

# ANZ Modern Slavery Act Statement 2020.



This statement is made by Align Technology (Australia) Pty Limited and ICA Holdings Pty Ltd, (collectively “Align Australia Group”, “we” or “our”) under section 14 of the Australian Modern Slavery Act 2018 (Cth) and sets out the actions taken by the Align Australia Group to assess and address modern slavery and human trafficking risks in our business and supply chain for FY2020.

## Our commitment.



The Align Australia Group is committed to preventing slavery and human trafficking in its operations and supply chains. This Modern Slavery Statement sets out our approach and actions to prevent modern slavery in our commercial operations, including relationships with third parties in our supply chain.

## Our structure, operations and supply chains.



The Align Australia Group are medical device companies that sell three main products and related services in Australia and New Zealand: the Invisalign system, which is a clear aligner system; iTero intraoral scanners; and, since April 2020, exocad dental CAD/CAM software. These products and services help dental, orthodontic and lab professionals achieve the clinical results they expect and deliver effective, cutting-edge treatment options and services to their patients. The products serve to improve smiles for every type of patient - from simple tooth alignment to complex corrections, kids to adults, orthodontics to multi-disciplinary restorative treatment.

Align Australia Group procures its medical devices and services entirely from related entities in Align’s global supply chain. Products sold in Australia and New Zealand are manufactured around the world including Costa Rica, China, Mexico, Israel. In addition, our digital treatment planning and aligner fabrication services are performed in multiple international locations, including in Mexico, Costa Rica and China. Align Technology (Australia) also has over 400 local suppliers (including property, digital, marketing, insurance, professional services, distribution and logistics, human resources, office supplies, cleaning and travel).

Align Technology (Australia) Pty Ltd is a wholly owned indirect subsidiary of Align Technology, Inc (together with its subsidiaries, “Align”). Align Technology (Australia) Pty Ltd has five subsidiaries, including ICA Holdings Pty Ltd and Invisalign Australia Pty Limited whose operations are to market, distribute and service Align products within Australia. The other subsidiaries of Align Technology (Australia) Pty Ltd are located in New Zealand, Hong Kong and Singapore and are either holding companies or distribution entities for their jurisdiction. They do not have any material supply chains outside of the Align group.

## Risks of modern slavery practices in operations and supply chains.



The Align Australia Group recognises that particular products and services may have a higher prevalence of modern slavery practices because of the way they are produced, provided, or used and identifying risks in Align’s global supply chain is the first step to eliminating those risks. Our initial risk assessment, which considers a number of indicators of modern slavery risks including sector and industry, the type of products and services and geographical location, has indicated that our operations and supply chain have a medium potential for modern slavery risks.

Risk	Description of risk
Sector /Industry	The following sectors or industries that Align operates in or uses are considered to have a higher prevalence or risk of modern slavery practices due to their characteristics, processes and products <sup>1</sup> : <ol style="list-style-type: none"> <li>medical device products;</li> <li>manufacturing;</li> <li>electronics; and</li> <li>catering, cleaning and logistics.</li> </ol>
Product / Service	Our supply chain includes overseas manufacturers of specialised scanning equipment, rapid prototyping machines, resin, and other advanced materials, as well as the optics, electronic and other mechanical components of our intraoral scanners. Our related entities that procure these products maintain single supply relationships and also rely on third-party manufacturers and sub-assembly manufacturers. The broader Align group has visibility over raw materials in its supply chain as the raw material procurement takes place from tier one suppliers.  The exocad business was acquired by Align Technology, Inc. in April 2020 and will be reported on in Align Australia Group’s Modern Slavery Statement for FY2021.

<sup>1</sup>According to (i) the ACSI Modern Slavery Risks, Rights & Responsibilities (<https://acsi.org.au/research-reports/modern-slavery-risks-rights-and-responsibilities/>). This is a research report that contains valuable tools for companies and investors in addressing modern slavery risks and identifies five ASX200 sectors considered to be high risk for modern slavery; and (ii) the International Labor Organization’s 2017 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage ([https://www.ilo.org/global/publications/books/WCMS\\_575479/lang--en/index.htm](https://www.ilo.org/global/publications/books/WCMS_575479/lang--en/index.htm)).

Geographic	<p>Align Australia Group currently operates Australia and New Zealand either directly or indirectly through distributors. Pursuant to the 2018 Global Slavery Index released by the Minderoo and Walk Free Foundation as a guide (GSI), Australia and New Zealand are considered low risk countries for the prevalence of modern slavery.</p> <p>In relation to the Align Australia Group's critical suppliers for the Invisalign and iTero businesses<sup>2</sup>, we are in the process of conducting a geographic risk assessment also using the 2018 Global Slavery Index as a guide for the purposes of the Australian Modern Slavery Act 2018 (Cth).</p>
------------	--

## Actions taken to address modern slavery risks.



### Our people.

The Align Australia Group employees respect one another by protecting the human rights of others. This means we do not use false or misleading practices when recruiting and hiring. We recognise that migrants and foreign workers are particularly vulnerable to modern slavery and extreme forms of labour exploitation due to the difficulties that they face in understanding and securing their rights and entitlements. Considering the nature of our workforce and our employment practices, we have assessed that the risk of Align Australia Group's operations causing or contributing to modern slavery through our employees as low. For example:

- we confirm that all of Align Australia Group's team members hold appropriate work visas or have permanent residency or citizenship. Our candidate relationship management systems have controls in place that prevent placements from occurring without the appropriate work rights and skills checks being completed;
- our employment conditions adhere to the legislation relevant to the jurisdictions in Australia and New Zealand;
- all team members and potential team members are free to apply for employment opportunities, free to turn down employment opportunities and free to leave the Align Australia Group at any time. We do not charge any fees to individuals for the sourcing of the employment opportunities they are offered;
- we provide compensation that is competitive and consistent with the laws that regulate minimum wage and overtime. We are committed to providing our team members with details about their work and that their wage statements and entitlements are clear and understandable. Our remuneration strategy reflects individual and company performance, job responsibilities, individual contribution and prevailing market conditions; and
- we have good recruitment practices in place - we ensure that all our legal obligations are complied with in the recruitment and on-boarding process and we only contract with formal labour providers and recruitment organisations with legitimate and established businesses.

## Policies and training.



### Align Global Code of Conduct.

The Align Australia Group follows the Align Global Code of Conduct (our "Code") which defines the ethical standards we each must follow so that we may conduct the business of Align with integrity and in compliance with all laws. Our Code also includes examples of what to look out for to avoid unethical or illegal conduct. As such, no one representing Align will take unfair advantage of anyone through manipulation, fraudulent inducements or concealment, abuse of confidential or privileged information or any other unfair dealing.

We believe that Align's strength is based, in part, on our ability to develop and sustain long-lasting, mutually rewarding relationships with our valued business partners. In accordance with our Code, we seek out partners, including suppliers, that demonstrate strong values and ethical principles. We avoid those that violate the law or fail to comply with the sound business practices we embrace.

### Align Global Third Party Code of Conduct.

The Align Australia Group partners are also subject to the Align Global Third Party Code of Conduct ("Third Party Code"). This Third Party Code has been shared with distributors and sales agents. Just as Align holds itself accountable to our Global Code of Conduct, we expect our Third Parties to do the same by following our Third Party Code. Our Third Party Code makes clear that we expect and require our business partners to comply with all human rights laws and ensure that their workforce is treated fairly and all working conditions are safe.

<sup>2</sup>exocad was acquired by Align in April 2020. Due diligence on exocad's suppliers is on-going as the businesses integrate and will be reported on in Align's Modern Slavery Statement for FY2021.

## Speak Up Policy.

Grievance mechanisms are vital for workers to be able to raise issues. As part of our commitment to honest and ethical behavior, through our Speak Up Policy we require all employees to report any actual or apparent violations of law or ethical standards so that they can be investigated and dealt with appropriately. Align has an open-door policy and encourages all employees to present ideas, raise concerns, and ask questions - especially those of a legal or ethical nature. Everyone on the management team is responsible for supporting Align's open-door policy and for welcoming direct reports or other employees who may reach out to them for assistance. Align Australia Group encourages all team members to use Align's hotline if they do not feel comfortable going to their supervisor, manager, Compliance and Ethics Officer or HR department, which enables team members to remain anonymous.

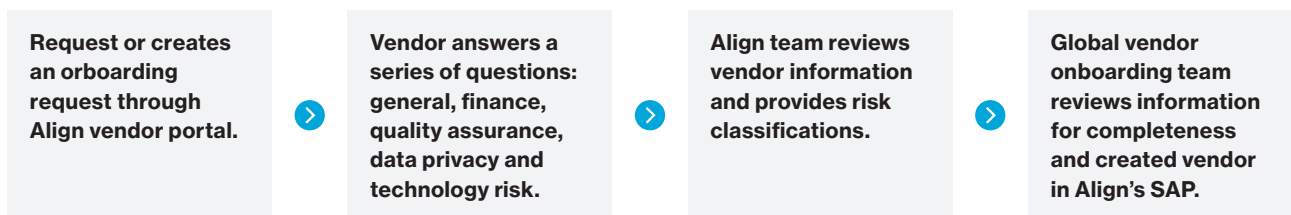
## Workplace Bullying Policy and Appropriate Workplace Behaviour Policy

Align Australia Group does not tolerate or condone bullying, harassment, sexual harassment, victimisation (including unlawful behavior) under any circumstances. Align Australia Group has a Workplace Bullying Policy and an Appropriate Workplace Behaviour Policy which sets out steps team members can take if they become subject to or aware of any discrimination or victimisation that results or could result in modern slavery practices. These policies set out what Align will do if a complaint is made and what actions Align will take if allegations are substantiated. For example, Align make take disciplinary action, including suspension or termination of employment where appropriate or justified in the circumstances. These policies meet the requirements of Australian law.

## Initial due diligence.



As part of the Align Australia Group vendor onboarding process, suppliers and other business partners answer certain questions that allow us to assess risk. These questionnaires are generally completed and undergo a thorough risk assessment prior to the supplier providing us any goods or services. The flowchart below provides a high-level summary of the process to set up a new vendor at Align:



Potential new vendors are required to complete an initial questionnaire. Most vendors are asked to confirm if their company complies with The California Transparency in Supply Chain Act (2010) and the Modern Slavery Act 2015 (UK). The Align Australia Group will work to update the questionnaire to specifically ask applicable vendors to comply with the Australian Modern Slavery Act 2018 (Cth) as well.

Also, depending on the vendor categorisation, vendors may also be required to go through Align's Quality Management System ("QMS"). Potential new vendors who are required to go through Align's QMS process are required to complete additional and more detailed questions disclosing, among other things, their efforts to evaluate and address risks of human trafficking and slavery. These questionnaires are reviewed by internal personnel.

## Ongoing monitoring activities.



Once a supplier has been categorised and onboarded into our systems, we have processes in place to continually monitor its quality-controlled suppliers. A risk-based approach to supplier quality management is performed to ensure expectations are met - the degree of control is commensurate with the significance of the product or service supplied and include but are not limited to: capacity/scalability, supply chain, catastrophe/geopolitical, and quality/regulatory. Some on-going controls that may be required include, among others, the following:

- a. Verification and inspection of products: verification, inspection or other activities are performed by Align of purchased product is adequate to ensure specified requirements are met.
- b. Supplier re-evaluation: all suppliers that are onboarded are automatically identified in Align Australia Group's systems to be re-evaluated. The frequency of supplier re-evaluation is determined based on the vendor's QMS classification, or immediately on the occurrence of certain events (e.g. merger, acquisition, product/service change,

non-conforming products).

- c. Auditing: Align Australia Group performs audits as part of the evaluation or re-evaluation of certain suppliers. The scope of any audit is based on the acceptance criteria and level of risk of the product or service provided by the supplier. An annual supplier audit schedule is established with input from applicable stakeholders. Unscheduled or unplanned supplier audits may be added to the schedule as needed throughout the calendar year due to new business, substantial/significant changes and business/QMS risk.

For major non-conformities identifying significant risk, we take necessary actions including but not limited to removing or inactivating the supplier from the approved supplier list, replacement of the supplier, slow business or withhold potential future business.

## Assessing the effectiveness of the actions taken to address modern slavery risks.



We are committed to reviewing the effectiveness of our actions and we will develop a number of measures to assess the effectiveness of our actions. We will focus on implementing these measures in FY2021 to ensure our actions are appropriate and are effectively assessing and addressing the risks of modern slavery in our operations and supply chains. In Australia and New Zealand, we have established a working group against modern slavery ("Working Group") that consulted with stakeholders from Corporate Social Responsibility, Internal Audit, Compliance and Ethics, Human Resources, Legal and Supply Chain who will monitor and facilitate the implementation of these measures.

## Consultation.



From the beginning, the preparation of this statement has had the commitment of our Australian Leadership Team. The Working Group consulted with the boards of the reporting entities covered by this statement being Align Technology (Australia) Pty Ltd, ICA Holdings Pty Ltd and their subsidiaries. Align Australia Group operates as an integrated group of companies with consistent policies, systems and approaches applying to each entity.

## Approval.



This statement was approved by Board of Directors of Align Technology (Australia) Pty Ltd on 30 June 2021 on behalf of itself and ICA Holdings Pty Ltd for the purpose of the Modern Slavery Act 2018 (Cth).

---

### Karen McGoldrick

VP and Managing Director, ANZ

30 June 2021



**align**

Invisalign, the Invisalign logo, iTero, the iTero logo and ClinCheck, among others, are trademarks and/or service marks of Align Technology, Inc. or one of its subsidiaries or affiliated companies and may be registered in the U.S. and/or other countries. All rights reserved. © 2021 Align Technology, Inc.