emissions for the first time (read more on page 45) through third-party verification. Given our 2022 baseline, we estimate that approximately 90% of our total emissions occur in our supply chain, through spend-based calculations.

Our 2023 performance was (all in metric tons of CO₂e):
 Scope 1 emissions: 58,304
 Scope 2 emissions (location-based): 20,890
 Scope 2 emissions (market-based): 24,177
 Scope 3 emissions: 776,259

SCOPE 1-3 EMISSIONS (metric tons CO₂e)



Our Environmental Impact Council Gains Traction

Launched in 2022, our Environmental Impact Council (EIC) further refined its scope of activities and membership structure in 2023 for more targeted impact. It formed three sub-committees to align and exchange expertise across businesses and regions to help achieve our environmental goals. This group-wide collaboration and alignment supports us in scaling initiatives successfully across the business and accelerating progress.

The sub-committees focus on three strategic pillars:

- Supplier Outreach and Sourcing
- Marketing and Communications
- Supply Chain and Operations

Key 2023 highlights of the EIC include but are not limited to:

- Finalizing our science-based target submission
- Continuing to expand the Henry Schein Practice Green, our global initiative offering products, solutions, and resources to customers and suppliers to be more eco-friendly
- Sharing best practices across regions and businesses
- Educating customers on sustainability
- Reviewing ways in which we can reduce our waste and increase recycling

Scope 1 Emissions

1

Our Scope 1 emissions comprise²

- Emissions related to burning fuel in our service technician fleet as well as our executive and sales vehicles in Europe, and
- Emissions related to using natural gas in our DCs, manufacturing sites, and other facilities exceeding 6,000 square feet

Scope 1 emissions in 2023 were (all metric tons of CO₂e)

- 51,900 from fuel consumption by our fleet (2022: 53,982)
- 3,577 from natural gas consumption in our DCs (2022: 3,094)
- 2,827 from natural gas consumption in our other facilities exceeding 6,000 square feet (2022: 4,104)

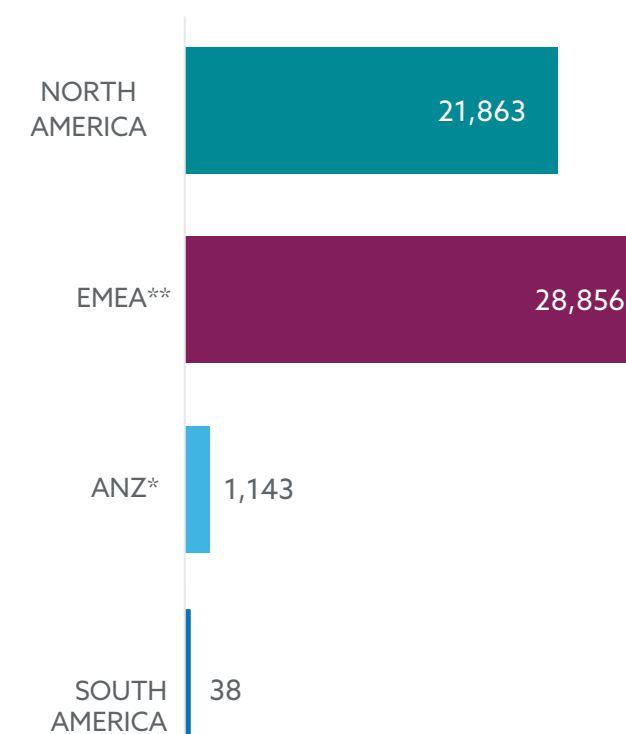
Fleet-related emissions account for the largest component of our Scope 1 emissions. In the U.S., we have tracked these emissions since 2008, achieving progress in reducing emissions per vehicle (see our previous reports for more details). This was primarily achieved through gradually upgrading our fleet to more modern, fuel-efficient vehicles over time. With our science-based targets setting reduction goals across all scopes, we are actively looking to reduce fleet emissions across all geographies.

Our measures to mitigate fleet emissions include one or more of the following:

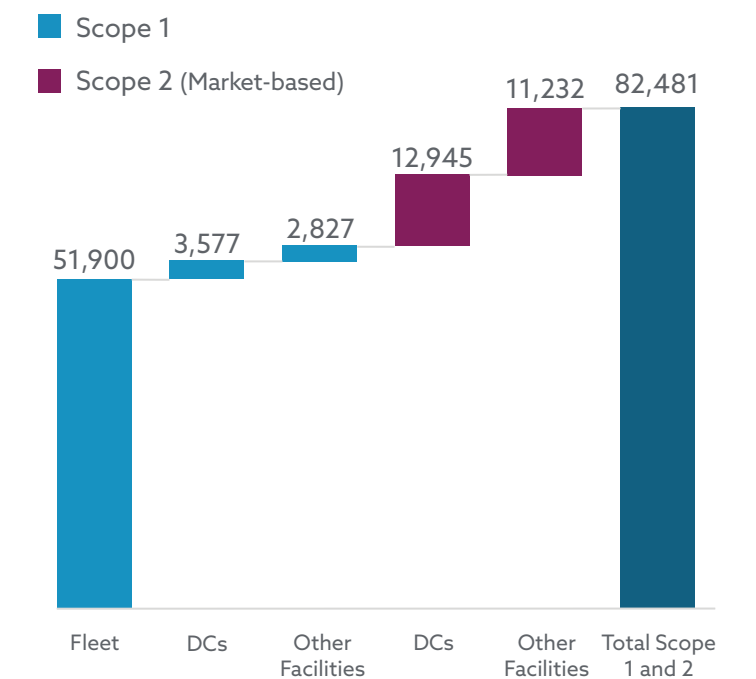
- Setting a cap on the carbon intensity of vehicles we lease;
- Replacing combustion-engine vehicles with electric vehicles (EVs) or hybrid vehicles where sensible;
- Utilizing third-party dispatch software and routing tools to optimize miles driven and customer service; and
- Enhanced emphasis on service quality and maintaining the integrity of equipment to avoid unexpected, costly and emissions-inducing repair activities.

Some of these measures are dependent on the local context and are not necessarily viable in every location. For example, replacing combustion-engine vehicles with EVs makes the most sense in countries where average distances are shorter, charging infrastructure is sufficient, and the local electricity grid has a relatively low carbon emission factor. When any of these conditions are not met, EVs are not an optimal choice for reducing our emissions in the short term. For example, in the U.S. and Canada, with average distances being higher and charging infrastructure not as developed, our near-term mitigation measures will focus mainly on efficiency of dispatch and routing, optimizing miles driven, and selecting lower carbon intensity vehicles. In contrast, in the Netherlands, for example, where the average distances are much shorter and charging infrastructure is more readily available, we are aiming to exclusively lease electric vehicles for our fleet by 2027, and phase out remaining combustion engine vehicles in that location by 2030.

FLEET RELATED EMISSIONS BY REGION (metric tons CO₂e)



SCOPE 1 AND SCOPE 2 EMISSIONS (metric tons CO₂e)



² Scope 1 emissions currently exclude the use of refrigerants in our DCs due to their estimated immaterial scale, but we intend to evaluate the relevance and magnitude of these emissions in more detail to ensure they fall below our materiality threshold.

*Australia and New Zealand
**Europe, Middle East, and Africa

Scope 2 Emissions

Electricity purchased from local energy suppliers is the source of our Scope 2 emissions. We use electricity for lighting, HVAC, manufacturing activities (at our manufacturing sites) and DC equipment, such as conveyor belts, cooling equipment, and packaging lines. We also use electricity in some locations where we have EVs in parts of our fleet.

In our DCs, manufacturing sites and other global facilities³ approximately 57,462 MWh of electricity was used in 2023 (2022: 66,303), leading to Scope 2 emissions of 24,177 metric tons (2022: 27,697) using a market-based method, and 20,890 using a location-based method (2022: 24,246). We implement efficiency measures at our DCs to save electricity and reduce our Scope 2 emissions. In the U.S., Europe, Australia, and New Zealand, our DC lift truck fleet is all-electric. In the U.S., our objective is to convert the legacy lift truck battery-charging equipment to a high frequency solution by 2025. 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.

Meeting our Scope 2 SBT will require us to increase electricity sourcing from renewable sources across our facilities. We are in the process of reviewing energy contracts in our markets to explore the impact and feasibility of adopting renewable energy certificates and guarantee-of-origin energy sourcing through virtual power purchase agreements and other market mechanisms. In some locations, we are also looking to generate power from renewable sources on our own premises, for example, through installing photo-voltaic panels in locations where this is beneficial. For instance, at our Australia DC, we anticipate approximately 10-15% of its annual electricity use to be from solar sources generated onsite.

Scope 3 Emissions

In meeting the requirements of the SBTi and GHG Protocol and building our 2022 baseline, we have accounted for relevant sources of emissions within our operational control, according to our chosen GHG accounting boundary. Most of the expansion of data and the scope of activities to meet this objective occurred in our Scope 3 categories, where historically we reported on fewer categories and a more limited scope, based on strategic importance and data availability (primarily upstream and downstream transportation). This has led to a much larger Scope 3 estimation than what was reported in our 2022 CSR report.

Approximately 90% of our overall emissions, according to our 2023 accounting, fall into Scope 3. This reflects the importance of mitigation measures in the value chain and developing partnerships with suppliers, partners, and customers to jointly decarbonize our supply and value chains. One such measure is the Henry Schein Practice Green initiative to support our climate mitigation goals in the supply chain.



Examples of mitigation measures across our global fleet

U.S. and Canada

- Use of telematics data in the U.S. to enable analysis of vehicle, fuel consumption, driver behavior and other components to optimize fleet operations
- Planning third-party routing software
- Long-term expanded use of third-party services, for example, spare parts shipped directly to customers to avoid service technicians having to make additional trips for accessing parts
- Replacing current dispatch software to decrease response time and reduce miles driven

The Netherlands

- Company car policy updated to reflect emission reduction goals and implementation roadmap
- Placed a cap on the carbon intensity of leased cars for our fleet. We are also aiming to exclusively lease electric vehicles by 2027 and phase out remaining combustion engine vehicles by 2030.
- TSMs with an electric company car will have a charging station at their home, if circumstances permit it.

Italy

- Aiming for 25% of fleet to be replaced by EVs by 2028
- Currently, 3% of fleet are EVs (primarily management company cars), and we are aiming mostly for hybrid vehicles for long-range drivers (exceeding 50,000 km/year)
- Using third-party dispatch tools to optimize miles driven and customer service

³ Those exceeding 6,000 square feet in surface area

Scope 3 Emissions Cont'd

The largest category (66% of our total Scope 3) is our purchased goods and services for which we use a spend-based calculation methodology. In 2023, these were 513,618 metric tons (2022: 549,041). Approximately 38% of these emissions related to medical spend, 57% to dental, and 5% to indirect spend.

Reducing emissions in this category would require deeper engagement with our suppliers, performing life-cycle analyses to determine optimal intervention areas and exploring the sourcing of products and services from more sustainable sources where possible. Accessing more granular, activity-based data, as well as primary data from suppliers, would be an important step toward our mitigation efforts, and we are aiming to work with our suppliers in furtherance of this objective.

Transport (both upstream and downstream) remains a strategic area for us in Scope 3 mitigation. In 2023, our combined transport-related Scope 3 emissions (controlled by Henry Schein) from transportation partners in North America totaled approximately 73,092 metric tons (2022: 73,853). These emissions in Australia and New Zealand totaled 2,125 metric tons (2022: 2,636); in Europe, the Middle East, and Africa (EMEA), they amounted to 8,518 metric tons (2022: 8,743) and a further 10 metric tons in other geographies (2022: 25).

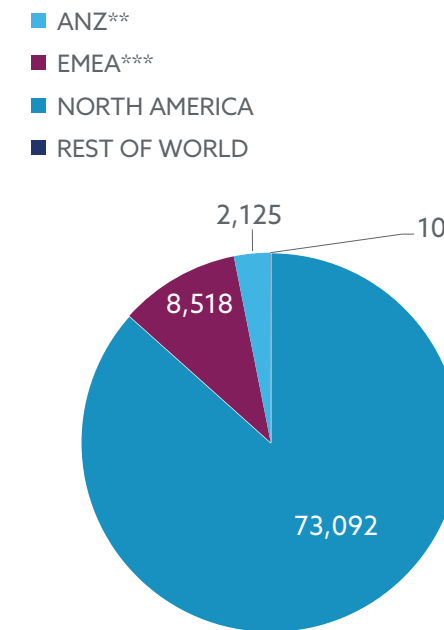
Our mitigation efforts for upstream and downstream transport emissions rely on partnerships and joint efforts with our logistics partners. They are currently centered on improving reporting, tracking and carbon accounting for transport emissions to identify more opportunities for mitigation; capping air shipping and using enhanced distribution networks (see our previous reports for more details); optimizing routes; optimizing packaging and order consolidation; opting for EVs where sensible; and exploring more sustainable fuels where possible.

Other Scope 3 emissions include (all in metric tons):

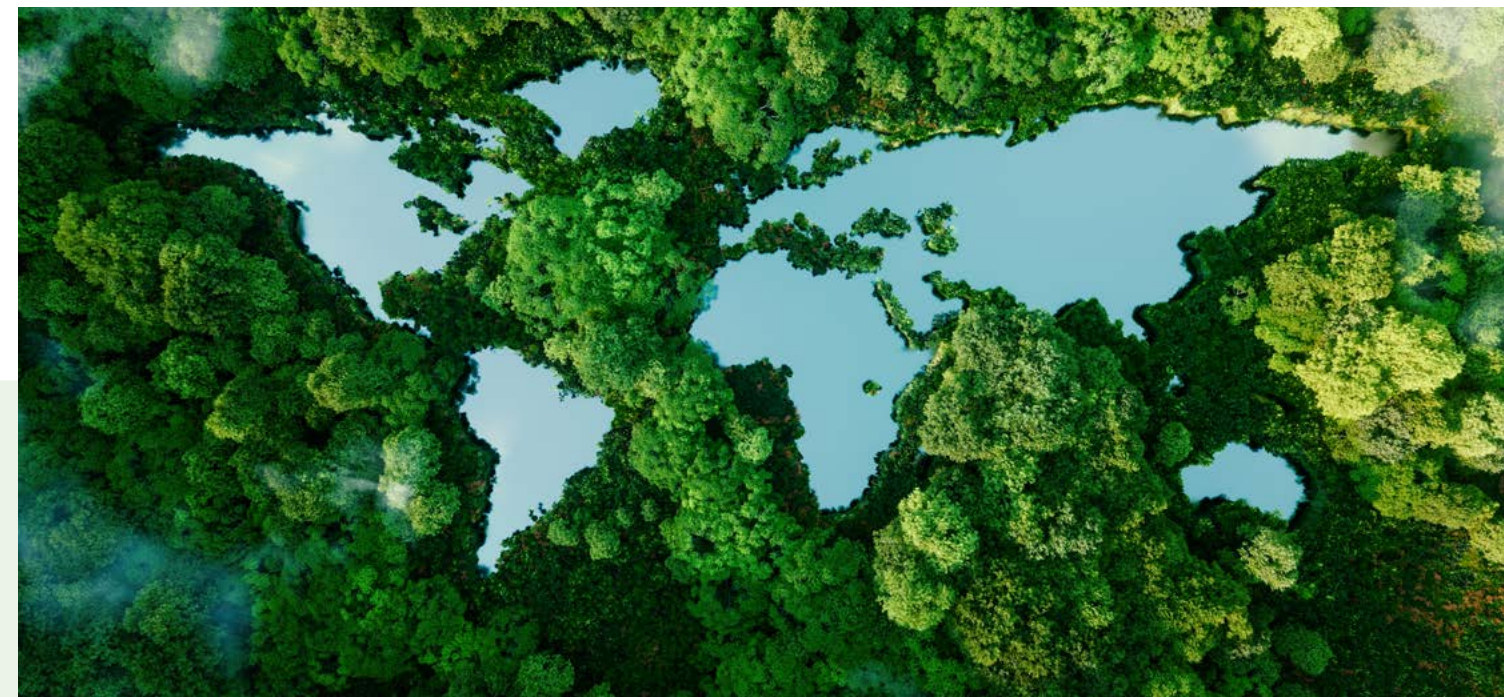
- Capital goods (fixed assets such as plant, property and equipment): 23,837 (2022: 15,646)
- Employee commuting (estimated): 13,768 (2022: 11,888)
- Waste generated in operations: 5,076 (2022: 7,152)
- Business travel: 17,827 (2022: 6,888)
- Fuel and energy-related activities not included in Scope 1 and 2: 3,062 (2022: 3,411)

We are currently working on our net zero roadmap and will continue to explore mitigation efforts across emission categories as additional opportunities are identified.

UPSTREAM AND DOWNSTREAM TRANSPORT* EMISSIONS BY REGION (metric tons CO₂e)



*Controlled by Henry Schein
 **Australia and New Zealand
 ***Europe, Middle East, and Africa



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 facilities for drinking, sanitation, and cooling purposes, primarily from utility sources. Our water consumption during 2023 at our distribution centers globally, but also including our Melville office in the U.S., was 69 million liters (2022: 79). Approximately 37% of this water came from groundwater sources and was almost fully reused. Where we can, especially in areas of water stress, we implement more fundamental water-saving measures. For example, at our Eastern Creek distribution center in Australia, we harvest rainwater at Interchange Park via large water tanks. This water is then used to supply the distribution center amenities on site and for gardening irrigation systems.

REDUCING, RECYCLING, AND REUSING WASTE

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

2023 RECYCLING EFFORTS

15,149 METRIC TONS
Total waste generated by our DCs

11,217 METRIC TONS (74%)
Material recycled at our DCs globally (approximately 90% of all recycled material is typically from wood pallets and corrugated packaging every year)

3,416 METRIC TONS
DC waste sent to landfill (working to reduce this progressively)

516 POUNDS
DC waste incinerated



GOAL #1
By 2025, we committed to an all-electric operations lift truck fleet in U.S. DCs, while upgrading to high-efficiency charging equipment from a 2019 baseline of 52%.



PROGRESS
In 2023, we achieved 100% all-electric lift truck fleet in U.S. DCs with 76% high-efficiency charging equipment.

GOAL #2
By 2025, increase North American distribution center recycling program by 10% for our recycled paper, glass, plastic, wood, corrugated and lift truck batteries in tons, out of total solid waste produced at our DCs, over 2020 metrics.

PROGRESS
Goal achieved. In 2022, we formalized 9 waste categories tracked across all DCs. In 2023, we increased the North American DC recycling program by 28.8% over 2020 metrics.

GOAL #3
By 2025, we will decrease the landfill waste disposed by our North American distribution centers by 5% over 2020 metrics, normalized to the relevant operational output (to be defined in our future reports)

PROGRESS
In 2023, we reset our landfill waste baseline to 2022, which was our starting point for an expanded scope of reporting (covering all relevant waste streams generated at our DCs). To date, we have reduced 4.5% of waste sent to landfills from our North American DCs compared with the 2022 baseline.

Examples of initiatives across our global facilities in 2023 included:

In North America, we continued with our programs of waste reduction in the DCs, and further standardization of waste categories that gained momentum in 2022. For example, we added a new recycling category for scrap metal that we did not historically track, which provides an impactful opportunity to reduce landfilling and emissions. In EMEA, we designed a formal environmental roadmap for a more targeted approach to reducing emissions across relevant categories. In Australia, we conducted a third-party waste audit focused on landfill reduction.

In our Melville, N.Y. headquarters, we had two buildings and closed one of them at the end of 2022. We took several measures to reduce waste and adopt more circular and sustainable practices both in closing the building and in refurbishing our remaining building, which is LEED-certified:

- 16.7 metric tons of furniture (including metal, glass, fabric, wood, plastic, and others) were recycled, and 7.5 metric tons were repurposed (reused or donated). We also recycled 12.7 metric tons of carpet tiles and 10 metric tons of metal light fixtures.
- For more efficiency in using building utilities, we introduced shorter, optimal opening hours, taking into consideration our evolving workplace and some TSMs working remotely.
- Chemical cleaning agents are no longer used.
- Eight EV charging units were installed in the parking lot to accommodate existing and future use of EVs.
- All fluorescent lights were replaced with LEDs.
- 60% of the building's energy consumption is supplied by the New York Power Authority (NYPA) made up primarily of renewable sources such as hydro and wind power.

56 METRIC TONS
DC hazardous waste sent to landfill (working to eliminate this)

18,000 POUNDS
Batteries recycled every four years when we replace our UPS battery modules

540 POUNDS
Recycled fluorescent light bulbs (by 2024 all our lightbulbs will have been replaced by LEDs)

\$8M+
DONATED PRODUCT & THOUSANDS OF TONS REMOVED FROM LANDFILLS
Over \$8M worth of product donated to over 100 global medical and dental non-governmental organizations with thousands of tons of product with superficially damaged packaging kept out of landfills in 2023

Reducing landfilled waste at our Eastern Creek DC, Australia

In 2023, we conducted a third-party waste audit at our Henry Schein Australia, Eastern Creek DC to determine opportunities for diverting waste from landfills. Approximately 40% of the material by both weight and volume was found to be potentially recyclable through the introduction of new standard waste streams and/or boutique recycling options. This includes but is not limited to non-standard options provided by the waste provider such as sticker backing, pallet strapping, electronic waste and food waste from TSMs.

Approximately 20% of the materials were found to be recyclable using standard recycling services already implemented onsite. The largest opportunities for landfill diversion fell into the Paper and Cardboard and Sticker Backing categories. Non-recyclable materials made up approximately 30% of the waste audited and included materials that do not have current recovery solutions, including mixed soft plastics, personal protective equipment (PPE), compostable packaging, and bin liners.

We are working to define actions and introduce further recycling measures based on the findings of the audit. For example, pallets are now removed from the DC and reused by an external company that we partnered with in 2023. 9.5 metric tons of timber were reused instead of going to a landfill in 2023.

SUSTAINABILITY IN THE SUPPLY CHAIN

HENRY SCHEIN'S PRACTICE GREEN INITIATIVE

Deepening our long-standing focus on environmental sustainability, Henry Schein's Practice Green initiative was launched in 2023 and is our global marketing and sales program to protect the planet for a healthier future. It is designed to empower the health care community to positively impact the future of the planet by collectively reducing our carbon footprint and enabling a sustainable value chain.

Practice Green offers products, solutions, and resources to customers and suppliers to be more eco-friendly because they can rely on us to help create a greener practice while providing high-quality care.

The core focus areas of Practice Green are:

- **Merchandise and Equipment** – catalyzing the next generation of merchandise, products, and equipment for sustainable dental and medical care;
- **Solutions and Services** – accelerating solutions and services for sustainable value chains; and
- **Training and Resources** – providing educational material and engagement resources for sustainable dental and medical practices.

One of the ways in which this initiative will support our supply chain sustainability efforts is through the SBTi target of 70% of our suppliers (by spend) to set science-based targets by 2027. We aim to engage with and support our suppliers to set suitable SBTs and are currently working on a roadmap for implementation in partnership with our customers and suppliers.

Ken Shaw, President, Nanosonics

Nanosonics is committed to keeping patients and clinicians safe, while also protecting the environment for future generations. We developed the trophon device with this Environmental, Social, and Governance commitment in mind. The by-products of a high-level disinfection cycle are just oxygen and a few drops of water - preventing the need for disposal of chemical waste. Once a trophon device has reached retirement, we minimize the environmental footprint through a partnership with a state-of-the-art recycling facility. Their advanced technology keeps 100% of recycled materials out of landfills!



REDUCING THE CO₂ FOOTPRINT OF OUR SUPPLY CHAIN

Our mitigation efforts for upstream and downstream transport emissions rely on partnerships and joint efforts with our logistics partners. In the U.S. where we have partnered with United Parcel Service (UPS), we use an enhanced network to reduce air shipping without compromising on the quality of our customer service (this currently applies to our core distribution centers in the U.S.). Through this network over the past five years, we found on average our carbon impact was mitigated between 74%-76%, which is equivalent to taking approximately 20,300 passenger cars off the road.

In Australia and New Zealand, our couriers' efforts to mitigate transport emissions led to an 18% reduction in emissions per parcel in 2023 compared with the previous year.

Beyond transport, we plan to apply our Scope 3 reduction measures to other relevant hotspots in our supply chain, such as purchased goods and services, to scale our impact and achieve our SBTs.

[Read more on pages 13-14](#) for an overview of Scope 3 emissions and the approach we are taking to mitigate them.

GREENING OUR PACKAGING

Packaging adds value to our business and customers as it protects the product during storage, distribution, and transport. We work on reducing adverse impacts from packaging (such as emissions and waste) by taking efficiency measures across our DCs, raising awareness with our customers, and targeting packaging design and use.



Neil Salmon, Managing Director and Chief Executive Officer, Ansell

Henry Schein's commitment to reducing its carbon footprint while empowering customers to minimize their environmental impact has positioned the company as a leader in sustainable business practices. Ansell is proud to be among the first of Henry Schein's supply partners to have our products included in its visionary Practice Green initiative. We look forward to continuing our collaboration to drive meaningful change and ensure a sustainable future for our planet."



Examples across our global DCs include:

North America

- We launched an initiative in 2023 for backorder consolidation, which is currently at a limited scale.
- As part of a broader initiative to reduce our freight, we introduced additional box sizes (smaller than our existing boxes) to ensure our packaging size is fit for purpose. This also leads to the overall reduction of packaging material, including the reduction of void fill, and indirect reduction of transport emissions by decreasing the volumes of packaged goods.

EMEA

- We reduced packaging and transport through order- and backorder consolidation.
- In France, we have targeted packaging design, whereby the new cartons can be folded to the right size, based on the volume of goods inside, leading to a reduction in the volumes of packaged goods, less need for void fill, and lower transport emissions.

Australia

We deployed multiple initiatives targeting the choice of packaging materials, use of packaging tape, packaging size and design, and customer education. Our progress included (all measured against 2022):

- 60% reduction in packaging tape
- Two sizes of our boxes are now made from 100% recycled material
- Removed bleaching from two smaller sized boxes with remaining sizes transitioned to 77% recycled content brown boxes
- 19% reduction of cardboard use
- 5% increase of recycled content
- 10% reduction in shrink wrap
- 36% reduction in paper use

CARING FOR OUR COMMUNITIES AND TEAM SCHEIN

COMMUNITY	20
CARING	26
CAREER	34



CREATING TRUST THROUGH COMMUNITY, CARING, AND CAREER

Team Schein continues to be one of our greatest assets. Our team helps us “help health happen” every day through their commitment, engagement, and meaningful contributions.

We continue to navigate the dynamics of an evolving workplace culture and environment, by creating a balance of Team Schein Members (TSMs) working onsite, remotely, or on a hybrid schedule, and integrating more flexible working options to accommodate our TSMs’ individual differences and life circumstances. We believe these efforts help us continue to be an employer of choice that is inclusive, caring, and ethical while supporting our TSMs’ learning and professional development.



[Learn more about Henry Schein’s Team Schein and Community Engagement](#)
[CLICK HERE](#)

Trust-based relationships have been the foundation of our success since Henry and Esther founded our Company more than 90 years ago. Because of our trusted relationships with each other, our customers, our suppliers, and our investors, we continue to adapt successfully to the rapidly changing world.

The foundation of trust was and always will be established through living our Team Schein Values. Our values are our guiding principles; living our values is the shared responsibility of each of our Team Schein Members; and our values help guide us on how best to contribute to the world in which we live.



In 2023, we rolled out a continuous listening program—Voice of the Employee — that used various vehicles, including The Pulse Global Culture Survey and TSM roundtables, to garner feedback from our TSMs on their employee experience. The Pulse Global Culture Survey was redesigned in 2023 to measure scores aligned to our Team Schein Values [\(learn more here\)](#).

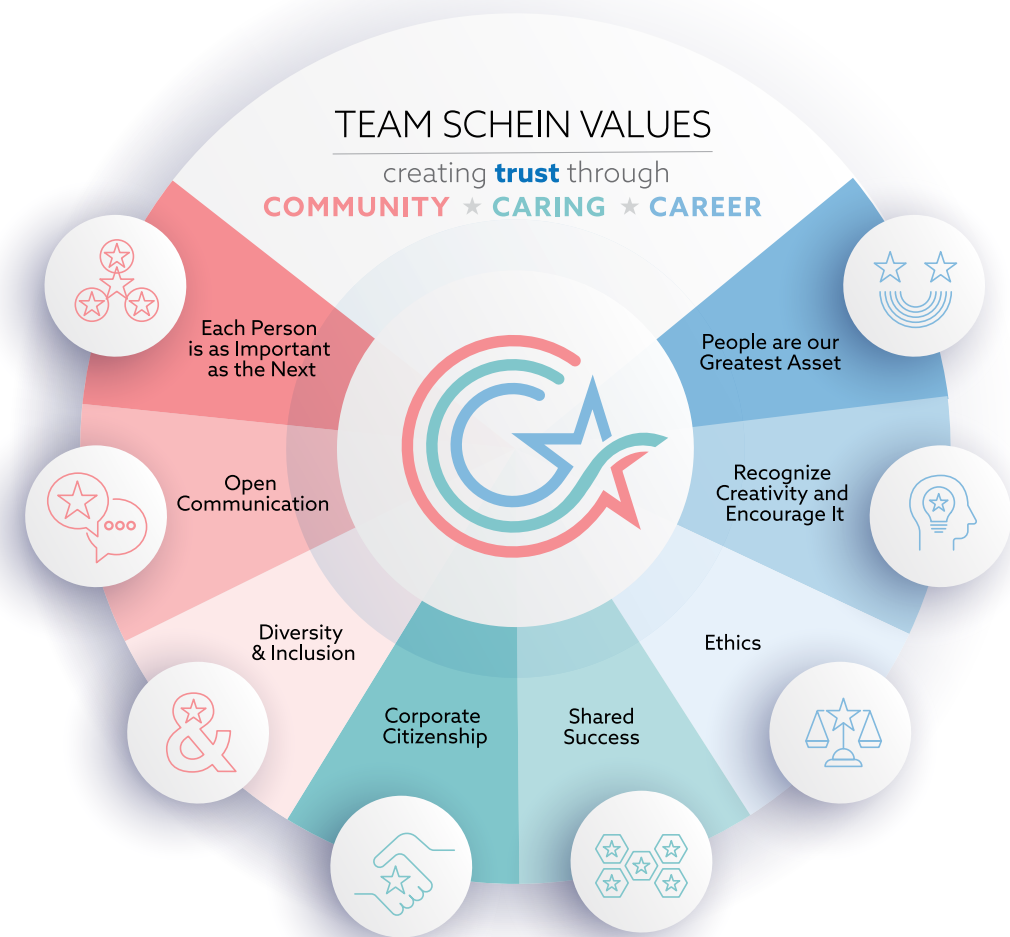
Through this continuous listening program, we learned our TSMs share a strong connection to our culture and values. We also learned that there are three key areas that our team wants us to continue to focus on to ensure a meaningful career at Henry Schein. Based on this feedback and against the backdrop of simplicity and more digestible content delivery, we have distilled our Team Schein Values into 3 pillars — “The 3 Cs” of Community, Caring, and Career.

Over the next several years, we will roll out several new initiatives that align with these three pillars to help every TSM feel connected to what makes Henry Schein a great place to work – being part of a caring community that invests in your career journey and encourages you to contribute to Henry Schein’s mission of making the world healthier. We have used the same structure for our reporting this year.

Key 2023 highlights included:

- Continuing to evaluate our pay equity analysis for the majority of the U.S. workforce, which reviews compensation across gender and ethnic groups for equity and fairness;
- Expanding our Diversity and Inclusion (D&I) learning journey by educating TSMs on key D&I topics; and
- Continuing to drive a culture of wellness and engagement for our TSMs by fostering an environment where they can feel engaged and included as the Company cares for their well-being.

[See pages 13-15 in our 2024 Proxy Statement.](#)



Enjoy contributing to an inclusive team that respects and supports one another to ensure the engagement and well-being of all TSMs, regardless of level or location



Build a world we want to live in by supporting each other and the communities in which we live and work



Develop personally and professionally with an emphasis on embodying our values to achieve our collective goals with excellence and integrity

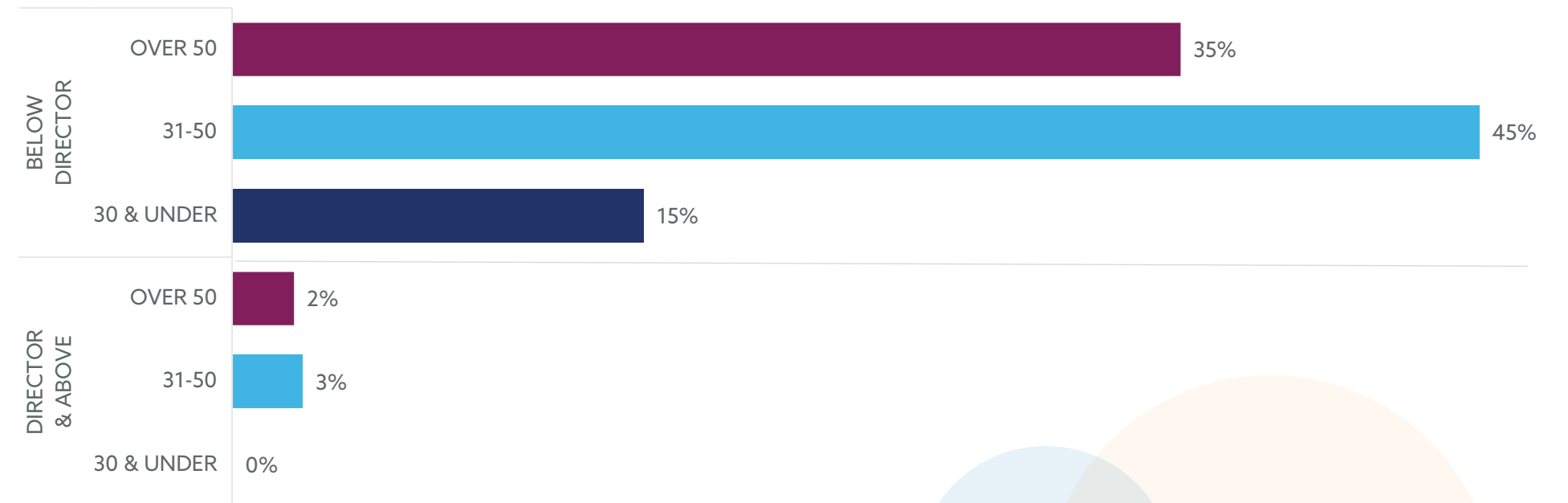
OUR TSMS AT A GLANCE

We employ more than 25,000 people — approximately 55% of our workforce is based in the United States and approximately 45% is based outside of the United States. Approximately 14% of our employees are subject to collective bargaining agreements.

We regularly review our voluntary turnover. We experienced a lower voluntary turnover rate of 18% in the U.S. this year, down from 22% in 2022, outside of our distribution centers (DCs) where the nature of work typically involves increased voluntary attrition. We continued to evaluate our people-related practices to retain talent, in particular through our emphasis on D&I. These efforts led to a 2% increase in female applicants and a 3% increase in certain other underrepresented groups' applications for U.S. positions compared with last year, building further on the good progress made in the previous year.



TSMS BY CATEGORY & AGE*



* U.S., Canada, UK & Ireland



COMMUNITY



We continue to roll out initiatives that help us build a community at Henry Schein where TSMs can have fun contributing to an inclusive team that respects and supports one another to foster TSM engagement. [\(See pages 13-15 in our 2024 Proxy Statement\)](#) Key initiatives to build our community include:

- Continuing D&I efforts and expanding our Employee Resource Groups (ERGs);
- Launching Henry Schein Games, a platform that brings all TSMs together virtually and in-person through friendly competition by earning points for their team by engaging in value-based initiatives and activities;
- Kicking off Community Circles, which brings TSMs together across the Company to connect about topics, hobbies, and activities that they are passionate about; and
- Continued hosting of Connection Days around the globe that bring our TSMs together in our offices to step away from their work and have fun connecting with one another.

DIVERSITY & INCLUSION

One way we continue to build community is through our D&I efforts — ensuring all TSMs feel included and have a sense of belonging.

We continue to achieve and evolve our goals and activities to keep up with the changing world of work, our diverse communities, and TSM expectations. Our dedicated D&I Council, a cross-functional group of senior leaders, continues to catalyze, support, and oversee our D&I programs across the Company.

OUR GOALS AND COMMITMENTS

Our global D&I goals, as communicated in our previous reports, focus on the near-term targets of educating our leadership and TSMs on D&I (Goal #1) and aligning our compliance helpline with the effectiveness criteria of the UN Guiding Principles (UNGP) for Business and Human Rights (Goal #2). With progress achieved on Goal #1 (see below), we are working to update our programs to provide D&I education to additional TSMs globally and on an ongoing basis. Goal #2 was achieved in 2023 and will evolve into an ongoing commitment to maintain our alignment with the UNGPs. Goals #3 and #4 (described below) involve longer-term targets that we will continue to focus on.

GOAL #1

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

GOAL #2

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.

GOAL #3

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 committed to ensuring that our leadership team reflects the demographics of our customers and society at large.

GOAL #4

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

PROGRESS 2023

In 2023, continued education was provided to the majority of our leadership teams (66% of Directors and Vice Presidents globally as well as 79% of our U.S. Managers).*

Built a solid foundation for turning this goal into standard, ongoing education with themes updated and refreshed every year to reflect the evolving space.

Education is tied to compensation goals for all management and leadership teams and offered on a voluntary basis to all TSMs.

* Original targets of 100% were not met primarily because of our cyber incident.

PROGRESS 2023

Goal achieved. Will turn into an ongoing commitment.

PROGRESS 2023

Maintained representation of women in global leadership roles at 30% and strive to increase this steadily over the next years going forward.

Maintained representation of certain other underrepresented groups of TSMs in U.S. Manager roles and above at 18%.

530 matches for our Mentorship program with 2% of TSMs who signed up requesting their mentor be from an underrepresented group.

2% increase in female applicants and 3% increase in certain other underrepresented groups' applicants for U.S. positions through our recruiting partnerships (Fairygodboss, Customers & Professional Associations) and branding initiatives.

Launched in early 2024, an innovative Parental Mentorship Program, in partnership with Corporate Benefits, to help TSMs navigate the challenges associated with balancing parenthood and professional growth.

PROGRESS 2023

In 2023, we conducted a review of compensation for TSMs within the U.S., looking closely at base pay and bonuses to identify and address potential gender and certain other underrepresented groups' pay gaps. Findings suggest that pay continued to be administered in a fair and equitable manner.

One area we continue to focus on is advancing women and TSMs from certain other underrepresented groups into more senior leadership roles. This work continued in 2023, and we remain committed to making steady progress and reporting on our learnings and achievements.

REPRESENTATION OF WOMEN IN EXECUTIVE MANAGEMENT

AS OF JULY 23, 2024

	2020	2021	2022	2023
	93.3%	87%	76%	71%
	6.7%	13%	24%	29%

RECRUITING & RETAINING TALENT

We want our hiring processes and promotions to serve as a catalyst for equity, inclusion, and diversity across all levels of the organization.

We provide resources and toolkits for recruiters and hiring managers on how to overcome potential unconscious biases and inequities related to hiring underrepresented groups. We also use our holistic D&I strategy as a vehicle for supporting diverse talent. Our D&I leadership and TSM education, mentorship, and coaching programs, as well as partnerships with expert institutes and industry representatives support our recruitment and retention efforts. ERGs are also a valuable learning mechanism for our TSMs. Our D&I and branding efforts led to a 2% increase in female applicants and 3% increase in certain other underrepresented groups' applications for U.S. positions compared with last year, building further on the good progress made in the previous year.

PARTNERSHIPS

We continued our long-term partnership with the American Dental Association, and 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), Women in Dental Support Organizations (DSO), and other culturally specific professional organizations. [See more information on page 29.](#)



Key 2023 highlights included:

- Launched the pilot program of S.M.I.L.E. (Student Mentoring with Immersive Learning and Enrichment) Healthcare Pathways Program to introduce high school students from diverse backgrounds to exciting opportunities in health care;
- As one of the founding corporate sponsors for the American Dental Association Institute for Diversity in Leadership, supported the expansion of the program from 25 to 35 annual participants, which includes dental students, and piloting of the program at the state level;
- Supported the "Empower and Grow" 2023 Women in DSO event and engaged at the leadership level with Kathleen Titus, Henry Schein's Director of Community Health Centers and Corporate Relations, serving as a Founding Women in DSO® Board Member, and Samantha Glucksman, Henry Schein's Director of Strategic Accounts, North America Distribution Group, and McKenzie Fagan, Area Sales Manager for Henry Schein One, serving on the Women in DSO® Advisory Board; and
- Partnered with the Coalition for Trust in Health and Science to advance efforts to ensure that all people have equitable access to the accurate, understandable, and relevant information necessary to make personally appropriate health choices and decisions.

EMPLOYEE RESOURCE GROUPS (ERGs)

Our ERGs continue to play a major role in building our community. They are voluntary, employee-led networks that help create a diverse, inclusive workplace. ERGs also help the Company's efforts to support the best talent, advance 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 support for diversity and inclusion amongst employees at all levels.

New ERG Recognition Program

In recognition of the significant contributions made by many of our ERG leaders going above and beyond their primary job responsibilities, we launched in 2023 a new monetary ERG Recognition Program featuring one leadership member to receive an equity grant award and two leadership members to receive one-time cash payments per ERG.



WLN ERG Launches Parental Mentorship Program

In early 2024, our Women's Leadership Network ERG launched an innovative Parental Mentorship Program, in partnership with Corporate Benefits, to help TSMs navigate the challenges associated with balancing parenthood and professional growth. The program creates a robust support network for all TSMs newly experiencing parenthood that acknowledges the distinct hurdles they face when starting a family. By pairing interested expectant parents with TSMs who have returned from parental leave within the past three years, the program gives new parents access to valuable insights, advice, and guidance in planning for leave and a return from leave, empowering them to continue to achieve their professional goals even as their families grow.

Mentorship Program with Tent Partnership for Refugees

To deepen our long-standing commitment to refugees, in 2023 we partnered with Tent Partnership for Refugees to provide professional mentorship to 100 refugees over the next three years. Through our Women's Leadership Network ERG, TSMs volunteered to mentor the first cohort of 50 refugee women, meeting at least six times over six months to review their resumes and cover letters, practice interviewing skills, and champion their overall professional growth. Likewise, TSMs who are part of our COLEGAS ERG mentored the first class of 50 Hispanic refugees facing barriers to finding jobs and advancing their careers in the U.S.

VET ERG Champions Henry Schein Job Training Partnership for Service Members

In alignment with our Veterans Engagement Team (VET) employee resource group, Henry Schein is partnering with the U.S. Department of Defense (DoD) SkillBridge program to give service members in their final months of service the opportunity to gain hands-on experience and valuable skills in various roles within our Company. By welcoming transitioning service members into our workforce, we not only benefit from their unique perspectives and experiences, but also have the privilege of supporting those who have sacrificed for their nation.



2023 BY THE NUMBERS

ERG membership increased by 17% from 2022



1,522 members



584 members



432 members



250 members



278 members



166 members



launched in May 2024

ERG Professional Development Grant Programs

These ERGs Professional Development Grant Programs were developed to support professional development opportunities for ERG members across the Company. Each year, ERG members can apply for a cash grant under the ERG Grant Program, to be used for career development opportunities.



David Saavedra, HR Generalist, Pride & Allies

“The ERG Diversity and Inclusion professional development grant has been crucial in helping me foster an equitable work environment and supporting all employees from HR. I have used the knowledge and skills gained in the course to spearhead initiatives to improve diversity and inclusion (D&I) within Henry Schein, facilitate discussions, and advocate for D&I at all levels of the organization.”



Tamisha Auguste, Operations Manager, Black Legacy Professionals

“The support provided through the ERG Grant Program has not only elevated my skills but has also inspired a sense of loyalty and dedication to contributing meaningfully to the Company’s goals. I am grateful for the opportunity and believe that investments in professional development are essential for both individual and organizational success. I am proud to be a member of Team Schein!”



Boya Yang, Director, Global Sourcing, elevASIAN:

“The ERG grant is giving me access to high-quality training courses that I believe will significantly enhance my professional skills and knowledge, my job performance and career development, and my ability to support and mentor others.”



Patricia Ortego, Principal Business Project Manager, COLEGAS

“The ERG grant gave me the opportunity to access a training course in Change Management that I had wanted to take for a long time. After successfully completing my course, I partnered with another member of the GPMO team to create a Change Management Guide to help support change management initiatives throughout Henry Schein. Since then, different teams have used the Guide’s information and tools to advance their own projects.”



Violet Januszyk, Associate Manager, Credit, Women’s Leadership Network

“Participating in the Women’s Leadership Grant Program was an invaluable experience as it provided me with numerous opportunities to enhance my skills in leadership, strategic thinking, and self-awareness, enabling me to effectively communicate with key customers and internal partners and positioning me to effectively develop my team and participate in the mentorship program. In my 20 years with Henry Schein, I have felt valued and supported by my leadership, and I am grateful to be a part of an organization that promotes the growth of its employees. A special thank you to WLN for the opportunity and positive experience. #WLNROCKS”



Todd Schaffer Jr., Inventory Specialist, Brasseler, V.E.T. Veterans Engagement Team

“Getting my Project Management Professional certificate (PMP) through the ERG Grant Program is a huge stepping stone in my professional career. It will allow me to grow in a direction that not only interests me, but also challenges me.”



SUPPLIER DIVERSITY

Henry Schein is dedicated to collaborating with a diverse network of supplier partners to foster deeper connections with the communities we support and to provide our customers with the best selection of high-quality products and services. When looking to incorporate diverse businesses, we consider a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Today, we currently have relationships across 90% of the categories we track, which includes, but is not limited to:

- Small Business Enterprise
- Minority Business Enterprise
- Women Business Enterprise
- Women-Owned Small Business
- Economically Disadvantaged Women-Owned Small Business
- Veteran-Owned Business
- Service-Disabled Veteran
- Disabled
- Disadvantaged Business Enterprise
- Alaskan Native
- HUB Zone
- Lesbian, Gay, Bisexual, Transgender

Henry Schein's core values guide our efforts. As part of our Team Schein Values, Diversity and Inclusion is a key component that ties into creating trust through community. At Henry Schein, we are centered on building a diverse and inclusive organization that also translates to our supplier partners. 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.

Increasing transparency and education. Effective tools and reporting mechanisms are critical for advancing our initiatives. We have bolstered our capabilities to monitor diversity spending and educated our teams on the significance of supplier diversity. Additionally, we have enhanced the visibility of our diverse supplier partners, offering support and opportunities for meaningful advancement. We provide Tier 2 reporting to partners, so they can measure and track their own progress. We also provide direct or indirect counseling to businesses on opportunities and share our expertise to assist in educating our partners.

Our commitment to supplier diversity is an ongoing journey of learning, and we continue to evolve. As the demographics of our customers and patients shift, we remain dedicated to supporting them and forging partnerships to meet their evolving needs. We embrace opportunities to collaborate with our constituents in developing impactful programs aimed at promoting supplier diversity.



TEAM SCHEIN ENGAGEMENT

Supporting a culture where TSMs feel connected to each other and our communities has been central to our Company and business success. With remote and hybrid scheduling and a new way of working, fostering an environment where TSMs feel connected and engaged is crucial in forming strong personal bonds. This is done through various events, programs and community-service activities.

With more TSMs working remotely than ever before, we needed new tools to connect our team and promote and strengthen our unique Team Schein culture. In 2023, we launched **Henry Schein Games**, a global online platform that not only introduces fun and friendly competition to engage our team in community building, wellness, professional development, and community service activities, but also helps us connect to one another across sites, countries, and functions.

Here's how it works: after being randomly assigned to one of two teams named for our Company's founders **Team Esther** or **Team Henry** — each TSM can earn points for their team by engaging in a wide range of activities that support Team Schein's growth

and connection — from participating in virtual Connection Days or in-person Field Days to attending trade shows, participating in wellness webinars, or volunteering for a local nonprofit. The platform provides a full overview of all of the activities and opportunities available to TSMs and keeps track of points earned by Team members. It also provides a fun way to learn more about other team members' interests and activities, helping to promote relationships and encourage participation.

With less than a year since program launch, thousands of TSMs have registered in over 28 countries and more are registering every day with a goal of engaging 10,000 TSMs by December 2024. So far, engagement activities have made up almost half of the

activities for which TSMs have claimed points, with professional development activities representing another 21% of total points. The social media-like feel of the platform has proved engaging to our team, with TSMs posting over 1,300 photos so far of themselves and their colleagues participating in various activities and events. The winning team will be announced at the end of 2024, and then the Games will reset for 2025.

Connection Days are monthly on-site events in Melville and quarterly on-site events globally. These events are designed to boost team morale by bringing TSMs together to participate in fun non-work-related activities and enjoy a meal together.



Community Circles allow TSMs to meet and build meaningful connections through shared interests and hobbies. TSMs from across business units and geography come together to laugh, bond, and learn more about each other through virtual hang-outs, discussion boards, newsletters, and more.

More connection and engagement can lead to less stress and burnout from employees. Current Community Circle focus areas include:

- Gardening
- Soccer
- Book Club
- Video Gaming
- Parenthood
- Running

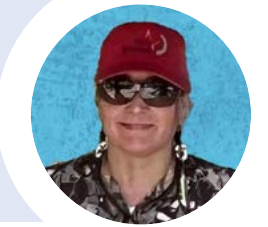
“Henry Schein Games is bringing back the feeling of being involved like when were in the office. Keep it going!”

– **Godfin Thompson, Supervisor, Customer Service (NY)**



“I’m trying to set a good example and get our local TSMs engaged again. I believe the Games are helping, as I’m seeing an increase in interest for our activities and community service opportunities.”

– **April Leal, Administrative Assistant, Customer Service (NV)**



“It is inspiring to see what Team Schein Members are doing around the globe and it helps me think about what I can contribute. I didn’t realize all the things I was already doing, and it was awesome to see on my Henry Schein Games profile the wide array of activities I participate in as part of Team Schein.”

– **Stefanie Fleige, Director, Corporate Media Relations (EMEA)**



“Thank you for organizing and managing this fun competitive game, which keeps morale and teamwork at the forefront of our minds.”

– **Mike Wharff, Equipment Specialist, Equipment Sales (IN)**



“Team engagement has increased across our business because of the Games, with TSMs requesting to host or schedule events to deepen connection. The Games also bring awareness to team events and recognition across the business.”

– **Leanne Bricknell, Executive Assistant/Team Schein Workplace and Culture Ambassador (Henry Schein Halas, Australia)**



“Through Henry Schein Games, I’m able to track my personal wellness activities and organizational development trainings, and claim points for them, making me want to be more involved. Overall, the Games are helping increase morale as TSMs gain recognition for all the activities they participate in.”

– **Lynne Conley, Custodian, Bastian Distribution Center Operations (VA)**



CARING

We continue to build a world we want to live in by supporting each other and the communities in which we live and work. (See pages 13-15 in our [2024 Proxy Statement](#)) Throughout 2023, some highlights included:

- Launching a new quarterly campaign to provide opportunities for TSMs to engage in meaningful ways that connect back to their own personal purpose, such as helping the community through CSR activities virtually or in-person;
- Expanding our Steps for Suicide Prevention campaign that brings TSMs together to walk for a cause and provide education;
- Launching a 'Year of Wellness' campaign that provides monthly tips, videos and educational programming to TSMs who focus on how they may be feeling that month; and
- Continuing the We Care Global Challenge which brings together TSMs, Employee Resource Groups, and our partners to make a meaningful impact on communities in need through friendly competition.

GIVING BACK

Giving back to society is a core value at Henry Schein that is shared by over 25,000 Team Schein Members around the world. TSMs participate in community outreach through their active engagement in a myriad of flagship corporate volunteer and community service programs — both in-person and virtual — volunteering thousands of hours for charity and community building work annually. By contributing their time, energy, and skills, our team harnesses the creativity and entrepreneurial drive that animates their work in the office to make the world a better place.



Back to School

Henry Schein's Back to School program helps children around the world prepare for educational success by providing new backpacks filled with school supplies and hygiene essentials. In 2023, Team Schein Members at 32 locations helped nearly 5,000 students make a great start to the school year.



Holiday Cheer for Children

In 2023, Team Schein Members worldwide celebrated 25 years of the Company's Holiday Cheer for Children program. Many Company locations participated, helping to brighten the holidays for more than 1,150 individuals and families facing financial hardships.



We Care Global Challenge

In the spirit of friendly competition with purpose, Team Schein Members across the Company built tens of thousands of hygiene kits that were distributed in partnership with the American Cancer Society (ACS) and local organizations around the world. Our Savannah, Georgia-based Brasseler team prevailed in 2023, taking home the coveted award and a year's worth of bragging rights.



Carry The Load

In 2023, for the second consecutive year, Team Schein served as national sponsor of Carry The Load's annual Memorial May campaign, a month-long initiative to honor and remember the service and sacrifice of U.S. military members, veterans, first responders, and their families. TSMs around the country walked in the national relay, attended community events, and raised funds for the nation's heroes.



WELLNESS

We understand the importance of supporting and prioritizing each other's well-being. We continue to foster a culture of wellness for Team Schein. Since the establishment of our Mental Wellness Committee in 2020, we strive 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 – with the goal of driving a culture of overall wellness.

In 2023, we rolled out a 'Year of Wellness' campaign that provided monthly tips, videos and educational programming to TSMs who focused on how they may be feeling that month. We also launched an education program for managers of TSMs who provided tactical examples of how to help reduce burnout amongst teams and support the new way of working.

We offer programs to support TSMs and their families, including Workplace Flexibility and Paid Parental Leave programs. These programs allow additional paid time off for new mothers, but also provide an opportunity for new fathers to take paid time off. In 2023, 7,688 TSMs were entitled to parental leave as part of our overall benefits plan, 45% of whom were female. Of those, 210 TSMs took leave, 47% of whom were female. Of the 210, 207 returned to work during the year. Overall, 97% of all TSMs who took parental leave returned to work and 95% of those remained with the Company through the end of 2023.



We also offer:

- 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;
- A competitive 401(k) plan with a generous employer match that encourages savings to bolster financial security for the future; and
- Several educational programs/seminars on financial wellness, including saving 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, and much more.



SAFETY

While we recognize and act on local and regional differences in safety regulations and workplace occupational hazards, we take a global approach rooted in standards, risk mitigation, training, and sharing of learnings through networking.

Safety training is conducted at the distribution centers to all TSMs, especially those operating forklifts and those who may have contact with chemicals and spills. In 2023, we experienced a total of 103 lost-time accidents (2022: 93), leading to a total of 1,551 lost days (2022: 1,581). The increase in our lost-time accidents is primarily due to a steady increase in return to onsite work modes across our DCs, compared with the previous years.

Globally, our lost-time injury frequency rate was at .71 per 200,000 hours worked. Our lost-time accidents per region during 2023, as well as the number of lost days per injury type (as an illustration of the most common causes of injury), are shown at right.

Nearly 70% of our lost-time accidents occurred in only four injury categories:

- Motor vehicle accidents
- Slips, trips, and falls
- Lifting
- Manual handling



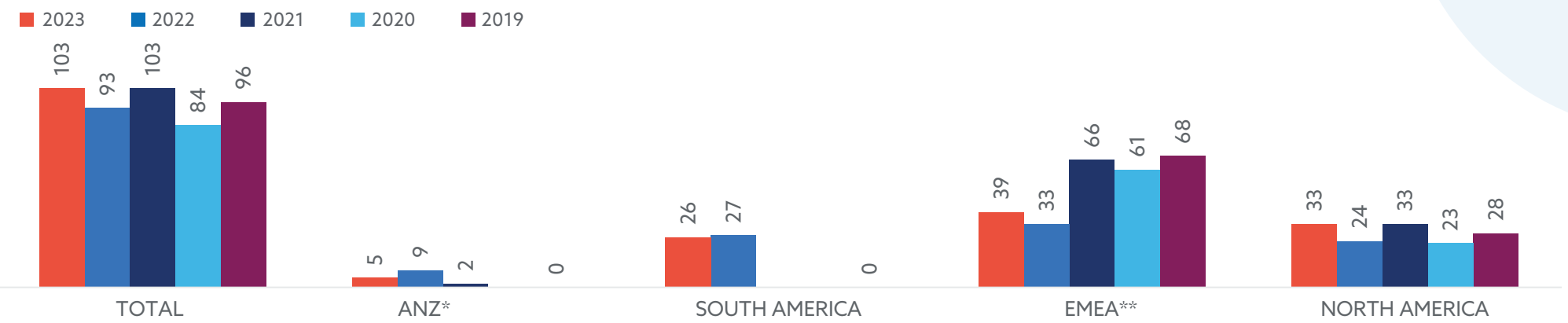
Accordingly, we are placing most of our training and mitigation efforts into tracking accidents in these categories.

We also conduct studies as necessary to measure air quality or noise level to manage any occupational health impacts on our employees.

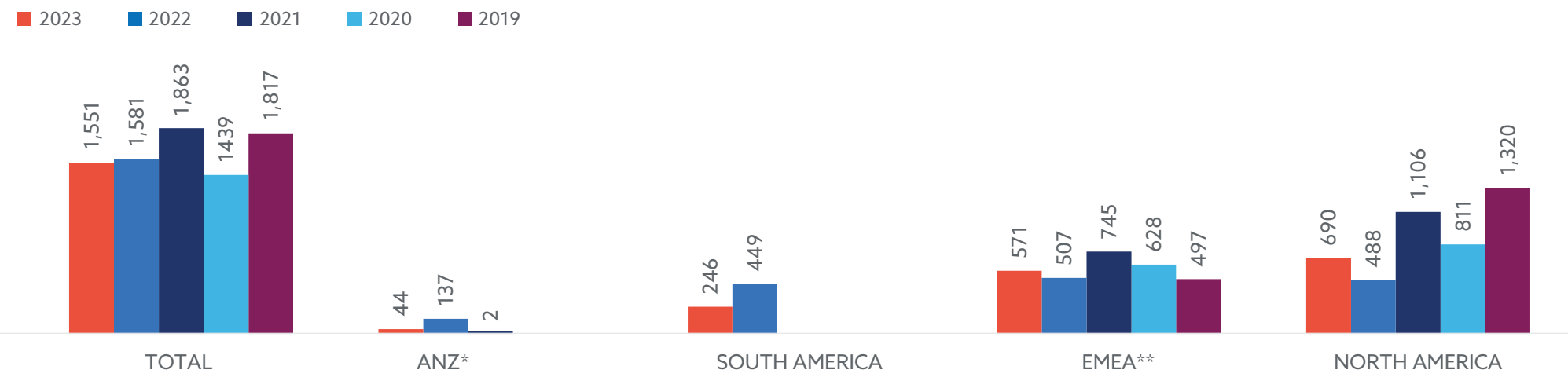
Some of the standard networking and learning activities that supported our operational, engineering, and training efforts to address safety during the year included:

- Safety bulletins published every month, each focusing on a different injury type and safety risk category;
- Monthly meetings to discuss injuries that took place in that month, analyzing root causes, sharing learnings, and planning mitigation efforts to prevent recurrences;
- Safety toolbox meetings supervised by managers visiting teams in smaller groups to coach TSMs, and facilitate in-depth, in-person discussion of safety, focused on common risk categories; and
- Safety Committee meeting minutes shared widely every month to encourage cross-learning.

LOST TIME ACCIDENTS BY REGION

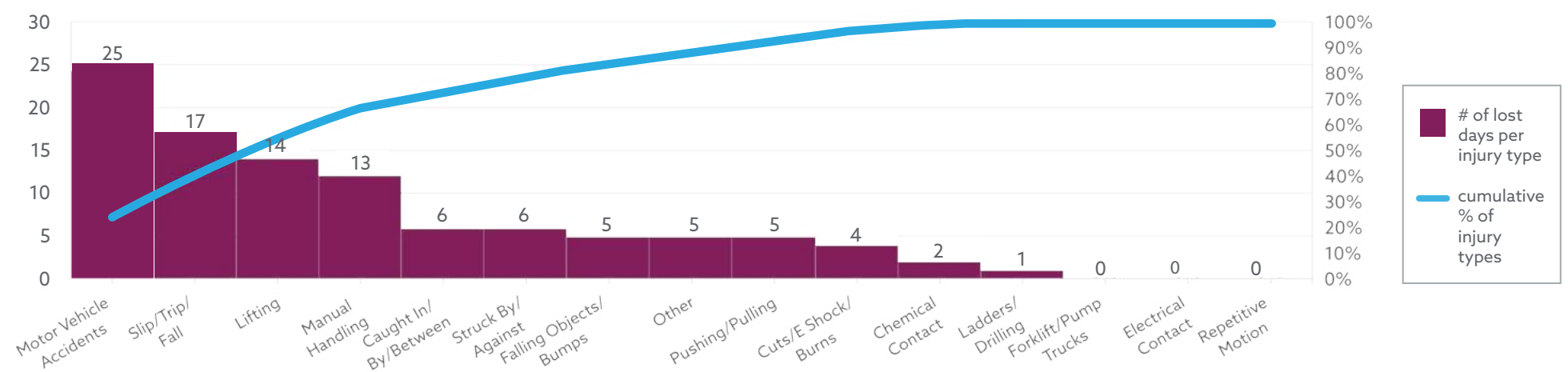


LOST DAYS BY REGION



*Australia and New Zealand
**Europe, Middle East, and Africa

LOST DAYS PER INJURY TYPE



HEALTH CARE ACCESS AND HEALTH EQUITY FOR ALL

For many decades, Henry Schein has worked to expand equitable access to quality, affordable health care for all by catalyzing impactful public-private partnerships focused on several key goals: increasing opportunities for people of diverse backgrounds to enter and thrive in the health care professions; improving supply chain resilience; advancing holistic and innovative models of care; delivering care to underserved and underrepresented communities; and preparing for and responding to emergencies.

INVESTING IN THE NEXT GENERATION OF DIVERSE AND INNOVATIVE HEALTH CARE PROFESSIONALS

As our populations become increasingly more diverse, we continue to promote diversity and cultural competency in the health care professions to ensure that all populations receive quality and culturally-competent care.

Our work in this area began more than 25 years ago, when we partnered with the ADA Foundation to support the **Diversity in Leadership Institute** designed to foster and advance diversity in the dental profession. In the decades that followed, we have continued to invest in supporting diversity in the health care professions, building partnerships with the National Medical Association (NMA), National Dental Association (NDA), Hispanic Dental Association (HDA), and other diverse professional health care associations. According to the American Dental Education Association's Slow to Change: HURE Groups in Dental Education report, to reach the 2019 HURE (historically underrepresented racial and ethnic) population of 31.9%, the U.S. would need more than 45,200 additional professionally active HURE dentists.

In 2022, we built on this commitment by partnering with the NDA and other professional associations on the **S.M.I.L.E. (Student Mentoring with Immersive Learning and Enrichment) Healthcare Pathways Program** to introduce high school students from diverse backgrounds to exciting opportunities in health care. We began the program at Howard University and Meharry University, and are continuing to expand. Through our support for this program and others, we hope to develop and expand pathways to the profession that will help ensure greater culture competency, care utilization, and employment within and among historically underrepresented and underserved communities.

Because we believe that a true human connection between provider and patient is essential to effective health care, we are pleased to serve as a founding member and chair of the **Arnold P. Gold Foundation's Corporate Council**. Encompassing a diverse group of companies across the health care industry, the Corporate Council works to support health care workers' well-being and advance humanism both within our individual organizations and the broader health care ecosystem.

Supporting Resilient Supply Chains for Global Health Security

We are committed to creating a healthier world by working in partnership with professional associations, industry, academia, United Nations agencies, and the World Economic Forum to promote global health security and advance sustainability within the global health care supply chain.

As Chair of the **Private Sector Roundtable on Global Health Security** – the private sector representative of the Global Health Security Agenda – we provide our expertise to help countries prevent, detect, and respond to health-related crises and strengthen health systems. Among our key activities in 2023, we:

- Presented at the 78th General Assembly of the United Nations (UN) on topics ranging from gender equity in pandemic prevention, preparedness, and response (PPPR) to urgent global health priorities;
- Delivered statements at UN High-Level Multistakeholder Meetings on PPPR urging member states to directly engage with the private sector to improve preparedness and leading to the adoption of a landmark UN PPPR political declaration – a crucial step toward international cooperation for pandemic preparedness; and
- Conducted formal ongoing meetings with the U.S. government to provide private sector insights on forthcoming health security policies and using company capabilities to support mutual health security priorities.

We also work to improve supply chain resilience through the Pandemic Supply Chain Network (PSCN), an innovative public-private partnership co-founded by Henry Schein in the wake of the Ebola outbreak in west Africa in 2014, which includes the World Health Organization (WHO), the World Economic Forum, the UN World Food Programme, the World Bank, the U.S. Centers for Disease Control and Prevention (CDC), UNICEF, and more than 100 private sector companies. Through its development of a platform for data sharing, market visibility, and operational coordination for critical health care products, the PSCN is making it easier for both governments and private sector partners to anticipate and respond to supply chain disruptions.

ADVANCING HOLISTIC CARE MODELS AND INNOVATION

Another critical area of focus for our work has to do with breaking down the silos that separate the various elements of the health care system and promoting an integrated approach to health care for improved access, better health outcomes, and lower costs of care.

We have long advocated for the importance of oral health as part of overall health, which the World Health Organization highlighted in their first global oral health status report released in November 2022. In the U.S., as a key member of the **Consortium for Medically Necessary Oral Health Coverage**, our joint advocacy contributed to the expansion of Medicare coverage for medically necessary oral care in 2022 and thereafter, a change that significantly advances the ability of patients over the age of 65 and individuals with disabilities to access the holistic care they need. Since then, we have continued to advocate successfully for expanded coverage of dental services integral to the treatment of a growing list of medical conditions.



As a member of the World Economic Forum's **Oral Health Affinity Group (OHAG)**, launched in 2023 under the Forum's Global Health Equity Network, we are shining a bright light on the impact of poor oral health on the global economy and health outcomes, and, even more importantly, the actions that governments and private sector companies can take to advance global oral health.

In partnership with the CareQuest Institute for Oral Health, we also established in 2022 the **Systemic Healthcare Entrepreneurship – or "SHE" – initiative** to accelerate inter-professional collaboration. Through an ongoing series of networking events, SHE is bringing together some of the most forward-thinking professionals in health care from both dentistry and medicine to encourage business innovation and sustained communication around interdisciplinary clinical collaboration.

EXPANDING ACCESS TO CARE FOR UNDERSERVED AND UNDERREPRESENTED POPULATIONS

In advancing equitable access to care for all, our impact is multiplied through the strategic partnerships that we have developed with the health professions, industry, non-profits, academic partners, and others, resulting in programs that expand care for thousands of children, adults, and seniors. To these innovative partnerships, we contribute our core competencies — our extensive health product offerings, our relationship with suppliers and customers, and our logistical and communications capabilities — to promote health equity.

Here are some partnership examples of how we help health happen.



Healing California

Founded in 2017, Healing California partners with non-profits, veterans' organizations, and community groups to provide free, high-quality dental and vision services to populations in need. With all-mobile equipment, Healing California can travel anywhere in the state and set up temporary pop-up clinics with fully equipped dental field stations and complete vision exam stations. Patients receive cleanings, fillings, extractions, full eye exams and custom prescription eyeglasses. In seven years, Healing California has served over 15,000 patients and provided more than \$8 million in free services by more than 500 health care professionals who volunteer their time.

Smile Outreach International

Henry Schein supported Smile Outreach International and Dr. Mark Costes with a donation of necessary consumable products to support his mission trip to Tanzania. Smile Outreach International was born out of the founder, Dr. Mark Costes', passion to utilize his skillset and those of his professional colleagues to alleviate some of the pain and suffering that billions of people endure due to untreated dental disease. Their mission is to improve the oral health of underserved populations by offering dental surgeries and services to those who are unable to access care in developing countries through a network of volunteer licensed professionals.



Partnering with the Dental Legacy Foundation and St. Gaspar Hospital in Itigi, Tanzania over 300 patients were able to receive the necessary care.

In 2023, Henry Schein Cares and our Foundation supported hundreds of global charitable partners with over \$40 million in cash and product to whom we are grateful for their work to help health happen. Special thanks to Dental Lifeline Network, Direct Relief, Great Shape, Inc., Heart to Heart International, MedShare, MCW Global, Project C.U.R.E., Special Olympics, TeamSmile, and the WHO Foundation to name a few. **For a full list of our 2023 charitable recipients, [click here](#).**

Global Product Donation Program

Through the Henry Schein Cares' Global Product Donation Program, we provided more than \$8 million of in-kind product support to 127 nonprofit organizations providing care to underserved communities across the U.S. in 2023.



HENRY SCHEIN®

"Support from the Henry Schein Cares' Global Product Donation Program has ensured that all our clinics are stocked with high-quality supplies to offer volunteer doctors and the patients with the best experience."

– Erica Blodgett, Director of Fundraising and Engagement. Healing California



Country Impact



Guatemala is the focus of significant dental outreach efforts by philanthropic organizations given its oral disease burden and very limited oral health workforce. Henry Schein Cares is pleased to support many organizations doing work in Guatemala.

Operation Smile Guatemala

Henry Schein Cares' donation of dental chairs and a CBCT digital imaging system to Operation Smile Guatemala enabled the delivery of over 1,800 free dental consultations to nearly 600 patients, since the center opened in March 2023. "Before having these chairs, we couldn't place patients in the proper position. Now, with chairs that can be adapted to fit newborns to adults, our patients are extremely comfortable, and our dentists are also at ease," said Dr. Mónica de León, a member of Operation Smile Guatemala's Medical Board.

University of the Pacific Dugoni School of Dentistry/Pacific Dental Services Foundation

Henry Schein Cares provided needed consumable products to support a team of dental students from the Dugoni School of Dentistry in providing care to 101 patients at the Pacific Dental Services Foundation's year-round clinic in Xenacoj, Guatemala. "Our program delivers much-needed health care services to individuals who otherwise do not have access to care and a unique learning experience for the students who participate," said Dean Nader Nadershahi. "Without the support of Henry Schein Cares, these students would not have been exposed to such an important and impactful experience."

Dental Services Missions

Henry Schein Cares also donated product in support of eight additional dental missions carried out by The Smilist Dental, Morning Glory Dental, Fruit Cove Baptist Church, Improving Tomorrow Foundation, Smiles for Life Foundation, KIDS Guatemala, Partner for Surgery, and Christian Dental Society. Together, these missions provided care to over 5,300 patients.

Health Care Professionals Impact

Heartland Dental Foundation

Henry Schein Cares provided consumable products to support the Heartland Dental Foundation's two 2023 missions to Honduras, during which 25 dentists provided extractions, fillings, root canals, and other procedures to those in need. Henry Schein Cares also provided consumables in support of Heartland Dental's 2023 company-wide Free Dentistry Day, during which almost 4,400 patients received \$1.8 million in free care across 251 Heartland-supported practices.

Smile Brands

The Smiles for Everyone Foundation provides needed equipment, supplies, and funding to support local volunteers and Smile Brands-affiliated providers in delivering dental services to people in need at dental outposts in Ghana, Laos, Mexico, Nicaragua, Paraguay, the Philippines, and Thailand. Henry Schein Cares was pleased to partner with Smile Brands to provide needed supplies to these seven outposts in 2023, enabling the outposts to serve over 40,000 patients.

Northwell Health Clean Birthing Kit/MedShare

Every year, two million mothers watch their newborn children die within 24 hours from preventable illnesses. In response, MedShare created its Maternal & Child Health program to provide essential medical supplies and equipment to health care providers around the world. As part of this program, MedShare builds and distributes Clean Birthing Kits to expectant mothers, delivery attendants, hospitals, and non-governmental organizations (NGOs) globally. Each kit contains 12 items that help ensure a clean and sanitary birth environment during delivery. MedShare's Clean Birthing Kits are 100% reliant on the generosity of donors and volunteers who assemble the kits. Sharing a deep commitment to MedShare's work, Henry Schein Cares donated the product and Team Schein Members and members of the Northwell Health team assembled over 1,000 kits for MedShare, helping to ensure a safe birth environment for 2,000 women and children.

TAG - The Aspen Group

In 2022, TAG opened its Oral Care Center (OCC) for Excellence designed to provide comprehensive dental care at no cost to thousands of patients each year, who are under served Illinois residents, per year. The OCC is a service and training facility equipped to provide full-service, comprehensive dental treatments including fillings, extractions, non-surgical periodontal treatment, dental implants, 3D-imaging and scanning, and restorative dentistry, including dentures and implants. The National Association of Free and Charitable Clinics, with support from Henry Schein Cares, provides consumables and instruments annually in order for the OCC to fill a critical gap in patient care.



EMERGENCY PREPAREDNESS AND DISASTER RESPONSE

We help health happen by:

- Planning, preparing, and pre-positioning products with leading global NGO partners to help enable the availability of life-saving supplies for health care professionals responding to disasters; and
- Donating excess product such as personal protective equipment (PPE) to organizations in need, especially in times of disaster.

In 2023 and in early 2024, we continued to:

- Respond to support underserved and underrepresented communities affected by the Ukraine humanitarian crisis and Israel-Gaza conflict and natural disasters such as the U.S., New Zealand, and Italy floods; the Turkey and Syria earthquake; U.S. hurricanes; and the Hawaii wildfires;
- Provide UN agencies with strategic advice and explore areas of potential engagement and partnership for the United Nations and the private sector in strengthening emergency preparedness, response, and recovery; and
- Engage TSMs to build hygiene kits to support those affected by humanitarian crises and natural disasters.

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



Special Olympics

The Special Olympics Healthy Athletes® program offers health screenings and education to participating Special Olympics athletes with the goal of promoting healthy lifestyle choices and identifying problems that may need additional follow-up care. Henry Schein Cares donated a range of oral health and medical products in support of Healthy Athletes screenings at the Special Olympics World Games that took place in Berlin, Germany, in June 2023. As part of a three-year agreement signed with Special Olympics in 2023, Henry Schein Cares will continue to provide donated product in support of Healthy Athletes.



Maui Wildfires

In response to the devastation caused by wildfires in Hawaii in August 2023, Henry Schein stepped up to raise money for recovery and rebuilding efforts, donate much-needed health care supplies, and support customers impacted by the crisis.

The Company and the Henry Schein Cares Foundation seeded a 2023 Disaster Relief Fund with a \$25,000 donation and matched employee contributions up to \$25,000 with a commitment to donate up to \$125,000 worth of health care product to relief organizations.

The funds helped provide essential resources to nine relief agencies working to uphold public health on the island. In addition, Henry Schein donated 93 cases of medical supplies to Maui's Minit Medical Urgent Care, 900 hygiene kits to the Maui Dental Society, and product to MODO for the People, which provides free or low-cost medical care to the underserved population of Maui.

In addition to our philanthropic efforts, we opened a Customer Assistance Hotline providing real-time assistance to dentists and physicians experiencing operational, logistical, or financial issues caused by the wildfires.



Henry Schein Cares[®] FOUNDATION

Henry Schein Cares Foundation

Through the Henry Schein Cares Foundation, Inc. (HSCF), established in 2008, we engage all our stakeholders to partner with us in building a healthier world. Through philanthropic support and by catalyzing innovative partnerships with public, private, and multi-lateral organizations, in 2023, the HSCF worked to:

ADVANCE ACCESS TO CARE:

- Made nearly 60 grants totaling approximately \$800,000 to support the work of Non-Governmental Organization (NGOs), Intergovernmental Organizations (IGOs), professional associations, and academic institutions in alignment with HSCF's core focus areas to advance health equity and advocate for a healthier world;
- Published an article on advancing health equity for individuals with disabilities in the American Medical Association's (AMA) MedEd's Horizon: Just, Merciful, Diverse and Equitable compendium;
- Advanced partnerships with professional associations including American Medical Association (AMA), American Dental Association (ADA), National Medical Association (NMA), National Dental Association (NDA) and the Arnold P. Gold Foundation;
- Alpha Omega-Henry Schein Cares Holocaust Survivor Program: Since its inception in 2015, 429 dentists in 23 cities and 5 dental schools have provided nearly \$5 million in donated dental care to over 2,100 patients in need; and [\[link to video\]](#)
- Henry Schein Nasdaq Market Opening on February 6, 2023 showcased ADA Give Kids A Smile, Release the Pressure, and S.M.I.L.E. Healthcare Pathways, with participation of Chief Equity Officer of AMA, President of NMA, President of NDA, and President of the American Academy of Pediatric Dentistry (AAPD) to commemorate the "Power of Public-Private Partnerships in Strengthening Health Equity and Access to Care for Underserved Populations While Championing Diversity Within Health Care Professions."



PROMOTE A HOLISTIC MODEL OF HEALTH CARE:

- Engaged in oral health advocacy as part of the Consortium for Medically Necessary Oral Health Coverage to expand Medicare coverage for oral health;
 - Succeeded in securing final CMS Physician Fee Schedule inclusion of medically necessary dental services for Medicare beneficiaries with cancer
 - Now engaged in Consortium's work to promote expansion to beneficiaries with diabetes
 - Issued written testimony for the Congressional Hearing Record "An Oral Health Crisis: Identifying and Addressing Health Disparities"
 - Featured as a keynote video speaker at the Center for Medicare Advocacy's 10th Anniversary National Voices of Medicare Summit
- Participated in panel discussion on integration of oral health and overall health with CareQuest Institute for Oral Health and the Santa Fe Group hosted by the Center for Medicare Advocacy;
- Conducted survey of 2,000 Americans to assess use of preventative health care services and identify key barriers that prevent utilization of routine medical and dental care; and
 - Articles based on HSCF survey had an estimated 6.4 million coverage views
- Joined the oral systemic health exhibit at the 2023 HLTH Conference, an innovative event bringing together thousands of attendees focused on digital transformation within health systems
- Created and launched the Prevention is Power Health Care Screening program together with the National Association of Community Health Centers (NACHC)
 - Established partnership with CUNY School of Public Health to develop targeted educational materials, survey instruments and data collection strategy, with participation of 10 CUNY Apa Scholars (DDSs obtaining their MPH) to conduct data and metrics analysis as their graduate fieldwork.

CATALYZE INNOVATIVE MODELS FOR EMERGENCY PREPAREDNESS AND RESPONSE:

- Advanced our work as a leader in pandemic preparedness and global health security through sustained engagement with external stakeholders across U.S. Government, World Health Organization (WHO), World Bank, U.N. agencies, and other health care companies;
- Continued work with the WHO to build a market intelligence platform to advance the exchange of critical information between governments, multilateral organizations, and the private sector on threats to the health care supply chain; and
- Provided \$128,000 in disaster response aid to support NGOs and IGOs responding to the Maui fires, Syria/Turkey earthquake, and Morocco earthquake.

BUILD CAPACITY TO EMPOWER HEALTH CARE PROFESSIONALS:

- Drove Gold Corporate Council's partnership with the Coalition for Trust in Health Care; and
- Our CEO, Stanley Bergman, was the featured speaker at the Arnold P. Gold Foundation's annual gala, with prominent recognition of our leadership of the Gold Corporate Council on Gold's social, newsletters, website, and at the gala.



In 2023, the Henry Schein Cares Foundation launched **Prevention is Power** – a new, multi-year public health awareness campaign aimed at supporting patient adoption of integrated, preventive health care to improve overall health outcomes.

Through educational tools on preventive care for clinicians and patients, we are leveraging shared networks with our partners – the American Dental Association (ADA), American Medical Association (AMA), National Medical Association (NMA), and the Arnold P. Gold Foundation – both to encourage patients to regularly access routine medical and dental preventive health care and encourage providers across disciplines to collaborate in order to help advance utilization of an integrated model of care and ultimately have an impact on reducing chronic conditions and improving overall health outcomes.

The first phase of the campaign, the Prevention is Power Health Care Screening Program, a partnership with the National Association of Community Health Centers (NACHC), provides cash grants, in-kind product donations, and patient education materials to select community health centers throughout the U.S. to drive increased utilization of preventive health care, maintenance, and early detection among existing patients. CUNY Graduate School of Public Health is partnering with the program to evaluate its impact and efficacy – insights that will enable us to create a replicable model to promote preventive integrated health care.

In a second phase of the campaign, we plan to develop pilot programs in select geographies in partnership with providers to bring new patients to regular primary care and oral care.

CAREER

We continue to provide opportunities for our TSMs to develop personally and professionally with an emphasis on embodying our Team Schein Values to achieve our collective goals with excellence and integrity. [See pages 13-15 in our 2024 Proxy Statement.](#) Throughout 2023:

- We continued to invest in our TSMs by providing both formal and informal learning opportunities;
- Continued expansion of our formal mentorship program;
- Enhanced Company-wide recognition, including our Teddy Philson Team Schein Award, which was redesigned in 2023 to provide more visibility and meaningful recognition to TSMs who exemplify our Team Schein Values; and
- Rolled out an enhanced Onboarding Program that provides TSMs with strategic programming to help ensure a successful start to their careers at Henry Schein, including the launch of our Culture Ambassador Program.



ONBOARDING

In 2023 in the U.S., Canada, UK, and Ireland, we launched "The New TSM Experience: Henry Schein's Onboarding Program," to improve the overall process by which new TSMs are welcomed to the Company. This program provides an enhanced one-year onboarding experience and intentionally connects new TSMs to the Company's culture, accounting for the evolution of our new work environments in hybrid and remote settings. A comprehensive and consistent new TSM experience positively impacts our retention of TSMs who are within their first year and beyond. This program supplements the functional, business and/or site-specific onboarding a new TSM completes with their manager.

Welcome Packages – As a tangible and intentional means to welcome New TSMs to Henry Schein, TSMs receive welcome packages that align to the Company's mission, culture, and values within their first quarter of employment.

Quarterly New TSM Cohorts & Programs – To build community and connection for our new TSMs, quarterly cohorts have been designed where TSMs will attend monthly and quarterly networking events and programming that provide enrichment opportunities for the new TSM to meet senior leadership and enhance their understanding of Henry Schein, including our structure, strategy, and culture.

Engagement with the Culture Ambassador Program (CAP) – Culture Ambassador Program ("CAP"), which has three major objectives:

- Recognize TSMs who embody Team Schein Values each and every day;
- Connect new TSMs to what makes Henry Schein a great place to work; and
- Cultivate and evolve our Team Schein Culture.

In our first cohort that launched in early 2024, 150 nominated and selected TSMs went through a formal certification program to enhance their knowledge about the history and current culture initiatives that make up Team Schein. These certified ambassadors now serve as mentors, where they are paired with a new hire for their first 90 days to engage that new hire with the Company's culture and provide individualized support during their onboarding. These ambassadors also serve as engagement champions throughout the Company.

New TSM Surveys – As part of the Company's continuous listening program, new TSMs will be invited to complete surveys via email throughout the onboarding program. This will enable the ability to assess the ongoing progress of the onboarding experience and ensuring data-led decisions for ongoing improvement.



VOICE OF THE EMPLOYEE

The Voice of the Employee (VoE) Program, launched in 2023, is designed for continuous listening and gathers team sentiment and feedback so that we focus on the appropriate priorities. We want to drive better experiences that reinforce our Team Schein Values. TSMs are invited to take various surveys throughout the year with an opportunity for all TSMs to participate annually in The Pulse Global Culture Survey.

In 2023, The Pulse Global Culture Survey was redesigned to measure scores aligned to our Team Schein Values. More than 15,000 TSMs provided their feedback. We learned that the majority:

- Are aligned to "Intend to Stay with the Company for 5+ years";
- Enjoy a meaningful work experience and our culture overall;
- Are aligned with our Team Schein Values and our strategic direction; and
- Appreciate our D&I and Corporate Citizenship efforts.

We also learned that we have the opportunity to improve in the following areas:

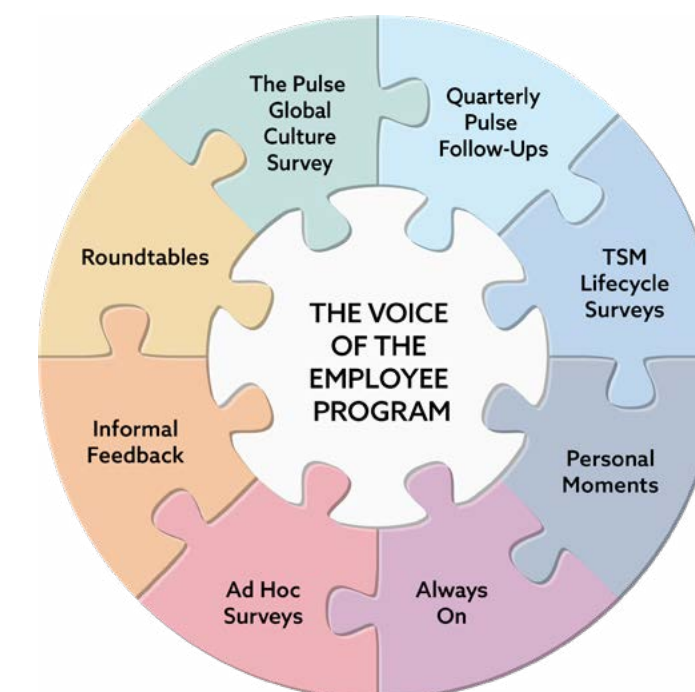
- Reducing stress and burnout amongst team members;
- Providing clearer direction for career paths and growth opportunities;
- Increasing transparency throughout the Company; and
- Providing better technical tools and resources to support job performance.

RECOGNITION, FEEDBACK, AND PERFORMANCE

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. Examples of financial recognition may be bonuses paid in addition to fixed salaries and the Henry Schein Service Award program, which recognizes TSMs for their years of service with the Company. An example 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.

To support the implementation of our Performance & Compensation Management Process, we have placed stronger emphasis on educating our TSMs on their role in the process by providing educational workshops and key resources for each specific phase of the process.

While some of these workshops are geared to U.S. TSMs, they are shared broadly, if others would like to join to have a consistent understanding of philosophy.



Key Resources for Performance and Compensation Management

Manager workshops:

- Establishing Performance and Goal Expectations with your Team;
- Continuous Performance Conversations with Your Team;
- Evaluating Performance of Your Team; and
- Salary Planning Education.

Workshops available to all TSMs:

- Understanding and Writing S.M.A.R.T. Goals; and
- Performance Management at Henry Schein.

Specific Resources

(New or Stronger Emphasis on Sharing):

- Manager Guide: The Performance Management Process;
- TSM Mid-Year Check-In Phase Overview; and
- Manager Tool: Gathering Performance Feedback.



The Teddy Philson Team Schein Award was created in honor of Teddy Philson and the Team Schein Members who make Henry Schein more than just a place to work.

This award is for Team Schein Members who not only embody our Team Schein Values, but also inspire these values in others.

PROFESSIONAL DEVELOPMENT

Our Organizational Development (OD) function is dedicated to supporting business objectives focused on human capital development, including leadership development and talent planning. It offers formal workshops to TSMs, including opportunities to connect with colleagues cross-functionally to share best practices.

Our OD Talent Planning efforts support the creation of a strong leadership pipeline across the organization and help engage, develop, and retain 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. Our Board of Directors is provided with periodic updates regarding our talent and succession planning and participates in professional development activities with our TSMs.

Information derived from our Talent Planning efforts informs curriculum design and content so that the right capabilities are developed to meet 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.

During 2023, 47% of our Directors and Vice Presidents signed up to mentor through our Enhanced Mentorship Program, with 530 mentor/mentee matches achieved. Two percent of TSMs who signed up requested their mentor be from an underrepresented group. Our Women's Leadership Network parental mentorship program further strengthened our D&I and mentorship goals ([read more on page 20](#)). We launched "Mentoring Reimagined" in the U.K. during the year, and plan to launch it in Brazil in 2024.



"I love the perspective that mentoring a TSM from another area [gives me]. I ask about their team's approach to overarching corporate goals and look to learn about the company through a different lens while I pour into a fellow colleague. It's a win-win."

– **Pam Gainey, Senior Market Development Manager, Mentor (Tatenda Mutamiri, Mentee)**



"I have enjoyed being part of the mentoring program and having access to other TSMs outside of my usual group. Pam has been an absolutely wonderful mentor and has done a great job of bringing me into the world of Marketing to understand her role better. Truly grateful for the shared experience."

– **Tatenda Mutamiri, Compensation Analyst, Mentee (Pam Gainey, Mentor)**

"The learning journey is clearly a mutual one. Our dialogue has been very open and authentic, providing me an opportunity to see the Team and Company through another important lens. Sharing some experiences of mine and discussing how personal and professional growth challenges and opportunities came my way has felt relevant during our dialogue."

– **Jim Breslawski, President, Mentor (Geoff Reabold, Mentee)**



"As my roles and responsibilities have grown, the mentoring program continues to serve as a helpful and effective tool year over year. Through it, I've cultivated a partnership – as well as a friendship – with a Mentor who has shared his own experiences as a lens through which I can consider situations I find myself in. It's these sort of deep, meaningful relationships that are part of the 'secret sauce' of being a TSM and make going to work each day not feel like 'work'."

– **Geoff Reabold, Senior Manager, Customer Success & Strategic Initiatives, Mentee (Jim Breslawski, Mentor)**

"I am so grateful to the mentoring team for facilitating such strong matches with both my Mentor, Lisa Kerr, and my Mentee, Nicole McKee. The opportunity to learn from TSMs who I trust and enjoy connecting with has been personally and professionally very fulfilling and I hope mutually beneficial. I've taken so many positive things away from both relationships, and to contribute to Nicole's career journey, whilst Lisa continues to help me challenge my own thinking so I can elevate my professional practice, has been truly rewarding!"

– **Helen Hart, Senior Human Resources Business Partner, Mentor (Nicole McKee, Mentee; Lisa Kerr, Mentor)**



"I find Helen to be extremely knowledgeable, supportive, and trustworthy. She helps me to see a different perspective and coaches me through situations that I don't feel I could talk to others about. I am very grateful to have her as my mentor."

– **Nicole McKee, Strategic Account Manager, Mentee (Helen Hart, Mentor)**

TRAINING

In 2023, training across our global operation totaled approximately 34,290 hours. U.S. TSMs recorded a total of 13,302 hours of education related to talent, leadership, and professional development, with approximately 64% of these completed by women. Education hours per are as illustrated below.

To enable more targeted development, we partnered with teams and individual TSMs to provide assessment tools that enhance self-awareness. This supported us in creating Individual Development Plans (IDPs), based on tools such as 360° assessment and Predictive Index. We also embedded resources that provide development and engagement guidance throughout our Organizational Development (OD) offerings. These included, for example, Manager Toolkits on guiding others and on performance management, Stay Conversations Guide, and Development Experiences Library.

GLOBAL TRAINING HOURS BY REGION



MEDICAL AND DENTAL SALES TRAINING

We provide in-depth and continuous training to our sales teams across the organization. Our goal is to build effective, consistent, and measurable training programs to drive business growth and job success, and support sales across the organization. We regularly update both the content and the delivery of these programs to improve the effectiveness of our training and create a positive learning experience. Other than the targeted medical and dental sales training featured below, we offered leadership and operational training to our sales leaders as well and will continue to expand our reporting across other businesses. Our leadership training totaled 2,453 hours to 150 leaders, and our operational training was offered to 754 attendees over 18,520 hours. Our total sales training in 2023 amounted to 78,684 hours of training. These achievements underscore our dedication to continuous learning and development, empowering our team members to deliver exceptional results in their respective roles. Our training teams will build upon this momentum.

DENTAL SALES TRAINING

In Dental Sales, our virtual training sessions delivered 380 hours of comprehensive learning to 111 dedicated attendees throughout North America. Additionally, our representatives logged 16,744 hours of training, which averages 151 hours per attendee.

Our U.S.-based, Henry Schein Digital Academy continues to offer a wealth of knowledge with 354 sales courses and 680 operational courses, achieving an average engagement of 1.15 hours per attendee.

Complementing this digital initiative, in-person training sessions were conducted, serving 151 attendees over 207 hours, averaging 1.37 hours per attendee.

MEDICAL SALES TRAINING

In Medical Sales, our New Hire program in the U.S. exemplified our commitment to excellence, delivering a comprehensive curriculum totaling 9,193 hours of training for 1,043 participants. This equates to an average of 8.8 hours per attendee, ensuring our new recruits are equipped with the necessary skills to excel in their roles.

Furthermore, we bolstered our training initiatives with 920 hours of webinar sessions leading up to our highly anticipated "Ignite" Workshop. This in-person event provided invaluable hands-on experience to 15 sales professionals, totaling 360 hours of intensive training.



COMPLIANCE TRAINING

Our Global Compliance Learning and Communications program uses a learning management system to educate all TSMs about significant business risks and our policies designed to mitigate these risks. This program reinforces that our TSMs are accountable for compliance every day. During 2023, approximately 23,000 TSMs were assigned curricula leveraging 19 unique learning courses and certifications in 15 languages. These learning courses cover a range of topics, and the curricula are tailored for different TSM groups based upon roles, organizational level, and location. In addition to our standard learning program, we reinforce key policies during "Compliance Month" annually by providing weekly communications. These weekly communications include messaging from senior leadership describing the importance of compliance. [Read more on page 39.](#)

CAREER TRANSITION

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, for our eligible U.S. TSMs, 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.



GOOD GOVERNANCE

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GOOD GOVERNANCE

At Henry Schein, our core values guide all levels of the organization in upholding high standards of corporate conduct in our business dealings around the world. We believe that our strong system of corporate governance provides the framework for the Company to achieve the long-term interests of all our stakeholders (our customers, stockholders, TSMs, suppliers and society).



[Learn more about Henry Schein's Good Governance](#)
[CLICK HERE](#)

OUR GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE: BOARD OF DIRECTORS

Our Board of Directors (Board) recognizes that one of its key responsibilities is to ensure that Henry Schein is governed in a manner that provides both oversight and efficient and prudent decision-making. Our Board has instituted several governance best practices to ensure effective oversight. For details about the general principles of corporate governance by which our Board operates, see our [Corporate Governance Guidelines](#).

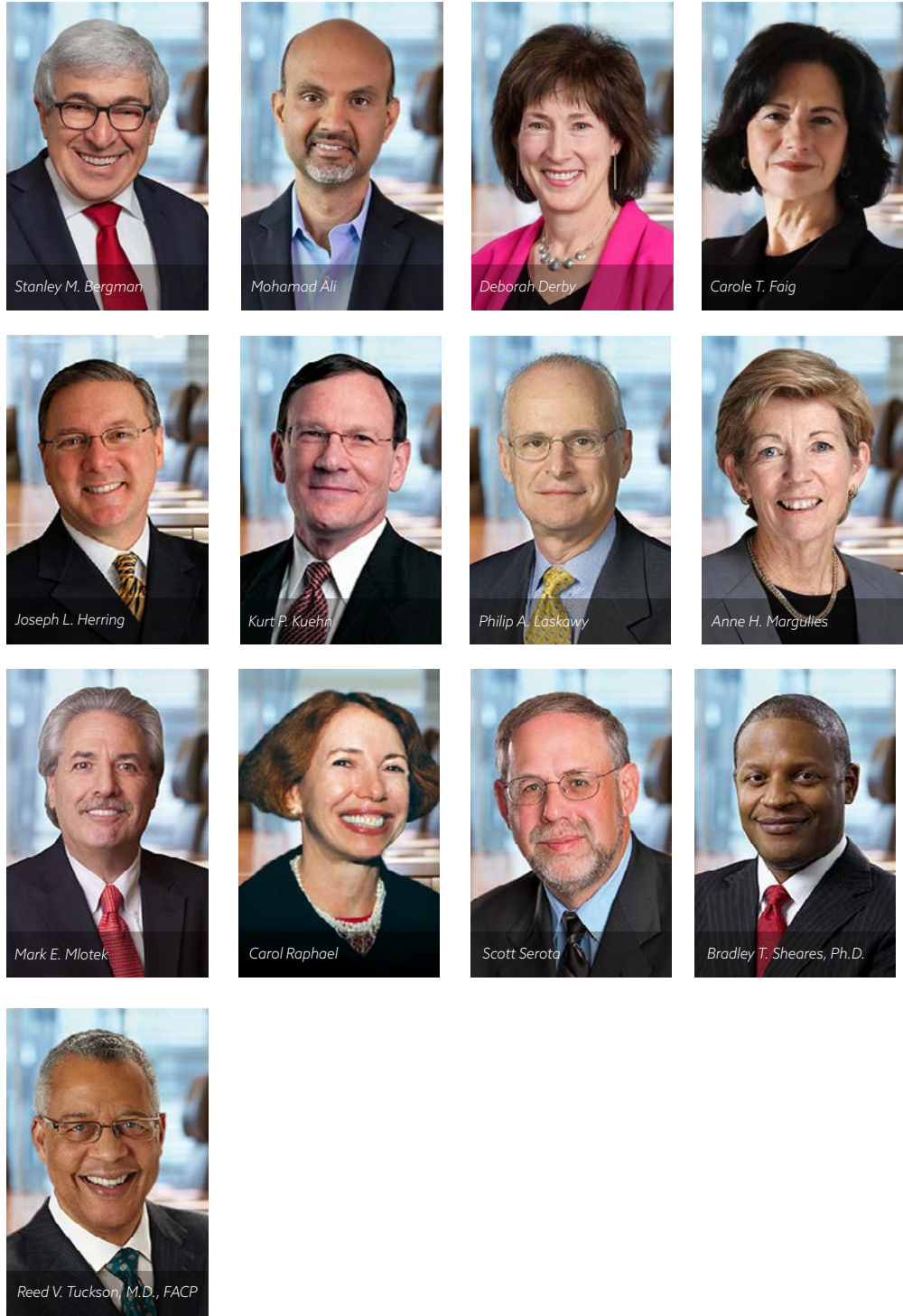
The Board (including through its Strategic Advisory Committee) takes an active role in overseeing the development and execution of our business strategy. The Board and executive management conduct ongoing reviews and discussions of the Company's strategy, goals, external environment, and key risks. We also engage with a variety of stakeholders on an ongoing basis and incorporate feedback as appropriate. To learn more about how our Board oversees corporate strategy and manages risk, [see pages 10-11 of our 2024 Proxy Statement](#).

For details about the composition of our Board of Directors, their skills, diversity, and backgrounds, [see pages 3-6 and 12 of our 2024 Proxy Statement](#).

SUSTAINABILITY GOVERNANCE

Our sustainability governance incorporates Board oversight, management accountability, corporate policies, and stated public policies and positions (including on key ESG topics). The Board helps structure goals in an effective, inclusive, and transparent way. This governance structure is well integrated into business strategy and operations and helps us identify and manage ESG as well as sustainability risks and opportunities to build a more resilient business.

Oversight of sustainability and ESG is led by our Nominating and Governance Committee, comprised solely of independent directors, and is incorporated within such Committee's charter. The management of ESG and sustainability matters is led globally by our Chief Sustainability Officer to ensure the appropriate leadership framework and resources are in place for our sustainability efforts. This role continues to be supported by our Sustainability Committee, a global cross-functional group of senior and middle management leaders. For details about our sustainability governance, [see pages 8-9 of our 2024 Proxy Statement](#).



Henry Schein Board of Directors
As of July 31, 2024



Since 2020, the Diversity & Inclusion Council has driven our Company-wide D&I strategy and helps prioritize efforts. This Council is comprised of a global cross-functional group of senior and middle management leaders with engagement from Anne Margulies and Dr. Reed Tuckson as our Board advisors, and Kelly Murphy, Senior Vice President and General Counsel, as our Executive Management Committee (EMC) sponsor.

Since 2022, the Environmental Impact Council has been tasked with driving, coordinating, operationalizing, and tracking our climate change and other environmental impacts. They also support our processes for risks, opportunities, and progress toward achieving strategic environmental goals. The Council is comprised of a global cross-functional group of senior and middle management leaders with Jim Mullins, Senior Vice President, Global Supply Chain, serving as the EMC sponsor and Kurt Kuehn serving as our Board advisor.

For more details, see our ESG indices on our reporting timeline and climate transparency. [See pages 7-11 of our 2024 Proxy Statement](#) for an overview of the structure, function, and performance of our Board and its independent committees.

For a summary of key sustainability and ESG progress, [see page 8](#).



OUR ETHICS & COMPLIANCE PROGRAM

Ethical behavior is one of our core Team Schein Values, and it is essential that we conduct ourselves with a high degree of ethics and integrity in all our actions.

Our Worldwide Business Standards and other Company policies are valuable ethical roadmaps for all TSMs. We also have a Speak-Up reporting process that encourages TSMs to seek guidance on compliance questions or concerns. An internal TSM or an external party can report any potential compliance issue or concern to our Compliance Helpline by phone, web portal, or directly to the members of the Compliance Committee or the Ethics & Compliance, Human Resources, or Legal departments.



Early in 2024, we launched an update of our Worldwide Business Standards (WWBS). Our latest WWBS includes enhanced content to address new and evolving topics. For example, we have enhanced content related to human rights protections in the supply chain, transparency around payments and transfers of value to health care professionals and entities, and data protection, among others, and provided more clarity on manager accountability for leading with integrity, thereby strengthening our governance system. To drive knowledge and awareness of our WWBS, additional resources are available such as video vignettes, case studies, decision trees, FAQs, interactive content, and an eLearning course.

During the same period, we also issued our Global Principles on Data Protection and Security and the Responsible Use of AI Systems. Data protection, the emerging role of AI, and the rising impact of social media on business were identified during our latest risk assessment as areas to continue addressing due to the rapid pace of change. We have also issued updated social media guidance for TSMs.



GOVERNING BODY AND EXECUTIVE MANAGEMENT

Our Ethics & Compliance (E&C) department provides reports to several committees on a quarterly basis, including management committees (e.g., the Compliance Committee and the Regulatory and Corporate Compliance Executive Steering Committee), as well as Board Committees (e.g., the Regulatory, Compliance and Cybersecurity Committee, and the Audit Committee). Through these committee sessions, the senior leadership and governing body demonstrate their commitment to establishing, implementing, evaluating, maintaining, and improving an effective and responsive compliance management system. For more information on our Audit Committee and Regulatory, Compliance and Cybersecurity Committee, see pages 7 and 10 of our [2024 Proxy Statement](#).

ETHICS & COMPLIANCE AMBASSADORS

Our Ethics & Compliance Ambassadors program was launched in January 2022 to afford the corporate Ethics & Compliance team greater connection to local businesses in EMEA and Asia. Ambassadors are nominated by local management to serve in this role for a two-year period. The program leverages the Ambassadors to cascade compliance-related information locally and to serve as a channel by which information about local operations informs priorities for the corporate Ethics & Compliance Program. Ultimately, the program seeks to ensure that our global operations have local ethics and compliance contacts speaking their languages and creating an effective network to further reinforce and enhance Henry Schein's Ethics & Compliance Program within local operations.



EDUCATION, TRAINING, AND COMMUNICATION

Our Global Compliance Learning and Communications program uses a learning management system to educate all TSMs about significant business risks and our policies designed to mitigate these risks. This program reinforces that our TSMs are accountable for ethical behavior and compliance every day. During 2023, approximately 23,000 TSMs were assigned curricula leveraging 19 different learning courses in 15 languages. These learning courses cover a range of topics, and the curricula are tailored for different TSM groups based upon roles, organizational level, and geography. In addition to our standard eLearning program, we reinforce key policies during "Compliance Month" by providing communications throughout the month. Communications are sent weekly along with messaging from senior leadership describing the importance of ethical and compliant behavior.

In addition to eLearning courses, the Ethics & Compliance team provides live training to select groups to address various topics and ethical dilemmas. The live training sessions may include videos, polling, and interactive case

studies. Topics may include appropriate interactions with health care professionals, anti-bribery and anti-corruption, antitrust, promotion and marketing of products, use of social media, conflicts of interest, handling of product complaints, etc.

eLearning courses are assigned to new and existing TSMs based on an established schedule. Training completion reports are run weekly, with notifications sent to both employees and management. Courses are reviewed on a regular basis by subject matter experts as laws or regulations are updated or developed. At a minimum, all courses are reviewed annually for accuracy.

For TSMs without computer access, course scripts and materials are provided annually for facilitators to run classroom-style training. Electronic training records are maintained within our learning management system. The team also collects and stores records of live training sessions held in person, with attendance sheets and materials provided.

[Please see page 35](#) for our overall approach to education, training, and communications for our TSMs.



SUPPLY CHAIN TRANSPARENCY AND ETHICAL CONDUCT

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. Our internal Supply Chain Transparency Working Group is focused on ongoing monitoring and implementation of human rights standards across our supply chain and for enhanced monitoring and auditing practices with our supplier partners. Please see our [Human Rights Statement](#) here. We also support and have implemented mechanisms to comply with various existing and emerging supply chain transparency laws, such as the Uyghur Forced Labor Prevention Act (2021), the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act, and the German Supply Chain Due Diligence (LkSG) Act.

We have a Global Supplier Code of Conduct in place to clarify our global expectations in the areas of business integrity, human rights, and employee health and safety. We monitor key suppliers' ethical and labor performance, whose adherence to our Global Supplier Code of Conduct is assessed through various approaches such as desk audits, site visits, business reviews, supplier scorecards, or other means. For our Asia-based Henry Schein brand supplier partners, we use our social accountability checklist related to child labor, forced labor, health, safety, facilities, working hours, wages, recruitment, etc. as the basis for the social aspects of our audit program. Since 2015, we have conducted audits throughout our supply chain with identified actions successfully addressed and closed. During 2023, we conducted a total of 71 audits, including 45 at our supplier sites in China, Malaysia, India, Korea, Taiwan, Thailand, and Indonesia.

CUSTOMER HEALTH AND SAFETY

We maintain high-quality standards and the Henry Schein Quality Policy reflects our commitment to quality at every level of the organization. As applicable, our facilities maintain worldwide-recognized Quality Management System certifications with the U.S. Food and Drug Administration (FDA) and International Standards such as ISO 13485:2016 or ISO 9001:2015. For our Corporate Brand products, we have received marketing authorizations from domestic and international agencies,

such as the FDA, Health Canada, European Medicines Agency (EMA), and Therapeutic Goods Administration (TGA), and our Quality Management System includes product and service information, labeling, marketing communications, as well as any potential non-conformance with product specifications.

Consistent with our quality commitments to support our global Corporate Brand product distribution, a total of 71 Supplier Audits and Surveys were conducted in 2023, of which 63 were onsite, three virtual and five desktop audits.

We routinely investigate, address, and close product quality complaints and adverse event reports within 90 days. Our quality complaint and adverse investigation processes also include monitoring proactively for potential product issues, regular reporting of any incidents to senior management, and continuous process improvement through corrective and preventive actions. Pursuant to our Quality Management Systems, we also have processes to train TSMs about conformance to quality standards and in the detection of product quality issues and adverse events.

We have procedures designed to help ensure compliance 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 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 regulatory authority clearance. During 2023, we approved 243 suppliers through this procedure and established quality agreements with them to specify regulatory and post-market surveillance responsibilities. Given that the FDA routinely audits pharmaceutical manufacturers, our quality agreements with these manufacturers require them to notify us of negative findings impacting any products that we distribute.

- **Communication of product safety and toxicity:** When 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. SDS are available on our on-line ordering platform.

- **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. The alignment with Chemtrec allows the SDS to be utilized by first responders in case of adverse exposure.

We have procedures designed to comply with FDA Risk Evaluation and Mitigation Strategies (REMS) for applicable drug products to the extent REMS's requirements 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, we continue to advance our efforts to comply with the European Union Medical Device Regulation (EU MDR). The EU MDR extension amendment was published in March 2023 in the Official Journal of the European Union. Henry Schein and our affiliates maintain their current project pathways despite the extension in order to successfully meet compliance requirements for extension dates of 2027 and 2028, dependent upon product classification.

We monitor the safe distribution of controlled substances and List I chemicals, conduct suspicious order monitoring, and employ "know your customer" due diligence on ordering these products. The goal of these processes is to help ensure 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. Our Verifications team conducts and tracks customer due diligence reviews with our Regulatory Affairs team conducting and tracking second-level due diligence customer reviews—all with a view to comply with the relevant DEA regulations. We seek to identify and address potential customer risks related to potential abuse or misuse of the controlled substances we distribute within the U.S.

One of the top categories in which Henry Schein receives accolades from customers is our quick, accurate shipping and delivery. In our 2023 fulfillment survey, 95% of global customers indicated they had received their order on time; 86% of customers also gave us a 9 or 10 when asked how satisfied they were with their order on a 10-point scale.

We have expanded the Henry Schein Voice of Customer (VoC) Program across new geographies and businesses throughout the organization to help us better listen, understand, and reply to customers of more segments. The VoC program is designed to gather feedback directly from our customers across key moments in their journey with Henry Schein.



COMMITMENT TO PRIVACY AND DATA PROTECTION REGULATIONS

At Henry Schein, data protection and privacy are important to us. Henry Schein is committed to protecting the personal information that our TSMs, customers, business partners, and other individuals have entrusted to us. With appropriate consent and safeguards, 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 and use established frameworks (e.g., privacy impact assessments, data sharing agreements) to help ensure compliance with applicable laws around the world.

We continue to monitor the development of new and emerging data privacy laws around the globe and implement activities that align with legal requirements where applicable. We do this by continuing to invest in resources and technology. In 2023, we developed and issued our Global Data Protection Principles, which affirms our commitment to protecting personal data and the privacy rights of TSMs, customers, business partners, and other individuals, and applies globally to all TSMs working for or on behalf of the Company to help ensure privacy practices are aligned with our Team Schein Values and data privacy legislation.

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.

The mission of our Office of Cybersecurity (OCS) (in partnership with the other functions of our Global Technology Solutions (GTS) team) is to oversee the operations of our cyber risk mitigation strategy (e.g., implement measures designed to help protect Company, customer, and supplier digital assets and help defend against cyberattacks). The OCS monitors cyber 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. The OCS is a cross-functional, enterprise-wide management team that continuously evaluates our global cybersecurity program's effectiveness and is focused on maintaining and protecting our information systems. In overseeing the operations of our cyber risk mitigation strategy, the OCS partners with our Global Technology Solutions team, which is led by our Chief Technology Officer ("CTO") and is comprised of more than one hundred professionals that support our information systems and operations. Our cyber risk mitigation strategy includes monitoring for and addressing risks that materialize within the Company's information systems, as well as at our third-party vendors, suppliers, and other third-party business partners.

Our Board of Directors has a Regulatory, Compliance and Cybersecurity Committee that focuses on cybersecurity oversight, together with other board committees, principally the Audit Committee. The

purpose of the Regulatory, Compliance and Cybersecurity Committee is to assist the Board by providing 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. The primary responsibilities of the Regulatory, Compliance and Cybersecurity Committee are to (i) discuss cybersecurity strategic decisions, issues, challenges, and opportunities relating thereto, (ii) provide expertise to guide assessment

and monitoring of Company-wide regulatory, corporate compliance and cybersecurity risk management budgeting, spending, and capital investment, (iii) monitor progress and status of the Company's regulatory, corporate compliance and cybersecurity risk management programs, (iv) review and evaluate major regulatory, corporate compliance and cybersecurity risk management initiatives to identify emerging and future opportunities for

synergy or to leverage regulatory, corporate compliance and cybersecurity risk management investments more effectively and cost efficiently, (v) report to the Audit Committee on regulatory, corporate compliance and cybersecurity risk management matters reviewed by the Regulatory, Compliance and Cybersecurity Committee that may impact the Company's financial reporting and (vi) be generally available to, and communicate with, the Company's senior management, and to inform the Board in the areas described above. Our Chief Information Security Officer and CTO, along with other key executives, who are part of our Executive Steering Committee, review strategy, policy, program effectiveness, standards, enforcement, and cybersecurity 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. Our Chief Technology Officer meets with Board members outside of formal meetings on a regular basis as well as in connection with specific cybersecurity issues or threats.

Our cybersecurity risk management program includes, among other elements:

- risk assessments designed to help identify material cybersecurity risks to our information systems;
- a security team principally responsible for managing our (i) cybersecurity risk assessment processes, and (ii) defining cybersecurity control standards;
- the use of expert external service providers to assess, test, or otherwise assist with aspects of our cybersecurity controls, and to respond to specific cybersecurity threats;
- the review and assessment of past cybersecurity incidents with a view to learning from those events to further strengthen our cyber risk mitigation strategy;
- a written cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a Global Information Security Policy, together with more detailed information regarding security policies, procedures, standards, and guidelines.

Additionally, all employees with systems access are required to participate in mandatory annual cybersecurity

and anti-phishing courses, along with compliance programs. Plus, our employees who perform financial gatekeeper roles receive additional mandatory annual data security training specific to spoofing, phishing, and similar data security threats. Per written Company policies, employees are also required to safeguard confidential information.

Our cybersecurity risk strategy is integrated into our overall enterprise risk management program, and our cybersecurity team is supported by and connected with the enterprise risk management team.

Our Cyber Risk Mitigation Strategy is designed so that the Company's cybersecurity program is aligned with generally accepted cybersecurity standards and frameworks (e.g., NIST CSF, ISO27001).

In addition to immaterial and unrelated prior incidents at certain of our subsidiaries, in October 2023, Henry Schein experienced a cybersecurity incident that primarily affected the operations of our North American and European dental and medical distribution businesses. Once we became aware of the issue, we took steps to assess, contain, and remediate this incident. We restored affected systems and applications, our distribution operations resumed, and we reactivated our ecommerce platform. We also determined that the threat actor obtained personal and sensitive information maintained on our systems belonging to certain third parties and we have notified affected and potentially affected parties as appropriate.

It is part of the mission of our cybersecurity risk mitigation strategy to constantly evolve our cybersecurity defenses to adapt to evolving risks, and to learn from prior incidents, and we have evaluated and continue to evaluate the incident with the assistance of third-party expert consultants. Members of the Audit Committee and Regulatory, Compliance and Cybersecurity Committee of our Board of Directors have conducted a review of the cybersecurity incident, including the measures undertaken in response to the incident. [Please see pages 39-41 of our Form 10-K](#) for our 2023 fiscal year, and [pages 10 and 32 of our Quarterly Report on Form 10-Q](#) for our first quarter of this year for more details.



ESG MATERIALITY AND STAKEHOLDER ENGAGEMENT

AN INCLUSIVE APPROACH

We 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. The input of stakeholders, 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.

Stakeholders, particularly stockholders and other investors, can communicate with the Board 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, if applicable, and/or senior leadership and reports back to the inquiring party, as appropriate.

In fiscal 2023 and into early 2024, we continued to have conversations with stockholders (holding a total

of approximately 35% of our outstanding common stock in the aggregate) focused on a range of topics, including executive compensation, corporate governance, corporate social responsibility, and sustainability initiatives. With respect to corporate governance and executive compensation matters, we offered such engagement with stockholders of approximately 28% of our outstanding common stock in the aggregate and met with stockholders representing approximately 19% of our outstanding common stock in the aggregate. Such engagement was led by Philip A. Laskawy, the Chairperson of our Nominating and Governance Committee/Lead Director, and each such meeting was attended by Mr. Laskawy as well as our Corporate Secretary, our Vice President of Investor Relations, and our Vice President, Chief Sustainability Officer. During that same period, we also engaged with stockholders representing an additional approximately 16% of our outstanding common stock in the aggregate to discuss environmental, social, and governance, among other matters, and our CEO participated in such engagements with stockholders owning more than 12% of our outstanding common stock in the aggregate. Perspectives from our stockholders included support for our overall governance structure. We also heard positive feedback on our Board

refreshment, including a balance of tenures and expertise. Additionally, stockholders were complimentary of our ESG progress to date, including the publication of our 2022 Sustainability and Corporate Social Responsibility Report in accordance with Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) standards, as well as our second Task Force on Climate-related Financial Disclosures (TCFD) report and disclosure of EEO-1 data. We are encouraged to see continued investor interest in 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 10-16](#).

ESG MATERIALITY ASSESSMENT

We initiated our first formal ESG materiality assessment in 2020. The assessment was targeted, scoped, and informed by the Global Reporting Initiative (GRI) standards, including the GRI definition of materiality, which differs from traditional financial materiality. A follow-up ESG materiality assessment was done in 2023 to update our 2020 findings. We engaged with a wide range of stakeholders for input. Our Sustainability Committee reviewed the findings, and members of the Company's EMC also provided input and feedback. The insights we gained have helped shape both our 2022 and 2023 reports, and the Company's overall strategies for managing risk and creating long-term value. Read more in our [2022 report](#).

Looking forward, we recognize that the reporting and standards universe is evolving, and aim to apply new methodologies—such as Double Materiality Assessment (DMA) required for compliance with the CSRD—to our ESG approach. The DMA helps companies identify which sustainability matters are most important to the organization and its stakeholders by evaluating their impact on environmental and social factors (inside-out perspective), while also considering how these factors influence the organization (outside-in perspective). As part of our preparation for compliance with the ESRS disclosures to support the CSRD, we plan to conduct a DMA in the near term.

CORPORATE CITIZENSHIP BAROMETER

We launched our Corporate Citizenship Barometer in 2023 to better understand and quantify how our key stakeholders perceive the Company's environmental and social sustainability priorities, commitments, and impacts. We plan to update the Barometer annually, with the twin aims of applying learnings to the business and improving stakeholder awareness and sentiment.

We surveyed more than 16,000 respondents across the stakeholders comprising our mosaic of success: customers, suppliers, TSMs, investors, community partners, and professional associations. We gauged how important these issues are to the stakeholders, and whether they feel Henry Schein is committed, is having impact, and is focusing on issues relevant for a health care solutions company. Open-ended comment boxes allowed for richer feedback from stakeholders.

Some key findings of our inaugural Barometer report:

- Investors perceive progress at Henry Schein across multiple metrics of corporate citizenship;
- Customers and suppliers rate these topics as very important to them, but don't want us to lose sight of the importance of quality customer experience;
- TSMs want more opportunities to engage with these issues; and
- Professional associations and community partners appreciate our investments in the community.

We also learned that many of our stakeholders, particularly our customers, are under-informed about our work on these topics; that our suppliers welcome opportunities for more collaboration; and that our TSMs differ slightly in their understanding and attitudes of Henry Schein's efforts across geographies.



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 EMC is responsible for oversight and active management of material 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. Risk oversight is provided by a combination of our full Board and by the Board's independent committees.

ENTERPRISE RISK MANAGEMENT AND CONTINUAL IMPROVEMENT

Key enterprise-level risks are overseen by the full Board of Directors and our enterprise risk management process is overseen by the Audit Committee. Business unit and corporate functional group leaders are charged with managing risk within their realms through ongoing internal processes and controls. In addition, the Company conducts reoccurring enterprise-level risk assessments covering strategic risks, operational risks, technology risks, financial risks as well as legal, regulatory, and compliance risks. We review and strengthen strategies and plans and continuously measure such programs to address relevant identified risk factors. For example, the Company's current BOLD+1 three-year strategic plan addresses the top enterprise level risks identified in the corresponding enterprise risk assessment exercise conducted. In 2023, the Ethics & Compliance team continued to partner with

management to execute risk mitigation plans based upon the results of the biennial 2022 global ethics & compliance risk assessment. The results of the risk mitigation plans from the biennial ethics & compliance risk assessment are regularly reviewed with the Board's Regulatory, Compliance, and Cybersecurity Committee. The next ethics & compliance risk assessment is scheduled to be conducted in the Fall of 2024.

Also in 2023, we consolidated and managed our various risk assessments and mitigation plans into one enterprise-wide overview, for a more holistic approach, and to further strengthen our management of strategic risks, including ESG and sustainability risks and opportunities for the Company. As part of this, we formalized our Enterprise Risk Management Committee and support structure in 2023, designed to enhance the integration of the Company's identification, measurement, monitoring, mitigation, and reporting on the key enterprise-level risks cited above. We track a broad array of qualitative as well as quantitative inputs for identifying and elevating relevant risks globally to the Company's Enterprise Risk Management Committee.

See the TCFD section of our [2023 ESG Indices](#) for more details on how our enterprise risk management process supports our management of ESG issues, including climate matters.

ENHANCING OUR UNDERSTANDING OF CLIMATE RISK

Any company must consider that climate change could affect its operations and supply chain by damaging assets and interfering with the supply chain (physical risks), or through existing and emerging technological, regulatory, and market impacts (transition risks). Other resource dependencies include access to energy and fuel, raw materials, transportation infrastructure, and human capital, each of which can be impacted by climate change.

We conducted a physical and transition risk assessment from late 2022 to mid-2023 to better understand how the business may be impacted in the future by sea level rise, flooding, water stress as well as market and policy developments.

Our assessment involved a qualitative scenario analysis for three climate scenarios. It covered physical risks facing our

key distribution centers and headquarters (29 properties across 16 countries), as well as transition risks and opportunities under a different set of three scenarios (see below).

We believe that both transition and physical risks will be relevant for the Company, with the level of risk, impact and resilience dependent on the level of decarbonization that the industry is likely to go through under each climate scenario, and the different phases of our journey on each climate pathway.

The three climate scenarios selected for our physical risk assessment are provided by the Intergovernmental panel on Climate Change (IPCC) and are comprised of the Representative Concentration Pathway (RCP) low (2.6), moderate (4.5), and high (8.5) scenarios for 2020-, 2030-, and 2050-time horizons. At a high level, the results showed a small number of our properties to be at high risk of sea level rise flooding, or water stress, and one property at high risk for wildfire. An insignificant number of properties are currently at high risk for heatwave or cold wave.

We also identified several key transition risks and opportunities. Risks were related to the cost of fuel prices (both in the form of direct market costs from our fleet, and supply chain market costs from our transportation partners) as well as policy and legal risks linked to carbon pricing. Opportunities were mostly related to fossil fuel cost savings linked to the use of alternative fuel vehicles such as electric vehicles, as well as potential savings in carbon costs through the reduction of emissions from Canadian distribution centers linked to a reduced consumption of natural gas.

We used three common climate scenarios to inform projections and financial impacts from transition risks:

- **Current Policies** scenario (lowest level of economic change, assuming a global mean temperature rise of 4°C).
- **Nationally Determined Contributions** (NDCs) scenario (medium level of economic change, assuming all pledged country targets (i.e., Paris 2015) are reached).
- **Net Zero 2050 scenario** (highest level of economic change, limiting global warming to 1.5°C by reaching net zero emissions by 2050).

For fuel costs, we observed a potential reduction of costs over time under all three scenarios, but the scenario with the highest level of economic change and decarbonization offered us the highest and fastest-falling cost reductions (\$2.6 million between 2025 and 2050 in the Net Zero 2050 scenario, contrasted against \$1.3 million in the same period in the Current Policies scenario, with the reductions under the NDC scenario in between at \$1.6 million).

Carbon pricing also showed decreasing costs over time under all scenarios (highest carbon fees were estimated for 2025, with a downward trend to 2050), but the steepest decline (of \$1.46 million, or 77%) was observed in the Net Zero 2050 scenario, given the highest initial pricing in 2025 and the lowest in 2050.

Supply chain transport costs did not demonstrate significant change between the 2025 and 2050 figures, but trends showed an initial price drop in the mid-term before a slight increase to 2050, providing mid-term opportunities for cost savings but potentially higher costs in the Net Zero 2050 scenario in the long-term toward 2050.

We are incorporating our findings into our overall risk management processes.

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 several sustainability and ESG ratings and platforms, including CDP, Ethisphere, Human Rights Campaign Corporate Equality Index, MCSI, 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 third (and most recent) TCFD report is now publicly available within the [2023 ESG Indices](#). In future years, our TCFD disclosures will be merged into and replaced by our IFRS sustainability disclosures and according to any new standards, given the evolution in sustainability reporting.

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ABOUT THIS REPORT

This 2023 Sustainability report covers the fiscal year January 1, 2023 to December 30, 2023. Our previous report was published on July 26, 2023 for the fiscal year January 1, 2022 to December 31, 2022.

The data in this report relates to 2023 with historical data including certain data underlying our KPIs provided for comparison and to show progress. Where indicated, certain data or progress statements relate to 2024. For more information specific to our greenhouse gas emissions (GHG) reporting, [please see Basis for GHG Reporting](#).

As we continue to evolve in our environmental, social and governance (ESG) data journey, key foundational, qualitative content can be found on our website, which typically does not include year-on-year changes. Our ESG Indices, in addition to our annual Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) indices, also contain more detailed 2023 technical information. Our TCFD stand-alone report has been incorporated in the ESG indices as well (and from 2025 will be embedded in ISSB disclosures).

This report has been prepared in accordance with the GRI Standards as well as SASB - Health Care Distributors Standard (October 2018) for the period mentioned above. We believe these frameworks offer the best way to present our environmental, social and governance (ESG) information in a transparent, consistent, and accurate way.

We have applied the reporting principles specified in section 4 of GRI 1: Foundation 2021, reported on

disclosures in GRI 2: General Disclosures 2021 (omissions are highlighted), and determined our material topics for reporting according to section 1 in GRI 3: Material Topics 2021 (no sector-specific GRI standard is currently applicable to us). For SASB, the Health Care Distributors Standard (October 2018) is most relevant to our Company, and we have reported against this.

Our material sustainability issues are identified and updated as necessary through various internal and external processes, including our ESG materiality assessment, which was most recently conducted in 2022. We aim to conduct a double-materiality assessment by 2025 in preparation for CSRD reporting requirements.

Our report content is defined through various internal and external processes such as our material sustainability issues, internal focus areas and priorities, including our future goals and targets ([see page 8](#)), external standards and transparency requirements ([see page 43](#)), and mapping our business against the UN Sustainable Development Goals.

The entities and geographies included in this report represent the operations and activities most relevant for which we have meaningful and available data concerning our sustainability performance. However, depending on data availability and significance, they do not reflect 100% of the entities included in our financial report. Most data are reported at least for our distribution centers globally, where our most relevant sustainability impacts lie. For our GHG data, in compliance with the GHG Protocol

and the requirements of setting science-based targets (SBTs), we have included all relevant facilities within our organizational boundary using the operational control approach ([see Basis for GHG Reporting](#)).

We continue to work on expanding our reporting on material ESG data to all relevant locations worldwide. We aim to achieve this with streamlining, digitalizing and centralizing our information globally in the future.

Environmental data reported this year includes:

- Scope 1,2 and 3 GHG emissions for all relevant facilities and activities within the chosen boundary ([see Basis for GHG Reporting](#)),
- Energy, waste, and water for all our Distribution Centers (DCs) in North America, South America, Europe, Australia and New Zealand, as well as our Melville office in the U.S.
- Water is not reported for our Denver, Reno, Calgary and Vancouver DCs, due to data not being available. None of these omissions significantly impact the consolidated performance of our DCs.

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 90% of our U.S. TSMs as well as those based in the UK

and Ireland (i.e., where we have centralized reporting systems).

- Equal Employment Opportunity (EEO-1) data relates to our U.S.-based TSMs and is updated on our website each year following the EEOC certification period to show prior year data.
- Health and safety data is reported for North America, South America, Europe, Australia and New Zealand.

LIMITED ASSURANCE

Following an assurance readiness review in 2022, we commissioned limited assurance through a third party in 2023 for select climate data. [See the report here](#). We are using the findings to strengthen our reporting systems and continue to use our systems of internal control to help verify the accuracy, quality, and completeness of reported data.

BASIS FOR GHG REPORTING

In the body of the report, we have noted where data may no longer be comparable to historical data and provided corresponding explanation. We have restated our 2022 GHG data published in our previous CSR report, to align our reporting with the GHG Protocol and establish our 2022 baseline for science-based targets (currently awaiting validation). [See more information here](#). 2023 GHG data is comparable with the restated 2022 data, but not with our previously published 2022 data. No other material restatements have been made in the report.



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. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the documents we file with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K. Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: 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, as well as significant demands on our operations, information systems, legal, regulatory, compliance, financial and human resources functions in connection with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; adverse changes in supplier rebates or other purchasing incentives; risks related to the sale of corporate brand products; security risks associated with our information systems and technology products and services, such as cyberattacks

or other privacy or data security breaches (including the Company's October 2023 cybersecurity incident); effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; 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, recession, ongoing wars, fluctuations in energy pricing and 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; geopolitical wars; 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; risks associated with customs policies or legislative import restrictions; risks associated with disease outbreaks, epidemics, pandemics (such as the COVID-19 pandemic), or similar wide-spread public health concerns and other natural or man-made disasters; risks associated with our global operations; litigation risks; new or unanticipated litigation developments and the status of litigation matters; 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.