

Sustainability Report

Dear Shareholders,

Climate change and the resulting uncertainties and risks continue to be matters of tremendous concern to the global community. Climate change is widely covered in the media. Regulations and reporting requirements for companies are evolving rapidly and aim to reduce climate impacts.

COLTENE is actively involved in helping to mitigate the negative impacts of such external factors on the communities in which the Group operates. Sustainable use of resources and a focus on positive outcomes for our stakeholders form part of our daily endeavors at COLTENE.

We also give due consideration to the rapidly evolving reporting obligations on non-financial matters. The COLTENE Group has been publishing environmental data since 2015 and is steadily expanding its sustainability report. In view of the new non-financial reporting obligations in Switzerland, Europe and globally, but especially due to the growing strategic importance of sustainable practice, COLTENE introduced a new sustainability project organization in 2022. The newly created organization is designed to further develop and implement the sustainability strategy and involves the Board of Directors, a Steering Committee and the Sustainability Officer, together with Group functions.

In addition, a materiality analysis was conducted with the support of an external partner. The results of this analysis are described in more detail in the sustainability report that follows. They take into account both the impact that COLTENE has on the environment and its stakeholders (inside-out) and the risks that environmental factors pose to COLTENE's business performance (outside-in).

In the current financial year, COLTENE will proceed with collecting key performance indicators (KPIs), including Scope 1 and Scope 2 emissions as per the Greenhouse Gas (GHG) Protocol. COLTENE will likewise continue with or launch important projects aimed at mitigating its impact on the environment and dealing with other social and employee concerns, such as the roof refurbishment and installation of a new photovoltaic system at the Altstätten site, and the roll-out of the recently introduced share purchase program for key employees.

As sustainable action is becoming increasingly important, COLTENE introduced a new project organization for sustainability issues in 2022.

With its actions, COLTENE is taking further important steps toward reducing its environmental footprint and creating a business model that takes into account the needs of all its stakeholders in a sustainable manner.

A handwritten signature in black ink, appearing to read 'M. Schaufelberger', followed by a horizontal line.

Martin Schaufelberger
CEO

COLTENE Business Model

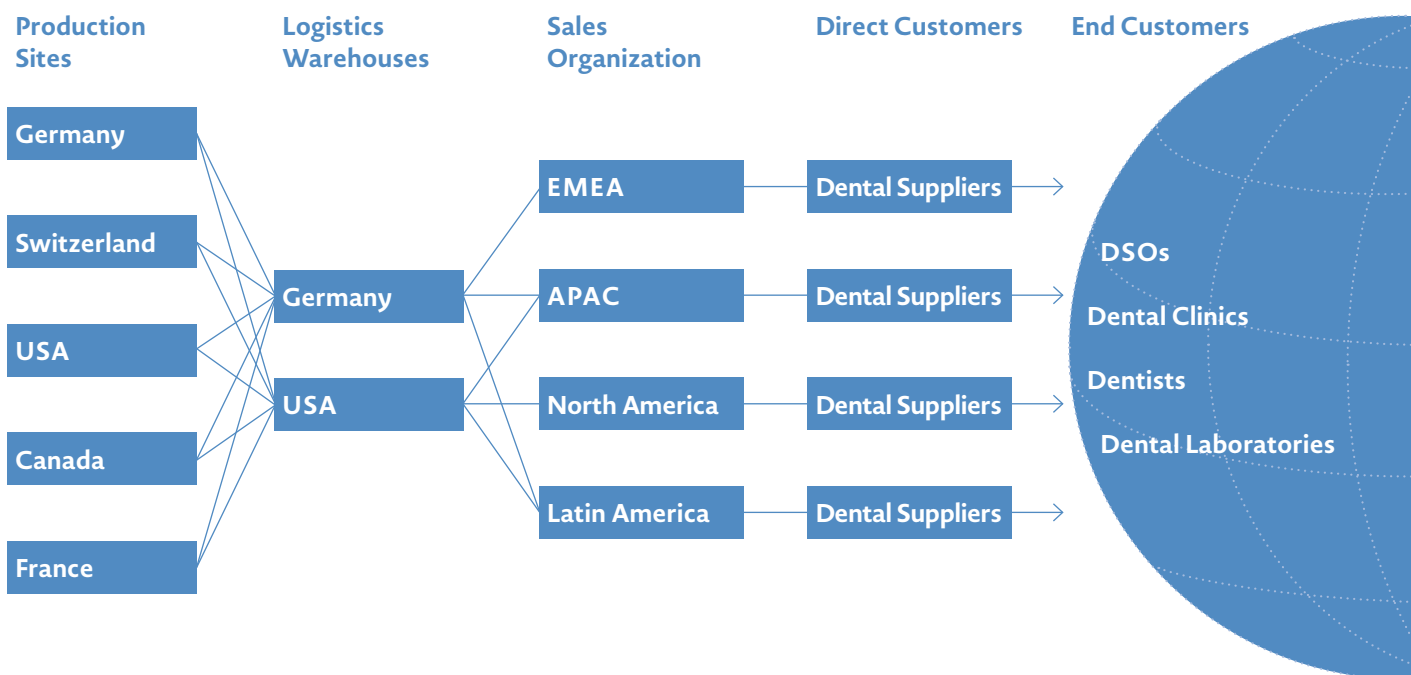
COLTENE develops, manufactures and sells dental consumables and small equipment for dental practices, DSOs, dental clinics and dental labs. The Group develops and makes its products at five state-of-the-art production sites in Europe and North America. It maintains 17 sales companies and employs a salesforce of more than 300 worldwide. COLTENE products are divided into three main groups: Infection Control, Tooth Preservation and Efficient Treatment. They cater to an extensive range of treatment types, from dental restoration and aesthetic dentistry to root canal treatment. In addition, they support dentists in reprocessing instruments and in adhering to strict protocols for instrument cleaning, disinfection and sterilization and hygiene in dental practices.

One part of the comprehensive product portfolio is designed to ensure efficient workflows in a great variety of dental procedures and treatments. The annual report provides an overview of the three product groups. The COLTENE Group sells its products to dental suppliers

worldwide. Products are shipped directly from the factory or from the warehouses in the US and Germany. In China, India and Japan, the Group also has marketing and sales organizations with their own warehouses.

End customers buy the products they need from dental suppliers worldwide.

In Europe and North America, COLTENE operates its own repair and service centers for device repairs and servicing (mainly ultrasonic cleaning systems and cleaning, sterilization and disinfection equipment for dental instruments). In various other countries, these services are provided by certified third parties. COLTENE’s salesforce visits and trains dentists in dental practices, in COLTENE training facilities and in various venues around the world, to ensure close contact with end users and provide multiple touch points. Universities and dentistry schools also receive field visits to establish contact with dentistry professionals in training



Medical Applications

Under the EU Medical Device Regulation (MDR), COLTENE products are classified as Class 1, 2a or 3.

- Class 1 products such as absorbent cotton products are non-invasive products that have no impact on the human body and pose a low-level risk to patients.
- Class 2a products pose a medium-level risk, as some of them remain in the tooth after the procedure. The vast majority of products made and marketed by COLTENE fall under this category. Examples include composites and obturation and sealing materials, gutta-percha and paper points, diamond and carbide burs and, under the new MDR, also impression materials.
- Products that pose a higher risk to patients are classified as Class 3. These products are very important to human health or pose a particularly high risk of illness or injury. Examples include Gelatamp sponges. These are resorbable, well-tolerated products for safe disinfection and hemostasis (clotting) and are used in preventing infections and secondary bleeding in wound cavities after extractions.

Certification and technical documentation requirements vary by product class. All COLTENE Group sites are duly certified, and all products meet the registration requirements for the different markets. In this way the Group ensures global sales and distribution standards and the safe use of its products in patient care in compliance with official and regulatory requirements.

Production

COLTENE operates five production sites worldwide, each with its own Research & Development (R&D) department. Each site specializes in different technologies and products, and all sites Group-wide are managed in a matrix organizational structure (see the “Corporate governance” section of this report). This ensures that synergies are exploited and that information flows across teams.

In *Altstätten, Switzerland*, COLTENE operates a plant specializing in developing and manufacturing the following products:

- Dental impression materials including C-Silicone and A-Silicone products
- Restorative products for innovative and proven aesthetic filling restorations and a wide range of adhesives and bonding agents
- Diamond burs for use in dental treatments
- Dental diamond and silicone polishers

In *Langenau, Germany*, COLTENE develops and manufactures:

- Endodontic products for root canal cleansing, drying and obturation
- Products for wound care and moisture and infection control
- Dental dam products to isolate teeth for treatment
- Occlusion control products

In *Cuyahoga Falls, Ohio, USA*, COLTENE has its largest production facility. The plant specializes primarily in mechanical manufacturing processes and makes a range of products, including:

- Root canal posts, carbide burs and root canal instruments
- Ultrasonic cleaning devices for instruments used in dentistry
- Polymerization lamps
- Ultrasonic cleaners to maintain dental hygiene

In *Toronto, Canada*, SciCan Ltd. makes cleaning, disinfection and sterilization products:

- Cassette autoclaves and chamber autoclaves
- Automated instrument washer-disinfectors
- Surface disinfection wipes

In *Besançon, France*, Micro-Mega SA makes the following range of products:

- Root canal instruments for various applications
- Irrigation solutions for safe root canal preparation
- Obturation and sealing materials

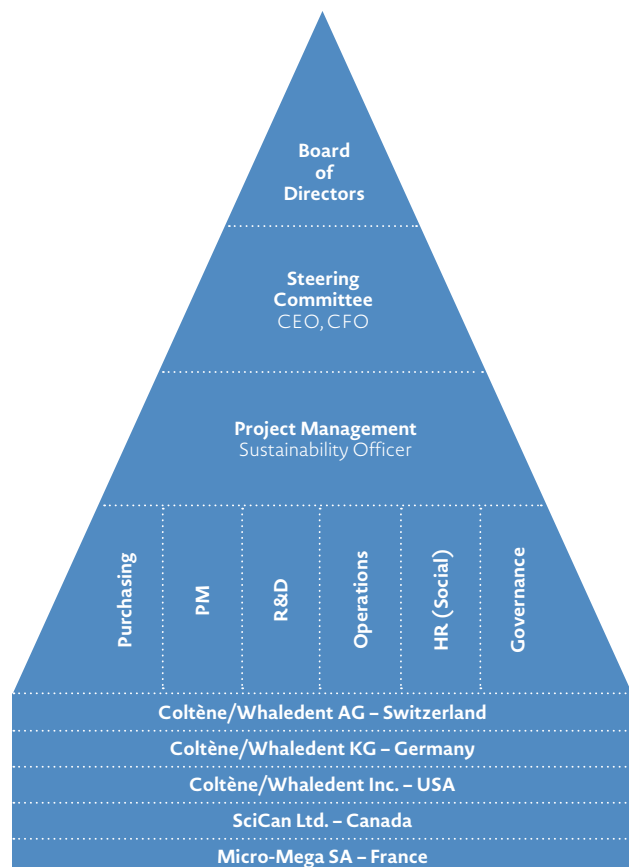
Management Approach

Oral health and a radiant smile are associated with quality of life and personal wellbeing. COLTENE employees are proud to develop dental products that promote patient health and provide reliable and efficient solutions for dentists.

COLTENE stands for innovative products and services for use in professional, safe and efficient dental treatment procedures. The key to COLTENE's success is its employees. The Group recruits and promotes motivated and skilled employees with the aim of retaining them over the long term. By empowering its people to be self-starters and think outside the box, COLTENE creates a workplace environment that inspires successful innovation. Credibility, sincerity, trustworthiness and honesty are created by decisive action, responsible leadership and consistent performance.

Sustainability issues are top priorities at COLTENE, which is why, in 2022, the Group introduced a new organizational structure that anchors these issues strategically at Group level and introduces them into the sites with a view to strengthening structures in the sustainability area.

To promote the strategy development and ensure that sustainability issues are strategically relevant at the highest level within the Group, the issues that are material to COLTENE in various areas of sustainability are periodically added to the Board of Directors' agenda. Both strategic development and its implementation occur in close cooperation with the Steering Committee, which is made up of representatives of Group Management (including the CEO and CFO). The Sustainability Officer, supported by an external partner, ensures operational implementation in the Group functions, involving the stakeholders at all sites. Taking this approach allows COLTENE to establish strategic sustainability priorities throughout the entire Group and implement them in the operations of all Group companies. The Marketing & Communications unit provides communications support for this process.



This setup also guarantees that sustainability issues are addressed in a targeted manner, that COLTENE complies with legal requirements and that the corresponding non-financial reporting is further developed. To ensure satisfactory reporting on sustainability issues with significant KPIs, COLTENE will prepare its sustainability reports with its key stakeholders, including investors, dentists and patients in mind. In the process, COLTENE will maintain the approach of publishing its sustainability report as an integral part of the annual report.

Core Policies and Guidelines

COLTENE adheres to the precautionary principle at every level of the organization. Decision-makers take precautionary measures in response to reasonable suspicions of problems, and take the interests of all stakeholders into account.

Core global policies and guidelines at Group level include the Articles of Incorporation of the holding company, the organizational regulations, the Code of Conduct, the accounting manual and the policy on signing and delegation of authority. These are complemented at a local level by determinations, directives and regulations specific to each country and cultural environment that COLTENE Group companies operate in.

Violations of these guidelines will be penalized and may result in termination of employment. Employees can report violations anonymously throughout the entire Group at any time. A web-based solution was introduced for this purpose. It is also available to external stakeholders, such as our customers or suppliers, on our Group website.

Implementation at Local Subsidiaries

COLTENE maintains a Quality Management and Registration department at each of its production sites. These departments make sure that only duly certified medical devices come onto the market. Quality management and risk management functions are established at Group level and at every production site. All COLTENE manufacturing sites conform to the ISO 13485:2016 standard, as they develop and manufacture classified medical devices. At every site

where dental devices are developed and produced, risk management for medical devices complies with the ISO 14971:2019 standard.

With the introduction of the new organizational structure for issues around sustainability that are fundamentally important to COLTENE, the local subsidiaries will be strategically managed and will receive ad-hoc assistance from Project Management at Group level during the implementation process. In particular, this measure is also designed to raise awareness within the company.

At *Coltène/Whaledent AG in Altstätten, Switzerland*, sustainability is implemented on a project-by-project basis. One key priority is reducing electricity consumption, as the site is energy-intensive due to its manufacturing processes. With support from an external consultant, the site has managed to considerably reduce its electricity use over the past eight years. In 2021, solar panels were installed to generate about 150 MWh of power annually, covering about 15 % of the site's electricity use. COLTENE's plans for 2023 include installing more solar panels that are capable of producing around 225 MWh of electricity per year, which will cover about a quarter of the site's electricity needs. This would mean that from the end of 2023, around 40 % of the Altstätten site's electricity demands would be covered by its own renewable energy source.

The site has the necessary permits and facilities to ensure that the small amounts of hazardous substances used in production pose no risk to human or environmental health. To improve workplace safety, employees receive regular training with assistance from external agencies such as the Swiss National Accident Insurance Fund (SUVA).

Measures for improvement were identified and implemented in 2022 based on an employee survey conducted at the end of 2021. The employee survey is now conducted annually, most recently in December 2022, with the aim of bettering our understanding of our employees' needs and, with the involvement of our employees, continuously improving both working conditions and the work environment.

At the COLTENE plant in Langenau, Germany, sustainability issues are coordinated and monitored by the responsible person in consultation with management. In 2022, the calculation of the carbon footprint according to the Greenhouse Gas (GHG) Protocol was drawn up and performed for 2021. Greenhouse gas emissions were reported for Scopes 1, 2 and 3. Scope 3 is limited to indirect emissions from corporate processes and consumables. A variety of energy and employee mobility measures were subsequently taken in 2022 to reduce CO₂ emissions. Additional measures are also planned for the future. Work on circular economy concepts is ongoing in parallel with this. Annual employee satisfaction surveys gather feedback on metrics such as job satisfaction, remuneration, work-life balance, communication, sustainability and more, and provide the basis for continuous improvement measures.

Coltène/Whaledent Inc. in Cuyahoga Falls, Ohio, USA, is committed to contributing to a sustainable future and improving the social, economic and environmental wellbeing of the company and the communities that it operates in. The company uses targeted strategies to improve the social and economic conditions of its employees and to reuse raw materials, reduce waste and recycle. In addition, the company participates in community-based initiatives that benefit citizens and local communities.

Annual employee surveys generate feedback on important social issues that form the foundation of continuous improvement actions. The various sustainability aspects are handled by a number of people in the company. For example, the Safety Coordinator is responsible for environmental sustainability, a designated HR person for social sustainability, and another employee for diversity and inclusion. There is also an Employment Engagement Committee and a Diversity Advisory Council in the company.

The US production site is represented in various local bodies such as the local and regional chambers of commerce, the Akron Chamber Equity and Inclusion Leadership Committee and the City of Akron Racial Equity and Social Justice Taskforce. At national level, the site is represented in the Dental Trade Alliance and in the Organization for Safety, Asepsis and Prevention (OSAP).

The SciCan Ltd. manufacturing site in Toronto, Canada, addresses sustainability through projects driven by R&D, Industrial Engineering and the Health and Safety Committee. In 2022, sustainability-related projects included, but were not limited to, the following:

- Incorporating hybrid work models to increase flexibility for employees and help reduce road traffic.
- Installing bike racks to promote Bike to Work schemes. In addition to reducing greenhouse gases, these measures also aim to promote employee health.

The Health and Safety Officer is responsible for sustainability issues, while the HR Director oversees social and governance matters.

The Canadian plant is certified to Workplace Safety and Insurance Board (WSIB) standards, ensuring that the subsidiary maintains high workplace safety standards. The plant also duly complies with applicable ISO and North American standards for the production of autoclaves and is a member of various national and international federations, associations and working groups in the dental industry.

Micro-Mega SA in Besançon, France, became a signatory to the United Nations Global Compact (UNGC) with its Ten Principles and Sustainable Development Goals. The company also signed up to the Impact France Movement's manifesto on environmental issues. At the end of 2022, Micro-Mega SA registered for its second EcoVadis sustainability assessment and scored a silver rating, as it had in 2021. Scoring 60 points out of a maximum possible 100, Micro-Mega SA rates among the progressive companies in the sector and ranks among the top 9% of medical and dental device manufacturers with an EcoVadis rating. The result of the rating is being analyzed, and improvement measures are being integrated into the sustainability projects.

For several years now, Micro-Mega SA has run numerous projects aimed at improving sustainability in various areas, using the quality management system to manage them and monitor their progress. The most senior Quality Manager coordinates and plans the measures. The purpose of these projects is to:

- Step up actions to improve energy efficiency
- Develop ecological product designs
- Increase the share of sustainable local suppliers
- Foster employee wellbeing in the workplace
- Guarantee gender equality

Stakeholders and Stakeholder Interaction

Back in 2021, COLTENE identified the relevant stakeholder groups and surveyed a number of them, focusing on sustainability. The stakeholder groups surveyed and their channels of interaction with COLTENE are detailed below.

Employees

Based on a new survey, which will be regularly conducted in the future, employees also confirmed that they were concerned about sustainable corporate management.

Employees felt it is important for COLTENE to conduct its business in line with environmental sustainability criteria and to monitor, audit and promote these criteria along the entire value chain. Employees were also in favor of COLTENE investing in reducing its environmental footprint. Actions suggested to that effect included using renewable energy sources, reducing waste and consumption of materials, promoting recycling and investing in more sustainable production inputs.

Social sustainability at COLTENE was found to be equally important to the employees surveyed. Some of the actions they identified as effective in advancing social sustainability included offering flextime options, promoting continued education and training, scope for individual action and interesting job content, including employees in decision-making and ensuring gender pay equality.

Stakeholder interaction channels

- Annual employer-employee talks
- Employee surveys (at local site level)
- Works council (employee representative council)
- Intranet
- Employee communications
- Employee events
- Management by Objectives (MBO) processes

COLTENE offers employees various online training modules and programs. Topics include health, safety, violence and harassment in the workplace, and internal policies and guidelines. Role-specific training is managed by the relevant department and is assigned and documented by means of a training matrix. The training database is audited annually, and HR monitors all the entries that departments make.

All Group companies also support staff development by means of career-related continued education and training and regularly offer in-house training programs. Each production site provides electric vehicle charging stations, which are free of charge for employees to use. Various events are held every year throughout the COLTENE Group for all employees as a way to encourage interaction, communication, socializing and sports and recreation outside of work. All employees are briefed regularly on business performance, strategy and operational and social issues. In these forums, employees have the opportunity to ask questions and exchange views with management.

The COLTENE Group complies with the statutory requirements for employee social security and pension benefits at all of its sites. At the main production sites, additional benefits are provided as follows:

Coltène/Whaledent AG, Altstätten, Switzerland: Employees are exempt from paying premiums for non-occupational accident insurance and daily sickness benefits insurance. Benefits paid under the mandatory pension plan exceed the statutory minimum benefits. Additional leave days are granted according to age and seniority (years of service), and employees receive gifts on major work anniversaries.

Coltène/Whaledent GmbH + Co. KG, Langenau, Germany: In addition to the company pension plan, the company also supports the capital accumulation benefit scheme. Employees can build up savings capital, augmented with employer contributions. The savings may be drawn for a variety of purposes.

Coltène/Whaledent Inc., Cuyahoga Falls, Ohio, USA: The employer contributes to a life insurance policy and offers various discounts on health and dental insurance

plans. In addition to further fringe benefits, the subsidiary pays contributions to a pension plan and offers extra paid leave days according to seniority (years of service).

SciCan Ltd., Toronto, Canada: The subsidiary offers various discounts on health and dental insurance and other employee benefits, including contributions to a pension plan. Employees are awarded extra days of paid leave according to their seniority (years of service), and the company provides subsidized meals and refreshments at a cafeteria.

Micro-Mega SA, Besançon, France: The subsidiary co-finances employee health insurance premiums. It fully covers contributions to an employee health plan that provides benefits for long-term inability to work due to illness and life insurance in the event of death. The subsidiary co-finances a pension plan and supplementary pension benefits.

Direct Customers: Dental Suppliers

By teaming up with dental suppliers for regular field visits to dentists, COLTENE caters to the needs of patients and medical professionals.

Stakeholder Interaction Channels

- Personal contact and field visits with end customers
- Newsletters and social media
- Trade shows
- Trade publications

End Customers: Dentists, Dental Practices, and Dental Service Organizations (DSOs)

COLTENE employs some 300 sales representatives, and most of them visit dentists daily in practices, dental clinics, universities and dentistry schools. Feedback from these representatives is collected and analyzed in a customer relationship management (CRM) system and provides valuable input for the continuous improvement of products and services. Information on product usage and product quality is also collected and feeds into the same continuous improvement process.

Based on in-depth dialog with our end customers, COLTENE put together also an easy-to-follow visual overview of the three key dental processes – instrument reprocessing, endodontics and dental restoration – and linked them to the extensive portfolio of COLTENE products. This modular concept provides the basis for internal training programs for sales representatives, and for additional communication measures aimed at dentists, such as interactive graphics and brochures.

In a 2021 survey, COLTENE evaluated different dentists' needs and expectations relating to sustainability. The survey was conducted online and over the phone with 30 dentists. Of these, nearly 90% said they were interested in more environmentally sustainable dental industry products.

Stakeholder Interaction Channels

- Personal contact
- Trade shows
- Social media
- Customer service
- Customer events
- Trade publications
- Partnerships with key opinion leaders
- Courses and training programs

Patients

At COLTENE, patient safety comes first. New and advanced versions of COLTENE products and services are conceived and developed with patients' needs in mind.

In 2021, COLTENE surveyed a random sample of some 80 patients of all ages on the topic of sustainability. Those under 40 said that, if given a choice, they would generally prefer dentists using more environmentally sustainable materials. The survey also revealed that this stakeholder group wishes to know more about the sustainability of dental products.

Stakeholder Interaction Channels

- Patient surveys
- Patient safety procedures

Investors

In collaboration with a student of the University of St. Gallen, COLTENE investigated the interests of this stakeholder group in sustainability dimensions.

The results showed that investors, too, are increasingly paying attention to sustainability criteria. The investors surveyed also cited governance as a key factor in their investment decisions. Access to more non-financial information is a must-have for this stakeholder group, the research found.

In response, COLTENE has again expanded the Sustainability chapter and enhanced transparency, and plans to continue adding to this chapter each year.

Stakeholder Interaction Channels

- Annual General Meeting (AGM)
- Annual media conferences and semi-annual conference calls
- Conferences attended in 2022: Investora, Credit Suisse Equity Forum and Baader Helvea Swiss Equities Conference
- Investor meetings organized by banks and brokers
- Direct talks with investors, analysts and proxy advisors
- Lunch meetings with analysts and investors
- Media days

Suppliers

COLTENE has a global network of suppliers, and prioritizes sustainable, long-term partnerships with them, as it does with all its stakeholders. When selecting suppliers, COLTENE pursues a zero tolerance policy with respect to child labor, modern slavery and human rights abuses. In the future, it plans to introduce a Supplier Code of Conduct that suppliers must comply with.

Stakeholder Interaction Channels

- Code of Conduct
- Vendor assessments
- Continuous contact through procurement (sourcing and purchasing) departments
- Networking at industry events and trade shows

Regulators / Industry and Representative Bodies

Regulators as a stakeholder group include government agencies such as health, tax and environmental authorities. In addition to complying with legislation, meeting safety and environmental standards worldwide is of the utmost priority to COLTENE. COLTENE does not engage in active lobbying and instead uses its voice in industry and representative bodies to advocate for a business-friendly market environment. This means lowering or removing existing barriers to trade and avoiding new ones. COLTENE is committed to paying taxes wherever it operates sites and contributing to local development.

The COLTENE Group and each of its subsidiaries worldwide are members of a very diverse range of industry bodies and groups in the dental sector.

Local Communities

Contributing to the prosperity of its business locations is a key pillar of COLTENE's business philosophy. COLTENE is committed to each of its locations, working to keep local jobs and stimulating new jobs and career training opportunities.

COLTENE maintains a variety of partnerships with local universities and technical colleges/universities of applied sciences. For example, Micro-Mega SA has partnered with the University of Lorraine (Faculty of Endodontics, Nancy campus) in France.

Stakeholder interaction channels

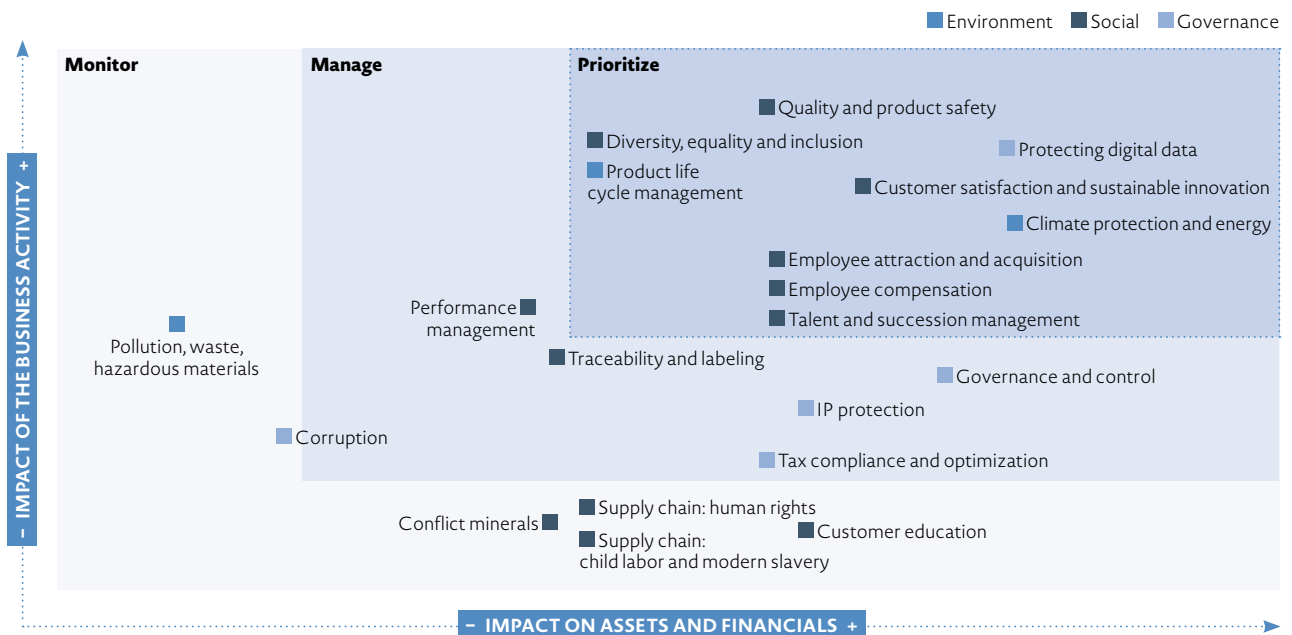
- School presentations
- Open days
- Guided tours
- Partner networks of universities and training institutions
- Corporate citizenship and philanthropy (products provided free of charge for student volunteer programs in emerging economies)
- Donations to social institutions in lieu of customer gifts

Materiality Analysis

The materiality analysis, which identified the sustainability issues that are important to COLTENE, forms the starting point of the sustainability strategy. The materiality analysis was conducted together with an external partner and based on the results of various stakeholder interactions. While numerous sustainability issues affect the COLTENE Group, a long list of issues was prioritized to a short list of 20 issues using insights from stakeholder communications in the course of workshops, surveys and other interactions. These issues were then categorized into clusters (Monitor, Manage and Prioritize). The opportunities and risks arising from the 20 selected issues were

assessed using the double materiality approach, that is, according to the influence that COLTENE has on the issue (inside-out view) and how the business is affected by the issue (outside-in view). The resulting findings about the material issues are presented in the matrix below. COLTENE will formulate goals, measures and collect specific KPIs (where possible based on existing standards such as those formulated by the GRI) for the material issues defined in this way.

Overall, this analysis helps COLTENE to better understand the impact that issues have on the business and, by using KPIs, helps to manage sustainability risks in a more focused manner.



Ecological Factors

Research & Development, Materials

Research & Development involves evaluating the operation, performance, safety and usability of a product throughout its design life cycle, from the earliest development stages to the finished item in use, its environmental impact and recycling and disposal. Packaging is standardized and reduced to an absolute minimum wherever possible and is partially made from biodegradable materials. Due to the regulatory requirements for storing or using medical devices, it is not always possible to choose the most environmentally friendly packaging option. COLTENE adopts environmentally sustainable manufacturing processes and evaluates products for potential reuse in dental practices, for example by means of sterilization processes for dental burs and root canal instruments.

In general and in its manufacturing and research activities in particular, COLTENE's impact on the environment is low.

The main material groups used in manufacturing processes are the following:

- Hygiene and treatment aids: plastics, metals, textile fibers, cotton, cleaning solutions
- Endodontic products: nickel titanium (NiTi) metal, plastics, paper
- Restorative materials: polyamide matrix with glass filler
- Impression materials: silicone oils, fillers
- Rotating instruments: steel, nickel titanium (NiTi) metal, diamonds
- Operating materials: water, cleaning agents, galvanic bath solutions, paper

COLTENE strives to reduce its consumption of resources further each year. Full compliance is maintained with all local rules on the storage and disposal of toxic or hazardous material and untreated wastewater. This is handled by authorized specialist contractors in each country. Metals and other materials are recycled wherever possible.

Environmental Data

COLTENE began publishing environmental data in 2015. The data is gathered and analyzed in a largely standardized process. Electricity and water use are based on actual consumption as invoiced in the relevant utility bills. Oil use is calculated by subtracting inventories remaining from oil purchases as documented by invoices. The conversion of energy into carbon emissions takes into account country-specific energy factors. For the 2023 financial year, COLTENE plans to calculate its carbon footprint using Greenhouse Gas (GHG) Protocol tools for the first time.

Recycling data is gathered from invoices, and itemized documentation is provided by local recycling contractors.


In 2022, the consumption of electricity, heating oil and gas was down on the previous year – firstly due to the CO₂ reduction measures introduced and secondly due to the slightly lower utilization of production capacities. Water consumption increased in the year under review, mainly due to a slight change in the product mix. All wastewater from COLTENE sites is discharged through wastewater treatment plants. In other words, the volume of wastewater discharged is the same as that of the clean water used. Waste reduction measures also made an impact in 2022, with the volume of waste again reducing significantly compared with the previous year. Indirectly, this also meant a reduction in the amount of materials recycled.

In 2021, the Altstätten plant had solar panels installed on its rooftop to generate about 150 MWh of power annually, which can cover approximately 15 – 20 % of the site's electricity needs going forward. COLTENE plans to have additional solar panels installed in 2023, so that in future around 40 % of the Altstätten site's energy needs can be covered.

Environmental Data by COLTENE Group Plant

Input	unit	2020	2021	2022	Delta 2022/2021		Output	unit	2020	2021	2022	Delta 2022/2021
Electricity	MWh	834	936	958	2%		CO₂	t	806	934	859	-8%
Oil	t	-	-	-	n. a.		Recycling	t	62	85	63	-26%
Gas	1000m ³	99	121	90	-26%		Waste	t	34	42	29.1	-31%
Water	m ³	1 934	1 959	1 569	-20%	Germany	Wastewater	m ³	1 934	1 959	1 569	-20%
Electricity	MWh	1 020	1 291	1 182	-8%		CO₂	t	293	388	264	-32%
Oil	t	35	53	24	-55%		Recycling	t	50	51	52	2%
Gas	1000m ³	4	-	-	n. a.		Waste	t	117	149	119	-20%
Water	m ³	6 349	11 918	15 311	29%	Switzerland	Wastewater	m ³	6 349	11 918	15 311	29%
Electricity	MWh	2 884	2 963	2 766	-7%		CO₂	t	2 147	1 901	2 122	4%
Oil	t	-	-	-	n. a.		Recycling	t	49	53	63	19%
Gas	1000m ³	94	94	113	20%		Waste	t	31	37	38	3%
Water	m ³	5 609	5 122	6 988	36%	US	Wastewater	m ³	5 609	5 122	6 988	36%
Electricity	MWh	1 072	1 391	1 319	-5%		CO₂	t	286	375	320	-15%
Oil	t	7	11	0	-100%		Recycling	t	20	29	23	-21%
Gas	1000m ³	46	59	56	-5%		Waste	t	16	14	122	-14%
Water	m ³	1 465	1 721	1 405	-18%	France	Wastewater	m ³	1 465	1 721	1 405	-18%
Electricity	MWh	1 065	1 115	1 096	-2%		CO₂	t	548	584	563	-4%
Oil	t	-	-	-	n. a.		Recycling	t	87	38	38	0%
Gas	1000m ³	89	97	92	-5%		Waste	t	382	204	140	-31%
Water	m ³	6 153	7 744	8 640	12%	Canada	Wastewater	m ³	6 153	7 744	8 640	12%

Environmental Data of All COLTENE Group Plants Combined

Input	unit	2020	2021	2022	Delta 2022/2021		Output	unit	2020	2021	2022	Delta 2022/2021
Electricity	MWh	6 875	7 696	7 321	-5%		CO₂	t	4 079	4 181	4 129	-1%
Oil	t	42	64	24	-62%		Recycling	t	268	255	239	-7%
Gas	1000m ³	332	371	350	-5%		Waste	t	579	446	338	-24%
Water	m ³	21 510	28 464	33 913	19%	COLTENE Group	Wastewater	m ³	21 510	28 464	33 913	19%

Supply Chain – Metals and Ecological Factors

Some models of the dental burs COLTENE makes are plated with precious metals. Minimal quantities of gold and platinum are used for this purpose. The suppliers of these metals certify that they are able to trace their products throughout their supply chain and that they are members of the Responsible Minerals Initiative. COLTENE produces neither dental implants nor amalgam fillings. As such, it does not use significant amounts of titanium metals, lead or manganese. COLTENE uses no mercury whatsoever, nor does it buy or use tungsten or tantalum.

The company uses negligible amounts of lead-free solder that is sourced from a Swiss supplier and that, according to the manufacturer’s information, complies with both Directive 2011/65/EU and Germany’s Electrical and Electronic Equipment Act (ElektroG). This makes COLTENE’s products compliant with the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Regulations.

Making activators for C-Silicone requires significant amounts of production inputs that contain tin compounds. These take about 2.5 metric tons of tin a year to produce.

The ISO 13485:2016 standard requires a process to periodically assess suppliers. Major suppliers are reassessed at least once a year. In the year under review, the supply chain underwent no significant changes, and the supplier audits revealed no material non-compliance issues. Internal requirements placed on suppliers are met even when there are problems with delivery.

Social Factors

Employees – Workplace Health and Safety

Official workplace safety regulations and inspections apply in every country where COLTENE operates production sites. Each site appoints safety officers to coordinate and implement the associated issues. These officers have received local training and certification in workplace safety.

Sites where devices with electrical and electronic components are developed and manufactured are compliant with the RoHS Regulations. The RoHS Regulations restrict the use of certain hazardous substances in electrical and electronic devices.

In *Altstätten*, the site safety plan is audited twice a year. Any occupational accidents reported are reviewed to determine their cause, and appropriate measures are implemented.

At the *Cuyahoga Falls* site, all workplace accidents are reviewed and reported. Safety training sessions are held regularly, and employees are encouraged to make suggestions to improve safety.

In *Toronto*, workplace inspections take place monthly in accordance with local requirements. Workplace health and safety meetings are held four times a year.

In *Langenau*, an external service provider has been contracted to enforce and monitor compliance with work-place safety regulations. Meetings and site visits are conducted on a regular basis. In addition, the workers’ compensation board acts in a supervisory and advisory capacity on matters relating to workplace safety.

At the *Besançon* site in France, employees benefit from a monthly workplace health and safety magazine and various measures and systems ranging from ergonomics to risk assessments and reports by the occupational health practitioner for the site.

Accident statistics: occupational accidents at manufacturing sites and sales organizations (per 100 employees)

	2022	2021
Coltène/Whaledent AG, Switzerland	3.7	1.7
Coltène/Whaledent GmbH + Co. KG, Germany	1.2	3.1
Coltène/Whaledent Inc., USA	0.9	0.9
SciCan Ltd., Canada	3.9	2.7
Micro-Mega SA, France	6.5	2.1
Other sites	0.5	0.5
Total	2.4	2.0

In total, there were around 2.4 occupational accidents per 100 employees in 2022. The number of occupational accidents increased slightly compared with the previous period due to a rise in the number of minor accidents at the site in France. None of the accidents in the year under review resulted in lasting health issues or prolonged work absences. After any accident, the local Workplace Safety Officers investigate whether additional prevention measures are required or workstations and processes can be modified to improve safety.

Protection from Coronavirus

COLTENE set up an internal crisis task force at the start of the pandemic. The task force at Group level was recruited from members of Group Management, while at the local level it includes each site's general manager, safety officer, quality and regulatory manager, production manager, HR manager, and additional personnel as appropriate. These teams ensure that local official regulations are followed at all times and that site-specific measures are put in place. These teams continuously reassess the situation and provide updates to the entire workforce via bulletin board notices and internal means of communication. Employees also receive prompt updates on important changes and health and safety measures following decisions by local authorities.

Employee turnover rate

The employee turnover rate Group-wide was about 19.6% in 2022. The higher rate compared to the previous year is due to organizational changes and skills shortages on the labor market. The goal is to significantly reduce the turnover rate over the course of the coming years.

Statistics (employees of all COLTENE Group companies)

	2022	2021
Total employees (in full-time equivalents)	1 221	1 242
thereof percentage of men	52%	52%
thereof percentage of women	48%	48%
thereof part-time employees	4%	4%
Total managerial positions	14%	14%
thereof percentage of men	72%	71%
thereof percentage of women	28%	29%

Diversity

On the COLTENE Group Board of Directors, the average age is 57.5 and two of the seven members are women (29%). No women are currently represented in Group Management, which also numbers seven members. Within the COLTENE Group, women occupy nearly 30 % of managerial positions at team management level or higher. In the overall workforce, men and women are represented in near-equal numbers, at a ratio of 48 % to 52 %. For COLTENE, employee diversity and equal gender representation are important.

At the Langenau site in Germany, this is the responsibility of a Gender Equality Officer. In France, where monitoring through the Gender Equality Index is mandated by law, Micro-Mega SA scored 92 out of 100 points (as of February 2022). The COLTENE site in Cuyahoga Falls in Ohio, USA, issued a Diversity, Equality and Inclusion statement in 2020 and continuously participates in events related to these topics.

In 2021, the Altstätten site conducted the mandatory gender pay gap analysis. The analysis covered the salaries of 196 employees, of whom 111 (56.6 %) were women and 85 (43.4 %) men. Coltène/Whaledent AG successfully passed the pay gap analysis.

Governance Factors

Quality Management and Risk Management

In Europe, COLTENE is subject to the Medical Device Regulation (MDR). In the US, COLTENE products are regulated by the Food and Drug Administration (FDA) and elsewhere, by the medical device regulations in each jurisdiction. COLTENE is certified to ISO 13485:2016 at all its manufacturing sites. Production adheres to standard operating procedures (SOPs). These define sets of prescribed steps to be followed in Production, Quality Management and Registration, but also in R&D and in support processes such as Human Resources (HR). COLTENE relies on SOPs to ensure that each step in a production process and all components, raw materials and supplies meet applicable government and regulatory requirements, and that products are fully traceable.

Local teams continuously monitor local applicable law for changes to requirements and implement these updates. In addition, risk assessments are created and performed through the medical device regulations for products and processes. Measures are defined and implemented for the mitigation of all high and upgraded risks.

Once on the market, products and their usage in the market are monitored on an ongoing basis (post-market surveillance). This allows information and conclusions to be gathered for continuous product improvement, which feed into internal processes.

Insurance policies are taken out as necessary for any risks against which it is mandatory or reasonable to insure. “Umbrella policies” exist at Group level to cover significant risks and include commercial third-party liability and product liability insurance, property and transport insurance and more. These policies cover the relevant risks at Group level for all legal entities of the COLTENE Group. For more details on Group-level risk management, see the “Corporate governance” chapter. The production sites are audited annually by an accredited notified body for full legal and regulatory conformity. Any nonconformities found are promptly rectified, and their rectification is monitored by this notified body. This ensures that the COLTENE Group is compliant with legal and regulatory requirements governing its products, services and processes.

Code of Conduct and Preventing Corruption

COLTENE maintains a Group Code of Conduct. Code of Conduct training is mandatory for all new hires. Training materials are provided in all major languages spoken in the COLTENE Group. The training content covers topics as follows:

- *Compliance with laws and regulations – ethical behavior:* COLTENE employees must comply with local laws and regulations. They shall be respectful toward people of different cultural, religious and ethnic backgrounds and affirm their human dignity. The privacy and personal freedom of others warrant special protection, and neither discrimination nor harassment will be tolerated.
- *Conflicts of interest:* Employees shall not put themselves in any situation in which their personal or financial interests may conflict with their business interests.
- *Bribery and corruption:* No COLTENE company or employee shall offer any undue monetary or other advantage to business partners. Cash gifts are strictly prohibited at all times, and agreements with business partners (such as suppliers, customers or consultants) shall not be used to make payments that circumvent COLTENE policies on bribery and corruption.
- *Antitrust compliance:* COLTENE is committed to fair and open competition. Any violation of competition laws is prohibited.
- *Disclosure and records:* All business transactions must be recorded in accordance with applicable law and local and COLTENE accounting principles. All email correspondence shall be retained as permanent records to permit tracing controversial cases any time.
- *Confidentiality and protection of intellectual property:* Internal information must be treated as confidential. This applies to COLTENE trade secrets and business activities; proprietary information, technologies and other intellectual property; COLTENE’s financial position, customers, suppliers, business partners, contracts, etc. Employees have a duty to keep company information confidential within and outside their workplace. This duty continues after employment ends.
- *Environment, health and safety (EHS):* All COLTENE Group sites everywhere are committed to safeguarding the health and safety of their employees and protecting the environment, and comply with all applicable laws and regulations and internal directives.
- *Sustainability in supplier management:* This means taking the following criteria into account when making sourcing decisions: cost effectiveness, technologies and processes, social and environmental considerations, protecting human rights, fighting corruption and protecting the environment.

Any breach of the Code of Conduct will result in disciplinary action appropriate to the severity of the breach, up to and including termination of employment. Employees have the option of reporting any violations of the Code of Conduct or of applicable law, either at Group level by notifying the CFO or within their local organization by contacting their line manager or HR. Additionally, the existing whistleblower hotline was made available to all COLTENE companies in 2022, meaning that employees throughout the Group will be able to anonymously report violations of the Code of Conduct from 2023 onward.