



Malmö, Sweden, 2011-05-15

Statement by the CEO

Dear Stakeholders,

CDI Dental AB is proud to deliver its second Communication on Progress, COP. Our aim is to offer the Swedish dental care high quality products, such as dental techniques, material and implants to a low price. CDI Dental emphasizes high standards of quality in products and company conduct. We are constantly working with sustainable innovations and foster a diverse and engaged workforce. It is important for us to be accountable, transparent and responsive to stakeholders.

In support of this mindset, in 2008, CDI Dental became a member of the UN Global Compact, the voluntary UN corporate citizenship initiative comprised of over 8,000 participants from all over the world. By being a member CDI Dental agrees to embrace, support and enact a set of core values in the areas of human rights, anti-corruption, environment and labour standards. By joining the UNGC we have proved that our interest in CSR is sincere and it singles us out in relation to our competitors. Being a member of the UNGC is a strong incentive for customers to choose us as partners. CSR simply contributes to the development of our business.

As the company is expanding rapidly and will be moving to new premises we set the bar higher and our commitment to the 10 principles will play an important part in the expansion. CDI Dental continues to adhere to the ten principles stipulated by the UNGC in the areas of human rights, fair labour, environment and anti-corruption. Our on-going commitment to these principles provides guidance for the development of policies and practices in our company.

Our COP 2011 provides an overview of the sustainability work we have undertaken during the past year, in alignment with the objectives of the Global Compact. CDI Dental wishes to express our sincerest support to the Global Compact mission, and would like to communicate our on-going commitment to work in support of the Global Compact principles in the coming year.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Lars Narhed".

Lars Narhed
Chief Executive Officer (CEO)



CDI Dental in brief

Background

CDI Dental is a dental laboratory operating in Sweden, with supplier relations in China. CDI Dental is a young company, established in 2007, and undergoing vast expansion. The main idea of the company is to offer the Swedish dental care high quality products, such as dental techniques, material and implants to a low price. Furthermore, CDI wants to offer high quality service and support in all dental matters to all of their clients. CDI is also offering additional added-value products/services such as CDI's Dental care insurance.

The company has two main visions. The long-term vision of CDI consists of giving a larger portion of patients a better dental care. The company has also an explicit quality policy which states that CDI is aiming at delivering the dental products that fulfils the client's needs and expectations on-time. Further, the firm's quality policy states that CDI aims at maintaining and improving the quality of the products through continuous improvements of the production and the technique.

15 persons are currently working at the Laboratory in Malmö. Since the start of the operations in June 2007, the company has experienced rapid expansion. Shortly CDI Dental will move to new premises with increased opportunities for setting the bar higher concerning working conditions and recycling. Looking generally at CDI, it is a company full of energy, enthusiasm and work. As shown above, it has experienced a rapid expansion and there is a special energy and motivation amongst the staff, making them wanting to work and expand further. Even though it is a small and new company, it has a management group with long prior experience in the field and with specific management abilities.

We are directly affecting our community by offering good quality dental products to a low price. We aim at keeping a positive connection between health and cost. We are making good dental health possible to a low cost without affecting quality negatively.

Supporting the ten principles of the Global Compact aligns with our company values. It is also an opportunity for us to collaborate with like-minded companies around the world and to set a good example in our area of business. All 10 principles of the UN Global Compact are of great importance to CDI Dental, however our main focus lays on the fields of Labour Standards and Environment. By the time of the CDI Dental application to the UNGC an analysis of the company was carried out which pin pointed areas of possible improvement. Most of them were in the field of environment but also many were connected to labour standards.



Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Actions taken

We respect the Declaration of Human Rights. We intend to exercise this approach in all of the company's activities and expect the same from our partners.

Much effort has been put in to create an inclusive work environment. We keep an open policy towards gender, sexual and social diversity and strongly encourage candidates from different backgrounds. The recruitment of new colleagues has been carried out in cooperation with the Federal Employment Agency (Arbetsförmedlingen). A majority of our new colleagues were recruited via internship programs for long-term unemployed and integration of immigrants. We are very satisfied with the process as well as the employees.

As mentioned before CDI Dental is expanding rapidly which increases the need for internal information. All employees get updated on a regular basis, also they are encouraged by the directors to take an active part by making proposals for changes in the policies and methods of work.

We have had a representative at the Swedish UNGC forum "Globalt Ansvar" in Stockholm, Sweden, where we have taken part in the discussions and formation of new methods to reject forced labour, child labour, and other labour related practices that go against the Declaration of Human Rights.

Commitments for the coming year

We will maintain our respect for the Declaration of Human Rights and continuously promote and support those with our stakeholders. We will also continue all actions mentioned above.



Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Actions taken

CDI Dental strives to be a good employer that gives the employees opportunities to develop and where every individual's contribution is meaningful and encouraged. Tools used in this area include extensive investment in internal training and competence development. We strongly believe that work on sustainable development contributes to greater pride and job satisfaction among the employees.

In our Letter of Intent, our suppliers in China agrees to adhere to common corporate social responsibility standards, including not employing underage workers, nor demand excessive working hours for its staff.

Commitments for the coming year

We will continue all actions mentioned above. In April this year we were certified according to the quality management system SS-EN ISO 9001:2008 and SS-EN 13485:2003. As part of the ISO-certification we will extend and specify the demands on our suppliers in China. As for the work force in Sweden, the coming relocation will open up opportunities to improve the work environment. All work will be done on the same floor which will improve the work environment from a physical, social, and organizational viewpoint. It will also reduce the risk of accidents.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Actions taken

As a part of our ambitious commitment to the principles concerning environmental issues we will follow up the ISO-9001 and ISO-13485 certification with an ISO-14001 environmental management system certification, of which one of our employees is responsible. Management and employees jointly endeavour to create a company that we all can be proud of. We find it important and fruitful to encourage initiatives coming from the employees. The ISO-certification is the first important step towards an over-all improvement of the company's environmental policy. We strive to minimize the use of toxic and other substances that can have damaging effects. Specific vacuum cleaners are used when handling those substances. We have also provided the technicians with protection masks for use when working in the laboratory.

The recycling of waste materials is constantly improving at CDI Dental. At the time of the application, acrylic substances and metal were thrown into special recycling bins. Today plaster, prosthesis and paper are also being recycled.

Our contribution to Community includes our offer of good quality and low cost dental products to people and by that contributing to a better quality of life.

Commitments for the coming year

During 2011 we will adopt a formal environmental plan. When moving to the new premises, the security plan will be revised and brought to the latest stand. The Security plan will include updated safety regulations on how to handle the toxic liquids and powders. Also, the storage of such will be in a safety/security box. We are continuously looking for new, environmentally non-damaging products that can replace the toxic and less safe substances and powders.

Later this year a Code of Conduct will be written down as part of the ISO-certification. It will address many ethical principles and policies created to deal with issues such as bribery, diversity, equal opportunity, labor practices, and respect in the workplace. It will also address environment, health and safety. All directors and employees will be expected to adhere to the Code of Conduct in the daily performance of their job responsibilities. We expect the same from our suppliers and business partners.

Our aim is to start up the ISO-14001 work during 2011.



Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Actions taken

We do not tolerate the offering of, requests for and acceptance of bribes in all of our company's activities.

Commitments for the coming year

We continue our policy not to tolerate the offering of, requests for, and acceptance of bribes in all of our company's activities.

Communication with stakeholders

We listen to our stakeholders and take their opinions into account with the objective of ensuring the sustainable success of our company. For us communication is closely linked to quality.

We are greatly concerned that all our staff is aware off and understand the importance of CSR and the commitment to the UNGC. We emphasize on the important role that the employees play. During the past years the staff has taken part in qualified professional training in the fields of UN Global Compact, quality management and CSR. We engaged the consulting firm UDC, also a member of the UNGC, to create an environmental management system.

CDI Dental conducts an ongoing dialogue with our stakeholders. The dialogue includes weekly staff meetings, monthly newsletters to customers, and a living and constantly updated web site. CDI Dental strives to understand the needs and opinions of our customers. This takes place mainly by the enclosure of a survey card with every delivery. The card is filled in, and returned to CDI Dental with the customer's next order. By using this continuous system, we are always kept up to date and can apply the information to our business operations.

The CDI Dental COP 2011 will be communicated to our stakeholders and the public on our website as well as in our newsletters. Our employees and the management will all receive a copy each.

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"These examples of our CSR work stated above are the most prominent examples of actions that CDI Dental AB continues to take. They reaffirm our support of the ten principles of the UN Global Compact, as well as the manner in which we implement our business strategy. Participation in the UN Global Compact is one more piece in helping us to achieve our vision of being a responsible company. For us, sustainability work is not an expense, it is an investment."

Lars Narhed, CEO CDI Dental

CDI Dental AB – *The Company that treats your Practice as a Company*

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