

# Modern Slavery and Transparency Report – FY 2023

## Introduction

Sinclair Dental Co Ltd (“Sinclair”) views modern slavery, forced and child labour, and human trafficking as critical human rights issues. To: (i) prevent these practices from occurring in Sinclair’s operations and supply chain; and (ii) address violations or abuses of works’ human rights, Sinclair is committed to implementing systems and controls throughout its organization to monitor both its internal operations and those of its suppliers.

This statement, filed in accordance with the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), applies to Sinclair’s 2023 financial year that ran from December 01, 2022 to November 30, 2023. This statement is publicly available online in both English and French and is the first report filed by the entity for fiscal 2023.

Sinclair mitigates risk in its supply chain by ensuring only products from reputable organizations are sold to our customers and we sell products approved by Health Canada and follow all Health Canada policies and procedures.

## Sinclair’s structure, operations and supply chain

Sinclair is the largest privately-owned Canadian full-service dental distributor. We have over 500 employees working in eleven branches across Canada strategically located near core markets to service customers from coast to coast, including our main distribution centre and head office located in North Vancouver, British Columbia. Sinclair sells over \$300m to Canadian dental clinics, universities, and hospitals.

Sinclair Dental Co Ltd began operations in 1971 and has been a family-owned corporate entity. As of February 1, 2024, Sinclair became a wholly owned subsidiary of Medline Canada (“Medline”).

Sinclair primarily sources dental products from supply chain partners within Canada and the USA. Our partners include over 180+ national brand tier 1 companies such as: Crest OralB, Vatech, Hu-Friedy, Adec, 3M, Johnson & Johnson, and more. Over 90% of Sinclair’s suppliers are based in North America and a small amount of products are sourced from Europe and Asia.

We sell or distribute our products solely for use in the Canadian dental market and ensure all products sold are approved by Health Canada.

## Modern slavery risks in Sinclair's operations and supply chain

Sinclair believes forced labour, child labour and other practices that violate basic human rights throughout its operations should not be condoned. Sinclair takes a risk-based approach to due diligence by ensuring our supply chain partners are primarily tier 1 national brand manufacturers with sophisticated corporate governance and supply chain management functions. We also require all products to meet Health Canada regulations.

### Risks in Sinclair's operations and supply chain

Sinclair complies with all applicable Canadian labour and employment laws and human rights standards in its own operations, and accordingly Sinclair currently assesses the risk of forced or child labour in its own operations to be low. With respect to third party risk, Sinclair contracts with numerous suppliers to procure products under their brands for distribution. Therefore, although we do not have sufficient leverage to influence their operations or supply chains, those suppliers are subject to Canadian employment laws, human rights standards, and other relevant regulations directly. Sinclair also contracts with a small number of suppliers to produce Sinclair-branded products.

We plan to adopt Medline's supplier due diligence procedures for identifying and mitigating modern slavery risks as we continue the organization-wide integration process. This includes requiring suppliers of Sinclair-branded products to agree to a Supplier Code of Conduct, as well as requiring participation in an ongoing risk assessment and audit process. This process will help ensure our suppliers uphold high standards in areas such as workplace safety, environmental protections, fair working hours and wages, and forced and child labour.

## Actions Sinclair takes to address modern slavery risks

### Sinclair's policy framework

Sinclair is committed to legal, ethical and socially responsible business and employment practices, and treats workers with dignity and respect throughout its operations. Sinclair's Employee Code of Conduct strictly prohibits forced labour, child labour and any other practices that violate basic human rights and also details our policies and positions on workplace conduct, working hours, and disconnecting from work. We diligently follow all Canadian labour laws.

Compliance with Sinclair's recruitment and employment policies and Employee Code of Conduct is tracked by local human resource representatives at all Sinclair offices and distribution centres. Sinclair's aim is to avoid modern slavery, forced labour, child labour, or human trafficking in its business operations and direct workforce. Sinclair implements strict employment practices and procedures that adhere to local labour laws.

Sinclair's operations comply with all applicable environmental laws and regulatory requirements, and abide by strict health and safety measures. All employees are required to act in accordance with standards set out in the Employee Code of Conduct in the course of their work.

Sinclair has grievance mechanisms in place to allow personnel to confidentially raise concerns about their working conditions or potential violations of law.

### Employee Code of Conduct

Sinclair's Employee Code of Conduct reflects the company's commitment to providing our employees a safe, healthy working environment free from violations of their fundamental human rights, no matter their role or responsibilities, and, as noted above, includes prohibitions against forced labour, child labour and any other practices that violate basic human rights. Sinclair monitors and assesses compliance with these standards not only for full-time employees, but also contract and temporary employees.

### Supplier engagement

Because we are primarily a distributor of products procured within Canada and sold to customers under our suppliers' brands, the vast majority of our supply chain is directly subject to Canadian laws and regulations that address modern slavery risk. We will be engaging the few suppliers that manufacture the Sinclair brand as part of our integration process with Medline, at which time we will implement Medline's ethical sourcing and modern slavery due diligence processes detailed above.

### Training

Sinclair employees complete annual training on company policies regarding overtime, working hours, and disconnecting from work. These trainings also emphasize our commitment to following all applicable labour laws and related regulations.

## Reducing and preventing identified modern slavery risk

The policies and procedures described in this statement apply across Sinclair's business.

Sinclair understands that compliance programs cannot be static and must evolve to address risk effectively. Sinclair is committed to review its supply chain and vendor partnerships by creating a Supplier Code of Conduct as a condition of their relationship with Sinclair. We also intend to adopt policies and procedures from Medline Canada as we continue to merge our operations and other business functions.

## Remediation measures

### Grievance mechanisms

Sinclair has grievance mechanisms that allow all Sinclair personnel to confidentially raise concerns about potential violations of law. Information about grievance mechanisms is posted in appropriate languages and employees are encouraged to report concerns about potential labour or human rights abuses. Sinclair's policies prohibit retaliation in all forms, and Sinclair's reporting systems are designed to protect individuals who use them from potential retaliation.

## Remediation

Sinclair will respond to all actual or potential risks of modern slavery, forced or child labour, or other violations of basic human rights in accordance with best practices, including through supplier engagement, enhanced due diligence, training and implementation corrective and preventative action plans. Sinclair recognizes that remediation actions can sometimes create a risk of loss of income by vulnerable families, and will consider this risk if remediation is required in the future. In 2023, Sinclair did not take any specific remediation steps because we have not identified any allegations or instances of forced labour or child labour in our supply chain.

## Canada Forced Labour in Supply Chains Act – Attestation

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.



John Morrison, President

May 31, 2024