



## 2023 FORCED LABOUR IN CANADIAN SUPPLY CHAINS REPORT

Passion Dental Group Inc. (“**PDG**”) is a dental support organization committed to prioritizing exceptional patient care while providing administrative, legal, professional, and educational support and resources to its network of dental clinics and professionals. PDG is headquartered in Calgary, Alberta and operates and works with clinics and dental professionals across Canada.

This report for the 2023 financial year of PDG has been approved by its board of directors in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). In 2023, PDG: (a) imported goods into Canada, (b) has a principal place of business in Canada, (c) has at least \$20 million in assets, (d) generated at least \$40 million in revenue and (e) employs at least 250 employees, on average, and therefore is considered a “reporting entity” under the Act. The purpose of this report is to outline PDG’s commitment and approach to identifying, assessing and remediating the risks of forced labour and child labour in its operations and supply chains, as well as adopting a continuous improvement philosophy towards strengthening its risk and governance framework.

As a group, we work to the highest professional standards and comply with all laws, regulations and rules which are relevant to our business. We similarly expect the same high standards from those we work with and are committed to preventing and mitigating any risk of forced labour or child labour in our supply chains or in any part of our business.

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 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.

Stefan Horsky, Chief Executive Officer & Director

May 31, 2024

*I have the authority to bind Passion Dental Group Inc.*

## 2023 ANNUAL REPORT

**1. What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity?**

- Conducted an internal assessment of risks of forced labour and/or child labour in our activities and supply chains, including mapping activities and supply chains.
- Gathered information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily.
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in our activities and supply chains.

**2. Please provide additional information describing the steps taken.**

PDG began an internal assessment of our activities and operations, as well as its suppliers and service providers and their respective policies and operations. As PDG's relevant activities under the Act are limited only to importing goods into Canada, our review process focused on what measures we can practically implement to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods from such suppliers. We are developing improvements to our procurement and contract management framework to ensure any risks are minimized, as far as reasonably practicable.

We also consulted publicly available resources, including the U.S. Department of Labor's *2022 List of Goods Produced by Child Labor or Forced Labor* and *2023 Global Slavery Index* to help identify high-risk goods and countries of origin.

We have initiated a plan to further develop: (a) a supplier code of conduct and (b) a training course for all employees involved in procurement to raise awareness and educate employees on common risk areas and warning signs.

We are also developing a risk-based assessment of our supply chains to focus on mitigating high-risk activities within our supply chain, and are working to address any issues or concerns we may discover. We will continue to enhance our assessment, tracking and implementation framework going forward.

**3. Which of the following accurately describes the entity's structure?**

Corporation

**4. Which of the following accurately describes the entity's activities?**

The relevant activities on PDG under the Act are importing into Canada goods produced outside Canada.

**5. Please provide additional information on the entity's structure, activities and supply chains.**

PDG is a dental support organization committed to prioritizing exceptional patient care, and our core business is providing administrative, legal, professional, and educational support and resources to our network of dental clinics and professionals.

PDG is a privately-held corporation with a head office based in Calgary, Alberta, and operates in Canada only. We employ a staff of approximately 470 employees and work with 80 dentists in 33 clinics across Alberta and British Columbia. The governing body of PDG is its Board of Directors, established in accordance with the *Business Corporations Act* (Alberta).

As a dental support organization, we do not have an extensive supply chain of raw materials. Our current supply chain (including direct and indirect suppliers and service providers) consists of the following:

- Uniform and garment providers
- Medical equipment, devices and consumable suppliers
- Clinic-based service providers (dental assistants, receptionists, and administrative assistants)
- Cleaning service providers
- IT hardware providers
- Technology providers (software and cloud services)
- Equipment servicing and repairs providers
- Dental professional services (dental laboratory services, dental practitioners, and oral health professionals)
- Other professional and consulting service providers (legal, insurance, real estate, and human resources)

Our supply chain is predominantly based in Canada given the highly regulated nature of the dental profession and the ease of procurement for such services locally.

Our international supply chain exclusively consists of the import of uniforms, dental supplies, and equipment into Canada from the United States.

**6. Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?**

Yes

***If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour?***

Identifying and assessing adverse impacts in operations, supply chains and business relationships.

**7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour.**

See our response to questions #2 and #5 on our supply chain mapping results and due diligence process.

**8. Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?**

Yes, we have started the process of identifying risks, but there are still gaps in our assessments.

***If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains?***

We have identified risks in the types of products it sources.

**9. Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?**

Yes, health care and social assistance.

**10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk.**

We believe that the risk of forced labour and child labour in our operations remain low, largely due to the following factors:

- All of our operations are conducted in Canada and our workforce consists of experienced and professional staff members who are all located within Canada.
- Our imported products are from suppliers in the United States, which is subject to its own legislation and other regulations and restrictions on the import and production of goods from forced labour or modern slavery.

Nevertheless, our risk assessment sought to identify categories of goods sourced by PDG that could carry a risk of forced labour or child labour being used. Our findings have determined that the following goods and services are considered "high risk" for forced labour and child labour, depending on the country of origin:

- Electronics, including mobile phones, computers and other IT hardware equipment
- Uniforms, garments, gloves, and textiles incorporated into personal protective equipment
- Certain medical equipment and consumables
- Cleaning service providers and certain building and construction-related services

We will continue to enhance our assessment, tracking and implementation framework going forward.

**11. Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?**

Not applicable, we have not yet identified any forced labour or child labour in our activities and supply chains.

**12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour.**

Not applicable.

**13. Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains?**

Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

**14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.**

Not applicable, as per our response to question #13.

**15. Does the entity currently provide training to employees on forced labour and/or child labour?**

No. We take such risks very seriously and aim to implement regular training within PDG in the coming years. Our goal is to ensure that all employees are aware of the risks of forced labour and child labour in supply chains, and to ensure that employees directly linked to procurement processes in PDG receive additional training on assessing suppliers (either current or potential), identifying risks, and mitigating any potentially adverse impacts.

**16. Please provide additional information on the training the entity provides to employees on forced labour and child labour.**

Not applicable, as per our response to question #15.

**17. Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?**

No. We are working on improving our internal policies and procedures to assess the effectiveness of our implemented measures going forward.

***18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.***

Not applicable, as per our response to question #17.