

Organizational excellence: Sustainability.

At Nobel Biocare, we aim to create value through the benefits of the products and solutions we provide. For us, “advancing implant-based tooth restorations” extends from our products, solutions and services to our actions as a responsible corporate citizen working ethically, sustainably and in an environmentally responsible manner.

Being a good corporate citizen is embedded in our philosophy. As a healthcare company focused on providing quality of life to patients, we see corporate responsibility and sustainability as key business objectives. Our vision is of a commercially sustainable business that both increases the accessibility of our products globally and acts as a responsible organization. We are committed to addressing social, environmental and economic challenges to ensure the health of our business and the society in which we operate.

Our impact on quality of life goes beyond the patients treated with our products. We work to continuously integrate corporate responsibility in every area of our organization through our corporate responsibility framework. It encompasses the way we do business, our influence on the environment and how we can put our expertise to use for the good of society. In practice, we focus on three areas: business ethics, caring for the environment, and philanthropic activities that help people in need, particularly in the area of oral healthcare.

In order to become a better corporate citizen and also to ensure that our business practices are sustainable, we are starting to use the Global Reporting Initiative (GRI) framework as a reference for our Annual Report, and will develop our reporting toward a full GRI report in the coming years.

Conducting business ethically and transparently

Providing quality of life and being a responsible corporate citizen go hand-in-hand with conducting business ethically. As a global leader in our industry, we work hard to cultivate strong and trusting relationships with our customers, employees, suppliers, the general public, and other stakeholders. Patients must have confidence in our solutions, dental professionals in the safety of our products and solutions, investors in how the company is managed, our employees in their management. For us, this means acting according to the highest ethical standards and communicating openly and transparently. It also means fostering a work environment

that supports employees' individual growth – and ultimately that of our business.

We strive to work in the best possible way to produce products of the best possible quality. We have a long-standing commitment to conducting our business in compliance with applicable laws and regulations and in accordance with the highest ethical principles. We closely monitor our actions to ensure that compliance. And we foster a culture of ethical behavior in everything we do. We believe in fair treatment of everyone that comes in contact with our business – employees, customers, patients, suppliers, all other stakeholders and society at large.

Quality...

Quality is central to our business. If we want to provide quality of life, we have to provide quality and safety in how we work and what we produce. We exceed regulatory standards and continually invest in upgrading and improving our manufacturing facilities and business processes. We comply with all relevant regional authorities, and maintain a dedicated quality assurance unit, staffed by experienced quality professionals. We rigorously maintain standards in manufacturing, quality control, product packaging, logistics, employee health and safety, as well as standards for environmental protection. Other operational standards we have implemented or secured include our own General Supply Agreement and ISO certification in all our manufacturing facilities. In 2011, we can report that no major complaints were lodged in any audits or reviews.

Before we launch a new product or solution, we conduct stringent clinical studies to test and monitor its performance and safety, preferably long-term follow-up studies to document the success rate of our products. Most studies run for several years with interim results published as extended abstracts, or as posters, at major international scientific congresses. Study results are published in international scientific, peer-reviewed journals.

...and equality

As a company, we foster openness, honesty, tolerance, fairness and responsibility in all matters. We do not discriminate, we do not tolerate any form of harassment, we do not engage in any form of forced or child labor. Our Code of Conduct is one of many tools we provide employees to assist them in meeting our legal and ethical obligations – all must abide by the Code. You can read more about our ethical stance as an employer in the Employees chapter of this report.

Reducing our environmental footprint

As a globally operating company, we respect the resources we need to conduct business. We commit to being responsible in how we bring our products and services to market, how we use natural resources, and how we conserve energy and eliminate waste. We are taking action to preserve a healthy environment and are working on a road map to guide our progress, from reducing our environmental footprint in the short-term to continuously improving our value chain. As a global company with various manufacturing facilities and many office locations, we are aware that our business activities have an environmental impact. We strive to keep this impact to a minimum – a healthy and clean environment contributes to people's health and quality of life.

In terms of supply chain and manufacturing, we keep an eye on our environmental footprint through a global monitoring process. But we also aim to keep reducing that footprint by improving the way we work. Our global environmental objectives are three-fold: to reduce waste, energy, water, raw materials; to reduce our CO₂ emissions; and to raise environmental consciousness within the organization. Our greenhouse gas emissions result mainly from energy use. Through improved manufacturing processes, we've reduced titanium waste by 50% in the last reporting period. We work with a global network of transportation partners that have a strong environmental focus and provide more eco-friendly transport options. And we train our employees on environmental issues. Our Environmental Management System (EMS) helps us achieve our goals for the environment while delivering continual feedback on environmental impact and other parameters. As part of our ISO 14001 certification, all production sites undergo regular third-party environmental audits.

We try to keep international travel to a minimum. Of course, face-to-face meetings will always be necessary, but we use online meeting technology that reduces the need for travel.

Community engagement

We consider lack of access to treatments and lack of awareness about the consequences of untreated tooth loss as key challenges for the global community. We have an important role to play in addressing these challenges. As a responsible corporate citizen, we also believe we should give back to our communities and to people in need. We are proud to be part of various community engagement activities.

We see it as part of our responsibility to support philanthropic projects, some globally, some locally. Our donation programs

Our three areas of focus

- Business ethics
- Caring for the environment
- Philanthropy

Reduction in titanium waste for the reporting period

50%

CO₂ (kg) per produced unit 2011



CO₂ per produced unit is calculated as a combination of electricity, paper and water consumption based on Elmix Sweden & USA (electricity conversion factors: Sweden 110g; USA 800g CO₂/kWh).

Philanthropic engagements

30% of International Dental Show (IDS) proceeds donated to help Japanese tsunami victims

1'800 treatments a year sponsored at the P-I Brånemark Institute Bauru in Brazil

Donation to the Academy of Osseointegration Foundation to research osseointegration

aim to give back to communities in areas where we can provide expertise in addition to financial support. Principles and priorities are set at a group level and implemented locally by the business.

We support the P-I Brånemark Institute Bauru in Brazil, a non-profit organization that treats patients with missing teeth and often severe maxillofacial defects, in most cases free of charge. The institute was founded by Professor Per-Ingvar Brånemark, the Swedish orthopedic surgeon whose pioneering work on osseointegration laid the scientific roots for Nobel Biocare. Through our financial backing, the institute is able to restore quality of life for several hundred people a year – a substantial contribution to the 1'800 procedures the institute currently carries out annually. In November 2010, Nobel Biocare announced a new five-year agreement, worth about 2.5 million euros, that will enable continued clinical treatment, follow-up teaching and training.

When the tsunami hit Japan in early 2011, we, as a company, greatly felt the effects. Japan is our biggest Asian market, and we have both an office and a production plant there. Our employees, customers and their patients on the spot were hugely affected by this tragedy, many of them losing homes and practices. We pledged to help with rebuilding efforts by donating 30% of our sales from the IDS trade show to the victims of the catastrophe. These funds are administered by our Japanese organization to help our customers and their families rebuild their lives.

We made a 5-year, 2.5 million US dollar pledge to the Academy of Osseointegration (AO) Foundation. The AO uses these funds to support research and leadership in the field of osseointegration – a topic on which we are strongly focused.

We support leading dental societies in their efforts to promote dental education, enforce professional and business best practices and encourage involvement in science and innovation. We partner with dental universities worldwide by sharing product knowledge and treatment expertise. We also cultivate an active dialog with dental organizations and other dental stakeholders and support them where appropriate.

And in some cases, where patients suffer from an exceptional problem and cannot afford treatment, we support pro bono treatments by providing products free of cost.

Global Reporting Initiative

This year, for the first time, we have used the Global Reporting Initiative (GRI) 3.1 as a reference framework for our Annual Report. In the near-term, we aim to publish a report that fully follows the GRI indicator protocols.

The GRI is a network-based organization that produces a comprehensive sustainability reporting framework used widely around the world. GRI's core goals include making disclosure on environmental, social and governance performance part of mainstream corporate reporting.

You can find all the GRI-related topics that are contained in this report in the index table to the right.

Sustainability reporting 2011.

GRI reference	Subject	Page
Strategy and profile		
1.1	Statement from the most senior decision-maker of the organization	6
1.2	Description of key impacts, risks and opportunities	18–22, 94
2.1–2.10	Organizational profile, structures, markets	2–5, 18–23, 30
3.1–3.4	Report profile	n.a.
3.5–3.13	Report scope, boundary and assurance	n.a.
4.1–4.10	Governance	56–87
4.11–4.13	Commitments to external initiatives	50–52
4.14–4.17	Stakeholder engagement	2, 18–23, 24–29, 37, 46–49
Economic Performance Indicators		
Management approach		18–23
EC1	Direct economic value generated and distributed	4, 50–52
EC3	Coverage of benefit plan obligations	80–87
EC4	Significant financial assistance received from government	n.a.
EC8	Development and impact of investments for public benefit	50–52
EC9	Indirect economic impacts	50–52
Environmental Performance Indicators		
Management approach		
EN16–EN20	Emissions (greenhouse gas, ozone-depleting substances, NOx, SOx, air emissions)	16, 50–52
EN22	Waste	42–46, 50–52
EN26–EN27	Products and services	46–49
EN29	Transport	46–49
Social Performance Indicators		
Labor practices and decent work		
Management approach		4, 42–45, 46–49
LA1-LA3, LA15	Employment	46–49
LA4, LA5	Labor/Management Relations	49
LA6-LA9	Occupational health and safety	49–50
LA10-LA12	Training, education and career development	46–49
LA13	Diversity and equal opportunity	48, 50
LA14	Equal remuneration	48, 50
Human rights		
Management approach		50–52
HR4	Non-discrimination	50
Society		
Management approach		50–52
SO1, SO9, SO10	Local communities	51–52
SO2-SO4	Corruption	48, 50
Product responsibility		
Management approach		4, 24–25, 26–29, 30–35, 36–41, 42–44
PR1-PR2	Consumer health and safety	4, 24–25, 26–29, 30–35, 36–41, 42–44
PR5	Customer satisfaction	4, 18–23, 26–29
PR9	Compliance	42–44