

# Align™ Australia Group Modern Slavery Statement Financial Year 2022.

## **Contents.**



**About this statement.**

**Our business structure.**

**Our business operations and supply chain.**

**Understanding our modern slavery risk.**

**Mitigation.**

**Effectiveness.**

**Future steps.**

## About this Statement.



This is a joint statement from Align Technology (Australia) Pty Limited ACN 163 076 971 and ICA Holdings Pty Ltd ACN 143 532 405, (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 1 January 2022 to 31 December 2022 (**FY22**) (**Reporting Period**). It outlines the steps Align Australia Group have taken, and is taking, 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.

It is our third modern slavery statement.

## Our business structure.



### a. Our ultimate parent company, Align Technology, Inc.

Align Technology (Australia)’s ultimate parent company, Align Technology, Inc. (“**Align Technology**”) is a global medical device company primarily engaged in the design, manufacture and marketing of Invisalign® clear aligners, iTero™ intraoral scanners and services for dentistry, and exocad™ computer-aided design and computer-aided manufacturing (“CAD/CAM”) software for dental laboratories and dental practitioners. We also market and sell consumer products that are complementary to our doctor-prescribed principal products under the Invisalign and other brands, including retainers, aligner cases (clamshells), teeth whitening products and cleaning solutions (crystals, foam and other material) (collectively “**Consumer Products**”). Our 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, and our exocad CAD/CAM software as the solution of choice for dental labs.

Align Technology is listed on the NASDAQ Global Market under the ticker symbol “ALGN” and its global headquarters are located in Tempe, Arizona, USA. During the Reporting Period, Align Technology offered the following main products and services: the Invisalign clear aligners, iTero intraoral scanners, exocad software, and Consumer Products.

### b. Align Technology (Australia) Group.

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

## Our business operations and supply chain.



Our purpose is “transforming lives and changing smiles”. As of the end of the Reporting Period, over 14 million people worldwide have chosen to straighten their teeth with Invisalign clear aligners<sup>1</sup>.

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 China, Mexico, and Israel. The Align Technology (Australia) Group also has local vendors in relation to property, digital, marketing, insurance, professional services, distribution and logistics, human resources, office supplies, cleaning, travel, and other services.

As of the end of the Reporting Period, approximately 111 employees were employed full time in Australia and New Zealand, where Invisalign Australia Pty Limited operates one (1) affiliated office and one (1) affiliated training centre in Sydney, NSW.

1. Data on file, Align Technology, Inc. 30 September 2022.

## 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.

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.

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”.

The sectors or industries that Align Technology and its affiliated entities operate in or uses continue to be considered as having a higher prevalence or risk of modern slavery practices due to their characteristics, processes and products<sup>2</sup>:

- a. manufacturing;
- b. electronics;
- c. catering, cleaning and logistics; and
- d. travel management services<sup>3</sup>.

The following categories of our products and services have been used to help identify and address modern slavery risks within Align Technology (Australia) Pty Ltd’s operations and supply chain.

Main supply chain category	Comment	Risk rating
<b>Manufacturing facilities – Invisalign clear aligners</b>	<p>The Invisalign clear aligners, that the Align Australia Group sells directly to Australian and New Zealand Invisalign-trained doctors, are manufactured in facilities in Mexico and China.</p> <p>Our digital treatment planning facilities are located worldwide, for Australia the services are supported by our team located in Costa Rica. In relation to Invisalign clear aligners, a team of CAD designers and clinical specialists provide treatment planning and digital case setups support to the licensed and Invisalign-trained orthodontists and general practitioners who create the digital orthodontic treatment plans for their patients.</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 organisational relationship helps mitigate the risk of modern slavery. In addition, team members who work at Align’s operations and TREAT facilities are provided working, employment, and recruitment conditions in compliance with our quality standards. They also have access to the policies and training listed below and, importantly, are encouraged to raise concerns (speak up) through our Global Speak Up Policy without fear of being subjected to retaliation.</p>	<b>Low risk</b>
<b>iTero intraoral scanners</b>	<p>The iTero scanners propel today’s dental practice into the future by enhancing the patient experience and elevating clinical precision. We produce our handheld intraoral scanner wand, perform final scanner assembly, and repair our scanners at our facilities in China and Israel, and service and repair certain scanners in Mexico.</p>	<b>Low risk</b>
<b>exocad CAD/CAM software</b>	<p>Our exocad CAD/CAM software solutions integrate workflows to dental labs and dental practices. Our exocad software is licensed and made available on a dongle manufactured in the EU and sold through authorised resellers.</p>	<b>Low risk</b>

2. 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)).

3. Due to the Covid-19 pandemic which continued into this Reporting Period, Align Australia Group’s use of travel services was minimal, but is included in this statement as the type of service that the Align Australia Group would usually use in the ordinary course of business.

Main supply chain category	Comment	Risk rating
<b>Medical device products</b>	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. Our related 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.	<b>Medium risk</b>
<b>E-commerce</b>	We sell our Consumer Products online through our corporate website and large e-commerce websites. The Align Australia Group uses Amazon, a third-party platform, to sell Consumer Products direct to consumers. Amazon has reported that it employs third-party auditors to regularly review the employment practices of their current vendors. During this verification process, auditors examine documentation, visit production lines, dorms, canteens, and waste storage facilities, and conduct face-to-face interviews. We continue to interface with Amazon regarding their employment and supply chain practices.	<b>Medium Low risk</b>
<b>Advertising services on Facebook<sup>4</sup>, Instagram<sup>5</sup>, TikTok, Snapchat, Google<sup>6</sup> and YouTube<sup>7</sup> and others</b>	Of the social media platforms with whom we contract and the advertising platforms that they provide, some have indicated that they consider the risk of modern slavery relatively low in their direct business operations because their direct workforce is largely comprised of professionally qualified or skilled personnel and they therefore do recognise that there are inherent risks of modern slavery in their supply chains. We continue to monitor the practices of the social media platforms we employ.	<b>Low risk</b>
<b>Rent of premises</b>	We had two real property leases in FY2022, both of which were in Sydney, Australia. The rent and related costs were paid directly to our landlords. Our landlords are based in Australia.	<b>Low risk</b>
<b>Intermediaries</b>	We sell the majority of our products to our customers directly through a dedicated and specialised sales force. We also sell through distributors such as for our exocad products. As at the end of the Reporting Period, we engaged two distributors for selling our iTero intraoral scanners.	<b>Low risk</b>
<b>Couriers and freights</b>	We use major third-party services providers Australia Post and StarTrack (a business of Australia Post group) for local postage, mail, and for domestic delivery services. We use UPS for international freight and transportation services including shipping, distribution, and storage. Each of the abovementioned service providers demonstrate their efforts to addressing modern slavery risks in their operations and supply chain. Australia Post (which includes the StarTrack entity) has registered its FY22 modern slavery statement and UPS has its UK Modern Slavery Statement, its Anti-Trafficking In Persons Policy and Human Rights Statement.	<b>Low Medium risk</b>
<b>IT-related vendors</b>	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. These vendors remain subject to our ongoing reviews.	<b>Medium risk</b>
<b>Professional services</b>	Legal and accounting firms, professional consultants such as marketing, HR/recruitment, and IT. Vendors are based in Australia and New Zealand.	<b>Low risk</b>
<b>Utilities</b>	Electricity, gas, water, telephone, and data services vendors are based in Australia and New Zealand.	<b>Low risk</b>
<b>Office and staff supplies</b>	Stationery, office equipment and consumables, staff amenities, uniforms and cleaning products vendors are based in Australia and New Zealand.	<b>Low risk</b>
<b>Facilities management</b>	Cleaning and waste removal. This industry has a higher prevalence of possible migrant labour exploitation and/or underpayment or wages.	<b>Medium risk</b>

4. Meta Australia Pty Ltd (which owns "Facebook" and "Instagram" has registered in FY22 Modern Slavery Statement.

5. Meta Australia Pty Ltd (which owns "Facebook" and "Instagram" has registered in FY22 Modern Slavery Statement.

6. Google Australia Pty Ltd has registered its FY21 modern slavery statement.

7. Google Australia Pty Ltd owns "YouTube" has registered its FY21 modern slavery statement.

## Mitigation.



How we manage modern slavery risk in our business operations and supply chain is through:

- i. **Our people.**
- ii. **Policies and training.**
- iii. **Vendor onboarding.**
- iv. **Ongoing monitoring activities of vendors.**

### i. Our people.

As at the end of the Reporting Period, the Align Australia Group had approximately 111 team members. The Align Australia Group team members show respect for one another by protecting the human rights of others. This means we do not use false or misleading practices when recruiting and hiring. We also 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:

- Our Global Code of Conduct ("Code" and defined below) prohibits modern slavery in employment and all team members are required to review and accept the Code promptly after they commence employment and annually thereafter;
- Our Global Speak-Up Policy requires all employees and contractors to speak up (confidentially if they choose to remain anonymous) without threat of retaliation if they have a good faith belief that any laws, regulations or the Code are being violated;
- All team members are required to continue to hold appropriate work visas or have permanent residency or citizenship. Our candidate relationship 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 team member works;
- All team members and potential team members 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 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;
- 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; and
- We promptly investigate any claims of violations of laws, regulations or the Code involving modern slavery.

### ii. Policies and training.

Policy	Overview
<b>Global Code of Conduct</b>	<p>The Align Australia Group follows the Align Technology, Inc. Global Code of Conduct (our "<b>Code</b>") which defines the ethical standards we each must follow to conduct the business of Align Australia 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 Australia 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.</p> <p>We believe that the Align Australia Group'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 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>
<b>Global Third Party Code of Conduct</b>	<p>The Align Australia Group partners are also subject to the Align Technology, Inc. Global Third Party Code of Conduct ("<b>Third Party Code</b>"). This Third Party Code has been shared with our distributors and sales agents. Just as Align Technology and the Align Australia Group holds itself accountable to our Code, 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 workforces are treated fairly and all working conditions are safe.</p>



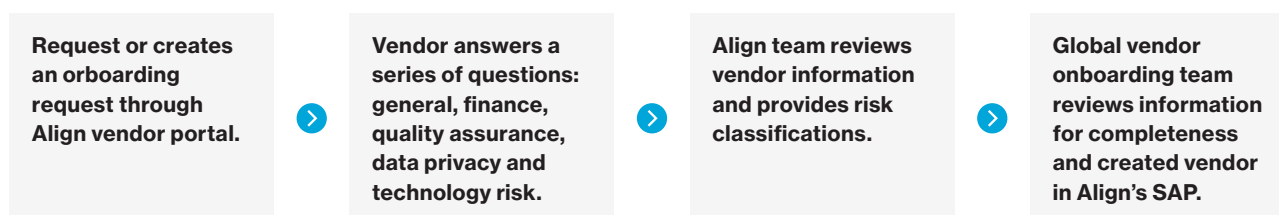
## Policy

## Overview

<b>Speak Up Policy</b>	Grievance mechanisms are vital for workers to be able to raise issues. As part of our commitment to honest and ethical behavior, we have a Speak Up Policy through which we require all employees to report any actual or apparent violations of law, conduct that is inconsistent with our Code, Policies and Procedures or ethical standards so that they can be investigated and dealt with appropriately. Align Technology and the Align Australian Group 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 our open-door policy and for welcoming direct reports or other employees who may reach out to them for assistance. Align Technology and the Align Australia Group encourages all team members to utilise the Speak Up mechanisms, including an online portal to help facilitate anonymous reporting, or confidential conversations with their managers, Compliance and Ethics Office, HR, or Legal to raise concerns.
<b>Intermediary annual compliance training</b>	Annual compliance training is provided to our intermediaries; including distributors, some vendors such as travel agents, marketing agents or customs agents which will interact with health care providers or government officials on Align’s behalf. Training includes, among other topics, fair employment and a human rights session. We ask intermediaries to sign an Annual Compliance Certificate, which includes commitments that they have read, understood and followed Align’s Intermediary Code of Conduct. The Annual Compliance Certificate also requires our intermediaries to confirm that they have reported in writing, among other things, actual or suspected violations of labour laws, anti-human trafficking, and conflict minerals. For additional validation checks, we order an external due diligence report and ask the intermediary to provide a clarification letter if there are red or yellow flags of potential modern slavery (including sanctions/embargoes/watch lists, bribery, criminal/anticompetitive behaviour, ethics/litigation/adverse financial, sanction countries, regulatory/capability, ownership, address, conflict of interest/compliance policy/inconsistencies in the information reported. Further, we ask intermediaries to submit a due diligence questionnaire.  Annual intermediary compliance due diligence process training is provided to our internal employees.
<b>Workplace Bullying Policy and Appropriate Workplace Behaviour Policy</b>	Align Technology and the Align Australia Group do not tolerate or condone bullying, harassment, sexual harassment, victimisation (including unlawful behaviour) 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 the Align Australia Group will do if a complaint is made and what actions the Align Australia Group will take if allegations are substantiated. For example, the Align Australia Group may take disciplinary action, including suspension or termination of employment where appropriate or justified under the circumstances. These policies are designed to meet the requirements of Australian law.

### iii. Vendor onboarding.

As part of the Align Australia Group vendor onboarding process, vendors 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 vendor providing any goods or services. The flowchart below provides a high-level summary of the process to set up a new vendor with the Align Australia Group:



Potential new vendors 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 (Cth).

Also, 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.

In 2022, the Align Australia Group entered into two non-exclusive distribution agreements in relation to the distribution of Align’s iTero intraoral scanners in Australia. The following steps were taken to mitigate risk of modern slavery:

- both distributors were required to go through our vendor onboarding process as outlined in this Statement;
- both distributors were required to complete our vendor questionnaire and intermediary due diligence questionnaire;

- both distribution agreements included contractual language to require each distributor to meet our standards including complying with our Intermediary Code of Conduct and complying with the Modern Slavery Act 2018 (Cth); and
- the distributors are not permitted to sub-contract their obligations without our prior written consent. We have a form Application for Engaging Sub-Distributor. If we are asked to approve a sub-distributor, the distributor will be required to ensure that the sub-distributor receives intermediary compliance training.

#### **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. Monitoring encompasses incoming inspection, feedback/non-conformance received, analysis of trends, re-evaluation of the continued capability of the vendor to provide product that meets specified requirements, as applicable. 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:

- Verification and inspection of products:** verification and inspection of products or other activities are performed by Align Technology or its affiliates in each relevant country to assess if specified requirements are being met.
- Vendor re-evaluation:** all vendors that are onboarded are automatically identified in Align Technology's systems to be re-evaluated. The frequency of vendor re-evaluation is determined based on the vendor's QMS classification, or after becoming aware of certain events (eg mergers, acquisitions, product/service changes, non-conforming products).
- Auditing:** Align Technology or its affiliates 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 added to the schedule as needed throughout the calendar year due to new business, substantial/significant changes and business/QMS risk.
- 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.**



In assessing the effectiveness of our actions, set out below are some of the actions that we have taken in FY2022 to mitigate risks of modern slavery in our operations and supply chains.

#### **a. Global supply template.**

Our global Invisalign supply agreement template was updated in FY2022 to include a standard modern slavery clause with which all vendors are required to comply.

#### **b. Continue development of workplace reporting and processes.**

Our people are our first line of defence in relation to mitigating the risk of modern slavery in our supply chains and operations. In FY2022, all team members and contractors globally with access to the systems of Align Technology were required to undertake training on our Code.

Align Technology's Global Speak Up Policy provides the framework for when we must speak up about conduct that may be inconsistent with our Code, other Align Technology's policies and procedures, or the law; and for how Align Technology implements this commitment to speaking up. Following this Policy allows the Align Australia 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.

#### **c. Vendor Questionnaire and Intermediary Onboarding Due Diligence Questionnaire.**

Assessments of vendor policies and practices continued throughout FY2022 and vendor assessment questionnaires continued to be used to understand vendors' business practices and processes. Our vendor questionnaire and intermediary onboarding due diligence questionnaire include 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 are to supply, the questions and information that we ask include:

- the type of labour used in each vendor's organisation;
- 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 team members on mitigating risks of human trafficking and slavery in the supply chain; and
- if the vendor has received any reports, 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.

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.

### **Future steps.**



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

### **Consultation.**



The preparation of this Modern Slavery 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 (VP and Managing Director, ANZ).

### **Approval.**



In accordance with section 14 of the Modern Slavery Act 2018 (Cth) this joint Statement was approved by the Board of Directors of Align Technology (Australia) Pty Ltd on 30 June 2023 on behalf of itself and ICA Holdings Pty Ltd, which is signed on their behalf by the Director designated below, and the information in this Statement is accurate as at that date.

**Jonathan Primmer**  
VP and Managing Director, ANZ

30 June 2023

