

2023



PDS Health
Environmental, Social &
Governance Report

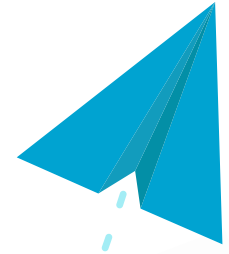


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Please note that this report covers the year 2023, during which the company operated under the name Pacific Dental Services. As of April 2024, the company has rebranded to PDS Health. All references to Pacific Dental Services in this report should be understood as referring to the same entity, now known as PDS Health.

A Message from Pacific Dental Services Founder and CEO Stephen E. Thorne IV

For 30 years, Pacific Dental Services® (PDS) has been guided by one purpose: to create healthier, happier patients (and team members) in the communities we serve. PDS is committed to extraordinary performance at every level of the organization, from clinicians-leading-clinicians and investing in advanced, proven technologies to creating an internal culture that encourages team member growth and professional development. With our purpose as our true north, the health of our communities, and ultimately our planet, is at the core of our business model and how we approach environmental, social and governance strategies.

Environmental Sustainability

Aligned with our values, we make decisions with both purpose and profit in mind. Environmental stewardship not only creates a healthy world but is essential to long-term business health. PDS is committed to minor and major impacts, including installing LED lighting, low-flow plumbing fixtures and energy management systems to regulate lighting and temperature controls.

In 2022, we completed one of our largest technology deployments to transition from our legacy digital health records system to Epic®, the nation's leading health records and practice management system. This shift enabled fully integrated dental and medical health records, allowing for a more comprehensive view of patient care. Epic is now implemented across 1,000+ supported practices, enhancing the quality of care by providing clinicians with seamless access to both dental and medical information. Additionally, we partnered with Human-I-T to donate 33,811 pounds of electronic waste, diverting the waste from landfills and reducing our carbon footprint.

Culture of Service

From the early days of our founding in 1994, local, national and global service has been engrained in PDS culture. Each year, we provide team members eight hours of paid volunteer time for causes and organizations that matter to them.

In addition to Smile Generation® Serve Day, when team members and supported clinicians donate dentistry at no cost to patients, PDS partners with national organizations such as charity: water, Special Olympics International, KABOOM! and the PDS Foundation to support underserved communities. In 2023 alone, PDS team members and Smile Generation patients raised over \$1.1 million to support charity: water in providing clean drinking water to 267,000 people across the globe.

The PDS Foundation was established in 2012 to formalize our commitment to service. The foundation is focused on three programs: International Service Trips, Special Needs Dentistry and providing dental assistants financial opportunities through the Dr. Carolyn Ghazal Dental Assistant Scholarship program. Since 2010, PDS Foundation has served more than 27,000 patients with \$20 million in donated dentistry.

Mahatma Gandhi once said, "The best way to find yourself is to lose yourself in the service of others." At PDS, we serve others by providing access to oral care and strengthening communities at home and abroad.

Governance, Ethical Practices and Advocacy

Our values, or "We Believes," ensure safety, compliance and ethics are integrated into the fabric of who we are. We believe honesty, integrity and character are not just words on a wall, but vital aspects of business. Included in our accountability and behavioral framework are: "I take personal responsibility for maintaining a safe, compliant and ethical workplace," and "I speak up when I see what appear to be lapses in ethical and moral behavior and support others in doing the same."

The PDS Compliance and Ethics program breathes life into those values and supports team members through an anonymous compliance hotline, among other channels, when potential violations occur. The program also helps them comply with laws and regulations governing the health care industry, especially protected health information and adhering to the HIPAA minimum necessary standard to conduct business.

The organization has additional protective guardrails to help mitigate potential risk related to patient safety, cybersecurity, incident response and general information technology governance and standards. In 2023, PDS implemented an Enterprise Risk Management program to ensure business continuity and resilience when external or internal threats occur.

Legislatively, we actively participate in a consortium advocating for Medicare to include medically necessary dental procedures in its coverage. Additionally, PDS leaders serve as key ambassadors for the American Dental Association (ADA) Task Force on Sugar, Nutrition and Diet and the ADA Forsyth Institute board, both of which focus on oral health and overall health connections.

Looking Forward: PDS Health

This overview just scratches the surface of some of our incredible achievements. In the following pages of this report, we are proud to share impressive statistics and inspirational stories demonstrating PDS' commitment to environmental, social and governance initiatives.

As I reflect back on the 30-year history and legacy of PDS, every decision made along the way was not only to create healthier, happier patients but, most important, a healthier, happier, inclusive world for all. We have not only become a leader in the industry but also elevated the standard. In April 2024, we officially changed our name to PDS Health, signaling our dedication to whole-body health through integrated, personalized, preventive and predictive care.

Here's to your health and happiness,



Stephen E. Thorne IV
Founder and CEO
PDS Health



Overview

Pacific Dental Services is one of the country's leading dental support organizations (DSO) and has been listed on the Inc. 5000 "Fastest-Growing Private Companies in America" 14 times in the past two decades (2004, 2007-2019). Founded in 1994, PDS currently supports over 2,600 dentists who provide oral health care services at nearly 1,000 practices nationwide in 24 states. Through the company's unique business model, dentists can own their dental practice and focus on clinical standards and providing excellent patient care while PDS provides world-class business support and operational efficiencies. In addition to gaining access to PDS' economies of scale and industry-leading technologies, practice owners and their clinical teams can thrive in an environment that helps them elevate their role as a health care professional — not only in assisting patients with their dental needs but also improving their overall health.

PDS is committed to educating people about the link between oral health and systemic diseases like Alzheimer's, heart disease, and diabetes, known as the Mouth-Body Connection®. As evidence of this connection between oral health and overall health grows, PDS advocates for expanded dental-medical integration to improve the health of all people, address serious health conditions before they become chronic, and lower health care costs for all. More affordable care is the goal and PDS' 14,000-plus team members continue to focus on delivering it to patients across the country and globe.

2023 Growth

- Record-breaking financial results with double-digit growth
- Onboarded more than 800 dentists, 700 registered dental hygienists, and 180 specialty dentists - resulting in a combined total of more than 4,500 clinicians (dentists, registered dental hygienists, physicians and nurse practitioners)
- Grew to 14,800 team members across the nation
- Expanded market share in 18 states by opening 72 new practices, expanding 26 existing practices, and adding six medical practices
- Opened 950th supported practice, Cottage Grove Smiles Dentistry, in Cottage Grove, Minnesota
- Opened PDS' first co-located dental-medical practice with Southern California-based regional healthcare system MemorialCare. Patients can access various services at the office, including dental care, oral surgery, family medicine, obstetrics/gynecology and pediatrics.



"Reflecting on our collective accomplishments in 2023, I'm grateful for the dedication of our clinicians and team members who continue to drive our organization forward. As we enter 2024, we keep our eyes on the horizon. We're committed to partnering with like-minded clinicians and organizations, enabling closer collaboration between dental and medical professionals, and prioritizing oral health to improve the overall health of patients on a broader scale."

- Stephen E. Thorne IV
PDS Founder and CEO



Prioritizing Environmental Sustainability

PDS understands that environmental stewardship is not only crucial for the well-being of our planet and our patients, but also for the long-term success and resilience of our business. This is why we prioritize policies that lower energy consumption, improve energy efficiencies and reduce waste. Outlined below are some of PDS' accomplishments over the last year that have helped our organization reduce our environmental footprint.

Sustainability Practices

- Construction team is LEED certified
- All construction projects meet baseline LEED California Certification requirements
- Electronic Health Record (EHR) system in all supported practices
- Low-flow plumbing fixtures at all support centers and in all new dental practices
- LED lighting in support centers and in all new dental practices
- Energy management systems at all support centers and new dental practices to regulate lighting and temperature after-hours
- Donated more than 33,811 pounds of e-waste to Human-I-T, diverting 972 pounds of toxic metals from landfills and preventing 10,292 pounds of greenhouse gas emissions
- Use of sterilizable, reusable dental instruments in dental practices
- Lead-free radiation aprons used in all dental practices

Sustainability Accounting Standards Board Framework

For our ESG reporting, we've chosen to use the voluntary Sustainability Accounting Standards Board (SASB) framework. Selected SASB metrics, such as energy consumption, medical waste disposal, and employee health and safety, are highlighted through the report.



2023 Greenhouse Gas Emissions

Scope 1	Scope 2	Total
1,856.45	19,428.44	21,284.89

All values in CO₂e metric tonnes

Energy Management

SASB Code	Metric	Response
HC-DY-130a.1	(1) Total Energy Consumed; (2) Percent grid electricity; (3) Percentage Renewable	1) 238,021 2) 86% 3) 0%

Waste Management

SASB Code	Metric	Response
HC-DY-150a.1	Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	33.80 metric tons, all of which was treated
HC-DY-150a.2	Total amount of: (1) hazardous and (2) nonhazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	1) Hazardous pharmaceutical waste: 3.72 metric tons, 100% incinerated 2) Nonhazardous pharmaceutical waste: 6.26 metric tons, 100% incinerated

Service & Community Impact

A Culture of Service

Service has always been at the core of our organization and has only strengthened over the last 30 years, with efforts now spanning across the country and globally. By embedding a passion for service into our company culture, we've created a team of thousands who are driven to make a positive impact in their communities and with their patients.

Our service efforts focus on two key areas: enhancing corporate philanthropy and encouraging team member engagement. To support this, we offer paid volunteer time off each year and collaborate with a wide range of organizations making a difference both locally and around the world.



2023 Community Service Highlights

- Provided a record-setting \$10.6 million in donated dental care to more than 3,500 patients for the annual Smile Generation Serve Day amounting to more than 71,000 hours of service.
- Team members provided more than 94,000 hours of volunteer time to local communities and charities.
- Raised and contributed more than \$946,000 to the Pacific Dental Services Foundation.
- Named one of Orange County's "Companies That Care" for the fourth consecutive time by the Orange County Business Journal.
- Named an honoree of The Civic 50 Orange County for the fifth time by OneOC and Points of Light, the world's largest organization dedicated to volunteer service.

Local & Regional Service

This deeply-rooted service is evident in the nearly 1,000 PDS practices that regularly participate in community events and other service activities, offering free consultations and education about the link between oral health and overall health.

PDS encourages this commitment to service by offering paid volunteer time and many offices choose to host collection drives off, which help them deepen their relationship in the community. Practices often collect items like diapers, toys, clothes, school supplies, or household materials for the homeless. By tapping into PDS' more than 14,000 team members and supported dentists across the country, we have accomplished great things, including raising millions of dollars.

Smile Generation Serve Day

While service events are held year-round, the largest is Smile Generation Serve Day (SGSD), which takes place annually in August. On this day, PDS-supported practices come together to provide donated dental care to underserved patients.

Since the inception of SGSD in 2011, PDS has provided care to more than 21,000 patients and donated over \$57 million in dental services. In addition to dentistry, volunteers engage in activities such as supporting local nonprofits.

This year marked a record for SGSD, with \$10.6 million in donated services. Care provided ranged from essential treatments like cleanings, fillings, and extractions to more complex procedures such as root canals and dental implants.

Patients treated during the 2023 SGSD included referrals from PDS team members, current patients, and individuals affiliated with nonprofit organizations such as After Innocence, Dental Lifeline Network, The Freedom Child Foundation, and The Kaufman Fund.

"It's truly heartwarming to hear the countless stories of lives transformed by Smile Generation Serve Day, both from those we've had the privilege to serve and from the dedicated individuals who generously give their time, talents and energy to this amazing day. Our team members approach this annual event with open hearts, driven by the desire to serve their communities, and this year's impact serves as a testament to their strong commitment."

*- Stephen E. Thorne IV
PDS Founder and CEO*

Service & Community Impact, continued

Pacific Dental Services Foundation

In 2012, PDS established the Pacific Dental Services Foundation, a nonprofit focused on expanding access to oral health care through three key initiatives, including: Special Needs Dentistry program, Dr. Carolyn Ghazal Dental Assistant Scholarship program and the International Service program.

PDS team members actively support the Foundation's programs in several meaningful ways. They volunteer for international service trips to Xenacoj, Guatemala, fundraise to support the special needs dentistry program, and serve on the scholarship selection committee to help award dental assistant scholarships. Through their dedication, our team plays an integral role in advancing these impactful initiatives.

2023 PDS Foundation Accomplishments

- Awarded more than \$323,000 to 73 dental assisting students thanks to the Dr. Carolyn Ghazal Dental Assistant Scholarship program
- Provided care to over 2,000 patients at the Dentists for Special Needs office
- Raised more than \$650,000 for the Special Needs Dentistry program
- Conducted four week-long trips to Xenacoj, Guatemala to offer free dental care at the PDS Foundation Clínica Dental

"Reflecting on the past year, PDS Foundation marked several significant moments as we focused on improving access to quality oral health care," said Michael Le, Executive Director of the PDS Foundation. "Thanks to the support of volunteers, advocates and newfound partnerships, we've been able to provide mentorship and hands-on training to empower the next generation of oral health care leaders and donate more dental care to people who otherwise struggle to access it."

Special Needs Dentistry Program

The PDS Foundation's Dentists for Special Needs Office in Phoenix, Ariz. has been providing specialized dental care to patients of all abilities since 2019. The office's clinicians and team members are trained in behavioral care techniques to

support each patient's unique needs. The practice also offers a family-friendly, sensory-integrated dental experience including rooms that offer patients a calm and relaxing environment, an office and parking lot that is wheelchair accessible, and tele-dentistry for emergency consultations from home using a smartphone or tablet.

The Dentists for Special Needs office also serves as a resource to train dental professionals and students to better treat and support patients with special needs.

Dental Assistant Scholarships

Dental assistants play an integral role in the daily operations of dental practices, but the industry is facing a shortage. That's why the PDS Foundation created the Dr. Carolyn Ghazal Dental Assistant Scholarship program to provide financial assistance to students pursuing a career as a dental assistant (DA). Since its inception in 2016, the program has provided more than \$1.5 million in scholarships to support more than 260 students, helping to strengthen the pipeline of DAs and ensure greater access to quality oral health care within the industry.

In 2023, the program awarded more than \$323,000 to 73 dental assisting students, providing them with a stable base from which to launch their career in the health care sector.

International Service: Clínica Dental in Xenacoj, Guatemala

Seeing the value of oral health care in improving overall health in underserved areas, PDS Foundation helped establish and support the Clínica Dental in Xenacoj, Guatemala. The clinic has developed a sustainable model for providing dental care to local residents. Staffed by a year-round team, patients often travel for hours and from remote regions to access care.

By empowering local clinical leaders, incorporating education on the benefits of integrated medical and dental services, and forging partnerships with local universities, the Clínica Dental provides high-quality oral care that is both accessible and sustainable. Awareness of the clinic continues to grow and attract people from all over the region.

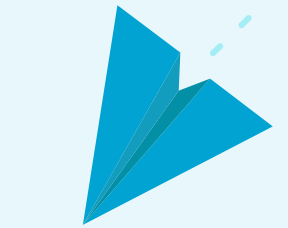
The clinic emphasizes prevention and community engagement, and team members lead community projects to promote oral health and raise awareness about the importance of preventive dental care. The clinic serves as a training center for the next generation of oral health care professionals, further contributing to the long-term sustainability of oral health care in the region.

2023 International Service Trips:

- 514 patients served
- 54 volunteers
- \$487,000 in donated dentistry

2023 Clinic Performance:

- 1,093 patients served (outside of PDS service trips)



"Serving on the scholarship committee and engaging with our applicants is one of the highlights of my role. Empowering aspiring dental assistants across the country is our priority. That's why we offer comprehensive support and financial aid, so students can focus on their studies and pursue a successful career in dental assisting with confidence."

– Carolyn Ghazal, DDS



Service & Community Impact, continued

Partnerships to Strengthen Impact

Local service projects and international service trips are at the heart of PDS' culture and values as a business, but we've also found great fulfillment partnering with organizations equally committed to making change.

Some of those partnerships include: charity: water, Special Olympics International, Dental Lifeline Network, KABOOM! and more. PDS has partnered with some of these organizations for decades, leveraging the power of their network to make a significant impact.



charity: water

There are 703 million people around the world who don't have access to clean drinking water, that's nearly one in 10 people worldwide, or twice the population of the United States. Access to clean water means education, income and health — especially for women and children. PDS is committed to helping charity: water put an end to the global water crisis.

Since partnering in 2009, PDS and its supported practices have raised more than \$8 million to help solve this problem. This year's fundraising campaign marked PDS' return to supporting Ethiopia, where more than 65% of the population lacks access to basic water services. The campaign raised over \$1.1 million, the most raised in PDS' 15-year partnership with charity: water.

Special Olympics International

The partnership between PDS and Special Olympics International supports athletes in their journey to finding care and educates them on the importance of maintaining good oral hygiene. PDS helps make quality oral health care more convenient and educates athletes and their caregivers about the health benefits of maintaining good oral hygiene at home and visiting a dentist at least twice a year.

Dental Lifeline Network

PDS-supported clinicians volunteer throughout the year with Dental Lifeline Network, a national nonprofit organization, to provide oral health care to underserved patients. Dental Lifeline Network's Donated Dental Services program provides free, comprehensive dental treatment to the country's most vulnerable, including those with disabilities, the elderly, veterans and those in need of life-saving care who have no other resource to pay for dental treatment.

KABOOM!

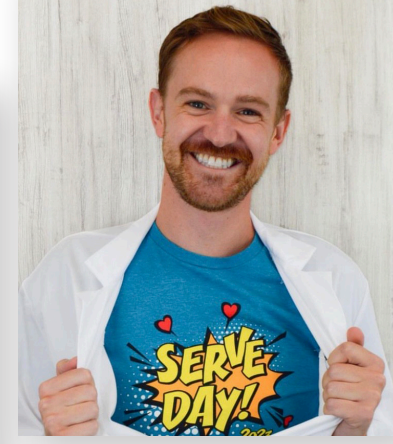
For the last 14 years, PDS has partnered with the national nonprofit KABOOM! to build playgrounds in underserved communities. In less than 24 hours, volunteers transform vacant lots into safe places for children to play. This year, PDS team members helped build the 18th playground since the start of the partnership in 2010. Thanks to this partnership, KABOOM! and PDS have provided 45,000 kids with safe space to play and created more opportunities for generations of children.

"One of the happiest times of each year for me is the mission trip to Guatemala. Witnessing the team members and patients transforming humbles me in my daily life."

- Miran Ho, MS, DDS



Service & Community Impact, continued



We create opportunities for our team members to serve, making a meaningful impact on others and their own lives.



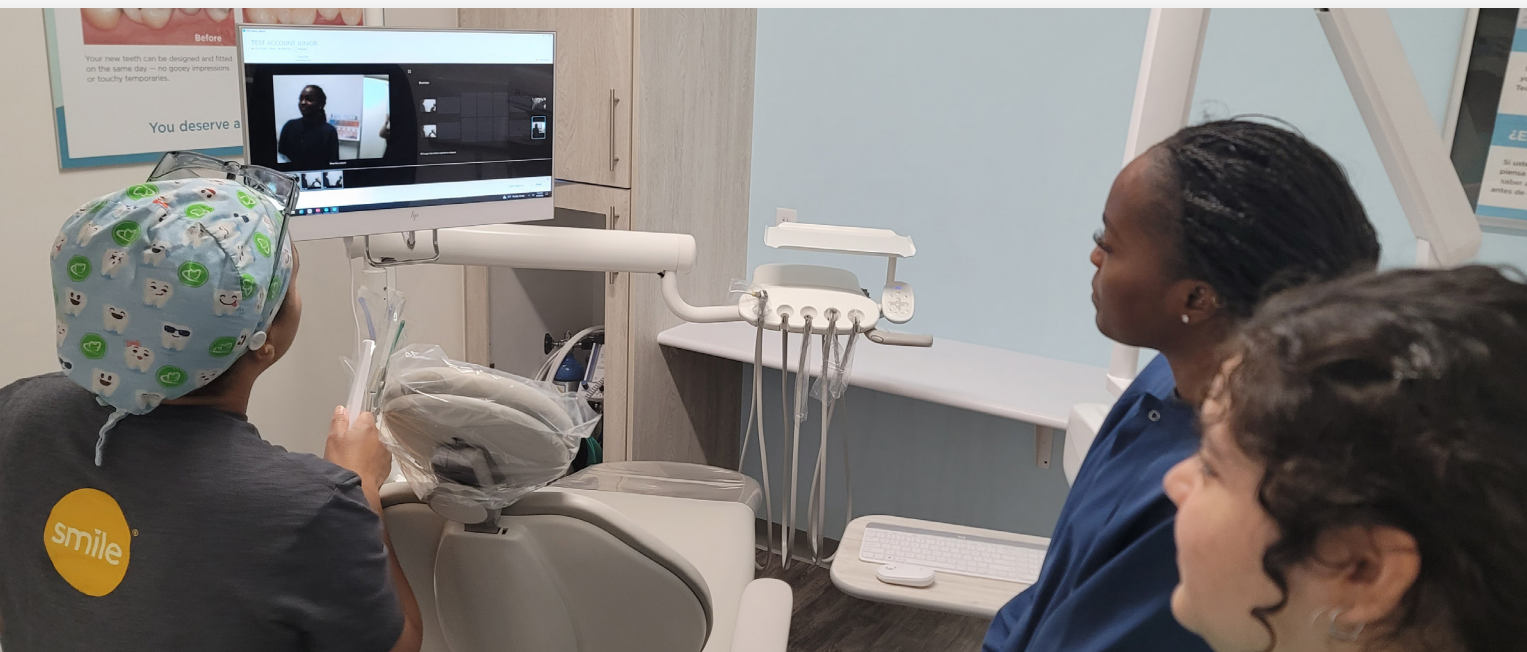
Innovation to Improve Access to Care

PDS continues to push the boundaries of oral health care, raising awareness about the link between oral health and overall health.

Growing research shows oral health's impact on systemic health and links poor oral health to heart disease, diabetes, Alzheimer's and more. This link is known as the Mouth-Body Connection® and PDS helps educate patients and advocate for greater coordination between dental and medical providers, which have historically been siloed.

A more integrated health care system allows clinicians to better predict and prevent serious conditions in the body, ultimately improving patient outcomes and reducing healthcare costs. Integrating dentistry with primary care — known as dental-medical integration — will help stop serious conditions before they become chronic and can be a powerful way to improve care for vulnerable populations while reducing costs.

Prioritizing dental-medical integration and the Mouth-Body Connection® paired with leading-edge technology of Epic® electronic health records has put PDS in an ideal position to better treat patients, improve outcomes, and ultimately lower health care costs, creating healthier, happier patients.



Epic & the Mouth-Body Connection®

PDS was the first large dental organization in the world to implement Epic — the most widely used, comprehensive health records system — into all its supported practices. Using Epic, PDS dental practices can easily exchange patient data with other health care providers for improved patient care.

Integrated health records provide a better understanding of a patient's overall health, allowing providers to more effectively design a treatment plan to achieve and maintain optimal well-being. As an added benefit, this also allows patients to view their acute, primary and dental health records all in one place.

In 2022, PDS successfully converted more than 9.7 million patient records from its existing practice management software to Epic and completed deployment to more than 885 individual practices across 24 states. By implementing Epic, PDS was able to show the power of the Mouth-Body Connection® in improving patients' outcomes and overall health.

“We have long promoted the Mouth-Body Connection® as an essential understanding of systemic patient care. By enhancing the collaboration between dental and medical professionals, the integration of Epic into all our practices puts our central philosophy into motion,” said PDS Founder and CEO Stephen E. Thorne IV. “We pride ourselves in investing in the best tools, systems and advanced, proven technology available, and partnering with a world-class operation like Epic underscores our commitment to whole-body health.”

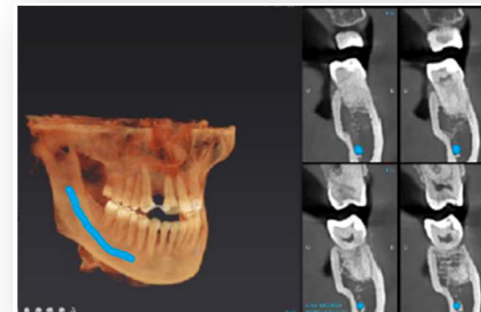
Leading-Edge Technologies

In addition to Epic, PDS has led the charge in other technological advancements including cone beam computed tomography (CBCT) technology, which provides high-quality 3D scans in seconds. PDS was also an early leader in using saliva tests to help detect signs of gum disease and other health issues. These tests allow clinicians to identify genetic risks, spot harmful bacteria, and create personalized treatment plans that support better long-term health for patients.

PDS is advancing patient care by using AI technology to help detect issues in dental scans, making diagnosis and treatment faster and more efficient. The organization is implementing Envista's DTX Studio Clinic software in practices nationwide, enabling clinicians to view 2D and 3D X-rays in a single, centralized application.

According to Smita Kadakia, DDS, “DTX is already benefiting our practice. The diagnosis program is helping us work more efficiently and deliver more personalized care to patients.”

In the near future, the AI capabilities of DTX will allow it to identify six key issues in dental scans, including root canal defects, cavities, bone loss, and more. This innovative technology will help dentists detect problems earlier, supporting more effective and proactive care.



Innovation to Improve Access to Care, continued

2023 Technological Milestones

- Surpassed 3.75 million total dental restorations using CEREC CAD/CAM technology by conducting more than 427,000 dental restorations (crowns, inlays/onlays, and veneers) this year alone.
- Implemented Envista's DTX Studio™ assisted intelligence technology into half of PDS practices to streamline diagnosis and treatment
- Installed the latest cone beam computed tomography (CBCT) technology in 221 practices
- Administered more than 36,000 saliva diagnostic tests, a 34% increase from 2022
- Conducted more than 1,100 blood sugar (HbA1c) tests during a pilot program in 28 practices
- Expanded chairside aMMP-8 biomarker screening pilot program

Dental-Medical Integration

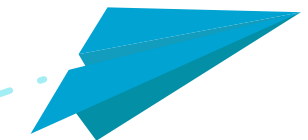
Over the past five years, PDS has successfully expanded its healthcare offerings by opening six medical practices in Nevada and four medical offices in Arizona. These medical offices work closely with our own dental practices, emphasizing a collaborative approach to health care, integrating both dental and medical services to improve patient outcomes.

In 2022, PDS announced its joint venture with MemorialCare, a Southern California-based regional health system, to open several co-located medical and dental practices in MemorialCare Medical Group health centers throughout the region. The first co-located practice opened in 2023. These co-located practices ensure seamless coordination of care and easy access to health records for both patients and providers.

Expanding the PDS business model to support primary care is an investment in what we have known for some time: dental-medical integration is the future of health care. By bringing dental and medical providers together, not only do health care outcomes improve, but so do cost savings. Reports show more than \$1,000 per capita is saved every year when preventive dental treatment is provided to high-risk groups like those who have diabetes, cardiovascular disease or history of stroke. Another study predicts that providing periodontal care to those with diabetes and periodontitis could save patients on average \$5,904 in health care costs. As Americans face rising health care prices, this coordination serves as an efficient and effective solution to reduce costs and improve overall health and wellness.

Whole Body Health Starts with Oral Health
Evidence shows if you have gum (periodontal) disease and tooth decay, you are:

- Brain**
4.5x more likely to suffer from stroke and 2.6x more likely to develop Alzheimer's disease^{5,6}
- Mouth**
At a greater risk of further tooth decay and oral cancer^{7,8}
- Heart**
2-3x more likely to suffer from a heart attack and have a higher risk of cardiovascular disease and low-grade inflammation⁹
- Reproductive System**
Women - Are at a greater risk for pregnancy complications, such as preterm birth and low birth weight¹⁰
Men - Are 3x more likely to suffer from erectile dysfunction¹¹
- Lungs**
At a greater risk of chronic lung infections and influenza¹
- Blood Vessels**
24-35% more likely to develop plaque in your coronary arteries and more likely to have inflammation in your major arteries, especially in the neck and heart^{2,3}
- Pancreas**
At a greater risk for diabetes and pancreatic cancer⁴



Governance

“The We Believes drive our values that we live by and are the centerpiece of our high-performance culture.”

– Stephen E. Thorne IV,
PDS Founder and CEO

Ethical, Values-Based Culture

PDS’ culture runs through all that we do. This is illustrated in our core values, or “We Believes,” which serve as a framework for our ethics and operations across the company.

A strong mission and vision articulated in the We Believes helps empower our teams to push the boundaries of health care. By putting our We Believes at the center of everything we do, we transcend the limitations of a rules-based mindset.

Our We Believes build trust, encourage self-governance, and inspire each of us to achieve at the highest level. Seeing our team members embody the behavior, attitude, and actions of our We Believes in their daily work has enabled teams across the organization to deliver consistently excellent care.

WE BELIEVES

We Believe that patients pay our salaries.

Therefore: Everyone must do what it takes to please them. In order to succeed, we must continuously establish something special between us and our patients to create lasting relationships.

We Believe that only God knows what tomorrow holds.

Therefore: We are thankful for today’s business and understand that constant learning and adaptability are part of our job.

We Believe that job security lies in an individual’s employability.

Therefore: Employees get paid based on their personal value to the company.

We Believe that the way we do business is as critical as whether business is good or bad.

Therefore: Our decisions for moral and ethical conduct are based on principles given to us by God in the Bible. Honesty, integrity and character are vital aspects of business.

We Believe that quality performance at every job, every day, every hour, is required.

Therefore: It is our privilege to perform beyond what is required.

We Believe that everyone has the will to succeed and can make proper decisions.

Therefore: We understand that as a business we will always have problems, and problems are just opportunities in disguise. We are not big on rules and regulations, but demand that each of us take care of problems as they arise in order to take full advantage of the opportunities they present.

We Believe that we have the obligation and the opportunity to present the best dentistry possible to each and every patient.

Therefore: We understand the value of good dentistry and educate our patients of the benefits to them.

We Believe in the power of teamwork.

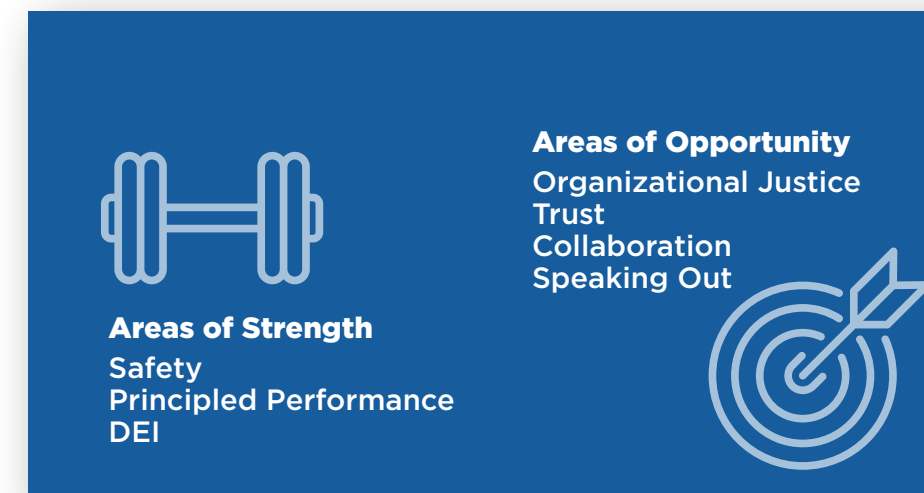
Therefore: We fail or succeed together.

Cultural Assessment

PDS regularly assesses its culture and did so most recently in 2021. The assessment examines 13 cultural domains that correlate to optimized compliance, ethics and performance. These domains include trust, collaboration, leadership, and diversity, equity, and inclusion (DEI). Within each domain are several attributes. We describe these attributes in terms of behavior, and the behaviors flow from our values and the We Believes.

At its core, we are examining the strength of the connection between our values and how they translate into team member behavior. The more attributes present in each domain, the more we are mitigating risk proactively, increasing engagement, positively impacting turnover, and increasing discretionary effort.

PDS is proud that our team members recognize the company for its strong culture of safety, principled performance, and commitment to diversity, equity, and inclusion. We remain dedicated to building on these values and continuously improving in areas of opportunity to ensure a healthy, supportive, and inclusive workplace for all.



Governance, continued

Investing in Our Team Members

We believe that our people are our greatest resource, and we strive to treat them with the utmost care and respect while providing ongoing opportunities for lifelong learning. PDS has several programs that reinforce this priority to ensure a skilled, committed and trained workforce.

PDS offers a wide range of educational and training programs, believing that investing in the growth and development of team members is an investment in the company's future.

PDS Health University is comprised of three schools that empower team members to expand their education, develop personally and professionally, and gain experiences that will help them increase their own personal value, and improve their quality of life and the lives of those around them.

- **Institute of Health** – A broad base of continuing education (CE) courses for clinicians to stay up-to-date on training and skills.
- **School of Business** – Learning opportunities focused on the day-to-day operations of a successful practice. The curriculum is centered on business areas that help drive operational excellence and support the PDS mission and vision.
- **School of Leadership** – Learning and development opportunities designed to help our leaders improve their skills while investing and developing the leaders of tomorrow.

PDS College Advancement Program

This program provides eligible team members the opportunity to receive an undergraduate degree from Arizona State University's online program and receive 100% tuition coverage. According to a survey of team members currently enrolled in the program, 94% said it increased their desire to pursue a professional career with our organization. More than 100 team members are currently pursuing their degrees through the PDS Health College Advancement Program.



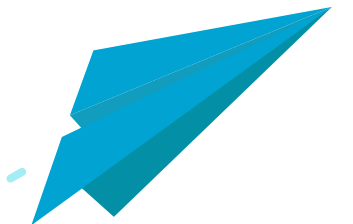
Health & Well-Being

PDS is committed to creating a workplace where all people feel that they can thrive. It's why we've prioritized offering specific tools and resources to ensure team members and their families have the support they need.

Anthem Future Moms and Dads program: Available through PDS' Blue Cross health care plan, the Future Moms and Dads program provides team members with access to a registered nurse with expertise in prenatal/postnatal care who will follow their pregnancy and give individualized attention and support. Of the team members who participated in the program, 90% delivered infants who had normal birthweights and 94% had full-term pregnancies, significantly reducing health care costs.

Bright Horizons: PDS partners with Bright Horizons to provide team members with significantly discounted child and elder care services including virtual tutoring and enhanced family support. The program is used by 79% of those who enroll in it.

Calm App: As a health care organization, PDS understands how important it is to support a healthy mind and spirit. That's why we expanded our mental health offerings by providing team members with free premium subscriptions to the Calm meditation app. The Calm app provides guided meditations to help with stress and focus, mindful movement audio and video, relaxing sleep stories, tailored content for children, and masterclasses led by experts. Members of each PDS team member's family also have access to the app.



Governance, continued

Employee Retention & Recruitment

Investing in team members continues to be a top priority to ensure PDS team members feel that they can grow their careers with us. It's why we provide a range of continuing education support as well as leadership opportunities. The goal is that all team members feel empowered to pursue career or academic advancements.

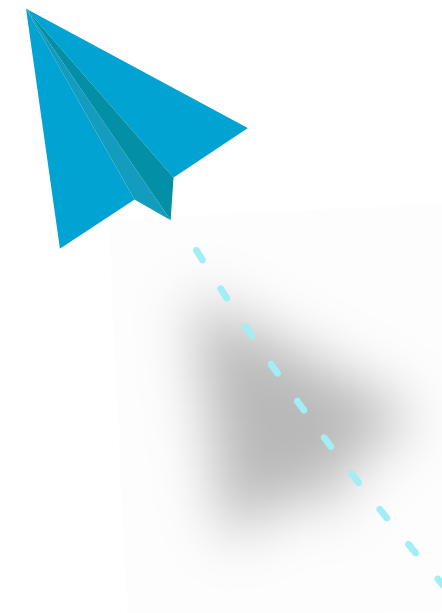
Inclusive Recruitment & Hiring

PDS is committed to hiring a representative workforce, which must include a diverse pipeline of candidates. Our hiring team recently updated its recruiting assessment vendors and implemented standardized assessments (interview templates) to ensure all candidates are assessed similarly to remove unconscious bias.

PDS is also working with the Student National Dental Association (SNDA), which focuses on promoting, aiding and supporting minority dental students with the goal of improving diversity and representation in PDS' recruitment pool and attracting diverse dentist candidates.

Team Member Appreciation

- **PDS Health Appreciation Week** celebrates the dedication of our team members nationwide. Complementing our Rewards and Recognition program, this week-long event features giveaways, food trucks, games, and team-building activities, allowing offices to create events that reflect their unique team culture. PDS Health Appreciation Week gives team members the chance to connect, relax, and celebrate their accomplishments, helping to build a positive and engaged workplace.
- **PDS Life Magazine**, a bi-annual internal magazine, often features the accomplishments and personal past times of PDS team members. Many have been profiled for some of the impressive activities they engage in outside of the office while others have been celebrated for awards they have received, family announcements and more.
- **You're Extraordinary**, a peer-nominated monthly and quarterly award program that celebrates support center team members who have gone above and beyond.
- **XP Awards**, annual event to recognize the exceptional behavior and actions of team members, both hourly and salaried, who contribute to achieving the PDS mission and embody the We Believes. The winners are invited to attend the annual XP event, which is an opportunity for cross-collaboration with owner dentists, regional leaders and others to share best practices.
- **Incentive Plan**, offered as a bonus to recognize team member performance.
- **President's Club/Pinnacle Club/OM Champions Club**, an annual recognition of top performers from across the organization who are gifted a company-sponsored trip.



Governance, continued

Ethics & Compliance

PDS has a comprehensive ethics and compliance policy to ensure our team members comply with the laws, rules and regulations governing the healthcare industry. This includes conducting annual compliance training, which is required by all team members, as well as education and training on privacy and security, fraud, waste and abuse, unauthorized disclosures, and secure email and records management.

We believe in creating a safe, transparent and accountable environment, which is why our program also includes a hotline where team members can anonymously report compliance and ethics violations. When a breach occurs, the incident is investigated, corrective actions are taken, and measures are proactively implemented as necessary to reduce the risk of future breaches.

Our compliance and ethics program is committed to incorporating PDS' values and culture into our governance processes and therefore we use a diagnostic process to better understand company culture and the way behavior and values manifest throughout the departments. The cultural diagnostic process rigorously maps behaviors that drive self-governing cultures and includes a combination of qualitative and quantitative research. A hypothesis is developed through one-on-one conversations and focus groups with leadership, team members and clinicians. The purpose is to detail how behaviors influence specific processes or business outcomes and understand root causes.

A quantitative assessment follows that captures and measures specific behaviors and culture markers to understand how key processes and dynamics unfold and interact, as well as how behaviors, processes and systems enable specific business outcomes. The findings are integrated with other internal data sources (e.g., employee engagement surveys, misconduct data, etc.) to better understand how behaviors influence outcomes. A report is generated that details insights from the process to offer depth, texture and reliable triangulation. The report highlights culture strengths and opportunities, their impact on specific outcomes (e.g., risk of misconduct, future growth, etc.), and the state of the company.

One outcome of this diagnostic process is the We Believes behavioral framework which serves as a co-created code of conduct PDS' values to expected behaviors, forming the foundation for the organization's ethical culture and compliance efforts.

Cultural Diagnostic Focus

- Predominant behavioral patterns in the company, as well as how and why these patterns may differentiate across specific constituencies
- The way the company lives its values; how values drive decision-making and behavior, as well as how values are used to address dilemmas and identify optimal courses of action
- PDS' strengths and areas of opportunities; in particular, where we can benefit from deeper alignment, higher values-oriented awareness, and interventions that bring the We Believes fully to life
- Underlying commonalities across various constituencies and ways to leverage them to nurture our culture
- PDS' current standing, as a whole as well as across specific constituencies, relative to the self-governance cultural archetype
- The extent to which misconduct is likely to occur in the organization and where
- The extent to which team members and supported personnel feel inspired to give their best on a daily basis and help PDS continue to grow and be the principled, ethical and compliant organization it aspires to be

Protecting Patient Data

As a healthcare provider, we understand the responsibility we have to safeguard patients' personal information. PDS maintains a full policy library that details the processes that shall be followed to ensure the privacy and confidentiality of the information with which we are entrusted, including protected health information (PHI) and other personally identifiable information (PII).

These policies include those related to the HIPAA Privacy and Security Rules as well as state privacy laws like the California Consumer Privacy Act (CCPA). PDS adheres to the HIPAA minimum necessary standard, which requires us to restrict the uses and disclosures of PHI to the minimum amount necessary to achieve the purpose for which it is being used, requested or disclosed. Team members must also attest annually that they will report any violations of data privacy.

The organization's head of compliance and ethics ensures that privacy program policies and procedures are developed, implemented, and reviewed annually to remain aligned with current laws, regulations, and standards. Each area of program operations has documented policies addressing compliance-related risks. All team members receive training on privacy policies to support adherence to compliance standards.

Governance, continued

PDS also maintains a policy management program that consists of procedures through all stages of the policy life cycle, including drafting, editing, approving, updating, distributing, gaining team member attestation and maintaining an auditable database of records.

The following underpins the company's privacy policy objectives:

- To tie privacy-oriented behaviors to PDS' purpose of facilitating healthier, happier patients
- To ensure that team members clearly understand privacy-related expectations and consequences
- To influence team member behavior and decision-making
- To facilitate a positive and respectful workplace
- To foster credibility and trust with patients and business partners
- To improve productivity and business performance
- To ensure PDS meets all legal standards required to operate
- To help PDS avoid litigation and mitigate risk
- To identify, prevent and respond to misconduct
- To protect our people, reputation and bottom line

Policies & Practices to Secure Customers' Data

PDS maintains a comprehensive, enterprise-wide cybersecurity program and a robust data privacy program. The data privacy program includes a set of policies and procedures that describe appropriate use of data and the administrative, technical and physical safeguards that are in place to protect the privacy and confidentiality of protected health information (PHI) and personally identifiable information (PII).

These policies, such as our HIPAA Notices of Privacy Practices, Privacy Policy and California Privacy Policy, include information about our data use, data disclosure and privacy practices. Additionally, it is PDS' policy to enter into business associate agreements with vendors that obtain, maintain, use or disclose PHI on the company's behalf. These vendors agree to safeguard data as required by HIPAA.

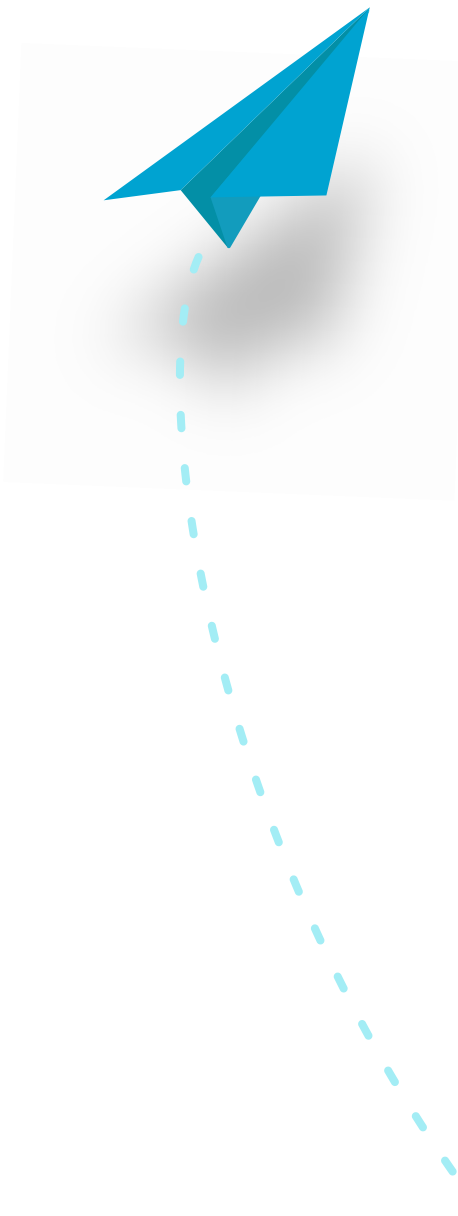
Enterprise Risk Management

In 2023, PDS implemented an Enterprise Risk Management (ERM) program, which enables management to address uncertainties in a comprehensive, integrated, organization-wide manner to create value.

Program benefits include:

- Reducing surprises, not only in individual areas of the business, but also across the enterprise; risk in one part of the organization can create risk in other areas and ERM helps proactively identify and manage these risks
- Enhancing overall performance by increasing the likelihood of achieving strategic and operational objectives and reducing performance variability
- Providing better information with which to assess the costs and benefits of capital and resource allocations
- Increasing adaptability and resilience by helping the organization identify and respond to external and internal changes in an embedded, and therefore more timely and holistic manner

ERM is intended to progress the mission, vision, core values and strategic and business objectives of PDS to enhance overall performance.



Governance, continued

Cybersecurity

Reinforcing our commitment to protect patient privacy and data, PDS believes in a holistic approach to implementing information security, starting with team member training and awareness. This is done using mandatory security training and routing phishing simulation exercises and tests.

Our security controls are also designed to protect across the environment from user's identity and privileged accounts, to protecting computing devices such as laptops, desktops and servers using extended detection and response (XDR) technologies. Our core infrastructure, including cloud computing environments and business systems and applications, are protected using a combination of network controls such as firewalls, application security and vulnerability management systems.

PDS uses a Security Operations Center during core business hours that is backed up by a Managed Service Security Provider that provides 24/7 security monitoring, remediation and response services.

Training and technical competency are core parts of our information security program, with team members holding key certifications such as Certified Information Systems Security Professional (CISSP), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified in Risk and Information Systems Control (CRISC), CompTIA Security+ (Security+), and AWS certifications, including AWS Certified Cloud Practitioner, AWS Certified Developer, and AWS Certified Solutions Architect.

2023 Cybersecurity Highlights

- Introduced data loss prevention controls, protecting against accidental or malicious exfiltration of team members PII and patient PHI data
- Implemented vulnerability and configuration management for our cloud environment
- Implemented tools to perform continuous security validation, moving away from a point-in time sampling of specific controls
- Increased security maturity score from 82% to an industry-leading 98% (industry average score is approx. 80%)
- Approximately 133 billion security events occurred and were thoroughly investigated by the security operations team, with no material information security incident resulting in downtime, financial loss or data loss

How We Manage Security - IT Governance

PDS runs an information security management system (ISMS) based on well-established information security and privacy standards. The ISMS includes aspects of enterprise risk management, incident management, physical security, security awareness training and much more.

Information Classification

We use classification controls to ensure data is appropriately classified and security controls are applied based on the designation of the data.

Incident Response

We have an active cyber security incident response plan (CSIRP) that includes defined roles and responsibilities, vast array of incident scenarios, applicable policies and procedures, breach notification and reporting requirements, etc.

Risk Management

We identify and track risks throughout our business; major risks are reported and escalated.

User Consent, Preference & Privacy Management

To ensure the privacy of consumers (patients, clinicians and team members), and compliance with applicable state and federal privacy laws, PDS uses user consent, preference, and cookie management from OneTrust to allow consumers to decide how we contact them, store and use their personal data.

- **Preference Management:** Allows customers to choose how often and how they can be contacted
- **Cookie Management:** Allows customers to choose whether or not their data can be stored. Consent is logged using cookies, ensuring it can be fulfilled. Customers can add, delete, or change their settings
- **Consent Management:** Allows customers to choose whether or not to receive communications

Physical Security

We provide a secure environment for all our team members, patients and visitors. We use web-based monitoring and electronic protection systems to safeguard the integrity and security of our dental practices and our national and regional corporate offices.

Screening & Vetting

We ensure all our team members and contractors go through a process of pre-employment screening which meets industry best practices. All those working with PDS are screened using our request for background investigative services standard.

Governance, continued

Identity & Access Management

All users are assigned a unique identifier represented either by a username or a user ID which may be a unique number identifier. Access to systems is provisioned by a single sign-on solution with multifactor authentication enforced.

Privilege Access Management

Privileged access management is handled through a dedicated solution that provides robust protection against the accidental or deliberate misuse of privileged accounts. This system streamlines the authorization, monitoring, and management of privileged access.

Backups & Recovery

Core systems including clinical databases (i.e., patient information) is regularly backed up. Backups are performed on an incremental basis.

Vulnerability Management

Prior to deployment, "gold images" for all operating systems are reviewed and configured in accordance with the Federal DISA Security Technical Implementation Guide. In addition, vulnerabilities are enumerated and addressed using Rapid7 InsightVM and Tanium Comply.

Threat Intelligence

Our managed security service provider integrates threat intelligence feeds into our security incident and event management system to enhance detection capabilities.

Anti-Virus & Malware Detection & Response

We use advanced tools for anti-malware protection along with detection and response capabilities. This system combines a known threat database, behavioral analytics, and machine learning to block malicious software and detect unusual or dangerous activity. It also enables our security team to contain and isolate suspicious systems, preventing potential spread across the network.

Penetration Testing

PDS has adopted a continuous testing and validation approach to proactively scan our environment for known vulnerabilities, weaknesses, password/credential compromise, etc. This significantly accelerates the process of discovering vulnerabilities, configuration issues, credential exposures, etc. It also provides proactive remediation across internal and external networks.

Message Hygiene

Our secure email gateway blocks malware-infected attachments, analyzes URLs based on reputation, rewrites weblinks to route traffic through a protected proxy, blocks phishing attempts and filters spam.

Proactive Monitoring & Notification

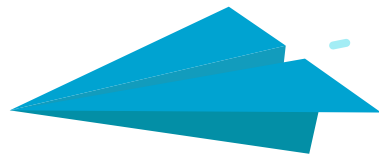
We use a range of tools to proactively monitor our core infrastructure, applications and internal data assets. These tools provide both performance and security monitoring, ensuring reliable operations and rapid response to potential issues.

IT Governance & Technology Standards

All technology changes, including new systems (such as applications, hardware and software) and business processes, are subject to a thorough IT governance process, as well as reviews of existing technology standards. This approach ensures that potential risks, business impact and necessary safeguards are fully understood and documented.

Third Party & Supplier Risk Management

We have a thorough process for reviewing vendors and suppliers who provide services or products to PDS, its supported dental practices, or affiliates. Our risk review evaluates the vendor's security posture, documented security controls, and the specific data, processes and services provided to PDS.



Governance, continued

Improving Health Care Access & Affordability

At PDS, providing high-quality, accessible care is at the core of who we are. This commitment to fast, effective, and inclusive care has been essential to our growth as a DSO and continues to drive us forward. We're proud to support initiatives like the PDS Foundation's Dentists for Special Needs office and are dedicated to service activities that help make oral health care affordable for those in need. Across PDS-supported practices nationwide, clinicians work closely with patients to find the best care options tailored to their needs and budgets. We believe in transparency and strive to provide clear information on pricing to support our patients in making informed decisions.

Pricing & Billing Transparency

At our supported practices, patients receive upfront information about the cost of all recommended procedures before any care begins. Healthcare coordinators review each procedure's pricing, along with options, alternatives, and available discounts or payment plans. After reviewing, patients are provided a final financial arrangement and consent form to sign, ensuring clarity before treatment. These documents are also accessible through Epic MyChart, allowing patients to review their information at any time.

For patients with insurance, both the list price and their out-of-pocket costs, including insurance coverage, are provided. Those without insurance are offered a range of payment options and a dental discount plan designed to help make care more affordable.

Publicly Available Pricing

To support transparency, PDS practices comply with applicable laws regarding publicly available pricing. In certain regions, like Colorado, average fees for common procedures are posted in patient waiting areas. Our discount plan website (www.smilegenerationdentalplan.com) also provides information on standard fees, patient costs, and discounts for covered procedures. Patients can request specific pricing details by contacting the practice directly. Insurance providers may also utilize data from PDS practices to develop "cost efficacy" scores, enabling patients to compare providers and make informed choices about their care.

Expanding Access to Care

For many Americans, especially those with lower incomes, accessing dental care can be a significant challenge. More than 68 million people are without dental insurance, and the majority are over age 60. This lack of coverage disproportionately affects communities of color—Latino patients are twice as likely to have lost dental insurance in the past year, and over half of Black adults report losing one or more teeth due to gum disease. Additionally, 30% of veterans and 27% of adults with disabilities report difficulties in receiving needed oral health care.

At PDS, we understand the importance of accessible dental care and are committed to bridging these gaps. Our practices accept a wide variety of insurance plans—over 20 on average—to help ensure patients have options. For those without insurance, we offer an in-house discount plan and a range of payment solutions, such as the Smile Generation Dental Plan, Smile Generation Financial, and CareCredit. These resources are designed to support patients in receiving essential dental care, regardless of their financial situation or insurance coverage.



Governance, continued

Advocacy

Our commitment to improving the health and well-being of all patients drives our advocacy efforts. We believe that integrating dental and medical care will benefit the health of Americans and help reduce overall healthcare costs. PDS has long championed policies that support integrated care models, including advocating for medically necessary dental coverage under Medicare.

To advance these goals, PDS collaborates with organizations like the Centers for Disease Control and Prevention (CDC) and serves on the National Association of Chronic Disease Directors medical-dental integration task force. Together, we work toward creating a healthcare environment where dental and medical care are seamlessly connected, promoting holistic, whole-person care.

2023 Advocacy Highlights:

- PDS team member appointed to the American Dental Association (ADA) Task Force on Sugar, Nutrition and Diet
- Signed the community statement on Medicare coverage for medically necessary oral and dental health therapies
- PDS Founder and CEO Stephen E. Thorne IV appointed to board of the ADA Forsyth Institute, a top-tier NIH-funded research institute focused on exploring the connections between oral health and overall well-being
- Successfully advocated for the passage of legislation that allows Texas hygienists to administer local anesthetic

