

Align Australia Group

Modern Slavery Statement

Financial Year 2023

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About this Statement.



This Modern Slavery Statement ("**Statement**") is a joint statement from the below listed entities (collectively "**Align Australia Group**", "**we**" or "**our**") prepared in accordance with section 14 of the Modern Slavery Act 2018 (*Cth*) in respect of our financial year running 1 January 2023 to 31 December 2023 (the "**Reporting Period**"). It outlines the steps the Align Australia Group has taken to identify and address the risks of modern slavery in its operations and supply chain, and to mitigate risks and assess the effectiveness of our actions.

This Statement is our fourth modern slavery statement.

| Legal Name | Reference Name | Australian Company Number | Jurisdiction |
|--|--------------------------------|---------------------------|--------------|
| Align Technology (Australia) Pty Limited | "Align Technology (Australia)" | 163 076 971 | Australia |
| ICA Holdings Pty Ltd | "ICA Holdings" | 143 532 405 | Australia |
| Invisalign Australia Pty Limited | "Invisalign Australia" | 098 357 736 | Australia |

Align business structure.



The ultimate parent company of the Align Australia Group is Align Technology, Inc ("**Align Technology**"). Align Technology is listed on the NASDAQ Global Market under the ticker symbol "ALGN" and its global headquarters are in Tempe, Arizona USA. Align Technology designs, manufactures, and sells the Invisalign® System of clear aligners, Vivera™ retainers, iTero™ intraoral scanners, exocad™ CAD/CAM software and dentalXrai software for digital orthodontics and restorative dentistry among other products and services through Align Technology and its affiliated companies. Align Technology also markets and sells consumer products that are complementary to Align Technology's doctor-prescribed principal products under the Invisalign and other brands, including, among other things, aligner cases (clamshells), and cleaning solutions (crystals, foam, and other material) (collectively "**Consumer Products**").

Align Technology's primary goals are to establish clear aligners as the principal solution for the treatment of malocclusions, or the misalignment of teeth, and our Invisalign system as the treatment solution of choice by orthodontists, general dental practitioners, and patients globally, our intraoral scanners as the preferred scanning technology for digital dental scans for orthodontic and restorative dentistry, and our exocad CAD/CAM software as the solution of choice for dental labs. During the Reporting Period, Align Technology offered the following main products and services: Invisalign clear aligners, Vivera retainers, iTero intraoral scanners, exocad software, dentalXrai software¹ and Consumer Products. To date, over 18 million people worldwide have been treated with the Invisalign system.

Align Technology (Australia) is a wholly owned indirect subsidiary of Align Technology (together with its subsidiaries) and has seven (7) subsidiaries including ICA Holdings and Invisalign Australia whose operations are to market, distribute and service Align products and services within Australia and New Zealand. The subsidiaries of Align Australia Group are located in Australia, New Zealand, Hong Kong and Singapore, respectively, and are either holding companies or distribution entities for each applicable jurisdiction. In 2023, a new entity, Chengdu Jinjiang AiXiaoYing Dental Clinic Co., Ltd. was incorporated in China and forms part of the Align Australia Group. Whilst the business has been incorporated, it is not yet operating and does not have any employees.

Our business operations and supply chain.



Our purpose is "transforming smiles, changing lives". The Align Australia Group procures the products it sells entirely from related entities in Align Technology's global supply chain. Products sold in Australia and New Zealand are manufactured in various locations around the world including the United States, China, Mexico, Germany Pakistan and Israel. The Align Australia Group also has local vendors supportive of its services function including in relation to property, digital marketing, insurance, professional services, human resources, office supplies, cleaning, travel, and other services.

As at the end of the Reporting Period, approximately:

- 100 employees were employed full-time, 2 were employed part-time and 1 on a full-time fixed term contract in Australia where Invisalign Australia Pty Limited operates 1 office and 1 training centre in Sydney, NSW;
- 6 employees were employed full-time in New Zealand where the Align Australia Group does not operate any physical

¹ During the FY2023 reporting period, dentalXrai software was not sold into Australia or New Zealand.

premises;

- c. 160 employees were employed full-time in Singapore where ICA Ortho Services Pte Ltd operates 1 office;
- d. 38 employees were employed full-time in Hong Kong and 1 on a full-time fixed term contract where Invisalign Hong Kong Limited operates 1 office; and
- e. 0 employees were employed on any basis in China where Chengdu Jinjiang AiXiaoYing Dental Clinic Co., Ltd. operates 1 premise that is not yet operational.

Understanding our modern slavery risk.



The Align Australia Group continues to operate as an integrated group of companies with consistent policies, systems and approaches applying to each entity.

The Align Australia Group has taken a risk-based approach to evaluate the likelihood of modern slavery existing in our operations and supply chain, including by sector and industry, by the type of products and services and by geographical location. We believe the risk of modern slavery in our operations is **medium** or **low** depending on the category. As with any company, there may be an unknown and latent risk of modern slavery practices through hidden or disguised activities of our employees, vendors, and their supply chains.

Geography

The Align Australia Group currently operates in Australia and New Zealand either directly or indirectly through distributors. Pursuant to the 2023 Global Slavery Index released by Walk Free <https://www.walkfree.org/resources/> as a guide, "Australia is among the least vulnerable countries to modern slavery in the Asia Pacific region and globally" and "New Zealand is among the countries with the lowest prevalence both in the region and globally of modern slavery".

Sectors and industry

The sectors or industries that Align Technology and its affiliated entities operate in or uses continued to be considered as having a higher prevalence or risk of modern slavery practices due to their characteristics, processes and products:

- a. Manufacturing;
- b. Electronics;
- c. Catering, cleaning and logistics; and
- d. Travel management services.

The following categories of our products and services have been used to help identify and address modern slavery risks within the Align Australia Group's operations and supply chains.

| Main supply chain category | Comment | Risk rating |
|--|---|---------------|
| Manufacturing facilities – Invisalign clear aligners and Vivera retainers | <p>Invisalign clear aligners and Vivera retainers, sold by the Align Australia Group directly to Australian and New Zealand doctors, are manufactured in Align Group facilities in Mexico and China.</p> <p>Our digital treatment planning facilities are located worldwide. For Australia and New Zealand, these services are supported by our team located in Costa Rica and Mexico (clinical specialists and CAD designers).</p> <p>All manufacturing and treatment planning facilities are directly operated and managed by Align Technology through its affiliates in each relevant country. This direct organizational relationship helps mitigate the risk of modern slavery. Employees who work at Align's facilities are provided working, employment, and recruitment conditions in compliance with our quality standards. They also have access to the policies and training particularized in this report and, importantly, are encouraged to raise good faith concerns by speaking up through our Global Speak Up Policy without fear of being subjected to retaliation.</p> | Low |
| iTero intraoral scanners | <p>We produce our handheld intraoral scanner wand, perform final scanner assembly, and repair our scanners for Australia and New Zealand at our facilities in Israel, and service and repair certain scanners in Israel and Taiwan.</p> <p>The facilities in which these activities are performed are all directly operated and managed by the Align Group.</p> | Medium |
| Ancillary products | <p>The Align Australia Group also sells ancillary products directly to Australian doctors such as cheek retractors, cleaning crystals, clamshells, pliers kits, PVS trays, professional whitening gel, Invisalign Stickables, assembly kits. These are manufactured in Mexico, China,</p> | Medium |

| Main supply chain category | Comment | Risk rating |
|------------------------------------|--|-----------------|
| | <p>the U.S and Pakistan.</p> <p>The Align Australia Group also uses ancillary products such as dental bibs, gauze, self-etching primer, composite resin, micro brushes, gloves, cleaning wipes. These particular products are used in our training sessions with registered GPs and Orthodontists looking to become Invisalign trained providers. These products are purchased directly from the Australian entity of an international third party distributor of medical and dental supplies.</p> | |
| Treatment planning services | <p>The Align Australia Group provides treatment planning services to Invisalign trained providers through experienced Australian and New Zealand registered dental practitioners who are not employed by the Align Australian Group ("TPS Providers"). TPS Providers provide product technical support services to enable Invisalign trained providers to utilise the ClinCheck® software more efficiently and improve their treatment planning process and do not provide any case diagnosis or decision / approval on the Invisalign trained provider's behalf. The treating doctor remains fully responsible at all times for approval and oversight of their final treatment plan. All TPS Providers are either based in Australia and New Zealand (as applicable) and are registered healthcare professionals in their field of specialty. They are free to end their commercial relationship with the Align Australia Group at any time and are compensated appropriately for the services they provide.</p> | Very low |
| Medical device products | <p>Our supply chain includes sourcing of raw materials, 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. The Align Technology entities that procure these products maintain supply relationships (some of which are sole source) and also rely on third-party manufacturers and sub-assembly manufacturers. Our related entities also have visibility over raw materials in the supply chain as the raw material procurement takes place from vendors.</p> | Medium |
| E-commerce | <p>We sell our Consumer Products online through our corporate website and third-party platforms that are direct to consumers.</p> <p>Our Consumer Products can also be purchased directly from Invisalign trained providers by consumers.</p> | Medium |
| Intermediaries | <p>We sell the majority of our medical devices to our customers directly through a dedicated and specialized sales force. We also sell a small portion of our products (e.g., iTero intraoral scanners) through Australian and New Zealand distributors.</p> <p>As at the end of the Reporting Period, we had distribution agreements with three distributors for selling our iTero intraoral scanners only. All distribution agreements contained anti-modern slavery obligations and reporting requirements.</p> | Low |
| Couriers and freights | <p>We use major third-party services providers for local postage, mail, and for domestic delivery services. We primarily use UPS and FedEx for international freight and transportation services including shipping, distribution, and storage. Any such freight service providers demonstrate their efforts to addressing modern slavery risks in their operations and supply chain.</p> | Medium |
| IT-related vendors | <p>Computer hardware and consumables and software. Raw materials, manufacture of consumables and disposal of e-waste may take place in geographies of concern. This industry has a higher prevalence of modern slavery in particular media reports of child labour and forced labour in the destruction of e-waste. Some of our IT vendors are based in Australia, New Zealand, USA, Japan, and China.</p> | Medium |
| Professional services | <p>Legal and accounting firms, professional consultants such as marketing, HR/recruitment, IT and building management.</p> | Low |
| Utilities | <p>Electronic, gas, water, telephone and data services vendors are based in Australia and New Zealand, respectively.</p> | Low |
| Office and staff supplies | <p>Stationery, office equipment and consumables, staff amenities, uniforms, cleaning products and catering vendors are based in Australia and New Zealand.</p> | Low |
| Facilities Management | <p>Security, cleaning, and waste removal. This industry has a higher</p> | Medium |

| Main supply chain category | Comment | Risk rating |
|----------------------------|--|-------------|
| | prevalence of possible migrant labour exploitation and/or underpayment of wages. | |

Mitigation.



Our efforts to manage modern slavery risk in our business operations and supply chain can be grouped into the following categories:

- i. **Our people.**
- ii. **Policies and training.**
- iii. **Vendor onboarding.**
- iv. **Periodic or as needed monitoring activities of vendors.**

i. Our people.

As at the end of the Reporting Period, the Align Australia Group had approximately 308 team members. Align Group employees show respect for one another by protecting the human rights of others. This means avoiding false or misleading practices when recruiting and hiring. We also recognize that migrants and foreign workers may be 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:

- Our Global Code of Conduct ("Code") prohibits child and forced labor and all employees are required to review and accept the Code promptly after they commence employment and annually thereafter.
- Our Global Speak-Up Policy requires all employees, third party individuals and entities that Align does business with, such as contractors, consultants, suppliers, distributors, other non-employee workers, and Align customers to speak up (confidentially if they choose to remain anonymous) without threat of retaliation if they have a good faith belief of actual or potential violations of our Code, our policies and procedures, or the law.
- All employees are required to hold and continue to hold appropriate work visas or have permanent residency or citizenship. Our candidate and employee management systems include controls intended to mitigate the risk of improper placements occurring, and employment continuing, without the appropriate work rights and skills checks being completed and maintained.
- Our employment conditions are designed to adhere to the legislation relevant to the jurisdictions in which each employee works.
- All employees and applicants are free to apply for employment opportunities, free to turn down employment opportunities and free to leave their employment 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 employees 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.
- We have standard recruitment practices in place that are designed to ensure all our legal obligations are met in the recruitment and onboarding process and we only contract with formal labour providers and recruitment organisations with legitimate and established businesses.
- We promptly investigate any reports of actual or potential violations of laws, human rights or regulations or the Code through our Speak Up process.

ii. Policies and training.

| Policy | Overview |
|---|---|
| <p>Global Code of Conduct (“Code”)</p> | <p>The Align Group follows our Code which defines the ethical standards we each must follow to conduct the business of the Align Group with integrity and in compliance with laws. Our Code also includes examples of what to look out for to avoid unethical or illegal conduct. As such, anyone representing the Align Group is prohibited from taking unfair advantage of anyone else through manipulation, fraudulent inducements or concealment, abuse of confidential or privileged information or any other unfair dealing. In accordance with our Code, we seek out partners, including vendors, that demonstrate strong values and ethical principles. We work to avoid those that violate the law or fail to comply with the sound business practices we embrace.</p> |
| <p>Intermediary Due Diligence Policy and Toolkit</p> | <p>Align Group's Intermediary Due Diligence Toolkit establishes our expectations related to selecting, onboarding and renewing business with entities or individuals that interact with other entities or individuals on our behalf (“Intermediaries”). Business with Intermediaries should be based on trust and a shared commitment to bring our brand and products to market ethically and compliantly.</p> <p>We ask our Intermediaries to adhere to the same ethical and legal principals we follow. We may not ask our Intermediaries to do something that is unethical, illegal, or inconsistent with our Code. During the Reporting Period the vendor onboarding process was automated via our internal vendor onboarding tool, or a manual process where it was not available.</p> <p>We select Intermediaries based on value, the quality of the goods and services provided, reputation, price, and experience. When selecting Intermediaries who are significant to our operations, we consider them in a competitive process designed to identify the Intermediary that is the best fit. We document our selection of each Intermediary in a Business Decision Form.</p> <p>When onboarding a potential, or renewing an existing, Intermediary, we obtain information from the Intermediary, typically through a Due Diligence Questionnaire or a risk based due diligence report, including a request to confirm the Intermediary has all required licenses to conduct the services desired by us. Any flags identified reviewed by a qualified legal or compliance employee. If necessary, and in the Align Group's sole determination, an Intermediary may be asked to provide additional information to evaluate the flag. We expect Intermediaries to cooperate with our review and processes to understand flags that are found during the diligence process. The Align Group business relationship owner and other internal functions are involved in the review of the flags, as appropriate.</p> <p>Once flags are addressed, the Align Group Business Relationship Owner and their manager or another appropriate leader will determine whether to approve or deny the Intermediary.</p> |
| <p>Speak Up Policy</p> | <p>As part of our commitment to honest and ethical behavior, we have a Speak Up Policy through which we require all employees, third party individuals and entities that the Align Group does business with, such as contractors, consultants, suppliers, distributors, other non-employee workers, and Align Group customers, to report any actual or potential violations of Code, our policies and procedures, or the law. Reports are responded to or investigated by an independent and qualified investigator, as appropriate based on the nature of the report. The Align Group encourages all employees to present ideas, raise concerns, and ask questions. Every people leader in the Align Group is responsible for listening to and escalating potential or actual allegations reported to them. The Align Group also provides a third-party website and mobile QR code to facilitate anonymous reporting.</p> |
| <p>Intermediary compliance training</p> | <p>We require our Intermediaries to undergo periodic compliance training including on Align Group's standards in respect of compliance with applicable laws, and anti-bribery and anti-corruption measures. We also ask Intermediaries to sign an annual Compliance Certificate, which includes commitments that they have read, understood and followed Align Group's Intermediary Code of Conduct and requires that they report, in writing, any actual or suspected violations of labour, anti-human trafficking, and conflict minerals laws.</p> |
| <p>Harassment and Discrimination-free Workplace Policies</p> | <p>We are committed to maintaining a workplace free from discrimination and harassment. The Align Group does not tolerate or condone bullying, harassment, victimization (including unlawful behaviour) under any circumstances. The Align Group has appropriate policies in place in each of its member entities as may be required by local laws and consistent with the Code. While these will vary somewhat between territories, these policies generally set out steps employees can take if they become subject to or aware of any acts of discrimination or bullying or harassment. These policies set out what the member entity will do if a complaint is made and what actions it may take. Penalties may include disciplinary action, including suspension or termination of employment where appropriate or justified under the circumstances. These policies are designed to meet the requirements of applicable local laws.</p> |

iii. Vendor onboarding.

As part of the Align Group vendor onboarding process, vendors and other business partners going through our automated onboarding process answer certain questions that allow us to assess risk. These questionnaires are generally completed and undergo a thorough risk assessment prior to the vendor providing any goods or services. The Align Group generally follows the following steps when onboarding a vendor:

- Request or create an onboarding request through the Align vendor portal.
- Vendors will be subject to a series of due diligence questions, which, depending on the type of vendor, may include questions directed to general, finance, quality assurance, data privacy, anti-bribery/anti-corruption, and/or cyber/technology risks.
- Qualified Align employees review vendor information provided and assess and address any risk prior to a vendor being approved to be onboarded.
- Global vendor onboarding employees review information for completeness and create vendor accounts in Align's SAP.

New vendors going through the automated onboarding process are required to complete an initial questionnaire. Certain types of vendors are asked to confirm if their company complies with The California Transparency in Supply Chain Act (2010), the Modern Slavery Act 2015 (UK) and the Australian Modern Slavery Act 2018.

Depending on the vendor categorisation, vendors may also be required to go through Align Technology's Quality Management System ("QMS"). Potential new vendors who are required to go through our 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.

iv. Ongoing monitoring activities of vendors.

Once a vendor has been categorised and onboarded into our systems, we have quality processes in place to monitor vendors. A risk-based approach to vendor quality management is performed which is designed to ensure compliance and regulatory obligations are met – the degree of control is commensurate with the significance of the product or service supplied, including: capacity/scalability, catastrophe/geopolitical, and quality/regulatory.

Ongoing controls may include, among others, the following:

- i. Verification and inspection of products: verification and inspection of products or other activities are performed by the Align Group in each relevant country to assess if specified requirements are being met.
- ii. Vendor re-evaluation: all vendors that are onboarded are automatically identified in the Align Group's systems to be reevaluated. The frequency of vendor re-evaluation is determined based on the vendor's QMS classification, or after becoming aware of certain events (e.g., mergers, acquisitions, product/service changes, non-conforming products).
- iii. Auditing: The Align Group in each relevant country performs audits based on assessments made as part of the evaluation or re-evaluation of certain vendors. The scope of any audit is based on the acceptance criteria and level of risk of the product or service provided by the vendor. An annual vendor audit schedule is established with input from applicable stakeholders. Unscheduled or unplanned vendor audits may be performed as needed throughout the calendar year due to new business, substantial/significant business changes and business/QMS risk.
- iv. Enforcement: For instances of material violations of laws, regulations or our Code, we take necessary actions, including but not limited to removing or inactivating the vendor from the approved vendor list, replacement of the vendor, or reduction or withholding of future business unless and until the material violations are corrected.

Effectiveness.



We monitor the effectiveness of our actions based on internal data and direct feedback from vendors, distributors and our employees and strive to continually improve our systems and processes, taking corrective action, as needed.

In assessing the effectiveness of our actions, set out below are some of the actions that we have taken to mitigate risks of modern slavery in our operations and supply chains.

a. Global supply template.

Our global Invisalign supply agreement template includes a standard modern slavery clause with which vendors are required to comply, and this continued to be the case through the Reporting Period. These contractual obligations include the requirement to comply with all applicable laws concerning the eradication of forced, indentured, involuntary or compulsory labour including child labour.

b. Continued development of workplace reporting and processes.

All employees and contractors with Align system access are required to complete annual training on our Code. Our Global Speak Up Policy provides the framework for when we must speak up about conduct that may be inconsistent with our Code, other policies and procedures, or the law; and for how The Align Group implements this commitment to speaking up. Following this Policy allows the Align Group to respond to concerns and questions promptly and objectively; and to be fair to those who speak up. Concerns related to modern slavery and supply chain compliance would be raised under this Policy and resolved under our global processes. During the Reporting Period none of the initiated speak-up cases related to child or forced labour.

c. Vendor Questionnaire and Intermediary Onboarding Due Diligence Questionnaire.

Assessments of vendor policies and practices continued throughout the Reporting Period and vendor assessment questionnaires continued to be used to understand vendors' business practices and processes. Our vendor questionnaire includes questions designed to support the identification of modern slavery risks and foster collaborative efforts between us and our vendors to address these risks. Additional due diligence may be undertaken, if required. Depending on the type of vendor and the product and service they supply, the questions and information that we ask may include:

- the type of labour used in each vendor's organization;
- if any of the services or products provided use contract workers or seasonal workers; if the vendor has a vendor code of conduct that their vendors in turn are required to comply;
- if they have internal written policies and procedures that are intended to set conduct expectations and prevent and detect human trafficking and/or modern slavery concerns;
- if the vendor provides training to its employees on mitigating risks of human trafficking and slavery in the supply chain; and
- if the vendor has received any reports or been the subject of any concerns, charges and/or investigations related to modern slavery and/or human rights violations in its operations and supply chains within the past 5 years.

In the Reporting Period new vendors complied with Align Group's onboarding due diligence questionnaires. We also separately initiated over one hundred requests for additional information from Align Group vendors. None of these activities revealed any actual or alleged issues of forced or child labour.

d. Geographic Risk Assessment.

In September 2023, Align Switzerland updated its Geographic Risk Assessment in accordance with the Walk Free Global Slavery Index 2023. Align Switzerland focused on vendors (suppliers and service providers) doing business in a country ranked as "high" and assessed:

- If these vendors bear a high risk of human trafficking, child labour or slavery aspects;
- If these vendors have been properly vetted via Align's vendor questionnaires; and
- If a further internal or external audit is needed.

The assessment did not find any actual or alleged instances of forced or child labour.

Future steps.



Identifying and managing our modern slavery risks in our operations and supply chain is ongoing. We will continue to update and refine and practices.

Consultation



The preparation of this Statement, including Align Australia Group's commitment to eliminating the risk of modern slavery in our supply chains and operations, continues to have the full support of our Australian leadership.

Approval.



In accordance with section 14 of the Modern Slavery Act 2018 (Cth) this joint Statement has been approved by the sole director of Align Technology (Australia) Pty Ltd on 28 June 2024 on behalf of itself and ICA Holdings Pty Ltd and Invisalign Australia Pty Limited, which is signed on their behalf by the Sole Director designated below, and the information in this Statement is true, accurate and complete in all material respects for the Reporting Period.

DocuSigned by:

Jonathan Primmer

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Jonathan Primmer

28 June 2024

"I have the authority to bind Align Technology (Australia) Pty Ltd, ICA Holdings Pty Ltd, Invisalign Australia Pty Limited and their subsidiary companies."

