

Modern Slavery Statement – The Henry Schein Regional Trust

Introduction

Henry Schein is committed to assessing and addressing the risks of modern slavery occurring in its operations and supply chains and is proud to make and lodge this first Modern Slavery Statement under the Modern Slavery Act 2018 (Cth).

What is modern slavery?

The term "modern slavery" describes situations in which coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery takes many forms including slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, the worst forms of child labour (where children are exploited through slavery like practices or exposed to hazardous work) and forced marriage.

Reporting entity

For the purposes of this Modern Slavery Statement the reporting entity is The Henry Schein Regional Trust (ABN: 83 132 312 515) (Henry Schein).

This Modern Slavery Statement covers Henry Schein's reporting period of 1 January 2020 to 31 December 2020.

Our values and commitments

Henry Schein respects human rights as recognised by the principles set out in the United Nations Universal Declaration of Human Rights, the International Covenant on Economic Social and Cultural Rights, the International Covenant on Civil and Political Rights and the core labour standards set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Henry Schein is committed to operating our business lawfully and ethically and is committed to only working with manufacturers and suppliers that are aligned to our values. We expect everyone in our supply chains to operate in accordance with all applicable modern slavery laws.

We value and observe all laws regarding corporate social responsibility, environmental protection, workplace safety, staff inclusion and diversity. Consistent with this the Henry Schein Group was recognised by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the World's Most Ethical Companies in 2020.

These values and commitments are reflected in our global Mission Statement and Corporate Charter and (in relation to our supply chains specifically) in our global Supply Chain Resilience Statement in which we make clear that we support the UN Guiding Principles for Business and Human Rights and also support and comply with various existing and emerging supply chain transparency laws.



We are committed to ongoing engagement with our suppliers, manufacturers and stakeholders to better collaborate in assessing and addressing modern slavery risks. We are also committed to undertaking work to identify and take steps to prevent modern slavery.

Our structure, operations and supply chains

Structure

Henry Schein is a fixed unit trust, registered in New South Wales. The trustee of this trust is Henry Schein Regional Pty Limited (ACN: 003 770 321).

Henry Schein owns or controls two entities - Pacific Dental Specialties Pty Ltd (ABN: 37 132 562 906) and the Adaam Unit Trust (ABN 50 744 976 150), the latter of which trades as "Adam Dental Supplies". The operations of these entities are the same as those of Henry Schein.

Henry Schein, its trustee and two other Australian Henry Schein entities (Henry Schein Australia Pty Limited - a non trading entity - and Henry Schein Australia Holdings Pty Limited - the holding company of the Australian group of Henry Schein entities) are wholly owned by Henry Schein Inc, a Fortune 500 company, a member of the S&P 500 and NASDAQ 100 Indices and the leading distributor of healthcare products and services primarily to office-based healthcare practitioners in the combined North American and European markets.

Operations

Henry Schein is Australia's largest dental distributor, stocking a wide range of dental products and equipment including dental chairs, sterilisation instruments, consumable items (such as gloves, tissues and masks), 3D cone beam CT scanning equipment and integrated CAD/CAM solutions.

In Australia, Henry Schein has over 340 employees. Our head office is in Mascot, New South Wales and we have state offices located in each capital city.

Henry Schein operates distribution centres in Sydney, Perth and Auckland.

Supply Chains

Henry Schein partners with approximately 280 suppliers and third party manufacturers.

Our complex supply chains include the purchase of therapeutic and non-therapeutic products and services needed for the day-to-day operation of the business. The non-therapeutic products and services include office supplies, logistics, building services and maintenance, IT and telecommunications infrastructure and support services and a range of professional services. Our Purchasing, Marketing, Warehousing, Finance & Administration, IT and HR/People & Culture teams have various policies in place that support our day-to-day operations to ensure all staff and suppliers meet Henry Schein's core values.

We are committed to sourcing top quality dental therapeutics, equipment and instrumentation along with involved services through a resilient global and local network. We rely on positive and



open relationships with our suppliers and manufacturers so we can continue to monitor and enhance our practices.

Over the relevant reporting period Henry Schein spent approximately AUD \$180 million on products and services from our suppliers and third party manufacturers. The main area of supplier spend was on consumable items for resale.

Risk of modern slavery practices in our operations and supply chains and in the operations and supply chains of the entities which we own or control

Henry Schein recognises that the nature of its business means that it might be exposed to instances of modern slavery in its supply chains.

We sought guidance on how to identify risks of modern slavery in our operations and supply chains from publicly available resources to develop an understanding of our potential risk areas.

While conducting our initial analysis we referred to resources such as the Global Slavery Index 2018, the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities and materials and information on risks of modern slavery produced by the International Labour Organisation.

We considered relevant risks of modern slavery practices by reference to a range of intersecting factors such as business activities, labour force structure, sector and social, political and environmental conditions in the countries in which our suppliers and manufacturers operate.

Operations

We procure services such as building services, cleaning, travel, security and maintenance services. Although Henry Schein recognises that these are potential high risk areas, the majority of such services are from reputable Australian based operators who comply with all applicable Australian laws. Henry Schein seeks to ensure that the values and ethics of these contractors reflect those of our organisation wherever possible.

We partner with recruitment agencies who assist us by sourcing staff for our warehousing and distribution centres. We recognise that this is a potential risk area for modern slavery. However, we have made enquiries and have been informed that these agencies fully comply with all applicable workplace laws and pay at least minimum rates of pay. Our partner recruitment agencies are currently developing their own modern slavery policies/processes (and preparing modern slavery statements) and we will aim to review these when developed/lodged.

Supply Chains

In preparing this statement we focused on our suppliers with whom we have a direct contractual relationship (i.e. "tier 1" suppliers). However, we acknowledge that incidences of modern slavery can exist throughout supply chains at any level and we are committed to assessing and reporting on these risks further in future years and statements as part of our process for continuous improvement.



Our initial risk assessment consisted of a desktop review of our suppliers and a review of what peers and competitors have undertaken in this space. This assessment indicated that there are certain risk factors present in our supply chains which may increase the potential for risks of modern slavery practices occurring in them.

The potential risks which we have identified in our supply chains are set out in the paragraphs below.

Henry Schein engages with third party manufacturing plants in Asia which produce Henry Schein branded products including gloves, masks, tissues and various other consumable items. We are aware that these manufacturing plants carry potential risks of forced labour, child labour and human trafficking due to the industry's high labour intensity and reliance on migrant workers, the relatively low skill levels of workers and low level of regulation in these geographical locations generally. However, Henry Schein (globally) has an audit team based in Shanghai (linked to Henry Schein's global sourcing team) which has the ability to monitor and audit these third party manufacturing plants.

We recognise that purchasing practices such as short production windows and last-minute or short-term orders may increase modern slavery risks for workers in our supply chains, hence we engage with suppliers to consider options to support vulnerable workers. We seek supplier's information on steps they have taken to protect their workers from COVID-19, such as providing workers with protective equipment, providing sick leave or carers' leave, and increasing cleaning in premises to minimise the risk of infection.

As part of our aim for continuous improvement we are committed to further examining and assessing our supply chains. We also recognise the potential for instances of modern slavery practices to occur further down our supply chains (i.e. beyond tier 1) and we will strive to analyse and report on lower levels of our supply chains in our next modern slavery statement.

Actions taken by Henry Schein and the entities which Henry Schein owns or controls to assess and address modern slavery risks

Actions

Over the reporting period Henry Schein has taken steps to assess and address the risks of modern slavery practices occurring in our operations and supply chains.

For example, Henry Schein (at the US parent level) produced a document for internal use called the "Australian Modern Slavery Act Due Diligence Survey." This document highlighted areas of our business to consider in terms of potential for modern slavery risks (including particular country, sector, transaction and business partnership related risks) and provided guidance on how to prepare a compliant modern slavery statement. This document was shared internally and utilised by Henry Schein in its modern slavery due diligence process and in preparing this statement.

We have continued to use and make reference to our Global Supplier Code of Conduct which sets out our expectations in the areas of business integrity, labour practices, employee health and safety



and environmental management. The Supplier Code of Conduct is made available to all of our suppliers at the outset of our relationship as part of the on boarding process.

In accordance with the Code, we require our suppliers to conduct their business responsibly, with integrity and honesty and importantly, to comply with, all applicable laws and regulations. The Code of Conduct makes specific reference to our expectation that suppliers will (among other things):

- treat employees fairly including with respect to wages, working hours and benefits;
- provide safe and healthy working conditions in their operations;
- maintain and promote fundamental human rights; and
- prohibit any use of child labour in their operations.

In October 2019 the Henry Schein Group implemented an online training programme (called the Henry Schein Global Compliance Learning) which all employees (globally) were required to complete. This mandatory training included information and guidance on how to identify modern slavery and human rights issues including by providing participants with a definition of modern slavery and running through examples of modern slavery (using specific scenario based videos/training methods) which employees might encounter in the course of their work. The training was rolled out again for all employees in 2020 and the decision has been made to implement it on an annual basis going forward.

We have continued to use our Distribution and Supply Agreement which requires all our suppliers to confirm that they will (and that their directors, employees, and agents will) comply with all applicable laws in relation to the supply of products under the Agreement.

Henry Schein in Australia sold a glove range which is manufactured by companies located in South East Asia. In August 2020 we became aware of a decision by the US Customs and Border Protection to impose a detention order on these companies "based on reasonable evidence of forced labour in the manufacturing process ... including debt bondage, excessive overtime, retention of identification documents, and abusive working and living conditions".

Upon Henry Schein becoming aware of the decision of the US Customs and Border Protection we immediately suspended our dealings with the manufacturer while we considered the matter, sought guidance and advice and also took inventory of our relevant saleable stock. Ultimately, we took the decision to cease the sale of the relevant products and to cease trading with any of the associated companies of the manufacturer.

Remediation processes

Henry Schein is committed to investigating any report of potential incidences of modern slavery occurring anywhere in our operations or supply chains.

In line with our values and commitments we confirm that we would take all appropriate steps to rectify any confirmed incidences of modern slavery in our operations or supply chains. Henry Schein



would work collaboratively with its suppliers and, if necessary, their suppliers, to achieve these goals. If, for any reason, progress in this regard was not possible, Henry Schein would take steps to sever its connections to the offending supplier or sub-supplier.

Assessing the effectiveness of actions taken to assess and address modern slavery risks

As outlined above, Henry Schein requires all employees globally to undertake and complete online training modules which include training, guidance and information on modern slavery and human rights issues. At the end of each training session each employee must complete an assessment to demonstrate that they have understood the content of the training. This is one way that we assess the effectiveness of the training sessions.

In addition, Henry Schein aims to set up processes to discuss and review engagement and feedback between key areas of its business in relation to modern slavery.

Consultation

Henry Schein's group structure (including entities which are owned and controlled by Henry Schein) is set out earlier in this statement.

Henry Schein is a well-integrated business. The same practices and procedures regarding responsible business, ethics and compliance apply to the affiliates in our group at a global and local level. We have communicated with entities which we own and control regarding this statement and our approach to modern slavery noting they are subject to the same policies and processes as set out in this statement.

Other relevant information

Henry Schein is committed to working to improve its assessment and addressing of modern slavery risks and is committed to implementing the following measures in our next reporting period:

- the drafting and implementation of a standalone modern slavery policy;
- conducting an information session on our first modern slavery statement;
- setting up processes to discuss and review engagement and feedback between key areas of the business in relation to modern slavery risks; and
- updating template supplier contracts to include modern slavery specific clauses including warranties and covenants, commitments to eradicate modern slavery in operations and supply chains, commitments to comply with our Supplier Code of Conduct, audit rights, suspension and termination rights and indemnities.

Impact of Covid 19



The COVID-19 pandemic increased the urgency and necessity for the sourcing and supply of medical products and PPE to medical professionals. Accordingly, Henry Schein's focus over its reporting period was on facilitating this sourcing and supply. As a result, Henry Schein's coordination of a detailed modern slavery response over the relevant reporting period (including the drafting of this statement) was impacted. However, in our next reporting period we intend to divert more time and resources to taking actions to assess and address modern slavery risks in our operations and supply chains (as outlined in more detail above).

Approval

This Modern Slavery Statement is made in accordance with section 13 of the Modern Slavery Act 2018 (Cth).

This statement was approved by the Board of Directors of Henry Schein Regional Pty Limited acting in its capacity as trustee for The Henry Schein Regional Trust on 14 July 2021.



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Signed for and on behalf of Henry Schein Regional Pty Limited in its capacity as trustee for The Henry Schein Regional Trust

Maurie Stang

Director, Henry Schein Regional Pty Limited

