

MODERN SLAVERY STATEMENT 2023 UPDATE



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MODERN SLAVERY STATEMENT – PURPOSE

This Modern Slavery Statement for Pacific Smiles Group has been approved by its Board of Directors in accordance with the Modern Slavery Act 2018 and relates to the 2023 financial year.

The purpose of this statement is to outline Pacific Smiles Group 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

Pacific Smiles Group (PSG) 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.

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 1800 staff and is based in Maitland, New South Wales, Australia. PSG operates Pacific Smiles Group Ltd, Dentist Smiles Pty Ltd, Everything Dentures Pty Ltd & Pacific Medical Care Pty Ltd. These are all subsidiary or affiliated companies for their respective rights and interests.

SUPPLY CHAINS

- Our supply chains consist largely of:
 - Medical Equipment, Device and Consumable Suppliers (medical and non-medical supplies)
 - 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 900 suppliers in 2021–22 totaling circa A\$63million
- The top 15 suppliers by dollar amounts equated to approximately 50% 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.
- During the assessment process, we considered risks that may possibly cause, contribute and/or be linked directly to modern slavery practices, in accordance with the Australian Government’s Department of Home Affairs draft guidance document (2018).
- In assessing our potential 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 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 our 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 have robust recruitment practices, including candidate background checks and partnerships with carefully selected local recruitment agencies.



PERCEIVED RISK OF MODERN SLAVERY WITHIN OUR SUPPLY CHAINS

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.

We will continue to enhance this framework during FY2024.

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			●



ACTIONS TAKEN IN FY23

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

Pacific Smiles Group has taken the following actions to minimise its modern slavery risks during 2022–23:

Supply chain

Education and training: Collaboration between the procurement team and procurement stakeholders has proven effective in raising the awareness of what modern slavery risks are and how we can better identify and manage them. Further training on modern slavery for all procurement stakeholders is scheduled for 2022–23.

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 our 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.

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 to assess the actions they are taking.

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.

COMMITMENTS

Priorities

Outlined below are Pacific Smiles Group's areas of focus for the next reporting period.

Supply Chain

- Continuous improvement of procurement and governance frameworks to better identify and minimise the risks of modern slavery
- Conduct annual surveys of top 50 suppliers via way of compliance questionnaire to assess risk
- Undertake further due diligence activities on high-risk suppliers' supply chains to better assess and identify potential modern slavery risks
- Further educate and raise awareness of modern slavery risks among staff responsible for procuring goods and services

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
- Pacific Smiles Group is committed to reviewing the effectiveness of its actions by assessing the effectiveness of its corporate governance frameworks to ensure they are operating as intended in managing modern slavery risks. Where gaps are identified, Pacific Smiles Group 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.

Approval and signature by a responsible member

This statement was approved on Tuesday 19th September 2023

by the Board of Directors of Pacific Smiles Group in its capacity as principal governing body.

This statement is signed by Zita Peach in her role as the Chairperson of the Board of Directors of Pacific Smiles Group on Tuesday 19th September 2023.

A handwritten signature in black ink, appearing to read 'Zita Peach', written over a horizontal line.

Zita Peach – Chairperson

