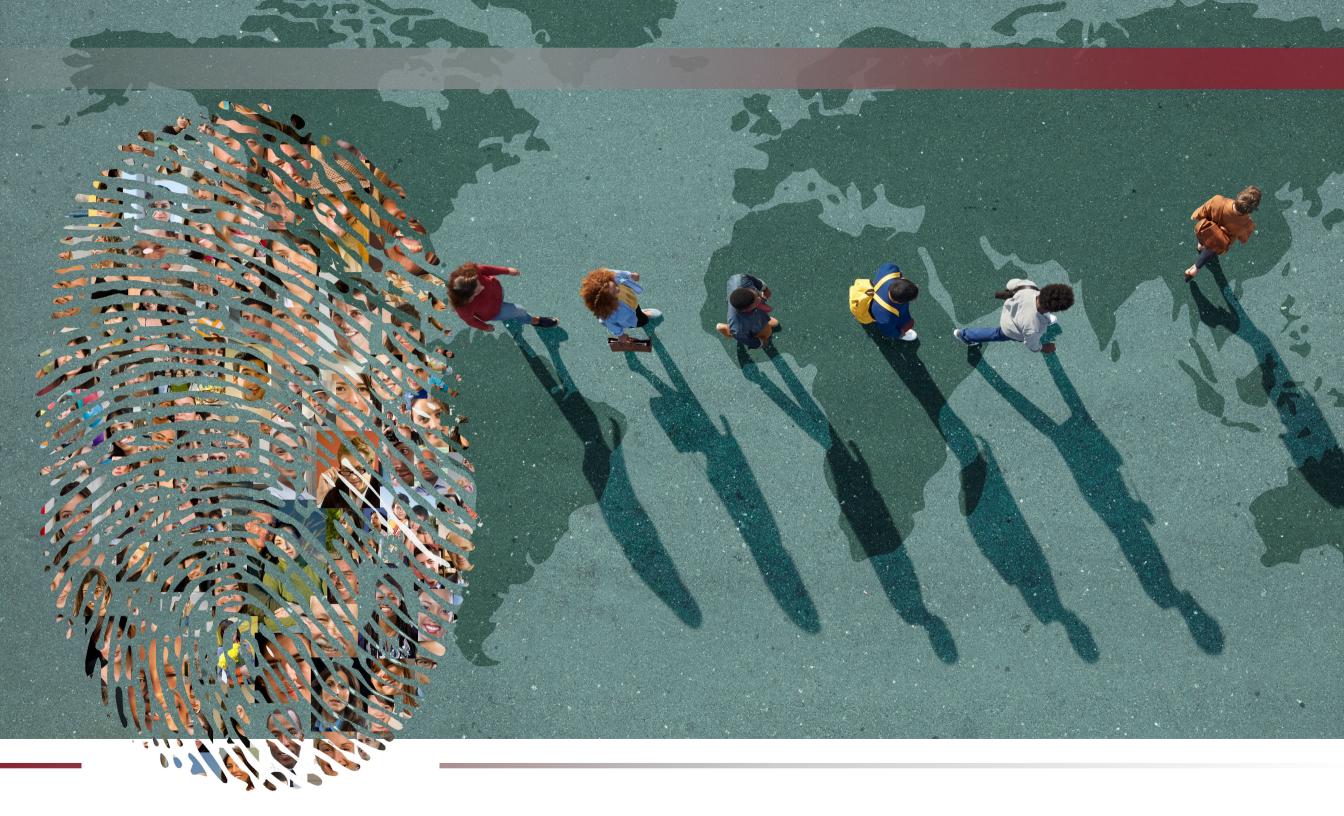
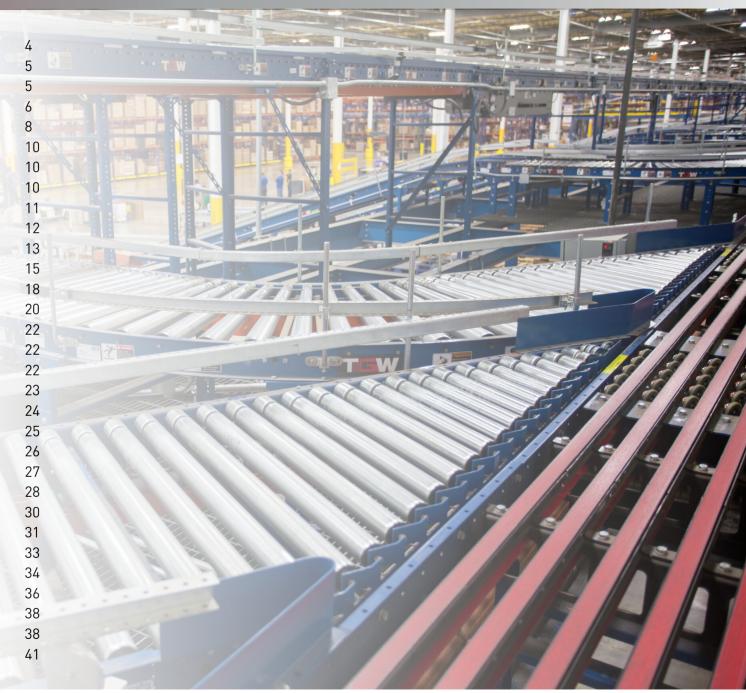
# Owens Winor<sup>M</sup>

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

2020 REPORT



### Who We Are Our History Our Values Our Business **About this Report** Our Approach to ESG **Our ESG Priorities** Integrating ESG into Our Business Stakeholder Engagement **Empowering Our Teammates** Talent Management Health and Safety **Diversity and Inclusion Caring for Our Customers and Communities** Innovative Healthcare Solutions Product Quality and Safety Access and Affordability of Healthcare Products and Services Strengthening Communities **Operating Responsibly** Governance and Accountability Ethics and Compliance Data Privacy and Security Responsible Supply Chain **Ensuring Environmental Stewardship** Energy Efficiency and Climate Risk Fleet Efficiency Water and Waste Management **Responding to the COVID-19 Pandemic GRI/SASB** Content Index **GRI** Content Index SASB Content Index



# LETTER FROM OUR CEO



Since our founding, Owens & Minor has supported healthcare providers and professionals in driving positive health outcomes for society. Throughout our nearly 140-year legacy, we have been focused on providing superior healthcare solutions. With our broad experience and extensive medical distribution reach, we touch many different parts of healthcare.

Our business has evolved over time; from a local drug company to a vertically integrated healthcare solutions provider, we have adapted our business to take advantage of technological innovation and globalization to advance healthcare supply chain and logistics.

COVID-19 impacted the world in unforeseen and unprecedented ways. In 2020, we, like numerous other companies, had to adapt our business and operations while keeping our Teammates healthy and protected during the pandemic. We stepped up to the challenge to address the demand for personal protective equipment (PPE) and other critical products and services that keep providers safe while enabling them to continue their critical work of caring for patients.

The criticality of our business has become even more apparent throughout the pandemic as the PPE we produce became more important than ever for protecting healthcare professionals and other essential workers. Our relentless focus on the resiliency of our value chain allowed us to rise to the COVID-19 challenge and increase manufacturing to respond to the needs of our customers and, in doing so, reinforced our healthcare system at a very vulnerable time.

Over the years, our business has intrinsically supported Environmental, Social and Governance (ESG)-related outcomes, and we recognize the significance of identifying, prioritizing, and managing the ESG impacts created within our operations. In 2020, we started the journey of building a formal ESG program. Our team has embraced this with enthusiasm, and I am proud of the progress we have made, including:

- Identifying our priority ESG topics
- Developing an ESG strategy and focus areas of (1) Empowering our Teammates, (2) Caring for our customers and communities, (3) Operating responsibly, and (4) Ensuring environmental stewardship to support intentional progress toward ESG outcomes
- Developing an ESG governance and accountability structure, including a team dedicated to implementing our ESG strategy
- Continuing to support the care continuum, delivering solutions to empower healthcare, and strengthening communities

We are committed to our journey to further develop and implement our ESG strategy across the business to drive long-term value.

From design to delivery, it is our responsibility to be relentlessly focused on building a business aligned to our IDEAL Values (Integrity, Development, Excellence, Accountability, and Listening) that benefits our customers, Teammates, communities, investors, and the world. We take that commitment very seriously every single day.

Sincerely,

hall the

Edward A. Pesicka

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# WHO WE ARE

Since our founding, Owens & Minor has been serving the healthcare system, in alignment with our Mission of *Empowering Our Customers to Advance Healthcare™*. Through our technology, products, and service offerings, we deliver significant and sustained value across the breadth of the industry – from acute care to patients in their home.

# **OUR HISTORY**

In 1882, Owens & Minor Drug Company was founded when we opened our first location in downtown Richmond, Virginia. Our company operated principally as a pharmaceutical distributor for more than 80 years until 1966, when we purchased A&J Hospital Supply, creating the Company's first presence in the healthcare supply industry.

At Owens & Minor, we have continued to innovate over time to meet the evolving needs of the healthcare market and our commitment to serving our customers has resulted in steady growth for our business.

# **OUR VALUES**

We believe that the future of healthcare depends on healthcare providers being able to focus on the needs of our communities. We live our Mission of *Empowering our Customers to Advance Healthcare*<sup>TM</sup> through the work of over 15,000 Teammates worldwide operating under a shared set of Values, our IDEAL framework:

- Integrity: We act with the highest standards of ethics and honor the commitments made to our stakeholders
- Development: We aspire for improvement and growth
- Excellence: We perform to the highest standards, embracing our Mission
- Accountability: We are responsible for our actions and results
- **Listening**: We listen to our customers and to one another to understand needs and deliver solutions

# OWENS & MINOR FAST FACTS as of December 31, 2020



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# WHO WE ARE

# **OUR BUSINESS**

We are a healthcare solutions provider, offering an integrated set of technologies, products, and services to healthcare providers, manufacturers, and patients. Our vast medical distribution platform along with a strong portfolio of proprietary products and exciting solutions in our patient direct business support the healthcare value chain from acute care to hospitals to patient care in the home.

Our enterprise-wide offerings are designed to navigate a rapidly changing healthcare environment while enhancing our customers' experience along the continuum of care. As healthcare continues to evolve, we are prepared to address the current and future needs of our customers through our differentiators:

- We manage the materials, design, strict quality standards, and product specifications in our own facilities with our own Teammates.
- We self-manufacture most of our proprietary products in the Americas. In terms of volume of units manufactured, a large portion of our products (particularly gloves) are made in Thailand.
- We have strategically located distribution centers in North America for rapid deployment.

# OUR OFFERINGS INCLUDE PRODUCTS AND SOLUTIONS IN FOUR CRITICAL ASPECTS OF HEALTHCARE SUPPLY CHAIN:

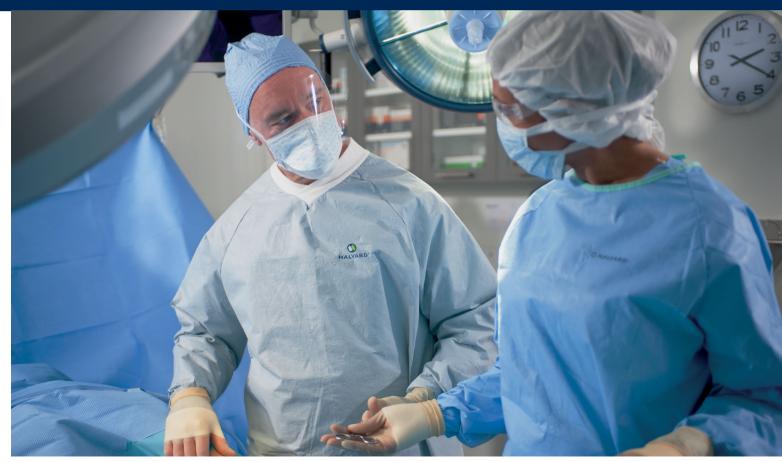
# PRODUCTS

Through our standard-setting HALYARD\*, MediChoice<sup>®</sup>, and Medical Action<sup>®</sup> brands, our vertically integrated business produces our own non-woven rolled goods and manufactures medical equipment used every day in hospitals and medical clinics, including medical exam gloves, personal protective equipment such as facial protection and protective apparel, patient gowns, surgical drapes, and more.



### **Owens & Minor Products in COVID-19**

With our Americas-based manufacturing, we are wellpositioned to help with the COVID-19 response. Personal Protective Equipment (PPE), such as N95 respirators, gloves, and more are critical tools to helping slow the spread of the virus. In 2020, we installed new capacity for N95s and non-woven fabric, along with the expansion of isolation and surgical gown capacity, to help keep medical first responders and the patients they served, safe. For example, we surged manufacturing of N95s by over 1000% relative to 2019 levels.



### DISTRIBUTION

We operate a robust value chain that brings leading products, including our own proprietary brands, to medical facilities. With 90% of Americans living less than four hours from Owens & Minor distribution centers and 99% rates for on-time delivery, shipping accuracy, and pricing accuracy, our distribution solutions are trusted for their flexibility in providing seamless support to the healthcare facilities they serve.



#### **Logical Unit of Measure Distribution**

Globally, medical facilities have predictable and specific demand for medical products, and one-size-fitsall distribution solutions such as bulk purchasing often do not meet the needs of medical providers and create risks related to the quality and timing of care. We offer Logical Unit of Measure (LUM) solutions that precisely meet the needs of providers while reducing surplus inventory.



# SERVICES

In addition to operating distribution networks, we provide supply chain management services, including inventory and supplier management and analytics. These services help our customers save the valuable time of clinicians for patient care, decrease costs associated with unneeded inventory, and reduce overall inventory and supplier risk.

### QSight<sup>®</sup>

Medical supply chain managers deal with hundreds of SKUs and suppliers every day to create a custom value chain right-sized for their operations. Our QSight supply chain software solution helps them manage that process by facilitating simplified data input, providing visibility of products from manufacturing to point of use, and eliminating manual tasks that drive costs and risk.



#### **Diabetes care**

Through Byram, our Patient Direct business, we are dedicated to providing timely and reliable delivery of medical supplies for patients with diabetes which allows them to effectively and easily manage their health. We offer a one source total solution for diabetes care, including glucose monitors, test strips, insulin pumps and more while providing insights and resources to help patients spend less time worrying about their health.

## **PATIENT DIRECT**

Millions of people managing chronic conditions are in need of medical supplies outside of a healthcare facility. Through Byram Healthcare, our Patient-direct subsidiary, we provide patients access to affordable, convenient, and high-quality medical supplies to manage diabetes, chronic wounds ostomy, and more at home.

# ABOUT THIS REPORT

Owens & Minor's 2020 Environmental, Social and Governance (ESG) Report provides qualitative and quantitative information regarding our ESG performance to our stakeholders.

# **REPORT BOUNDARIES**

This report covers calendar year 2020. Some initiatives or targets that were launched during early 2021 are also included in this report to provide up-to-date information for our stakeholders. We intend to report on ESG topics annually. This report covers Owens & Minor's ESG efforts across our company, including our subsidiaries.

# **REPORTING GUIDELINES AND CONTENT**

We prepared this report leveraging the Global Reporting Initiative (GRI) Sustainability Reporting Standards reporting framework and the Sustainability Accounting Standards Board (SASB) Health Care Distributors and Medical Equipment and Supplies industry guidance report. GRI and SASB indexes can be found in the Appendix of the report.

While this is our inaugural report, we are proud of our ESG focused initiatives that have been ongoing for years. We recognize we are at the beginning of our ESG journey, and continue to improve the quality of our disclosures on ESG to provide a deeper understanding of our performance to our stakeholders.

We take seriously the views of all our stakeholders. The topics covered in this report were defined based on the ESG priorities identified through our ESG materiality assessment that was performed in early 2021, which has defined our ESG framework. More information may be found in the "Our ESG priorities section" on pages 10-11.

# **REPORTING UNCERTAINTIES**

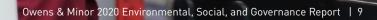
Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

# DISCLAIMER

When we use the terms "Owens & Minor, Inc," "O&M," "we," "us," "our," and the "Company," we mean Owens & Minor, a Virginia corporation, and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates. The intended audience of this communication is the general public and the purpose is to communicate ESG information on Owens & Minor's business operations.

The use of the term "materiality" and other similar terms refers to ESG topics and materiality assessments in the context of sustainability or ESG materiality assessment as defined by voluntary ESG/Sustainability reporting frameworks. We are not using such terms as they are used under the securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

Statements in this ESG report and Owens & Minor's website regarding the Company's ESG initiatives and future operating results, outlook growth, plans, and business strategies, including statements regarding project savings and improvements to the Company's operations, product offerings, technologies, and ESG metrics as a result of its initiatives and programs, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward looking statements. Forward looking statements involve known and unknown risks and uncertainties that may cause actual results in future periods to differ materially from those projected or contemplated in the forward looking statements.



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# OUR APPROACH TO ESG

We believe in a future of sustainable and effective healthcare, and every day, our healthcare solutions in manufacturing, distribution, and services empower clinicians, researchers, and hospital systems to make this vision a reality. While we are dedicated to continuously improving our offerings, we also know that progress requires managing the impacts from every aspect of our business, and we are committed to doing our part to identify and address ESG in our products, our operations, and our entire value chain.

# **OUR ESG PRIORITIES**

In early 2021, we performed an ESG materiality assessment to identify and prioritize ESG topics that are most relevant to our key stakeholders. By using the results of the materiality assessment Owens & Minor will align ESG risks and opportunities with our overall strategy, while striving to improve our societal impacts.

Prior to executing the ESG materiality assessment, we identified the topics that could be potentially relevant to our business and stakeholders by conducting research, benchmarking and leveraging external ESG reporting frameworks (e.g., The Sustainability Standards Accounting Board (SASB), the Global Reporting Initiative (GRI)).

We engaged with representatives across the business and executive leadership to obtain their perspectives on the relative importance of these ESG topics. We then prioritized the ESG topics that are most significant to Owens & Minor. The results (shown below) were ultimately validated by our CEO and the Board of Directors:

0&M's ESG Mater	<b>0&amp;M's ESG Materiality Results (prioritization of ESG topics)</b>						
IMPERATIVE	VERY IMPORTANT	IMPORTANT					
<ul> <li>G - Data privacy and security</li> <li>S - Diversity and Inclusion (D&amp;I)</li> <li>G - Ethics, anti-bribery and anti-corruption</li> <li>S - Health and safety</li> <li>S - Product quality and safety</li> <li>S - Responsible supply chain and human rights</li> <li>G - Regulatory compliance</li> <li>E - Waste management</li> </ul>	<ul> <li>S - Access and affordability of healthcare products and services</li> <li>E - Climate risk</li> <li>G - Corporate governance</li> <li>E - Energy efficiency</li> <li>G - ESG governance</li> <li>E - Fleet efficiency</li> <li>E - Fleet efficiency</li> <li>E - Environmental stewardship</li> <li>E - Product design and lifecycle management</li> <li>S - Talent management</li> <li>G - Transparency</li> </ul>	S – Community engagement G – Customized healthcare solutions E – Water management					
Legend: <b>E</b> – Enviro	Legend: <b>E</b> – Environmental topic, <b>S</b> – Social topic, <b>G</b> – Governance topic						

We recognize that ESG materiality assessments should be updated on a regular basis to reflect changing trends, business impacts and stakeholder priorities. We plan on updating our ESG materiality assessment process to incorporate additional external stakeholder engagement and current market trends.

# **INTEGRATING ESG INTO OUR BUSINESS**

Our ESG framework forms the basis of our ESG program, integrating the ESG priorities identified in our materiality assessment into key aspects of our operations and overall business strategy. To define our framework, we conducted a number of "visioning" sessions that presented our materiality assessment findings to our ESG team and executive leadership. We also held comprehensive discussions to formulate the core components of our framework, the Owens & Minor ESG focus areas, and corresponding commitments.

The implementation of Owens & Minor's ESG framework will be managed by our newly formed, cross-functional team, with diverse expertise and responsibilities, including representatives from Investor Relations, Human Resources, Supply Chain, Community Engagement, Environment, Legal, Ethics and Compliance, and Health and Safety. This team will be led by the executive leadership with oversight and final approval by the Governance and Nominating Committee (GNC). To help formalize this oversight, the charter for the GNC was amended in 2021 and the ESG team will continue providing regular updates to the Board on the progress of implementing the ESG strategy.

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# **0&M'S ESG FRAMEWORK**

# Empowering Our Customers To Advance Healthcare™



Our ESG framework is grounded in our Mission statement, underlining how our environmental, social, and governance-related efforts are firmly rooted in our culture, value proposition, and Values. This overarching message is supported by our four focus areas and accompanying objectives, defining the outcomes we hope to achieve by our efforts and encompassing the impact areas identified in our materiality assessment.

# STAKEHOLDER ENGAGEMENT

Our stakeholders are a consideration in every part of our business, and we stay connected with customers, investors, vendors (suppliers, distributors, agents, and other business partners) communities, Teammates, and other stakeholders through a variety of engagement methods, including live discussion, reports, and surveys. The chart below provides an overview of how we communicate with our stakeholders:

Key Stakeholder Groups	Internal & External Communication Mechanisms
Customers	<ul><li>Customer resources tab on corporate website</li><li>Direct communications with customers</li></ul>
Communities	<ul> <li>Local volunteering opportunities</li> <li>Press releases</li> <li>Corporate website disclosures</li> </ul>
Teammates	<ul> <li>Teammate engagement survey</li> <li>Intranet - Featured News</li> <li>Quarterly town hall meetings</li> <li>Monthly community newsletters</li> </ul>
Government/ Regulators	<ul> <li>Government relations function</li> <li>Ongoing interactions with regulators associated with product and facility registrations and related reporting requirements</li> </ul>
Investors	<ul> <li>Annual shareholder meeting</li> <li>SEC filings and annual report</li> <li>Quarterly conference calls</li> <li>Investor meetings, conferences, and roadshows</li> </ul>
Vendors	<ul> <li>Regular communication and business reviews with vendors including adherence to the Vendor Code of Conduct</li> </ul>

# EMPOWERING OUR TEAMMATES

Foster an empowering, safe, and inclusive work environment where all Teammates can thrive.

Teammates are at the heart of our organization. We believe in creating an environment focused on the health, safety, and well-being of our Teammates and aim to provide tools and resources needed for their personal well-being and professional development.

We strive to create an environment where our Teammates feel valued, included, and heard. We believe that diverse and inclusive teams are essential to broaden perspectives and ignite creativity and innovation in our business. Our Teammates are empowered to help lead us on this journey to create a culture where everyone can be their authentic self at Owens & Minor.

# TALENT MANAGEMENT

Owens & Minor is committed to supporting the growth and development of its Teammates. We are continually focused on developing, retaining and attracting top talent, and we recognize that continuous improvement is a key component to building a high performing organization.

Our Talent Center of Excellence leads O&M's Talent Management Programs in partnership with Human Resource leaders in each business unit. The Talent Center of Excellence team reports to the Chief Human Resources Officer who provides regular updates to our Board of Directors.

We integrate continuous improvement into our Talent Management Programs, which includes effectiveness surveys to clients and participants, and structured open feedback sessions allowing our HR team to share feedback during and after the process. These inputs can then be incorporated into the Talent Management Programs. Additionally, it is our goal to conduct Teammate engagement surveys once every 18 months to obtain feedback which can be used to improve existing programs and inspire future projects.

Owens & Minor is committed to providing support to our Teammates as they grow and develop within our company. Our Total Rewards Program focuses on well-being initiatives for our Teammates. Key aspects of our program include:

# **TEAMMATE WELL-BEING**

To help manage their health and well-being, Owens & Minor offers comprehensive benefits to all its Teammates.

For example, for our Teammates in the U.S., some of our benefits include:



#### Health and well-being benefits:

- Medical coverage, including prescription drug coverage, free in-network preventive care, cost sharing for nonpreventive care, out-of-pocket maximums
- Supplemental medical coverage that provides cash payments in the event of significant unexpected medical expense
- 365+ HUB, a benefit that provides one-on-one support to help Teammates improve the quality and cost of care
- Dental and vision coverage
- Wellness resources to help Teammates manage and maintain health
- Health savings and spending accounts
- Life and accident insurance
- Disability insurance

#### Financial benefits:

- 401(k) retirement plan that matches Teammate contributions at 100%, up to 4% of earnings and opportunity for an annual discretionary contribution
- Teammate Stock Purchase Plan
- Healthcare savings plan
- Tuition reimbursement for job-related courses
- Advisory resources to help Teammates manage their savings and investments

#### Additional benefits:

- Paid time off plan
- Paid parental leave for family bonding after the birth of a child
- "Giving Back Day," which provides Teammates one day per year where they can participate in a local charity event or community-based program

Globally, each country has a market-competitive suite of health, wellness and financial benefits.



# SUPPORTING OUR TEAMMATES

**COVID-19**: As a vital component to the healthcare supply chain, Owens & Minor manufacturing facilities and distribution centers remained operational throughout the pandemic. Our Teammates around the world responded selflessly to the pandemic and worked tirelessly to manufacture and distribute healthcare products. During these trying times, the Company provided additional paid time-off along with COVID stipends to our front-line workers. In addition, emergency pay was granted to Teammates who were required to quarantine during the pandemic and telemedicine was offered at no cost to our Teammates.

**Honduras**: For our Honduran Teammates who suffered a devastating hurricane this past year, we provided additional compensation, beds, and household items to lessen the severity of the impact. In 2020, during the month of November, the country of Honduras experienced two consecutive hurricanes (ETA and IOTA) resulting in massive flooding in the region surrounding our manufacturing plant. Over 670 of our Teammates were affected by the flooding, with many losing all their personal property. Owens & Minor supported Teammates by providing food baskets, mattresses, linens and gift cards for new clothes. Additionally, medical camps were set up to treat families affected by illness and disease following the storms.

# TRAINING AND DEVELOPMENT

We are focused on creating a work environment that provides growth opportunities for our Teammates to develop new skills and hone existing skills to support their personal and professional development.

As part of this commitment, we offer Teammates a variety of eLearning training modules and virtual instructor-led trainings. We are also investing in our learning and development platform, enabling one learning management system for our Teammates globally. As a response to the global pandemic, we increased the number of virtual instructor-led training courses to enable our Teammates to continue enhancing their skill sets in a virtual environment. In 2020 there were 42,000 learning modules completed, an increase of over 8% from 2019.



# **HEALTH AND SAFETY**

The safety of our Teammates is paramount for us. We are committed to providing a work environment that empowers all Teammates to make safe choices and leave work safely each day.

In 2020, we formed a cross-functional Global Safety & Risk Council bringing together all Owens & Minor business units, including Risk Management, Safety Leadership, Security, Quality, and Human Resources. The Council's purpose is to share best practices, align and implement standard practices, standardize compliance procedures, and strengthen our safety culture through collaboration.

Across our manufacturing and distribution center operations, our Safety Management System (SMS) standardizes safety procedures and improves performance. The foundation of our SMS is leadership commitment and support that empowers the organization to make safety a top priority. We continuously assess the health and safety risks our Teammates face in their jobs, and we work to mitigate those risks using our SMS through job hazard assessments, behavior-based safety protocols, Teammate engagement programs, and internal safety inspections. A few examples of how our SMS creates a culture of safety include:

- **Training and Standard Operating Procedures**: We have Training and Standard Operating Procedures in place to mitigate risks identified in our job hazard assessments and to comply with applicable laws, rules, and regulations. In addition, we provide routine safety training to our Teammates, which includes formal onboard training for new hires with an in-depth overview of our safety culture and practices.
- **Teammate engagement programs**: Each manufacturing and distribution site has a Safety Committee where Teammates are provided access to management system elements (e.g., behavior-based safety database), participate in the development, implementation and continuous improvement of all safety management systems. Teammates act as conduits for sharing information related to safety practices and improvements.
- **Measuring performance**: We regularly track leading indicators and lagging indicators and develop action plans for improvement based on the results. Leading indicators include internal inspections, near-miss incidents, high impact reporting, and training compliance; lagging indicators include recordable incidents, Days Away Restricted or Transferred (DART) incidents, and incident rates. Leading indicators evaluate the strength of our safety culture, while lagging indicators evaluate the results of our safety efforts.

# 0&M SAFETY

# Safety First, Quality Always

# SAFETY INITIATIVES AND ACHIEVEMENTS ACROSS GLOBAL PRODUCTS:

- In the last twenty four months, eight of our nine manufacturing sites received our "Crystal Eagle" Excellence Safety Awards for operating safely, recordable injury-free for 365 days.
- Achieved and beat our goal of 50% reduction of recordable incident rate over 2019, with a 53% reduction.
- Teammates and supervisors meet annually to sign a joint commitment prioritizing their safety and the safety of their fellow Teammates.

# SAFETY INCIDENTS ACROSS ALL OUR BUSINESS UNITS as of December 31, 2020:

	2020
Total number of incidents	110
Total recordable incident rates (TRIR)	0.57
Days away from work, days of restricted work, and/or days of job transfer (DART)	63
DART Rates	0.33



# SAFETY INITIATIVES AND ACHIEVEMENTS ACROSS DISTRIBUTIONS:

- In 2020, 17 sites achieved incident-free status, two sites achieved two years of incident-free status, and one site achieved four years of incident-free status.
- Achieved a 35% reduction in recordable incident rate and a 57% reduction in DART incidents from 2019.
- 100% of distribution sites participated in the annual Occupational Safety and Health Administration's national Safe + Sound week, a nationwide event held each August that recognizes the successes of workplace health and safety programs and offers information and ideas on how to keep Teammates safe.
- Implemented Safe Catch programs providing daily opportunities to encourage Teammates to recognize each other for working safely. Safe Catches are the result of a Teammate initiative to resolve potential unsafe conditions or behaviors to prevent an incident.





# **DIVERSITY AND INCLUSION**

We are committed to fostering an empowering work environment that enables our Teammates to thrive. Diversity and inclusion are a critical part of fulfilling our IDEAL Values—Integrity, Development, Excellence, Accountability, and Listening—and delivering on our Mission. We actively participate and have taken steps to support initiatives that promote diversity and inclusion in our workplace. We continue to focus on improving the diversity of our leaders. For instance, in 2020, our promotions to Vice President level roles were 57% ethnically diverse and 42% were female.

### Diversity means that we ...

retain, develop, attract, and advocate for all Teammates, each and every day. That we welcome all forms of diversity—including race, ethnicity, gender, religion, age, and sexual orientation as well as diversity of thought, experiences and skills.

### Inclusion helps to ensure ...

that we seek to create an organization where each Teammate feels a sense of belonging to Owens & Minor through our IDEAL Values.

To execute on our commitment, our Diversity and Inclusion (D&I) Steering Committee oversees and supports our diversity and inclusion strategy and initiatives. The Committee is composed of our Talent Management, Learning & Talent Development, and Teammate and Community Engagement teams, and reports to our Chief Human Resources Officer and Chief Operating Officer. The D&I Steering Committee works in conjunction with the Executive committee (CHRO and COO) for D&I. The Steering committee is responsible for the development and management of Teammate resource groups, D&I Teammate metrics, communications and conferring with the Executive committee on key focus areas related to D&I. The committee also owns the development of external relationships/partnerships with Historically Black Colleges and Universities (HBCUs) and Military/Veteran Associations for the purposes of attracting and hiring more diverse and military talent.

# DEMOGRAPHICS OF OUR BOARD OF DIRECTORS & U.S. TEAMMATES BY GENDER AND ETHNICITY AS OF DECEMBER 31, 2020

	Male	Female	Unknown	White	American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Native Hawaiian or other Pacific Islander	Multiple ethnicities	Unknown⁵
Board of Directors <sup>1</sup>	86%	14%	0%	71%	0%	0%	29%	0%	0%	0%	0%
Executive Management <sup>2</sup>	86%	14%	0%	100%	0%	0%	0%	0%	0%	0%	0%
Non-executive management	63%	37%	0%	71%	0%	2%	13%	7%	0%	1%	5%
Professionals <sup>3</sup>	49%	51%	0%	70%	1%	4%	12%	7%	0%	1%	5%
All other Teammates <sup>4</sup>	52%	46%	2%	38%	1%	6%	27%	14%	0%	2%	12%

\*Note: Due to rounding, percentages provided may not add up to 100% <sup>1</sup> Seven Independent Directors as of Dec 31, 2020 <sup>2</sup> Leadership team of seven members

<sup>3</sup> All exempt level Teammates excluding people leaders

<sup>4</sup> All non-exempt level Teammates excluding people leaders

<sup>5</sup> Teammates who have not self-identified on our 'Workday' system

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# RECRUITMENT

We believe that a diverse workforce enhances creativity, creates a sense of belonging, and drives innovation, which is why we embed diversity and inclusion in our Teammate recruitment practices.

We partner with HBCUs to increase visibility of Owens & Minor's hiring opportunities for students and alumni through networking events, career development workshops, internships, and career fairs. We provided virtual training sessions for students focused on resume writing and building interview skills. These schools include Virginia Union University, Howard University, Hampton University, Clark Atlanta University, and Virginia State University.

In addition, we are a proud military employer of choice and we partner with multiple military and veteran organizations to support the service members in our company and communities.

# ENGAGEMENT

We increased our efforts to create open spaces and dialogue that engage our Teammates and foster a culture that embraces and celebrates the varied backgrounds, experiences, and viewpoints our Teammates bring to work.

As part of these efforts, we facilitated a series of focus groups to discuss belonging, culture, and career growth with over 150 diverse Teammates throughout our organization in order to gain insight into our Teammate experience. We held two deep-dive sessions that focused on African American Teammates and female Teammates to provide open and safe spaces for dialogue.

In 2020, we created Teammate Resource Groups (TRGs), which provide resources and support for underrepresented identity groups to improve innovation, promote belonging, increase team alignment, and boost engagement. TRGs are overseen by our Diversity and Inclusion Steering Committee to ensure their voices and messages are elevated throughout our company. We have approximately 260 Teammates participating as members or allies, and our TRGs continuously lead events that connect and foster a sense of community:

- In response to the events highlighting racial injustice, our Black Heritage, Outreach, Mentorship, and Enrichment TRG sponsored company-wide "Voice Forums," which brought together African American vice presidents and directors who spoke of their life experiences involving racial injustice and racism and on opportunities to unite as a country.
- Our Military and Veteran TRG sponsored an interview with our board member, Lieutenant General Gwendolyn Bingham, to speak on her experience in the military.
- Our Women Empowerment Network TRG hosted a forum to have open conversations on pathways to leadership, overcoming gender bias, and professional development.





# IN 2020, WE CREATED THE FOLLOWING TRGs:

- Black Heritage, Outreach, Mentorship, and Enrichment
- Military and Veteran
- LGBTQ+
- Women Empowerment Network
- Women in Tech

# CARING FOR OUR CUSTOMERS AND COMMUNITIES

Deliver superior and easily accessible care for customers and the communities we support.

We are dedicated to supporting the care continuum by providing high-quality healthcare solutions that meet customer and regulatory requirements and empower our customers to continue the critical work of caring for patients.

We recognize our responsibility to improve access and affordability of our healthcare products and services for our customers and are constantly evaluating new programs and initiatives to help us do so.

We are also committed to building stronger communities where we operate. Our Teammates participate enthusiastically as active members of our larger, global communities, through fundraising and volunteering with community groups. In May 2021, we launched the Owens & Minor Foundation to further our commitment towards impactful contributions.

# THE OWENS&MINOR FOUNDATION

# IMPACTFUL CONTRIBUTIONS TO SHAPE OUR COMMUNITIES



**ENVIRONMENT:** Environmentally aware contributions



**HEALTHCARE:** Healthcare-focused contributions



**DIVERSITY:** Diversity-driven contributions

# **INITIAL FUNDING OF \$10 MILLION**

# **INNOVATIVE HEALTHCARE SOLUTIONS**

At Owens & Minor, we're focused on developing and enhancing products and services that provide our customers the support and tools they need to advance healthcare. We have a rich history of market leadership in product innovation.

We design, manufacture, and source innovative products that help reduce risks and support superior patient care in a variety of care settings. In addition, our rigorous safety and quality standards ensure products are dependable and effective. For instance, the introduction of disposable sterilization wraps or initiating the replacement of latex exam gloves with nitrile gloves to protect healthcare providers, showcases our legacy of leading change to evolve our product offerings to meet our customers' needs.

We understand that our healthcare customers face challenges unique to their organization. That's why we develop specialized solutions that correspond to the specific needs of our customers.

# ACCESS AND AFFORDABILITY OF HEALTHCARE PRODUCTS AND SERVICES

Through our Patient Direct business, Byram Healthcare, Owens & Minor improves health outcomes, access, and affordability of care for people living with chronic conditions by providing timely, reliable delivery of a broad offering of medical supplies directly to a patient's home. We also contract directly with home health agencies to provide needed supplies for patients who require home health services.

We work to ensure patients have the best care experience while simplifying the complexities of healthcare reimbursement and insurance. We offer in-network coverage with Medicare, Medicaid, and most private insurance to help patients save on out-of-pocket expenses for medical supplies. In addition, patients facing financial hardships are eligible to participate in payment plans to assist with the payment of co-pays, deductibles, non-covered services, and other out-of-pocket expenses.

Owens & Minor is committed to doing our part to close the gaps in healthcare disparities that continue to impact the communities we serve. We are in the process of evaluating additional programs and initiatives to increase the access and affordability of our healthcare products.

## **PRODUCT QUALITY AND SAFETY**

Providing high quality and safe products to our customers is our top priority. We design, manufacture, and source products that support superior patient care.

Our Quality Assurance and Regulatory Affairs (QARA) team oversees the product life cycle from design through distribution and ensures that suppliers and branded manufacturers have established quality systems and meet regulatory requirements. QARA Teammates remain current on quality and regulatory trends through active involvement with industry trade groups and standards organizations such as the Association for the Advancement of Medical Instrumentation® (AAMI), MedTech Europe, Health Industry Distributors Association (HIDA), and GS1.

Across our global operations, we undertook product quality and safety process improvement initiatives, updating our corporate quality policy, standardizing our Corrective Action Preventive Action process, and rolling out an innovative human factors-based root cause investigation methodology.

We routinely track, assess, and review the quality and safety of our products and services. We use industry-standard enterprise quality management systems to record and investigate customer complaints and in-process deviations. Our Quality Audit program manages internal quality system audits required by the Federal Drug Administration (FDA) and the International Organization for Standardization (ISO) and tracks third-party audit and inspection results. Furthermore, we implemented strategic initiatives at the business unit level—for example:

- Across Global Solutions, we monitored and tracked data more efficiently to help manage recalls, resulting in a 60% decrease in the cycle time of recall events; implemented enhanced statistical methods to help identify trends and pain points with existing clients; and upgraded equipment to enhance monitoring tools across our distribution network.
- Across Global Products, we responded to and complied with a complex and rapidly changing global regulatory environment; reduced customer complaints by focusing on product reliability and customer satisfaction; and modified processes to improve efficiency, effectiveness, and compliance.

Owens & Minor has meaningfully supported the fight against COVID-19, and our QARA team successfully implemented expedited validation and quality updates in response to the continuously evolving regulatory landscape of PPE. This included emergency use authorization of PPE, limitations on the volume of product that could be imported and exported, and a significant PPE production ramp-up.

# **STRENGTHENING COMMUNITIES**

We are active members in the communities where we operate. By contributing financially and through volunteer work, we help build stronger communities and create a better environment. Overseen by our Charitable Contribution Committee and our Chief Human Resources Officer we accomplish our objectives in a few ways, including direct contributions and corporate sponsorships to charitable organizations, specific programs designed to enrich our communities, and community volunteer efforts. During 2020, Owens & Minor donated nearly \$1.25 million to organizations in the United States and Honduras. Our primary focus areas are:

- **Health and wellness**: We strive to improve the quality of life for our Teammates and the people in our communities by supporting organizations such as the Special Olympics, American Heart Association and American Cancer Society.
- Education: Access to quality education ensures the growth of the future workforce and provides better opportunities for our community. We strive to strengthen programs by supporting organizations such as Community in Schools and the Boys & Girls Club.
- **Civic and community**: We believe vibrant communities support strong companies, which is why we invest in our communities by providing opportunities for Teammates to volunteer where they live and work, supporting organizations such as FeedMore and Red Cross of America.

Our Teammates are active members of our larger, global communities through fundraising and volunteering with community groups. As the world shifted to working from home in response to COVID 19 in 2020, our Teammates quickly innovated to continue virtually participating in community events and volunteer activities.

# LUNCH BUDDIES PROGRAM

For over 14 years, Owens & Minor's Lunch Buddies Program matches Teammates with a third-grade student at Fairfield Court Elementary School in Richmond, Virginia for a partnership that lasts until the student completes fifth grade. Teammates provide mentorship and guidance to the students while eating lunch together.



## WORK STUDY PROGRAM

Owens & Minor hosts a work-study program with Cristo Rey Richmond High School in Richmond, Virginia that onboards a group of ninth graders as "junior Teammates," providing students the opportunity to gain professional experience and build connections across our organization.



# **TECH FOR TROOPS**

We proudly partner with Tech for Troops, a local nonprofit bridging the digital divide and helping veterans overcome barriers when competing in the modern workforce, by donating monitors to support the organization's training program.



In 2020, we provided charitable contributions to multiple organizations, locally and nationally:

- Special Olympics in Virginia and Georgia
- Red Cross of America
- Rebuilding Together
- American Heart Association
- Massey Cancer Center
- Boys & Girls Club of Richmond and Atlanta
- The Doorways
- Mentor Virginia
- Making Strides Against Breast Cancer

# **OPERATING RESPONSIBLY**

# Demonstrate Sound Governance, Accountability, and Responsible Sourcing.

Doing business the right way is a conscious decision and one that Owens & Minor has successfully accomplished since our founding.

Our commitment to business integrity begins with strong corporate governance policies and practices that support our core Values and provide a framework for the operation of our company. It also means conducting ourselves with integrity; complying with the appropriate laws and regulations; and protecting the security, privacy, and confidentiality of our data.

Lastly, we strive to partner with organizations that share our Values in business ethics, integrity and social compliance. We are proud to collaborate with a diverse network of trusted vendors to drive progress, productivity, and performance across the healthcare supply chain.



# GOVERNANCE AND ACCOUNTABILITY

# **CORPORATE GOVERNANCE**

Our Board of Directors sets high standards for our Teammates, officers, and directors. The Board serves as a prudent fiduciary for our shareholders and oversees the management of the Company's business.

We have an independent Chair and all directors are independent with the exception of our Chief Executive Officer (CEO). Our goal is to have a board whose membership reflects a mix of diverse skill sets, technical expertise, education and professional backgrounds, industry experiences, and public services as well as perspectives of different genders and ethnicities. The Board established the following three committees to assist it with its responsibilities: Audit, Compensation & Benefits, and Governance & Nominating.

For additional information on our governance structure, please refer to our 2021 Proxy Statement and the Corporate Governance section of our website.

# **ESG GOVERNANCE**

In 2020, our executive leadership, together with a subcommittee of members of the Board began defining our ESG governance, strategy, and accountability structure. It is expected that the Governance & Nominating Committee will oversee the development and implementation of Owens & Minor's ESG strategy, and the Committee's charter was amended in 2021 to include information regarding our ESG strategy and governance.

Owens & Minor leadership designated a cross-functional ESG team to develop its ESG strategy. The ESG team, composed of representatives from Investor Relations, Human Resources, Supply Chain, Community Engagement, Legal, Ethics and Compliance, Environment, Health and Safety and additional functions, contributed to the development of our material ESG topics and ESG framework. The ESG team will be responsible for implementing the Owens & Minor ESG strategy and will report progress to the Board annually.

## **ETHICS AND COMPLIANCE**

We maintain a Code of Honor (Code) that sets forth the standards and guidelines for ethical behavior expected of everyone who works for and with our company. The Code is core to our Mission and Values. We require that every Owens & Minor Teammate and member of our Board of Directors annually pledge to abide by the standards set forth by the Code. The Code addresses a variety of topics, including our expectations related to diversity and equal opportunity employment, data privacy, fair compensation, and anti-bribery.

We developed a comprehensive Ethics and Compliance program to ensure we do the right thing to protect employees, customers, patients, shareholders, and the communities where we operate. Additional information on the Ethics and Compliance program can be found on our website at https://compliance.owens-minor.com/EthicsAndCompliance. html#en-US. The Ethics and Compliance Program is managed by the Vice President of Global Ethics, Compliance, and Privacy and overseen by the General Counsel and Chief Compliance Officer and consists of the following key components:

- **Policy management**: Written policies and procedures are routinely reviewed and updated to align with the latest laws, regulations, and industry best practices. In 2020, we updated our Foreign Corrupt Practices Act Policy and developed a Vendor Code of Conduct to further our commitment to collaborate with ethical companies that share our strong belief in business ethics, integrity, and social compliance.
- **Training and communication**: Our training supports the regulatory and legal requirements that apply to our global healthcare company. We provide training in myriad formats and languages to ensure our Teammates have the necessary knowledge to help us compete and succeed as a medical device manufacturer, a healthcare distributor, and a healthcare services organization.
- Internal monitoring, auditing and reporting: We work with our Corporate Internal Audit, Procurement, and Vendor Relations teams to review various elements of our business such as expense reports, hotline reporting, Open Payments Program (Sunshine Act), anti-bribery anti-corruption, social compliance, compliance training completions, and others.
- **Reporting compliance concerns**: We provide a hotline reporting tool for anyone to use to report an issue, ask a question, or express an idea. We continually review reports to determine trends, and the Board is provided a summary of hotline reports quarterly. Additional information on reporting concerns is available on our website at the following link: https://compliance.owens-minor.com/ AskQuestionsAndReportConcerns.html#en-US.

### 🔪 Owens & Minor is Recognized as Having a State-of-the-Art Compliance Training Course

Brandon Hall GROUP-HCM EXCELLENCE AWARDS GOLD EXCELLENCE IN LEARNING 2019

We received the Brandon Hall Group Gold Award for "Best Advance in Compliance Training" for our Code of Honor course. Brandon Hall Group Awards recognize organizations that have successfully deployed human capital management programs.

# **2020 ACHIEVEMENTS**

- Developed an external-facing **Distributor Toolkit** to help guide distributors, suppliers, and partners toward compliant behavior with every employee, supplier, healthcare professional, and government official they engage with. The Toolkit contains useful compliance tools, training and resources.
- Created an **Ethics and Compliance website**, which includes an overview of our Ethics and Compliance Program, relevant policies, access to our Distributor Toolkit, and reference to our Ethics Hotline.

# DATA PRIVACY AND SECURITY

At Owens & Minor, our Teammates, customers and business partners trust us to safeguard their data. We are committed to protecting and securing personal data through Teammate education, alignment to industry-recognized standards for security and privacy-related risk and compliance frameworks, and restrictions on access to data.

# **DATA PRIVACY**

Our Teammates who oversee compliance of privacy policies, maintain comprehensive data privacy policies to manage risk and align with the applicable regulations in the jurisdictions where we operate. In addition to a Global Privacy Policy, we provide Teammates with policies aligned to local regulation including the United States Health Insurance Portability and Accountability Act of 1966 (HIPAA) and the European Union's General Data Protection Regulation (GDPR) legislation.

To promote Teammate awareness of data privacy issues, we provide relevant trainings and informative content to Teammates who handle personal identifiable information (PII) and are impacted by HIPAA or GDPR legislation:

- **GDPR European Union Privacy training**: An annual training that is required for all European Union Teammates, contractors and those outside of the European Union who support or may access European Union PII.
- **HIPAA training**: An annual training assigned to certain distribution centers that ship to patients, sales representatives and sales management, or IT systems professionals who may be providing support to systems that contain PII or protected health information.

We are conducting a global needs assessment regarding PII stored within our system and processes in anticipation of legislation we expect to become enacted in the United States and to align with global laws similar to GDPR.

# DATA SECURITY

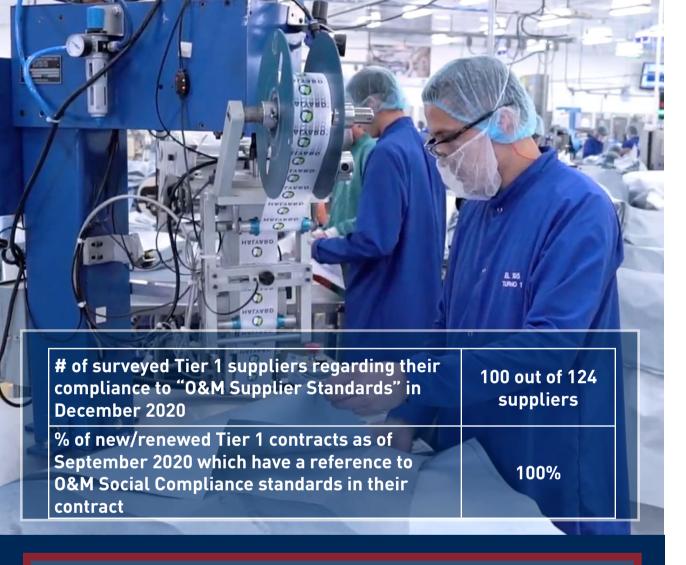
Our Vice President of Information Technology Security is responsible for overseeing the Company's Cyber Security program and provides annual updates on our IT Security program to the Board of Directors.

As part of ongoing efforts to enhance our data security program, we are in the process of aligning some of our most sensitive programs to the industry-recognized Health Information Trust Alliance (HITRUST) framework and documenting formal policies on how we handle sensitive data. This includes but is not limited to:

- Enhancing protections and controls around removable media from workstations
- Increasing the use of Multi-Factor Authentication (MFA) for authentication to critical platforms
- Enhancing controls around overall access and identity management services and programs
- Ongoing efforts to strengthen the "Human Layer" of the Cybersecurity model by expanding and strengthening our existing training and awareness programs

We conduct regular data security audits and follow established monitor and alert processes to assess the effectiveness of our data security program.





# We achieved Level II Compliance with the UK's Social Compliance Certification Program – Labor Standards Assurance System.

The Labor Standards Assurance System was developed in collaboration between the UK National Health Service and the UK Department of Health to ensure the products, good and services coming from an organization's suppliers are produced using fair labor practices.

# **RESPONSIBLE SUPPLY CHAIN**

We believe that good corporate citizenship by our company and those with whom we do business is essential to our long-term business success. We engage in business globally and work with third-party suppliers across our global supply chain.

We maintain Supplier Social Compliance Standards (SSCS) to hold our third-party suppliers accountable to our expectations. These standards communicate our Values and expectations from our suppliers with respect to health and safety, environmental impact, prohibition of child or forced labor, working conditions, freedom of association and collective bargaining, anti-discrimination, integrity, and conflict minerals.

Our Social Compliance Leadership Committee oversees the implementation of our SSCS internally and externally within our supply chain. This committee also oversees the auditing and due diligence of suppliers; conducts trainings to educate teams across manufacturing, supply chain, and procurement; and raises awareness of trends and issues related to global social compliance.

To increase Teammate awareness of social compliance issues, we conduct social compliance training for key leaders in our manufacturing, supply chain, procurement, and executive leadership. Our Code of Honor training includes information on human rights and how Teammates can address concerns that arise. In 2020, 100% of Teammates completed the Code of Honor training.

Furthermore, we hire third-party organizations to audit high-risk suppliers and occasionally have access to those audits. We ensure they are aware of our social compliance objectives and maintain compliance in their factories and supply chain. We also incorporate social compliance criteria into the audits of our distributors to ensure we partner with organizations that share our Values from a business and ethical perspective. 100% of 0&M's manufacturing facilities are audited on an annual basis with a focus on quality systems. A risk-based approach is used to audit critical suppliers annually with a focus on anti-bribery, anti-corruption and quality systems.

We have also established a Vendor Code of Conduct, which outlines basic requirements for vendors, distributors, agents, suppliers, representatives, and other business partners and their employees, directors, officers, agents, representatives, and subcontractors (collectively referred to as "Vendors").

A resilient supply chain is essential for us to quickly deliver critical products to the front lines, which was greatly required during the COVID-19 pandemic. We routinely audit suppliers based on risk and impact on the supply chain and product safety. We use well-defined quality requirements to give us predictable and repeatable confidence in the quality of product flowing through the supply chain. We work with suppliers to share demand forecasts and immediately address material shortages, lead-time concerns or compliance concerns.

# SUPPLIER DIVERSITY

We are committed to advancing our supplier diversity by working with qualified small-, woman-, minority-, LGBTQ-, disabled-, and veteran-owned businesses to advance a superior healthcare supply chain and support the economic development of small and underrepresented businesses in the communities that we service. We believe a thriving community of diverse suppliers generates innovation while contributing to the economic development of the communities in which we live and work.

To help us achieve a strong Supplier Diversity program, we created a working group composed of cross-functional team members to drive and implement the Supplier Diversity strategy and corresponding day-to-day activities. An Operational Leadership Team coordinates and oversees the program's progression and reports to our Executive Steering Committee, which provides

guidance and feedback on program goals and strategy.

# Our Supplier Diversity Mission

Owens & Minor's supplier diversity Mission is to proactively identify, build relationships with, and purchase goods and services from thirdparty certified enterprises owned by minorities, women, veterans, members of the LGBTQ community, and disabled persons that can help Owens & Minor achieve its corporate objectives. Our supplier diversity mission, objectives and commitments are outlined on our **Supplier Diversity Policy**.

We are in process of baselining our current enterprise supplier diversity performance, which will help us set quantitative targets to track the progress and growth in our supplier diversity program over the next two years.

# **OUR PLAN FOR INCREASING THE DIVERSITY OF OUR SUPPLIER BASE INCLUDES:**

- 1. Selecting diverse suppliers through category analysis: We review product spend and identify specific product categories to meet supplier diversity goals.
- 2. Ensuring growth and job creation for selected diverse suppliers: We set growth targets for each diverse supplier we select, review job creation plans based on the growth targets, and monitor plans on an ongoing basis.
- 3. Mentorship of diverse suppliers: Diverse suppliers that have been in business for over five years are paired with a mature diverse supplier to set individualized mentorship goals. Owens & Minor oversees the goals and mentorship relationship.

# ENSURING ENVIRONMENTAL STEWARDSHIP

Minimize the Impact of our Operations on the Environment.

As a healthcare company, our ultimate focus is on improving the health of our communities. The environment is an important driver of health, and thus, we seek to limit the environmental impacts of our operations and our value chain.

We limit the environmental impacts of our greatest areas of impact, our manufacturing facilities and distribution centers, by implementing initiatives that improve energy efficiency and reduce waste generation and water consumption. We are also working on improving our management of environmental impacts from our value chain through initiatives such as assessing our distribution centers for improvement opportunities and enhancing the fuel efficiency of our vehicle fleet.



Globally, our manufacturing facilities, distribution centers, and offices rely on energy to provide our offerings to the healthcare system. However, this consumption, alongside global energy needs, comes at a cost; our energy needs contribute to climate change, creating risks globally, including toward our own business. Thus, we consider ways to mitigate impact of our energy usage and business performance from global emissions by making our operations more energy efficient. We recognize that there are additional opportunities to manage climate risks and opportunities in our business, and we plan to continue working on this in the future.

1. We are working on refining the data collection and calculations of our energy data and GHG emissions for our overall fleet, manufacturing and offices activities and hope to be able to disclose this information for the 2021 calendar year. For 2020, we only disclose specific initiatives and data related to a few sites.

# **ENERGY INITIATIVES**

#### LIGHTING

- O&M's Real Estate team is installing and retrofitting LED lighting in our facilities. In 2020, four locations had LED lights installed, bringing our total to 43 Owens & Minor locations, including our corporate offices.
- Our warehouses have been fitted with lighting sensors, conserving our energy usage by only turning on during activity.

**ENERGY MONITORING**: The majority of Owens & Minor manufacturing facilities leverage Intelex software to collect and monitor their energy consumption.

#### EQUIPMENT:

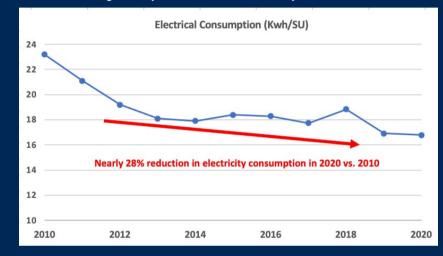
- Our warehouses leverage energy efficient appliances, such as ENERGY STAR<sup>®</sup> certified restroom hand dryers, refrigerators, and more to conserve energy.
- Our systems have been equipped with electronic monitoring tools that provide our real estate managers with early warning of heating, ventilation, and air-conditioning (HVAC) failure, allowing us to proactively manage our system and create operational savings.

**TARGET SETTING:** Two of our international locations have set 2021 energy efficiency targets, including our Thailand location of 16.91 kWhs per standard unit and our Diagem location of a reduction of 5% in energy usage vs 2020.

A responsible and sustainable operation also entails considering how environmental impacts, especially those related to climate change, may have an impact on our business. Climate change is linked to an increase in physical risks, such as extreme weather events and flooding, and transition risks, such as carbon pricing and reputational scrutiny. Our business has begun developing measures to control for these risks, principally in the development of Environmental Management Systems (EMS). These systems develop a framework for considering environmental impacts and risks holistically, with every stakeholder group—including end users, customers, external providers, and communities explicitly defined and incorporated. Environmental risks, many of them related to climate change, are identified in the framework, and risk responses are developed. To date, two of our sites have EMS systems, both of which are seeking alignment to the ISO 14001 certification standard, an industry-leading certification standard.

# LEADING BY EXAMPLE

One of our large manufacturing sites, based in Songkhla, Thailand, highlights our commitment to reducing our energy usage. Over the past 10 years, the site has reduced its energy and steam usage by over 25% through on-site programs and initiatives, earning the factory a level 5 Green Industry Award, the highest possible environmental award given by the Thailand Ministry of Industries.



The site has consistently set targets for energy reduction, and in 2021, our site managers are targeting 16.91 kilowatt hours (kWhs) per standard unit (SU) produced at the site. Some of the energy efficiency initiatives in the past 10 years include:

- Upgraded to more energy efficient compressed air strippers
- Exchanged lighting for more efficient fluorescent and LED options
- Installed inverters on blowers and ID fans across several manufacturing lines, reducing energy usage

In addition to energy efficiency initiatives, the site has also sought to increase its use of sustainable fuel sources for its energy and steam consumption. 11% of the electricity used at the site comes from renewable sources, especially hydroelectric sources, while 100% of the steam consumed is from renewable solid fuels, including wood and rubber. Collectively, 91% of the total energy used at the facility is renewable.

# **FLEET EFFICIENCY**

In addition to the energy and carbon impacts from our facilities, we utilize a fleet of vehicles as part of our healthcare supply chain offerings. The vehicles included in our footprint are owned and operated by third-party carriers, and our Transportation team directs their movements to help deliver our products and services to our customers. In 2020, three targets were set associated with Owens & Minor vehicles in this fleet, including:

TARGET	PERFORMANCE
Complete three route optimizations	Complete- In 2020, we completed 8 market- route optimizations
Reduce Stop Idle rate* to 7% or less	Complete – In 2020, we reduced the Stop Idle rate to <7%
Increase fuel efficiency to 8 Miles Per Gallon (MPG)	Complete – In 2020, fleet vehicles averaged over 8 MPG

\*Stop Idle rate is defined as the percent of time each truck's ignition is turned on and it is not moving. Idle time starts to clock after five minutes of no movement.

We help achieve these targets by engaging with our vehicle carriers on best practices and incorporating fuel efficiency factors into our procurement practices. In particular, we encourage our vehicle carriers to participate in the EPA's SmartWay program. The program, launched in 2004, provides a system for tracking and sharing fuel and environmental information across carriers, developing more energy efficient, environmentally friendly shipping methods, and reducing business and environmental risk associated with freight transportation. We leverage over 140 carriers to help support our business and we encourage all our carriers to join the program in recognition of the potential impact our company can have in this area.

In addition to this program, our Transportation team works with our carriers to:

- Increase shipment density on our fleet to leverage existing routes/trucks and reduce carbon output.
- Increase efficiency of existing fleet by replacing older tractors and straight trucks with more efficient (MPG) equipment. In 2020, we purchased over 200 new tractors and straight trucks, replacing 2012–2014 models.
- Reduce fuel consumption by reducing idle time at stops and optimizing routes, which drives better fuel efficiency.
- Monitor/track/post MPG to encourage fuel economy, driver engine idle time.

# PARTNERING WITH PENSKE

Historically, Owens & Minor owned and operated the fleet of vehicles used in our distribution operations and won the SmartWay excellence award in 2018 for our environmental and economic performance. In 2018, we transitioned our fleet into the management of Penske, who have since maintained the high standards set under our legacy program by winning the same SmartWay excellence award in 2019.

Alongside their support in our own sustainability objectives, Penske maintains their own sustainability program that incorporates driver training, vehicle efficiency programs, and data tracking and communication through an online dashboard and monthly, quarterly, and annual summary reports.



As we continue our work, we are hoping to expand our efforts into electric vehicles as automakers continue to scale and economize these options to further reduce the emissions footprint and cost of our fleet.

# WATER AND WASTE MANAGEMENT

Alongside carbon emissions, our operations also create environmental impacts through our water usage and waste generation activities.

#### PRODUCT MANUFACTURING

We consume water daily in the manufacturing of our products. Given the intensity of our water needs, we seek to limit our consumption by tracking our usage across all our manufacturing sites and developing methods that can reduce our needs. At our Lexington, North Carolina facility, we use water in our manufacturing process. Water is used primarily for cooling towers, chemical treatment dilutions, and in steam boilers for material-drying. All outflow is monitored closely, with reporting to U.S. EPA (Environmental Protection Agency). Our manufacturing facility in Thailand has developed a robust water efficiency program that tracks the site's usage, sets targets on consumption, and develops programs and initiatives that limit the water intensity at the site. Since 2010, the site has implemented numerous capital improvements resulting in a nearly 8% reduction in consumption per standard unit, including:

- Wastewater recycling in cooling processes
- Improved condensation capture from boiler/steam usage
- Enhanced metering controls
- Water-saving valves installed on site hoses

In 2021, the site has set a target for reducing water usage to 2 liters per standard unit.

Similarly, our manufacturing facilities maintain a continuous focus on the waste generated alongside the products created at the sites. We have achieved 97% landfill free operations across all of our manufacturing sites, principally by developing circular processes that utilize waste generated by the facility to fuel our on-site boilers utilized for steam generation. Furthermore, we set regional targets for waste reduction, including:

- Ireland: Reduce waste generated 5% on an ongoing annual basis
- Thailand: Reduce solid waste generation to 0.5 tons/million pieces
- All sites: Achieve greater than 98% landfill free operations

### DISTRIBUTION

12-20's

In addition to the impacts in our manufacturing facilities, we maintain programs and initiatives designed to limit the waste generated in our distribution operations. Our distribution centers maintain robust recycling programs for the wood pallets, plastic shrink wrap, plastic totes, and cardboard discarded at the facility. Furthermore, we partner with New Market Waste Solutions, a leading waste management consultant, to analyze the waste generated at our distribution facilities and develop solutions that further limit the tonnage we generate. In 2020, approximately 60% of our material generation was recycled, thereby reducing our waste disposal and protecting the environment.

#### 2020 Distribution waste stream volume

Waste Type	Tonnage	Waste Type	Tonnage	
Hazardous Waste		Recyclable material		
Extra Pickup	9	Cardboard	3,722	
Hazardous Materials <sup>1</sup>	9	Single Stream	80	
Hazardous Waste <sup>1</sup>	14	Waste to Energy	201	
HazMat Pickup	1	Wood	1	
Production Destruction	1	Tota	l 4,005	
Production Destruction	4	Waste Material		
Cracial Wests	0	Construction and Demolition Waste	58	
Special Waste	2	Other Waste	2,659	
Total 38		Tota	l 2,716	

1 Hazardous materials are defined by "P-" and "U-" listed wastes, as defined by the U.S. EPA and the Resource Conservation and Recovery Act.



# RESPONDING TO THE COVID-19 PANDEMIC

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The COVID-19 pandemic caused widespread disruption around the world. When the pandemic struck, our company quickly responded by protecting our Teammates, executing for our customers and supporting the communities where we operate.

# **PROTECTING OUR TEAMMATES**

Our first and foremost priority is always Teammate safety. We established a COVID-19 Steering Committee, which is responsible for establishing and overseeing implementation of COVID-19 protocols across the Company, including usage of PPE, social distancing, limiting the number of visitors, temperate checks, testing, and most recently, vaccination availability. The Committee members meet on a daily basis with Operations and Distribution leaders to track cases and provide resources necessary for our Teammates to continue producing and delivering life-saving medical products to healthcare systems globally.

Our Teammates are critical to our success and at the heart of our Mission. Our top priorities in 2020 included keeping our Teammates employed and safe and a focus on their well-being. For our Teammates in the United States, we took the following actions to demonstrate our appreciation of their work and the value we place in their commitment:

- Ensured safe working conditions in our distribution centers and manufacturing facilities
- Restricted visitation of all non-essential workers to our sites starting in January 2020 to best protect our critical distribution centers from COVID-19 outbreaks
- Increased routine cleaning/sanitizing, as well as enhanced industrial cleaning and disinfecting
- Enhanced communications and training for our Teammates on COVID-19 safety protocols
- Enhanced Teammate benefits, including covering all costs for COVID-19 testing, providing free telemedicine and relaxing our attendance policies
- Focused on job security by not engaging in mass reductions-in-force or furloughs
- Held healthcare premiums flat for our Teammates for 2021
- Made an additional 401(k) contribution to all eligible Teammates equal to 2% of the Teammate's salary (in addition to our standard company-provided 4.0% match)
- Paid mid-year special bonuses to all hourly Teammates in consideration of their extraordinary efforts
- Allowed Teammates to carry-over or cash out some of their paid-time-off balances, rather than lose those balances at year's end

# **DELIVERING FOR OUR CUSTOMERS**

At the onset of the pandemic, Owens & Minor acted swiftly to increase supply and ensure our customers and frontline healthcare workers received critical PPE and other medical supplies necessary to combat COVID-19 and focus on patient care.

In 2020, we delivered over 12 billion units of PPE to US healthcare workers in the fight against COVID-19, of which approximately 5 billion units were produced with materials manufactured in our American factories or Owens & Minor-owned facilities.

We closely coordinated with the federal and state governments to strengthen the nation's response to the pandemic through expanded PPE manufacturing capacity, distribution of PPE to frontline healthcare workers and replenishment of the Strategic National Stockpile. Many of these efforts continue to this day as we continue to strive towards a more resilient medical and surgical supply chain to best prepare for future crises.

## **SUPPORTING OUR COMMUNITIES**

In our local communities, 0&M donated masks, gloves and other PPE to emergency services such as the police, fire and first responders who were not able to access PPE. Additionally, in various countries, our donations of gowns and masks to local healthcare organizations aided medical professionals to safely treat COVID patients during critical outbreaks.

# GRI/SASB CONTENT INDE

This year's report was developed with consideration for the standards set out by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Health Care Distributors and Medical Equipment and Supplies industry guidance report. The tables below represent disclosures that we have started to incorporate within our reports but do not always fully align yet. Over time we do expect to continue to align the disclosures with the reporting framework expectations.

# **GRI CONTENT INDEX**

Disclosure number	Disclosure description	Location	Disclosure number	Disclosure description	Location
	DISCLOSURES			ISCLOSURES	
102-1	Name of the organization	Owens & Minor Inc.	102-13	Membership of associations	American Association for Homecare
102-2	Activities, brands, products, and services	Who we are; Our Business			(AA Homecare), Association for the
102-3	Location of headquarters	9120 Lockwood Boulevard, Mechanicsville, VA 23116			Advancement of Medical Instrumentation, Association for
102-4	Location of operations	Who we are; Our Business Owens & Minor Website, "About Us" section			Health Care Resource & Materials Management (AHRMM, part of the American Hospital Association),
102-5	Ownership and legal form	What We Do; 2020 10-K Annual Report, page 1			Association of periOperative Registered Nurses (AORN),
102-6	Markets served	Who we are; Our Business			Federation of American Hospitals
102-7	Scale of the organization	Who we are; Our Business			(FAH), GS1 US - Healthcare, Health
102-8	Information on employees and other workers	Talent Management Diversity and Inclusion			Industry Distributors Association (HIDA), National Minority Supplier
102-9	Supply chain	Responsible supply chain, Who We Are; Our Business			Development Council (NMSDC), Healthcare Supplier Diversity Alliance
102-10	Significant changes to the organization and its supply chain	N/A - This is Owens & Minor's first ESG report			(HSDA), Association of National Account Executives (ANAE), Strategic
		ESGTEPOIT	]		Marketplace Initiative (SMI),
					Professional Women in Healthcare
					(PWH), The International Association
					of Healthcare Central Service Material
					Management (IAHCSMM), Institute of
					Healthcare Executives and Suppliers (IHES), Richmond Chamber of
					Commerce, United Ostomy
					Association of America (UOAA), U.S.
					Chamber of Commerce, WOCN
					Society (Wound, Ostomy, Continence
38   Owens & M	Minor 2020 Environmental, Social, and Governance Report				Nursing)

Disclosure	Disclosure description	Location
number GENERAL D	ISCLOSURES	
STRATEGY		
102-14	Statement from senior decision-maker	Letter from our CEO
ETHICS AND	O INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	Our values, 2021 Proxy Statement
GOVERNAM	ICE	
102-18	Governance structure	Governance and accountability, 2021 Proxy Statement
102-29	Identifying and managing economic, environmental, and social impacts	Our ESG Priorities
102-31	Review of economic, environmental, and social topics	Our ESG Priorities
102-32	Highest governance body's role in sustainability reporting	Our approach to ESG; Integrating ESG into our Business, 2021 Proxy Statement
STAKEHOLD	DER ENGAGEMENT	
102-40	List of stakeholder groups	Stakeholder engagement and transparency
102-42	Identifying and selecting stakeholders	Stakeholder engagement and transparency
102-43	Approach to stakeholder engagement	Stakeholder engagement and transparency
102-44	Key topics and concerns raised	Our approach to ESG; Our ESG Priorities
102-45	Entities included in the consolidated financial statements	About this report
102-46	Defining report content and topic Boundaries	About this report
102-47	List of material topics	Our ESG Priorities
102-50	Reporting period	Calendar year 2020 – This is Owens & Minor first report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Shana Neal, Executive Vice President, Chief Human Resources Officer Chandrika Nigam, Director, Finance & Investor Relations
102-55	GRI Index	GRI Index

Disclosure number	Disclosure description	Location							
TOPIC DISC	IOSURES								
	ECONOMIC PERFORMANCE								
201	103-1/2/3: Management Approach	Who we are							
201-3	Defined benefit plan obligations and other retirement plans	Talent management							
ANTI-CORR									
205	103-1/2/3: Management Approach	Ethics and compliance							
205-1	Operations assessed for risks related to corruption	Ethics and compliance							
205-2	Communication and training about anti- corruption policies and procedures	Ethics and compliance							
ANTI-COMP	PETITIVE BEHAVIOR								
206	103-1/2/3: Management Approach	Ethics and compliance							
206-1	Legal actions for anti-competitive behavior, anti- trust, and monopoly practices	No legal actions for anti-corruption behavior, anti-trust, and monopoly practices.							
ENERGY									
302	103-1/2/3: Management Approach	Energy efficiency and Climate Risk, 2021 Proxy Statement							
302-1	Energy consumption within the organization	Energy efficiency and Climate Risk							
302-4	Reduction of energy consumption	Energy efficiency and Climate Risk							
WATER AN	D EFFLUENTS								
303	103-1/2/3: Management Approach	Water and waste management, 2021 Proxy Statement							
303-1	Interactions with water as a shared resource	Water and waste management							
303-5	Water consumption	Water and waste management							
EMISSIONS									
305	103-1/2/3: Management Approach	Environmental stewardship, 2021 Proxy Statement							
EFFLUENTS	AND WASTE								
306	103-1/2/3: Management Approach	Water and waste management, 2021 Proxy Statement							
306-2	Management of significant waste-related impacts	Water and waste management							
306-3	Waste generated	Water and waste management							
306-4	Waste diverted from disposal	Water and waste management							

Disclosure number	Disclosure description	Location (Report section, URL)
TOPIC DISC	LOSURES	
EMPLOYME	NT	
401	103-1/2/3: Management Approach	Talent management
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent management
401-3	Parental leave	Talent management
EMPLOYME	ENT OCCUPATIONAL HEALTH AND SAFETY	
403	103: Management Approach	Health and safety, 2021 Proxy Statement
403-1	Occupational health and safety management system	Health and safety, 2021 Proxy Statement
403-2	Hazard identification, risk assessment and incident investigation	Health and safety
403-5	Worker training on occupational health and safety	Health and safety
403-9	Work-related injuries	Health and safety
TRAINING A	AND EDUCATION	
404	103-1/2/3: Management Approach	Training and development
404-2	Programs for upgrading employee skills and transition assistance programs	Training and development
DIVERSITY	AND EQUAL OPPORTUNITY	
405	103-1/2/3: Management Approach	Diversity and inclusion, 2021 Proxy Statement
405-1	Diversity of governance bodies and employees	Diversity and inclusion
LOCAL CON	IMUNITIES	
413	103-1/2/3: Management Approach	Strengthening communities, 2021 Proxy Statement
413-1	Operations with local community engagement, impact assessments, and development programs	Strengthening communities
SUPPLIER S	OCIAL ASSESSMENT	
414	103-1/2/3: Management Approach	Responsible supply chain
414-1	New suppliers that were screened using social criteria	Responsible supply chain

Disclosure number	Disclosure description	Location (Report section, URL)						
TOPIC DISCLOSURES								
CUSTOMER	HEALTH AND SAFETY							
416	103: Management Approach	Product quality and safety						
416-1	Assessment of the health and safety impacts of product quality and safety product and service categories							
CUSTOMER	PRIVACY							
418	103-1/2/3: Management Approach	Data privacy and security						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No material complaints concerning data breaches of customer privacy and losses of customer data.						
SOCIOECON	IOMIC COMPLIANCE							
419	103-1/2/3: Management Approach	Ethics and Compliance						
419-1	Non-compliance with laws and regulations in the social and economic area	No material incidents of non- compliance with laws and regulations in the social and economic area.						

# SASB CONTENT INDEX

Disclosure Topic	Disclosure Number	Disclosure Accounting Metric	Reference or description	Disclosure Topic	Disclosure Number	Disclosure Accounting Metric	Reference or description
HEALTH CARE DIST	RIBUTORS			MEDICAL EQUIPME	NT AND SUPPLIE	Ś	
Fleet Fuel Management	HC-DI-110a.1 HC-DI-110a.2	Payload fuel economy Description of efforts to reduce the environmental impact of logistics	Fleet efficiency Fleet efficiency		HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	Access and Affordability of Healthcare Products and Services
Product Safety	HC-DI-250a.1 HC-DI-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety Description of efforts to minimize health and safety risks of	Owens & Minor incurred no monetary losses as a result of legal proceedings associated with product safety. Product Quality and Safety	result of ociated Gafety Product Safety e rred no result of ociated on, or	HC-MS-250a.1	Number of recalls issued, total units recalled	Owens & Minor had zero recalls associated with product quality or customer safety concerns associated with Owens & Minor manufacturing.
		products sold associated with toxicity/chemical safety, high abuse potential, or delivery Description of efforts to minimize	Ethics and compliance		HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	No fatalities were reported
	HC-DI-510a.1	conflicts of interest and unethical business practices			HC-MS-250a.4		No FDA enforcement actions taken
Business Ethics	HC-DI-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery,	Owens & Minor incurred no monetary losses as a result of legal proceedings associated				
		corruption, or other unethical business practices	with bribery, corruption, or other unethical business practices.		HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing	Owens & Minor incurred no monetary losses as a result o legal proceedings associated
				Ethical Marketing	HC-MS-270a.2	claims Description of code of ethics governing promotion of off-label use of products	with false marketing claims. This information is available in our internal Compliance Interactions with Healthcare Professional Policy. We have a Marketing Review Committee that meets

regularly.

Disclosure Topic	Disclosure Number	Disclosure Accounting Metric	Reference or description
MEDICAL EQUIPMENT AND SUPPLIES			
Supply Chain Management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	Responsible supply chain
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Responsible supply chain
	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	Responsible supply chain
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Owens & Minor incurred no monetary losses as a result of legal proceedings associated with bribery or corruption.
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	This information is available in our internal Compliance Interactions with Healthcare Professional Policy.

Owens & Minor extends heartfelt thanks to every healthcare worker on the frontlines of the fight against COVID-19. As the industry continues to navigate ongoing pandemic response, we remain extraordinarily grateful for the incredible work of the healthcare community as they consistently go above and beyond for their patients. We're proud to serve our Mission of *Empowering Our Customers To Advance Healthcare™* by ensuring healthcare providers and first responders have what they need, when they need it, so that they can continue to provide essential patient care.

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