MODERN
Dental Group | SINCE 1986 Perfecting Your Smile

MODERN DENTAL GROUP LIMITED
現代牙科集團有限公司

(a company incorporated in the Cayman Islands with limited liability)
Stock code: 3600

Restores Over
2 Million
Smiles
every year
Modern Dental Group

2024
ENVIRONMENTAL, SOCIAL
## AND GOVERNANCE REPORT

CONTENTS

ABOUT THIS REPORT

Modern Dental Group Limited (the "**Company**"), together with its subsidiaries (the "**Group**"), is pleased to present our annual Environmental, Social and Governance Report (the "**Report**") for the year ended 31 December 2024 to provide an overview of our commitment to achieving environmental, social and governance goals through our sustainability pillars. The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") has overall responsibility for the Group's environmental, social and governance strategy and reporting. The Board is responsible for evaluating and determining the Group's environmental, social and governance-related risks and ensuring that appropriate and effective environmental, social and governance risk management and internal control systems are in place. The Report is prepared by the Group with the assistance by an external professional service firm.

REPORTING PERIOD

This Report demonstrates our sustainability initiatives and performance during the reporting period from 1 January 2024 to 31 December 2024 (the "**reporting period**").

REPORTING SCOPE

The Report covers all major subsidiaries of the Group in material geographical segment including Europe, North America, Greater China and Australia which account for over 95% (2023: over 95%) of our total business assets that principally engaged in the production and distribution of dental prosthetic devices. In line with our commitment to being transparent with our stakeholders about our sustainability performance, there is no change of reporting scope when compared with last year. For details of certain major subsidiaries of the Group covered in this Report, please refer to page 79 to page 81 of the 2024 Annual Report. The Group will continue in assessing the impacts of its business on the major ESG aspects and to include in the Report.
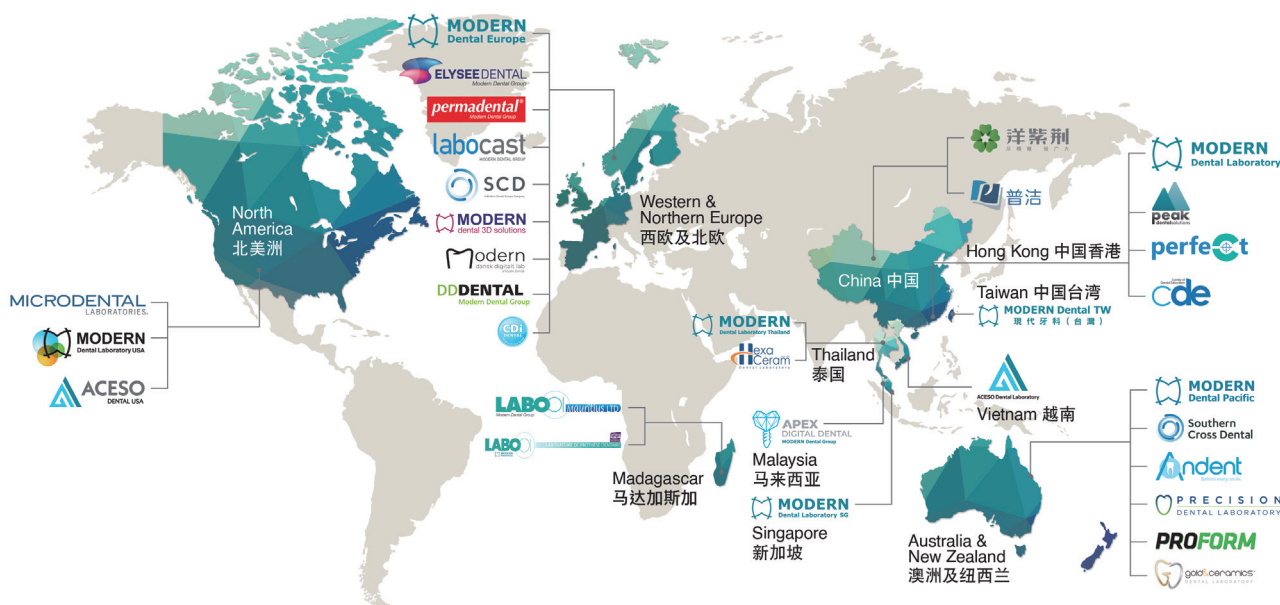
ABOUT THIS REPORT

REPORITNG BASIS

This Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards. The GRI Standards have been selected as it continues to be the sustainability reporting framework of choice as it is internationally recognised and widely adopted, enabling us to provide a broad and comparable disclosure of the ESG performance. For this Report, we have transitioned to the latest version of the GRI Standards – the GRI Universal Standards 2021. In compliance with the ESG Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), this Report describes the Group's sustainability practices on a 'comply or explain' basis. We have not sought external assurance for this reporting period and will consider this as our reporting matures over time.

Furthermore, in 2023, the Group started its path to report referring to 1) the Sustainability Accountant Standards Board (SASB) metrics and 2) the Taskforce for Climate-related Financial Disclosures (the "**TCFD**") to further align with wider global frameworks on sustainability and to make sure the organisation will be prepared for future regulations.

Significant sustainability aspects material to the Group are reviewed regularly and at least once annually, with input from internal and external stakeholders. This Report is structured according to the material topics and categorised in line with the Group's strategic sustainability commitments. In order to cope with the new climate disclosures requirement in our 2025 ESG report according to the ESG Reporting Code by the Stock Exchange, we are still in the process of setting up our process for collecting and analysing data on our other indirect (Scope 3) Greenhouse Gas ("**GHG**") emissions and resilience of the strategy, considering different climate-related scenarios for climate resiliences disclosure.

The Report follows the four reporting principles listed in the Stock Exchange ESG Reporting Guide and the eight principles required by GRI Standards. Unless otherwise specified, we use consistent methodologies to compile the quantitative data presented in the Report.

Stock Exchange ESG Reporting Guide			GRI Standards		
Materiality	Quantitative	Accuracy	Balance	Clarity	Comparability
Balance	Consistency	Completeness	Sustainability	Timeliness	Verifiability
			Context		

SOURCES OF INFORMATION

The information disclosed in this Report is derived from the Group's formal documents, statistics or public information. The Board is responsible for the truthfulness, accuracy and completeness of its contents.

ACCESS TO THIS REPORT

The Report is available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of the Report, the English version shall prevail. You may access the Group's official website at www.moderndentalgp.com or the website of the Stock Exchange at http://www.hkex.com.hk for an electronic copy of the Report.

CONTACT INFORMATION

The Group welcomes your feedback on this Report. Should you have any enquires or comments regarding the contents or the form of this Report, please contact us by email to info@moderndentalgp.com.

INTRODUCTION

The Group is a leading global dental prosthetic device provider with a focus on providing custom-made prostheses to customers in the growing prosthetics industry. The Group is committed to reinforcing its worldwide leading position through strategic initiatives, including acquisitions, joint ventures, and partnerships. These efforts will further expand and complement our product offerings, particularly in clear aligner products, and strengthen our distribution and sales networks. Our investments in mass scale production facilities will enhance our production capabilities, drive innovation, and support our research and development efforts, ensuring that we remain at the cutting edge of the industry.

The Group has a global portfolio of respected brands, including Labocast, Permadental and Elysee in Western Europe, Yangzhijin in China, Modern Dental in Hong Kong, MicroDental and Modern Dental USA in the United States, and Southern Cross Dental in Australia. We have grown these brands by providing premium and consistent quality products and superior customer service.

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a)   The fixed prosthetic devices segment is a supplier of restorative dental procedures, such as crowns, bridge and implants.

(b)   The removable prosthetic devices segment produces full dentures and partial dentures. Dentures can be further classified as dentures with metal frameworks and dentures without metal frameworks.

(c)   The "others" segment comprises, principally, orthodontic devices, sport guards and anti-snoring devices, raw materials, dental equipment (including intra-oral scanners), clear aligner, the service of educational events and seminars rendered.

Our success in this industry is rooted in our global proprietary sales and distribution network which we established through a series of strategic acquisitions of our former distributors. Our sales and distribution network provides us with direct access to customers, including dentists, dental clinics, hospitals, distributors and other customers, in key prosthetics markets around the globe, allowing us to promote our products in a targeted manner and better satisfy the needs and preferences of our diverse global customer base. We have more than 80 service centers and over 30,000 customers globally.

The Group was listed on the Main Board of the Stock Exchange on 15 December 2015.

For more information on the Group, please visit the company website: www.moderndentalgp.com

The Group has recognised the importance of sustainable development. In order to respond to growing trends on the expectation of the stakeholders on the corporate responsibility performance, the Group is committed to the responsible operation and value creation for stakeholders and community by integrating environmental and social factors into management considerations. Sustainability strategy is based on the compliance with the legal requirements applicable to us and opinions from stakeholders. Sustainability is crucial for the Group's growth in order to achieve business excellence and enhance capabilities for long-term competitiveness. The Group has established various policies and implemented measures to manage and monitor the risks related to those material topics based on our materiality assessment.
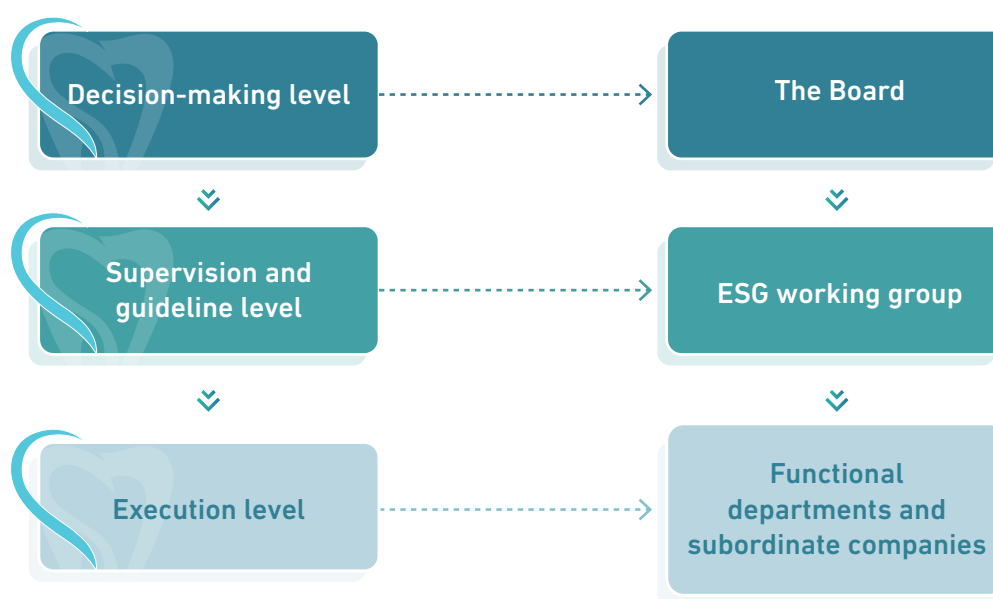
Details of the management approaches to those material topics and their related KPIs disclosure are illustrated in this Report.

SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG management, our ESG governance structure, composed of the Board, ESG working group, respective functional departments and subordinate companies, was established to promote ESG management and disclosure. Our organisation's approach to sustainability and material ESG issues are overseen by both the Board and our ESG working group, which is led by the Chairman of the Board. They are responsible for overseeing the implementation of the organisation-wide sustainability strategy and managing material ESG topics. Additionally, our ESG working group provides annual updates to the Board.

The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance. The Board steers the Group's sustainable development forward and bears the overall responsibility of its ESG efforts. In the future, the Board will continue to strengthen ESG risk management and improve ESG working mechanism and regulatory processes to enhance its ESG governance standard. The ESG working group, serving on the supervision and coordination level, is responsible for implementing ESG governance strategy, coordinating ESG matters, compiling ESG reports, and reporting relevant work progress to the Board on a regular basis. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG working group and reporting relevant work progress and data.

Decision-making level	··········>	The Board
Supervision and guideline level	··········>	ESG working group
Execution level	··········>	Functional departments and subordinate companies

As at 31 December 2024, the Board of the Company consisted of 10 Directors comprising 6 executive Directors and 4 independent non-executive Directors. The composition of the Board exceed the independence requirements under the Stock Exchange Listing Rules (the "**Listing Rules**"). The Board at all times has not only met the requirements of Listing Rules but also appointed one more independent non-executive Director, who has served for the Company less than 7 years, than the requirements of at least three independent non-executive Directors.

By reference to our Board Diversity Policy, our Board, composed of appropriately qualified people with a broad range of experience relevant to the business, is important to effective corporate governance and the sustained commercial success of the Company.

Our current board composition brings different experiences to the Board, in fields such as finance and accounting, marketing, business management and dental, which allows the Group to identify new business opportunities and enhance corporate sustainability.

SUSTAINABILITY GOVERNANCE

For details of the biography of each Director, please refer to 2024 Annual Report of the Company.

The Company will assess the diversity profile annually including the gender balance of the Directors, senior management and their direct reports, and the progress in achieving the diversity objectives.

We are committed to adhering to the Corporate Governance Code contained in Appendix C1 of the Listing Rules, which emphasises the principles of accountability, transparency, and sustainability in our business practices. We believe that good corporate governance is essential to effectively directing and managing our business affairs and achieving long-term shareholder value. To this end, we have established policies and procedures on conflict of interest, whistleblowing, and a Code of Conduct that all staff must follow to fulfill their duties responsibly and professionally. We maintain a "zero tolerance" policy for corrupt and dishonest practices, including acts of bribery. Our staff are expected to report any concerns or unethical behavior following our anti-corruption and conflict of interest policies.

The Board regularly reviews our governance practices and policies to ensure they are appropriate and effective. As we strive to maintain a culture of personal and corporate integrity, we aim to eliminate any reported business malpractices.

STAKEHOLDER ENGAGEMENT

Consistent with past years, the Group opens up communication with its stakeholders, including employees, customers and distributors, investors, suppliers and the community, through utilising different channels as listed the table below. Through the stakeholders engagement, the Group understands the expectations and concerns of stakeholders. The feedbacks obtained through these channels allow the Group to further formulate the sustainable development strategy.

Stakeholder Groups	Issues of concern	Engagement channels	Frequency
Government	• Compliance with the laws • Proper tax payment	• Work conferences • Work reports preparation and submission for approval • Annual and interim reports • Website	On-going
Shareholders and investors	• Low risk • Return on the investment • Information disclosure and transparency • Protection of interests and fair treatment of shareholders	• Annual general meeting and other shareholder meetings • Annual, interim reports, announcements and circulars • Non-deal roadshows, investors conference	On-going/ semi-annually
Employees	• Safeguard the rights and interests of employees • Working environment • Career development opportunities • Occupational health and safety	• Conference • Training, seminars, briefing sessions • Employee activities	On-going
Customers	• Safe and high-quality products • Stable relationship • Integrity • Reputation, brands and market demands	• Regular meetings • Emails, phone calls • Customer feedback forms • Industry exhibitions • Site visits	On-going
Suppliers/Partners	• Long-term partnership • Honest cooperation • Fair, open • Information resources sharing • Risk reduction	• Business meetings, supplier conferences, phone calls, interviews • Regular meetings • Review and assessment • Tendering process	On-going

STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Issues of concern	Engagement channels	Frequency
Peer/Industry associations	• Experience sharing • Corporations • Fair competition	• Industry conferences • Site visits and field trips	On-going
Market regulators	• Compliance with the law and regulations • Information disclosure	• Annual and interim reports, announcements and circulars • Seminars	On-going/ semi-annually
Public and communities	• Community involvement • Career opportunities • Social responsibilities	• Volunteering • Charity and social investment	On-going

MATERIALITY ASSESSMENT

The Group attaches importance to the materiality assessment of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the expectation of stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant topics. The materiality assessment on ESG topics of the Group during the reporting period covers the following steps:

Step 1   The Group identified the following topics in accordance with the disclosure requirements set out in the GRI Standards and based on the business characteristics and daily operation of the Group. These topics are considered to have impacts on the environment and the society during our operation.

Step 2   Based on the understanding of the feedback from both internal and external stakeholder during the daily operation, the Group determined the priorities of those topics by benchmarking the key points and the trend of ESG works of industry peers.

Step 3   Based on the result of the materiality assessment, the Group discussed the potential impact of material topics identified and determined the disclosure of each material topics in the Report during the reporting period and the key points for improvement in the future ESG work of the Group.
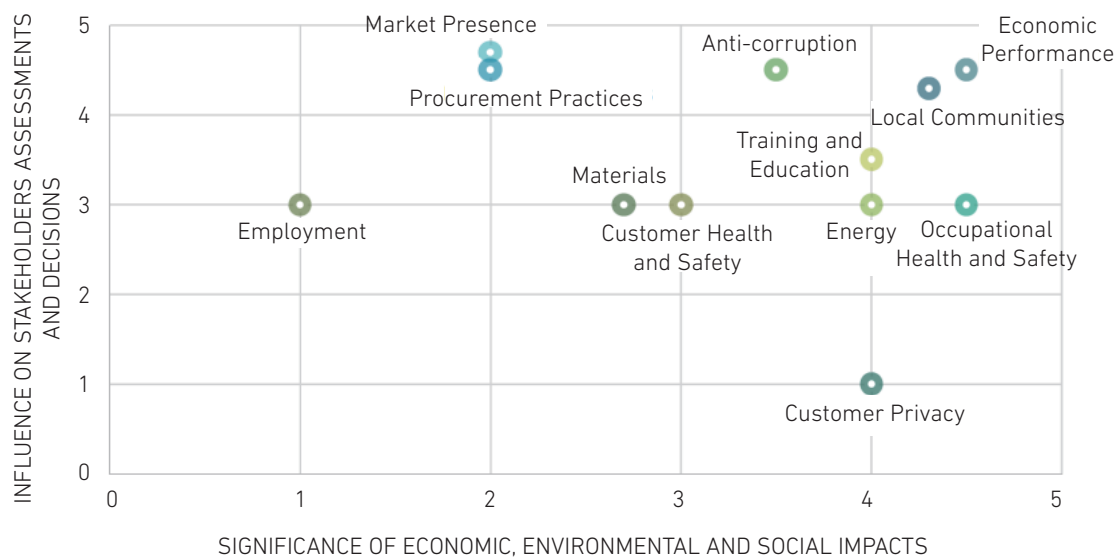
MATERIALITY ASSESSMENT

The following table summarises the list of material topics, its potential impact and strategies to address and we will continue to remain open to feedback from our stakeholders and revise those material topics if there are material changes to the operations of the Group in the future:

Material topics	Potential impacts	Strategies – Page
Economic performance (including indirect economic impacts)	Failure to satisfy the target of investor/shareholder may affect our capital investment for new products.	Refer to the 2024 Annual Report for the detailed breakdown and analysis of the Group's economic performance; Environmental Friendly Products and Services – P. 12
Anti-corruption	Violation of business ethics by our employees with customers or suppliers may damage our reputation and materially and adversely affect our business, financial conditions and results of operations.	Anti-corruption – P. 33
Energy (including emissions and waste)	Climate-related risks may reduce revenue and increase our operating cost. Please refer to the paragraphs in section "Climate Change" for details. Lack of monitoring for energy and water consumption may increase operating cost. Improper or delayed treatment or leakage of various wastes may cause adverse impacts on surrounding environment, resulting in complaints and environmental penalties.	Emissions – P. 13; Use of Resources – P. 14 to P. 15; Climate Change – P. 16 to P. 22
Employment Training and education	Insufficient resources devoted towards the development of human capital, such as lack of training and promotion opportunities, may put our Group at risk of higher turnover rates and less competent workforce which in turn affect our product quality.	Talent attraction and retention – P. 23 to P. 25; Development and Training – P. 26 to P. 27
Occupational health and work safety	Failure to maintain safe work conditions and a lack of protective gears may cause occupational hazards with fine and compensation to employee.	Health and Safety – P. 25 to P. 26
Local communities	Failure to satisfy the demand of local communities may significantly affect our reputation.	Community – P. 34 to P. 39

MATERIALITY ASSESSMENT

Material topics	Potential impacts	Strategies – Page
Customer health and safety	Failure of or non-compliance with our quality control measures may result in material products recall, which may in turn damage our reputation and affect the demand for our products.	Quality Control – P. 29
Customer privacy	The leakage of our internal and third party data may have an impact on our operations and may result in lawsuits and/or penalties from relevant regulatory authorities. It will also significantly affect our reputation.	Customer Information Protection and Privacy – P. 31 Data protection and security – P.32

ENVIRONMENTAL ASPECTS

ENVIRONMENTAL FRIENDLY PRODUCTS AND SERVICES

The Group recognise the vital importance of the role in promoting environmental stewardship and social responsibility in dentistry. In line with the commitment to sustainability, we conduct life-cycle analysis (LCA) to identify opportunities for improving the environmental performance of the products, we fully embrace the digitisation trend in the whole product life cycle (especially in order acceptance and manufacturing stage) and implement innovative technologies to reduce unnecessary logistics and airlift, which aim to optimise resource efficiency and minimise our carbon footprint throughout operations.

Traditional method of taking an analogue impression requires bite registration waxes mouldable to human gums. The precision of models is influenced significantly by the processing aspects and impression technique, requiring extended adjustment time. The storage and retrieval of physical impressions also pose logistical complexities and lead to longer shipping time of the physical moulds. With an accelerated trend in dental digitalisation, we heavily promote and educate dentists in how to use intra-oral scanners to do the intraoral impression-taking. Intraoral scanner acquires data in patients' mouths and generates more accurate 3D images just in seconds and allows impressions to be delivered to the laboratory through digital files. It facilitates a quicker lab turnaround times by around 2 days and reduce respective carbon footprint created if using traditional physical moulds, As part of our commitment to sustainability and energy efficiency, we've launched and offered intra-oral scanners that minimise energy consumption during the impression process. This, combined with the assistance of computer-aided design/computer-assisted manufacturing (CAD/CAM) systems, has proven to be significantly more efficient, with clinical studies revealing that the digital bite workflow was 60% more efficient than conventional techniques.

We firmly believe that the paramount importance lies in the safety and quality of the products and services we deliver. Digital impressions allow clinicians to evaluate a digital scan immediately during treatment planning, optimising clinic workflows and bringing a better patient experience. The advancements in digital bite analysis help technicians to perform greater control in the production phase, therefore reducing the risk of errors and re-make rate compared to conventional physical impression processes. With accelerated digitalisation in dentistry, it enhances precision of clinical diagnosis and elevating treatment outcomes, resulting in safeguard of product quality and increase in customer satisfaction.

For the year ended 31 December 2024, the Group's digital solution cases (overseas and domestic) that are produced from its Mainland China and Vietnam production facilities (which, for the avoidance of doubt, does not include digital solution cases produced in the Group's non- Mainland China and non-Vietnam production facilities or overseas/satellite dental laboratories) increased to approximately 769,564 cases reflecting an increase of 36.0% as compared with the same period in 2023 (approximately 565,891 cases) as a result of our clients' increased adoption of intra-oral scanners.

Through the Group's digital platforms, customers can now conveniently submit orders online, eliminating the need for excessive paper usage and reducing our overall environmental footprint. By embracing technology, we aim to streamline processes, enhance efficiency, and minimise the reliance on physical resources traditionally associated with order submission.

Additionally, the mobile applications provide customers with seamless access to after-sales services and support. Through these digital channels, users can easily communicate with our customer service team, access product information, and receive timely updates, reducing the need for physical correspondence and paperwork. This not only enhances customer experience but also contributes to resource conservation and waste reduction.

By leveraging these digital solutions, we are actively working towards achieving our environmental goals while providing innovative and efficient services to our valued customers.

ENVIRONMENTAL ASPECTS

EMISSIONS

The Group's manufacturing operations are subject to national laws and local regulations, as well as periodic monitoring by relevant local government environmental protection authorities. Under such laws and regulations, if we are found to have engaged in activities that severely polluted or endangered the environment, the relevant authorities may impose penalties on us, as well as requiring us to restore the environment or remedy the effects of the pollution. Any failure to restore or remedy within the prescribed time could result in the termination of our business. Furthermore, under relevant laws and regulations, we are required to control and reduce the level of any pollution or any other harm to the environment that may be caused by the production, distribution and import of our products within the respective countries where we operate. The Group complies with related laws and regulations, including Environment Protection Law of the People Republic of China (the "**PRC**"), the Environmental Impact Assessment Law of the PRC, Administrative Regulations on Environmental Protection for Development Projects and the Measures for the Administration of Examination and Approval of Environmental Protection Facility of Construction Projects in the PRC, Federal Soil Protection Act (BBodSchG) in Germany, and are likely subject to the Activities Decree (Activiteitenbesluit) in the Netherlands. The Group is not aware of any material non-compliance with applicable laws and regulations relating to air emissions, greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the reporting period.

The Group has established "Environmental Facilities Operation and Management System" and implemented corresponding procedures in order to monitor the emissions generated by the Group.

Air Pollutant and GHG Emission

Air pollutant emission is monitored and mitigated by the installation of emission control devices. Cleaner fuel is used in the production center in order to reduce the air pollutants emission. Moreover, the risks associated with climate change are real and warrant action. Increasing carbon emissions in the atmosphere are having a warming effect. We are committed to taking positive action to tackle climate change and are dedicated to reducing the risk in the most efficient way for society. The Group is taking action by implementing energy saving initiatives as mentioned in the section headed "Use of Resources".

Regarding Scope 3 other indirect emissions, carbon emissions may be emitted by our suppliers and service providers in our value chain that may not be environmental-friendly. To mitigate our indirect impact through third-party suppliers and service providers, we plan to strengthen our ESG practices and actively research the carbon footprint of our third-party suppliers and service providers and enlist environmental protection capability as one of our assessment elements when evaluating such suppliers and service providers to ensure that our suppliers and service providers are fully competent in carrying out sustainable operations and exerts continuous effort to minimise environmental impact. When screening those suppliers and service providers in the future, low carbon (i.e. evidenced with environmental compliance history and certification in environmental protection) will be our top priority criteria with evaluation metrics emphasizing environmental impact, energy and resource utilization, use of renewable energy and other innovative means for producing a smaller carbon footprint. Besides, we have a long practice of encouraging our employees to make their travelling and commuting as energy efficient as possible. For instance, our practice requires our employees to select economy class as a preference for business travel. We are aware of the significance of reducing our Scope 3 other indirect emissions, by implementing practical measures in our daily operation during the reporting period as mentioned above. During the reporting period, we identified our Scope 3 GHG emissions amongst the 15 Scope 3 categories. Amongst the 15 categories, we have identified 10 categories relevant to our business. The other categories are not included (i.e. Categories 10, 11, 13, 14 and 15) as they are irrelevant to our business or data are unavailable and unreliable for quantification. We are in the process of collecting data with regards to the material categories (i.e. Categories 1, 2, 3 and 5) to compile our Scope 3 GHG emissions inventory and will aim to share in 2025 ESG report.

ENVIRONMENTAL ASPECTS

Wastewater

Industrial wastewater produced by the production base of the Group is collectively delivered to and treated by our onsite sewage treatment facility before discharging. The sewage treatment is in compliance with relevant local regulations and national requirements, and has no significant impact on the surrounding environment. During the reporting period, the amount of wastewater generated is not material.

Hazardous and Non-Hazardous Wastes

Hazardous wastes include wastes acidic solution, batteries, fluorescent tubes and electrolytes. Non-hazardous wastes include gypsum, waste ceramic blocks, and empty paint cans generated/consumed at various stages of the manufacturing process. The Group has a strict classification system for different types of wastes. Each type of waste has specific storage location and collection procedures. There is a precaution implemented for the leakage of waste to prevent pollution. Wastes are separately stored and handled with the ledger for record. The Group engages qualified recycling companies to perform waste disposal and treatment so as to minimize the impact on nature. Committed to continuous improvement, the Group also implements strategies to reduce, reuse and recycle waste, aiming to lower its environmental footprint and improve resource efficiency. For example, during the reporting period, waste recycling rate in North America region can reach to 36% and we will continue to promote waste recycling in other operating regions.

USE OF RESOURCES

As stipulated in "Energy Resource Control Procedure", the Group strives to improve the efficiency of energy, water and other material consumption. In our daily operation, fuel, electricity, water and packaging materials are the major resource consumption.

In view of the scarcity of resources, the Group has implemented measures on the efficient use of resources. We consistently seek ways to improve energy efficiency and reduce electricity consumption in our facilities.

Regarding usage of water, our Group use comparatively little water in its operations, primarily for cleaning and sanitary purposes. 'Water and marine resources' has been identified as a non-focus topic in our materiality assessment. Nevertheless, the company recognizes the precious and scarce nature of water, especially in some areas of the world. Water constraints can pose a growing challenge for the Group's business operations. To address this, potential water-related risks at production sites are proactively monitored and evaluated. The Group did not encounter any problems in sourcing water that is fit for purpose. Water rate charges do not form a separate item in the rent in certain offices, yet the Group encourages staff to reduce water wastage, for example, by not running water taps in the pantry and toilet.

Packaging plays an essential role in protecting, delivering and presenting our products and brands to our consumers around the world. It adds value by creating consumer convenience, providing product information, safeguarding public health and protecting the products throughout the supply chain. Modern Dental Pacific have signed up to Australian Packaging Covenant Organisation (APCO) and aligned with sustainable packaging principles. They have introduced mixed recycling collection within the business, ensured minimal general waste going to landfill by maximising re-cycling and/or re-purposing of plastic, glass and paper waste. They have installed a soft-plastics baling machine, with baled plastics to be sent to the recycling facility for repurposing into new plastic items (furniture, speed humps, etc). Modern Dental Pacific have conducted a review on all existing packaging with a focus to increase recycled content of packaging, reduce use of plastics, minimise layers of packaging which leads to setting packaging target that align to APCO targets.

ENVIRONMENTAL ASPECTS

Our key environmental protection measures are listed below:

Type of natural resources	Measures
Energy and waste	• Enhancing electricity efficiency through infrastructure upgrades and production process optimization • Improving heating and cooling efficiency and incorporating renewable sources • Addressing the environmental impact of the company's vehicle fleet through pilot programs for switching to electric vehicles • Prioritizing data quality improvement for accurate emissions assessment • Tracking supplier emissions via tailored supplier sustainability and compliance management platform, aiming for significant supplier engagement • Implementing sustainable procurement initiatives for capital goods and purchased goods and services • Reducing third-party logistics and transport emissions: collaborating with providers to implement efficiency measures, transition to biofuels, and integrating electric vehicles • Replacing custom-made furniture & fittings with movable ones so that the latter can be easily recycled/reused at other locations • Switching off all electrical appliances after operating hours • Regular maintenance of service equipment to ensure maximum efficiency • Switching off lights and air-conditioners if rooms/areas are not in use • Use of energy-efficient LED lamps • Controlled usage of centralised air conditioners and heater • Posters encouraging employees to save electricity by turning off the lights in uninhabited areas during the day • Engage in digitalisation efforts to go paper-less • Recycle waste batteries to avoid the harmful effects of environmental pollution
Water	• Installation of thimbles in taps • Installation of half-flush and full-flush options in toilets • Report of all leaks • Provision of fresh drinking water as an alternative to bottled water • Cultivate "drink only what you can finish" culture • Implementation of water conservation guidelines • Reminders for employees to "save water"

THE ENVIRONMENT AND NATURAL RESOURCES

Environmental friendly production not only mitigates the impact to the environment but also increases the efficiency and conserve resources. Our production center in Shenzhen and Dongguan promotes sustainable development by enhancement of production design, use of cleaner energy and raw materials, utilisation of resources and reduction of emission during the production process. When we design the production process, we use non-toxic, non-hazardous raw materials when possible, utilise and reuse wastes and sewage generated and consider the impacts of the life cycle of the product to the environment and human health. During the process of procurement, production or sales, the consumption of raw material is strictly monitored and the emission from the production is also strictly controlled.

ENVIRONMENTAL ASPECTS

CLIMATE CHANGE

Governance

The Board oversees the management of climate-related risks and opportunities, and we have taken proactive steps and established a robust sustainability governance structure to better manage such risks and opportunities. With the delegation from the Board, the ESG working group meets on a regular basis to identify, analyse, manage and monitor substantial climate-related risks and opportunities of the Group. For details, please refer to the Sustainability Governance section in this Report.

The Group has established the Environmental Policy to guide our management approach and strategy on climate change mitigation, adaptation and resilience.

Strategy

We have conducted a comprehensive scenario analysis to gain a deeper understanding of the potential development of climate-related risks and opportunities in 2024. Following the recommendations of the TCFD, we have established time horizons that align with our capital planning, investment timelines, and the useful lifetime of major assets.

To ensure strategic alignment, we have defined short-term (2030), medium-term (2040), and long-term (2050) horizons based on our business strategic processes, asset lifetimes, and internal policy milestones. Our Group has developed an internal transition plan that aligns with the goal of a 1.5° C world, with the aim of achieving net-zero emissions by 2050. This decarbonization plan focuses on reducing greenhouse gas emissions and improving water and waste efficiency, closely considering the impact of climate-related risks and opportunities on our company's strategy.

Specific targets have been outlined in the metrics and targets section. The climate-related risks and opportunities identified through the high-level climate analysis have been evaluated against various scenarios and timeframes to assess potential impacts. While we have highlighted these impacts, further work is planned to comprehensively understand and evaluate the influence of climate-related risks on our financial planning.

We are committed to screening potential controls and implementing risk treatment actions to mitigate anticipated risks. This practice will be integrated into our future business and budget planning processes, ensuring that we address climate-related risks effectively.

Risk management

Climate-related risks are classified into two categories: physical risks and transition risks. Physical risks result from climate events affecting assets directly, like floods impacting infrastructure. Transition risks arise from shifts to a low-carbon economy, such as regulatory changes (e.g. carbon pricing) or market shifts (e.g. decreased demand for fossil fuels).

ENVIRONMENTAL ASPECTS

The processes used to identify, evaluate and manage significant risks (including significant climate-related issues) by the Group are summarised as follows:

Process	Steps
Risk Identification	Identifies risks that may potentially affect the Group's business and operations.
Risk Assessment	Assesses the risks identified by using the assessment criteria developed by the management; and considers the impact and consequence on the business and the likelihood of their occurrence.
Risk Response	Prioritises the risks by comparing the results of the risk assessment; and determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.
Risk Monitoring and Reporting	Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place; revises the risk management strategies and internal control processes in case of any significant change of situation; and reports the results of risk monitoring to the management and the Board regularly.

As a result of above risk management process, the table below provides an overview of climate-related risks with the greatest potential impact on our Group's business.

Transition risks Risk	Description
Increasing energy costs (access to green electricity)	Due to the potential for increasing energy demand, energy costs may increase as suppliers pass on some or all the costs associated with carbon taxation and trading to the consumer. This would impact manufacturing and other locations, such as offices and training facilities. Furthermore, in a net-zero scenario, grid electricity prices are expected to increase. Electrification is a key enabler of the transition to net zero. This will require significant investment in electrification, requiring investment in electricity generation, transmission, and distribution networks, passed on to energy consumers. Over 50% of the total energy consumed in past years was electricity. This amplifies the risk, as most of the group's energy used is electricity. Our group has begun work to mitigate risk here, as some sites have already implemented renewable energy technologies.
Pass-through decarbonization costs from suppliers	Increased operational costs of third-party suppliers driven by the low-carbon transition may increase overall logistics costs for our group, i.e. the costs associated with decarbonizing operations through investment into greener vehicles, such as electrifying the fleet, and rising fuel costs. We may need to pass these costs on to our own customers, some of which may not be able to afford the products and may opt for cheaper competitor products - this could result in a reduction in revenue. The financial risks may be realized through margin erosion if costs are not passed on and/or reduction in revenue if some customer groups cannot afford to purchase products.

ENVIRONMENTAL ASPECTS

Physical risks	
Risk	**Description**
Extreme heat impact on operations	High maximum temperatures, temperature fluctuations and warm periods may impact the amount of energy required to cool temperature-controlled areas and equipment and reduce the efficiency of equipment. Sustained high temperatures could also result in health and safety risks for personnel working in ambient temperatures without air conditioning, or outdoors. Financial impacts may include:
	• Increased operational expenditure related to more energy being required to cool production and office locations and maintain stable temperatures for research activities or clinical treatments
	• Revenue loss if temperature thresholds of equipment are exceeded, reducing the efficiency of equipment, and subsequently resulting in reduced production capacity
	• Revenue loss if the operating efficiency of the workforce is reduced as increased breaks are required during warm spells
Flooding (river and extreme rainfall impact on supply chain and operations)	Extreme rainfall can lead to several types of acute events, including extreme rainfall (flash) flooding and river flooding due to overtopping. These events could impact supply chains by blocking transport routes, or access points to sites, with floodwater or debris. This may prevent the supply of raw materials to a site, or the delivery of products to customers. The extent of disruption will depend on the ability to use alternative routes, however, given our group's global footprint of its supply chain, this could reduce the likelihood of disruptions as alternative routes could be sourced. The group continually assesses supply and manufacturing risks and implements appropriate mitigations such as multiple global inventory points with adequate stock levels and site-level systems to reduce the risk of loss due to natural or accidental events. Financial impacts may include:
	• Revenue loss due to delays in the supply of raw materials and/or difficulties accessing sites
	• Increased operational expenditure if deliveries need to be rerouted
	• If a flood or landslide only results in short-term delays to product delivery, impacts are likely to be limited due to contractual agreements with customers, but long-term delays could cause reputational issues and related revenue loss

ENVIRONMENTAL ASPECTS

Physical risks	
Risk	**Description**
Water stress and drought impact on operations	We uses comparatively little water in its operations, primarily for cleaning, packaging, and sanitary purposes. The company conducts situational analysis of major production sites to identify specific risks related to water stress. However, we recognize that due to the scarce nature of water, it could pose a challenge to its business operations at major production sites. Water stress and drought could impact the production process e.g. water use during the ultrasonic cleaning process. Financial impacts may include: • Increased operational expenditure due to higher water costs; additional supplies may also need to be purchased from other (less local) suppliers, which could increase costs further • Decreased revenue if production processes require shutting down, or reduced in efficiency, if cleaning processes cannot be undertaken due to a limited water supply
Wildfire impact on supply chain	Wildfires may impact supply chains by blocking transport routes, or access points to sites, with fire, downed trees, or other debris. Wildfires at supplier locations can lead to a shortage of raw materials to sites, or the delayed delivery of products to customers. The extent of disruption will depend on the ability to use alternative routes, however given our group's global footprint of its supply chain, this could reduce the likelihood of disruptions as alternative routes could be sourced. The Group continually assesses supply and manufacturing risks and implements appropriate mitigations such as multiple global inventory points with adequate stock levels and site-level systems to reduce the risk of loss due to natural or accidental events. Financial impacts may include: • Revenue loss due to delays in the supply of raw materials • Increased operational expenditure if deliveries need to be rerouted or sourced from suppliers located further away from the required location • If a wildfire only results in short-term delays to product delivery, impacts are likely to be more limited; however, long-term delays could cause reputational issues and related revenue loss
Wildfire impact on operations	Wildfires may cause direct damage to infrastructure, equipment, and stored products may be subject to higher strain to filter smoke and ash from air, creating unsafe working conditions for site personnel. Projected increases in temperatures increase the likelihood of wildfires. Financial impacts may include: • Increased capital expenditure related to covering repairs to damaged equipment and infrastructure • Revenue loss due to production downtime to conduct repairs, poor air quality halting outdoor activities (e.g. loading stock and raw materials on and off transport), or if materials in warehouses are damaged

ENVIRONMENTAL ASPECTS

Mitigation measures of each type of risk that already adopted by the Group are listed below:

Risk	Mitigation measures
Transition risks	• Set emission targets and reduction plan for the Group • Implement energy management system • Formulate write-off plan for low energy efficiency equipment • Investigate potential of installing renewable energy capture facilities (i.e. solar panel) • Provide training to staff to meet new regulations • Utilise local or nearby suppliers on a preferential basis • Explore the potential of adopting renewable energy • Pursue more certification for green production and operation • Employ energy reduction initiatives • Prioritise sustainability in renovations and new developments • Monitor customer's satisfaction and brand reputation closely • Communicate with stakeholders on the sustainability initiatives implemented • Closely monitor the market trend and government's policy direction
Physical risks	• Explore business interruption insurance to cover all potential and actual loss • Carry out electricity conservation measures • Optimise energy efficiency for daily operation • Examine measures to minimise heat stress risk when refurbishment is planned (i.e. green space and passive solar design) • Strengthen employees' awareness on heat stress-related illnesses with policies, guidance and drills • Allocate resources for heat stroke prevention • Implement home office arrangement policy and procedure subject to local government's guidelines • Prepare a dialogue guide for staff to facilitate the internal communication • Modify workers' rest schedule • Increase accessibility to cooling facilities for workers • Assess, research and implement resiliency measures (i.e. typhoon-resistant windows) • Schedule annual emergency preparedness meeting to develop and improve crisis management and transition plans for extreme weather events • Ensure operation have a diverse supplier base • Develop a strong supplier relationship with suppliers to ensure timely delivery of products • Evaluate engineering design and operational standards of our production plants • Evaluate emergency management procedures

The Group has made significant efforts to incorporate climate change into our strategic plans. The climate risks identified are integrated in our Enterprise Risk Management framework, which facilitates the assessment and response to them and enables us to better manage and monitor them across our businesses.

In addition, some of our subsidiaries have obtained and implemented the ISO 14001-certified Environmental Management System, which ensures they are capable of handling climate-related risks in our daily operations in a systematic manner.

ENVIRONMENTAL ASPECTS

Climate Change Opportunities

Apart from risks, climate change also creates new opportunities for our businesses. The Group is dedicated to facilitating the transition to a low-carbon economy by actively exploring ways to reduce carbon footprint in our business operations. We aim to achieve this through improving energy efficiency, implementing renewable energy, switching to sustainable resource management, and adopting green technology. We also anticipate our efforts will lead to direct cost savings and decrease in energy costs.

Together with the strong growth of sustainable finance in global capital markets, the Group seizes the opportunity to support our long-term commitment and decarbonisation plan, as well as consistently enhances ESG performance and promotes carbon neutrality.

We look forward to understanding more about long-term regulatory regimes, carbon pricing and and carbon trading. In the context of low-carbon economy transition, we endeavour to better manage climate risks and grasp the associated business opportunities in the future.

Metrics

To monitor performance across critical areas, we track several environmental metrics to evaluate its impact. These metrics encompass operational aspects related to:

- Energy (measured in MWh)

- GHG emissions across Scope 1 and Scope 2 (measured in tonne of equivalent CO_2)

- Water and wastewater (measured in m^3)

- Non-hazardous and hazardous wastes (measured in tonne)

The actual data can be found in Appendix I Overview of Key Performance Indicators in this Report. We uses energy for production, offices and passenger vehicles. The company's data collection process encompasses production sites and relevant logistics hubs. The Group discloses direct GHG emissions resulting from the combustion of heating and vehicle fuels (Scope 1) and indirect emissions linked to purchased electricity (Scope 2). These categories are key contributors to climate change within the company's operational scope, primarily stemming from its production facilities, vehicle fleet, and the utilization of office buildings.

ENVIRONMENTAL ASPECTS

Targets

The Group continues to strive to fulfil full compliance with all relevant laws and regulations in the future. The Group is aware of the importance of a long-term strategy to make lasting changes to our sustainability performance and eco-efficiency rather than only complying with the minimal international and local standards relating to ESG disclosure. Therefore, we have set up the 2030 targets to gradually improve certain environmental aspects and regularly monitor our operations' environmental performance to facilitate our transition to a more sustainable future. Additionally, management of each local office is responsible for monitoring and evaluating the initiatives undertaken and their effectiveness. The table below shows an overview of the Group's environmental targets and progress:

	Baseline Year	Overall target	Progress in 2024
Energy consumption intensity	2023	-5%	On track
GHG emission (Scope 1 & 2) intensity	2023	-5%	On track
Water consumption intensity	2023	-5%	On track
Waste generation intensity	2023	-5%	On track

Increase in emission of air pollutants, GHG emissions, energy consumption and water consumption was generally inline with our increase in sales volume driven by business growth during the reporting period. Decrease in total waste generated was mainly due to our effort spent as advocate of local waste control/recycling policy in our reporting regions.

SOCIAL ASPECTS

TALENT ATTRACTION AND RETENTION

Employment and Labour Standards

The Group has established and implemented a set of human resources management policies and procedures in place with the aim to provide good and safe working environment to its staff. Each division has their "Employee Handbook" sets out the standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination. The Group complies with laws and regulation relating to employment, including but not limited to Labour Contract Law of the PRC and the Law on Social Insurances. The Group is not aware of any material non-compliance with related laws and regulations during the reporting period.

Equal Opportunity

The Group is an equal opportunity employer. We value the diversity of our workforce and respect the differences between employees, recognising that each employee has individual skills and attributes to bring to their job. Members of disadvantaged groups have equal access to opportunities for employment and education. During the reporting period, 53% of the middle and senior management and 17% of staff in the IT department were female.

Anti-discrimination, Harassment and Bullying

The Group also ensures that employees have the right to work in an environment that is free of discrimination, harassment and bullying. Discrimination, harassment and bullying will not be tolerated under any circumstances and disciplinary action will be taken against any employee who discriminates, harasses or bullies against employee or client, or who victimizes or retaliates against a person who has complained of discrimination, harassment or bullying.

If it does occur, employees have a right to complain and not be disadvantaged in the employment conditions or opportunities as a result of lodging a complaint or bearing witness to a complaint. All complaints will be treated seriously, impartially, sympathetically and confidentially. In all cases, it is essential that all persons concerned maintain complete confidentiality in order to protect the parties involved.

Any violation of applicable laws and regulations shall be reported to management for extensive investigation according to the Group's internal guidelines and codes. Relevant departments will be notified to carry out remedial actions in case any non-compliance is identified during investigation.

Child Labor

Child labour is strictly forbidden in the Group as stipulated in the "Regulation on Prohibition of Child Labour". Candidate under the age of 16 is not allowed to work in the Group. If child labour is found, the Group will stop the child from working immediately, confirm he/she is safe in the workplace and send he/she back to his/her home. All the travel expense will be borne by the Group. The human resources department strictly complies with relevant labour laws and regulations to implement recruitment. In the recruitment processes, the human resources department takes effective procedures to verify applicants' age and inspects their identification documents and valid proof of identity before hiring any of them. Employment contracts and other records documenting all relevant details of the employees (including age) are properly maintained for verification by relevant statutory body upon request.

SOCIAL ASPECTS

Emolument Policy

Annual performance appraisals play a vital role in fostering employee development within our organisation. Recognising their significance, we have implemented a comprehensive and transparent appraisal system. This system encourages employees to engage in introspection, critically assess their performance, and identify areas for personal and professional growth. It is noteworthy that our appraisal framework also encompasses key performance indicators (KPIs) related to sustainability, which are evaluated during the year-end review process. Additionally, for specific senior management, KPIs are tied to the successful renewal of ISO certificates of our production sites.

To ensure the efficacy of our appraisal system, we regularly conduct thorough evaluations and make necessary enhancements in line with industry best practices. By continuously aligning our practices with leading standards, we strive to foster a culture of growth and excellence within our workforce. During the reporting period, the Group is not aware of any material reported case of gender pay gap.

The Group also has share option scheme namely the Share Option Scheme and the Pre-IPO RSU Scheme. Eligible participants of the Pre-IPO RSU Scheme include the Company's directors, other employees of the Group and any other person selected by the Board or the Award Committee from time to time. Details of the captioned schemes, please refer to the Annual Report of the Company. During the reporting period, there is no option award and stock award given to any Directors, employees or other person selected by the Board. Further, instead of salaries and bonuses, there is no other non-equity incentives given to Directors.

Employee Welfare

The wellness of employee affects their performance. In order to promote work-life balance, the Group has also organised various of activities for employees. For example, annual dinner, leisure trips, sports and singing competitions.

Our benefits provided to full-time employees that are not provided to temporary or part-time employees are as below:

Area	Benefits
Health	• Reimbursed visits to general medical and dental practitioners • Group Hospital and Surgical insurance • Dental benefits are provided to the immediate family members of our staff
Leave entitlements	• Eligible staff are entitled to maternity leave, paternity leave, shared parental leave, childcare leave and extended childcare leave • Other leave benefits such as birthday leave, marriage leave and compassionate leave
Others	• Discretionary performance bonus • Long service awards • Local social security benefits

Parental Leave

	2024 Male	2024 Female	2024 Total
Number of employee entitled to parental leave	431	546	977
Number of employee who took parental leave	103	181	284
Number of employee who returned to work in the reporting period after parental leave ended	87	116	203
Number of employee who returned to work after parental leave ended and were still employed after 12 months after their return to work	65	76	141
Return to work rate (%)	84	64	71
Retention rate (%)	79	68	73

	2023 Male	2023 Female	2023 Total
Number of employee entitled to parental leave	410	525	935
Number of employee who took parental leave	85	172	257
Number of employee who returned to work in the reporting period after parental leave ended	82	112	194
Number of employee who returned to work after parental leave ended and were still employed after 12 months after their return to work	55	84	139
Return to work rate (%)	96	65	75
Retention rate (%)	75	75	75

HEALTH AND SAFETY

Employee health and safety is a top priority for the Group, striving for zero work-related accidents. The Group recognises that it is our responsibility to provide a safe and healthy workplace for all staff, contractors and visitors. To ensure the wellbeing of others, we are committed to:

- Identifying, evaluating and controlling factors within the workplace, which may cause or potentially cause injury or health issues;

- Providing safe equipment and systems of work;

- Providing written procedures and instructions to ensure safe systems of work;

- Ensuring compliance with legislative requirements and industry standards; and

- Providing information, instruction, training and supervision where appropriate to staff, contractors and visitors to ensure their safety.

SOCIAL ASPECTS

The Group employs an incident and injury reporting mechanism that provides a framework for our staff to evaluate the severity of injuries and report them appropriately, enabling injured staff to receive timely medical care. These reports assist us in identifying and addressing potential hazards before they result in costly or tragic incidents. If a workplace injury occurs, the staff member involved must notify their immediate supervisor as soon as possible. Any faulty equipment or instruments that endanger workplace safety will be rectified, removed, or replaced.

The Group has adopted certain administrative guidelines on occupational health and safety in the workplace. Operational manuals and safety guidelines on production procedures are also implemented regarding the safe operation of production equipment and machinery, devices, chemicals and wax and casting lines during the production process. We have also adopted emergency response procedures depending on the severity of the incident. We require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. We appoint qualified consulting firms to conduct an on-site safety assessment and hazard identification. The Group complies with related laws and regulations, such as Law of the People's Republic of China on the Prevention and Control of Occupational Diseases.

During each of the past three years including the reporting period, no work-related fatalities and material lost days due to work injury was recorded.

During the reporting period, the Group is not aware of any material non-compliance with applicable laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

DEVELOPMENT AND TRAINING

The Group is committed to providing all employees with training and development opportunities and endeavors to ensure that employees keep learning and developing within our business. In the dynamic industry in which we work, it is essential to maintain and develop skills to ensure that we provide our customers with superior service and to ensure that employees develop to their full potential. Learning and professional development are important parts of the employment. The Group provides different kinds of trainings to employees, such as new employee training, outward bound training, management training and technical skill training.

Career development is encouraged through continuing professional development, formal training and opportunities for on-the-job experience. Employees are encouraged to, wherever possible, gain well-rounded experience and development within the organisation. Existing employees are encouraged to join the regular training programmes provided by our Group. Apart from internal training, we also encourage our staff to participate in external trainings under our budgeted sponsorship including but not limited to STEM education programs so as to cope with their career's needs.

SOCIAL ASPECTS

We have aligned with a training centre in the PRC in which a systematic framework is built and comprehensive training has been provided to all the staff, training topics are being extracted and summarised as follow:-

Category	Training content
Basic training (For all staff)	• Staff orientation to instill company's core values and culture • Communication skills • Problem-solving and decision-making • Cybersecurity and data protection • Personal development and career growth • Diversity and inclusion • Anti - corruption
Manufacturing techniques related (For all production staff)	• Manufacturing processes and procedures • Quality control and assurance • Inventory management • Health and safety in the workplace • Standard operating procedures • Teamwork and collaboration • Cross-training opportunities
Management skill related (For all middle and senior management)	• Leadership development • Change management • Team management and collaboration • Goal setting • Project management • Ethical leadership

SOCIAL ASPECTS

OPERATING PRACTICES

Supply Chain Management

Our principal raw materials include alloys, ceramics and dental resins. We procure our raw materials from multiple suppliers in the Greater China, Europe and the United States. The majority of our raw materials are produced by well-recognised dental material manufacturers in Europe and the United States.

We procure raw materials from well-recognised dental material suppliers. For example, we procure dental alloys and ceramics from leading dental material suppliers selling a comprehensive range of dental products worldwide. Although we have long-term business relationship with many of our suppliers, we do not have long-term procurement contracts with them. For most of our raw materials, such as ceramic, we receive their unit price annually and procure the corresponding materials under the provided unit price. For alloy, the price for each order is negotiated based on market conditions. As most of our materials are replaceable with comparable products from alternative suppliers, we believe we can promptly secure enough material supply if our suppliers fail to fulfill our orders.

The Group recognised that the conduct and behavior of our suppliers, vendors and contractors can affect – both positively and negatively – the quality of our products, the lives of people in local communities, as well as our reputation and ability to operate effectively. We expect and demand that our supply chain partners uphold the Group's principles of ethical business conduct, respect for human rights and support sustainable development. We strive to do business only with those suppliers who share these principles.

To strengthen the management of the social and environmental risks of suppliers, the procurement department is responsible for monitoring and evaluating the social responsibility performance of suppliers. We required our suppliers (i) to confirm that it has complied with all local laws and regulations, (ii) to be accredited with certification and qualification related to environmental protection, (iii) to establish and maintain stringent quality assurance systems throughout their production processes and be able to provide timely support in the event that incoming raw materials do not meet our quality standards and (iv) to observe U.S. Food and Drug Administration ("**FDA**"), CE, Chinese State Food and Drug Administration ("**SFDA**") or other relevant certification requirements depending on the intended market destination. The procurement department holds periodic reviews/evaluation of quality and certificates with our suppliers, with a view to improving the entire quality assurance procedures. The Group maintains a long-term relationship with suppliers based on the result of supplier assessment. For more details about our quality control on procurement and production processes, please refer to section headed "Quality Control".

Product Responsibility

Achieving and maintaining a high-quality standard for products are utmost important for the sustainable growth of the Group. The production process of the products is controlled and monitored regularly in order to ensure we deliver high-quality products to our customers. The Group has been in strict compliance with local laws and regulations, such as Law of the PRC on Product Quality, Regulations on the Supervision and Administration of Medical Devices and the Administrative Measures for the Registration of Medical Devices in the PRC, and the requirements under European Union's Medical Device Directive. During the reporting period, the Group is not aware of any material non-compliance with applicable laws and regulations in relation to the product responsibility.

Quality Control

Quality control is crucial for us to maintain our competitiveness in the market. The Group has established "Product Quality Control Procedure". The Group has a dedicated quality assurance team at each production facility and digital production center to examine the finished products before shipment. Our quality assurance team have experience in the industry in which we operate.

Quality assurance procedures are carried out at various stages of the production process, including incoming, in-process and outgoing stages. We establish quality assurance standards for individual customers and evaluate such standards on a continuous basis with customers. To closely monitor the production processes, each of the product groups has a quality control team consisting of experienced technicians and supervisors.

The incoming quality control team and sourcing team work together to inspect incoming raw materials used in our prosthesis production processes. We require our raw materials suppliers to establish and maintain stringent quality assurance systems throughout their production processes and be able to provide timely support in the event that incoming raw materials do not meet our quality standards. Our raw materials suppliers observe FDA, CE, Chinese SFDA or other relevant certification requirements depending on the intended market destination.

In our centralised production facilities in Shenzhen and Dongguan, our in-process quality control team is responsible for quality assurance inspection at various stages of the prosthesis production process. We perform quality checks at the end of every stage of production process to ensure that the semi-finished prosthesis meets all the relevant quality standards before we begin the next stage of the process. We also implement comprehensive in-process quality control checklists throughout the entire production process and record traceable information to identify and address issues.

Finished prosthesis products undergo further quality assurance examination before they are shipped to our customers. Products that do not meet our quality standards are returned to production facilities or digital production center for repairs or recycled based on the level of defects. In addition, our quality assurance team located in our service centers samples the incoming products to ensure that our quality meets or exceeds customer expectations.

In light of the above, our rigorous quality management system that enables us to monitor each stage of the production process and to ensure the quality of our prosthetic devices in which quality is critical to the success of our business. Our quality management system for various production facilities worldwide is certified under ISO certificate as follows:

Australia	•	ISO 13485:2016
PRC	•	ISO 13485:2016
Europe	•	ISO 9001:2015
	•	ISO 13485:2016
	•	ISO 14001:2015

SOCIAL ASPECTS

Customer Service Management

We hold periodic quality reviews with our customers, with a view to improve the entire quality assurance procedures. All cases are tracked digitally, with a unique case number that identifies the technicians involved in fabrication, time of day completed, and the lot numbers of the materials used. This data helps us to determine the cause of any non-conformance of our product if we receive complaints from our customers.

During the reporting period, there was no products sold/service provided subject to recall for safety and health reasons and no material complaints about our products and service received.

Customer Satisfaction

In past years, the Company won the "Metro Awards for Service Excellence 2016 – Award for Excellent Dental Service" from Metro Daily and Prosperity in recognition of its premium services, successful trade practices and strategies. In order to enhance our service quality and serve clients' needs effectively, the Company will launch its own app on mobile phones so as to reach clients directly through an app on mobile phones. Through the app, our customer service team will answer clients' enquiries and collect their opinions, and the clients will also be able to monitor progress in their cases. For example, dentists can send the electronic lab sheet to us through the app. In the meantime, we can send them back the 3D images of how the dental prosthesis will look like when the design is done so that the dentists and his clients can preview the rendering and decide to go ahead or make any adjustments. This app will enable us to raise the efficiency of our services and enhance product quality.

Additionally, we also strive to develop a comprehensive dental education platform, demonstrating our commitment to advancing dental knowledge and empowering dental professionals worldwide. We have organised over 350 educational events worldwide in 2024, featuring a diverse range of forums, workshops, study clubs, seminars and hands-on training sessions, with more than 15,000 doctors and dental practitioners participating in the events. It has brought together dental experts, thought leaders and practitioners around the globe, creating an unparalleled platform for knowledge exchange, professional growth and networking opportunities. All these events resulting in improved customer experiences through enhanced knowledge, precision, and efficiency.

In collaboration with universities, the Company invites dental students to have a site visit to our different manufacturing sites to learn more about dentistry through hands-on and theoretical training on our dental prosthetic products, as well as patient treatment.

In the future, the Company will continue to focus on strengthening sales and educational channels around the world. We will also allocate more resources to the digitisation of medicine, namely intraoral scanning and 3D dental printing technology in order to bring more new experience to its clients.

Product Warranties

The Group provides standard product warranties that are consistent with the industry practices in the relevant geographic markets. The warranty period ranges from one year to five years from the date of delivery depending on the product and the market. The prosthetic device is guaranteed to fit the provided model and to be constructed to the design requested on the prescription form. The prosthetic device will be repaired or remade at no charge if the workmanship or material is faulty. In order to offer timely repair, our local collection points or support centers will handle minor discrepancies where possible.

As a result of the efforts as mentioned above, in 2024, there were no FDA mandated recalls, Medwatch Safety Alerts, FDA enforcement actions or fatality reports to authorities for our products. There were no patient safety and health incident associated with these. Long-term monitoring of the performance of products and services is conducted at our group in accordance with applicable regulatory requirements (EU MDR, 21 CFR.). These processes are frequently reviewed by regulatory agencies to confirm that internationally recognised standards are met.

Customer Information Protection and Privacy

The Group will only collect personal information ethically and in compliance with all applicable data protection and privacy laws. The company implemented privacy procedures and measures across the Group to achieve this. These include access and information rights procedures, data breach measures, consent management, data collection, processing, and usage guidelines. The Group also raises awareness by providing guidance and training to its employees on privacy matters.

Besides, we also seek to collect information in a fair manner, and in a way which is not unreasonably intrusive. If employees collect personal information on behalf of the Group, they must inform the person involved of the purpose for which information is collected and that subject to some limitations they will be able to gain access to the information collected on request. We will take reasonable steps to protect personal information; to ensure that data is appropriately accurate, complete and current; and stored no longer than necessary.

Employees must ensure that the confidentiality of personal information contained in company records is strictly maintained. Personal information relating to individuals, including individual employees, should not be provided to other employees unless it is required to perform their jobs.

Information relating to employment records, salaries, addresses cannot be released to external organisations unless required by law, or upon informed consent from the relevant employees.

Any reported breaches of our privacy obligations will be treated seriously and investigated confidentially and objectively, without bias. In the event of an unsatisfactory result from an internal grievance procedure, complaints in respect to privacy can be made to related authorities.

With the increasing concerns over data privacy and security, the European Union developed the General Data Protection Regulation ("**GDPR**"), which came into force in May 2018. The business units in Europe have revised the related policies and procedures and appointed Data Privacy Officers, which are registered with the local government authority, to monitor the compliance with the GDPR in the respective countries. To raise the awareness of our customers and staff, we organised training for staff and issued newsletters. During the reporting period, the Group did not aware of any non-compliance regarding the GDPR.

Intellectual Property

As our trade names, brands and trademarks are becoming more recognised globally, we expect to devote additional resources to enhance the protection of our trademarks and register our trademarks in the PRC and overseas markets where we sell our prosthesis products.

The Group's legal department is the department responsible for the work related to intellectual property rights, responsible for the acquisition, modification, renewal, licensing, pledge, transfer, logout, and monitoring of intellectual property of all units including trademarks, functional variable names, copyrights, patents, responsible for guiding, supervising, and managing the intellectual property rights maintenance and rights protection and anti-counterfeiting of all units. The Group requires our staff to endeavor to guarantee and develop intellectual property rights of the Group while totally respect legal intellectual property rights of third parties. In addition, the Group would also sign confidentiality agreement and competition prohibition agreement with its staff and suppliers to prevent the infringement of intellectual property rights. Employees who are suspected of violating relevant rules of intellectual property rights of the Group shall be under investigation and the Group would take appropriate actions to this.

SOCIAL ASPECTS

Data Protection and Security

Maintaining confidentiality of information of our product design and records of customers with our Group is one of our top priorities. Our Board are endeavour to put focus on data security in which designated IT executives of each region are responsible for data protection and security.

Data security is a critical business risk in the dental industry. Patient records, containing sensitive medical and personal information, are highly vulnerable to cyberattacks and internal breaches. A data breach can result in severe financial penalties, legal repercussions and significant damage to patient trust. We have implemented data protection policies designed to ensure that our employee handle confidential information properly. To safeguard the security of our confidential information and data integrity of our system, we adopt a variety of rigorous data security practices and technologies to protect the data. We have appropriate technical and organisational measures in place to overcome exposure to potential data security risks. Among the efforts we have made, we take the following measures to ensure our data security practice is solid and beyond what is necessary.

- Data encryption. We encrypt our data to protect data generated from our business operations being intercepted and/or tampered with.

- Data system upgrade. We update our operational systems timely and regularly to guard against cyber-attacks, hackers and other security attacks.

- Restricted data access. Based on the overall IT infrastructure and the restriction on access to data, our employees can only access data to the extent necessary with proper authorization.

- Data back-up. To safeguard the security of our customer information and data integrity of our system, data are protected by regular back-ups.

Pricing Transparency

Our company establishes and modifies list prices, taking into consideration various factors such as costs, inflation, market dynamics, geographical location and the economic environment of our target customers. These prices undergo an annual review process, after which they are communicated to dentists or distributors. Customers can access pricing information through their assigned account managers. Additionally, prices are clearly displayed on customers' invoices and billing statements.

As in past years, price increases were at or below inflationary indices. Our dental prosthetic device products are tailor made, CPI index published by the relevant government bodies (as such the US Bureau of Labor Statistics) in each country will also be one of our key factors for our pricing decision in each market. And if the circumstances permitting, we will adjust the price according to local CPI.

Ethical Marketing

Our marketing material guidelines ensure lawful promotion of medical devices and services by guiding authors to create compliant claims. These materials must be accurate, substantiated, balanced, and consistent with product labeling, avoiding any unapproved use. Our marketing communication procedure outlines the process for creating, implementing, and approving materials, ensuring regulatory compliance and high internal standards. We also maintain a responsible advertising policy across all marketing initiatives. Employees are required to adhere to these policies.

During the reporting period, the Group is not aware of any material non-compliance with applicable laws and regulations in relation to false marketing claims and labelling.

Anti-Corruption

The Group has taken a number of measures to prevent bribery or kickback by our employees. These measures include organising internal training programs, implementing an internal policy governing our employees and discussing any reported suspicious incidents at the board meetings. In addition, we adopted "Anti-Corruption and Anti-Bribery Management Policy" and code of conduct for our employees to further improve our anti-bribery practice. The above policies mentioned define the minimum global standard, with a focus on interactions with health care professionals and with health care organizations. This procedure gives more detailed guidance on relevant topics, such as speaker engagements and permissible invitations, which must be modest and have a clear business focus. In addition, it covers grants, donations and sponsorships. The Group has complied with local laws and regulations. The Group complies with relevant laws and regulations, such as False Claims Act in the United States, Criminal Law of the PRC. During the reporting period, the Group is not aware of any non-compliance with applicable laws and regulations in relation to bribery, extortion, fraud and money laundering nor any concluded legal cases regarding corrupt practices brought against the issuer or its employees and thus no related legal proceedings were reported in the Group.

In accordance with our internal policy, our employees are prohibited from receiving or giving bribes or otherwise engaging in activities that violate applicable anti-corruption laws. Any payment in excess of HK$5,000 must be made by the Company or our subsidiaries to our suppliers or other third parties directly, and may not be made by our employees in their individual capacities unless approved by the respective head of our local finance department in advance.

Moreover, regarding whistle-blowing measures, employees are encouraged to submit inquiries or report suspicious behaviors to their supervisors, and supervisors at any level have additional deterrence and detection duties to maintain effective monitoring, review and control procedures that will prevent or detect acts of wrongdoing. Our employees are required to sign a statement acknowledging they have read, and undertaking to abide by, our rules of ethics. Violation of these rules may result in penalties, including termination of employment.

We also have in place a set of ethics and compliance measures designed to prevent our distributors from offering bribes or kickbacks. Before entering distribution relationship with our distributors, we conduct risk-based due diligence and background check and require our distributors to provide appropriate disclosure on their anti-bribery policies and their implementation on an ongoing basis. We also inform our distributors of our commitment to abiding by laws and regulations on the prohibitions against bribery and kickbacks as well as our internal policy and measures on preventing and detecting bribery and kickbacks. In addition, we also seek a reciprocal commitment to not offer bribes and kickbacks from our distributors. Therefore, we believe that the risks of corruption, bribery and other improper conduct by our distributors are minimal. Besides, anti-corruption training through internal training sessions were provided to all of the Company's staff and directors during the reporting period. Employes who interact with government officials, dental professionals and healthcare organisation undergo trainings on internal compliance policy on a mandatory basic to ensure no bribery action involved.

SOCIAL ASPECTS

Fair Competition

We have fair competition policy. We strive to foster fair and ethical competition, aiming for success in an honest and transparent marketplace. Our commitment is to refrain from engaging in any unethical, unfair, or illegal communications with competitors. We consistently uphold principles of fairness in our dealings with customers, suppliers, competitors, and employees. We avoid taking advantage of others through practices such as manipulation, concealment, misuse of privileged information, misrepresentation, or any other form of unfair conduct. Furthermore, we firmly reject any formal or informal agreements with competitors that promote anti-competitive behavior, such as price-fixing or market division involving customers, suppliers, or markets.

The Company ensures strict compliance with all applicable laws pertaining to competition, antitrust regulations, and the gathering of competitive information.

During the reporting period, the Group does not have any reported case related to anti-competition and there is no anti-competition fines incurred.

COMMUNITY

Community Investment

As a global company, the Group is committed to being a company that cares for the community through engaging in sponsorships, donations, volunteer dental consultation and social services. The Group has adopted "Community Investment Policy", which aims to build trust and stable relationship with our stakeholders. We strive to incorporate values and practices of environmental protection and community care in our operation and make a positive contribution to the society.

In past years, "Outstanding Social Caring Organization Award" and "Social Caring Awards for Green Excellence" under the "Future Leadership Summit & Social Caring Pledge Scheme". And since Year 2016, the company continues to be awarded "Caring Company" by the Hong Kong Council of Social Services every year. The awards are recognition of the Company's active promotion of corporate social responsibility and environmental protection responsibility.

In recent years, we have continuously sponsored Young Oral and Maxillofacial Surgeon Group of Hong Kong Limited in organising their monthly dental seminar. Charitable and other donations made by the Group during the reporting year amounted to approximately HK$1,074,000 (2023: HK$829,000). The Group and its subsidiaries also joined and established various community initiatives as follows.

The Donated Dental Services

The Group has joined the Donated Dental Services program which provides free, comprehensive dental treatment to most vulnerable people in the United States with disabilities or who are elderly or medically fragile. Since 2005, we have contributed an average of US$5,000 on lab work per year. These are people who cannot afford necessary treatment and cannot get public aid. The program operates through a volunteer network of more than 15,000 dentists and 3,500 dental labs across the United States.

The Modern Dental Care Foundation ("MDCF")

The Group partnered with Modern Dental Care Foundation ("**MDCF**") for community services. MDCF has been established in April 2017 under the Dutch law as a non-government organization. MDCF mission is to give less fortune people of Madagascar access to dental care and prevention in a sustainable and effective manner. Besides financial contributions from our group of companies, we actively promote and enhance in the care of sterilisation, preparation, treatment assistance and patient organization.

In the future, we will continue to be actively involved in various community-oriented activities, further expand the scope and scale our participation, and commit to our social responsibility by making proactive efforts.

7th Mission in Antananarivo, Madagascar

From 19 to 27 October 2024, MDCF has completed the 7th mission in Antananarivo, Madagascar. A dedicated team of 7 volunteer dentists, comprising 3 from Denmark, 1 from Germany, 2 from Belgium and 1 from the Netherlands, are collaborating with 4 Malagasy dentists to deliver essential dental care to more than 1,000 patients.

The mission had a remarkable start, treating over 200 patients on the first day. The primary focus has been on the children of 5 local schools, where MDCF initiated a preventative dental care program two years ago. Each child receives toothbrushes and toothpaste, which are stored in classrooms for regular use. In addition to treatments such as extractions, fillings, and root canal procedures, the team has also begun sealing caries-free, erupting molars on a large scale for the first time. This emphasis on prevention aims to reduce the need for invasive treatments over time. We expect to see significantly fewer invasive procedures as we continue focusing on preventive care.

SOCIAL ASPECTS

We would like to extend our heartfelt gratitude to the dedicated dentists who have generously donated their time and covered their travel expenses to join this mission. Their work here brings immense relief to the local community, significantly improving the quality of life by alleviating dental pain and infection.

SOCIAL ASPECTS

Shining Smile Project

Since 2016, the Group has sponsored the "Shining Smile Project" initiated by the Evangelical Lutheran Church of Hong Kong and organized by the Second Smile Foundation Limited. "Shining Smile Project" is a long-term program aimed at helping ex-drug abusers recover lost dentition and regain their confidence.

Since its launch in 2016, the program has restored over 100 smiles and conducted more than 1,000 treatments.

Teen Scaling Project

The existing School Dental Care Service in Hong Kong provided by the Department of Health offers decent coverage, mainly to primary school students. Secondary school students are not entitled to this subsidized dental service, dental expenses for them are borne by their parents. However, a group of teens in Hong Kong lack family support and dental care. Thus, Modern Dental Group and Modern Dental Global Foundation co-organize a "Teen Scaling Project" to provide free scaling service to teens living in child-care institutions and the community, most of whom are deprived of proper care due to family issues.

The project is launched in 2022 and we expect to help more students in need in future.

SOCIAL ASPECTS

Elderly Home Visit – Promoting Oral Health in the Community

World Oral Health Day is celebrated every year on March 20 to raise awareness of oral health around the world. It aims to empower people with the knowledge, tools and confidence to secure good oral health and hygiene.

We strives to make an effort towards the overall dental health and well-being across the globe. This March, we cooperated with People Service Centre to host a heartwarming voluntary work dedicated to promoting oral healthcare for the senior citizen. Volunteers visited elderly living alone in the community and delivered fortune bags to raise awareness about the importance of maintaining good oral health as we age. By providing companionship and support, we hope to inspire and empower seniors to prioritize their dental well-being, leading to improved overall health and quality of life.

SOCIAL ASPECTS

Spreading Care to Local Households and Uniting Community Spirit at the Mid-autumn Festival

The event was a heartwarming blend of community spirit and creativity. The interactive sweet dumplings making session allowed participants to learn how to make traditional sweet dumplings. Participants shared their own family recipes and stories, enriching the experience and celebrating cultural heritage. In the meanwhile, families came together to design and create their own lanterns. Our volunteer team enjoyed a wonderful afternoon with local households in the community living room, we exchanged ideas and stories, creating a warm atmosphere filled with laughter and joy.

The event was a wonderful success, uniting local households in a spirit of creativity and community care and fostering bonding among neighbors. We express our heartfelt gratitude to the collaborator, participants and our volunteer team with dedication and support to the workshops. We look forward to future events that continue to unite and uplift our community spirit.

APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS

1.   Environmental Aspects [note 2]

No. of KPIs	KPIs	Unit	2024	2023
Emissions	Sulphur Dioxide (Sox)	tonne	**0.01**	0.01
	Nitrogen Oxides (Nox)	tonne	**1.72**	1.68
	Particulate Matter (PM)	tonne	**0.15**	0.15
Greenhouse gas emissions	Scope 1 Direct emissions	tonne of equivalent CO_2 emission	**1,628.74**	1,608.37
	Scope 2 Indirect emissions	tonne of equivalent CO_2 emission	**12,350.27**	10,843.55
	Total	tonne of equivalent CO_2 emission	**13,979.01**	12,451.92
	Intensity (note 1)	tonne of equivalent CO_2 emission/Sales volume '000	**6.42**	5.97
Hazardous waste	Total hazardous waste	tonne	**14.00**	13.90
	Intensity (note 1)	tonne/Sales volume '000	**0.01**	0.01
Non-hazardous waste	Total non-hazardous waste	tonne	**1,674.45**	2,346.50
	Intensity (note 1)	tonne/Sales volume '000	**0.77**	1.13
Energy consumption	Diesel	MWh	**1,006.93**	968.11
	Heat/Cooling	MWh	**308.87**	342.17
	LPG	MWh	**67.74**	74.90
	Natural gas	MWh	**1,191.95**	1,286.91
	Purchased electricity	MWh	**21,531.38**	19,289.45
	Renewable energy	MWh	**410.32**	358.06
	Unleaded petrol	MWh	**3,517.34**	3,928.14
	Total	MWh	**28,034.53**	26,247.74
	Intensity (note 1)	MWh/Sales volume '000	**12.87**	12.59
Water consumption	Total water consumption	m^3	**333,842.00**	312,604.00
	Intensity (note 1)	m^3/Sales volume '000	**153.24**	149.99
Packaging material	Plastic	tonne	**59.00**	63.00
	Metal	tonne	**2.00**	2.00
	Paper	tonne	**203.00**	150.00

Note

1.   Sales volume in 2023 is adjusted to align with the methodologies in 2024, intensity in 2023 are therefore changed accordingly.

2.   The calculation of environmental KPIs are with reference to "A Corporate Accounting and Reporting Standard" from The GHG Protocol and the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx.

APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS

2. Social Aspects

No. of KPIs	KPIs	Unit	2024	2023
Total number of employees	**By gender**			
	Male	person	**3,467**	3,454
	Female	person	**3,639**	3,581
	By employment type			
	Full-time	person	**6,778**	6,658
	Part-time	person	**328**	377
	By age group			
	Under 30	person	**3,297**	3,314
	30-50	person	**3,059**	2,997
	Over 50	person	**750**	724
	By employment category			
	General staff	person	**5,944**	5,958
	Middle management	person	**924**	864
	Senior management	person	**238**	213
	By geographical region			
	Greater China	person	**5,202**	5,225
	Europe	person	**590**	553
	North America	person	**581**	599
	Australia	person	**128**	145
	Others	person	**605**	513
New employees hires [Note 1]	**Total number of new employee hire**	person	**2,090**	3,220
	Rate by gender			
	Male	%	**29**	49
	Female	%	**30**	43
	Rate by age group			
	Under 30	%	**44**	68
	30-50	%	**15**	28
	Over 50	%	**22**	16
	Rate by geographical region			
	Greater China	%	**31**	53
	Europe	%	**23**	26
	North America	%	**22**	21
	Australia	%	**18**	34
	Others	%	**30**	26

Note:

1. New employees hires = Total number of new employees hires per year/Total number of employees at the end of the reporting period.

APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS

No. of KPIs	KPIs	Unit	2024	2023
Employee turnover rate [Note 2]	**Total number of turnover**	person	**2,019**	3,007
	Rate by gender			
	Male	%	**29**	43
	Female	%	**28**	43
	Rate by age group			
	Under 30	%	**45**	63
	30-50	%	**13**	26
	Over 50	%	**18**	18
	Rate by geographical region			
	Greater China	%	**32**	50
	Europe	%	**17**	22
	North America	%	**25**	25
	Australia	%	**31**	28
	Others	%	**15**	12
Percentage of trained employees	**Percentage of trained employess**	%	**100**	100
	By gender			
	Male	%	**100**	100
	Female	%	**100**	100
	By employment category			
	General staff	%	**100**	100
	Middle management	%	**100**	100
	Senior management	%	**100**	100
Average training hours completed per employee	Average training hours completed per employee	hour	**28**	29
	By gender			
	Male	hour	**28**	29
	Female	hour	**27**	28
	By employment category			
	General staff	hour	**28**	29
	Middle management	hour	**28**	27
	Senior management	hour	**21**	20
Number of suppliers	**Number of suppliers by geographical region**			
	Greater China	supplier	**298**	312
	Europe	supplier	**320**	350
	North America	supplier	**110**	130
	Australia	supplier	**57**	59
	Others	supplier	**71**	69
Legal cases in relation to corruption	Number of legal cases in relation to corruption filed and concluded	case	**Nil**	Nil

Note:

2.   Employee turnover rate = Total number of employees turnover per year/Total number of employees at the end of the reporting period.

APPENDIX II MEMBERSHIPS AND CHARTERS

Major memberships and charters of our group are listed below:

Organisations	Nature of Membership
Australian Dental Industry Association	Member
Guangdong Stomatological Association	Member
Dongguan Association of Medical Devices	Member
Medical Technology Association of New Zealand	Member
Madagascar Export Proccesing Companies and Partners Association	Member
National Association of Dental Laboratories	Member
American Academy of Cosmetic Dentistry	Member
Cal-lab Association	Member

APPENDIX III ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Subject areas, aspects, general disclosures and KPIs		Section
A. Environmental		
Aspect A1: Emissions		
	General Disclosure	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Appendix I Overview of Key Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and, where appropriate, intensity.	Appendix I Overview of Key Performance Indicators
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Appendix I Overview of Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Appendix I Overview of Key Performance Indicators
KPI A1.5	Description of emission targets set and steps taken to achieve them.	Emissions, Use of Resources & Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	Emissions
Aspect A2: Use of Resources		
	General Disclosure	Use of Resources
KPI A2.1	Direct and indirect energy consumption by type in total.	Appendix I Overview of Key Performance Indicators
KPI A2.2	Water consumption in total and intensity.	Appendix I Overview of Key Performance Indicators
KPI A2.3	Description of energy use efficiency and a description of targets set and steps taken to achieve them.	Use of Resources & Climate Change
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency and a description of targets set and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Appendix I Overview of Key Performance Indicators
Aspect A3: The Environmental and Natural Resources		
	General Disclosure	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions & Use of Resources
Aspect A4: Climate Change		
	General Disclosure	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Climate Change

APPENDIX III ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Subject areas, aspects, general disclosures and KPIs		Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
	General Disclosure	Talent Attraction and Retention
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I Overview of Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I Overview of Key Performance Indicators
Aspect B2: Health and safety		
	General Disclosure	Health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety
KPI B2.2	Lost days due to work injury.	Health and safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and safety
Aspect B3: Development and Training		
	General Disclosure	Development and Training
KPI B3.1	The percentage of employee trained by gender and and employee category.	Appendix I Overview of Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I Overview of Key Performance Indicators
Aspect B4: Labour Standards		
	General Disclosure	Talent Attraction and Retention
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Talent Attraction and Retention
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Attraction and Retention

APPENDIX III ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Subject areas, aspects, general disclosures and KPIs		Section
Operating Practices		
Aspect B5: Supply Chain Management		
	General Disclosure	Supply Chain Management
KPI B5.1	Number of suppliers by region.	Appendix I Overview of Key Performance Indicators
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
	General Disclosure	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility - Quality Control
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility - Quality Control
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility - Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility - Quality Control
KPI B6.5	Description of customer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility - Customer Information Protection and Privacy and Data Protection and Security

APPENDIX III ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Subject areas, aspects, general disclosures and KPIs		Section
Aspect B7: Anti-corruption		
	General Disclosure	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case.	Appendix I Overview of Key Performance Indicators
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
	General Disclosure	Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community

APPENDIX IV GRI STANDARDS CONTENT INDEX

Statement of Use	Modern Dental Group Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI Sector Standards that are applicable to the healthcare industry have yet to be released.

GRI Standards	SASB Code	Disclosure	Page
GRI 2: General Disclosures 2021			
2-1		Organisational details	Introduction – P.4
2-2		Entities included in the organisation's sustainability reporting	About this report – P.2
2-3		Reporting period, frequency and contact point	About this report – P.2 to P.3
2-4		Restatements of information	Appendix I Overview of key performance indicators – P.40
2-5		External assurance	About this report– P.3
2-6		Activities, value chain and other business relationships	Introduction – P.4 Supply chain management - P. 28
2-7		Employees	Appendix I Overview of key performance indicators – P.41 to P.42
2-8		Workers who are not employees	There are no workers who are not employed but controlled by the Group
2-9		Governance structure and composition	Annual Report – P.26 to P.32
2-10		Nomination and selection of the highest governance body	Annual Report– P.58 to P.59
2-11		Chair of the highest governance body	Annual Report– P.52
2-12		Role of the highest governance body in overseeing the management of impacts	Sustainability Governance – P.5
2-13		Delegation of responsibility for managing impacts	Sustainability Governance – P.5
2-14		Role of the highest governance body in sustainability reporting	Sustainability Governance – P.5
2-15		Conflicts of interest	Sustainability Governance – P.5 Annual Report– P.53
2-16		Communication of critical concerns	Materiality assessment – P.9; Anti-corruption- P.33 No critical concern was raised during the reporting period
2-17		Collective knowledge of the highest governance body	Sustainability governance – P.5
2-18		Evaluation of the performance of the highest governance body	This information is treated as confidential.
2-19		Remuneration policies	Emolument policy – P.24 Annual Report – P.39 to P.41

APPENDIX IV GRI STANDARDS CONTENT INDEX

GRI Standards	SASB Code	Disclosure	Page
2-20		Process to determine remuneration	Emolument policy – P.24 Annual Report – P.57 to P.58
2-21		Annual total compensation ratio	This information is treated as confidential.
2-22		Statement on sustainable development strategy	Sustainability governance – P.5
2-23		Policy commitments	All aspect
2-24		Embedding policy commitments	All aspect
2-25		Processes to remediate negative impacts	Sustainability governance- P.5
2-26		Mechanisms for seeking advice and raising concerns	Stakeholder engagement- P.7 to P.8 Materiality assessment - P.9 to P.11
2-27		Compliance with laws and regulations	The Group is not aware of any material non-compliance case during the reporting period
2-28		Membership associations	Appendix II Memberships and charters
2-29		Approach to stakeholder engagement	Stakeholder engagement – P.7 to P.8
2-30		Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021			
3-1		Process to determine material topics	Stakeholder engagement – P.7 to P.8 Materiality assessment – P.9 to P.11
3-2		List of material topics	Stakeholder engagement – P.7 to P.8 Materiality assessment – P.9 to P.11
GRI 201: Economic Performance 2016			
3-3		Management of material topics	Annual Report – P.5 to P.25
201-1		Direct economic value generated and distributed	Annual Report – P.5 to P.25
	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the US Consumer Price Index	Pricing transparency – P.32
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	Pricing transparency – P.32
GRI 203: Indirect Economic Impacts 2016			
3-3		Management of material topics	Environmental Friendly Products and Services – P.12
203-1		Infrastructure investments and services supported	Environmental Friendly Products and Services – P.12
GRI 205: Anti-corruption 2016			
3-3		Management of material topics	Anti-Corruption – P.33
205-1		Operations assessed for risks related to corruption	Anti-Corruption – P.33
205-2		Communication and training about anti-corruption policies and procedures	Anti-Corruption – P.33

APPENDIX IV GRI STANDARDS CONTENT INDEX

GRI Standards	SASB Code	Disclosure	Page
205-3		Confirmed incidents of corruption and actions taken	Nil
	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Nil
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	Anti-Corruption – P.33
GRI 302: Energy 2016			
3-3		Management of material topics	Use of Resources - P.14 Climate Change- P.16
302-1		Energy consumption within the organization	Appendix I Overview of key performance indicator – P.40
302-3		Energy intensity	Appendix I Overview of key performance indicator – P.40
GRI 305: Emissions 2016			
3-3		Management of material topics	Emissions – P.13 Climate Change – P.16
305-1		Direct (Scope 1) GHG emissions	Appendix I Overview of key performance indicator – P.40
305-2		Energy indirect (Scope 2) GHG emissions	Appendix I Overview of key performance indicator – P.40
305-3		Other indirect (Scope 3) GHG emissions	About this report – P.3; Emissions – P.13
305-4		GHG emissions intensity	Appendix I Overview of key performance indicator – P.40
305-7		NOx, SOx, and other significant air emissions	Appendix I Overview of key performance indicator – P.40
GRI 306: Waste 2020			
3-3		Management of material topics	Emissions – P.14
306-1		Waste generation and significant waste-related impacts	Emissions – P.14
306-2		Management of significant waste-related impacts	Emissions – P.14
306-3		Waste generated	Appendix I Overview of key performance indicator – P.40
GRI 401: Employment 2016			
3-3		Management of material topics	Talent Attraction and Retention – P.23 to P.25
401-1		New employee hires and employee turnover	Appendix I Overview of key performance indicator – P.41 to P.42
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention – P.25
401-3		Parental leave	Talent Attraction and Retention – P.25

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GRI Standards	SASB Code	Disclosure	Page
GRI 403: Occupational health and safety 2018			
3-3		Management of material topics	Health and Safety – P.25 to P.26
403-1		Occupational health and safety management system	Health and Safety – P.25 to P.26
403-2		Hazard identification, risk assessment and incident investigation	Health and Safety – P.25 to P.26
403-3		Occupational health services	Health and Safety – P.25 to P.26
403-4		Worker participation, consultation and communication on occupational health and safety	Health and Safety – P.25 to P.26
403-5		Worker training on occupational health and safety	Health and Safety – P.25 to P.26
403-6		Promotion of worker health	Health and Safety – P.25 to P.26
403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety – P.25 to P.26
403-9		Work-related injuries	Nil
GRI 404: Training and Education 2016			
3-3		Management of material topics	Development and Training – P.26 to P.27
404-1		Average hours of training per year per employee	Appendix I Overview of key performance indicator – P.42
404-2		Programs for upgrading employee skills and transition assistance programs	Development and Training – P.26 to P.27
GRI 413: Local communities 2016			
3-3		Management of material topics	Community – P.34 to P.39
413-1		Operations with local community engagement, impact assessments, and development programs	Community – P.34 to P.39
GRI 416: Customer health and safety 2016			
3-3		Management of material topics	Product Responsibility, P.28
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	Nil
	HC-MS-250a.1	Number of recalls issued, total units recalled	Nil
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	Nil
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	Nil
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Nil

APPENDIX IV GRI STANDARDS CONTENT INDEX

GRI Standards	SASB Code	Disclosure	Page
GRI 417: Marketing and Labeling 2016			
GRI 3-3		Management approach: Marketing and Labeling	Ethical marketing – P.32
GRI 417-1		Requirements for product and service information and labeling	Ethical marketing – P.32
GRI 417-2		Incidents of non-compliance concerning product and service information and labeling	Nil
GRI 417-3		Incidents of non-compliance concerning marketing communications	Nil
	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Ethical marketing – P.32
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Ethical marketing – P.32
GRI 418: Customer privacy 2016			
3-3		Management of material topics	Customer Information Protection and Privacy – P.31
418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Information Protection and Privacy – P.31

APPENDIX V TFCD INDEX

TCFD reference	Disclosure		Page
Governance	A.	Board's oversight of climate-related risks and opportunities	Sustainability governance – P.4 Climate change– P.16
	B.	Management's role in assessing and managing climate-related risks and opportunities	Sustainability governance – P.4
Strategy	A.	Climate-related risks and opportunities identified over the short, medium, and long term	Climate change – P.16 to P.21
	B.	Impact of climate-related risks and opportunities on the businesses, strategy, and financial planning	Climate change – P.16 to P.21
	C.	Resilience of the strategy, considering different climate-related scenarios, including a 2˚C or lower scenario	About this report – P. 2 to P. 3; Disclosure of climate resilience is not available and will be disclosed in 2025 ESG report
Risk management	A.	Processes for identifying and assessing climate-related risks	Climate change – P.17
	B.	Processes for managing climate-related risks	Climate change – P.17
	C.	Integration of processes for identifying, assessing, and managing climate-related risks into the overall risk management	Climate change – P.17
Metrics and targets	A.	Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	Climate change – P.21
	B.	Scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions, and the related risks	Appendix I Overview of key performance indicator – P.40 About this report – P. 2 to P. 3; Emissions - P.13;
	C.	Targets used to manage climate-related risks and opportunities, and performance against targets	Climate change – P.22