

A-dec, Inc. (“A-dec” or “our” or “we”) is committed to doing business ethically around the world. We expect our global supply chain partners and their subcontractors’ supporting activities connected to A-dec business to share this commitment. These expectations are recorded in the [A-dec Code of Business Conduct and Ethics](#) (“Code”) and [A-dec Third-Party Standards of Ethics and Compliance](#) (“Standards”).

Furthermore, A-dec recognizes the importance of having measures in place to prevent and reduce the risk that forced labor or child labor is used in A-dec’s supply chains and obligates third parties along with their supply chain partners to comply with applicable laws, regulations and standards related to labor and employment standards and human trafficking.

A-dec Structure, Activities, Supply Chains, and Risks

Structure and Activities

A-dec is a privately-owned manufacturer of dental products headquartered in Newberg, Oregon, US, with a long history of operation across global markets. A-dec has 1,300 employees worldwide, however, none reside in Canada.

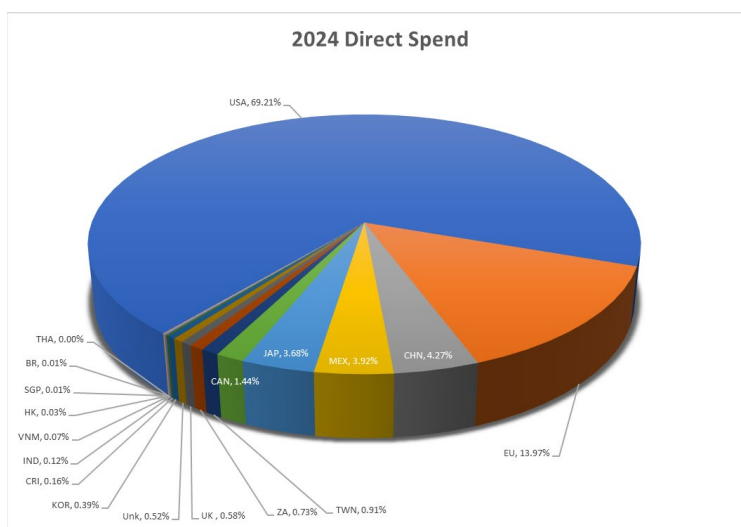
A-dec sells its products through a vast distribution network of authorized dealers located in 80+ countries around the globe and directly to dental schools and governments. Sales into the Canadian market are supported by A-dec’s Canadian distribution partners, who are responsible for importation and distribution of A-dec products to local customers.

A-dec participates in Canada’s non-resident importer program, which allows A-dec to import warranty and consignment type orders into Canada under A-dec’s name. The yearly number of these shipments is very low compared to the total volume of A-dec products imported into Canada.

Supply Chain

A-dec is a vertically integrated manufacturer with around 340 direct suppliers of materials and components. A-dec’s supplier base consists primarily of US companies, with foreign suppliers constituting only a small portion of A-dec’s overall spend. A-dec’s approach to supplier selection and supplier relations is rooted in A-dec’s core values outlined in a corporate philosophy referred to as the [A-dec Way](#). The A-dec Way prioritizes concern for people, integrity, open communication, public service, and encourages continuous improvement.

Over 83% of A-dec’s strategic and key supplier spend is with companies located in the US. Over 50% of A-dec’s strategic spend is with suppliers located within 30 miles away from its factory in Newberg, OR. Last year 69% of A-dec’s total direct spend was on parts and materials that originated in the United States, with the remainder of our supply chain originating from sources outside of the US.



A-dec has over 750 indirect suppliers. Each supplier candidate is required to go through an assessment against financial, quality, and regulatory risk criteria.

Risks and Risk Management

Based on assessment of A-dec's global supply chain against [geographic areas and industries](#) identified by the Bureau of International Labor Affairs as places where child labor or forced labor exist, A-dec's supply chain risk is very low.

Steps Taken to Prevent and Reduce Risks

A-dec is committed to preventing and reducing the risk of forced labor or child labor in its supply chain. To this end, A-dec has conducted the following measures in 2024 for its suppliers and employees. Expectations are established in the Code and Standards.

- A-dec's employee handbook clearly identifies expectations for employee compliance with all local or foreign laws when conducting business on behalf of A-dec. All employees receive copies of the employee handbook at their time of hire.
- All company employees and company management with direct responsibility for supply chain management receive training on supply chain practices and procedures.
- Our supplier qualification and selection processes require suppliers to comply with slavery and human trafficking laws in the country of their operation; language requiring compliance to local laws has also been added into our supplier purchase order terms and conditions and master supply agreement.
- Supplier visits are an important element of our supplier relationship management framework. During these visits, A-dec personnel evaluate our suppliers' quality systems, performance, and workplace environment. A-dec strives to maintain communicative relationships based on truth and transparency. A-dec prefers to interact with our suppliers directly to foster lasting relationships. A-dec does not engage in third-party audits or certifications.

A-dec Policies and Due Diligence Processes

A-dec maintains responsible business conduct expectations, policies, and procedures, including the "Human Rights and Prohibition against Human Trafficking" section found within the Code, and a similar section within the Standards, "Labor, Employment and Anti-Human Trafficking."

The Code requires employees who have questions about the Code, or concerns about conduct they believe violate the Code or other company policies or the law are directed to seek guidance and report their concerns:

- To their immediate supervisor/manager
- To a member of Global People & Culture (human resources)
- To the General Counsel or any member of the Executive Team
- Through the A-dec Integrity Hotline, an anonymous reporting service

A-dec may terminate employment for employees that violate our policies and standards around forced labor and child labor.

The Standards requires third parties to report any violation or suspected violation of the Standards to A-dec by notifying our Legal Department. Third parties are also required to promptly respond to and cooperate with A-dec's requests for verification, monitoring, and auditing of third parties' and its affiliates,' representatives,' agents,' and subcontractors' compliance with the Standards and certain agreements. A-dec may also generally terminate its relationship with third parties immediately if A-dec believes the third party or its affiliates, personnel or subcontractors have violated the Standards.

Further, if an employee or a third party has violated a law or regulation, A-dec may be required to report such violation.

Risk Remediation, Loss of Income by Most Vulnerable Families, and Assessment of Effectiveness

Following our assessment, we found that neither A-dec's activities nor the activities of our suppliers carry significant risk of forced or child labor. Therefore, we found no need to remediate such risks, remediate the loss of income to the most vulnerable

families that would result from any measure taken to eliminate the use of forced labor or child labor in our supply chains or take steps to assess the effectiveness in remediating the risks.

Training

All new A-dec employees are required to complete a training course, “A-dec Code of Business Conduct and Ethics” that includes sections on “Human Rights & Prohibition against Human Trafficking,” with instructions and procedure for seeking guidance, reporting concerns, and what to expect from the company to investigate and enforce our standards.

All company employees and company management with direct responsibility for supply chain management receive training on supply chain practices and procedures.

Notice and Reporting

Third parties must promptly report any violation or suspected violation of the Standards to A-dec by notifying our Legal Department. A-dec may terminate its relationship and any agreement with third parties immediately if A-dec believes that they have violated the Standards. Further, if the individual or third party has violated a law or regulation, A-dec may be required to report such violation to the appropriate authority.

Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“Act”), and in particular section 11 thereof, I attest that the governing body of A-dec, Inc. (“Reporting Entity”) has reviewed and approved this report. 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. Further, I have the authority to bind the Reporting Entity.



G. Kenneth Austin III, Corporate Secretary