

**Align Technology, Inc.  
Group**

**Canadian Fighting  
Against Forced Labour  
and Child Labour in  
Supply Chains Act  
Report**

**Financial Year 2023**

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## About this Statement.



This is a joint report from the below listed entities (collectively “Align Group”, “we” or “our”) prepared in accordance with section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, SC 2023, C. 9 (the “Act”) in respect of our financial year running 1 January 2023 to 31 December 2023 (the “Reporting Period”). It outlines the steps the Align 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.

Legal Name	Reference Name	Corporate Number	Jurisdiction
Align Technology, Inc.	“Align Technology”	94-3267295	United States
Align Technology Switzerland GmbH	“Align Switzerland”	CHE-146-357-660	Switzerland
Align Technology, B.V.	“Align Netherlands”	813177376	Netherlands
Aligntech Systems (Canada) ULC	“Align Canada”	BC0939205	British Columbia, Canada

## Align business structure.



The ultimate parent company of the Align Group is Align Technology, Inc. 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, 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, including Align Switzerland. Align Technology also markets and sells consumer products that are complementary to Align’s 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”).

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, 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, iTero intraoral scanners, exocad software, dentalXrai software and Consumer Products. To date, over 17 million people worldwide have been treated with the Invisalign system.

Align Switzerland is a wholly owned direct subsidiary of Align Technology and has 11 direct subsidiaries and 37 indirect subsidiaries whose operations are to design, manufacture, market, distribute and service Align products and services around the world. Align Switzerland is responsible for the importation and distribution of Align’s portfolio of products and services into Canada. Align Switzerland is a parent company of Align Canada, which it holds via the Align Netherlands holding company. Align Canada is incorporated in and further to the laws of the Province of British Columbia and has a head office located in Toronto, Ontario. During the Reporting Period Align Canada did not import, distribute or sell goods in Canada. Align Canada provides a suite of services, including sales support, marketing, and research and development to Align Switzerland under a number of intercompany service agreements.

## Our business operations and supply chain.



Our purpose is “transforming lives and changing smiles”. Align Switzerland procures the products it sells entirely from related entities in Align Technology’s global supply chain. Products sold in Canada are manufactured in various locations around the world including the United States, China, Mexico, and Israel. Align Canada also has local vendors supportive of its services-function including in relation to property, digital marketing, insurance, professional services, human resources, and other services.

## Understanding our modern slavery risk.



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

We have assessed that the overall risk of Align Group's operations causing or contributing to modern slavery through our business practices as **low**. This analysis reflects our assessments of key supply chain categories, as set out below, as well as series of mitigation strategies which are particularized later in this Report.

Main supply chain category	Comment	Risk rating
<b>Manufacturing facilities – Invisalign clear aligners</b>	Invisalign clear aligners, sold by Align Switzerland directly to Canadian doctors, are manufactured in Align Group facilities in Mexico. Our digital treatment planning facilities are located worldwide. For Canada, these services are supported by our team located in Costa Rica and Mexico (clinical specialists and CAD designers). 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 (speak up) through our Global Speak Up Policy without fear of being subjected to retaliation.	<b>Low</b>
<b>iTero intraoral scanners</b>	We produce our handheld intraoral scanner wand, perform final scanner assembly, and repair our scanners for Canada at our facilities in Israel, and service and repair certain scanners in Mexico.	<b>Low</b>
<b>exocad CAD/CAM software</b>	Our exocad software developed and manufactured in Germany is licensed and made available on a dongle manufactured in China and sold through authorized resellers.	<b>Low</b>
<b>Medical device products</b>	Our supply chain includes sourcing of raw materials, manufacturers of specialized 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 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</b>
<b>E-commerce</b>	We sell our Consumer Products online through our corporate website and third-party platforms direct to consumers.	<b>Medium</b>
<b>Intermediaries</b>	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 through Canadian distributors.	<b>Low</b>
<b>Couriers and freights</b>	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.	<b>Medium</b>

## 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.

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. More particularly:

- 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 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 organizations 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><b>Global Code of Conduct</b></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><b>Intermediary Due Diligence Policy and Toolkit</b></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 ("<b>Intermediaries</b>"). 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 Justification 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><b>Speak Up Policy</b></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><b>Intermediary compliance training</b></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><b>Harassment and Discrimination-free Workplace Policies</b></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 categorization, 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 categorized 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.

## Remediation.



Given our assessment that our activities and supply chains do not carry a high risk of forced labour or child labour being used, and we have had no actual instances or allegations of the use of forced or child labour during the Reporting Period, the issues of remediation and remediation of lost income is not applicable, and we have not taken measures in this regard during the Reporting Period.

## Approval.



In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in blue ink, appearing to read 'Simon Beard', written over a horizontal line.

**Simon Beard**

EVP & Managing Director Americas EMEA • Align Technology Inc.  
May 2024

*"I have the authority to bind Align Technology, Inc. and its subsidiary companies."*

