

GC

# GC GROUP

## GLOBAL CSR REPORT 2023





## Continuing to tackle challenges to realize a healthy and long-living society

Over the century since our founding in 1921, we have provided high-quality products, information, and services to those in the dental industry across the world and have worked to improve global oral health under our corporate philosophy, SEMUI. In recent years, it has become clear that oral health is closely linked to general health, and maintaining oral health is considered essential for maintaining overall health. Aiming for the first milestone of the next century in 2031, GC Group established its Vision 2031: “To become the leading dental company committed to realizing a healthy and long-living society”, which is our commitment to helping everyone around the globe live a long, happy, and healthy life. This message of us as “the leading dental company” conveys our strong desire to become not only number 1 in sales volume, but also an “incomparable” company for all the stakeholders of GC. We will strive to become an incomparable company and will continue to work as a group towards realizing our Vision 2031.

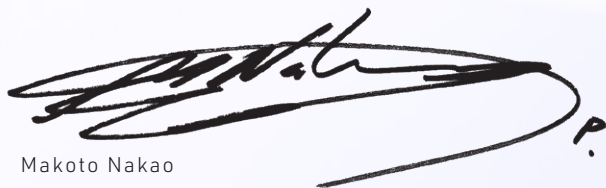
GC Group has also established “Contributing to a sustainable society by promoting

## CEO MESSAGE

oral care while maintaining an eco-friendly environment" as part of our mission to achieve Vision 2031. In addition, we have formulated our materialities (priority issues) to indicate the direction of our corporate activities going forward. Our materialities are "Tackling dental care issues through products and services", "Providing responsible products and services", "Realizing attractive workplace", "Contributing to environmental efforts", and "Strengthening governance". Through these initiatives, we will further carry out our social responsibility as a group.

I would like to offer my sincere gratitude to all those who have supported GC Group since our founding. We will continue working to become an incomparable company that adds value to dental care to realize a healthy and long-living society based on our corporate philosophy of SEMUI.

GC Holding AG  
Chairman, President & CEO



Makoto Nakao



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Since 1921  
100 years of Quality in Dental



© 2021 OVER ALLs

### Cover photo

The large wall art at Fuji Oyama Factory was painted in commemoration of the 100th anniversary in 2021. The art depicts GC's ambition to look out over the world and deliver products from the factory, inspired by the dream of one of our founders, Kiyoshi NAKAO, who wanted to build a factory with Mt Fuji in sight.

Our next century have already begun. We develop ideas from the customer's standpoint and act from the customer's standpoint. The spirit of SEMUI has been with us for a century and will remain unchanged going forward. Together into the world, together into the future.

# HISTORY

## Over the Past 100 Years and Towards the Next 100 Years

**1922** First product, Standard Cement, failed to establish itself on the market

**1934** Incorporated as a joint-stock company with Yoshinosuke ENJO as first president and Kiyoshi NAKAO as executive director

**1934** European branch established in Kortrijk, Belgium

**1934** 60th anniversary/President Toshio NAKAO announces the concept of GC's Quality Control (GQC)

**1946** Company renamed GC Chemical Industrial Co., Ltd./Kiyoshi NAKAO installed as second president

**1966** Kiyoshi NAKAO installed as chairman/Toshio NAKAO installed as third president

**1981** 60th anniversary/President Toshio NAKAO announces the concept of GC's Quality Control (GQC)

**1983** Makoto NAKAO installed as fourth president

**1991** Company renamed GC Corporation

**1991** GC America Inc. established

**1995** GC's Quality Control (GQC) becomes GC's Quality Management (GQM)

**2000** GC Corporation awarded the Deming Prize

**2000** GC Corporation awarded the Deming Prize

**2003** GC Dental (Suzhou) Co., Ltd. established

**2003** GC International IAG established in Switzerland/Dr. Kiyotaka NAKAO installed as fifth president/Makoto NAKAO installed as chairman

**2004** GC Corporation awarded the Japan Quality Medal

**2013** GC Corporation ranked first in the Quality Management Level Survey

**2014** GC America awarded the Deming Prize

**2016** GC Corporation ranked first in the Quality Management Level Survey

**2019** GC Europe awarded the Global Excellence Award

**2021** Vision 2031, the new management vision for GC Group, unveiled as the first step in the next 100 years/100th Anniversary of Founding celebration

**2022** GC Group strengthens corporate governance and establishes a new group management structure

\*Read more on p. 37

## Basic CSR Approach

At the core of GC Group's CSR approach lies the company's founding spirit, SEMUI. The teaching of acting from the standpoint of others has been passed down as our corporate philosophy for the last century, and we practice the spirit of SEMUI in all our corporate activities. We aim to realize a healthy and long-living society by merging the thoughts of each and every Nakama\* working in various locations around the world under this corporate philosophy. We hope to contribute to the resolution of the many issues related to human health through our business as a comprehensive dental care manufacturer.

\*All employees of GC, whether they work as executives or rank-and-file associates, are called Nakama (Associates)

# PHILOSOPHY

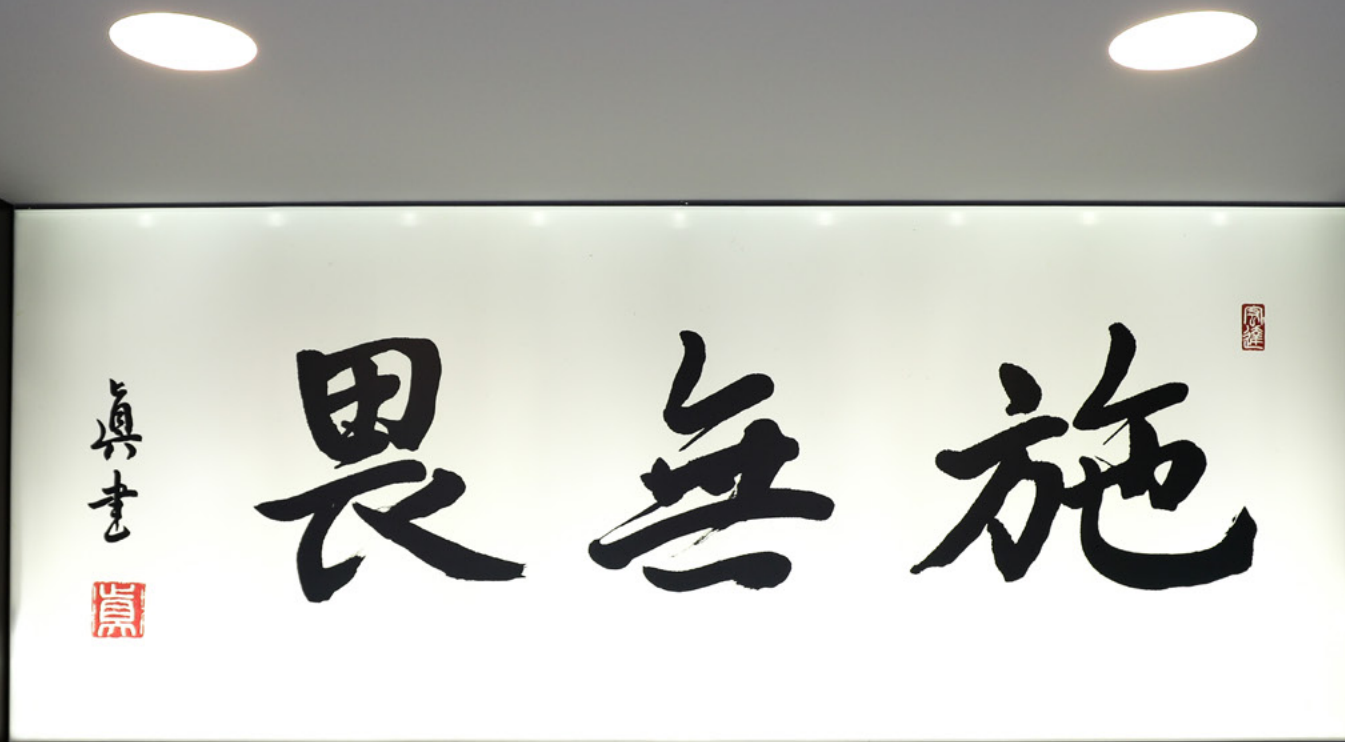
<b>Company Philosophy</b>	<b>SEMUI</b> "True products are made for the good of others, not for your own sake. In other words, they co-exist for mutual benefits." - Kiyoshi NAKAO
<b>Management Principles</b>	<ol style="list-style-type: none"> <li>1. To contribute to global society through the improvement of oral health</li> <li>2. To improve corporate quality and meet stakeholders' trust and expectations</li> <li>3. To create a team of GC Associates full of energy and respect</li> </ol>
<b>Corporate Slogan</b>	Towards the realization of the Century of Health
<b>Vision 2031</b>	To become the leading dental company committed to realizing a healthy and long-living society
<b>Mission</b>	<p><b>To create "value" for stakeholders based on SEMUI</b></p> <ul style="list-style-type: none"> <li>● Tackling "global oral health" issues to improve people's quality of life</li> <li>● Providing "world-wide innovative solutions" to meet individual needs</li> <li>● Creating long-lasting relationships and "win-win" situations by being an accountable partner</li> <li>● Offering all "Nakama" a valued, exciting, and unbiased workplace, and enhancing their talents</li> <li>● Contributing to a "sustainable society" by promoting oral care while maintaining an eco-friendly environment</li> </ul>

## Company Philosophy of

# SEMUI

GC's company philosophy of SEMUI, the practice of acting from the standpoint of others, was first introduced by Kiyoshi NAKAO, one of GC's founders. Based on this teaching, GC acts as a group of Nakama who respect each other, regardless of which department they belong to, and encourages thinking from the customer's perspective to develop innovative products that highly prioritize value creation for the customer.

The word SEMUI comes from the teachings of Kwannon Bodhisattva, a revered figure in Hokekyo Buddhism. Put simply, SEMUI is an umbrella term that combines selflessness, pure objectivity, charity, and wisdom.



## Vision 2031

To become the leading dental company committed to realizing a healthy and long-living society

Our goal is not only to be number 1 in sales volume, but also to become an "incomparable" company for all the stakeholders of GC.



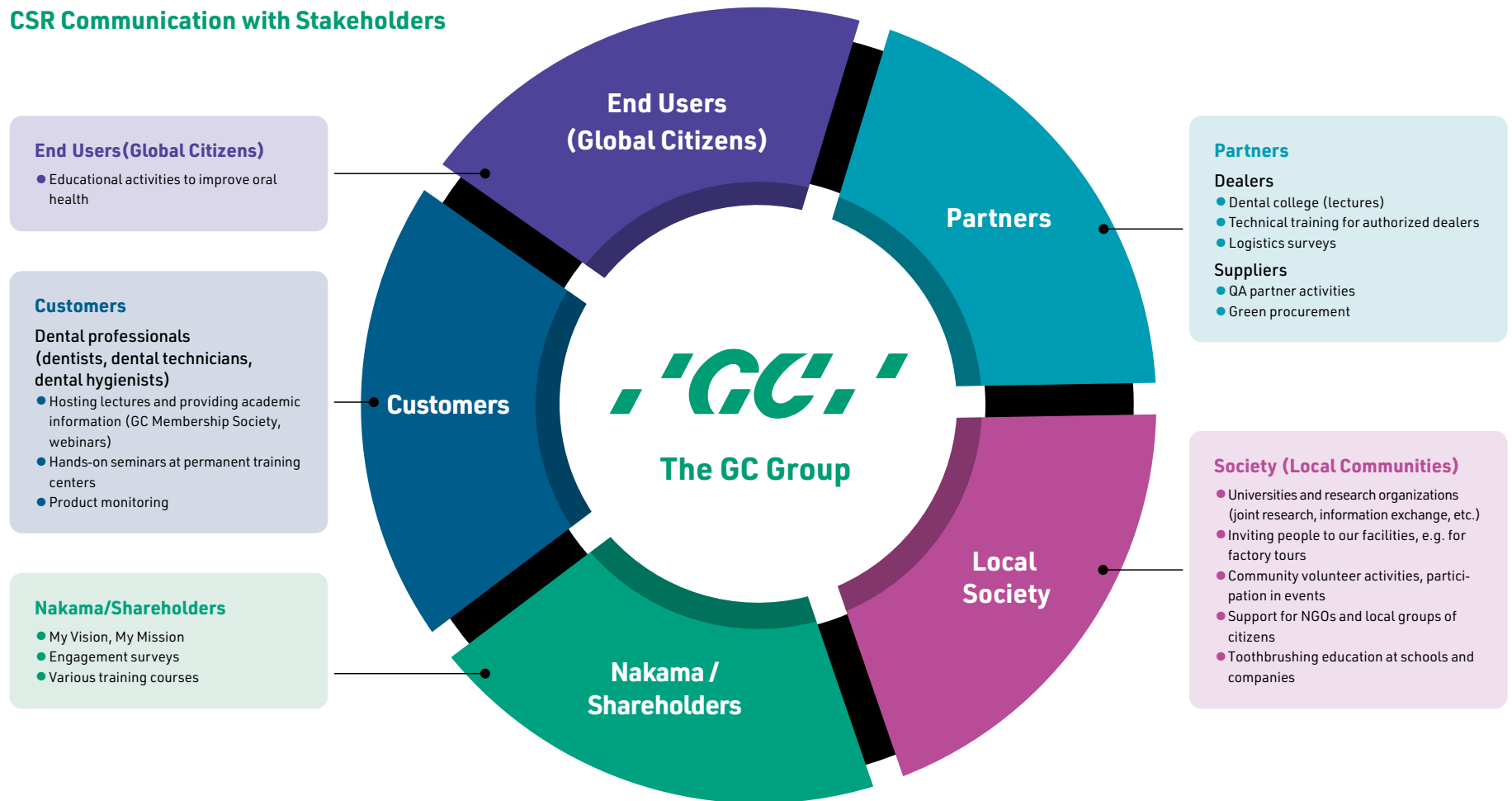
## Relationships with a Broad Range of Stakeholders

As a comprehensive dental care manufacturer, GC Group communicates with a broad range of stakeholders, such as end users (global citizens), customers, partners, Nakama/shareholders, and the local society.

Through these relationships, we offer high-quality dental care products along with state-of-the-art information and thorough service, thus promoting health and longevity around the world. That is a feature of GC Group's CSR.

### CSR Communication with Stakeholders

# STAKEHOLDER



## Business Areas

# GC Group will deliver improvement in the oral health of global citizens.

Dental products produced using GC's excellent technologies contribute to the health of many global citizens, through the work of dentists, dental technicians, and dental hygienists, around the world. And now, GC will create new value as a global dental product manufacturer improving the oral health of global citizens.

# ABOUT US



## Improvement in the Oral Health of Global Citizens

### Global Network

GC Group enhances its global network to expand its multinational business, empowering GC to respond to the diverse markets across the globe and provide products and services tailored to the different conditions and needs of each country or region.

### Service & Information

GC Group is committed to providing services and information, which we view as another form of quality. GC Group provides services and information from the customer's point of view and meets individual needs around the world.

### Creativity

By detecting latent wants and needs and promoting communication with the sales, production, and manufacturing departments, GC creates a steady stream of products and technologies embodying rich creativity and distinctive value that is unparalleled in the market.

### Quality & Reliability

Through GC's Quality Management (GQM) activities\*, GC's version of Total Quality Management (TQM) activities, and by promoting on-site improvement activities and plant innovation activities in which the employees participate individually, GC is implementing manufacturing with world-class quality.

\*Read more on p. 19.

### Nakama

All employees of GC, whether they work as executives or rank-and-file associates, are called Nakama (Associates). Together, they compose a group whose members always seek the good in each other and cherish feelings of mutual respect and regard.

## GC Group

GC was founded in Japan in 1921 and established its first office outside Japan in Kortrijk, Belgium in 1972. Since then, through the manufacturing and sale of oral healthcare materials and related devices and equipment, GC has been dedicated to establishing a system to provide products and services that meet the needs of each geographical area. Currently, GC has sales offices in 34 countries and sales activities covering 145 countries. The product line includes up to 24,076 items.

### Management

- GC International AG

### Japan

- GC Corporation
- GC R&D.Mfg
- GC DENTAL PRODUCTS CORP.
- GC Asahi Corporation
- TAISEI DENTAL MFG.CO.,LTD.
- GC International Corporation
- Japan Dental Supply Corporation
- DENTAL DIAMOND CO. DENTAL PUBLISHING
- GC Dataland Corporation
- GCI Communications Corporation
- GC Ortholy Corp.
- GC SHOWYAKUHUIN CORPORATION

### USA

- GC America Inc
- GC Manufacturing America LLC
- GC South America
- GC Orthodontics US Inc
- GC Laboratory America Inc
- GC Mexico S.A. de C.V.

### Europe

- GC Europe AG
- GC Europe N.V.
- GC Europe Manufacturing N.V.
- GC Laboratory Europe esv
- GC Italy S.R.L.
- GC Iberica Dental Products, S.L.
- GC Austria GmbH
- GC Danmark Aps
- GC Finland Oy
- GC Germany GmbH
- GC France SAS
- GC Sverige AB
- GC Turkey Ltd
- GC UK Ltd
- a.tron3D GmbH
- GC Orthodontics Europe GmbH
- Stick Tech Oy
- GC Tech. Europe GmbH
- Creation Willi Geller International AG
- Creation Willi Geller International GmbH
- Creation Willi Geller Deutschland GmbH
- CL MecidDent GmbH
- ZL Microdent-Attachment GmbH & Co. KG
- ZL Microdent-Attachment Verwaltungs GmbH
- Klema Dentalprodukte GmbH
- Klema D.o.o

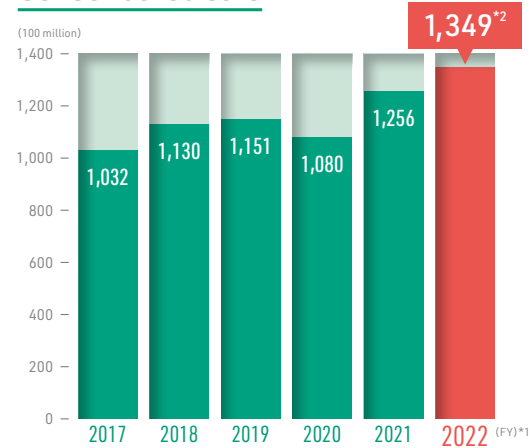
### Asia, Oceania

- GC Asia Dental Pte Ltd
- GC Australasia Dental Pty Ltd
- GC India Dental Pvt Ltd

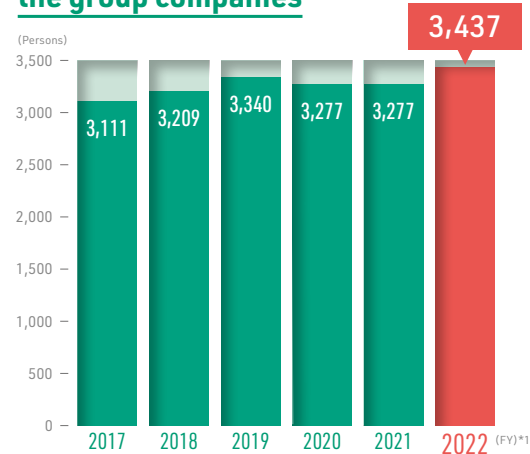
### East Asia

- GC Korea Co., Ltd.
- GC Taiwan Dental Corp.
- GC Dental (Suzhou) Co., Ltd.

### Consolidated sale



### Number of employees of the group companies



\*1 Change in the accounting period

The accounting period between FY2017-2021 was from October to September.  
In FY2022, it ran from April through March.

\*2 Changes in the accounting standards and revenue recognition standards

• From FY2022, the consolidated results are presented in accordance with Swiss Generally Accepted Accounting Principles (GAAP) (prepared in Swiss Francs).

The amounts shown are converted into Japanese yen (JPY) (at the exchange rate of 1CHF=144.25 JPY as of March 31, 2023).

• The revenue recognition standard has been changed to net sales.

# GC Group Major Offices

ABOUT US

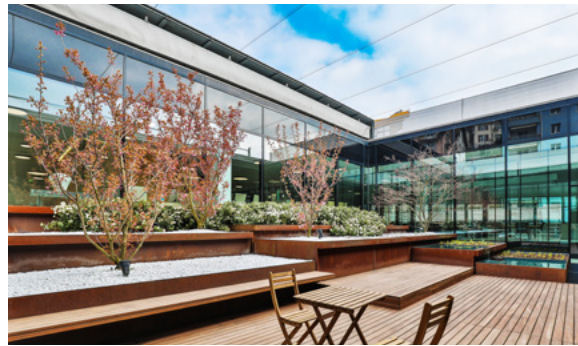
GC America



GC Korea



GC International AG



GC Europe



GC Taiwan



GC Corporation (Japan)



GC Asia



GC Suzhou



# The Five Materialities (Priority Issues) of GC Group

GC Group established its Environmental Policy in 1997 and commenced full-scale environmental management activities. In line with the Vision 2031 framework established in 2021, we are advancing our efforts to build a sustainable society, including research and development for dental care issues, as well as our initiatives aimed at promoting health and improving working conditions. We have also formulated materialities (priority issues) to indicate our future direction and are working to promote further activities within GC Group.

## 01

### Tackle Dental Care Issues through Products and Services

- Tackle dental care issues through innovative products and services



## 02

### Provide Responsible Products and Services

- Pursue quality and reliability
- Enhance supply chain management



## 03

### Realize Attractive Workplace

- Secure better work environment
- Promote diversity
- Nurture human resources
- Promote workers' health and workplace safety



## 05

### Strengthen Governance

- Corporate governance
- Compliance
- Risk management



## 04

### Contribute to Environmental Efforts

- Contribute to environmental efforts in product lifecycle
- Reduce environmental load in business activities



The term GC (Japan), used in the activity examples on the following pages, refers to GC Group companies in Japan - mainly GC Corporation and GC R&D.Mfg. The products featured in this report may not be available in certain countries or regions.

## Making contributions to the aging society

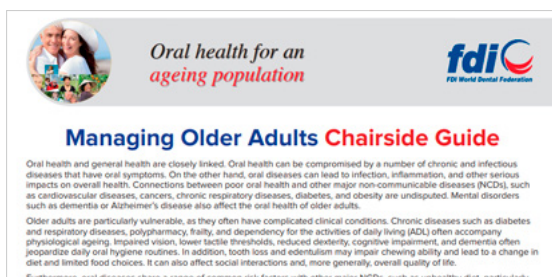
### Partnership with FDI World Dental Federation (FDI) on the project Oral Health for an Ageing Population (OHAP)

GC Group has formed a partnership with FDI with the aim of solving problems shared across the global dental community. As a way of contributing to an aging society, we are promoting the OHAP project and have published a guidebook that compiles treatment guidelines according to elderly patients' health status and required level of nursing care. We are currently discussing further updates for a leaflet with hints and suggestions for practical activities.

These activities are shared with other countries and are expected to help resolve problems related to aging societies worldwide.



OHAP 1st Lucerne Conference



Chairside guide created for OHAP

### Selling devices that measure oral function decline and undertaking awareness-raising activities

Over the years, it has become increasingly evident that as we age, we transition from a period of good health to a phase known as frailty, and eventually, we may require long-term nursing care. The frailty stage is a reversible condition between health and the need for long-term care, so taking action here is critical. The concept of oral frailty is likewise attracting attention. Detecting or diagnosing deterioration in oral function (with symptoms of hypofunction, such as sensation, chewing, swallowing, and salivation) enables supporting healthy longevity so you can enjoy eating, have lively conversations, and keep smiling throughout life. In aging Japan and Korea, GC Group sells GLUCO SENSOR™ GS-II. N for measuring chewing ability, JMS Tongue Pressure Measuring Device for measuring tongue pressure, and DENTAL PRESCALE™ II for visualizing occlusal force. In aging Japan, these are covered by insurance as devices to examine oral hypofunction, and we hold numerous seminars on them. In Korea, we actively promote our products through sales initiatives, which involve participating in academic conferences and introducing these devices to educational institutions, including dental colleges and dental hygienist schools, as a means of disseminating valuable academic information.



Webinar introducing efforts to address oral hypofunction



Product explanation at an academic exhibition hall in Korea



GC GLUCO SENSOR™ GS-II. N



JMS Tongue Pressure Measuring Device



DENTAL PRESCALE™ II

## Tackling new dental care challenges

### Development of CAD/CAM crown\*1 materials that have been shown to offer an effective alternative to metal in advanced health care

In Japan, crowns (caps placed over teeth after cavities have been filled) covered by national health insurance were often made from precious metals, such as silver. Although these metal crowns have the advantage of strength, they come with drawbacks, such as aesthetic quality, potential allergic reaction, and increased medical expenses due to rising material costs.

GC (Japan) has successfully developed and brought to market an alternative to metal. GC Gradia™ Block is a resin-based (strong, white plastic) material designed for CAD/CAM technology that is fortified with an inorganic filler for increased strength and durability.

In 2014, crowns on premolars made from GC Gradia™ Block were included in the national health insurance scheme's coverage in recognition of the product's merit as an advanced healthcare solution. Subsequently, GC CERASMART™ was developed, offering high strength and polishability, and is now widely used in regular dental clinics. Today, the national health insurance covers a wide range of applications beyond crowns on premolars, including crowns on molars\*2 and anterior crowns.

\*1 CAD/CAM crown: A white cap placed over a tooth, covered by Japan's national insurance system. It is made by combining ceramic and plastic to create a high-strength block, which is then shaped using computer-assisted design and manufacturing.

\*2 Conditions apply



GC CERASMART™ has high strength, durability, and aesthetic quality

### Activities to improve molar incisor hypomineralization (MIH) in children

MIH is characterized by insufficient enamel formation on certain teeth (inadequate tooth development) during the eruption of permanent teeth. This has become a problem in recent years, with epidemiological studies indicating that the condition affects about one in seven children\*3,4 worldwide. GC Europe organizes symposia and other events to disseminate information on the condition and treatment methods and produces guides for dental practitioners and an informative leaflet for patients.



\*3 Schwendicke F., Elhennawy K., Reda S., Bekes K., Manton DJ., Krois J. Global burden of molar incisor hypomineralization. J Dent, 2018; 68: 10–18.

\*4 Zhao D., Dong B., Yu D., Ren Q. & Sun Y. The prevalence of molar incisor hypomineralization: evidence from 70 studies. Int J Paediatr Dent, 2018; 28: 170-179.

### Initiatives to reduce the risk of pregnancy health complications

Indonesia has a high maternal mortality rate. Potential contributing factors include pre-eclampsia and postpartum hemorrhage, which are believed to be linked to periodontal disease. In response, GC Indonesia (GC Asia), in collaboration with dentists, midwives, health centers, the Global Oral Health Interest Group (GOHIG), and the Consortium of Universities for Global Health (CUGH), is implementing an innovative breakthrough for prenatal care. The innovation aims to reduce health risks during pregnancy and postpartum by incorporating oral hygiene management into prenatal care, not only for the mothers but also for their husbands.



## Innovative product development in collaboration with university research institutes

### MI Paste™, an innovative product that gives a new face to prevention

In collaboration with Professor Eric Reynolds of the University of Melbourne, we have developed GC Tooth Mousse (Japanese brand name GC MI Paste™). It contains CPP-ACP (Recaldent™), a milk-derived component that has buffering and neutralizing effects on the oral environment, which was developed by Prof. Reynolds. Since the launch of this product in 2004, GC Group has consistently expanded its portfolio with innovative products under the brand, and sales have continued to increase, establishing it as an enduringly popular product.

Prof. Reynolds, GC Group, and Mondelez, with its Recaldent gum, received the CRA Enduring Industry Research Collaboration Award by Cooperative Research Australia in 2021 in recognition of our legacy products that have generated global sales of AUD 2 billion.



We have a lineup of unique flavors such as vanilla and yogurt, in addition to the standard mint, strawberry, and melon.

Recaldent™ and the Recaldent logo are trademarks of the Mondelez International Group, used in accordance with the license.

### The world's first synthetic carbonate apatite bone graft substitute in the medical field, developed through a collaboration between industry, academia, and government

The collaboration began after the research success of Professor Kunio Ishikawa of Kyushu University in fabricating blocks and granules of carbonate apatite, which was not possible using conventional techniques, and GC (Japan) has successfully launched a granule-type carbonate apatite bone graft substitute, GC Cytrans™ Granules.

We created a manufacturing line that enables stable mass production for clinical use and conducted clinical trials at Tokushima University, Tokyo Medical and Dental University, and Kyushu University. With the safety and efficacy of GC Cytrans™ Granules proven in clinical trials, the product was approved as the first bone graft substitute which could officially be used for implant indication in Japan. It was launched by GC (Japan) in 2018 and by GC America in 2022.



We received the Selection Committee Special Award at the 1st Japan Open Innovation Prize<sup>\*1</sup> and the 46th (2021) Inoue Harushige Prize<sup>\*2</sup>.

Hosted by  
\*1 Cabinet Office (Government of Japan)  
\*2 Inoue Harushige Prize Committee



GC Cytrans™ Granules

### Comprehensive partnership agreement concluded within Tokyo Medical and Dental University's (TMDU) Open Innovation Program<sup>\*3</sup>

On June 9, 2022, GC (Japan) signed a comprehensive partnership agreement with the National University Corporation Tokyo Medical and Dental University within TMDU's Open Innovation Program.

The purposes of the agreement are to promote collaboration with overseas research facilities, to train researchers through personnel exchanges, and to promote internationally valuable research, leading to the creation of new products and the expansion of businesses, supporting the improvement of quality of life (QOL) around the world, and enabling us to play an even greater role as a medical service that supports the zest for life.

<sup>\*3</sup> An arrangement by which TMDU and companies build a collaborative system between organizations under a common vision, purpose, and strategy, realizing full-fledged and multifaceted collaboration.

#### Agreement details

1. Aiming to extend healthy life expectancy by promoting whole-body health through the maintenance and improvement of oral functions, we will promote the development of regenerative dentistry, including periodontal treatments, and examination for the maintenance and improvement of oral functions, leading to the provision of information and creation of products with high clinical value.
2. A clinical laboratory will be established at the Center for Advanced Interdisciplinary Dentistry, Tokyo Medical and Dental University Hospital, to achieve clinically valuable ideas and promote social implementation from research outputs.
3. As a demonstration of the presence of this Comprehensive Collaborative Agreement, a naming rights deal has been signed for the clinical lab. According, the lab is named GC CLINICAL LABORATORY.



From the right: President Dr. Yujiro Tanaka, TMDU; President and CEO Dr. Kiyotaka Nakao, GC Corporation



## Creating SMART Quality products for emerging countries

### Developing products that meet local needs to improve oral health in emerging countries

GC Group develops SMART Quality products that meet the needs of emerging countries to ensure that everyone in the world can enjoy oral health. To deliver value to as many people as possible, we conduct market research in various countries and regions where we sell, and we develop and offer products that meet patients' needs in order to achieve the optimal balance of function, performance, quality, and price required for local dental treatment.



#### SOLARE™ Sculpt

This is a filling material that is inserted after tooth decay is scraped away. It is a composite material of resin and a fine inorganic powder called composite resin. By curing it using light, it is possible to restore the form, function, and aesthetics of teeth. The color tone is also suitable for local needs, so it is a SMART Quality product that is economical as well.



#### GC Gold Label HS Posterior EXTRA

This is a filling material that includes glass ionomer cement that slowly releases fluoride to adhere to the teeth and prevent tooth decay. Even if some decayed tissue is left after manual excavation, which is a common procedure in emerging countries, fluoride release may contribute to tooth remineralization, increasing the tooth strength, which has made this a popular product.



#### FLEXCEED

This product is sold in India and emerging countries in South Asia, Southeast Asia, and Eastern Europe and is the market leader in India. By producing locally, we create local employment and contribute to improving people's QOL.

## Volunteering to improve oral hygiene

Aiming to improve oral health, GC Group collaborates with non-profit organizations and other organizations and individuals engaged in oral care programs and projects supporting volunteer activities across the world.

### GC Taiwan

GC Taiwan endorses Taipei Medical University's oral health education and prevention awareness activities in the Kingdom of Eswatini in Africa and supports them with dental materials. This is the eighth year of this activity, which is carried out in villages, schools, and clinics with the aim of improving oral environments.



Activities in the Kingdom of Eswatini in Africa

### GC America

GC America continues to support numerous organizations in the United States, including non-profit organizations, such as National Children's Oral Health Foundation (NCOHF) and World of Smiles, through products and other means. Some of our activities are local and others cross the US border into the Caribbean, including the Dominican Republic, and Latin America. We have also invited the directors of the Chicago Dental Society Foundation (CDSF), which provides free dental care in the Chicago area, to GC America's facilities for a training retreat. We aim to develop our CSR activities further by deepening exchanges.



World of Smiles Children saying thank you to GC

### GC Europe

GC Europe supports volunteer activities throughout the world, including Tanzania and Madagascar in Africa, Nepal and Cambodia in Asia, and Cuba in Central America. In addition to providing support through our products, we provide preventive education to children. We aim to help them change their daily habits and maintain a better standard of oral hygiene than their parents' generation and for their parents to have adequate oral care as well.



In Madagascar, we mainly treated tooth decay, and edentulous patients of all ages as well.

## Initiatives for emergency relief and dental practice recovery in the event of major disasters

### Response to the Turkey-Syria Earthquake

GC Group has donated products as emergency support for the Turkey-Syria earthquake that occurred on February 6, 2023. This support was sent to affected areas through the Turkish Dental Association and was allocated for initiatives to protect the oral health of the people living there by offering free dental care at temporary clinics immediately following the earthquake. It was also used to provide material and monetary aid to reconstruct environments for providing dental care. Furthermore, in early July 2023, Mr. Makoto Nakao, Chief Corporate Adviser and the President of GC Europe, made visits to the Turkish Dental Association and the Turkish Dental Businessmen Association (DIŞSIAD) to offer condolences for the earthquake and explain the donations of products amounting to EUR 100,000 in value and GC Group's support measures. To assist in the recovery of dental clinics, GC Group will continue to take stock of the situation through communication with those in the affected areas and provide adequate support.



Mr. Makoto Nakao, Chief Corporate Adviser, visiting the Turkish Dental Association and DIŞSIAD

01

02

03

04

05



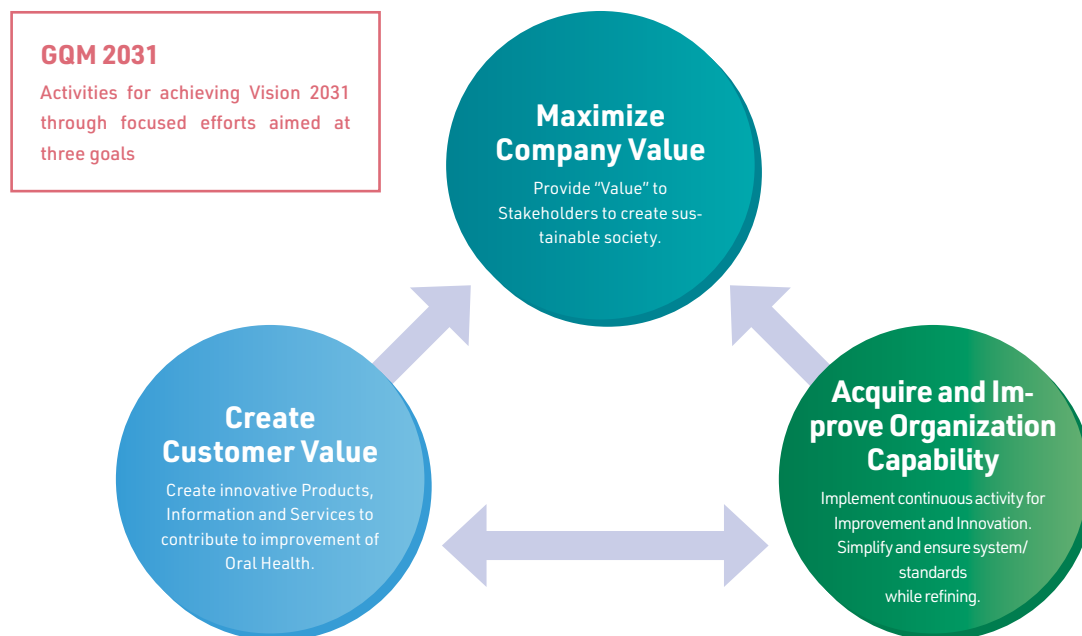
## GC's Quality Management (GQM) activities

In 1981, GC Group announced the introduction of its own company-wide quality management system, GC's Quality Control (GQC), under the management philosophies of Contributing to Society, Quality First, and Nakama Spirit, which embody the company motto, SEMUI. In 1995, GQC was developed into GC's

Quality Management (GQM) activities, and in 2022, we set three objectives to achieve Vision 2031 – Maximizing the Value of Corporate Presence, Creating Customer Value, and Acquiring and Improving Organizational Capabilities – through which we are promoting initiatives to improve corporate quality.

### Achieving Vision 2031

#### The GQM 2031 concept



As a result of the promotion of GQM activities, GC (Japan) was awarded the Deming Prize, the world's highest-ranking award for Total Quality Management (TQM), in 2000. This award has also been given to GC America and GC Suzhou, and GC Europe has received the EFQM Global Excellence Award, the highest honor given by the European Foundation

for Quality Management. Moreover, in the 11th Corporate Quality Management Survey\* announced in 2023, we received the highest rating of 5 stars.

\*Organization: Union of Japanese Scientists and Engineers (JUSE); Support: Nikkei Inc., the Japan Chamber of Commerce and Industry, the Tokyo Chamber of Commerce and Industry; Research and analysis: Nikkei Research Inc.

### Initiatives in GQM activities

#### Leaders' diagnostics

Diagnostic meetings are conducted once a year, where the president and executives visit the Group and department locations to assess how the company's policies are understood and being developed within each department and to what extent they are implemented and permeate at the ground level. They ask about the implementation status of policies and targets as well as the opinions and requests of employees, compiling them into a diagnostic report to improve each department's efforts while implementing plan-do-check-act (PDCA) cycles.

#### Kaizen and innovation activities

We promote kaizen and innovation activities to improve work quality. Each division establishes a theme and raises awareness in each other at the KI Activity Presentation Meetings held in May and November annually to improve company-wide quality.

#### Cross-functional team activities

For urgent and important management issues, cross-functional team (CFT) activities are held by convening members with diverse experiences and skills across different divisions to form a team that works intensively to solve company-wide issues from the top down.



World KI Activity Conference (February 2016)

## Seminar activities

### Hosting seminars and symposia around the world

GC Group hosts seminars and symposia themed in response to the various needs and issues in each part of the world. GC Europe hosts seminars on cutting-edge medical practices and techniques at the GC Campus, which features precision medical and technical equipment and welcomes around 2,000 dentists and dental technicians per year. GC America, which operates the well-equipped Education Center, also hosts many seminars and hands-on programs. GC America is also planning to create a new education center in Mexico in late 2023. GC (Japan) hosts regular seminars across Japan, mainly at the GC Corporate Center Training Room featuring training mannequins that resemble patients. GC Asia, GC Korea, GC Taiwan, and GC Suzhou also engage in scholarly activities around the world.

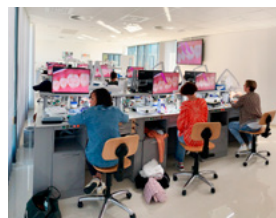
GC Group hosted the 5th International Dental Symposium both at a venue in Tokyo and online in April 2022 in commemoration of the company's 100th anniversary. The event had 112 eminent speakers and more than 4,200 attendees from around the world.



A GC Asia seminar emphasizes the use of injection molding techniques to meet the rising demand for aesthetically pleasing restorations, while also achieving efficient and timely results.



A GC Suzhou seminar for children focuses on prevention and pediatric dentistry in China, a country with a declining birth rate and aging population, where interest in children is growing.



GC Campus of GC Europe (Belgium)



Education Center of GC America (Chicago)



Training Room of GC Corporate Center (Japan)



The 5th International Dental Symposium

### GC Membership Society

GC Group hosts GC Membership Society, a member organization for oral healthcare providers, founded in 1956 by GC (Japan). Over time, the organization has remained committed to fostering dentistry as an innovative business model by facilitating the exchange of valuable information between clinical dentists and dental material manufacturers, thus contributing to the continuous advancement of dental research and the development of novel products/technologies. Currently, about half the dental clinics in Japan are members, and similar organizations have expanded to South Korea, Taiwan, and India. In recent years, the GC (Japan) membership organization has actively shared information through lectures on dental care and methods for responding to elderly or medically compromised patients in an effort to share information in response to a super-aged society.

### Activities of GC Membership Society of GC (Japan)

#### Offering information on new products

- Introducing new products prior to general release
- Offering the latest clinical information with new products through GC Circle, a member publication (published four times/year)

#### Sharing information on the website

- Distributing academic clinical videos through member pages
- Offering the latest academic information through GC Internet News, an email newsletter.

#### Offering academic information

- Hosting academic lectures and symposia
- Providing tools for patient explanations

#### Clinical techniques and training for medical staff

- Hosting hands-on seminars and webinars
- Hosting seminars for staff and providing educational tools



GC Membership Society



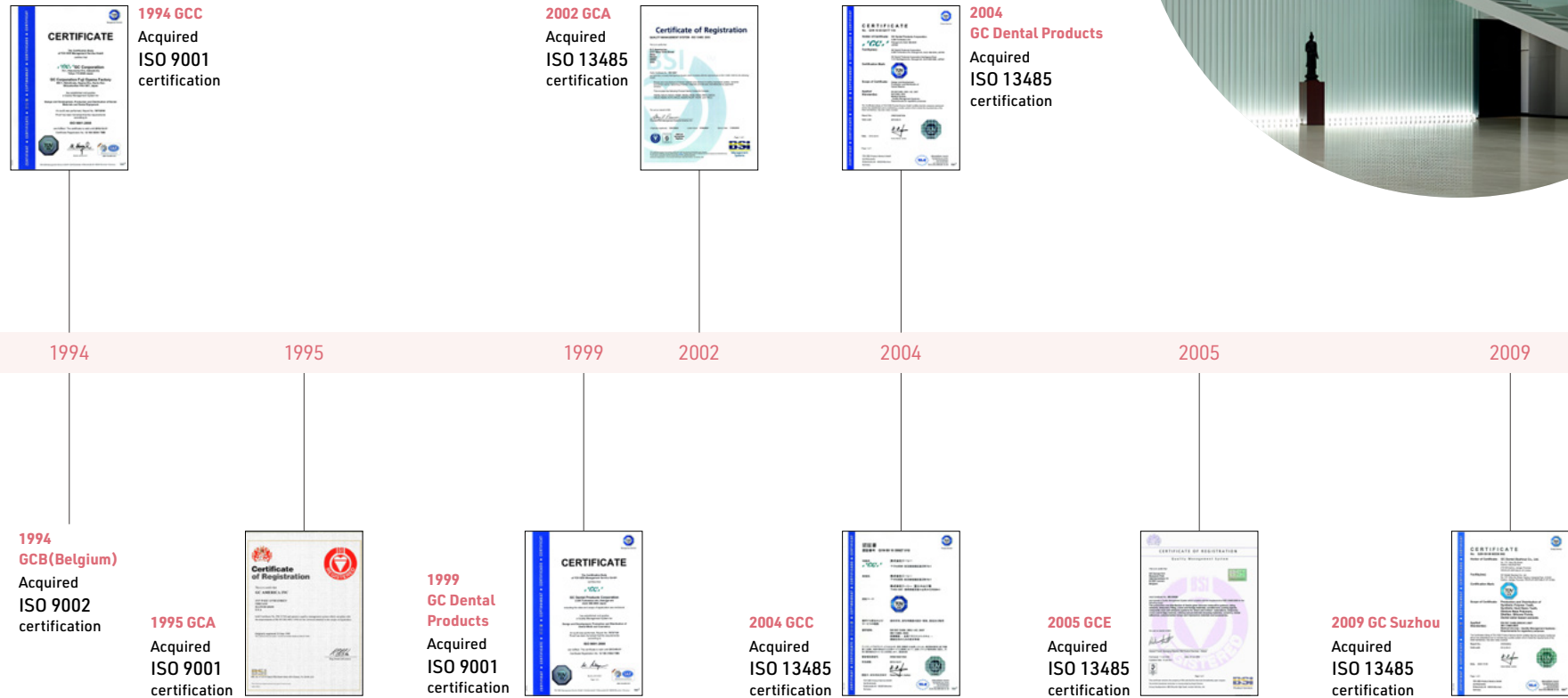
Hands-on seminars

# Quality assurance systems to deliver safety and security

## Quality assurance systems and ISO certification

GC Group has established quality assurance systems to carry out consistent quality assurance activities, from the product development stage to sales, service, and final use. We have meticulously outlined the specific responsibilities within each process and the inputs and outputs in these quality assurance systems. In the product development process, risk management activities are undertaken in consideration of the product composition and structure, the manufacturing process, the distribution environment, and the usage environment. We also review the

design at each step before the transition to mass production, including during product planning, design and development, and manufacturing process establishment, and we take measures to ensure the delivery of safe and reliable products in a stable manner. GC (Japan) became the first company in the industry to acquire the international ISO 9001 certification for quality management systems in 1994, and in 2004, it also acquired ISO 13485 certification for medical instruments. ISO 13485 certification has been obtained at group manufacturing sites as well.



## Improving production technology

### Quality Assurance (QA) Certified Section system

The QA Certified Section system was introduced by GC (Japan) in 1992 with the aim of reducing issues in manufacturing processes and improving quality. It has now become the company-wide standard at overseas locations as well, with individual sections working to improve the quality of their operations by identifying and fixing issues from quality, cost, delivery, safety, and moral (QCDSM) perspectives as they strive to achieve the management objectives that they have set for themselves. QA certificates are awarded to sections that pass the preliminary examination of the Quality Assurance Department and the main examination by President and CEO Dr. Kiyotaka Nakao and officers in charge. As of May 2023, 70 sections have been certified, with renewal audits being conducted every two years after certification.

GC Suzhou has incorporated equipment automation and improvement of existing equipment into its business plan and is actively working to renew its QA certification. Consequently, 11 sections have been certified as of the end of 2022. Moreover, during the biennial renewal audit, renewal is based on an evaluation of whether the conditions existing at the time of initial certification have been sustained according to results-based evaluation criteria. Additionally, an assessment is made to ensure that the department continues to address issues and engage in improvement activities aligned with QCDSM principles and that they are actively pursuing quality enhancement initiatives on their own accord. As part of the QA Certified Section activities, we have established four types of basic awards – Quality & Information, Cost & Efficiency, Delivery & Quantity, and Safety & Morale, - which can also be applied to renewal audits. GC Suzhou has received 15 Basic Awards as of the end of 2022.



On-site patrols for QA certification (GC Dental Products)



Automatic cement packaging line at the GC Suzhou Factory



Final examination by President and CEO (GC (Japan))



Online QA certification audit (GC Suzhou)

## Strengthening supply chain management

### Strengthening supply chain management efforts to ensure a stable product supply

GC Group is working to enhance the quality of its supply chain to guarantee a stable product supply. To ensure the consistency and freshness of the supply, we have implemented a globally standardized core system that enables us to record information in a timely manner and link it to the next process. Disseminating that market information to our manufacturing facilities allows them to formulate well-balanced production plans, which are then extended to include the procurement of materials. This integrated approach ensures the timely delivery of products.

These mechanisms operate in tandem with close interdepartmental collaboration involving not only production and logistics but also accounting and management to achieve an optimal supply chain. We have also formed partnerships with dealers in each of our market to ensure a consistent supply of products to our customers and are actively working to strengthen these relationships. GC Asia has developed its own order system that provides a unified platform for dealers to efficiently manage the placement and receipt of different types of orders. Besides facilitating accurate and speedy order processing, this system allows dealers to monitor their inventory balance, which results in a consistent product supply. In the next phase, we aim to further enhance the supply stability by implementing appropriate inventory management and sales forecasting functionalities.

### Optimizing sales channels to meet local needs

GC Australia (GC Asia) is promoting new sales channels to meet customer needs and align with the market environment. GC Tooth Mousse is now available over the counter at pharmacies and retail outlets as local laws and regulations do not require a prescription. During the coronavirus pandemic, we were able to effectively meet our customers' purchasing needs.



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## Realizing a workplace that provides job satisfaction

### Initiatives to improve competencies

Competencies are the behavioral characteristics that enable a person to achieve excellent results in their job/role. GC Group introduced the concept of competency in October 2020. The aim was to clarify the ideal vision of GC Associates and develop human resources (HR) by elucidating competencies. Our initiatives for enhancing competencies include a range of training

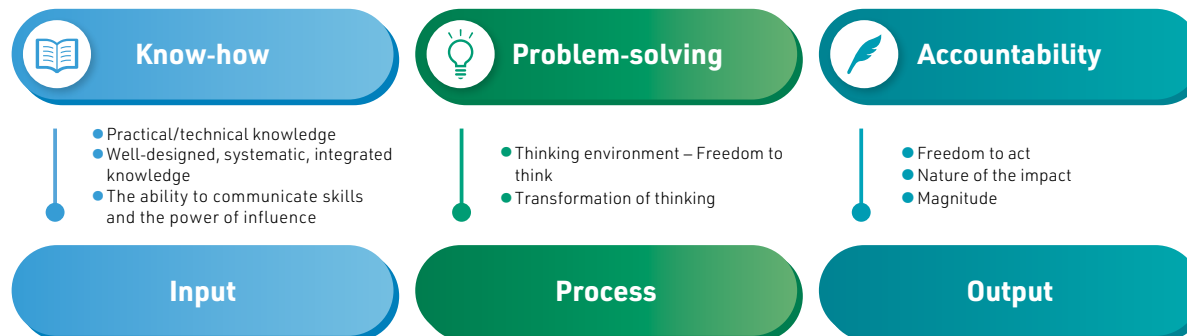
programs taught by internal and external lecturers that enable participants to gain a deeper understanding of competencies and learn the skills to be used in personnel development. By including a competency evaluation in the requirements for promotion, we are working to increase the utilization of competencies in personnel development.

### Construction and improvement of personnel systems tailored to diverse regions

We at GC Group build and improve personnel systems according to the laws, regulations, and cultures of many different countries. Since January 2019, GC Suzhou has visualized steps for its growth, and it has started to improve its rating and evaluation systems in cooperation with a consulting firm. Through consistent operational improvement, such as the clarification of the standards for evaluation of targets, it is pursuing the development of a personnel system that aligns with the real conditions in China. This effort aims to boost employee motivation. GC Europe clarified the descriptions of 76 jobs with the help of

the world-famous HR consulting firm Korn Ferry and evaluated and graded them in accordance with the following three components of the Hay methodology (job evaluation methodology). The main goals of the project are to clarify roles and functions, establish a clear and flexible grade structure, and benchmark our roles. The Head Office of GC Europe initiated a pilot of the project as the first phase and developed a clear grading system. By making the best use of the results and experiences in the first phase, the project has been continued in other locations across Europe to complete the European job matrix.

### Three components of the Hay methodology



Assess the degree of difficulty of jobs according to the three components



## Creating a workplace where employees can work comfortably

### Initiatives to increase Nakama (GC Associates) engagement

Since 2022, GC Group has conducted the Nakama Engagement Survey globally with Gallup, Inc., a firm renowned for supporting organizations in building employee engagement, etc. Through the survey, we intend to learn whether employees are engaged. We then use the survey results to develop and implement a range of measures globally or in individual countries to enable employees and the company to share their values and vision and thereby increase engagement. We aim to establish a cycle in which the improved engagement will enable all Nakama to work successfully and share their achievements with their colleagues and the company.



### Leave/Employment policies providing peace of mind to all

GC Group fosters an environment where Nakama can work with peace of mind according to the circumstances of their respective countries. GC (Japan) operates various systems that enable employees to work with tranquillity, free from concerns about childcare, caregiving, or recuperation during the different stages of their lives.

#### ● Shortened hours working policy

Employees can work shorter hours if they have children in the third grade of elementary school or younger.

#### ● Flextime policy

To avoid crowded workspaces and allow employees to work more flexibly, the core work hours were changed to just one hour in 2019, from 10:00 a.m. to 3:00 p.m. to 1:00 p.m. to 2:00 p.m.

#### ● Remote work policy

More efficient working styles are necessary. The remote work policy has been implemented to permit employees to work in places outside the office where they are comfortable.

#### ● Conditional annual paid leave policy

Employees can keep up to 40 days of unused paid leave, which would have been lost two years after provision under the previous rule, as conditional paid annual leave and use this paid annual leave only in unexpected special situations, such as when the employee needs to recuperate or care for family members.

#### ● Childcare leave policy

Employees can take childcare leave until the day before their children are two years old. In April 2022, we revised the policy to support employees wishing to return to their previous jobs and to encourage paternity leave.

In Chicago, where GC America is located, traffic jams are a serious local issue, and commuting has affected employees' mental health and the environment. GC America formulated a flexible remote work policy to reduce the burdens borne by employees commuting. This reduced the stress caused by commuting and improved the health of employees and reduced costs in general. Consequently, employee satisfaction has consistently increased alongside the improvement of employees' work-life balance.

The remote work policy has been implemented globally. Throughout the world, GC Group will continue to build a more flexible work environment that enables all employees to work with peace of mind.

## Promoting diversity

### Initiatives for empowering a diverse workforce

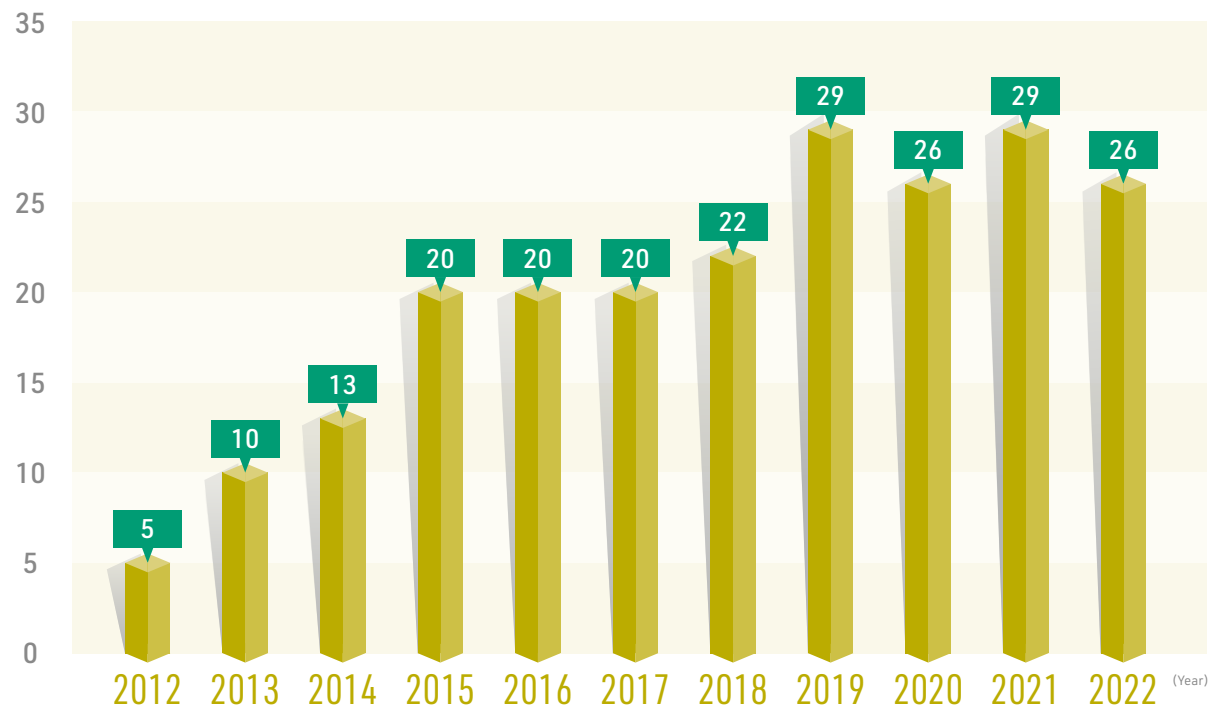
GC Group has over 3,300 Nakama around the world. We are establishing work environments that enable all of them, including people with disabilities, to work successfully.

GC (Japan) established the Comprehensive Support Unit in 2018 to promote the employment of people with disabilities. Employees with disabilities undertake tasks such as assembling materials and packing and shipping from many different departments. The Comprehensive Support Unit assigns tasks according to individual employees' aptitudes. A

municipal office in Tokyo (the Bunkyo City Office) publicized this initiative. GC Europe offers job opportunities to many people with disabilities in cooperation with Entiris, a Belgian non-profit organization that provides employment opportunities and support services to people with disabilities or those who are otherwise disadvantaged in the workforce. Their over-10-year initiative has enabled independence support and represents GC Europe's decision to help realize a more inclusive society.

### Number of Entiris employees at GC Europe

(Employees)



## Personnel development

### Holding Nakao School to discuss the past, present, and future

To foster the overall growth of GC Group, Mr. Makoto Nakao, Chief Corporate Adviser, has been a lecturer at Nakao School and served as its president for 30 years. About 20 executive candidates are selected from the department manager level to attend Nakao School to learn about the past, present, and future of GC Group to hand down its DNA to them for the development of the group. Additional personnel development activities for various generations of employees include NEXT Nakao School for those at the section manager level, and Pre-Nakao School for employees in their 30s in many departments.

### Initiatives for personnel development at overseas affiliate offices

Nakao School originated in Japan, where GC Group was founded. To share the idea of Nakama with the global group of GC companies and overseas affiliate offices and ensure the practice of SEMUI in the GC corporate philosophy, GC (Japan) invites managerial-level members from overseas to Japan to host the Global Nakao School once every five years as an opportunity for lectures on "GC No Kokoro" (Heart of GC) with Mr. Makoto Nakao himself as the lecturer. From 2022, each of the overseas bases has held a Nakao School, during which Chief Corporate Adviser Mr. Nakao lectures about the history and philosophy of GC Group to promote cohesion.

### Internal training based on e-learning

GC Group has an e-learning system that allows students to obtain the knowledge of dentistry that a Nakama should possess at their own pace.

For example, GC Asia developed an online training module available in the local languages, including Vietnamese, Bahasa Indonesian, and Thai, that is based on e-learning platforms, such as Moodle. Employees use the module to learn according to their work situation. This enables them to promptly communicate useful information to dental professionals.



## Promoting health

### Physical health initiatives

GC (Japan) provides all employees with periodic health checks, both through yearly on-site health screening and check-ups at medical institutions, and has consistently achieved a full participation rate. In addition, we actively encourage employees to undergo follow-up medical examinations to ensure the early detection of serious illnesses. This involves having industrial physicians and in-house public health nurses review the results of these health checks and proactively recommend follow-up examinations when necessary. We facilitate this process by making appropriate adjustments to employees' work duties at their respective workplaces.

#### Cancer screening

Screening for various cancers (stomach, colon, uterine, and breast) is available for employees aged 35 years and over, who wish to receive them. To promote higher participation rates, we cover the entire cost of the procedure and actively encourage employees to undergo screening as part of their regular check-ups.

#### Complete medical check-ups

We provide complete medical check-ups for those aged 40, 45, 50, and 55 years. To ensure a maximum participation rate, we cover the full cost of the check-ups and actively encourage employees to get them alongside their periodic health checks.

GC America also places a strong emphasis on regular employee health checks to prevent serious illnesses. Annual health checks are conducted for employees and their spouses.

### Mental health initiatives

GC Group is engaged in mental health initiatives focused on the maintenance and improvement of mental health as well as the early detection of and prompt intervention for mental health issues.

#### GC (Japan)

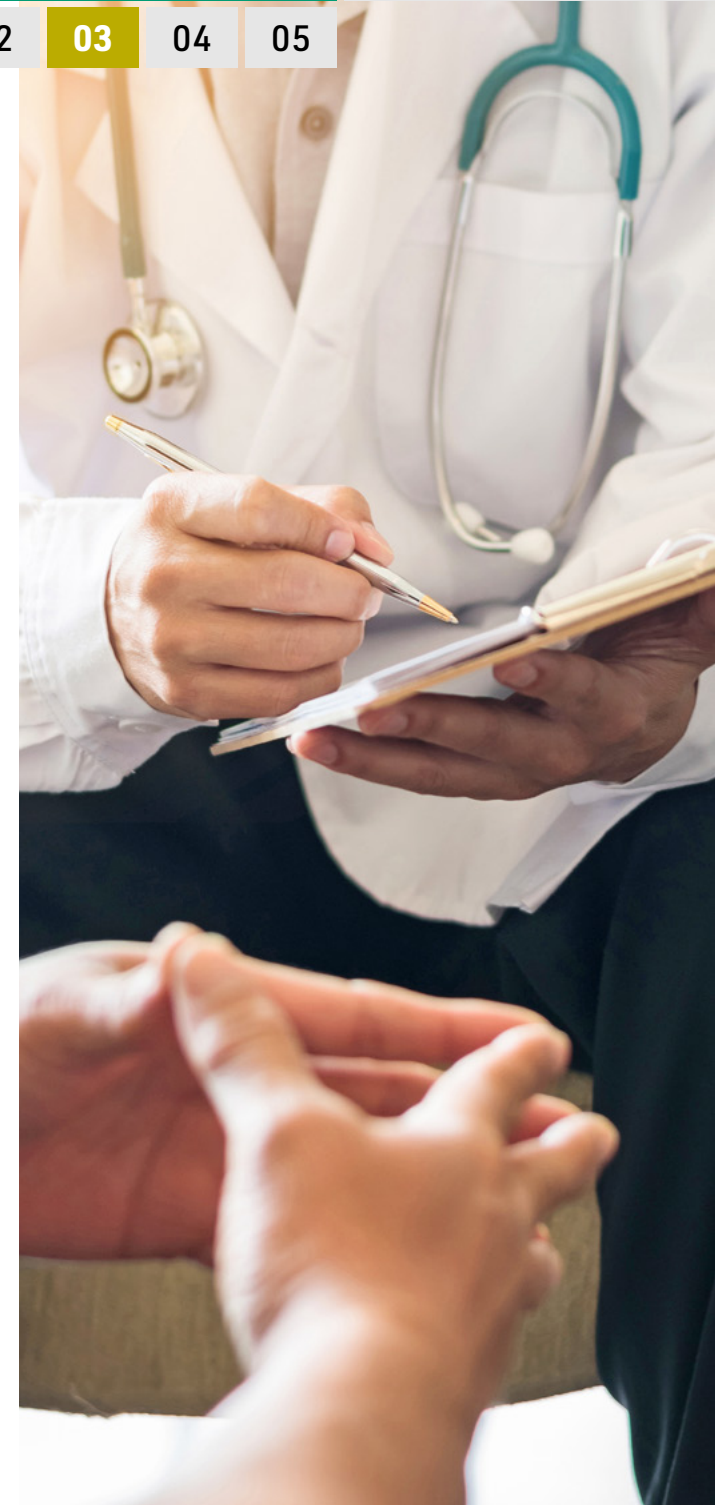
GC (Japan) has been enhancing the work environment by implementing targeted mental health measures tailored to the needs of management, managers, and Nakama. Supported by an external clinical psychologist, these measures focus on prevention, early detection, and the provision of support

for leave and the return to work. These efforts have resulted in a decrease in the health risk value identified during stress checks. There has also been a reduction in the percentage of employees experiencing high levels of stress compared to FY2017, when the measures were initiated.

#### GC Australia (GC Asia)

GC Australia (GC Asia) is undertaking various initiatives to support the health of Nakama. These include the provision of counseling services and the implementation of flexible work arrangements. It has also introduced a Men-

tal Health Leave System to enable employees to mentally refresh. The system allows employees to take a one-day leave twice a year without the need to provide a medical certificate.



## Promoting work safety

### Regional initiatives to promote work safety

GC Group analyzes risks systematically and carries out initiatives to create a safer work environment under the work safety standards of the different regions in which it operates.

#### GC Europe

By systematically analyzing the potential risks involved in labor within the ISO 45001 framework, GC Europe understands hazardous situations well and proactively implements preventive measures to mitigate the risk of injuries. This approach has fostered a cross-sectional safety culture and improvement activities based on the concept of worker-oriented safety, in contrast to passively waiting for a superior's instructions. As a result, over 18 years, GC Europe has reduced the risks identified by 93%, achieving a performance in line with first-in-class peer companies.

#### GC America

The Occupational Safety and Health Administration (OSHA) sets standards for employee safety requirements. Under the OSHA standards, GC America is proactively improving its working conditions, implementing safe operational methods through safety/environmental training programs, hazard analysis, and the identification/reporting of near misses. These initiatives have reduced the number of minor occupational accidents. Consequently, the Experience Modification Rating (EMR), a metric used by insurance carriers to assess risk, is below the industry standard.



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## Responses to the COVID-19 pandemic

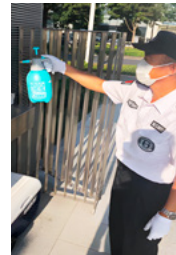
GC Group took countermeasures to address COVID-19 and worked to prevent the spread of infection.

To reduce the risk of infections spreading in the workplace, GC Group has supported the vaccination of employees through activities such as providing correct knowledge of vaccines, setting up an internal consultation desk, and providing information about vaccination locations and making vaccination appointments.

### GC Suzhou

Due to the support provided for vaccinations, GC Suzhou's vaccination rate rose to 95.2%, compared to only around 50% as of May 2021. In addition to measures, such as body temperature checks, the use of masks, the sterilization of facilities, and the management of factory visitor logs, GC Suzhou enhanced its actions for imported cargo and responses to emergencies to prevent clusters of infection in offices. These actions kept the number of employees infected at zero until the Chinese government eased COVID-related restrictions nationwide in November 2022.

#### Initiatives to prevent the spread of infection at GC Suzhou



Sterilization of the guardhouse



PCR tests for cargo

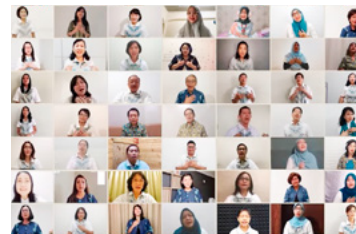


Sanitization before entering the gate

### GC Indonesia (GC Asia)

To present a positive topic amid the pandemic, GC Indonesia (GC Asia) formed a virtual choir in cooperation with 100 dentists and globally streamed a performance of "If We Hold on Together" online. We believe one of the roles of GC Group is to give hope to people around the world through activities like this initiative.

The choir of about 100 dentists from various locations across Indonesia participating remotely to take on the adverse circumstances during the COVID-19 pandemic



The choir of about 100 dentists from various locations across Indonesia participating remotely to take on the adverse circumstances during the COVID-19 pandemic

### GC America

GC America also supported the vaccination of its employees, conducted health checks before people entered rooms, promoted the use of personal protective equipment (PPE),

and set requirements regarding the admittance of visitors and temporary employees to prevent clusters of infection in the workplace.



## Reevaluation of packaging materials

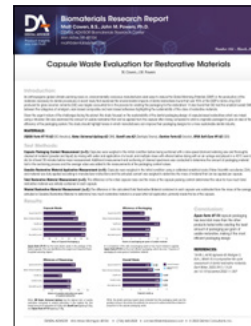
### Reduction of CO<sub>2</sub> emissions through the reevaluation of packaging materials

To reduce CO<sub>2</sub> emissions, GC Group is reevaluating its packaging materials to incorporate more environmentally friendly options. This effort includes reducing the amount of plastic used; developing packaging that uses paper, recycled materials, and other materials with low CO<sub>2</sub> emissions; and making indirect packaging more compact and lightweight to reduce CO<sub>2</sub> emissions during transportation.

We also conduct research on new packaging materials with a lower environmental impact. We will continue to develop environmentally friendly packaging while pursuing safety and effectiveness.



By reducing the number of components, this capsule uses about 25% less plastic than the competitor capsules tested (see DA report). It is used in our flagship product EQUIA Forte™ HT and other products.



Evaluation report by DENTAL ADVISOR, an external evaluation organization





# Reevaluation of packaging materials

## Old packaging made from plastic



Transparent plastic package 9.27g

White plastic package 9.56g

Total 18.83g

### EXPERIENCE™ Metal single kit

The previous packaging used a transparent plastic blister (weight: 9.27 g) and a white plastic blister (weight: 9.56 g).

## New packaging made from only regular and carton paper

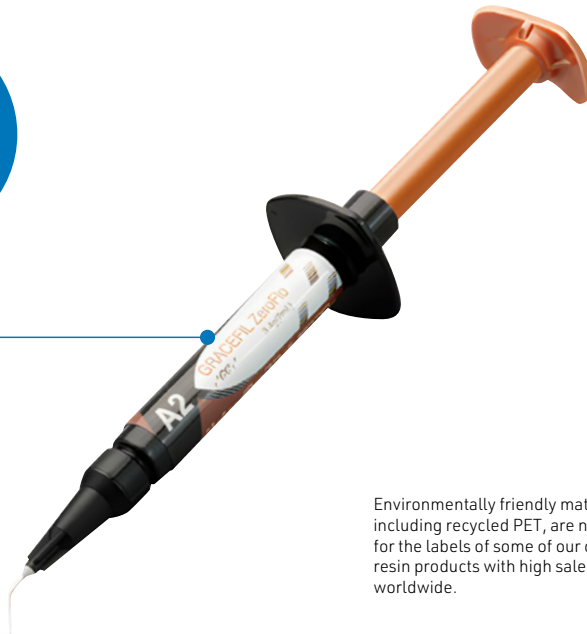
The switch to regular and carton paper reduces the plastic used approx. 18.83 g per unit

Equivalent to a plastic reduction of approx. 4.7 tons per year



The new packaging is made of paper fiber and carton paper only, for a variety of products.

## Adopting label materials including recycled PET



Environmentally friendly materials, including recycled PET, are now used for the labels of some of our composite resin products with high sales volumes worldwide.

## GC Asia

In Australia and Singapore, companies with a certain sales volume are required to report the total annual weight of product packaging materials and their future 3R (Reduce, Reuse, Recycle) plans. We adhere to these environmental regulations and aim to be an environmentally friendly company.



## Introducing the Eco Evaluation Sheet to determine CO<sub>2</sub> emissions

### Calculating the CO<sub>2</sub> emissions of new products using the Eco Evaluation Sheet

GC Group's New Product Assessment develops products with a reduced environmental impact by calculating their impact on the environment and resources from the planning stage. Among the various impacts, we calculate the CO<sub>2</sub> emissions of new products using our proprietary Eco Evaluation Sheet. CO<sub>2</sub> emissions play a pivotal role in determining whether to proceed with new product development. Therefore, it is essential to establish emissions targets during the planning phase and assess CO<sub>2</sub> emissions during the stages of material selection and product composition evaluation. The CAD/CAM crown block GC CERASMART™ was introduced in Japan as a metal-free alternative covered by national health insurance. The revised manufacturing process for this product has reduced CO<sub>2</sub> emissions by 38% compared to existing products.



### Implementing 3R activities and manufacturing eco-friendly products

Besides reducing CO<sub>2</sub> emissions, we are continuously verifying and improving the selection of raw materials and the development of materials to eliminate hazardous substances and prevent water pollution. We are also actively involved in 3R (Reduce, Reuse, Recycle) to make effective use of resources. GC America has been constantly analyzing its waste stream for potential recycling opportunities and was able to identify a new source for recycling and repurposing the polypropylene boxes that had previously been sent to landfills. Owing to this initiative, between January 2022 and December 2022, the volume of recycled plastic was 30% higher than the previous year. These efforts have led to the manufacture of products in various countries and regions worldwide with due consideration given to local environmental laws and regulations in the distribution markets. GC Group has been dedicated to developing and improving eco-friendly products for over 20 years.



Empty MI Paste™ tubes arrive in polypropylene resin cases with cardboard dividers.



While the empty MI Paste™ tubes are used in the manufacturing process, the cardboard dividers and polypropylene resin cases are sent for recycling.

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## Using renewable energy to reduce environmental load

### Solar panels installed to reduce CO<sub>2</sub> emissions

GC Group is promoting the use of renewable energy at its main production sites. The installation of solar panels began as a commemorative project to mark the Group's centenary in 2021. Solar panels were installed at GC Europe in 2019, a major production site, and became operational in 2020. The electricity generated not only powers the facility itself but any surplus is fed back into the grid for local energy consumption. A solar panel project was also initiated in 2019 at GC America, another large production site, where 1,431 solar panels were installed. These now generate over 1.3 million kWh of electricity, totaling 154,000 kg reduction in CO<sub>2</sub> emissions.

Contribute to Environmental Efforts



Solar panels at GC Europe



Solar panels at GC America

## Environmental conservation

### Acquiring international ISO 14001 certification for environmental management systems

In 1998, GC (Japan) was the first company in the Japanese dental industry to receive ISO 14001 certification, an international standard in environmental management systems. Later, in 2000, GC Dental Products Corporation, a group company with production plants, received the certification, followed by GC Asahi Corp. in 2008 and Taisei Dental Mfg. Co., Ltd. in 2009. Among our global bases with production plants, GC Europe received the certification in 2006, followed by GC Suzhou in 2018 and GC America in 2019.

### Fuji Oyama Factory's environmental conservation actions

Fuji Oyama Factory has been engaging in environmental conservation actions since production started in 1976. These actions are primarily carried out by the Environment and Maintenance Unit as well as retired GC Associates.

#### Main duties of Environment and Maintenance Unit

- Maintenance and management of factory facilities, buildings, and factory grounds (grass, trees, forests, etc.)
- Actions to comply with environmental laws (initiatives to meet regulation levels for gas and water emissions and noise generated during production activities)
- Work environment measurements within the factory (measuring the handling of toxic substances and fine particles in the workplace and taking actions to improve the work environment)
- Initiatives to manage and reduce factory waste
- Energy and resource reduction initiatives



With a greenspace ratio as high as 50%, the property has also become a habitat for precious wildlife.



Environmental volunteer work is carried out twice a year to clean the premises and roughly 5 km of the surrounding area. There were 80 participants in 2023.

Through these initiatives, Fuji Oyama Factory received each award offered in the Ministry of Economy, Trade and Industry (METI) Minister's Awards of the Factory Greening Award Program in recognition of the factory's maintenance and improvements in its greening ratio, its harmony and consideration of the local environment, and its communication with the local community. Fuji Oyama Factory's professional attitude towards the environment continues to deepen over time. It has become a source of pride for Nakama working here.

### Improvements in processing technology for volatile organic compounds (VOC)

The GC Suzhou factory is working to address the air pollution issue. To reduce the VOC released into the air from the factory, the VOC treatment system was improved by changing to a double activated carbon absorption method. This increased the absorption rate of VOC from 41% to 58%, thus reducing emissions.



Double activated carbon facility at GC Suzhou

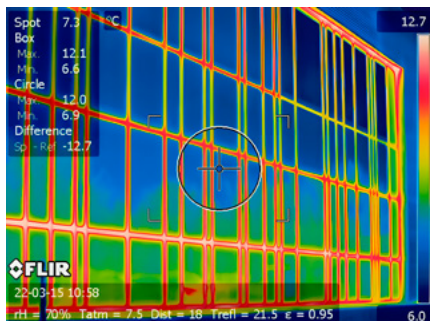
## Promoting energy savings

### Switching to LED lighting and re-examining air conditioning, etc.

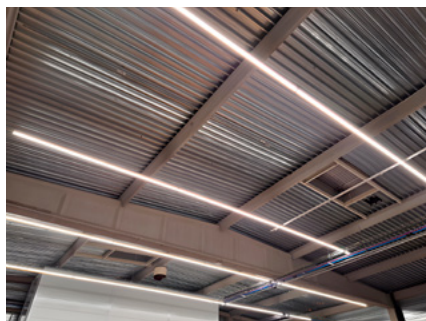
At GC (Japan)'s Fuji Oyama Factory, all 2,216 light fixtures within the factory were replaced with LED lights in 2021 to save energy and reduce CO<sub>2</sub> emissions. This has saved 191,466 kWh\* of energy and 84.4 tons of CO<sub>2</sub> per year. Introducing hybrid fans and circulators in air conditioning units improved efficiency and led to a significant reduction in energy consumption.

\*Calculated based on normal number of days and hours of operation, and with the 2022 TEPCO CO<sub>2</sub> emissions coefficient.

GC Europe has also continued to re-examine its equipment to minimize energy usage, switching to LED lighting, refurbishing air conditioning equipment, and installing solar panels. In addition, thermography is used to analyze the effectiveness of the insulation within buildings, and insulation is replaced with highly effective insulation materials, thoroughly optimizing energy efficiency.



Thermographic analysis of improved areas inside GC Europe facilities



By switching from conventional fluorescent lighting to LED lighting, GC Europe saved 52% in energy use for lighting and reduced the time needed for maintenance.



## Corporate governance

### Strengthening corporate governance

The purpose of strengthening corporate governance is not only to prevent corporate misconduct but also to improve long-term corporate value and performance. To increase value for our stakeholders, we must clarify the rules, means, and procedures for our activities. At GC Group, we promote the strengthening of corporate governance under the slogan, "Becoming a true global company".

### Two-tier management structure: Board and Executive Committee

As part of our efforts to strengthen corporate governance, GC Group introduced the two-tier system in 2022. This system includes two bodies: the Board, which includes outside directors to ensure the objective and transparent approval of the matters that come before it, and the Executive Com-

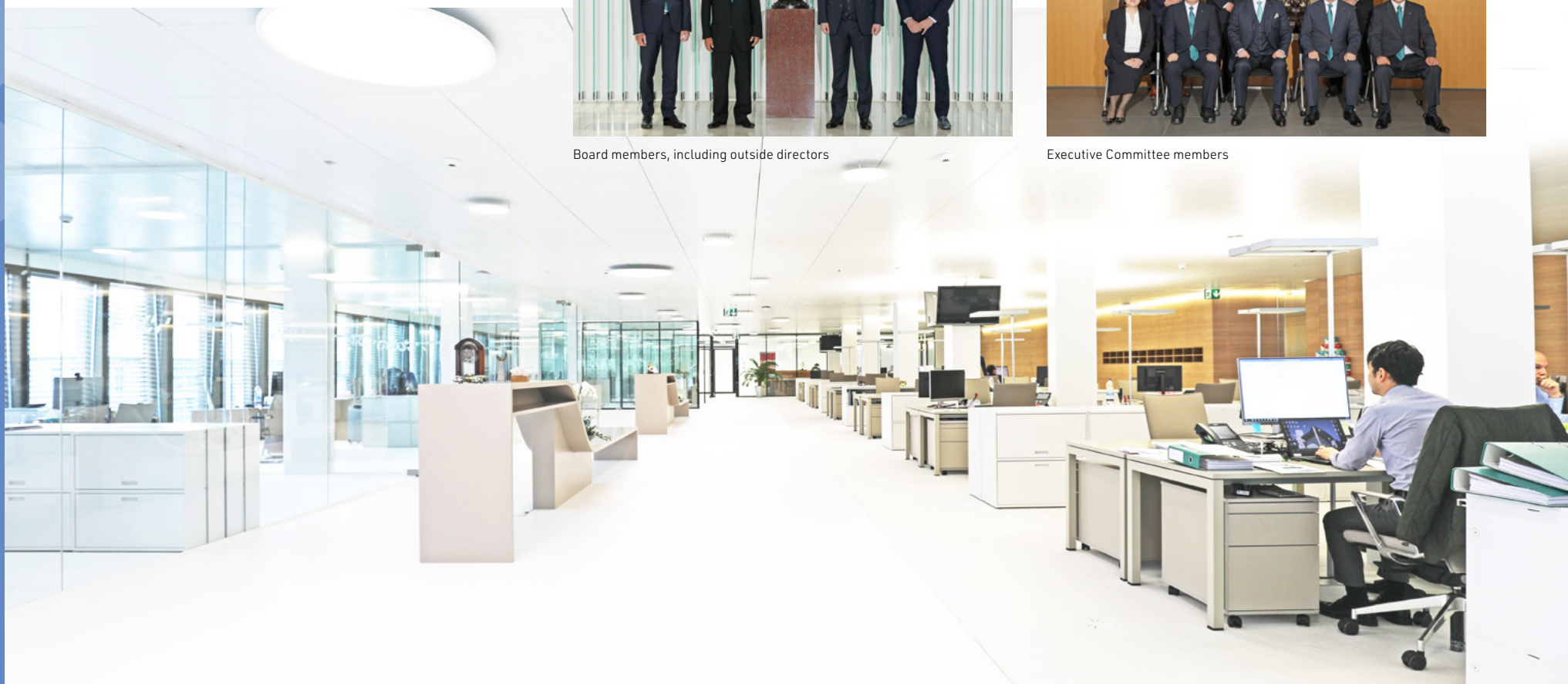
mittee, which executes the matters that have been approved by the Board. The clear separation of the roles of approval and execution enables swift decision-making regarding important matters within the Group.



Board members, including outside directors



Executive Committee members



## Compliance

### Compliance with local laws and regulations

GC Group is committed to assuring compliance with the laws and regulations of each region.

#### GC Suzhou

At GC Suzhou, we have taken steps to comply with China's Personal Information Protection Law, which came into effect in 2021. We ensure the proper and effective utilization of the personal information of people in China by closely communicating with the Legal Office at GC (Japan) in the collection, use, and management of personal information and by clarifying

the evaluation criteria with the reviewing departments. Furthermore, we strictly adhere to China's environmental regulations by using management software for centralized waste management. This helps us prevent the release of any hazardous waste into the environment and ensures compliance with the legal requirements for proper disposal.

#### GC Europe

At GC Europe, we are committed to complying with the General Data Protection Regulation (GDPR) governing the protection of personal data and privacy. We have introduced appropriate policies and security systems to

safeguard the data of our associates and customers. We have appointed a Data Protection Officer and will continue to run continuous compliance checks.

#### GC (Japan)

At GC (Japan), the Legal Office plays a central role in ensuring compliance within the company. It conducts basic compliance training during onboarding and provides appropriate education through subsequent hierarchical training programs as necessary. Additionally, it provides specialized

training to explain relevant regulations in specific fields and adjusts the programs according to the evolving responsibilities of each department. These efforts ensure that each team member is committed to performing their respective duties accurately and in compliance with regulations.

### Harassment prevention initiatives

We are committed to preventing harassment and are undertaking efforts for this in many countries. At GC America, annual harassment prevention training is conducted to ensure a proper understanding of corporate and legal requirements regarding workplace communication and behavior.

At GC Suzhou, the *GC Suzhou Harassment Prevention Manual* has been developed to maintain a healthy work environment, and anti-harassment training is provided to all associates at the plant. Consequently, in our associate satisfaction survey, we have achieved a 100% satisfaction rate regarding anti-harassment measures in the workplace. We will continue striving to nurture an open and transparent work environment.



## Risk management

### Improving IT literacy through regular training

At GC Group, we are committed to implementing robust security measures to protect computers and networks. To combat cyberattacks targeting individuals, we provide a security education program utilizing an e-learning platform specialized in security education, which is accessible to all Associates. Furthermore, to measure the effectiveness of our training, we conduct simulated exams that incorporate information about the latest trends in cyberattacks. With a total of nine exams conducted so far, the failure rate for the latest exam decreased to approximately one-sixth of what it was for the first exam, showing that our regular online training sessions have contributed to improving Associates' IT literacy. We will continue to maintain a high level of security awareness of each of our team members to protect everyone's information and confidential data from cyberattacks.

### Business Continuity Plan (BCP) initiatives

In the event of a major disaster, such as an earthquake, typhoon, heavy rainfall resulting in flooding, or widespread outbreak of an infectious disease, it is our duty as a leading manufacturer in the industry to fulfill our supply responsibilities. GC Group proactively identifies potential risks and implements measures to prevent or mitigate such risks. To ensure the continuity of our business operations, we prioritize the development of BCPs based on our Mid-term Management Plan.



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# Continuing to support the concept of SEMUI over the past 100 years and for the next 100 years



## Editorial policy

GC Group has published its CSR report every year as GC Corporation. Since the 2011 report, its scope has been expanded to describe the initiatives of the entire GC Group.

As part of our commitment to fostering a sustainable society, the 2023 report provides information about activities related to five materialities (priority issues), designed to be easily comprehensible and accessible to all readers.

## Main organizations reported on

GC Corporation	GC International AG
GC R&D.Mfg	GC Europe AG
GC DENTAL PRODUCTS CORP	GC Europe N.V.
GC Asahi Corporation	GC America Inc
TAISEI DENTAL MFG.CO.,LTD.	GC Asia Dental Pte. Ltd
Japan Dental Supply Corporation	GC Taiwan Dental Corp.
DENTAL DIAMOND CO. DENTAL PUBLISHING	GC Korea Co., Ltd
SHOWYAKUHIN CORPORATION	GC Dental (Suzhou) Co., Ltd.GC

## Reporting period

The report covers activities from April 1, 2022 to March 31, 2023. However, some of the information it includes concerns activities outside of that period.

## Referred guidelines

- Environmental Reporting Guidelines (2018) by the Ministry of the Environment
- The Japanese translation of ISO 26000:2010, Guidance on Social Responsibility (Ver. 1)
- GRI Sustainability Reporting Standards

If you have comments or opinions on GC Group's CSR activities or the report, please send them to the email address shown on the right. All feedback is valuable and important.

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