



Resilience for a Healthier World

2020 Sustainability and
Corporate Social Responsibility Report



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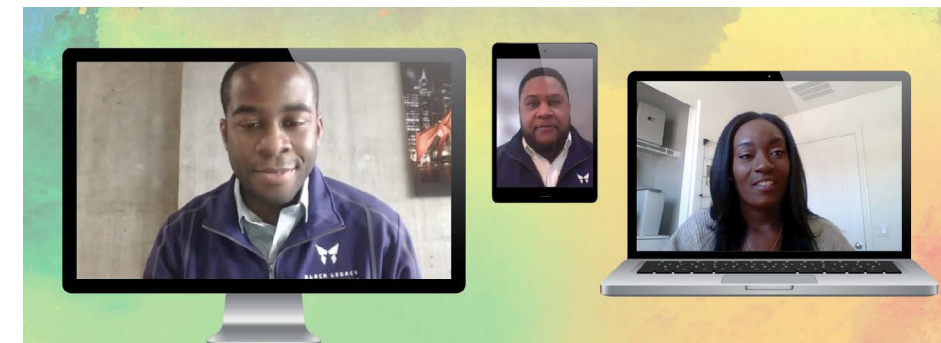
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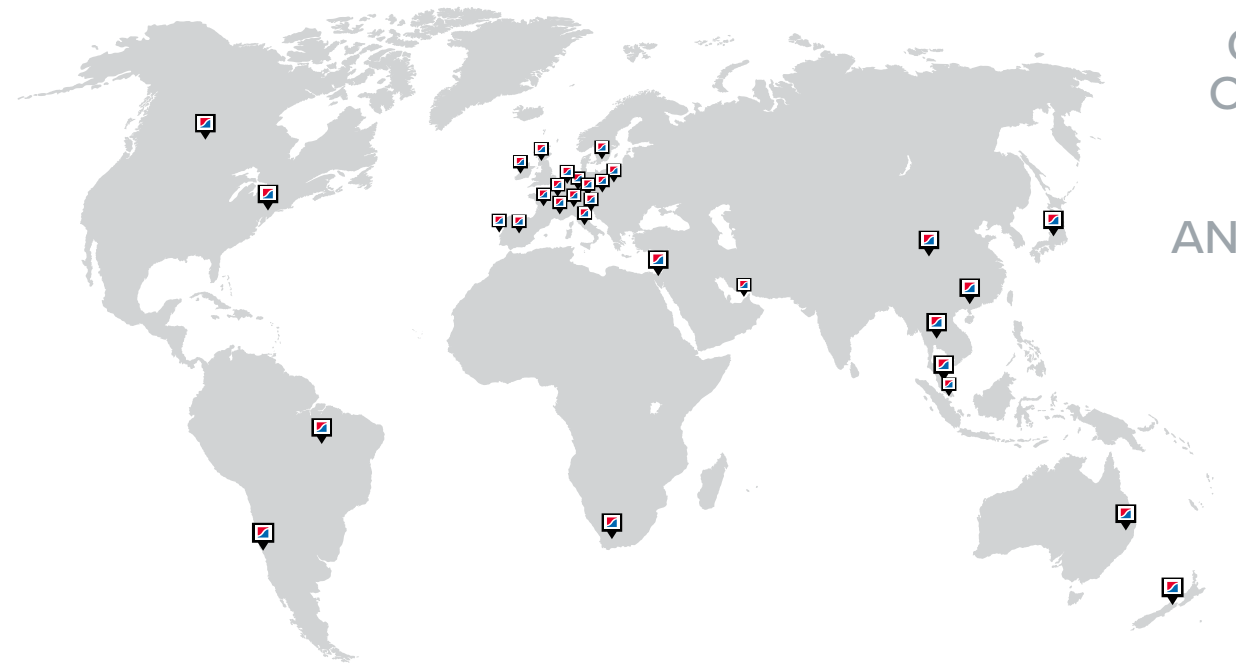
About Henry Schein, Inc.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 19,000 Team Schein Members worldwide, as of the end of fiscal 2020, the Company’s network of trusted advisors provides more than one 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 and medical laboratories, government and institutional health care clinics, as well as other alternate care sites.

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

A FORTUNE 500 Company and a member of the S&P 500® index, Henry Schein is headquartered in Melville, N.Y., and has operations or affiliates in 31 countries and territories. The Company’s sales reached \$10.1 billion in 2020, and have grown at a compound annual rate of approximately 12 percent since Henry Schein became a public company in 1995.

For more information, visit Henry Schein at www.henryschein.com, [Facebook.com/HenrySchein](https://www.facebook.com/HenrySchein), and [@HenrySchein](https://twitter.com/HenrySchein) on Twitter.



OPERATIONS
OR AFFILIATES
IN 31
COUNTRIES
AND TERRITORIES

28
DISTRIBUTION
CENTERS

120,000
PRODUCTS IN STOCK

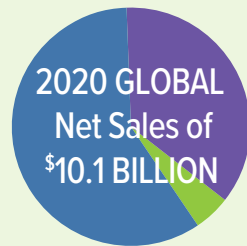
180,000 ADDITIONAL
PRODUCTS
AS SPECIAL-ORDER
ITEMS

AVERAGE OF
128,000 CARTONS
SHIPPED DAILY

MORE
THAN 3,200
SUPPLIER
PARTNERS

SERVING
MORE THAN
1 MILLION
CUSTOMERS

Henry Schein at a Glance



- 59% DENTAL
- 36% MEDICAL
- 5% TECHNOLOGY & VALUE-ADDED SERVICES

FORTUNE 500 Ranking
of the Largest U.S. Corporations
(16 Years)

A FORTUNE WORLD'S
MOST ADMIRABLE COMPANY
(20 Years)

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

COMPONENT OF S&P 500® INDEX
(5 Years)



2020 net sales of \$5.9 billion*

DENTAL

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

Growth Opportunities:

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



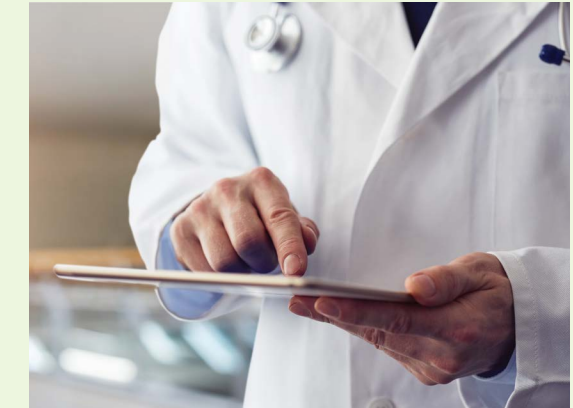
2020 net sales of \$3.6 billion

MEDICAL

A leading U.S. distributor to health care providers in multiple segments: alternate-site practices; ambulatory surgery centers; laboratory; public safety; government; and health systems

Growth Opportunities:

- Increasing penetration organically and through acquisition
- Continued focus on large accounts, health systems, and surgery centers
- Focus on specialty segments and solutions
- Create unique offering with supply partners
- Select international opportunities



2020 net sales of \$514 million

TECHNOLOGY & VALUE-ADDED SERVICES

A leader in practice management, patient relationship management, and patient demand generation solutions for dental practices

Full-service provider of financial services

Growth Opportunities:

- Increasing penetration with existing customers
- Geographic expansion
- Ability to serve large group practices
- Continued focus on facilitating financial services for technology investments and office expansion

*Excludes sales to Covetrus under the transition services agreement entered into in connection with the spin-off of our animal health business, which ended in December 2020.

Financial data as of fiscal year-ended, December 26, 2020.

From the Chairman of the Board and Chief Executive Officer

A year of unprecedented challenges, 2020 starkly illustrated the wisdom and necessity of Henry Schein's long-standing commitment to engaging our key stakeholders to fulfill our mission as a purpose-driven company. Only by holding ourselves accountable to all of our stakeholders—our customers, Team Schein Members (TSMs), supplier partners, shareholders, the communities in which the Company has operations, and society at large—have we been able to build the trusted partnerships that have proved so critical in navigating the present crisis and contributing to building a stronger and more resilient health care system to promote a healthier world.

Henry Schein is a global health care solutions company that sits at the nexus of 3,500 manufacturers and more than one million health care providers to support approximately one billion patients. The alignment of our core strengths as a business with society's needs has never been more critical to building a sustainable future for all. Throughout 2020, we focused on ensuring the health, safety, and well-being of our TSMs across the globe while helping our customers through the closing and cautious re-opening of their practices. In light of significant disruption to the health care supply chain, we worked around the clock to fill orders and ensure our customers had access to critically needed products such as personal protective equipment (PPE) and COVID-19 tests. And we worked in close partnership with the health care supply chain industry, multi-lateral and non-governmental organizations, and governments to secure and deliver supplies to those most in need.

Even as we tackled the unprecedented challenges created by the pandemic, we also continued to accelerate progress along our Environmental, Social, and Governance (ESG) journey—one that began with the sense of purpose and commitment to values instilled at our founding 89 years ago. This journey led to the creation of Henry Schein Cares, our global corporate social responsibility (CSR) program in 2001, and later to our co-founding of the Center for Higher Ambition Leadership.

Today, we continue to deepen our sustainability efforts by formalizing our policies, setting goals and targets for our ESG ambitions, and making steady and measurable progress toward these goals each year. To this point, we are pleased to announce our commitment to the UN Sustainable Development Goals (SDGs). While we aspire to a holistic contribution to such goals, we recognize that we have stronger, more meaningful links to certain SDGs, out of the UN's total 17 SDGs, based on our ability to influence them positively, and their impact on our business. The five SDGs that align most with our business and core competencies are: SDG 3 to ensure healthy lives; SDG 8 to promote decent work for all; SDG 12 to ensure sustainable consumption and production; SDG 13 to combat climate change;

and SDG 17 to strengthen global partnerships for sustainable development. To learn more about our commitment, please see [page 14](#).

Our resilience in the face of the current crisis is a testament to the spirit of Team Schein and our deep commitment to meeting the changing needs of our customers—and has defined our Company since our founding in 1932 at the depths of the Great Depression. From helping our customers strengthen infection-control practices in response to the growing threat of HIV/AIDS in the 1980s to our prominent role in promoting the integration of oral health into overall health, and fostering diversity in the health professions through collaborations for over three decades to our position today in advancing a myriad of essential public-private partnerships, Henry Schein has long been a leader in cultivating resilience among and creating shared value with all our stakeholders.

Henry Schein will continue to champion our socially responsible and sustainable approach to business to ensure that our Company, our stakeholders, and our world are better prepared—not only to face future global health risks, but also to build a healthier, more inclusive, and more prosperous future for all.



Dr. Marion Bergman and Stanley Bergman

Stanley M. Bergman

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

Responding to COVID-19

The extraordinary challenges presented by the COVID-19 pandemic palpably demonstrate the fundamental importance of our long-standing commitment to aligning the needs of all of our stakeholders and supporting and building resilience among our TSMs, our customers, our supplier partners, shareholders, and society. From safeguarding the health and safety of our TSMs and implementing new ways of working, to strengthening the global health care supply chain and helping our customers navigate a significantly altered health care landscape, we remained steadfast in our commitment to supporting the needs of all our stakeholders while positively impacting health around the world.



Our response to COVID-19 included:

Team Schein resilience

At the outset of the COVID-19 pandemic, our first priority remained safeguarding the safety and security of Team Schein while also ensuring our ability to continue serving our customers—some of whom have been on the frontlines in battling the pandemic. These included:

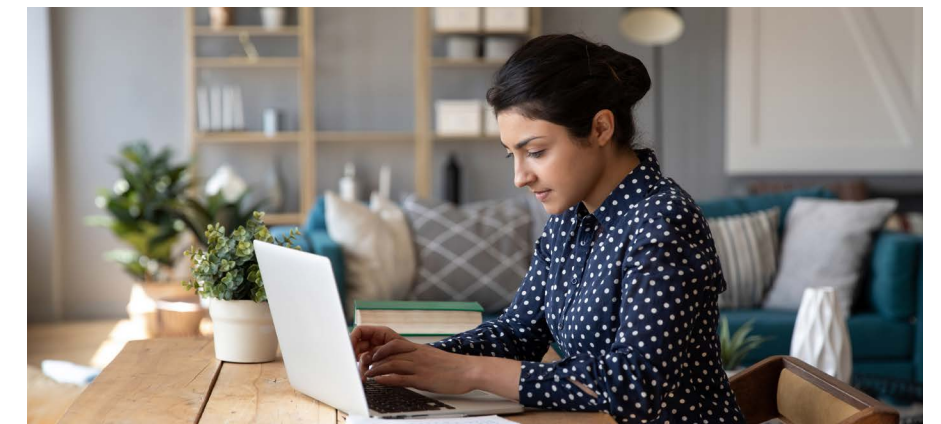
- Adopting broad work-from-home policies, along with flexible work practices, for TSMs in our administrative functions
- Implementing extensive cleaning and sanitation processes at our manufacturing and distribution facilities
- Instituting social distancing and face mask policies for all TSMs in our facilities, including our customer-facing field sales consultants and equipment service technicians
- Providing guidelines to our customer-facing field sales consultants and equipment service technicians for when they visit customers on-site
- Investing in equipment, technology, and security upgrades to protect our information and enhance our team's ability to work remotely
- Centralizing and coordinating communications that support the health of TSMs and their families

"I feel I have a great responsibility; in many cases, a lot depends on my work."

—Mario Diaz,
Bielsko-Biala,
Poland Distribution Center



- Implementing a “Re-Entry Into the Workplace” workstream that includes TSMs from across the Company to explore how best to return TSMs to the workplace
- Holding regular virtual Global Town Halls for all 19,000 TSMs to stay connected and provide answers to questions from our TSMs
- Mobilizing our Employee Resource Groups through global virtual programming and networking for our members on relevant topics to stay connected and provide resources
- Introducing new learning and development programs, including Best Practices for Working Remotely, and the TSM Experience Panel, a series of authentic TSM conversations to share challenges and experiences around specific topics, including working remotely and staying connected while remote
- Introducing a Mental Wellness Committee focused on empowering TSMs to be their best self — physically, mentally, and emotionally, by offering resources, guidance, and support



Customer resilience

Along with the entire health care industry, Henry Schein experienced increased pressure on the supply chain as a result of the COVID-19 pandemic, which limited the availability of essential PPE, such as masks, gowns, gloves, goggles, and face shields, as well as cleaning solutions, diagnostics, surgical products, and wound care products, among other critical supplies. Complicating the tightened global health care supply chain were rapidly changing government restrictions in certain countries on both the export of PPE and the in-country distribution of PPE.

To mitigate the impact of these challenges for our customers, we worked tirelessly to source high-quality PPE and other supplies while also maintaining daily contact with government officials and manufacturers to press for a greater allocation of PPE to front-line, health care professionals. Our focus was on:

Increasing the supply of PPE. In addition to working closely with our existing supplier partners to increase our product availability, we also evaluated opportunities in the wider marketplace, vetting through our rigorous quality review practices over 1,000 PPE offers to verify legitimate offers of quality products. Through this process, we added 48 suppliers and more than 1,500 new SKUs to increase our inventory of PPE, thermometers, needles and syringes, sanitizers, test kits, and laboratory supplies, as well as rinses, mouth guards, and high-volume evacuation systems needed to support ADA-recommended COVID-19 infection control protocols in dental offices. Throughout this extensive process, we continued to require all suppliers to comply with our Global Supplier Code of Conduct to uphold our global expectations of our supplier partners in the areas of business integrity, labor practices (including human rights), employee health and safety, and environmental management.

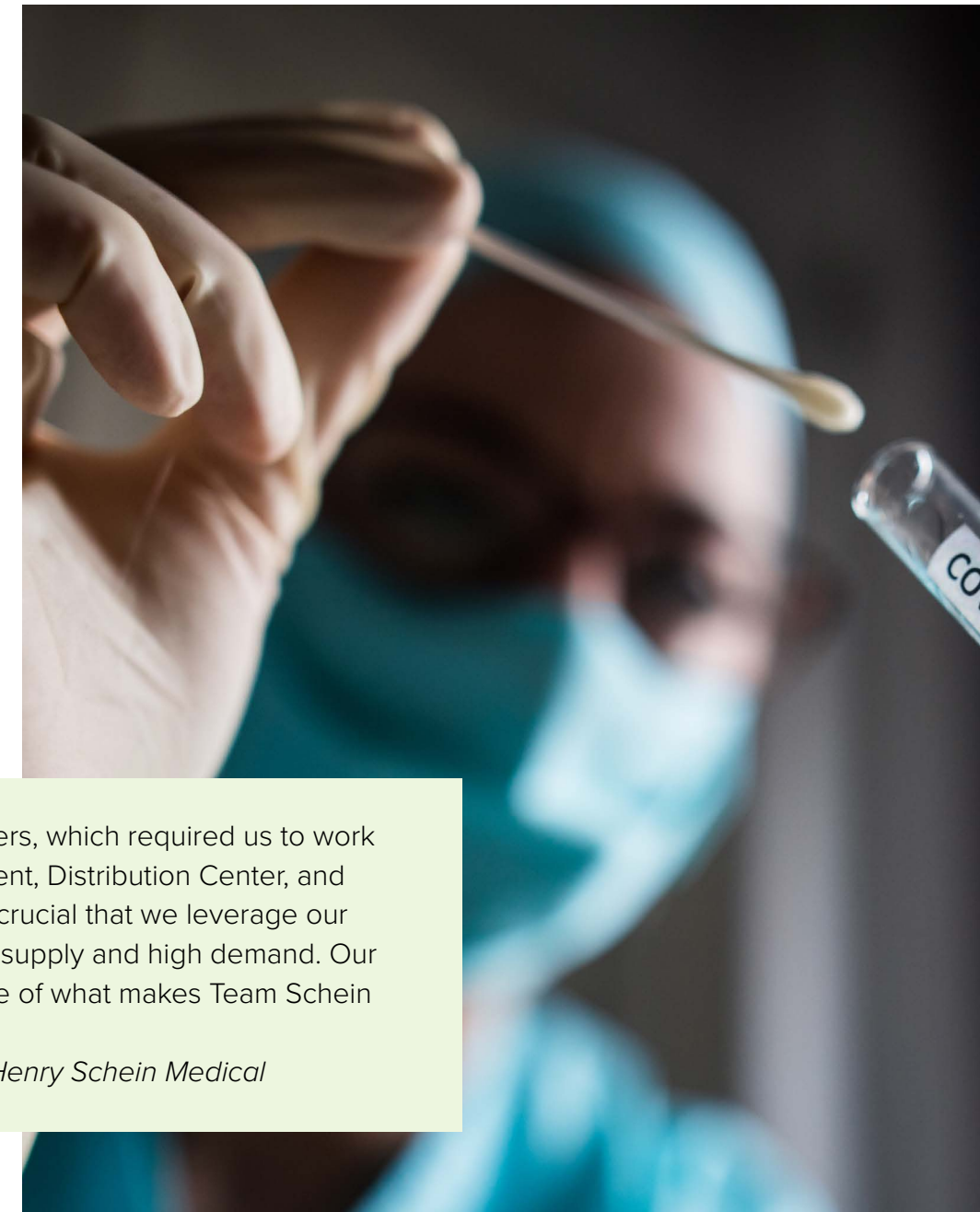
Mitigating supply chain bottlenecks that contributed to supply shortages. Our Transportation team partnered with our Global Sourcing team, Regulatory team, transport carriers, manufacturers, and government officials to navigate complex export regulations and a tight shipping market. By leveraging key partnerships, creating innovative solutions, and

being agile, they were able to reduce bottlenecks in the supply chain and expedite flow of products into our network. The team also implemented mitigation plans in response to U.S. port congestion, which not only reduced delays but also reduced airfreight expense in moving product.

Providing additional resources and assistance to customers. We established a COVID-19 Resource and Education Center on our website, updated with fresh information throughout the year, to provide our customers with a rich selection of practical information to help them navigate the wide range of issues impacting their practices as a result of the pandemic. We also developed programs to assist our customers' return to practice as quickly as possible, including disseminating information on available financial assistance and practice preparation, new safety and infection control protocols and implementation, and patient communications, among other options. For our customers who chose or were required to temporarily suspend operations, we provided checklists for doing so the right way and recommendations for patient communications to enable offices to close, and later reopen safely and efficiently.

"Our team focused on securing COVID-19 tests for our customers, which required us to work collaboratively with our Legal, Regulatory, Inventory Management, Distribution Center, and Transportation teams. Given the uncertainty of the time, it was crucial that we leverage our partnerships with manufacturers and act quickly due to limited supply and high demand. Our agility was key to supporting our customers and a true example of what makes Team Schein the best in the business."

—Cindy Gorman, Senior Director, Lab Portfolio Management, Henry Schein Medical



Supporting operational resilience

As part of a broad-based effort to support the long-term health of our business and strengthen our financial flexibility during the pandemic, we implemented cost-reduction measures including:

- Significantly decreasing capital expenditures
- Reducing planned corporate spending
- Eliminating certain non-strategic targeted expenditures
- Implementing meaningful salary reductions for certain positions between April 2020 and October 2020 (including for our CEO and members of our Executive Management Committee), along with delayed fiscal 2020 salary increases for our CEO and members of our Executive Management Committee. For more detail, [please see page 17 of our Proxy statement](#)
- Replacing our Performance Incentive Plan for 2020 with the Henry Schein, Inc. 2020 Recovery Performance Plan to maintain the alignment of executive and shareholder interests by providing a reduced cash bonus incentive award while still providing a meaningful incentive opportunity to focus the management team on the Company's business recovery strategy and enable the Company to continue to attract and retain highly qualified employees

Supporting global supply chain resilience

The COVID-19 pandemic severely tested and underscored the fragility of the global supply chain for life-saving PPE and other health care products. Building on our long history of leadership in this area, we were deeply engaged throughout 2020 in working collaboratively with partners across the public and private sectors to strengthen the supply chain for increased global health security. Among these efforts, we:

Serve as a member of the Federal Emergency Management Agency (FEMA)/U.S. Department of Health and Human Services (HHS) Supply Chain Stabilization Task Force. Created in March 2020 to maximize the availability of critical protective and life-saving supplies and equipment, Henry Schein has actively participated by sharing critical information, advising on and escalating key supply chain issues, collaborating on recommendations, and responding to urgent requests for help from local providers.

Support for the Strategic National Stockpile (SNS) and COVID-19 test sites. Our Distribution and Transportation teams partnered with the SNS and FEMA to deliver PPE to key local access points in areas of critical need. Through this effort, Henry Schein moved product to 39 locations in critical areas of the Northeast, Southeast, Midwest, and Western U.S. in March and April 2020 and delivered PPE and testing product to the network of pop-up drive-through COVID-19 testing sites across the country. As part of our commitment to health system strengthening and health equity, we are now working to help build a more resilient SNS 2.0 to continue to protect the health and safety of all Americans.

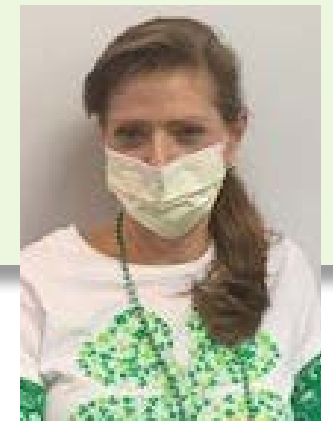
Partner of FEMA Airbridge Program. Through this initiative to speed the delivery of critical medical supplies from overseas into the U.S., Henry Schein moved 28 million surgical masks, 22 million gloves, and 18 million gowns and coveralls between April 6, 2020 and June 29, 2020.

Contributor in Supply Chain Data Tower. We participate in the Supply Chain Data Tower, a public-private partnership established by FEMA in April 2020 that aggregates domestic supply and demand data from the "Big Six" medical distributors, enabling HHS and FEMA to make data-driven decisions in emergency management.

"Ensuring resilience in the health care supply chain is critically important to safeguarding the health and wellness of underserved communities during times of disaster," said Dr. Nicolette Louissaint, Executive Director of *Healthcare Ready*. "Through our partnership with Henry Schein, we're able to share our respective expertise and resources so that health care facilities across the nation are better prepared to provide care during a crisis."

"I feel a sense of pride knowing that my job gets the health care workers all the supplies they need to help those who are sick and/or hurting. I feel like what I do REALLY MATTERS!"

—Julie Deering, Drug Room Representative, Grapevine, Texas Distribution Center



Private sector lead of the Pandemic Supply Chain Network (PSCN).

Over the past six years, as the co-founder and private-sector lead of the Pandemic Supply Chain Network (PSCN), together with the World Health Organization (WHO), World Food Programme (WFP), World Economic Forum (WEF), World Bank, Centers for Disease Control and Prevention (CDC), and more than 60 companies spanning health care distribution, manufacturing, and logistics, we played a leadership role in fostering coordination and improving the resilience of the worldwide health care supply chain. The PSCN has been instrumental in enabling the sharing of critical information on a global scale, providing governments with detailed guidance on critical medical supplies, supply market assessments and operational coordination for critical health care products to more effectively match the global demand with the global supply. Via private sector networks like the PSCN, the WHO, and United Nations have been able to engage with the private sector to source critical products on a global scale, including PPE, diagnostics equipment, and biomedical equipment valued at well over \$100 million in PPE, \$50 million in diagnostics, and \$15 million in biomedical equipment in record time.

Supporting resilience through donations

In 2020, Henry Schein Cares and the Henry Schein Cares Foundation, Inc. donated over \$38 million in cash and product globally where a significant portion went towards COVID-19 relief efforts. For example, more than 10 million items, including face shields, hand sanitizer, isolation gowns, thermometers, coveralls, and face masks were donated to Americares, Direct Relief, International College of Dentists, MAP International, MedShare, Project HOPE, and Special Olympics that was utilized in over 40 countries and territories to support underserved communities. [Read more on page 34.](#)



WHO Director General Tedros Adhanom Ghebreyesus noted at WHO's February 7, 2020 press conference: "This morning I met with the Pandemic Supply Chain Network which includes manufacturers, distributors, and logistics providers to ensure that PPE supplies get to those who need it most... in the places that need it most." Dr. Mike Ryan, Executive Director of WHO's Emergency Programme, noted, "This is the first time the WHO is in a large-scale engagement with the private sector directly trying to manage (the supply) chain... and we are now benefitting from the building of that partnership."





Michael Richardson



Christian Boehnke

PREPARING FOR AND ADJUSTING TO SUPPLY CHAIN DISRUPTIONS: A CONVERSATION WITH HENRY SCHEIN'S DISTRIBUTION LEADERS IN EUROPE AND NORTH AMERICA

The COVID-19 pandemic caused significant disruptions to global supply chains and to our customers' businesses in 2020. Christian Boehnke (Vice President, Operations, Central and Eastern Europe) and Michael Richardson (Vice President, Distribution, North America) discuss how Henry Schein responded to these extraordinary challenges to keep TSMs safe, maintain our high standards, and get needed products to front line health care professionals.

Q How does your team prepare for potential disruptions to Henry Schein's supply chain?

Michael Richardson: We stay very connected to our Sales and Marketing Teams, Global Sourcing, and our transportation partners to ensure we understand anticipated potential impacts to our suppliers and customers. Using this information, we make decisions on strategic purchasing, staffing, and service changes as required.

Christian Boehnke: In addition, we rely on a risk management process to help us identify risks in a timely way so we can react to them. We identify, analyze, and evaluate these risks, and then develop both reactive and preventative measures to protect Henry Schein from the identified risks, such as adapting processes or inventory in order to prevent delays or avoid delivery bottlenecks.

Q How did you adjust operations upon realizing the pandemic's impact on Henry Schein's supply chain?

Christian Boehnke: At the end of January 2020, I began to get a sense of what the scope of the pandemic might be for us as I read about the lockdown in China. With the shutdown of production in China, parcel volumes were the first to fail; then air freight collapsed and sea freight followed. Shortly afterwards, we saw the effects at Henry Schein. We instituted enhanced measures throughout our distribution centers and our European Supply Chain Management Team to ensure the safety of all TSMs while continuing to serve our customers and business partners.

Michael Richardson: During late February into March, we began to see a major increase in shipping volume driven by personal protective equipment (PPE) products. Our first step was putting protocols in place to keep our essential team safe, as they were required to work on-site in our distribution centers. Secondly, we projected the business impact of the pandemic and made temporary reductions in staffing. We made adjustments as business increased while continuing to make the safety of our team a high priority.

Q How did you mitigate risks within the supply chain during this time given the volume of additional personal protective equipment (PPE) and other product globally?

Christian Boehnke: Our European Supply Chain Management Team has worked very closely with our sales business, suppliers, and carriers to order and make available to our customers alternative products. For example, we sourced product from new suppliers, used new transport options, and communicated regularly with all affected partners.

Michael Richardson: In an effort to strengthen our PPE supply chain resiliency, we executed sourcing strategies specific to the facial protection and apparel categories to create supplier and geographic diversity. Prior to COVID-19, most of our supply for these categories were sourced from a geographically concentrated supplier base.

Q How did our team respond to customers' needs during the pandemic?

Michael Richardson: Our team responded to the evolving needs of our customers with a high sense of urgency. They were on site every day, working long hours with a deep understanding of their direct role and impact on servicing health care providers addressing this global crisis.

Building and maintaining trusted partnerships with our customers is the foundation of our business. The quality of our service was even more important during the pandemic as shortages of PPE products created unprecedented delays across the global supply chain, impacting all customers and requiring attention to their service needs.

Christian Boehnke: During the coronavirus pandemic, teams exemplified our "Rely On Us" brand promise, coming to our distribution centers every day to meet the needs of our customers. This experience has brought our team closer together, including our TSMs in the DCs, our Supply Chain Management team, and the business units.

Our work is about more than filling orders. It is about the experience we provide to our customers, especially during a crisis. Our teams responded to the COVID-19 pandemic by remaining focused on our customers and their impact on the patients and communities they serve.

Q What should our customers know about our distribution network's resiliency going forward?

Christian Boehnke: Our philosophy is "If a daisy makes it through the asphalt, then we always have the strength to find a way and a solution!" Looking to the future, we have accelerated existing trends in e-commerce, digitization, and multi-channel and direct sales. By planning for unexpected challenges, we aim to get to 100% customer satisfaction while maintaining an excellent relationship with our suppliers.

Michael Richardson: Our distribution centers worldwide understand the critical role they play in providing health care products to our customers during any type of crisis. That's why we have systems and processes in place to serve customers from alternate sites so we can get much-needed products into impacted areas as efficiently as possible.

A Stakeholder-Inclusive ESG Strategy

Henry Schein is currently in the process of developing our 2022 through 2024 strategic plan, which will feature a defined alignment of business growth with our vision for a more sustainable world to deliver benefits for all our stakeholders—from our supplier partners and customers to our TSMs, shareholders and other investors, the communities in which we operate, and society at large.

Our global customer base of dental and medical professionals provides quality care to an increasingly diverse patient population. We create value by enabling them to provide this service efficiently and sustainably.

Our distribution expertise, smart solutions, and partnerships support health care providers to collaborate across the value chain. Our One Schein* initiative and our comprehensive practice management program enables customers to enrich patient treatments and options while simplifying operations.

As we continue to focus on our customer needs and other stakeholder groups, we are aware of the broader role that our business plays in society. With climate change, inequalities and other sustainability challenges putting business and livelihoods at risk, we are committed to being part of the solution. This means addressing our own environmental impact from distribution and transport activities to waste and recycling, providing our TSMs with a healthy, safe, inclusive and diverse workplace, and also contributing to health equity.

This report provides a summary of our approach and performance during 2020, and our goals for driving sustainable growth in the coming years.



* A unified go-to-market approach that enables practitioners to work synergistically with Henry Schein's supply chain, equipment sales and service, specialty, Henry Schein One, and other value-added services.

Our Approach to Corporate Citizenship

Advancing our higher ambition

Henry and Esther Schein opened the doors of their pharmacy in 1932 with a belief that a special culture, deeply-held values, and a commitment to the community would prove a recipe for success. Since our founding, Henry Schein has strived to be a model corporate citizen, rooted in a clear purpose-driven mission that by “doing good” for our stakeholders, our Company will “do well.”

For almost nine decades, we’ve anchored our successful growth to trusted relationships with all of our stakeholders—from our TSMs to our customers and supplier partners, to our shareholders, and to engaging with the communities in which we live and work. Our commitment to this purpose-driven model that engages the five constituencies of our Mosaic of Success, continues to drive sustained, long-term economic success while also creating shared value for society.

In 2001, we formalized our corporate social responsibility program, Henry Schein Cares, through which we have:

- Helped more than 6 million children access free oral health services through programs such as Give Kids A Smile for nearly 20 years
- Cared for the health, safety, and well-being of our TSMs
- Promoted an environment for Team Schein where diversity and inclusion thrives
- Expanded the availability of environmentally friendly products,
- Reduced energy and fuel consumption in our offices and distribution centers, among other initiatives

Over the past decade, we have further refined our corporate citizenship commitment through our higher ambition model and formalizing our ESG strategy. Our reporting continues to be guided by the Global Reporting Initiative (GRI) standards where we focus on improving the measurement, monitoring, and reporting of our sustainability performance and developing a deeper understanding of our impact and our stakeholders’ expectations. We are also in the process of integrating the Sustainability

Accounting Standards Board (SASB) Standards. We have joined WEF’s Stakeholder Capitalism Metrics initiative that seeks to improve ways companies measure and demonstrate their performance against ESG indicators and to enable positive contribution towards achieving the SDGs. We have identified key internal teams and external stakeholders in setting sustainability goals that are grounded in science, aim to secure the future of the business and our stakeholders, and contribute to the UN Sustainable Development Goals. Increasingly, we are disclosing more information on our climate risks and opportunities according to recommendations made by The Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD), and exploring a pathway to setting a Science-Based Target.

The values that underpin our current Diversity and Inclusion (D&I) efforts have been a part of the Company since our founding. Henry Schein has a 25 year history of supporting diverse professionals in health care by partnering with professional organizations, school and universities. We also have a long-standing commitment to health equity supporting underserved communities who are disparately disadvantaged for multiple reasons including access, ability to pay, race, religion, or social status. We support these communities through programs that provide care and education around prevention and wellness. As our populations become increasingly diverse, it is now more important than ever to invest in cultural competency so all populations receive quality care in a culturally relevant manner.

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

MOSAIC OF SUCCESS



Developing Sustainability Goals

We have a strong foundation for managing our sustainability, from the environmental footprint of our operations and supply chain, to our social impact as an employer and job creator, taxpayer, business partner, supplier, and community member. Sustainability is managed at the highest level of accountability in the organization, up to our Chief Executive Officer and Board of Directors, embedded at all levels, and is supported by our policies and control mechanisms. Read more on page [38](#).

With heightened focus on sustainability, we believe this is an opportune moment to deepen our commitment to these issues through strategic, mid- and long-range planning that will maximize an enduring response and impact. This is why we are committed to setting smart targets across our sustainability framework—targets that will help drive action in the business and supply chain.

This year has been pivotal in that effort. Operating under unprecedented conditions brought on by the pandemic, and playing our role in the global COVID-19 response, we have continued our sustainability journey. We are working across our operations and supply chain on establishing a baseline of performance and setting appropriate targets. Our teams have worked with strategic supply chain partners globally to strengthen our baseline data and planning initiatives that will support us in improving our societal and environmental footprint. Importantly, we have also conducted an ESG materiality assessment this year to better understand how best we can influence issues and what our stakeholders expect. [Read more on page 44](#).

We will regularly report on our progress in setting and monitoring our goals. In 2021, our focus is reporting on and adhering to the Core GRI standards; deepening our work with key strategic suppliers; and further expanding our global data disclosures to strengthen our sustainability efforts in the coming years.

Contributing to the UN Sustainable Development Goals (UN SDGs)

In fiscal year 2020, as part of our target-setting process, we have reviewed the SDGs that are strategically relevant for Henry Schein, in terms of our ability to influence them positively, and their impact on our business.



UN SDGs WITH WHICH HENRY SCHEIN MOST POSITIVELY ALIGNS



GOOD HEALTH AND WELL-BEING: Given our special position in health care, we have an important opportunity to promote health equity, systems strengthening, and optimized models of care delivery. Our Henry Schein Cares initiatives support us in reducing disparities in delivering health care to at-risk populations. We advocate for capacity building for health care professionals and strengthening national health systems, including through partnerships with professional associations, United Nations agencies and the World Economic Forum. [Read more on pages 34 to 37.](#)

DECENT WORK AND ECONOMIC GROWTH: We are a major employer, taxpayer, supplier, and job creator in many of the areas in which we operate. We work towards a fair, safe, diverse, and inclusive workplace for more than 19,000 TSMs who benefit from good working conditions, skills development, physical and mental wellbeing, and purposeful employment. Our culture of ethics and compliance and our formal Worldwide Business Standards add value to the communities in which we operate. We also have a responsibility to respect human rights in our operations and supply chain, provide equitable work and equal opportunities, and promote responsible business conduct. [Read more on pages 32 to 33](#), as well as our work on diversity and inclusion efforts on [pages 24 to 28](#).

RESPONSIBLE CONSUMPTION AND PRODUCTION: We are committed to the responsible, smart, and efficient use of natural resources, and to minimizing our impact on the environment within our own operations and in our supply chain. During the past decade, our distribution centers have focused on energy efficiency, recycling, and waste management, and we have worked with our suppliers and customers to drive a circular economy. We have promoted transparency and sustainability reporting by strengthening our own disclosures and participating in external transparency initiatives such as CDP, and we are currently investigating a reporting and risk assessment framework for responding to TCFD's reporting recommendations. [Read more on pages 18 to 21.](#)

CLIMATE ACTION: The climate crisis is arguably the world's most critical issue facing society, business, and livelihoods. We have an urgent responsibility to reduce our own impact and contribute to global efforts to combat climate change. We are working internally and externally for a joint response. We have worked in the last decade to make our fleets more efficient through less carbon-intensive vehicles and smarter route planning, while our supply chain teams have worked with strategic supplier partners to reduce our joint climate footprint and increase the efficiency and climate-friendliness of our transport activities. Our climate response is at the core of our target-setting work. We aspire to be part of the global efforts to halve emissions by 2030 in order to secure a 1.5° future for the planet. Ultimately, we aim to set a Science-Based Target as the most likely pathway to help us achieve our climate ambitions and play our part in a climate-neutral, circular economy—one that achieves net-zero carbon emissions and minimizes waste to keep materials in circulation. [Read more on pages 16 to 17.](#)

PARTNERSHIPS FOR THE GOALS: Henry Schein's unique position at the intersection of health care at the nexus of our supplier partners, customers, and their patients uniquely positions us to develop, catalyze, and lead innovative public-private partnerships on all of the thematic areas covered in this report.

Innovation and Efficiency

We have a complex and globalized supply chain, operating in 31 countries and serving more than one million customers worldwide. We operate a centralized and automated distribution network with 3.5 million square feet of space in 28 strategically located distribution centers around the world. This structure supports our operational efficiency and enables us to serve our customers.

We recognize that with our global environmental footprint, and by leveraging our relationships with suppliers and business partners, we are well positioned to be a driving force for sustainability in the supply chain.

We work to reduce our environmental impact and promote responsible business practices not just in our own operations but also in our supply chain, in collaboration with our suppliers, partners, and customers.

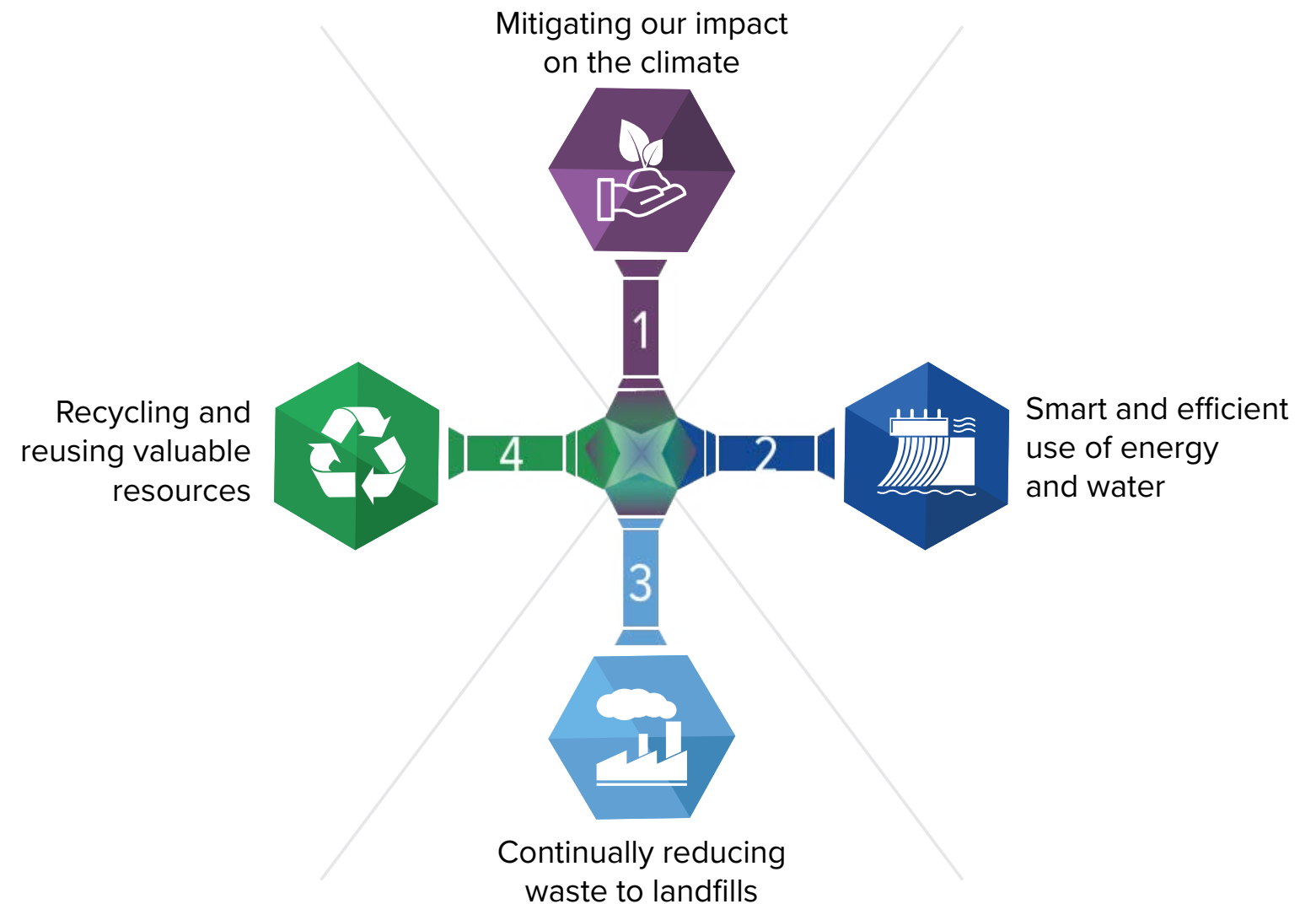
Our four environmental focus areas are:

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

As we work on managing our emissions, we recognize that innovation and efficiency are the primary means to achieving a sustainable supply chain.

We have put in place near-term targets in our North American distribution network with a goal to expand our usage of electric, high efficiency charging equipment, increase our recycling, and decrease our landfill waste by 2025. We are conducting an assessment of our U.S. supply chain to identify and prioritize opportunities to minimize our environmental impact. We have also engaged our upstream and downstream suppliers and transport partners to collaborate on initiatives to drive resilience and sustainability across our shared supply chains.

HENRY SCHEIN'S FOUR ENVIRONMENTAL FOCUS AREAS



Collaborating on Our Climate Response

Climate change is the most critical sustainability issue of our time, and central to the UN SDGs to 2030. We acknowledge the crucial role that industry can and should play in addressing climate change, and support global efforts and international treaties to appropriately tackle climate change and achieve sustainable development.

We believe the core principles of the Paris Agreement represent an important call to action for business. As a participant in the 2020 World Economic Forum (WEF) Annual Meeting, we support the WEF proposal for companies to set a target to achieve net zero greenhouse gas (GHG) emissions by 2050 or sooner. We are also in the process of joining the WEF's Alliance of CEO Climate Leaders.



OUR ASPIRATION

We aspire to be carbon neutral in our supply chain emissions by the year 2050. In 2021, we will focus on baselining our distribution and transportation metrics in key markets in North America, Europe, and Australia. These will form the basis for setting our science-based targets in the future, as defined by the Science-Based Targets initiative.¹

To achieve our ambitions, we recognize that we need to continuously strengthen our approach to measuring, monitoring, and reporting on our carbon emissions and other environmental impacts. We made great strides toward this during 2020, expanding our environmental reporting, including on greenhouse gas emissions from our distribution centers beyond North America to Europe, Australia, and New Zealand. Similarly, for indirect emissions globally in our supply chain, we collaborated more with global logistics and transport partners to expand the reporting of our transport-related GHG emissions. We also started to report other streams of supply chain-related emissions, such as from business travel in our U.S. operations.²

As part of our climate transparency drive, we are looking to increase our understanding of potential risks that climate change can pose to our business, including modeling climate scenarios, according to the recommendations of the Financial Stability Board's TCFD. We expect that our future public disclosures will be informed by these efforts.

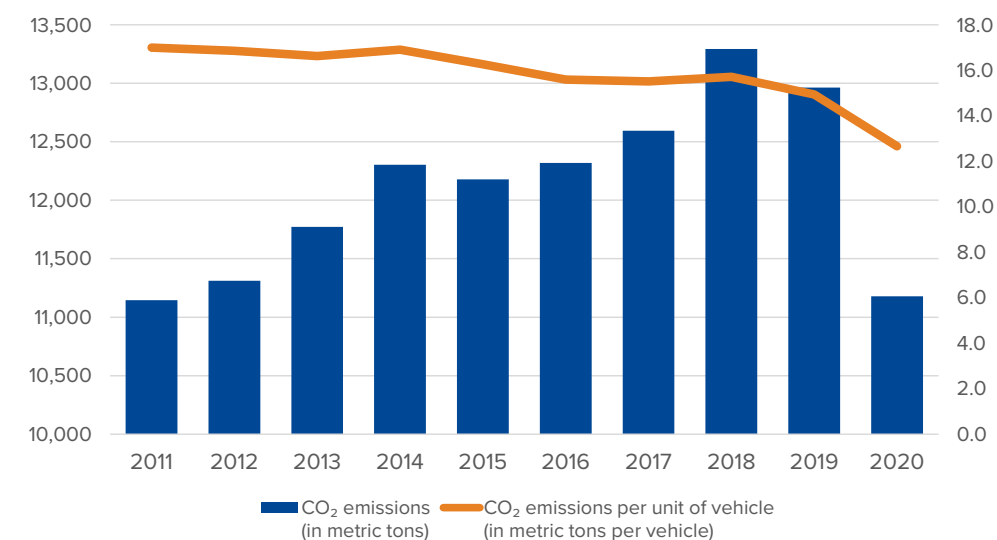
Our primary sources of carbon emissions are:

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

Since 2008, we have tracked the carbon emissions of our fleet of service technicians in the U.S., which form part of our Scope 1 emissions. Our total fleet emissions were 13,224 metric tons, for North America during 2020, with the emissions-per-vehicle reduction (28% in the U.S. since the 2008 baseline) mainly due to vehicle and vehicle power train selections (e.g., moving from V8 to V6 engines and the use of telematics). We work on continually modernizing our fleet, and are exploring the possibility of hybrid and electric options where possible.

The other contributor to our Scope 1 emissions is the use of natural gas (mostly for heating) at our distribution centers in North America, Europe, Australia, and New Zealand, and at our Melville, N.Y., headquarters in the U.S. In 2020, this totaled 2,904 metric tons from 502,798 therms of natural gas.

2011 – 2020 SCOPE 1 EMISSIONS FROM U.S. OWN FLEET



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

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

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

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

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

Electricity purchased from our local energy suppliers is the source of our Scope 2 emissions. In our distribution centers, approximately 30,587 MWh of electricity was used during the year, leading to Scope 2 emissions of 11,391 metric tons.

We take efficiency measures at our distribution centers to save electricity and reduce our Scope 2 emissions where we can. The majority of the lift trucks used at our distribution centers are electric, and in 2020, we began to roll out our plan to fully switch to electric forklifts at all distribution centers.



OUR GOAL

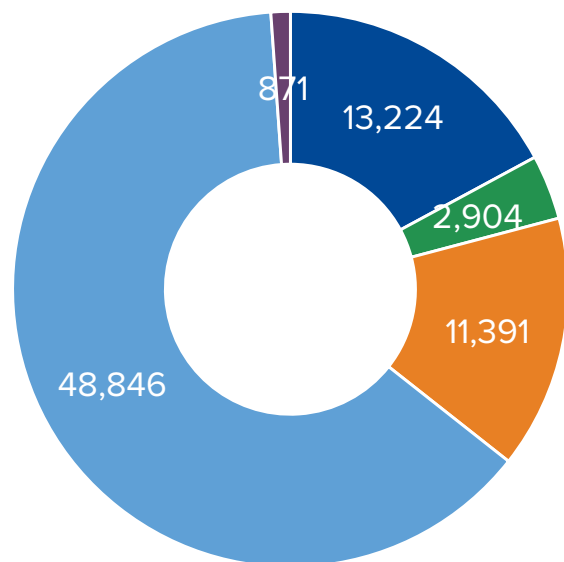
By 2025, we will commit to an all-electric operations lift truck fleet in our U.S. distribution centers, while upgrading to high efficiency charging equipment from a 2019 baseline of 52%.

Both of our headquarter buildings in the U.S. have LEED® Silver Certification, and total LEED-certified square footage at our offices amounts to 285,000. Automatic lighting in the majority of our U.S. distribution centers and a significant part of our European distribution centers enables us to reduce electricity consumption for lighting. At our U.S. distribution centers, we increasingly use energy-efficient lighting, including LED fixtures and motion sensors, HVAC (heating, ventilation, and air-conditioning) controls, energy efficient heating/cooling units, and high-efficiency battery chargers and conveyor motors.

We expanded our Scope 3 emissions reporting capabilities beyond North America this year to report emissions from our logistics partners in Australia and New Zealand, and other regions globally. In 2020, our combined transport-related Scope 3 emissions from transportation partners in the U.S. totaled approximately 44,522 metric tons. In Canada, our third-party logistic partners accounted for 2,058 metric tons of Scope 3 emissions. These emissions in Australia and New Zealand totaled 2,068 metric tons, with other emissions globally accounting for 198 metric tons of our transport related emissions.

We also began to measure and report on Scope 3 streams other than transport during 2020, and have calculated our business travel-related emissions during the year in our U.S. operations to be 871 metric tons. Travel restrictions resulting from the pandemic and the shift to remote working are the primary reasons behind the decrease we experienced in our business travel-related emissions in 2020.

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



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

Reuse, Renew, Recycle

Conserving water at our distribution centers

We have limited direct product manufacturing, therefore our operations are not water-intensive. We use water mainly at our distribution centers and offices for drinking, sanitation, and cooling purposes, primarily from utility sources. However, we recognize the value of this precious natural resource and use it wisely. Our water consumption at our distribution centers in North America, Europe, Australia, and New Zealand, and our Melville offices in the U.S. during 2020 was 91 million liters⁶.

Continually reducing waste to landfills

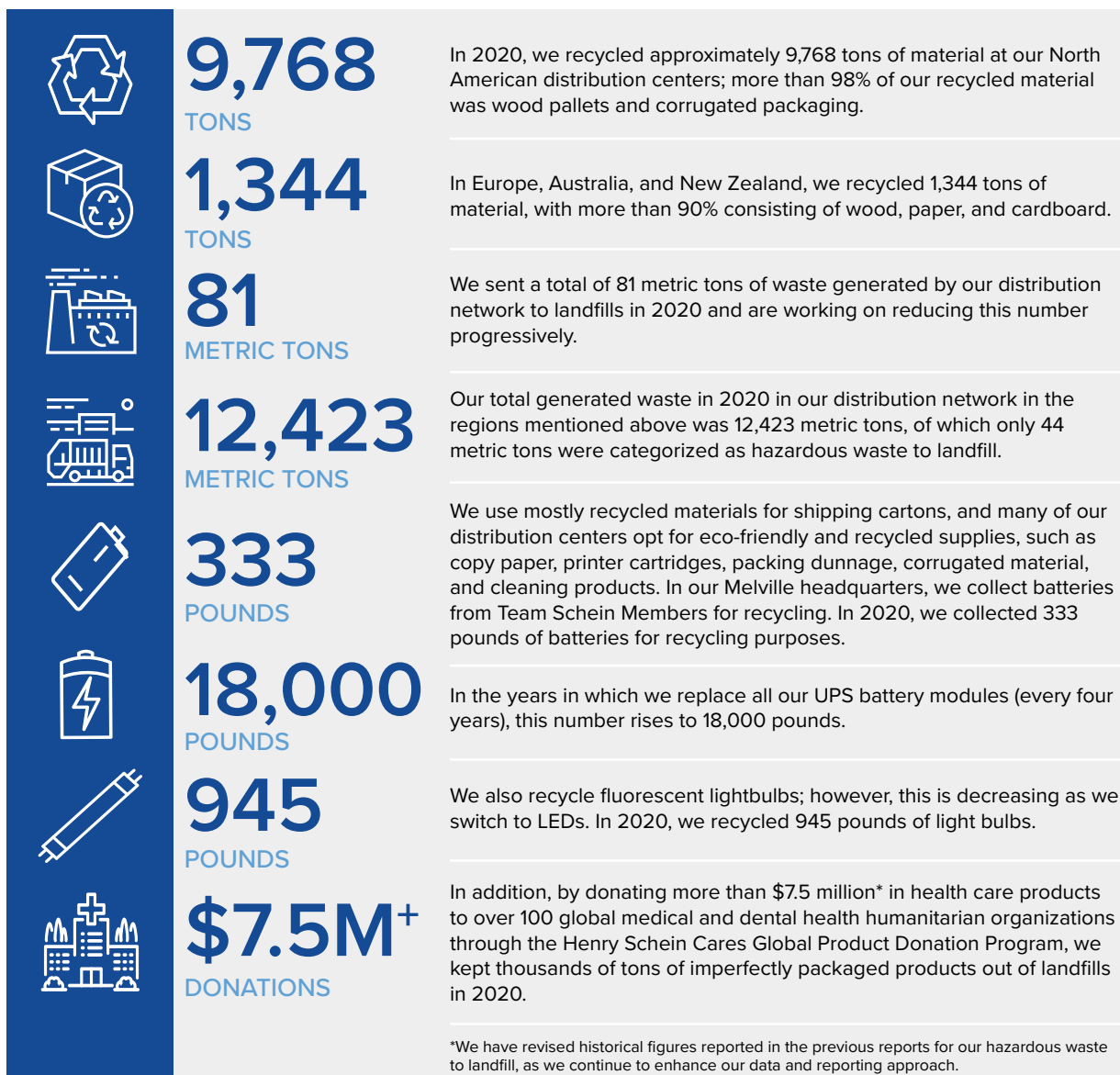
We work to avoid landfilled waste, both to retain precious raw materials in the economic cycle and to prevent soil and water contamination, air pollution, and degradation of nature in and around landfills.



OUR GOALS

- By 2025, increase North American distribution center recycling program by 10% of 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.
- 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).

OUR RECYCLING EFFORTS



Helping our customers go green

We scale our environmental impact downstream in our supply chain by encouraging our customers to go green in their health care practices and adopt a shared commitment to sustainability.

We achieve this through a number of initiatives, including our Global Reflections Program, sponsoring the American Association of Dental Office Management's (AADOM's) Green Leader Initiative to recognize and aid in the adoption of environmentally conscious practices in the dental office, and by assisting practice owners in designing spaces that meet globally recognized standards for environmental sustainability through our Integrated Design Studio. In nine years of sponsoring the AADOM Green Leader Award, we have offered over 235 products through the Global Reflections Program, an equivalent of over \$5.8 million in sales since 2017. Meanwhile, we offer customers a range of products, including items made with biodegradable, recycled, chlorine-free, and natural materials, which can help them to reduce their own carbon footprint.

⁶ Excludes our Denver distribution center in the U.S. and Calgary and Vancouver distribution centers in Canada due to water consumption data not being available

Sustainability in the Supply Chain

Our global operations and supply chain are structured to create value locally and globally, and set us up for success in meeting customer needs. However, we recognize that we need to manage the environmental impact of our supply chain, such as CO₂ emissions from our distribution centers, transport activities, employee business travel and other sources, as well as the ethical and labor risks inherent in operating in and working with suppliers in countries with weaker institutions and national governance.

As part of our commitments to the UN SDGs, we aim to co-create an ethical, inclusive, circular, and carbon-neutral supply chain, and we work toward this goal by collaborating with our suppliers, managing our impacts, and innovating for sustainability.

Reducing CO₂ emissions and other environmental factors in the supply chain

Transport-related activities form the key portion of our supply chain greenhouse gas emissions. We distribute our products from our strategically located distribution centers. Orders are electronically transmitted to the distribution center nearest to the customer's location. This not only helps us deliver high-quality service at top speed to our customers, but also supports our climate goals by ensuring the shortest possible transport distance for delivering our products.

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

Transportation and business travel

Given the many challenges we faced in our supply chain during the COVID-19 pandemic, we implemented contingency plans, including to address port congestion. This not only helped us reduce delays, but also mitigated the further use of air that would have otherwise occurred in our effort to meet customer needs.

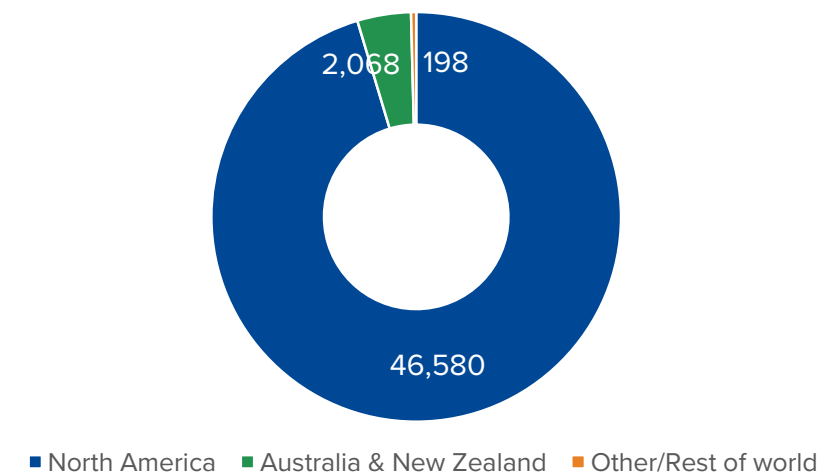
In the U.S., we continue to work with United Parcel Service (UPS), a major contributor to our transport footprint, on our joint commitment to sustainability. We embarked on a joint study in 2018 to benchmark and quantify the CO₂ emission reductions resulting from the use of an enhanced network of mostly ground transport. Without this network—which uses special operating plans to reach certain customers by ground in one day—we would require air transport to guarantee same-day delivery service to our customers. We use and monitor the emissions from this enhanced network annually to continue to avoid unnecessary emissions, and to identify further opportunities for improvement.

Through the use of our enhanced network (which applies only to our core distribution centers in the U.S.), we mitigated our carbon impact in 2020 by 75%, which is equivalent to taking approximately 20,420 passenger cars off the road⁷.

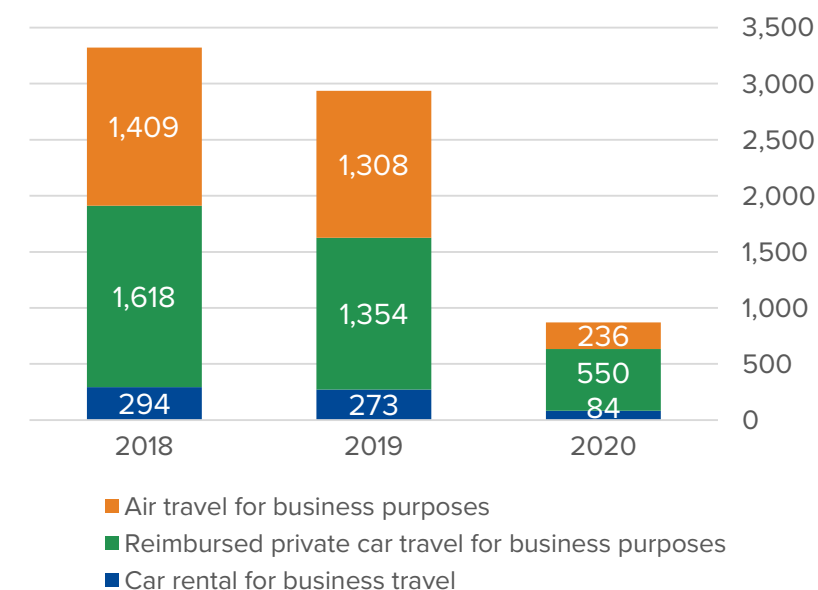
In 2020, we expanded Scope 3 reporting beyond our North American distribution centers to other regions globally (see page 17), and started to capture and calculate other Scope 3 streams such as employee business travel. We report on our employee business travel in the U.S.,* using private cars or car rentals as well as flights. Travel restrictions resulting from the pandemic and shifting to remote work are the primary reasons behind the decrease we experienced in our business travel-related emissions in 2020.

We aim to continue to work on our Scope 3 transparency drive and expand the scope of regions and activity streams included in our Scope 3 reporting in our future reports.

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



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



⁷Based on the estimate provided by United Parcel Service

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



"During this pandemic, I have been reminded of something my father always said: the tree that survives a storm is usually the tree that is most flexible. Team Schein has adapted to meet the challenges of COVID-19 admirably, working tirelessly and finding new and innovative ways to continue serving our customers. This flexibility is among our teams' greatest strengths, and one that will continue to serve us well long into the future."

—Stephanie Shen
Vice President, Product Category Management,
U.S. Medical

Packaging

Our packaging practices contribute to our overall emissions and environmental impact in the supply chain, and, like any other sourcing and procurement decision, can be a force for positive change on a bigger scale across the value chain.

The choice of packaging material, the extent of damage prevention through packaging, and the product-to-package ratio each independently and collectively determine the overall footprint of our packaging operation. A significant part of our packaging consists of corrugated boxes and cartons, which are inherently renewable and recyclable. We also work with suppliers that can demonstrate that the fiber used in the packaging comes from responsible sources (as certified by responsible forest products' certification schemes such as FSC®: Forest Stewardship Council®, PEFC: Programme for the Endorsement of Forest Certification,

and SFI®: Sustainable Forestry Initiative®), and to provide packaging with a minimum of recycled fiber content. In North America, our corrugated boxes and cartons have recycled content between 40-60%, with the average recycled content of cartons during 2020 at about 51.4%.

We worked with logistic partners in 2019 to conduct a pilot packaging assessment, and have used the observations and recommendations from the pilot packaging study to identify opportunities to improve packaging processes, practices, and choice of material across our distribution centers.

In assessing the sustainability of our packaging operations, we evaluated three criteria (for more detail see our 2019 CSR Report):

- Damage prevention
- Sustainability of packaging material
- Product-to-package ratio

In our study, a number of good practices were observed, such as sufficient and consistent packaging operations in the distribution center, as well as effective damage-prevention practices, sealing and labeling techniques, and our H-style sealing method for larger packages. The opportunities that we identified from the study were partly implemented in 2020, and partly planned for continued future assessments. In all our actions, we remain committed to highest standards of quality, and to meeting our customers' needs.

For example, we implemented standardized recycling instructions on air pillows. We are currently exploring how to increase post-consumer content on carton boxes and paper mailers as well as our plastic-based packaging, without compromising on the level of product protection and service quality. We are evaluating the use of thinner poly bags that are used to wrap liquids in, to reduce the footprint of the packaging, while ensuring a suitable balance between thickness and functionality. We are also exploring alternative materials with superior sustainability credentials and packaging functionality. We continue to evaluate and test ways to reduce product damage based on packaging, while reducing the overall environmental footprint of our packaging practices.

Ethical and labor aspects in the supply chain

There is an increasing expectation of business to respect and help protect human rights in global business supply chains. We support the UN Guiding Principles for Business and Human Rights, and believe it provides a practical, useful framework for business to manage and address the Company's human rights impacts in the supply chain. We also support and comply with various existing and emerging supply chain transparency laws, such as those in effect in California (the California Transparency in Supply Chains Act 2012), the UK (the UK Modern Slavery Act 2015), and Australia (the Modern Slavery Act 2018).

Suppliers and vendors who do business with us worldwide are expected to comply with our Global Supplier Code of Conduct, which includes provisions relating to business integrity, labor practices (including human rights), employee health and safety, and environmental management.

Given the scale, complexity, and geographic spread of our supply chain, our approach to monitoring the ethical and labor performance of our suppliers is risk-based. We monitor the adherence of our suppliers to our Supplier Code of Conduct with desk audits, site visits, business reviews, supplier scorecards, and other mechanisms. For our Asia-based private-label supplier partners, we use elements of Social Accountability International's SA8000 standard in our Quality Systems Audit program for evaluating aspects such as health and safety, working hours and wages, child labor, and forced labor.

Since 2015, we have conducted audits throughout our supply chain with all identified actions successfully addressed and closed. During 2020, due to the COVID-19 pandemic, most of our external supplier audits were conducted virtually or via desktop. We conducted a total of 71 audits during 2020, including 34 at our Asian supplier sites. We investigated and addressed a total of 196 observations, including 156 from our Asia supplier audits.

Supplier diversity

We are committed to working with a diverse supplier base to provide our customers with the best selection of products available at high-quality, and to foster innovation, additional perspectives, and develop stronger relationships with the communities we serve. We are dedicated to our supplier diversity journey and are in the process of developing best practices including leveraging our relationships to support and advance small, disadvantaged businesses. This will guide us in building focused goals for our supplier diversity work, which we aim to announce in 2022.

In our efforts, we are guided by and contribute to the U.S. Small Business Administration (SBA). SBA continues to help small business owners and entrepreneurs develop and sustain successful businesses, and provides them with guidance on how to plan, launch, manage, and grow their business. Furthermore, for all new suppliers, we educate on the importance of certification and recognition of their status and continue to work with existing suppliers and customers on efforts to support and advance their goals in supplier diversity.

Customer health and safety

We are committed to high standards of product quality and customer service, and compliance with all marketing and labeling requirements. We are compliant with both the U.S. Food and Drug Administration's Drug Supply Chain Security Act (DSCSA) for pharmaceutical traceability throughout the supply chain and the Unique Device Identification (UDI) regulations for medical devices. We have ISO 13485 and ISO 9001 certifications in place at our facilities and provide training to employees for conforming to quality standards. Our customer complaints were down 44% from 2019. The customer service and distribution team conducts customer surveys regularly to assess and improve customer perception of and overall satisfaction with product quality, service, and relationship with Henry Schein. In 2020, overall satisfaction rate was rated as excellent or good by over 95% of customers, with merchandise quality rated as such by more than 98% (exceeding our 2020 goal of 97.5%). In addition to surveys, we conduct internal audits to supplement our approach and continually identify ways to improve our service quality and delivery and be a strategic partner to our customers. Twenty-five such audits were conducted during 2020, with action taken to address findings, which were mostly related to document control and training of employees.

The Henry Schein Quality Policy insists upon a commitment to quality at every level of the organization. Our Quality Management System is deployed for any potential non-compliance noted and includes product and service information, labelling, and marketing communications. The Quality processes include monitoring proactively for potential issues, reporting any incidents to Senior Management on a regular basis, and strives to make a commitment to continuously improve these well-defined processes through the use of a corrective and preventive action program. More specifically during 2020, we did not experience significant compliance incidents concerning the health and safety of our products and services.

"In March 2020 we experienced a significant increase in the demand for PPE, and this challenged us in terms of supply, increased volume, and change in the nature of the volume. This flexibility and adaptability were further tested when the initial lockdown in UK commenced on 23rd March 2020, closing all UK dental practices. The team adapted by implementing furlough schemes and leaving a core team to manage primarily medical and PPE supplies. Furthermore, new work practices were adhered to including segregated AM/PM shift, social distancing, protective screens installed around workbenches, and face masks. During June, volume gradually started to increase, and over the summer TSMs returned from furlough as volumes returned. By October all TSMs were working their normal hours."



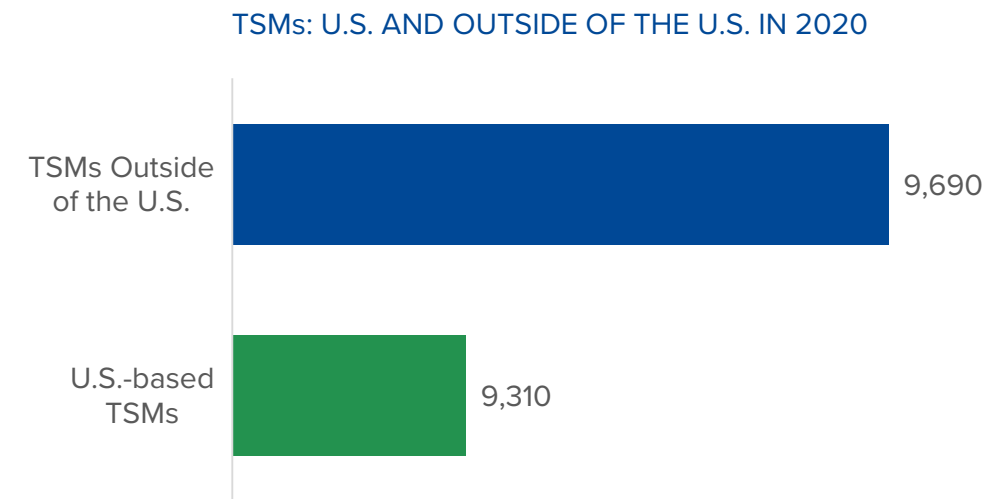
—David Mackechnie, Operations Manager,
Gillingham, UK Distribution Center

Putting Team Schein at the Center

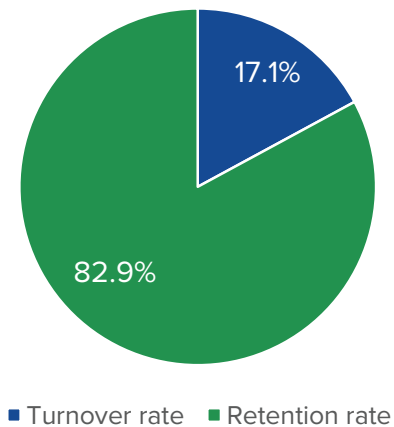
Our TSMs are the cornerstone of our Company, and the key to unlocking our potential. Our identity and success as a business is built on TSM engagement, commitment, skills, creativity, and teamwork. We aim to provide our team with purposeful, rewarding careers where they can contribute to social, economic, and environmental value.

In an extraordinary year, the dedication and commitment of our TSMs has shaped our response to the pandemic. For our part, keeping our team safe and healthy, supporting their resilience and mental well-being, enabling them to work remotely and on-site across the organization, and keeping all TSMs engaged and connected has been our key focus.

Globally, in 2020, we provided jobs for more than 19,000 TSMs (full-time equivalent), including around 2,250 telesales representatives, over 3,450 field sales consultants, including equipment sales specialists, 2,000 installation and repair technicians, 3,550 warehouse employees, 800 computer programmers and technicians, 675 management employees and 6,300 office, clerical and administrative TSMs. Approximately 49% of our workforce is based in the United States. Approximately 13% of our TSMs are subject to collective bargaining agreements.



U.S. TSM TURNOVER (%) IN 2020*



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

Supporting the resilience of our TSMs during the pandemic

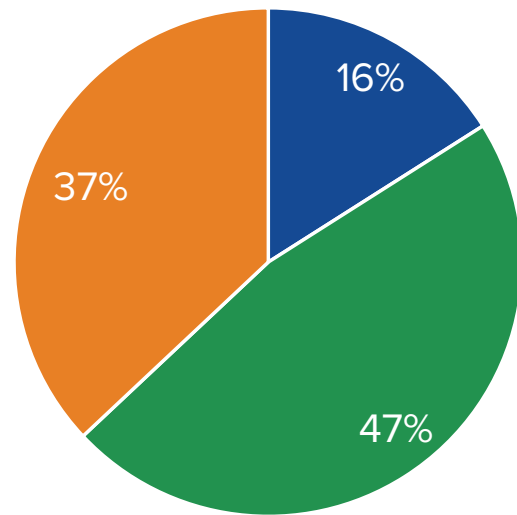
The pandemic challenged our business and operating environment in many ways, but our top priority was to safeguard the health and safety of our TSMs while playing our role in supporting the global COVID-19 response.

We maintained operations at our distribution centers and manufacturing facilities while also implementing many enhanced health and safety protocols, and shifted suitable roles to remote work. To support the health and safety of our TSMs, we, among other things, implemented extensive cleaning and sanitation processes and face mask policies to protect TSMs at our manufacturing and distribution facilities, instituted social distancing and face mask policies for our field sales consultants and equipment service technicians, and adopted broad work-from-home initiatives for TSMs in administrative functions. In connection with this shift to remote working, we made investments in equipment, technology, and security upgrades to help protect our information and enhance our team's ability to work remotely.

To support the teams coping with the pandemic, we established a "COVID-19 Resource Center" to provide a central location for all communications, resources, videos, and education in support of the health of TSMs and their families. We also held regular virtual Global Town Halls for all TSMs to stay connected and keep our teams apprised of recent developments, and to provide an opportunity for TSMs to ask questions in real-time.

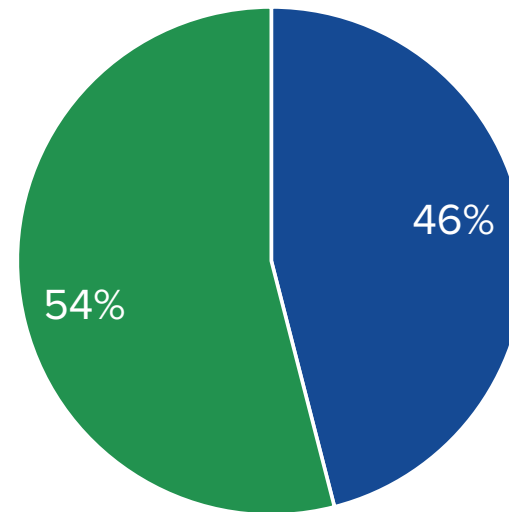


TSM AGE GROUPS ACROSS THE COMPANY IN 2020*



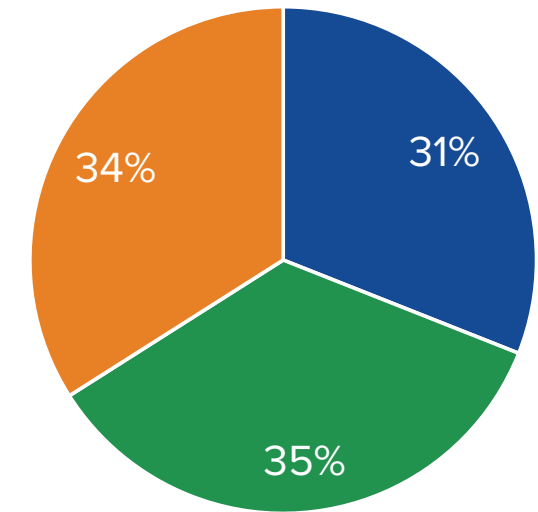
■ 30 and under ■ 31-50 ■ Over 50

U.S. TSM NEW HIRES IN 2020*



■ Female ■ Male

AGE GROUPS OF U.S. TSM NEW HIRES IN 2020*



■ 30 and under ■ 31-50 ■ Over 50

We hired 1,049 U.S. TSMs during 2020, with their gender and age diversity illustrated above. Our overall U.S. TSM* turnover was higher in 2020 than 2019, primarily due to restructuring activities and the new conditions brought on by the pandemic. Our voluntary turnover stood at 9.2%.

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

Diversity and Inclusion

Our ambitions

Henry Schein embraces and celebrates the diversity of our workforce, our customers, the patients they serve, our shareholders, our supplier partners, the communities in which the Company operates, and society at large. We include their voices in the decisions we make.

Each of our TSMs' unique backgrounds, perspectives, and experiences contributes to who we are as Henry Schein, and to our success as a business. We know that inclusion is paramount to unleashing the power of diversity by ensuring every TSM feels a sense of belonging.

Diversity and inclusion (D&I) is part of the fabric of Henry Schein. We know that maintaining D&I as a strategic priority for the organization ensures we will have a strong future. This year, we worked with internal and external stakeholders to set targets on our D&I ambitions, and agree on the goals that will shape and drive our D&I agenda in the years to come.

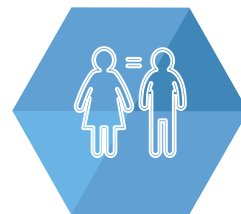
OUR DIVERSITY AND INCLUSION GOALS AND COMMITMENTS



By 2022, educate all global directors and vice presidents on the key concepts of Diversity and Inclusion. By 2023, educate managers globally and U.S. TSMs at all levels.



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.



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



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

"Every morning I'm taking a risk. Our work does not allow us to work from a home office, but every morning I'm ready because I know that my colleagues from the team count on me. I'm ready because I know that my Company counts on me. I'm ready because I know that even if I am only a small link in a chain, without me the chain will break."



—Darek Szewczyk,
Bielsko-Biala, Poland Distribution Center

Our D&I framework

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



"In a few words, I think they have been FANTASTIC, even with all the precautions of the case, they have never failed to contribute to the service of our customers to safeguard our business and of course our workplace."



—Luca Bassi,
Team Leader of Picking
and Packing, Henry Schein Italy

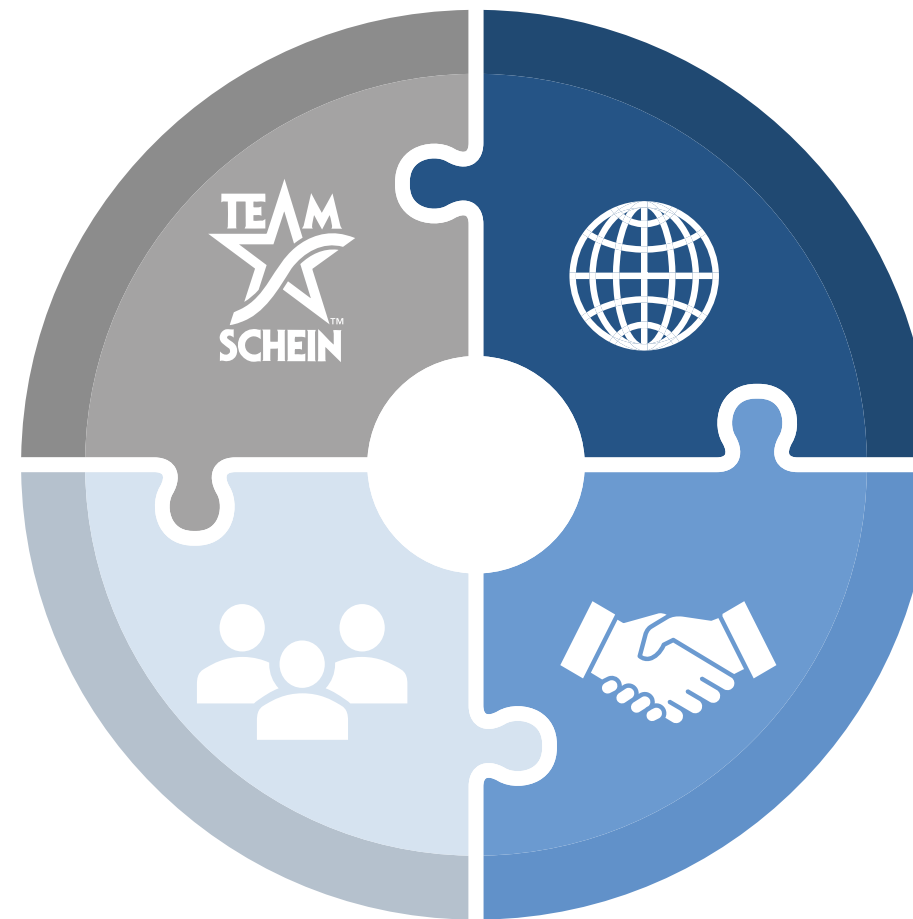
D&I FRAMEWORK

CULTURE

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

TALENT

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



SOCIETY

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

MARKETPLACE

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

* Entrepreneurial within the Company

Diversity and Inclusion Council

To guide the Company's efforts and education related to D&I, we established a Diversity and Inclusion Council, which is made up of a global cross-functional group of senior leaders with engagement from our Board of Directors and Executive Management Committee. This Council drives the Company's overall D&I strategy and provides recommendations on how to prioritize efforts.



Board of Director Lead
Bradley T. Sheares
 Board Member,
 Henry Schein, Inc.,
 Board of Directors



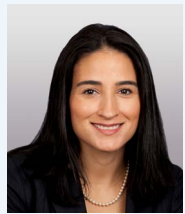
Executive Management Committee Lead
Brad Connett
 President,
 U.S. Medical Group



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



Co-Chair
Seema Bhansali
 Executive Director,
 Corporate Affairs



Co-Chair
Carol Rodriguez-Bernier
 Vice President,
 HR Strategy & Planning



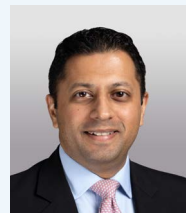
Advisor to the Council
Jim Breslawski
 Vice Chairman and President,
 Henry Schein, Inc.



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



Co-Secretary to the Council
Melissa Birchall
 Corporate Account
 Manager



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



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



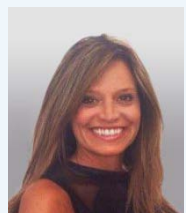
Member
Trinh Clark
 Vice President,
 Medical Technology
 Solutions



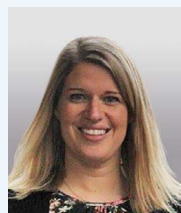
Member
Pierre Detours
 Managing Director,
 Southwest Europe – Dental



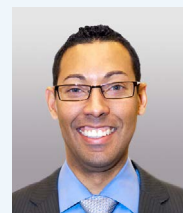
Member
Ron Dubois
 Senior Director,
 Sales – BioHorizons



Member
Barbara Fisenne
 Vice President,
 Global Organizational
 Development



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



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



Member
Paulo Guilhon
 Vice President,
 Henry Schein Brazil



Member
Ken Hunt
 Vice President of Sales –
 Brasseler Dental



Member
Gerard Meuchner
 Vice President,
 Chief Global
 Communications Officer



Member
Prashant Ohri
 President,
 Henry Schein Canada



Member
Mike Richardson
 Vice President,
 Distribution – North America



Member
Dave Rodriguez
 Vice President,
 Talent Acquisition



Member
Janine Vincent
 Regional Sales Manager,
 Dental – Australia

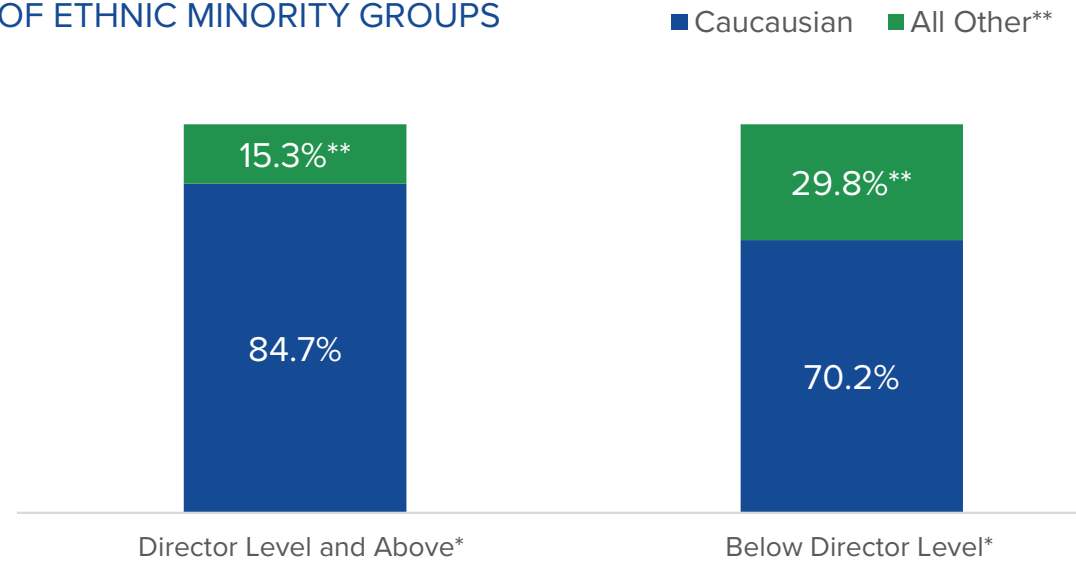
Recruiting and retaining talent

We strive to attract, develop, engage, and retain top talent with diverse backgrounds and experiences to drive innovation and ensure business success. Our Talent Acquisition team builds strong partnerships and relationships with TSMs and candidates and continues to invest in tools to ensure a diverse slate during our recruiting search.

To educate our teams, we have established a formalized education called Henry Schein’s Diversity and Inclusion Learning Journey, which was designed to help TSMs develop foundational D&I knowledge and leadership skills to advance the mission of D&I. TSMs are also encouraged to continuously learn from one another and our Employee Resource Groups, and role model behaviors that not only educate others but also promote D&I.

We are also continuously measuring our progress with respect to D&I. On a quarterly basis, we internally report on the demographics of our TSMs. These figures are illustrated below for our U.S. TSMs* during 2020, based on TSM self-identification. The gender diversity of our senior leadership globally is also illustrated here.

REPRESENTATION OF ETHNIC MINORITY GROUPS

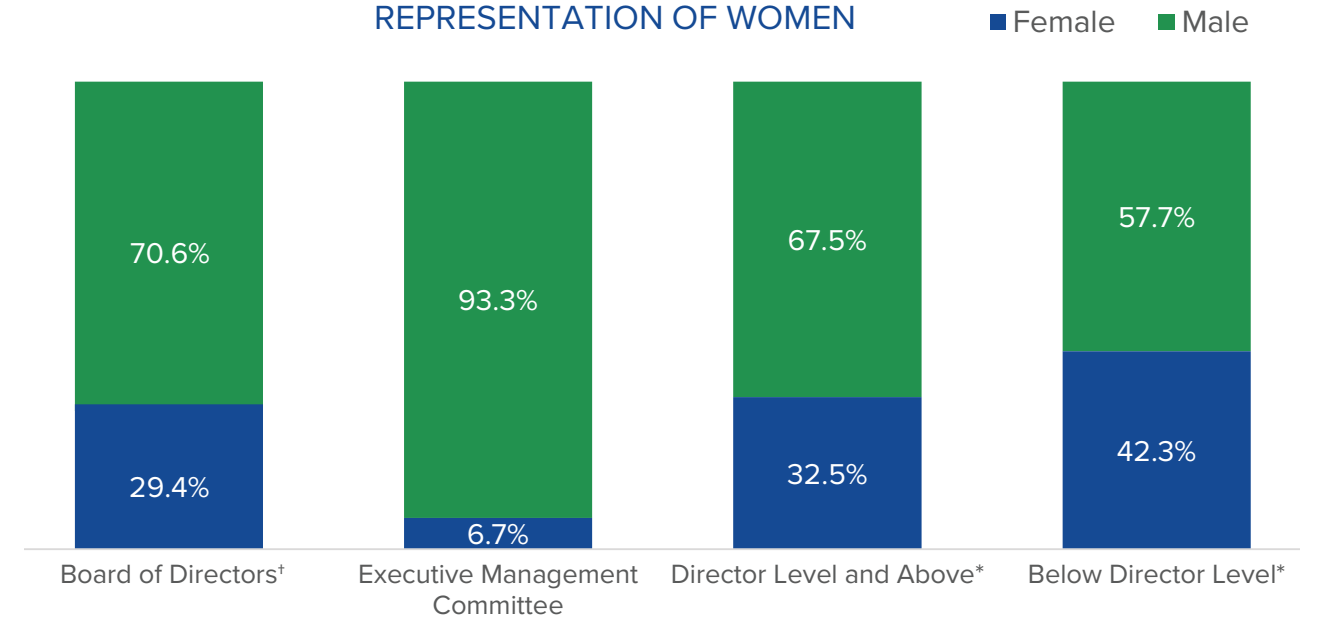


****All Other:**

Asian	7.0%	6.0%
Hispanic or Latino	4.0%	12.0%
Black or African American	3.0%	9.0%
Two or More Races	1.0%	2.0%
American Indian or Alaska Native	0.3%	0.4%
Native Hawaiian or Other Pacific Islander	0.0%	0.4%

* Based on data from our centralized human resources database, accounting for approximately 85% of all U.S. TSMs
 † As of the date the Company filed its 2021 proxy statement (March 30, 2021).

REPRESENTATION OF WOMEN



In 2020, 27% of our global leadership (Directors and VPs) including in the U.S. were female.

Cultivating our culture

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

Employee Resource Groups (ERGs) at Henry Schein are voluntary, employee-led networks that foster a diverse, inclusive workplace aligned with our Corporate Charter, Team Schein Values and business goals. ERGs support the Company's efforts to attract and retain the best talent, promote leadership and development at all levels, build an internal support system for employees within the Company, and encourage diversity and inclusion among employees at all levels. ERGs serve as an important vehicle to listen to the voice of our TSMs and collect insights that can impact business success. Henry Schein has the following four Employee Resource Groups: The Women's Leadership Network; Pride and Allies; Black Legacy Professionals; and a fourth ERG which supports the Hispanic/Latinx community.

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

Society and marketplace

We believe that creating a diverse and inclusive environment goes beyond Henry Schein, which is why we are committed to engaging with external partners who share our common mission, as well as ensuring we understand the changing demographics of our customers and their patients.

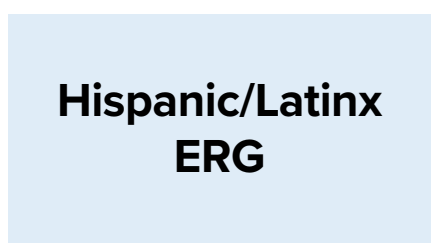
Henry Schein formally joined the Paradigm for Parity Coalition in 2017, which is dedicated to achieving gender equality in corporate leadership. In 2019, we signed the United Nations Human Rights Office LGBTI Standards for Business, which is aimed at promoting equal rights and fair treatment of LGBTI people. And, in 2020, we signed the World Economic Forum's Partnership for Racial Justice in Business. We also have continued with our long history of support for diversity in the health care professions through our support of the Black Coalition against COVID, National Dental Association (NDA), the Hispanic Dental Society (HDA), the Society of American Indian Dentists (SAID), Alpha Omega International Dental Society (AO), and other culturally specific professional organizations. Henry Schein was one of four founding corporate sponsors of the ADA's Diversity in Leadership Institute, which was created to foster leadership training and a corporate mentoring network within the dental

profession in order to improve the business management skills of dentists from racial, ethnic, or gender backgrounds that have been underrepresented in such roles. We were recognized for our work to advance diversity and inclusion in the dental profession at the 2019 Greater New York Dental Meeting.

Incorporating D&I into pay and incentives

In 2020, we introduced an individual D&I goal tied to our annual performance incentive program (i.e., cash bonus plan) for the senior managers in our Company (Directors, Vice Presidents and the members of our Executive Management Committee). And in 2021, we will strengthen this individual goal.

In addition to reviewing our pay structure and levels on an ongoing basis, we are also enhancing our monitoring and reporting systems to identify and address potential gender pay gaps.



Employee Resource Groups at Henry Schein are voluntary, employee-led networks that foster a diverse, inclusive workplace aligned with our Corporate Charter, Team Schein Values, and business goals.

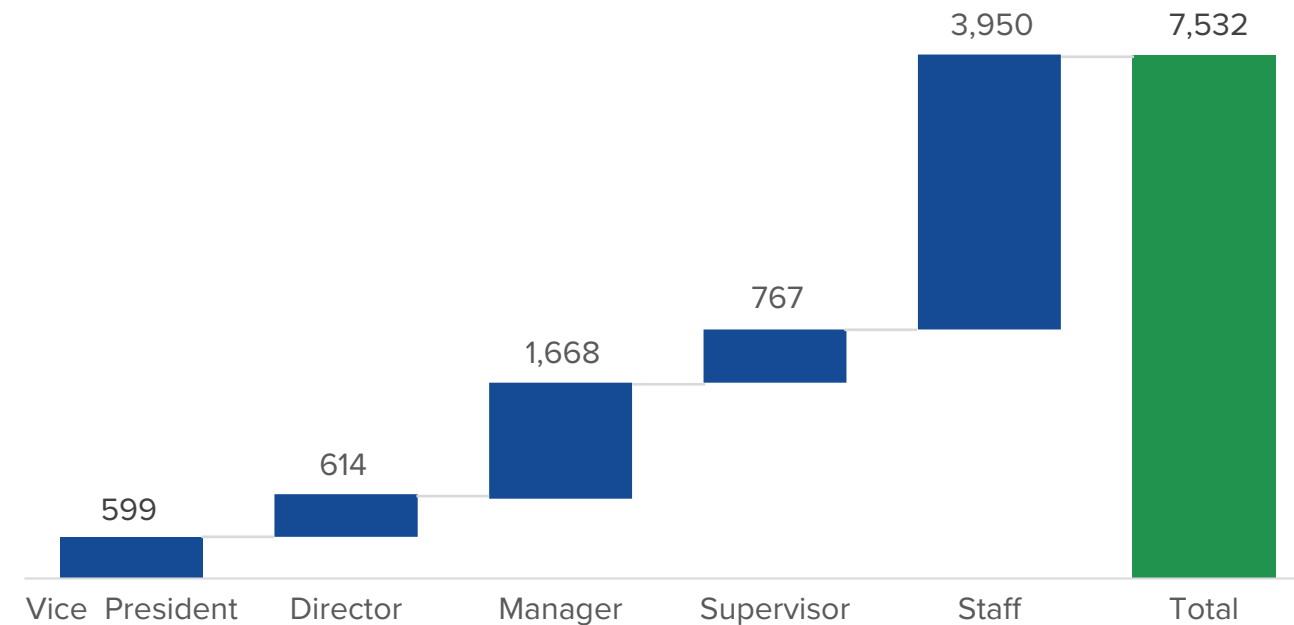
Human Capital Development

Personal and professional development of our TSMs is important to us. As such, Henry Schein invests in our TSMs by providing formal and informal learning opportunities that are dedicated to growing and enhancing knowledge, skills, and abilities. All TSMs globally are offered a broad suite of leadership and professional development educational opportunities to enable success in their current and potential future role(s) within the Company. With over 50 formal workshops currently offered internally by the Organizational Development (OD) team, TSMs have regular opportunities to grow their capabilities in real-time and continuously. This includes opportunities to connect with colleagues cross-functionally for the sharing of best practices.

Our OD team is dedicated to supporting business objectives focused on human capital development, including leadership development and Talent Planning. Talent Planning efforts are an integral part of Henry Schein's intention to ensure a strong leadership pipeline across the organization and are key to enabling the engagement, development, and retention of TSMs. Through one global process, the strategic development of talent leads to targeted development opportunities and actionable plans which enable the acquisition of skills necessary to drive success. Information derived from our Talent Planning efforts informs curriculum design and content so that the right capabilities are developed through intentional career development efforts aligned with the future needs of the organization. The range of key focus areas includes, but are not limited to coaching, strategic thinking, 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. All OD programming has a strong focus on ensuring a culture of inclusivity keeping in mind unique perspectives, backgrounds, and experiences.

PROFESSIONAL DEVELOPMENT TRAINING HOURS*



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

In 2020, our U.S. TSMs* recorded a total of 7,532 hours of education related to leadership and professional development, with approximately 56% of these completed by women, and 19% by ethnic minority groups. Education hours per employee group are illustrated.

We continuously evaluate educational offerings based on needs assessments, and due to the pandemic, had a heightened focus on developing new learning content designed to address remote working

challenges. We updated and adapted all content to enable a higher degree of interaction in a virtual environment resulting in cross-vertical sharing of ideas and peer-to-peer learning. Workshops became more readily leveraged globally with additional considerations taken into account to accommodate more flexible working hours. Additionally, supporting materials are made available on our Corporate Intranet to enable additional learning.

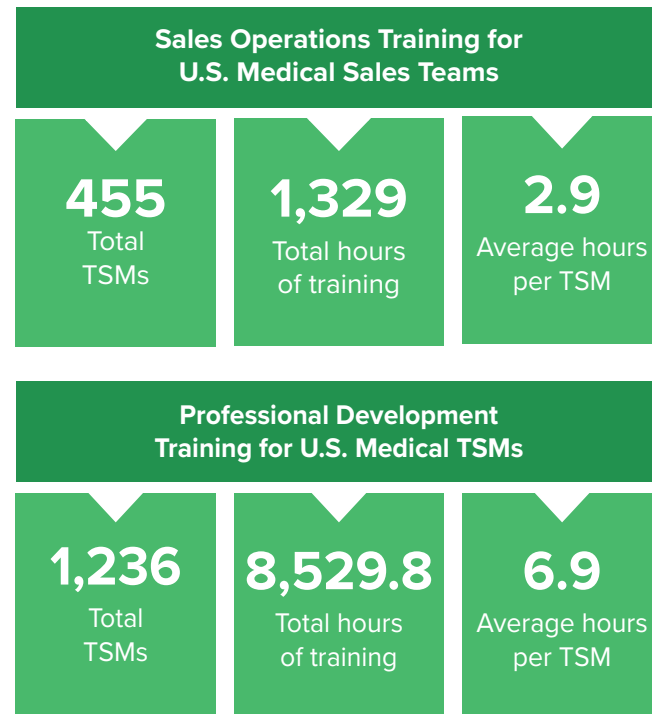
*Based on data from our centralized human resource database, accounting for approximately 85% of all U.S. TSMs

Medical sales training

Henry Schein Medical provides several modules of training for medical sales teams, including leadership development and the Health Industry Distributors Association (HIDA) Accredited in Medical Sales (AMS) certification.

In 2020, we evaluated the quality of our training through surveys and assessments at the end of our courses to determine their effectiveness and identify improvement areas. We are evolving our approach to training and working toward developing a knowledge, skills, and abilities (KSA) learning journey for our sales TSMs, tailored to their needs throughout their careers. The aim is to build and develop key skills over time, improve job performance, and enhance life skills that TSMs will be able to apply throughout their careers within and beyond Henry Schein. We will achieve this by building a consistent

EDUCATION TRAINING PROGRAMS FOR MEDICAL SALES TEAMS



and measurable training platform with a standardized approach to training, which will drive success “from hire to retire.”

As a first step, we are planning to train our sales and support service managers in 2021, so they in turn can assess our sales teams on their KSAs. We are in the process of establishing 125 role-specific KSAs over 12-month learning journeys.

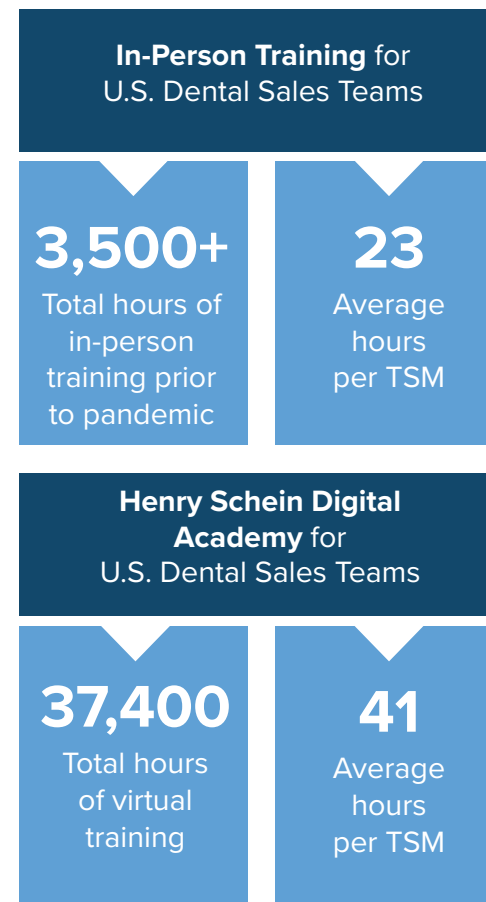
Dental sales training

The Henry Schein Sales Professional Institute (SPI) of the U.S. Dental business focuses on providing the dental field sales team with the knowledge, confidence, and efficiency they need to compete and expand in today’s dental market.

Our dental field representatives and leaders received over 37,400 hours of virtual training and coursework on our Henry Schein Digital Academy learning management system (an average of 41 hours per TSM), and over 3,500 hours of in-person training prior to the pandemic (an average of 23 hours per TSM).

In 2020, responding to the restrictions brought on by the pandemic, we shifted our approach to live virtual training and online coursework. On average, dental field TSMs received considerably more training in 2020 than in the previous year. We dedicated over 20 training hours per sales representative to topics to support our customers for a strong recovery. These included understanding human resources implications during the shutdown, the CARES Act, Infection Control, and Occupational Safety and Health Administration (OSHA) requirements.

EDUCATION TRAINING PROGRAMS FOR U.S. DENTAL SALES TEAMS



Going forward, we will place a greater emphasis on online learning, while strengthening the links to our sales outputs. Our evolving approach to training means that we, and the teams that are the target of our training programs, view training as part of our interactive change management processes rather than one-way receiving of information. The effectiveness of our trainings are increasingly our key focus, as we intend for our training to drive action and create impact, rather than merely contribute to knowledge building. We plan to evaluate the quality and success of our trainings not just through assessments and surveys, but also the actions taken after training, and ultimately by the success of the initiatives and sales results linked to training.

Compliance training

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

In 2020, we provided training on a range of compliance topics covering different TSM groups, targeted to the employee function, organizational level and the geography where TSMs are based. Examples include:

- Worldwide Business Standards for all TSMs globally
- Labor and Human Rights training for all TSMs globally
- Respectful Communications, optional, for all TSMs globally
- EU GDPR and Data Privacy for all TSMs based in Europe, and all US-based TSMs with exposure to EU data
- Preventing Workplace Violence for all U.S.-based TSMs, as well as managers, supervisors and above, globally
- Anti-Trust and Anti-Corruption globally for directors and above as well as selected sales and purchasing functions
- OSHA (Occupational Health and Safety) Certification for TSMs based in California and Virginia (additional states expected to be added in future)

Please see also [page 43](#)

Performance, Engagement, Feedback, and Recognition

Our TSMs' ability to effectively communicate and collaborate across functional and departmental teams positively impacts our performance. Our team's engagement as a whole is evaluated via a culture survey, conducted every two years, distributed to all TSMs globally, which, among other things, addresses collaboration. The results from our culture survey are reviewed by senior leaders, reported to the Board of Directors, and used to implement programs and processes designed to further enhance our culture.

In our latest culture survey conducted in 2019, our largest areas of opportunity were in the areas of improvement emphasis, customer centricity, and agility, all of which are areas that have been significantly affected by the COVID-19 pandemic. The need for more flexibility, for the Company to be more proactive instead of reactive, and for ensuring that everything we do centers around the needs of our TSMs and customers has shaped our focus and response throughout the pandemic. While TSMs at our manufacturing and distribution facilities, as well as field sales consultants and equipment service technicians, have continued to work onsite or in the field to provide vital services to our customers, most TSMs in administrative functions have effectively worked remotely since mid-March. In connection with this shift to remote working, we made investments in equipment, technology, and security upgrades to help protect our information and enhance our team's ability to work remotely. Throughout 2020, we surveyed key groups of TSMs to understand how they were feeling about working from home, what struggles or challenges they may have been facing due to the pandemic, and what support the Company could provide to overcome those challenges. The feedback from those surveys helped make key decisions in the learning and development sessions we created, the resources we provided to TSMs and leaders, and the frequency of communications with our TSMs.

TSM performance is evaluated annually, based on a measure of Team Schein values, with a focus on open communication. We believe that feedback and recognition are crucial in motivating our TSMs and helping them realize their full potential. As such, we engage in meaningful performance and career development conversations. We have a "pay for performance" philosophy,

with employees recognized and incentivized for high-quality performance. Eligible TSMs have individual goals and are assessed for performance against transparently and collaboratively set targets and criteria. Recognition mechanisms include financial and non-financial models. An example of financial recognition may be bonuses paid in addition to fixed salaries. Examples of non-financial recognition are our Teddy Philson Award, which recognizes TSMs across the globe for living and promoting Henry Schein's values, and the Henry Schein Service Award program, which recognizes TSMs every five years, for their years of service with the Company.

Career transition services

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

TEDDY PHILSON



TEAM SCHEIN AWARDS



Health, Safety, and Wellness

Operating under COVID-19 conditions during the year reaffirmed our commitment to health and safety in the workplace, and a holistic approach to wellness. We benefited from a strong safety foundation and mindset in our distribution centers and other operational facilities and offices.

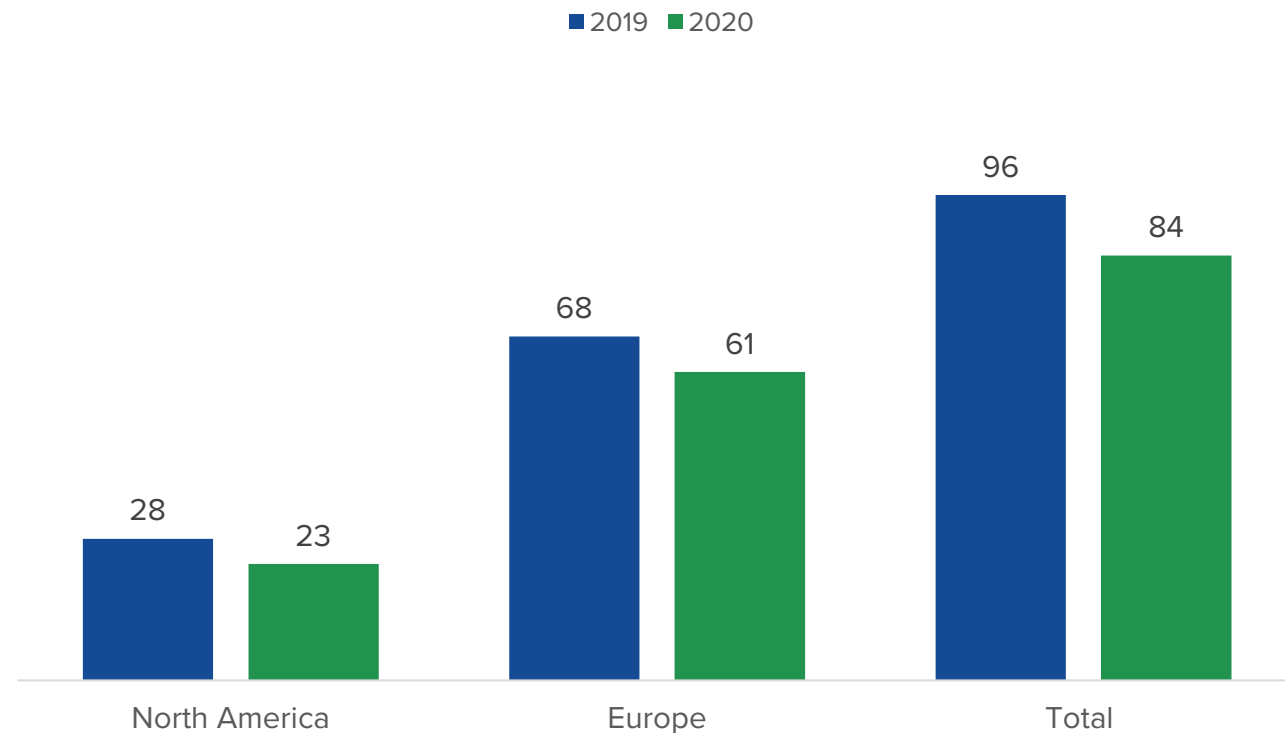
We have a Physical Security Policy in place, which guides our performance across all Henry Schein operations, supported by our safety rules and other guidance material. The policy and the supporting safety rules seek to ensure that consistent safety standards and practices are followed in all distribution centers and offices. These relate to the reporting of safety-related

incidents, general housekeeping and safety, PPE, fire safety, mobile equipment operation, and dress standards. They help us promote and foster a safe working environment and to minimize the occurrence of accidents and safety-related incidents in the workplace.

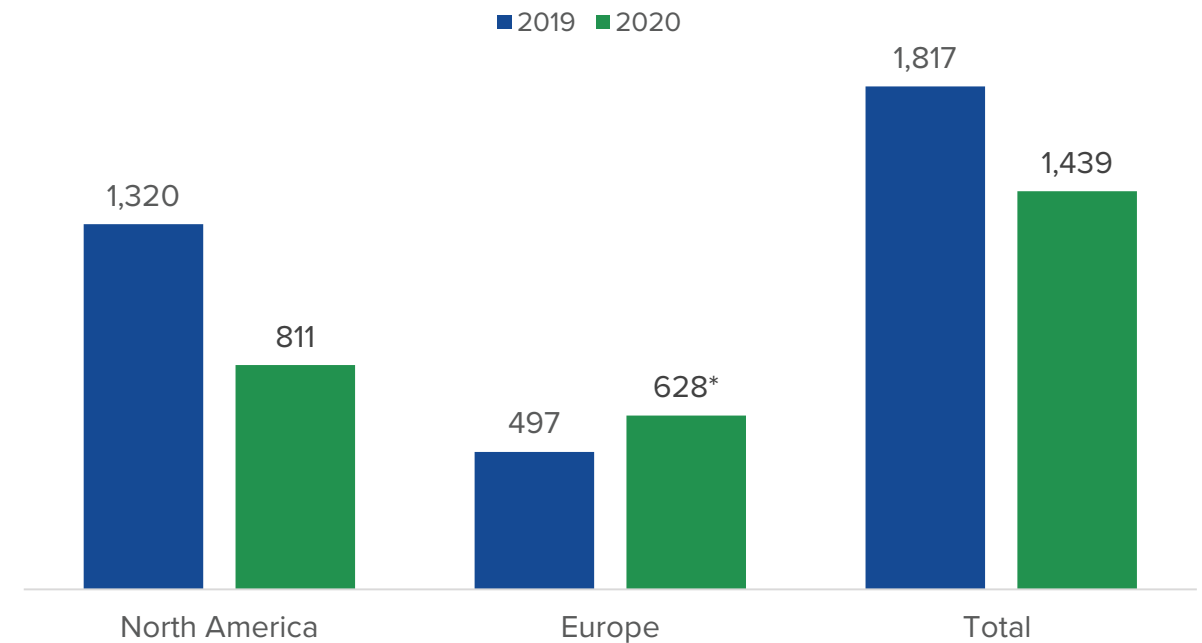
Dedicated training strengthens our approach. Safety training is conducted at the distribution centers to TSMs operating forklifts and those who may have contact with chemicals and spills.

In 2020, we experienced a total of 84 lost-time accidents⁸ (2019: 96) across the North American and European operations, leading to a total of 1,439 lost days (2019: 1,817). The decrease in the number of accidents and lost days can be potentially attributed to the overall reduction of time TSMs spent in the operations, given the temporary closures at some of our distribution centers, and some TSMs working from home. In the U.S., our lost-time injury frequency rate was at 0.56 per 200,000 hours worked (2019: 0.65).

LOST-TIME ACCIDENTS 2019 - 2020



LOST DAYS 2019 - 2020

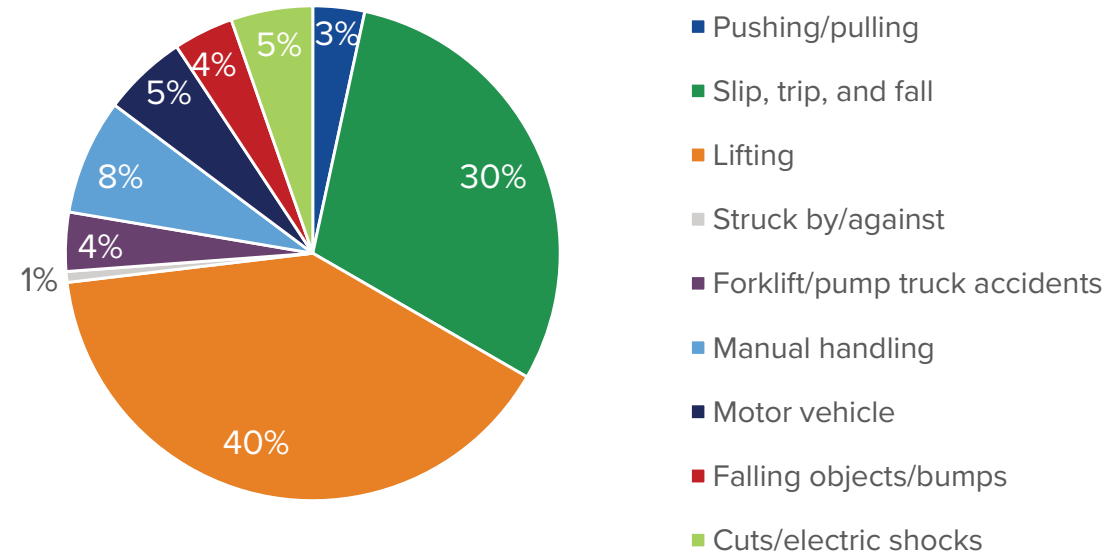


*Includes 167 days carried forward

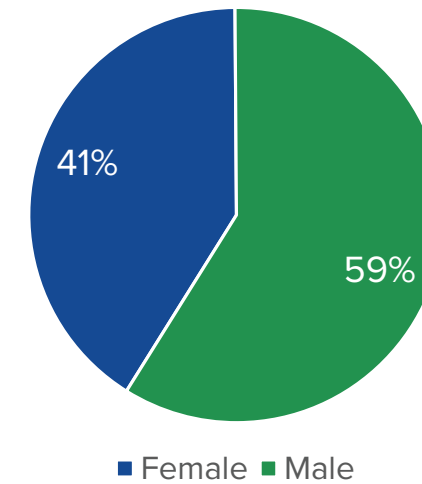
⁸ An on-the-job accident (defined as an incident that causes injury or ill health) that results in an employee being absent from the workplace for a minimum of one full day workday

Our lost-time accidents and lost days per region during 2020, as well as the number of lost days per injury type (as illustration of the most common causes of injury) are shown. As part of our accident prevention program, we conduct studies on an as-needed basis to measure air quality or noise level in order to manage any occupational health impacts on our employees.

DAYS LOST, BY INJURY TYPE (%), FOR NORTH AMERICA AND EUROPE IN 2020



EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER (%)*



Health and wellness

We offer competitive health and wellness programs and other benefits plans to eligible TSMs. We also offer programs to support TSMs and their families, including Workplace Flexibility and Paid Parental Leave programs. The chart here highlights the gender breakdown of TSMs that took parental leave.

In addition to employee health, we are committed to providing a safe and secure work environment for all TSMs. Given the new challenges our TSMs were facing during the year due to the pandemic, we placed a greater focus on mental wellness. Henry Schein established a Mental Wellness Committee whose mission is to empower every TSM to be their best self – Mentally, Emotionally, and Physically. We offered resources, guidance, and support to TSMs, and worked across our business to establish enhanced workplace norms to support the resilience, mental and physical wellness of our workforce. We also have employee assistance programs with trained counselors to assist TSMs with any personal needs.

The areas we supported our TSMs on included Financial Wellness, Working Remotely, Working on Site, Personal Health, Emotional Health, and Caring for Others.

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

Advancing Health Equity and Access to Care for Stronger Communities

We believe that, regardless of where someone is born, their social or economic situation, or the color of their skin, all people should have access to quality, affordable health care. Notably, in the past year, the disproportionate impact of COVID-19 on underrepresented communities highlighted stark health care inequities that, if left unaddressed, will undermine the security, health, and prosperity of all.

In 2020, Henry Schein Cares our global CSR program, and the Henry Schein Cares Foundation, Inc. donated over \$38 million in cash and product globally.

Our Commitment

We aim to donate at least an additional \$50 million in cash and product through Henry Schein Cares and the Henry Schein Cares Foundation, Inc. by 2025 to advance health equity through:

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

Our efforts to promote health equity and access to care include leveraging our unique position among key health care stakeholders to catalyze change for improving equity, increasing sustainability, and expanding access to health care by:

- Advocating for and raising awareness of the needs of underrepresented populations, particularly communities of color, to promote fair and equitable access to care
- Developing public-private partnerships to support the strengthening of health care systems

Increase health equity and access to care for at-risk and underserved populations by:

- Reducing gaps in access to health care through wellness, prevention, and treatment
- Deepening cultural competency among health care professionals to more effectively work with diverse patient populations
- Building capacity in the health care system by supporting the development of future and diverse health care professionals
- Planning, preparing, and pre-positioning products with leading global NGO partners to ensure the swift availability of life-saving supplies for health care professionals responding to disasters.

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

In response to the pandemic, Henry Schein Cares supported these efforts in key ways such as:

- Built a Community Connection Web resource page that served as a hub of information for all global partners, sharing the latest COVID-19 information and PPE resources
- Launched the [Wearing is Caring](#) campaign with branded face coverings with sayings such as I'm Still Smiling, Just Keep Smiling, Let's Face It, #MaskUp to raise awareness of the importance of wearing face coverings to help reduce the spread of COVID-19
- Financially supported select nonprofit partners with unrestricted grants
- Despite the fact that many of our existing partners were deeply affected by the pandemic, the [Global Product Donation Program](#) (GPDP) donated over \$7.5 million of much needed oral health and medical supplies to grantees
- Donated more than 10 million items of PPE, including face shields, hand sanitizer, isolation gowns, thermometers, coveralls, and face masks to AmeriCares, Direct Relief, International College of Dentists, MAP International, MedShare, Project HOPE, and Special Olympics. This donated PPE was utilized in over 40 countries and territories to support underserved communities.



AmeriCares Senior Director of Corporate Relations Randy Weiss inspects a delivery of PPE donated by Henry Schein. Photo by Johnathon Henninger/AmeriCares.

Here are some examples of our partnerships and programs in 2020 that engaged our stakeholders in advancing health equity and serving communities in which we live and work.



CHARITY PARTNER APPRECIATION

A deep, heartfelt thank you to all our global charitable partners who worked so hard during the pandemic to provide care to those in need. Particular thanks to Americares, Direct Relief, Heart to Heart International, MAP International, MedShare, MCW Global, Project HOPE to name a few. For a full list of our 2020 charitable recipients, please visit www.henryschein.com/CSR-Recipients.



INNOVATION DURING CRISIS

Rita Acquafredda, President of our Global Laboratory Business, helped to bring together the teams from ACE Surgical Supply and EnvisionTec to launch a new business packaging 3D-printed nasal swabs. The partnership allows for the availability of millions of sterile swabs to health care providers and municipalities to aid in proper testing and tracing of COVID-19.



CONTINUING OUR TRADITIONS

We pivoted our long-standing work with key community partners to ensure the continuation of support for Back to School and Holiday Cheer for Children, signature Henry Schein Cares programs for over 20 years. In lieu of in-person events, Team Schein provided gift cards to families with children in need around the world for the purchase of school supplies, clothing, and other items needed by this population.

SUPPORTING CARE IN CHINA

Henry Schein Trading Shanghai supported the China Oral Health Foundation's 2020 Gesanghua Project with an in-kind donation valued at \$4,300. The three-week-long project organized 45 volunteers in Nangqian County to carry out education, oral health surveys, and local fluoridation for more than 2,350 school-aged children. Additionally, 619 children were treated for and/or received fillings for a total of 1,290 cavities.

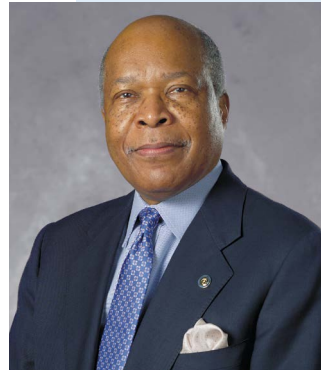


"Henry Schein is paving the way, both through its own adoption of internal humanistic policies and through its partnership with the Gold Foundation, to create systemic change and health equity in the health care ecosystem. We are very grateful for Henry Schein's leadership and expertise in partnering humanism with scientific excellence."
 —Dr. Richard I. Levin, President and CEO, The Arnold P. Gold Foundation

STRENGTHENING LOCAL COMMUNITIES

The Henry Schein Dental team in Dusseldorf, Germany, supported the needs of the local homeless community by donating 1,000 euros to Asphalt e.V. This organization hires people who are homeless to sell *fiftyfifty*, a magazine that advocates for the needs of the homeless community. People who are hired are provided with an opportunity to supplement their income while promoting the strength and dignity of the homeless community.





"The COVID-19 pandemic has laid bare many of the inequalities that pervade our health care system. Too many of the pandemic's most harmful impacts have been – and continue to be – borne by our underserved and vulnerable communities. It is the responsibility of every health care stakeholder to acknowledge this truth and take whatever steps they can to address it. Advancing health equity is a cornerstone to Henry Schein's success, and it is embodied in Team Schein's long-standing support of minority health care professionals, the associations that represent them, and the communities of color they serve. This commitment to health equity strengthens Team Schein, the professions we serve, and the families and communities in which we live and work."

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



ADDRESSING INEQUITY IN HEALTH CARE



Dr. Reed Tuckson, MD, FACP Founder and Convener of the Black Coalition Against COVID-19

Ann Marie Gothard, Vice President, Global Corporate Media Relations, Henry Schein

Henry Schein and the Black Coalition Against COVID (BCAC) have partnered closely to determine recommendations and strategies to accelerate equitable access to the COVID-19 vaccine. Our collaboration with the BCAC is a key component of the Company's advocacy for vaccine equity and the vital role primary-care physicians and other office-based health care practitioners play in expanding COVID-19 vaccinations nationwide. In 2020, we supported two BCAC "Making It Plain" events, which are a national-level series of educational, open-forum virtual town hall conversations led by senior government officials and prominent minority health professionals. The conversations focused on epidemiology, prevention, treatment, and vaccination efforts for COVID-19. In all, more than 54,000 health care professionals and others participated.



ACCESSIBLE CARE FOR PEOPLE WITH DISABILITIES

We deepened our commitment to bringing greater awareness to access to care for people with disabilities through our partnership with the National Council on Disability announced in late 2019. Since then, Henry Schein Dental held a six-part webinar series to equip dental practitioners with critical knowledge and tools to confidently accept and effectively treat patients with disabilities. In addition, we celebrated the Americans with Disabilities Act's 30th anniversary by highlighting our partners discussing the importance of health care for this vulnerable population.

WEARING IS CARING



Henry Schein Cares
Helping Health Happen



In October 2020, the Henry Schein Cares Foundation, in partnership with The UPS Foundation, launched a public health awareness campaign designed to raise awareness of health care disparities in underserved communities, the need for social distancing and vaccinations, and the importance of wearing face coverings to help reduce the spread of COVID-19. The campaign is aligned with guidance from the U.S. Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO) that encourages the use of cotton or cloth face coverings in public spaces to reduce community spread. For more information, visit www.hscaresfoundation.org.

"As a Founding Member of the Global Humanitarian Action Executive Alliance (GHAEA), Henry Schein continues to lead the way on promoting innovative public private partnerships to meet the world's growing humanitarian challenges. In 2020, the GHAEA immersed itself in engaging with the UN in support of their response to COVID-19. The private sector has played a crucial role in helping to mend broken supply chains, develop new fundraising platforms, and utilize technology to track and respond to specific requirements. We have also seen the immense power of partnerships to respond where other efforts have failed—Henry Schein's efforts with the Pandemic Supply Chain Network demonstrate this...Now is the time to harness the power of partnerships to address urgent humanitarian needs and Henry Schein provides a shining example of corporate engagement with the UN and unlocking SDG 17 to help those in need."

— Dr. Al Meraikhi, Senior Advisor to the United Nations Secretary-General Antonio Guterres



INDUSTRY PARTNERSHIPS DELIVER CARE

In February 2020, Give Kids A Smile (GKAS), a signature partnership with the American Dental Association (ADA), launched its 19th year of service. While the majority of children were seen in the month of February, many programs were delayed until the fall of 2020, and children were seen per state COVID-19 guidelines. Despite the pandemic, GKAS continued in February 2021 to provide oral health care screenings and treatment for children across the U.S., as many of those programs were canceled in 2020 due to school closures or large groups being unable to gather.



HELPING HEALTHY ATHLETES

Henry Schein Cares continued to support the Special Olympics Healthy Athlete work in 2020. Although many in-person events were cancelled, Special Olympics pivoted their Special Smiles screenings to virtual events. Additionally, Special Olympics launched an evaluation project with several Universities such as the Louisiana Public Health Institute, Pittsburg State University, and University of Texas Rio Grande Valley to evaluate how well their athletes are doing through health and fitness programs. HSC supported the effort with 250 Gulick measurement tapes for athletes to periodically measure themselves to help determine success of the program.



SUPPORTING CUSTOMERS WHO CARE

Henry Schein Dental Germany continued to support the association Dentists for Africa e.V. with a donation of 5,900 euros. Dentists for Africa works to improve dental care in Kenya sustainably by setting up dental units, organizing prophylactic measures at schools, and supporting professional training. In addition to monetary donations, Henry Schein Dental Germany also regularly provides the association with in-kind donations of dental equipment and free repairs when necessary. In Kenya, many health care facilities are privately run and often cannot afford protective equipment. Since the onset of COVID-19, prices have skyrocketed and made procurement increasingly difficult. With the support of Henry Schein Dental Germany, the association was able to provide protection for patients and staff on site.



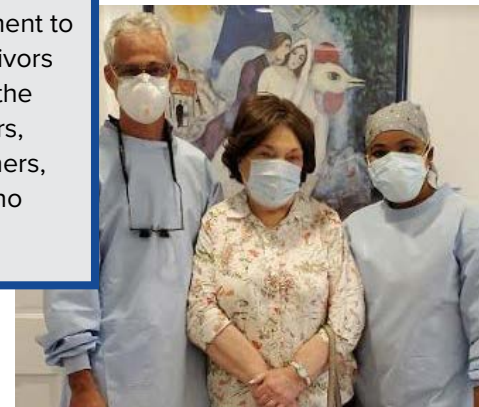
RESPONDING TO DISASTER

In response to the devastating bushfires that ravaged parts of Australia early in 2020, the Company, together with the Henry Schein Cares Foundation, seeded a Disaster Relief Fund with a \$50,000 donation and offer to match employee donations up to \$25,000, along with a commitment of up to \$50,000 of in-kind product support to relief organizations. Henry Schein Australia complemented these contributions by donating a portion of its January 2020 sales to local relief efforts, and Team Schein Members from Australia and New Zealand used their National Sales Meeting to build over 1,200 Bushfire Relief Packs containing personal hygiene items, which were distributed to people displaced by the fires.



CARING FOR THE MOST VULNERABLE

Despite the fact that dental offices were generally shut down for 12 weeks at the outset of the COVID-19 Pandemic, participating dentists in the Alpha Omega - Henry Schein Cares Holocaust Survivors Oral Health Program continued to provide emergency treatment to survivors in need, including in the homes of survivors when needed. As a result of the commitment of the program's dentists, social service agency partners, industry partners, philanthropic partners, and others, more than 1,600 survivors have received pro bono care through the program, valued at \$3.8M.



Our Governance Structure

Strong governance is essential to building a resilient and successful business in which sustainability is embedded at all levels. We are committed to engaging openly and transparently with our TSMs, customers, shareholders, supplier partners, the communities in which the Company operates, and society at large. Listening to and engaging with our stakeholders helps us appropriately respond to risks and opportunities.

Staying connected through open communication was fundamental to our COVID-19 response, in a year where our business and stakeholders faced unprecedented challenges which required a strong and agile response, and collective effort.

Oversight of ESG and sustainability activities

The oversight of sustainability and environmental, social, and governance (ESG) issues is incorporated within the charter of the Board of Directors' Nominating and Governance Committee. The Nominating and Governance Committee reviews and reassesses our governance procedures and practices and recommends any proposed changes to the Board of Directors for its consideration. The Nominating and Governance Committee also reviews and assesses the structure and performance of our ESG activities.

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

To reflect the increasing strategic importance of sustainability for the Company, the Company's Vice President of Corporate Social Responsibility, with the assistance of the Sustainability Committee, coordinates the Company-wide ESG activities and reports progress to the Nominating and Governance Committee. ESG and sustainability matters are reported to the Board of Directors on at least an annual basis.

We have published a CSR Report annually since 2014 and will continue to formalize our ESG and sustainability goal, reporting across the Company through our various management committees to drive and manage these issues with a long-term view and in an integrated manner. Key topics of enhanced focus include, among other things, policies, targets, and external reporting, as well as activities linked to the Company's climate response such as greenhouse gas emissions and energy consumption, environmental leadership, supply chain sustainability, community resilience, and the safety, diversity and engagement of TSMs.

Our annual [proxy statement](#) provides an overview of the structure, function, and performance of our Board of Directors and its independent committees. The following provides a summary of key aspects related to ESG and sustainability governance at Henry Schein.

Key sustainability and ESG developments

Key sustainability and ESG developments overseen by the Company's Board of Directors during 2020 included the Company's response to the COVID-19 pandemic in safeguarding the health and safety of TSMs, ensuring the continuity of our operations and supply chains, meeting the needs of our customers, and contributing to the health and resilience of our communities.

For example, we have participated in the U.S. Department of Health and Human Services COVID-19 Supply Chain Task Force since its inception in the spring of 2020 (originally managed by Federal Emergency Management Agency (FEMA)), which was created to maximize the availability of critical protective and lifesaving equipment. Our contributions include sharing information, advising on and escalating key supply chain issues, collaborating on recommendations, and responding to urgent requests for help from local providers. Read more about our response to the health and safety of TSMs during this time on [page 32](#). Other developments included, among other things:

- Continuing to formalize our ESG reporting and transparency strategy and expanding our reporting scope beyond North America
- Preparing to introduce climate targets and other sustainability goals for our operations and supply chain
- Engaging with investors and other stakeholders on Science-Based Targets and recommendations of the Task Force on Climate-Related Financial Disclosures
- The Board of Directors also oversaw progress made in advancing diversity and inclusion within the Company, including enhancing the Company's long history of diversity engagement by formalizing our D&I Council, which includes management representation and Board of Director engagement

Sustainability Committee

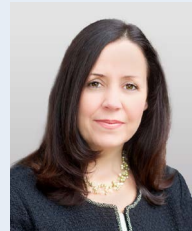
The management of ESG and sustainability matters is supported by the Sustainability Committee, a cross-functional team of senior and middle management that reviews the Company's progress regularly.



Daniel Balduf
Managing Director,
Altatec



Seema Bhansali
Executive Director,
Corporate Affairs



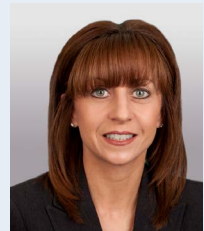
Carolynne Borders
Vice President,
Investor Relations



Christine Cantarino
Vice President,
Strategic Supplier
Management



Peter Dellacroce
Vice President,
Global Services
Administration
and Operations



Jennifer Ferrero
Vice President,
Senior Counsel,
Corporate



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



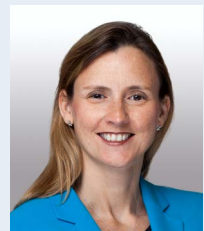
Scott Grossfeld
Director, External
Financial Reporting



Katja Grunert
Project and
Process Manager,
CAMLOG



Mike Hughes
Vice President,
Supply Chain –
North America



Lisa Kerr
VP, Global Risk
Management and
Business Continuity



Maureen Knott
Vice President,
Omnichannel
Customer
Marketing



David Kochman
Vice President,
Corporate Affairs
and Deputy Chief
of Staff, Office of
the CEO



Nancy Lanis
Vice President and
Chief Compliance
Officer



Amber Lewis
Senior Market
Development
Manager



Lorelei McGlynn
Senior Vice
President, Chief
Human Resources
Officer



Gerard Meuchner
Vice President,
Chief Global
Communications
Officer



Aqiyla Mohammed
Project Manager,
Distribution



Jim Mullins
Senior Vice
President, Global
Services



Allison Neale
Vice President,
Public Policy

Sustainability Committee (continued)

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



Jim Patterson,
Vice President &
General Auditor



Jeff Peacock
Vice President,
Global Quality
Assurance and
Regulatory Affairs



Pam Richter
Associate
Manager, Global
Human Resources
Strategy and Talent
Analytics



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



**Carol Rodriguez-
Bernier**
Vice President,
Human Resources
Strategy and Planning



John Scano
Vice President,
Global Services
Finance & Financial
Operations



Eric Schuler
Executive Director,
Distribution
Engineering



Erin Sekula
Director,
Investor Relations



Howie Stapler
Vice President,
Global Services
Administration



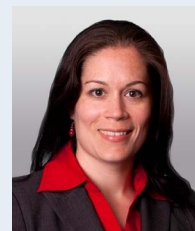
Markus Stammen
Managing Director,
CAMLOG



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



Shirley Taylor
Vice President,
Global Chief
Security and
Safety Officer



Margaret Watt
Director,
Supply Chain
Strategy and
Analytics

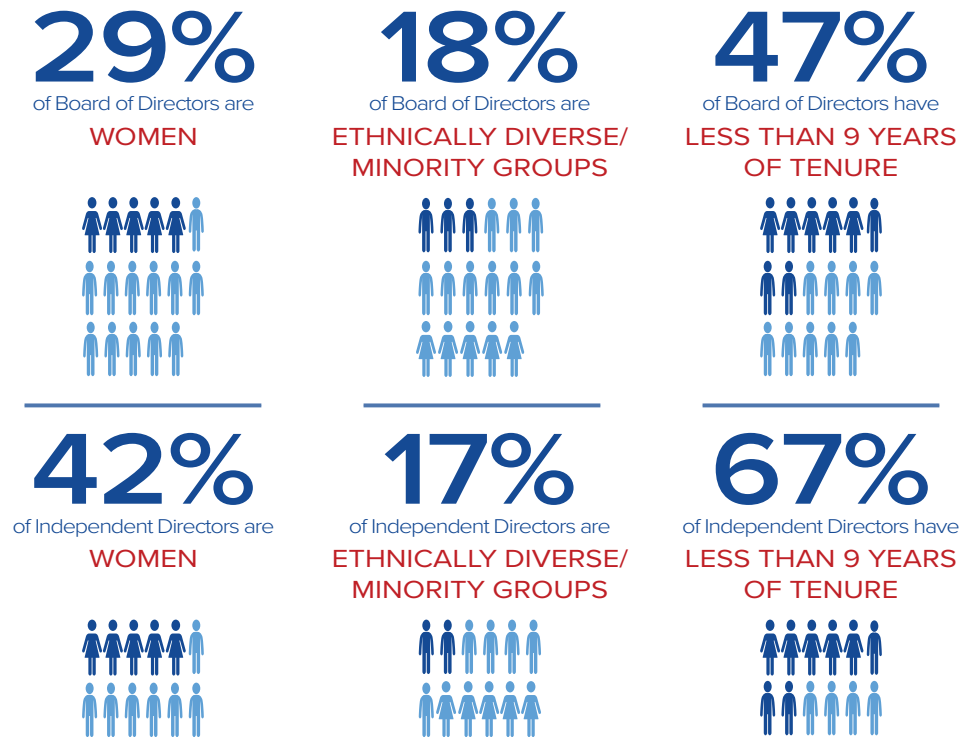


Schuyler Weiner
Senior Compliance
Attorney

Board diversity and skills

Our Board of Directors brings a diversity of perspectives, backgrounds, and skills to the boardroom, reflecting the diversity of our customers, investors, suppliers, and TSMs, and enabling the diversity of thought that we believe is necessary to advance the needs of the business and our stakeholders in an evolving societal, environmental, and operational context. To further our overall commitment to diversity, we supported Nasdaq's proposal filed with the SEC to adopt new listing rules related to board diversity.

BOARD OF DIRECTOR DIVERSITY*



For more details about the diversity and specific skills of the Board of Directors, [please click here and see page 3 of our Proxy statement](#).

*As of the date the Company filed its 2021 proxy statement (March 30, 2021).

As an example of its oversight, our Board of Directors and its committees meet regularly to discuss the strategic direction and the issues and opportunities facing our Company during the COVID-19 pandemic. The Board of Directors' review and discussions around this ongoing crisis was more effective in part due to the range, diversity, and strength of skills and experiences that it represents.

Nomination and selection of the board of directors

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

Conflicts of interest

Our approach to identify and manage potential conflicts of interest is guided by our global policy that is applicable to all levels of the Company. We maintain processes to identify potential conflicts of interest that exist with the Board of Directors and Team Schein Members. In addition, all potential conflicts of interest are reviewed to help ensure each is appropriately managed. On an annual basis, we report potential and existing conflicts of interest to the Audit Committee of the Board of Directors.

Evaluation of the board of directors

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

Consultation with stakeholders

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

OUR CULTURE OF ETHICS AND COMPLIANCE

Worldwide Business Standards

Our Worldwide Business Standards define the values and responsibilities that apply to every TSM, members of our Board of Directors, and to every TSM's dealings with third parties, including contractors, subcontractors, suppliers, customers, and other persons with whom Henry Schein does business. They provide guidance and resources to help resolve questions about appropriate conduct in the workplace and include such topics as anti-corruption, antitrust and fair competition, human rights, workplace safety, data privacy and security.

Global Supplier Code of Conduct

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



Team Schein Values

Our Team Schein Values are the guiding principles and shared responsibilities of Henry Schein and our TSMs. They affirm that people are our greatest asset, each person is as important as the next, politics distracts from great business practices, we are all mutually responsible for the success of the business, creativity should be recognized and encouraged, open communication is critical, and ethics and integrity are foremost.

Code of Ethics for Senior Financial Officers

Our Code of Ethics for Senior Financial Officers promotes honest and ethical conduct, proper disclosure of financial information in the Company's periodic reports, and compliance with applicable laws, rules, and regulations by the Company's senior officers who have financial responsibilities. These include our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller (if any), or persons performing similar functions.

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

Our compliance activities supported many other business streams during the year, importantly including our COVID-19 Business Initiatives (Henry Schein's Practice Recovery Plan, donations, providing testing samples, and similar activities). [See page 6](#) for more detail.

"The team responded with high flexibility in working overtime to coordinate back orders and receive goods late into the evening and in helping each other in the different departments. They offered to go on holiday when we had less volume and also cancelled planned holidays when we had high volume."

—Nadine Trieb, Manager, Heppenheim, Germany Distribution Center



Adherence to privacy and other regulations

We responded to the California Consumer Privacy Act which came into effect in January 2020, intended to enhance privacy rights and consumer protection for residents of the state of California. We implemented compliance measures with the local teams, and updated our data inventory process, which will continue in 2021. Internationally, in ongoing compliance with the EU's General Data Protection Regulation (GDPR), we worked with our EU Data Protection team and continued to educate and support our US businesses collecting or potentially collecting EU personal data. We also ensured systems are in place and appropriate teams trained in responding to other global privacy regulations.

We continued to work on other ESG compliance issues that apply to our business, including The UK Modern Slavery Act 2015, Australia Modern Slavery Act 2018, and various Conflict Minerals regulations.

Compliance and ethics concerns

The Regulatory, Compliance and Cybersecurity Committee, of the Board of Directors, currently comprised solely of independent directors, provides guidance to, and oversight of, the Company's senior management responsible for assessing and managing Company-wide regulatory, corporate compliance, and cybersecurity risk management programs.

Our Compliance Committee and Executive Steering Committee, each comprised of senior management representatives, regularly meet to consider and support key compliance initiatives and activities. Our TSMs raise concerns if they believe something inappropriate is occurring in the workplace. Our toll-free confidential global Compliance Helpline is available 24 hours a day, 7 days a week, in multiple languages, and is accessible to internal and external stakeholders by phone or through the web for anyone to share ethical or compliance concerns, including anonymously if desired by the reporter. We investigate all allegations, and we provide reports of allegations and investigations to our Compliance Committee, relevant senior management, and the Audit Committee of the Board of Directors.

The Audit Committee of the Board of the Directors also receives regular updates on critical issues related to accounting, internal accounting controls or audit matters. Employees can also raise concerns in other ways, outside of the helpline, such as through their supervisors, compliance team, Chief Compliance Officer, or the Human Resources or Legal teams.

We prohibit the retaliation against a TSM who makes a good faith complaint through any channel. After investigating, we develop a preventive and/or corrective plan, as needed.

Training and engagement

To uphold our principles and promote our values, we regularly engage with TSMs and other stakeholders through communication and training, and provide them with an array of tools. Our Global Compliance Learning program educates our TSMs on significant potential risks and is based on location and role. Through effective and continuous learning, we instill responsibility for compliance in the everyday actions of our TSMs. Our Ethics and Compliance training for all TSMs is compulsory and provides guidance for example, on anti-corruption, and how to use our incident reporting system.

For the first time, we deployed a compulsory human rights training internationally during 2020, covering all of our 19,000 plus TSMs in 31 countries, expanding our reach to all of our TSMs and deepening our commitment to human rights and existing training. This training focuses on labor and human rights in the supply chain, and training TSMs in their dealings with third parties who do business with Henry Schein.⁹ The topics discussed during the training include child or forced labor, human trafficking and modern slavery, discrimination in the workplace, harassment, fair wages, and collective bargaining, and how to take action when identifying an incident involving the violation of these and other human rights.

To continue our work on inclusivity and to demonstrate our values, we also offered a new course in 2020 on Respectful Communication, which reviewed fairness and dignity in the workplace, the free exchange of ideas, and values-based, respectful communication. In addition, we expanded our anti-harassment training course globally that uses real-life cases from around the world to increase awareness of the issues, encourage recognition of the signs, and stress individual responsibility to address it when it occurs.

[Please see page 29](#) for our overall approach to training, and what other types of training we provide to our TSMs.

⁹ All vendors, suppliers, manufacturers, service providers, joint venture partners, agents, and contractors, along with their subsidiaries, affiliates, and subcontractors, and anyone providing goods and services to the Company

ESG Materiality and Stakeholder Engagement

An inclusive approach

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

HENRY SCHEIN'S RESPONSE TO STAKEHOLDER NEEDS



We increasingly engage with the investment community on key sustainability issues in our sector, such as climate change. We are encouraged to see continued investor engagement on this important topic, recognizing the direct link between a purpose-driven strategy and a positive impact on the world around us. We believe that together we can drive climate action across the value chain and support the global efforts in tackling the climate crisis. Read more about the progress we have made in environmental leadership on [pages 15 to 21](#).

ESG materiality assessment 2020

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

The ESG materiality assessment included an in-depth review of the sustainability considerations that a sampling of our peers, suppliers, and customers report on, care about, and identify as material issues or risks, as well as surveys and interviews with a targeted subset of stakeholders. These stakeholders included selected TSMs and senior leadership, as well as external stakeholders such as investors, suppliers, sustainability organizations, professional associations, community partners, customers, clients, and business partners.

The surveys and interviews sought input from participants on the issues they found most relevant to Henry Schein's core values as a responsible business, and the degree by which Henry Schein is able to influence those issues. Participants were further asked to identify the top risks and opportunities for Henry Schein from a basket of issues, ranging from access to health and supporting local communities; employment issues such as safety, D&I, human rights and skills attraction and retention; to supply chain resilience, environmental impact and climate change, products and customer satisfaction; and governance of sustainability.

Stakeholders identified ethics and integrity as the most important governance issue, as well as an issue with a higher relevance to Henry Schein.

Customer issues – namely customer relations and satisfaction, customer health and safety, and to a slightly lesser degree, customer and consumer privacy – ranked very high in relevance and ability to influence, as well as top risks and opportunities for Henry Schein. Rounding out the top risks and opportunities identified by stakeholders were supply chain issues, specifically sustainability in the supply chain and supply chain quality management, both of which stakeholders determined Henry Schein is highly likely to influence. Please see our [ESG materiality matrix](#) on page 42.

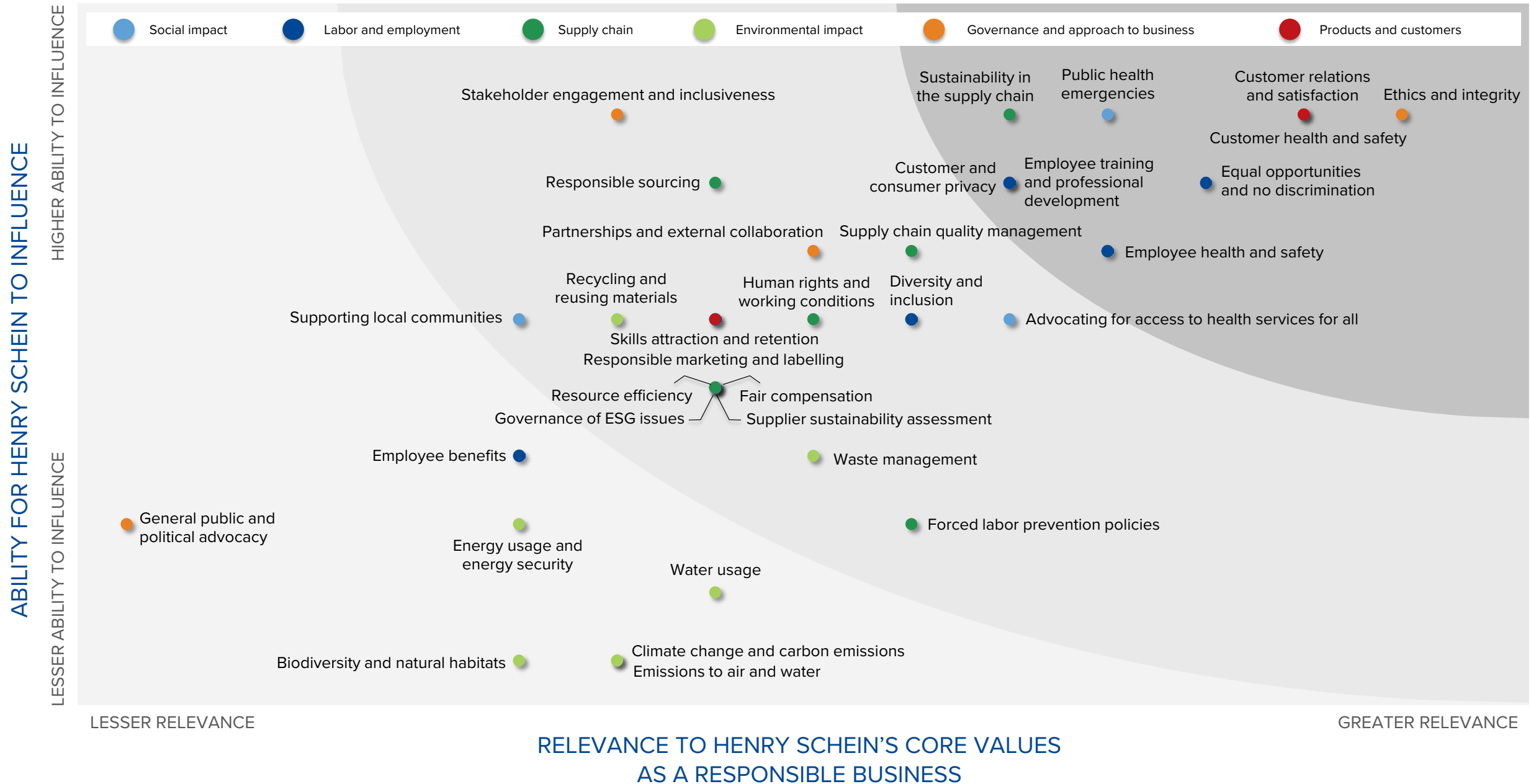
As we make progress on our reporting approach and further enhance our disclosures, we are encouraged by the results of our ESG materiality assessment, which demonstrates that we are focusing and reporting on the facts that matter to our stakeholders. We will review the results of our ESG materiality assessment in detail, and engage with our stakeholders, both internally and externally, to respond to the findings as appropriate, and to further incorporate and prioritize them in our external reporting.

"The teamwork of Team Schein Denver has always been something I have appreciated, and since the beginning of the pandemic our teamwork commitment has grown stronger."

—Trina Kellenberger,
Denver, Pennsylvania
Distribution Center



ESG MATERIALITY MATRIX



Risk Assessments and Continual Improvement

Henry Schein conducts company-wide risk assessments at least every two years, which alternate between primarily enterprise risk management and compliance. In 2018, we performed an enterprise risk management assessment, and subsequently in 2020 conducted a compliance-focused risk assessment as outlined below.

In 2018, we worked with over 100 key internal leaders to conduct a global interdisciplinary risk assessment to identify the greatest enterprise-wide risks that could affect our business now and in the future. Risk factors were studied across strategic, operational, legal, regulatory, compliance, finance, and technology categories. We reviewed and strengthened strategies and plans, and continued measurement of such plans in order to address applicable identified factors. The impact and likelihood of these risks are similar to those of other companies articulated in benchmarking studies.

In 2020, the Compliance team conducted a broad global risk assessment, working with 113 key internal leaders (including Executive Management Committee members and leaders of the business units), focused on potential compliance risks covering all our geographies, businesses, and operations. This assessment will serve as the basis for continuous improvements in compliance program activities.

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. We disclose our performance in a number of sustainability and ESG ratings and platforms, including CDP, Ethisphere, Human Rights Campaign Corporate Equality Index, MCSI ESG ratings, ISS, Sustainalytics, CPA-Zicklin Index, and JUST Capital rankings.

We also recognize the importance of meeting the recommendations made by the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. We are currently investigating a reporting and risk assessment framework for responding to TCFD's reporting recommendations, and expect to provide an update on this effort next year.



"Throughout the pandemic, our global sourcing teams based in the U.S., Europe, and Asia were on the front line of the process for securing critical PPE products for our essential health care customers. While we have always taken this responsibility very seriously, we never felt closer to our core mission of "Helping Health Happen." With a 24-hours-a-day, 7-days-a-week cycle, our global teams worked seamlessly and tirelessly to access products, move them through a dislocated supply chain, and ensure they met the highest standards for quality, safety, and efficacy. It's an experience we will never forget and one that will continue to guide us toward even greater achievement in the future."



—Rick Glass
Vice President, Global Sourcing

About This Report

This 2020 CSR report covers the calendar year January 1, 2020 to December 31, 2020. Our previous report was published in June 2020 for the calendar year January 1, 2019 to December 31, 2019. The data included in this report relates to 2020, with historical data, including certain data underlying our KPIs, provided for comparison and to show progress. The geographic scope of the majority of data is our U.S. operations, unless stated otherwise. For many of our environmental metrics we include data from our Melville headquarters in the U.S., and our distribution centers in North America, Europe, Australia, New Zealand, as stated in the report. We have revised historical figures reported in the previous reports for the last two years for our hazardous waste to landfill to reflect our enhanced approach to data and reporting.

For Scope 1 and 2 emission calculations, we have used credible, publicly available sources for emission factors, such as those published by the U.S. Environmental Protection Agency (EPA), the UN Framework Convention on Climate Change, the European Association of Issuing Bodies (AIB), and the Australian and New Zealand governments. The majority of data on our Scope 3 emissions (greenhouse gas emissions in the supply chain) are provided by third parties (including suppliers and service providers) and not calculated or assured by Henry Schein.

In our reporting efforts, we are increasingly guided by the reporting principles and standards of the Global Reporting Initiative (GRI) and have also begun mapping our disclosures to the Sustainability Accounting Standards Board (SASB) Standards. By 2022, our report will be fully in accordance with the GRI (core option) and SASB Standard. We also plan over the next three years to work towards externally assuring and auditing our ESG data as we continue to strengthen our data and reporting approach.

Cautionary Note Regarding Forward-Looking Statements

In accordance with the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important factors that, among others, could cause future results

to differ materially from the forward-looking statements, expectations, and assumptions expressed or implied herein. All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. These statements are generally identified by the use of such terms as “may,” “could,” “expect,” “intend,” “believe,” “plan,” “estimate,” “forecast,” “project,” “anticipate,” “to be,” “to make,” or other comparable terms. 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. Forward-looking statements include the overall impact of the Novel Coronavirus Disease 2019 (COVID-19) on the Company, its results of operations, liquidity, and financial condition (including any estimates of the impact on these items), the rate and consistency with which dental and other practices resume or maintain normal operations in the United States and internationally, expectations regarding personal protective equipment (“PPE”) and COVID-19 related product sales and inventory levels and whether additional resurgences of the virus will adversely impact the resumption of normal operations, the impact of restructuring programs as well as of any future acquisitions, and more generally current expectations regarding performance in current and future periods. Forward-looking statements also include the (i) ability of the Company to make additional testing available, the nature of those tests and the number of tests intended to be made available and the timing for availability, the nature of the target market, as well as the efficacy or relative efficacy of the test results given that the test efficacy has not been, or will not have been, independently verified under normal FDA procedures and (ii) potential for the Company to distribute the COVID-19 vaccines and ancillary supplies.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: risks associated with COVID-19, as well as other disease outbreaks, epidemics, pandemics, or similar wide spread public health concerns and

other natural disasters or acts of terrorism; our dependence on third parties for the manufacture and supply of our products; our ability to develop or acquire and maintain and protect new products (particularly technology products) and technologies that achieve market acceptance with acceptable margins; transitional challenges associated with acquisitions, dispositions and joint ventures, including the failure to achieve anticipated synergies/benefits; financial and tax risks associated with acquisitions, dispositions and joint ventures; certain provisions in our governing documents that may discourage third-party acquisitions of us; effects of a highly competitive (including, without limitation, competition from third-party online commerce sites) and consolidating market; the potential repeal or judicial prohibition on implementation of the Affordable Care Act; changes in the health care industry; risks from expansion of customer purchasing power and multi-tiered costing structures; increases in shipping costs for our products or other service issues with our third-party shippers; general global macro-economic and political conditions, including international trade agreements and potential trade barriers; 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 confidentiality of sensitive personal information or standards in electronic health records or transmissions; changes in tax legislation; litigation risks; new or unanticipated litigation developments and the status of litigation matters; cyberattacks or other privacy or data security breaches; risks associated with our global operations; our dependence on our senior management, as well as employee hiring and retention; 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.