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September 1, 2021

Valued Customer,

The pandemic continues to have a negative impact on the global supply chain and medical supplies are no exception. Extraordinary transportation challenges such as overseas shipping delays due to container and vessel shortages, port congestion and closures, and fewer available workers are leading to significant cost inflation and product delays in the healthcare market. For more information on the global logistics challenges, please take a look at the latest infographic shared by the Health Industry Distributors Association (HIDA).

Despite the uncertainty and inflation created by the COVID-19 pandemic, McKesson is committed to securing product for our customers and to being your most cost-effective option in these challenging times. We continue to maintain the highest level of product supply possible, and manage cost increases through ongoing negotiations and diversification of our supply chain. These actions include, but are not limited to the following:

- **Supply Diversification** building relationships and sourcing products from new suppliers in different geographies.
- **Demand Forecasting** investing in technology to better forecast and buy the right supplies at the right time.
- **Shipping Methods** delivering products to less congested ports and using different transportation methods to avoid shipping delays.

Despite these mitigating actions, we expect the same product supply challenges and logistics-based cost increases that the entire medical industry is experiencing. We'll continue to provide quality products and keep pricing as consistent as possible to support you and your patients. Look for additional information on supply, availability and other resources on our COVID-19 website.

As always, please contact your McKesson account executive or call Customer Service at 866.625.2679 with questions. Your support and understanding are genuinely appreciated.

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