

MODERN SLAVERY STATEMENT 2024 UPDATE



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MODERN SLAVERY STATEMENT – PURPOSE

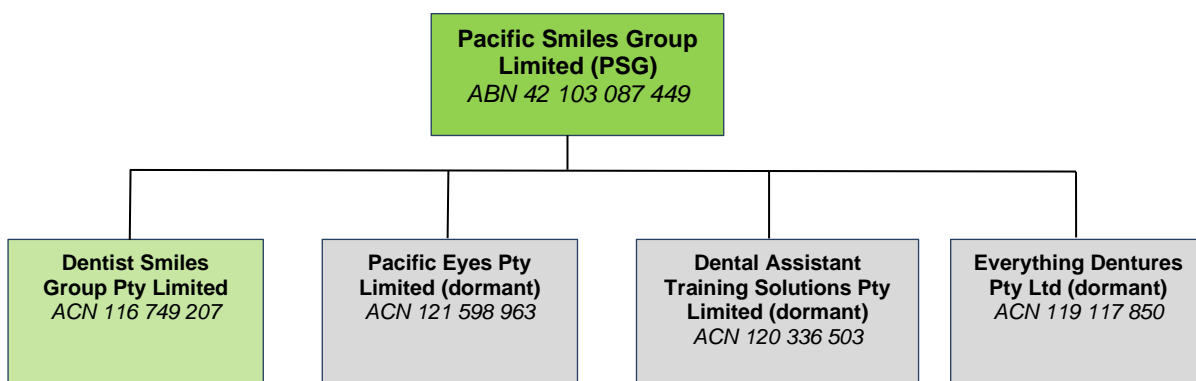
This Modern Slavery Statement for Pacific Smiles Group Limited (PSG) has been approved by its Board of Directors in accordance with the Modern Slavery Act 2018 and relates to the 12 months between 1 July 2023 and 30 June 2024 (2024 financial year).

The purpose of this statement is to outline PSG's commitment and approach to identifying, assessing and mitigating the risks of modern slavery in its operations and supply chains, as well as adopting a continuous improvement philosophy towards strengthening its risk and governance framework.



BUSINESS STRUCTURE AND OPERATIONS

PSG is an ASX listed company that owns and operates the Pacific Smiles Dental and nib Dental Care centres across the East Coast of Australia and exclusively manages the operation of HBF Dental Centres in Western Australia. A corporate structure diagram of PSG and the wholly owned and/or controlled entities comprising the Pacific Smiles Group is set out below. PSG is the only reporting entity for the purposes of the Modern Slavery Act 2018 (Cth). In this statement, a reference to 'PSG', 'we' and 'our' includes PSG and any entities owned or controlled by PSG.



PSG is the primary operating company and owns subsidiary companies:

- Dentist Smiles Group Pty Ltd (a company that solely engages locums and employs a small number of hygienists and dentists)
- Everything Dentures Pty Ltd (dormant)
- Pacific Eyes Pty Ltd (dormant)
- Dental Assistant Training Solutions Pty Ltd (dormant),

PSG operates over 130 dental centres nationally and more than 800 dentists choose to operate their practice with PSG without the significant set-up costs required to establish a modern and high-quality centre, to serve a local community.

PSG provides modern facilities and leading dental equipment, supported by trained staff that allows dental practitioners to retain clinical autonomy while enjoying the support of a network of experienced dental professional peers. Strong patient demand is assured, as is access to continuing professional development opportunities, to improve the oral health of all Australians to world's best.

The principal governing body of PSG is its Board of Directors, established under the Corporations Act. PSG employs more than 1600 staff and is based in Maitland, New South Wales, Australia. Staff employed by PSG broadly fall into two categories, being i) staff employed in dental centres supporting the day-to-day operations of the centre as dental assistants, receptionists and centre managers, and ii) corporate support and executive functions, located predominantly in Maitland, NSW.

SUPPLY CHAINS

- Our supply chains consist largely of:
 - Medical Equipment, Device and Consumable Suppliers (medical and non-medical supplies)
 - Laboratory services
 - Professional Services including sponsored Dental Practitioners and Oral Health Professionals
 - Other services, including building, architectural design, legal, recruitment, leased office and centre space, equipment maintenance and technology (i.e. hardware, software and cloud services).
 - Uniform and garment providers
- We acquired goods and services from approximately 1,200 suppliers in 2023–24 totaling approximately A\$79 million
- The top 15 suppliers by dollar amounts equated to approximately 38% of the total spend with no individual supplier of the remaining contributing to more than 1% of the spend.
- In assessing our business operations and supply chains for risks to human rights, we have focused more on the potential risks to people rather than on potential risks to our business.

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

Our operations

The risk of modern slavery in our core operations has not materially shifted over the past 12 months and continues to remain low. In particular:






















- All of PSG's operations are conducted in Australia and our workforce consists of adequately experienced and professional staff members who are all located within Australia
- All employees are subject to the Fair Work Act 2009
- PSG has robust recruitment practices, including candidate background checks and partnerships with carefully selected local recruitment agencies.

All dental service operations and facilities are conducted and based in Australia, which is regarded as a low risk for modern slavery practices. Further to this, PSG employees are governed by a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. This is supported by PSG's Whistleblower Policy which supports anonymous and protected reporting of any breaches, including but not limited to, modern slavery.

Supply chains

In assessing our potential supply chain risks, we considered various factors, including the types of products and services being provided, geographical locations, as well as the industry and sector the products and services are being provided from.

The assessment below has been based on the risk assessment methodology above, and comprises corporate knowledge regarding our supply chains, as well as other publicly available resources on modern slavery.

Supply category	Perceived risk of modern slavery within supply chain		
	High 	Medium 	Low 
Building/Construction			
Technology (hardware)			
Staff Uniforms			
Medical Consumables			
Dental Laboratory Services			
Cleaning			
Medical Hardware, Imaging and Sterilisation Equipment			
Technology (software, cloud services)			
Centre Based Staff (Dental Assistants)			
Professional services (consultancies)			
Recruitment			
Equipment Servicing and Repairs			
Furniture and fittings			
Real estate/premises			
Staff development/training			
Utilities			
Insurance			
Legal services			

In respect of the supply categories assessed to be high risk, we understand that the risk of modern slavery is considered to be heightened in these categories for the reasons set out below:

Building / Construction: PSG builds dental centres. Building and construction generally carries a higher modern slavery risk due to the high demand for low-skilled labour, potential for hazardous conditions, short timelines on projects, and the complex and sometimes opaque supply chains.

Technology (hardware): The technology hardware sector is known to pose high risks of modern slavery, with long and complex global supply chains increasing risks.

Staff Uniforms: Uniforms, garments and textiles are some of the most at-risk products of being manufactured with labour deemed to have high modern slavery risk, especially in developing countries.

Medical Consumables: the increased demand for medical consumables globally is contributing to an increase in risk factors associated with modern slavery as suppliers look to meet growing demands whilst remaining competitive.

Dental Laboratory Services: the products used in dental laboratories (for example, rubber gloves) are often connected to supply chains that extend into high-risk geographic regions characterised by weak labour laws and regulatory environments, making workers in those supply chains particularly susceptible to modern slavery risks.

Cleaning: labour exploitation in the cleaning industry is well-documented, and cleaning services have been identified by the Government as a key risk area for modern slavery in Australia.

PSG's top 50 suppliers accounted for 52% of our expenditure on goods and services during the reporting period. Of those top 50 suppliers, 47 are domiciled in Australia and 3 in the United States.



ACTIONS TAKEN IN FY24

PSG understands the importance of working collaboratively with its stakeholders to raise awareness and take appropriate measures to help reduce the risks of modern slavery.

PSG has taken the following actions to minimise its modern slavery risks during the reporting period:

Supply chain

Education and training: additional training on modern slavery was undertaken by PSG's employees who were identified as having key responsibilities in procuring goods and services that may give rise to modern slavery risks. The completion rate for this training for the personnel identified was 100%, enhancing overall organisation awareness and understanding.

Further training on modern slavery for all procurement stakeholders will continue into the next reporting period.

Procurement and contracts management: We continue to make measured improvements to our procurement and contracts management framework to ensure modern slavery risks are minimised, as far as reasonably practicable. We ensure procurement principles are always applied, encourage the use of local suppliers and attempt to gain a better understanding of supply chains through due diligence processes. If we identify potential modern slavery risks with a given supplier, we will work with the supplier to address any concerns. We have partnered with professional and reputable procurement partners in tendering for major contracts to ensure current best practice is adopted in evaluating modern slavery risks in vendor selection criteria. This was undertaken for a major employee uniforms tender undertaken during the reporting period.

Continued assessment of suppliers: Our modern slavery risk assessment recognises that medical supplies and technology hardware products represent a higher risk of modern slavery. We have taken a risk-based approach by continuing to use prominent technology hardware providers who are likely to have more influence, incentive and resources to minimise the risk of modern slavery in their supply chains. We obtain a level of assurance by reviewing these suppliers published Modern Slavery Statements and asking them to submit responses to an annual modern slavery risk survey to assess their modern slavery risk conditions and any actions they are taking.

Whistleblower Policy: PSG's Whistleblower Policy provides that suppliers are encouraged to report unacceptable conduct, thereby contributing to PSG's efforts to address modern slavery risks in its supply chains.

Case Study – Procurement Tender

PSG has an ongoing requirement for a suitably qualified and capable uniform service partner to provide high quality, durable and comfortable uniforms to employees and dentists at PSG's Dental Centres. An important consideration for PSG, being committed to supporting ethical sourcing practices, our sourcing strategy therefore involved engaging the services of a specialist procurement consultant.

Included in the mandatory criteria in the selection process was a proven and demonstrated commitment from the supplier to ESG principles and minimising and mitigating modern slavery risks.

As is standard in the uniform industry, most suppliers utilise offshore manufacturing. This increases the risk associated with modern slavery. As part of the RFP process, the preferred supplier provided detailed information about their approach to modern slavery, environmental practices and audit results of the offshore manufacturing facility (for employment practices). As part of the ongoing supplier relationship, PSG will continue to monitor these areas specifically with the preferred supplier as part of our commitment to modern slavery and regular account management meetings/supplier contract management.

Operations

Investing in our people's health and wellbeing is important to us. The introduction of our hybrid working model and a fast-paced environment of growth and change provided new challenges for our workforce. Our strategy leverages the benefits of our flexible ways of working to deliver an environment that is safe, positive and supportive so we can balance the wellbeing of our people with the organisation's goals, creating a workforce that brings their best self to work every day.

We also ensure that:

- All staff are remunerated in line or in excess with minimum award wages and remuneration reviews are conducted annually, having regard to the consumer price index changes and comparable pay rates for similar positions held in other companies
- Our workplace entitlements are aligned to or exceed the requirements set out in the National Employment Standards.
- The company's whistleblower policy is clearly visible and accessible to staff.

PSG's policies, controls and continuing education contribute to minimising the organisation's modern slavery risk profile. Our operations and facilities are subject to regular internal audits and accreditation associated with running safe and modern dental centres. These include:

- Peer audits of 20% of our clinicians each calendar year across three discrete areas (emergency treatment, general treatment, and general examinations)
- Multiple audits focused on clinical governance, safety and compliance with training requirements.

Remediation

PSG's Whistleblower Policy sets out our commitment to maintaining the highest standards of ethical and moral behaviour by providing transparent and sound corporate governance through a framework for reporting and investigating certain disclosures. This mechanism supports the anonymous and protected reporting of any improper conduct, including but not limited to, modern slavery.

The Whistleblower Policy is available on PSG's website and on our internal intranet and is accessible to all staff. Further information on PSG's Whistleblower Policy and our remediation processes can be found here <https://investors.pacificsmilesgroup.com.au/Investors/?page=corporate-governance>

Assessing Effectiveness of Actions Taken

PSG is committed to reviewing the effectiveness of its actions through the assessment of its corporate governance frameworks, including through its Code of Conduct and Whistleblower Policy, to ensure they are operating as intended in minimising and addressing any modern slavery risks. Where gaps are identified, PSG will endeavour to strengthen these frameworks, improve due diligence processes and introduce additional support in the form of guidance and/or tools to manage and minimise exposure to modern slavery risks.

Awareness of modern slavery and its impacts has been enhanced at Pacific Smiles in the reporting period with the enhanced employee training requirements that achieved a 100% completion rate.

Going forward, PSG is dedicated to enhancing the framework for measuring the effectiveness of its modern slavery risk management, to include the following:

- Setting up a process for feedback and engagement with key stakeholders in our business to capture data on the effectiveness of our actions to address risks of modern slavery.
- Periodically checking PSG's risk assessment processes.
- Increasing engagement with suppliers to assess their progress on minimising modern slavery risk; and
- Establishing a Key Performance Indicator framework to improve the management of modern slavery risks by those responsible for managing these risks within PSG.

COMMITMENTS

Priorities

Outlined below are PSG's areas of focus for the next reporting period.

Supply Chain

- Engagement with subject matter experts to form partnerships and develop systems to support increased knowledge and remediation of any complex modern slavery issues that may arise in our supply chains
- Continuous improvement of procurement and governance frameworks to better identify and minimise the risks of modern slavery
- Continue to conduct annual surveys of top 50 suppliers via way of compliance questionnaire to assess risk
- Further educate and raise awareness of modern slavery risks among staff responsible for procuring goods and services, including implementing an awareness campaign to build on existing guidance material

Operations

- Reinforce, enhance and embed Pacific Smiles Group's values
- Prioritise the health and safety of staff through the delivery of wellbeing initiatives
- Focus on maintaining a positive culture within the organisation
- Assessment of the effectiveness of actions

CONSULTATION PROCESS

PSG's owned or controlled subsidiary companies are either dormant or, in the case of Dentist Smiles Group Pty Ltd, merely a contracting entity for the purpose of employing a very small number of PSG employees and engaging locum dentists via contract. In preparing this statement, we engaged and consulted with Dentist Smiles Group Pty Ltd as the only non-dormant owned or controlled entity.

Approval and signature by a responsible member

This statement was approved on Monday 16th December 2024 by the Board of Directors of PSG in its capacity as principal governing body.

This statement is signed by Giselle Collins in her role as the Chairman of the Board of Directors of Pacific Smiles Group Limited on Monday 16th December 2024.

Giselle Collins – Chairman

