

3Shape Corporate Social Responsibility (CSR)

Introduction

In 3Shape, we plan, develop and operate our business in a way that balances our financial results, our impact on the environment, and the contribution to society in the countries and areas we operate. We believe a strong Corporate Social Responsibility is part of the foundation when building a long-term sustainable business.

“Improving people’s lives” is one of our eight values and a cornerstone for making decisions in our daily business. We use that guiding principle when we design, create, sell and support our solutions, and when we collaborate with stakeholders. In the coming years, CSR will continue to have increased attention with additional initiatives, as our business expands globally.

We aspire to create a corporate culture that ensures all employees understand the value of acting as a good corporate citizen. Combined with internal guidelines and fact-based decisions by management on CSR topics, we believe 3Shape can contribute to the global dental health and build a more sustainable world. All done in a way that helps improve well-being and respect rights of our customers, partners and employees.

Business model

3Shape employs more than 1,500 employees globally in close to 20 countries. 3Shape specializes in developing 3D scanners and software solutions that enable dentists, dental lab technicians and hearing aid professionals to treat more people, more effectively and with improved care. 3Shape has production facilities, research and development facilities, shared service center, academy facilities, customer support offices and offices in Asia, Europe, Latin America and North America.

About this overview

This overview provides a status on 3Shape’s work within the area of Corporate Social Responsibility for the financial year of 2018 and comply with the reporting requirements set out in section 99a and b of the Danish Financial Statements Act (Årsregnskabsloven). This overview provides insight and understanding of the scope of our CSR work, and how these activities are an integrated part of the day-to-day business of our company. The overview covers the four entities 3Shape Holding A/S, 3Shape A/S, 3Shape Trios A/S and 3Shape Medical A/S.

Reporting areas	Policy	Risks	Actions in 2018	Results	Goals
Human rights	Supply Chain 3Shape’s commitment covers a large number of countries around the world. Whatever country 3Shape operates in, 3Shape comply with equal rights and discrimination, forced employment, working conditions and child labor. 3Shape acknowledges the responsibility for human rights in the business activities generated locally and globally	In every sector, global expansion, technological progress, and consumer expectations have pushed companies to compete on flexibility and responsiveness. While this has resulted in significant gains in development in some places, it has also applied downward pressure in others to reduce wages and degrade working conditions. 3Shape should ensure that international norms on rest breaks, hours, and overtime pay are respected, regardless of local norms or competitive pressures	Respecting human and labor rights is a basic aspect of conducting responsible business. We place continuous emphasis on this to ensure that we never take good practices for granted and that we recognize that we can always improve on our work with human and labor rights. Based on an updated purchase risk assessment, 3Shape has conducted a supplier assessment. The suppliers get an individual evaluation with different parameters	In 2018 there has not been observed any breaks on human rights	For 2019 more CSR initiatives will be implemented in 3Shapes quality agreement where all new suppliers must sign when a collaboration is started with 3Shape

Reporting areas	Policy	Risks	Actions in 2018	Results	Goals
Facilities' impact on climate	Energy savings in facilities Electricity is the largest energy consumption in 3Shape. 3Shape strives to run a sustainable production where energy reduction in the production facilities and offices is an important target	Poorly managed energy consumption has an impact on the climate	To have a competitive advantage and lower climate impact 3Shape has moved to a new production facility in Poland	3Shape has started in 2019 to have KPIs within this area	Not to increase in consumption per produced unit
Transportation and travelling impact on climate	Optimizing employee's transportation 3Shape encourage employees to have skype meetings rather than flying, and does not use business class tickets to reduce indirect CO2 emissions	Transportation is one of the largest contributors of greenhouse gas emissions	A guideline "How we spend our resources" closely connected to our value "Act like an owner" has been implemented in 2018	Average travel days per employee was 14.5 in 2018	Average travel days per employee decrease
Environment	Trade-in and trade-up program 3Shape has a trade-in and trade-up program where a customer can trade a competing scanner to a Trios scanner (trade-in) or an old Trios/Lab scanner for a newer model (trade-up). 3Shape has this program to secure the customers have the best scanner on the market and the scanners get disposed correctly	There is a risk that the customers do not dispose the scanners correctly as environmental waste. With the program 3Shape tries to limit incorrect disposal of scanners	The trade-in and trade-up program has expanded and 3Shape disposes the scanners in a way that does not impact the environment negatively, or the scanners have been refurbished and sold to lower income world countries	More than 1,000 scanners have been traded-in and traded-up for a newer scanner	Increase in number of traded-in and traded-up scanners
Employee relations for employees	Employees For 3Shape it is essential that 3Shape is an attractive place to work, employees enjoy working at 3Shape and understand the values of the 3Shape. 3Shape accepts the challenges of a growing company and the factors that influence the overall commitment of employees and that both private and personal factors can play a role	The industry should address issues directly through policies, procedures, and trainings related to workplace discrimination and sexual harassment, and should monitor and engage the workforce to prevent discriminatory practices	In 2018, 3Shape initiated a project to articulate the values of 3Shape. 73 1:1 interviews were carried out, 16 workshops were held, and 800 employees surveyed In 2018, 3Shape initiated an semi-annual People Survey to measure engagement at work	Has been rolled out to 7 out of 15 offices	In 2019 the 3Shape culture project will be rolled out to all 3Shape offices

Reporting areas	Policy	Risks	Actions in 2018	Results	Goals
Social relations	Community 3Shape recognizes the role it plays in advocating for and investing in efforts to improve health of patients and customers in the dental and hearing industries. Our efforts enable people across the world to enjoy better lives	As a high-tech company 3Shape is expected to make meaningful contribution to the society by use of new technologies With sizeable operations in a few markets 3Shape should find ways to support local communities in a meaningful way	Several products have been developed in 2019 with diagnostic capabilities including TRIOS Patient Monitoring and TRIOS 4 with caries detection aid capabilities. In addition, 3Shape supports many smaller initiatives around the world. As examples can be mentioned: Support to BrighterWay Institute in USA by donating intraoral scanners and the annual 3Shape Christmas Collection in Poland for a select group of families in need for support	For 2018 BrighterWay treated over 8,000 homeless, 18,000 children and 1,000 veterans	The goal is to continue the two projects and add one more project
Anti-corruption for supplier	Suppliers With a long value chain 3Shape has a large responsibility and how 3Shape acts can affect others. To maintain a sustainable business, it is important to maintain a high standard of integrity, safety and fairness in how 3Shape works with suppliers and how suppliers manage their own business	There is a risk of suppliers don't comply with all governing legislation and regulation.	Larger suppliers' way of conducting business is assessed by questionnaires and strategic suppliers receive a supplier audit from 3Shape	All 3Shape's strategic suppliers have had a visit from 3Shape in 2018	To include anti-corruption in 3Shapes quality agreement
Anti-corruption for employees	Employees 3Shape do not tolerate the acceptance, offering, promising or paying of bribes of any kind. Employees may only give or accept gifts, meals or other things of value if these are within a reasonable level and have a specific and legitimate business purpose	Corruption and bribery profoundly affect vulnerable communities—either by misdirecting funds that could be spent on healthcare, education, or other public goods, or by preventing participation in the democratic process	3Shape has hired two Business Support Directors in USA and China. This will continue to further strengthen the regional focus on anti-corruption in some key markets 3Shape conducts internal audits at in the markets with highest potential risk impact	In 2018 there has not been observed any corruption or bribery	To create and distribute a guideline to all 3Shape employees

Reporting areas	Status	Targets with time horizon	Reason if the target is not met		
Gender distribution in the Board of Directors	There are currently no females in the board for 3Shape Holding A/S. 3Shape is an owner-led group, and the composition of the Board of Directors is therefore based on other criteria	For a period of two years the objective of the company is to elect at least one person of the underrepresented sex for the Board of Directors	The company's board in 3Shape Holding A/S consists of representatives of the company's two largest shareholders and two of the group's lawyers and the former CEO of the company. No candidate has been found in 2018		
Reporting areas	Status	Policy	Actions in 2018	Results	Goals
Gender distribution in the management	Proportion of female employees in the management is 14% in 2018 3Shape's employee base is characterized by a large share of engineers which in the large markets 3Shape operates in, is a group with large share of males	3Shape believes in the commercial advantage of diversity including gender equality. We would like to take advantage of as much a talent as possible and we believe that employee diversity brings important business benefits, contributes positively to the working environment and strengthens the company's performance and competitiveness	When re-establishing or re-appointing managers and intermediate positions at least one of each gender should be among the last three candidates	The actions have not led to any increase of the underrepresented sex	The goal is to increase the proportion of female employees in the management