



YOUR SMILE. OUR VISION.



Sustainability Report 2025



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About this Report

SDI Limited is pleased to present its inaugural Sustainability Report, showcasing the Company's commitment to transparent and accountable environmental, social and governance **(ESG)** reporting. This Report shares our progress in managing the ESG matters that are most important to our business and stakeholders and sets a foundation for our future sustainability journey.

This report covers the reporting period of Financial Year 2025 **(FY25)** being 1 July 2024 - 30 June 2025, unless stated otherwise, and outlines our approach, performance and initiatives across our global corporate and operational facilities and activities. It is intended for all stakeholders, including shareholders,

employees, contractors, suppliers, community members and industry partners.

This report has been prepared with reference to the Global Reporting Initiative Sustainability Standards **(GRI)** and the Sustainability Accounting Standards Board **(SASB)** Standards. At this stage, SDI Limited is neither required to, nor has it sought, external assurance for this report or its components. The Company acknowledges the recent introduction of the Australian Sustainability Standard climate-related disclosure **(AASB S2)** and its assurance requirements and have taken steps to ensure readiness to comply when required. Unless otherwise specified, the information presented applies to SDI Limited in its entirety.

References throughout this report to 'SDI, 'the Company', 'we', 'us' and 'our' refer to SDI Limited. All financial figures are expressed in Australian dollars **(AUD)**.

SDI Limited is committed to continuous improvement in its ESG performance and sustainability journey. We welcome feedback from stakeholders on this report, our sustainability initiatives, or our overall ESG approach. Comments and suggestions can be directed to info@sdi.com.au.

About SDI

SDI Limited is primarily engaged in the research and development, manufacturing and marketing of specialist dental materials. SDI's products combine innovation and excellence to deliver high quality restorative solutions for the dental profession.

All SDI products are manufactured in Victoria, a state in the southeast region of Australia. SDI products are sold through distributors and dentists in over 100 countries throughout the world.

SDI has offices and warehouses in Chicago, USA; Cologne, Germany; and Sao Paulo, Brazil.

Established in 1972, SDI has grown into a global leader in specialist dental materials. In 1985, the company was listed on the Australian Stock Exchange, marking a significant milestone in its expansion.

OUR VALUES

We will deliver our mission and achieve our vision with **Passion, Accountability, Respect, Teamwork and Innovation**, our PARTI values.

OUR VISION

SDI continually innovates to provide dental materials that assist dentists and their team to create the perfect smile. Research and development is paramount at SDI. SDI must lead the market and foresee the needs of dentists through our own research and product innovation.



PASSION

We show pride, enthusiasm and dedication in everything we do.



ACCOUNTABILITY

We accept our individual and team responsibilities and we meet our commitments. We take responsibility for our performance in all of our decisions and actions.



RESPECT

We treat everyone with respect and dignity. We build trusted relationships with our colleagues, customers and suppliers.



TEAMWORK

We recognise that the best solutions come from working together with colleagues, customers and suppliers.



INNOVATION

We are committed to innovation in every area of our work - from products to processes. We never give up on looking for ways to improve. We strive to be the best.

Our Board



Mr Jeffery James Cheetham O.A.M
Non-Executive Director; Chairman



Mr Cameron Neil Allen
Non-Executive Director; Chairman of Audit Committee



Ms Samantha Jane Cheetham
Managing Director and Chief Executive Officer



Mr Gerald Allan Bullon
Non-Executive Director; Chairman of Remuneration Committee



Mr John Joseph Slaviero
Director of Finance, Chief Operating Officer,
and Company Secretary



Mr Gerard Desmond Kennedy
Non-Executive Director



Dr Geoffrey Macdonald Knight
Non-Executive Director

FY25 Sustainability Highlights



Over **2500m³** of cardboard, plastics, e-waste, chemical containers, and wood recycled each year



45000 restorations through donations of products, services, and cash to humanitarian causes



81% of employees are proud to work for SDI



Dedicated **ESG Committee** to oversee sustainability integration and reporting



Completed SDI's inaugural ESG scorecard for tracking of our sustainability metrics



750t CO₂ emissions reduction since FY23

From the Managing Director/ Chair of ARC

Our mission is to improve health and wellbeing with innovation. We are committed to integrating sustainability across our entire organisation while cultivating purpose-driven partnerships that empower lasting progress.

I am pleased to present our 2025 ESG Report, which highlights our progress in strengthening the areas that matter most: resilient and ethical operations, a safe and diverse workforce, sustainable production and a responsible value chain.

SDI's resilient and ethical operations are powered by an unwavering commitment to integrity, accountability, and robust governance - driving responsible performance, disciplined risk management, and enduring stakeholder trust. With transparency, accountability, and ethical behaviour at its core, the Company's governance framework ensures fair and respectful engagement with customers, suppliers, and stakeholders.

SDI is fully devoted to creating a workplace that is safe, diverse, and inclusive, where mutual respect, collaboration, and professional growth are actively driven by comprehensive policies, thoughtful programs, and continuous engagement initiatives.

Operating within the dental industry, SDI is deeply committed to delivering high-quality products that not only advance and support optimal oral health for people around the world but also prioritise sustainability, ensuring that our systems and offerings are responsible, environmentally conscious, and beneficial for both individuals and the planet.

From raw material suppliers to the clinicians and patients who ultimately use our products, SDI's value chain is comprehensive. Upholding responsible and ethical practices at every step is critical to minimising adverse effects and delivering meaningful benefits to all stakeholders.

Our core values - Passion, Accountability, Teamwork, Respect, and Innovation - serve as guiding principles that inspire and empower every individual within the organisation to contribute to our ESG goals. By embracing these values, our people are motivated to contribute fully, drive continuous improvement, and collectively build a stronger, more sustainable, and advanced organisation.

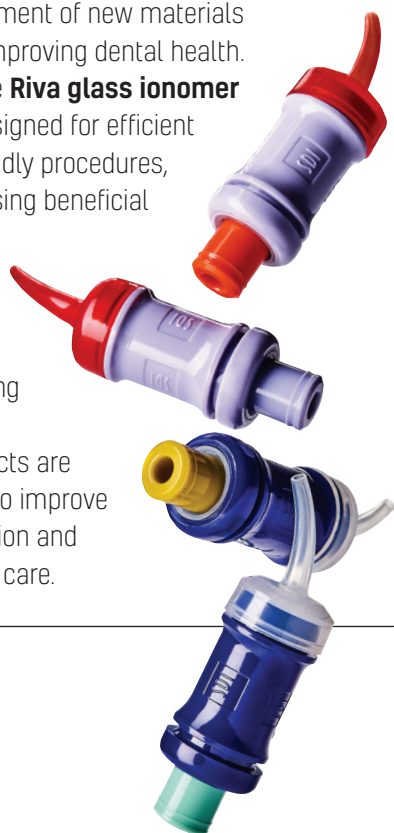


Samantha Cheetham
Chief Executive Officer and
Managing Director

SDI's Products and Impacts

IMPROVING DENTAL HEALTH

SDI's focus on "minimal intervention dentistry" and the development of new materials contributes to improving dental health. Products like the **Riva glass ionomer cements** are designed for efficient and patient-friendly procedures, while also releasing beneficial ions like fluoride and strontium to help with remineralisation and strengthening teeth. SDI's Pola whitening products are also developed to improve patient satisfaction and aesthetic dental care.



IMPROVEMENT IN RECYCLABILITY AND LESS PACKAGE WASTE

SDI has an established ESG roadmap that includes a focus on waste audits to identify opportunities for packaging recyclability and reduction. The Company's commitment to this goal is part of its wider sustainability strategy.

AMALGAM REDUCTION

SDI has been actively working to phase out amalgam products containing mercury. The Company's new product, **Stela**, is a high-performance, self-curing composite specifically developed as a mercury-free alternative to amalgam fillings. The company has also partnered with organisations like Dental Recycling North America to promote amalgam recycling and compliance with regulations like the Minamata.



Our Approach to Sustainability

At SDI, sustainability is embedded in the way the Company operates, innovates, and delivers value to stakeholders. As a manufacturer of specialised dental products, SDI plays a unique role in improving global oral health and, in turn, overall quality of life. This commitment extends to reducing the environmental footprint of its operations through waste reduction, recycling, sustainable packaging, and energy efficiency initiatives. These commitments are central to SDI's culture, governance, and operations, exemplified by the

development of the new Montrose facility, designed to cut energy use and greenhouse gas emissions by between 30% to 50%*.

Socially, SDI supports global and local communities through significant donations of products, services, and funding to improve dental health in underserved areas, while fostering an inclusive and engaged workplace through initiatives like employee engagement surveys. Strong governance underpins these efforts, with the ESG Committee

serving as a central forum where representatives present information and input from their respective business units. This structure ensures a direct flow of insights, reinforces accountability, promotes transparency, and upholds ethical conduct across the organisation.

This integrated approach ensures SDI's pursuit of innovation and market leadership goes hand in hand with environmental stewardship, community wellbeing, and responsible corporate practices.



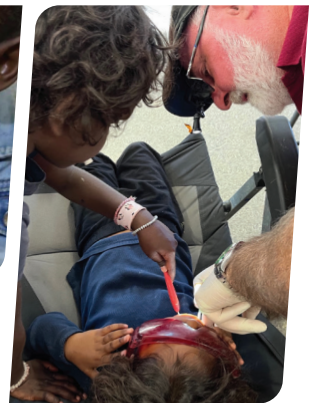
Makira School Outreach Programme, Solomon Islands



Grenada Mission SDI Canada Representation



SDI France in Uganda with Dr. Steph Laplante



SDI Australia regional outback programme

*Depending on final system size and additional load at new facility.

Reporting Approach

SDI's reporting approach is designed to ensure transparency, consistency, and alignment with internationally recognised sustainability standards, which provide best-practice guidance for defining material topics, structuring the reporting process, and tracking performance through measurable metrics.

As an Australian company, SDI is subject to the Australian Sustainability Reporting Standards (ASRS) and, based on current projections as a Group 3 entity, will be required to produce its first AASB S2 Climate Statement for the FY28 reporting period. Preparations are already underway, led by the ESG Committee and supported by Automic ESG, a leading Australian ESG advisory firm, and progress to date is outlined in the across the various sections of this report. Key reporting actions include:

- **ESG Roadmap development**

Defining SDI's ESG Roadmap to establish priority focus areas and align with the UN Sustainable Development Goals.

- **Preparing for compliance with AASB S2**

Planning to commence reporting in line with AASB S2 requirements.

- **Assessments and audits**

Completion of Scope 1 and 2 greenhouse gas (GHG) assessments since FY23, along with packaging audits to identify packaging reduction and recyclability opportunities.

Materiality Assessment

In FY24, SDI conducted a Materiality Assessment aimed at identifying and prioritising the ESG topics most significant to the Company and its stakeholders. The process involved surveying internal and external stakeholders, including employees, leadership, suppliers, customers, and community representatives, to evaluate the perceived influence and impact of various ESG issues on SDI’s long-term sustainable success. With a response rate exceeding 70%, including one-third

from external stakeholders, the assessment captured diverse perspectives on key risks, opportunities, and ESG performance. The results were plotted in a materiality matrix (Figure 1), identifying priority topics such as product safety, health and safety, business ethics and values, and transparency and disclosure. These findings were validated by leadership to ensure strategic alignment and will inform SDI’s future ESG strategy, reporting, and resource allocation. Each of the material topics outlined below

helped shape the four focus areas and corresponding pillars of our ESG scorecard.

In FY26, SDI will review its material topics to ensure they remain relevant in light of business priorities, operational changes, and evolving stakeholder expectations, in line with ESG best-practice.

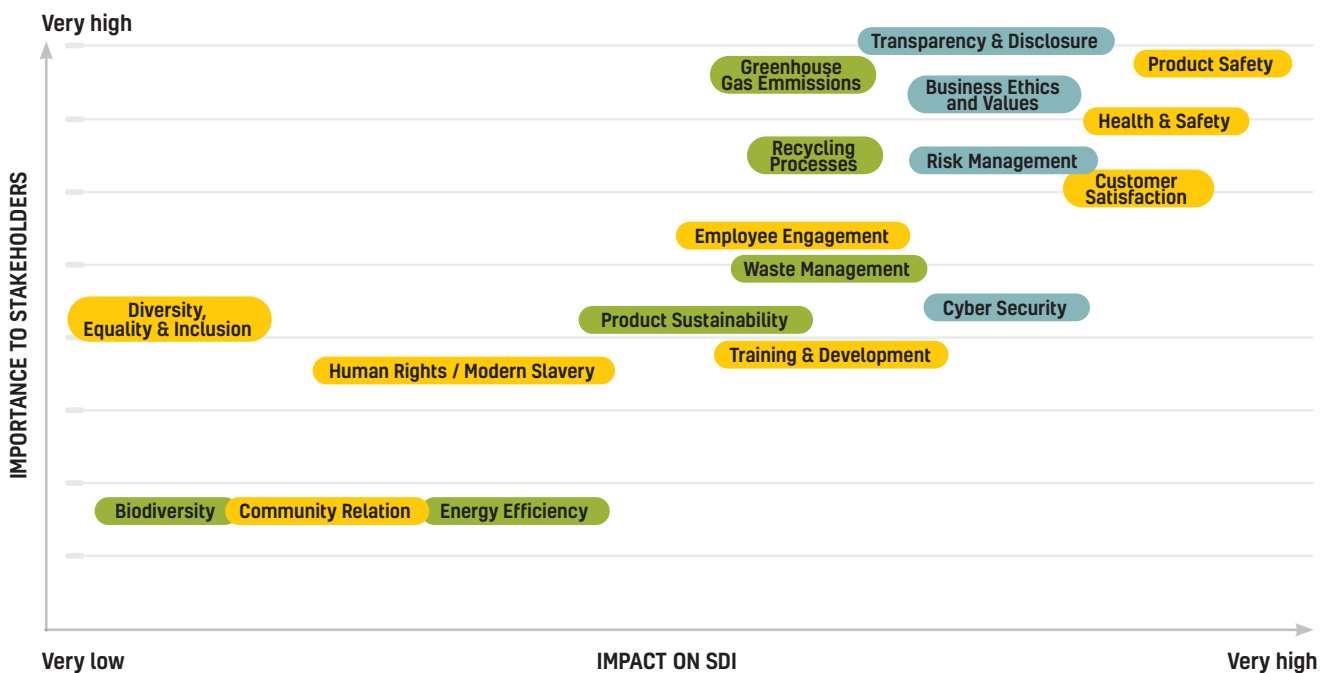


Figure 1: SDI's Materiality Matrix

FY25 ESG Scorecard and Performance

As part of SDI's ongoing ESG advancement, a key action for FY25 is the development of an ESG Scorecard to support the structured management and monitoring of strategic initiatives aligned with broader corporate objectives. Each action, grouped under defined focus areas, will be detailed to show how initiatives are governed, tracked, and the impact they deliver across the business and community.

Focus Area	Pillar	Commitment	Progress
Resilient and Ethical Operations	Transparency and Disclosure	Advancing ESG leadership through alignment with global standards, robust ethical governance, and transparent reporting that reflects our values, engages stakeholders, and drives long-term sustainable impact.	89%
	Risk Management	Building a resilient and future-ready organisation by integrating sustainability and climate considerations into our risk management practices and embracing innovation to drive safer, more efficient operations.	80%
	Business Ethics and Values	Shaping a values-driven organisation that upholds strong governance and creating meaningful, lasting impact through community engagement, education, and social responsibility.	35%
Safe, Diverse Workforce	Diverse and Inclusive	Embedding diversity, equity, and inclusion at the core of our organisation through purposeful action, inclusive culture, and transparent accountability.	30%
	Training and Education	Investing in continuous talent development, strategic skills growth, and ongoing learning opportunities to drive long-term organisational success.	30%
	Occupational Health and Safety	Fostering a safe, healthy, and supportive work environment that prioritises employee wellbeing, proactive care, and continuous improvement	16%
Sustainable Production	Waste Management and Recycling	Embedding circular economy principles across our value chain by driving innovation, optimising resource use, and reducing waste to create more sustainable and resilient operations.	43%
	Emissions and Energy Efficiency	Advancing sustainable energy practices and achieving measurable emissions reductions through strategic initiatives, innovation, and ongoing performance monitoring.	19%
	Sustainable Products	Driving sustainable innovation across our product lifecycle by embedding environmental considerations into design, packaging, and supply chain decisions, creating long-term value for customers, partners, and planet.	8%
Responsible Value Chain	Product Safety	Ensuring the highest standards of product safety and driving industry-wide innovation to promote safer, more sustainable dental materials.	78%
	Ethical Sourcing	Championing ethical governance, sustainability, and transparency across our value chain, fostering enduring responsibility, integrity, and positive impact.	55%
	Customer Satisfaction	Actively listening to our customers and leveraging insights to drive innovation, enhance sustainability, and optimise value across our products.	13%

Our Four ESG Pillars

Resilient and Ethical Operations

Resilient and ethical operations at SDI are built on a foundation of integrity, accountability, and robust governance, ensuring the business operates responsibly, manages risks effectively, and maintains the trust of stakeholders.

FY25 Strategic Actions	Progress
Align ESG practices with global standards and reporting frameworks.	In progress
Document and communicate a structured approach to stakeholder engagement.	Completed
Outline ethical principles and compliance protocols guiding healthcare industry interactions.	In progress
Assess current climate disclosures against AASB S2 requirements to identify gaps.	Completed
Establish a phased plan to enhance climate-related disclosures in line with regulatory expectations.	Completed
Create a performance scorecard to track and report ESG metrics and progress.	Completed
Prepare and release a comprehensive inaugural ESG report detailing key initiatives, outcomes, and goals.	Completed
Evaluate internal social programs to determine publicly reportable impacts and achievements.	Completed

SDI is committed to upholding high levels of transparency and disclosure, aligning with global ESG standards to provide stakeholders with a comprehensive view of its corporate practices. The Company has completed key internal initiatives, including a Climate Reporting Roadmap, a gap analysis against AASB S2 standards, and the development of an ESG Scorecard.

This dedication to transparent reporting and ethical governance is further evidenced by its plans to review and publicly disclose information on social initiatives and financial donations, ensuring a high level of accountability to its stakeholders.

Business Ethics and Values

FY25 Strategic Actions	Progress
Outline mechanisms for raising, addressing, and resolving critical concerns within the organisation.	Completed
Launch employee volunteering initiatives aligned with national programs and community support efforts.	In progress
Design and deliver science immersion initiatives to enhance STEM access for disadvantaged students.	In progress
Support early childhood dental education through partnerships with programs such as LifeEd Australia.	In progress

Operating with a strong ethical foundation and a commitment to resilience, SDI's robust governance processes meet and go beyond the baseline governance expectations of the listing requirements of the ASX. The Company's governance framework emphasises transparency, accountability, and ethical conduct, ensuring customers, suppliers, and stakeholders are treated with fairness and respect.

The Company's **core values** of Passion, Accountability, Respect, Teamwork, and Innovation serve as the guiding principles for its operations and community engagement. These values are actively reinforced through several key initiatives. SDI's commitment to **Accountability and Respect** is demonstrated through its robust **Whistleblower Policy** and regular employee surveys, which provide confidential channels for raising critical concerns.

In a display of **Passion and Teamwork**, employees are encouraged to participate in a range of volunteering initiatives. Furthermore, SDI's dedication to **Innovation** is evident in its educational partnerships, such as the internship program with Monash University and hosting work experience programs for students, which aim to nurture future talent and inspire the next generation. These initiatives not only reflect SDI's values but also illustrate its commitment to a transparent, ethical, and socially responsible corporate culture.

Case Study

SDI's approach to sustainability is built on the belief that strong, ethical operations form the backbone of long-term business resilience. This means embedding integrity into every aspect of the Company's work, from how we source and manufacture products, to the way we engage with our employees, customers, and the wider community. By aligning our commercial goals with positive social impact, we ensure that our success supports not only shareholders but also the communities we serve.

Across FY24 and FY25, SDI provided a growing level of financial and in-kind support to initiatives in Australia, the United States, Europe, and other global markets. This assistance enabled tens of thousands of dental restorations each year, delivering meaningful oral health benefits to communities with limited access to care.

A key initiative is our partnership with the **Royal Flying Doctor Service (RFDS)** in South Australia and the Northern Territory. Through a formal Memorandum of Understanding, SDI supplies dental materials, financial assistance, and discounted products to help ensure high-quality restorative materials reach remote and underserved regions. This collaboration supports RFDS's vital healthcare mission and is recognised in its communications and annual reports, reinforcing our shared commitment to improving access to care.

Through strategic partnerships, targeted giving, and a commitment to ethical practices, SDI delivers meaningful community impact while strengthening the resilience and sustainability of its business.



Royal Flying Doctor Service
SOUTH AUSTRALIA & NORTHERN TERRITORY



Images courtesy of www.flyingdoctor.org.au/media/image-library

Risk Management

FY25 Strategic Actions	Progress
Embed ESG-related risks within the broader enterprise risk management framework.	Completed
Evaluate climate-related risks and their potential impact on operations and strategy.	Completed
Implement automation solutions to reduce manual handling and associated health and safety risks.	In progress

SDI maintains robust risk management processes to identify, monitor, and manage a wide range of business risks, with a particular focus on broader ESG risks, including modern slavery and climate-related risks.

One of the actions set out in SDI's Climate Reporting Roadmap is to conduct a detailed climate-related risk and opportunity assessment, which was completed in FY25. This enabled the Company to identify both physical and transitional risks that could impact operations, supply chains, and market positioning (Figure 2).

These risks have been evaluated for their potential financial and operational implications, enabling SDI to integrate them into board oversight, strategic planning, and ongoing monitoring processes. This proactive approach ensures that climate considerations are embedded in decision-making, supports transparent and credible reporting, and strengthens SDI's ability to meet both regulatory expectations and stakeholder demands for climate resilience to go beyond compliance and generate sustainable, long-term value.

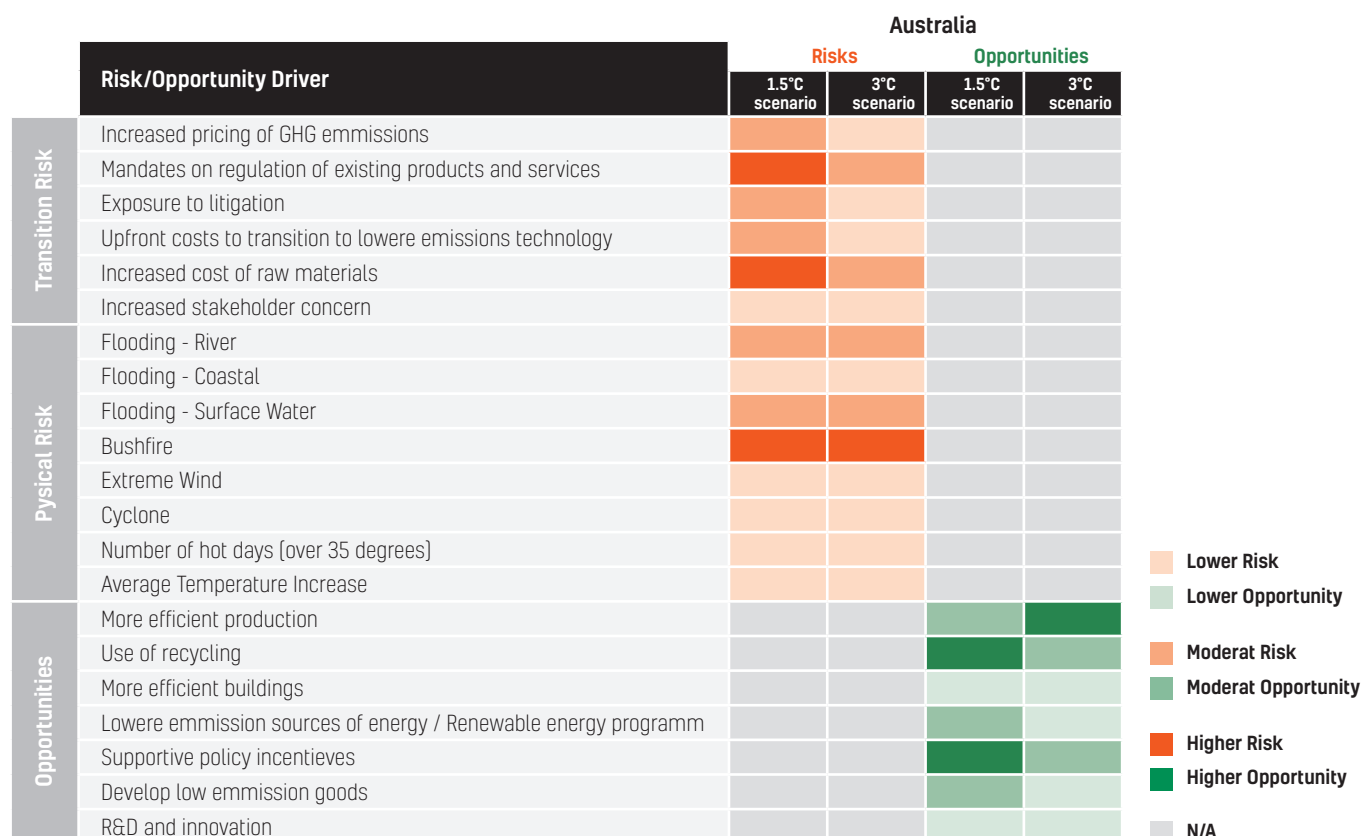


Figure 2: SDI's climate-related risks and opportunities

Safe, Diverse Workforce

The Company is dedicated to maintaining a safe, diverse, and inclusive workplace. SDI fosters an environment of respect and professional growth through robust policies and engagement initiatives.



Occupational Health and Safety

FY25 Strategic Actions	Progress
Enhance mental health and wellness initiatives beyond employee assistance programs (EAP) to provide broader, ongoing support to our employees.	In progress
Revamp the wellbeing program to focus on early intervention and preventative support.	In progress
Provide dental care support for employees and their families, while gathering user insights on SDI products.	In progress
Evaluate and strengthen the Safety Business Plan to address evolving workplace health and safety needs.	In progress
Establish KPIs and internal reporting processes for legacy equipment risk, with regular management and Board review.	In progress

Committed to a proactive and comprehensive approach to occupational health and safety, SDI places the wellbeing of its workforce as a top priority. The Company is actively enhancing its mental health and wellness initiatives, expanding beyond the traditional EAP to provide broader, preventative support to its workforce. This includes a refreshed wellbeing program designed to focus on early intervention.

The Company is also strengthening its foundational safety protocols by evaluating and expanding its Safety Business Plan to address evolving workplace health and safety needs. A key focus is the establishment of internal reporting and KPIs for legacy equipment risk, ensuring regular management, and Board oversight. This strategic emphasis on safety and employee well-being is a core component of SDI's broader commitment to its ESG roadmap (Figure 3).

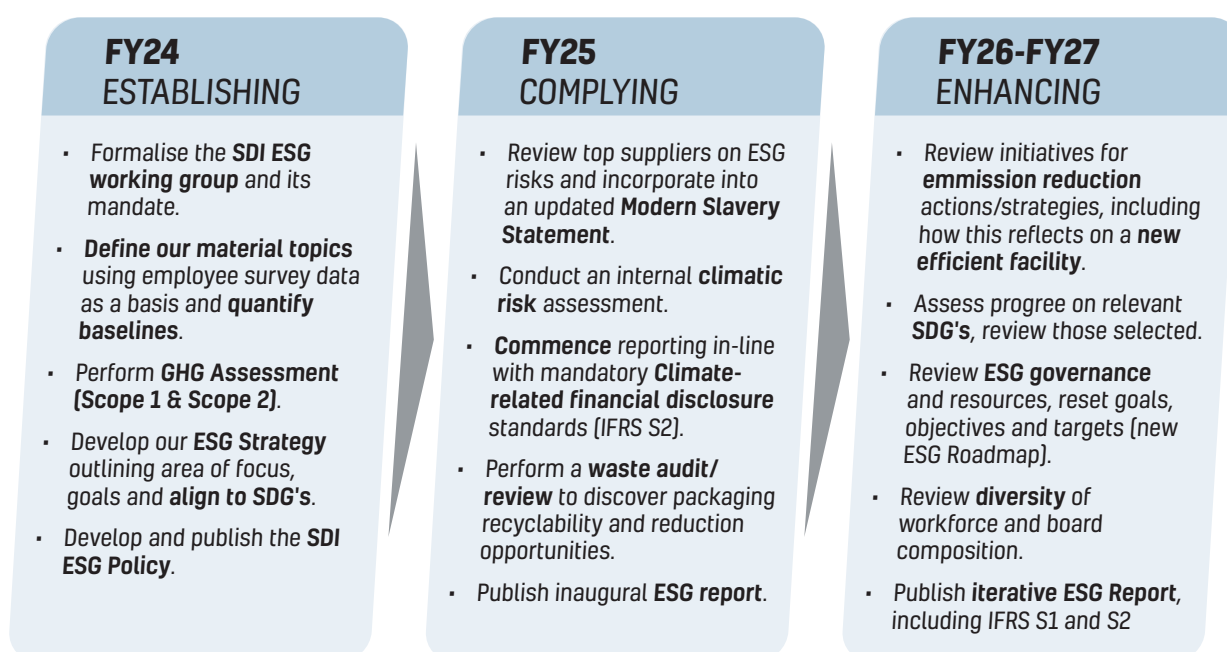
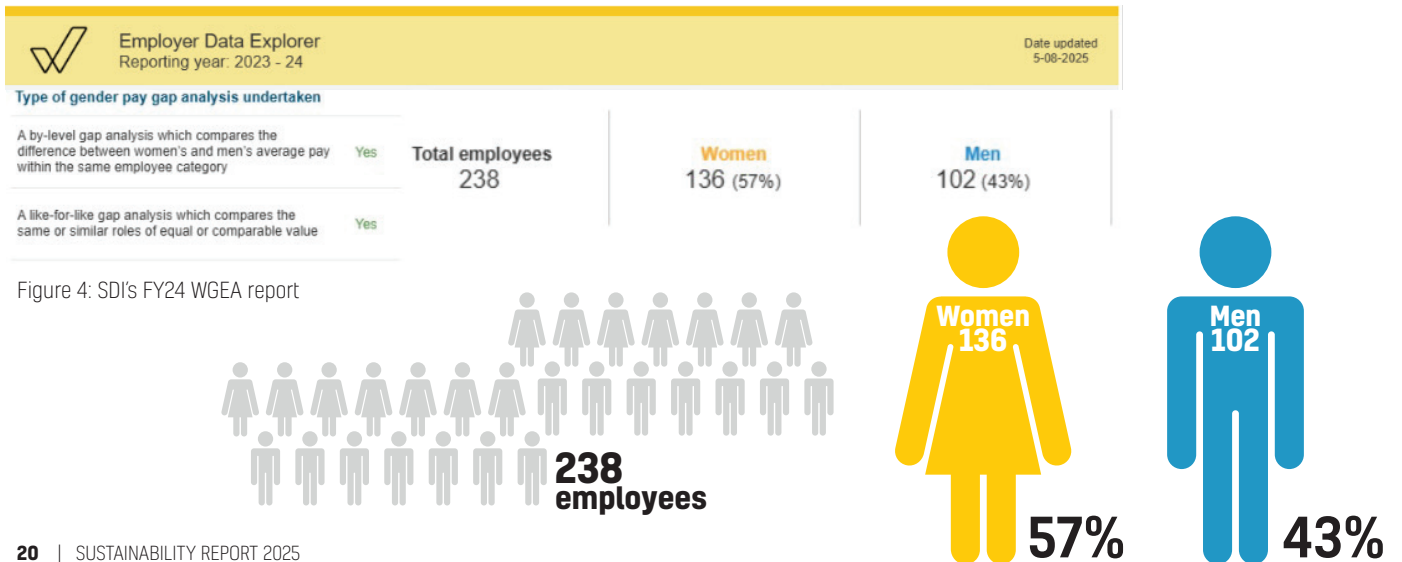


Figure 3: SDI's 4-year ESG Roadmap

Diverse and Inclusive

FY25 Strategic Actions	Progress
Develop HR Strategy to raise the profile of equality, diversity and inclusion as an important part of our future culture through delivery of innovative initiatives.	Completed
Develop and maintain a register of initiatives that foster a more inclusive workplace culture.	In progress
Incorporate diversity metrics and disclosures in SDI's Annual Report in alignment with SDI's Diversity Policy.	Completed
Deliver targeted DEI training for leadership and governance teams to embed inclusive practices.	In progress
Promote understanding and awareness of invisible disabilities through education and communication initiatives.	In progress
Assess the feasibility of inclusive facility upgrades, including accessible, non-binary toilets, and change rooms.	In progress

The "Respect" pillar of SDI's values is a cornerstone of our mission and emphasises the importance of treating everyone with dignity to build trusting relationships with stakeholders. The Company's culture is a dynamic mix of local and global influences, promoting ongoing cultural exchange and hybridity. To ensure this commitment is more than just a statement, SDI has partnered with an independent provider, Culture Amp, to conduct employee engagement surveys. These surveys provide crucial insights into employee perceptions, with results showing that 88% of employees are proud to work for SDI (2025 survey results). The feedback from these surveys is a vital tool for proactively enhancing a culture of inclusion and improving communication and transparency between leadership and staff. The Company's dedication to its workforce is further demonstrated through proactive measures aimed at ensuring a safe and equitable environment for all. In line with SDI's **Gender Pay Gap Statement**, the Company recently reported to the **Workplace Gender Equality Agency (WGEA)**, taking concrete steps to address and prevent gender remuneration gaps. These efforts include a thorough analysis of commencement salaries and performance pay to identify any bias (Figure 4). Following this analysis, SDI took corrective action to resolve instances of unequal pay and reviewed its remuneration decision-making processes to promote fairness. The Company also demonstrates its commitment to transparency by internally reporting pay equity metrics to both its executive team and governing body, solidifying its ongoing commitment to a fair and diverse workplace. The above initiatives are also supported by the HR Strategy 2024 - 2028 and SDI's Diversity policy.



Training and Education

FY25 Strategic Actions	Progress
Define clear development and career progression pathways to attract, retain, and advance talent beyond technical or lateral role moves.	In Progress
Broaden training offerings to include leadership, professional development, and skills-building beyond compliance requirements.	In Progress
Measure and monitor average annual training hours per employee to track learning investment.	In Progress
Create SDI's Board Skills Matrix to identify capability gaps and guide succession planning and recruitment.	Completed

Drawing upon its commitment to professional development and ethical conduct, SDI has implemented a robust training and education framework. The Company provides external stakeholders, specifically dental professionals, with access to "SDI Learning," a dedicated online platform that delivers a range of multimedia training materials, including webinars and tutorials. This initiative enables clinicians to stay current with new techniques and products while earning valuable continuing education credits.

Internally, SDI reinforces its corporate values through ongoing corporate compliance training, which educates employees on the Company's Code of Conduct. This comprehensive approach ensures that the Company's workforce is equipped with the knowledge and skills necessary to uphold high standards of integrity and excellence.

By embedding on-the-job training and safety education into everyday operations, SDI equips employees with the knowledge, skills, and awareness needed to work safely and efficiently. New staff receive comprehensive inductions covering operational procedures, hazard awareness, and emergency response protocols, while existing employees participate in ongoing refresher training and upskilling programs on a consistent basis. Practical, hands-on learning is supported by formal safety modules, and compliance training across the workforce. This approach not only reinforces SDI's commitment to a zero-harm workplace but also empowers employees to take ownership of their safety and the safety of those around them.

Sustainable Production

Operating in the dental industry, SDI is committed to providing products that promote oral health while being sustainable for both people and the planet. This section outlines how the Company manages its environmental impact across key areas, including emissions and energy efficiency, waste management and recycling, and sustainable product development and manufacturing.



Emissions and Energy Management

FY25 Strategic Actions	Progress
Pinpoint actionable emissions reduction initiatives for implementation in FY25 and FY26.	In progress
Assess the current energy mix, including electricity and fuel sources, to identify efficiency and sustainability opportunities.	In progress
Quantify Scope 1 and 2 emissions for FY25.	Completed
Create a dedicated working group to enhance energy efficiency and data collection processes.	In progress
Enhance systems and methodologies for collecting, monitoring, and analysing energy consumption data.	In progress

Since FY23, SDI has been measuring its Scope 1 and 2 emissions to better understand our environmental impact and identify where the most meaningful reduction efforts can be made (Table 1). Using an operational control consolidation approach, emissions were calculated in accordance with the GHG Protocol and ISO 14064 principles. This includes fuel consumption (diesel, unleaded petrol, and liquefied petroleum gas) for light vehicles and forklifts, as well as electricity use across all SDI-operated properties. Emissions factors were sourced from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Compilation No. 18).

Year	Scope 1 emissions (tCO₂-e)	Scope 2 emissions (tCO₂-e)	Total (tCO₂-e)
FY23	161.69	3,037.49	3,196.20
FY24	172.65	2,549.25	2,721.90
FY25	140.06	2,305.44	2,445.50

Table 1: SDI's Scope 1 and 2 emissions from FY23

With three consecutive years of emissions data, the Company can now identify emerging trends, using these insights to shape a more targeted and effective emissions reduction strategy and evaluate the feasibility of setting formal reduction targets.

As part of the Company's long-term strategic growth, SDI has acquired a new site at Montrose to consolidate operational and corporate functions. Planning for this transition is already underway, with the Engineering and Operations teams working closely to embed emissions and energy efficiencies consideration into the site's design. These include installing a 1-1.5MW solar energy system[^] within three years of occupancy and upgrading to a centralised HVAC and chilled water system, allowing the Company to phase out legacy refrigeration infrastructure. This will position SDI to operate more efficiently and sustainably from the outset.

Given this upcoming site transition, major emissions-related investments at the Company's current facilities are not commercially viable. However, this does not mean SDI is delaying action entirely. As electricity contracts come up renewal, the Company is actively assessing the cost-benefit of incorporating GreenPower into our supply to reduce Scope 2 emissions.

Looking ahead to FY26, SDI is committed to expanding its emissions inventory to include Scope 3 emissions. This will provide a more complete view of our climate impact across the value chain and help identify opportunities for supplier and customer engagement, independent of our planned move to Montrose.

[^]Dependent upon the roof space utilisation available for solar panel installation.

Waste Management and Recycling

FY25 Strategic Actions	Progress
Quantify greenhouse gas associated with FY25 waste production activities.	Completed
Establish a comprehensive waste baseline, including total waste generated, recycled, and material composition.	Completed
Document the existing processes for waste collection, handling, recycling, and disposal.	In progress
Map the material inputs and productions outputs that contribute to waste generation.	In progress
Partner with Terracycle or Medcycle to explore sustainable solutions for medical and clinical waste recycling.	In progress
Analyse causes and volumes of overproduction and product waste across production sites and global warehouses.	In progress
Assess and classify input materials based on their recyclability and environmental impact.	In progress
Explore strategies to enhance product circularity and boost recycling rates throughout the product lifecycle.	In progress

As a mass manufacturer producing over 1200 products, SDI recognises that waste generation is a significant component of its operational footprint. Our products involve multiple material inputs and outputs, and managing the resulting waste, especially plastic, has become a strategic focus (Table 2). SDI generates approximately 16.2 tonnes of plastic waste (moulding sprues) through its manufacturing operations, all of which is recycled.

SDI is currently formalising documentation that outlines existing waste collection, handling, recycling, and disposal processes. This initiative will enhance internal education and awareness, supporting consistent, company-wide improvements in waste management practices.

	Generated	Recycled[#]
Plastic waste (m³)	463.45	463.45
Plastic waste (t)	16.2	16.2
Cardboard waste (m³)	936.00	936.00
General waste (m³)	1,467.00	0.00

Table 2: SDI's waste baseline

[#]As recorded in April 2024

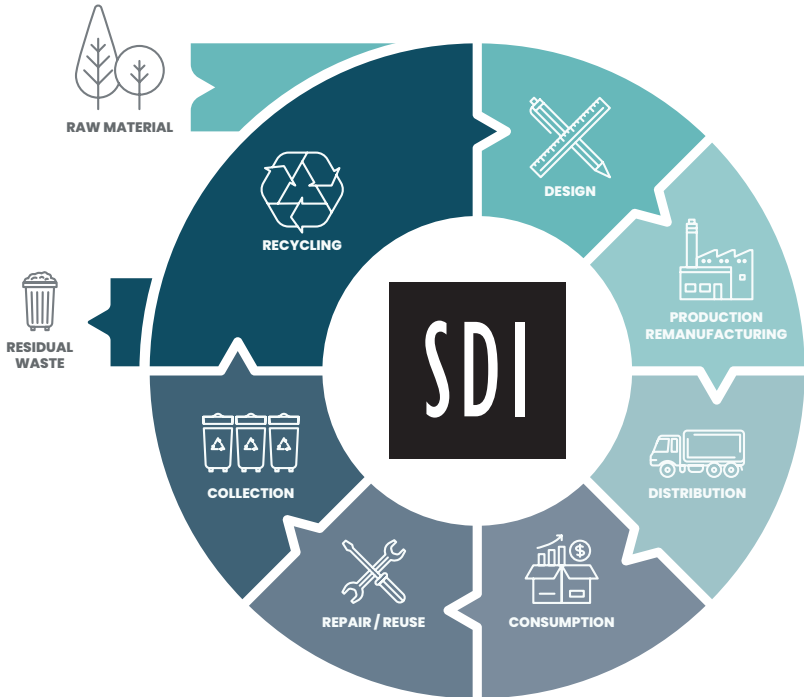
In April 2024 we conducted a successful 4-week pilot with MedCycle and Terracycle to assess the viability of clinical and medical waste recycling. The pilot involved the participation of 11 team(s) and resulted in diverting 2.9 cubic metres of waste from landfill to recycling. Given the project annual cost of \$50,437, a business case is currently being prepared to secure funding and scale this partnership across operations.

Another emerging focus is managing overproduction. As part of large-scale manufacturing, minimum production quantities can occasionally lead to excess stock. While some of this surplus is donated to charities and community groups, a portion is discarded, resulting in unnecessary material waste and financial loss. To address this, SDI is analysing the root causes and volumes of overproduction across our production sites and global warehouses. In FY26, the Company plans to develop targeted interventions to minimise overproduction and improve resource efficiency.

As part of our commitment to Sustainable Production, SDI is also working to embed circularity principles into product design. This includes:

- **Defining what product circularity means within SDI's context**
- **Setting clear recycling and reuse performance benchmarks**
- **Assessing and classifying all input materials based on recyclability and environmental impact**

Together, these efforts will guide SDI's transition toward a more circular and resource-efficient business model, ensuring products are designed not just for performance, but also for end-of-life recovery and reuse.



Sustainable Products

FY25 Strategic Actions	Progress
Establish a clear definition of 'Sustainable Products' aligned with SDI's values and industry best practices.	In progress
Assess current practices to identify actions that will enhance SDI's 2025 APCO report performance.	In progress
Create ESG screening criteria to assess and engage suppliers on ethical, social, and environmental performance.	In progress
Engage clinicians and distributors to pinpoint practical sustainability challenges across clinical settings and the value chain.	In progress
Integrate sustainability into the product development pipeline, through both new initiatives and enhancements to existing projects.	In progress

At SDI, the Sustainable Products pillar brings together the Company's efforts to create and deliver products that generate positive outcomes for both people and the planet. This commitment goes beyond manufacturing, it requires a deep understanding of SDI's entire value chain, from the sustainability practices of our upstream suppliers to the needs and expectations of end users such as clinicians and distributors.

To drive this agenda forward, one of SDI's core priorities is to establish a clear and practical definition of what 'Sustainable Products' means in the context to the Company. This definition, aligned with SDI's values and industry best practices, will provide the foundation for future actions, helping to align product development, procurement, and marketing across a shared vision. The Company looks forward to sharing this definition in our FY26 report.

Another key initiative is the development of an ESG screening criteria for suppliers. This will enable SDI to assess both new and existing suppliers on a consistent set of ethical, social, and environmental criteria. The Company believes this proactive approach will also future proof the business as SDI anticipates increasing sustainability expectations from its customers and partners.

As part of the Company's membership with the **Australian Packaging Covenant Organisation (APCO)**, the Company is also committed to continuously improving its packaging practices. While SDI currently holds an 'Advanced' rating in our FY24 APCO report, the Company aims to move toward the 'Leading' band by identifying and acting on targeted opportunities to reduce packaging waste and improve recyclability.

Importantly, sustainability is being embedded directly into SDI's product development lifecycle. The Company's research and development team are actively exploring low-impact materials, circular design approaches, and innovations that reduce environmental impact without compromising product performance.

Through this integrated approach, Sustainable Products becomes more than just an ambition, it is the outcome of collaborative, strategic, and measurable actions that deliver lasting value to people, the environment, and SDI's long-term success.

Responsible Value Chain

SDI's value chain extends from raw material suppliers through to the end users, which are clinicians and patients. As such, it is critical that the Company upholds responsible and ethical practices at every stage to minimise negative impacts and create positive outcomes for all stakeholders. This section outlines SDI's approach to managing value chain impacts, focusing on three key areas: ethical sourcing, product safety, and customer satisfaction. Through these efforts, SDI aims to foster a resilient, transparent, and accountable supply chain that supports both people and planet.



Ethical Sourcing

FY25 Strategic Actions	Progress
Establish and implement a comprehensive policy outlining processes for identifying, assessing, and remediating ethical issues throughout the supply chain.	Completed
Detail the robust mechanisms and technologies employed to ensure end-to-end traceability of materials and products across the entire value chain.	Completed
Articulate and document the systematic process for assessing and managing potential environmental and human health impacts related to chemicals used in product formulations.	In progress
Initiate and conduct research into viable and sustainable alternatives to conventional plastics for product and packaging applications.	In progress

The Company sources raw materials from multiple countries, some of which present elevated risks of ethical issues, including modern slavery and human rights violations. To mitigate these risks, SDI conducts supplier-level risk assessments as part of its compliance with the Modern Slavery Act and maintains a **Modern Slavery Risk Treatment Plan (RTP)**. This plan evaluates the potential for modern slavery based on country, industry, product, and service risk profiles. More information on our RTP can be found in our FY24 Modern Slavery Statement (MSS).

SDI's supplier due diligence framework consists of four core pillars:

- 1. Identification and assessment of actual and potential risks of modern slavery within our supply chain.**
- 2. Internal action to mitigate identified risks, including supplier engagement and remediation efforts.**
- 3. Monitoring and evaluation of SDI's effectiveness in addressing these risks.**
- 4. Transparent disclosure of activities and progress through our annual MSS.**

As reported in the FY24 MSS, SDI has strengthened this framework by deploying Quality Assurance (QA) staff to conduct supplier audits, engage suppliers directly on modern slavery concerns, and improve traceability across high-risk categories. In FY25, the QA team engaged with 163 Tier 1 suppliers across priority regions and categories, helping to identify and address potential risks early.

In parallel with our ethical sourcing efforts, SDI is advancing its sustainable packaging efforts. Recognising the environmental impacts of plastics and the amount of plastic we use particularly in primary and secondary packaging, SDI has begun transitioning toward more sustainable alternatives.

Key initiatives to date include:

- **Replacing plastic secondary packaging (e.g., transitioning from plastic to cardboard Riva boxes)**
- **Eliminating unnecessary plastic materials, such as shrink wrap in selected product lines.**

Currently, SDI is in the process of establishing for primary plastic packaging to support informed decision-making on material substitution and reduction. This baseline will be completed in FY26 and will inform long-term strategies to minimise plastic use and improve recyclability across our product lines.

Together these efforts support SDI's commitment to responsible sourcing, sustainable product stewardship, and continuous ESG improvement across our value chain.



² SDI's FY24 Modern Slavery Statement
³ Refer to Footnote 2.

Product Safety

FY25 Strategic Actions	Progress
Establish a clear definition of 'Product Safety' aligned with SDI's values and industry best practice.	Completed
Review product safety incident reporting and management protocols.	Completed
Cease amalgam production by 2028 at the latest.	In progress

Safe products are at the heart of SDI's Vision, which is to support dentists in delivering beautiful, healthy, long-lasting smiles for their patients. As a global dental manufacturer, SDI is committed to producing products that meet the highest safety standards, not only because we operate in heavily regulated markets, but because it aligns with our values and responsibility to patients, clinicians, and the environment.

In FY25, the Company formalised its definition of 'Product Safety' to guide internal decision-making across product research and development, manufacturing, and quality assurance. This definition aligns with both SDI's core values and prevailing industry best practices and will serve as a strategic benchmark as we continue to innovate and deliver safe, high-quality products.

SDI's QA team plays a central role in overseeing product safety, including the investigation and resolution of any product safety incidents. The Company is pleased to report that no product safety incidents were recorded in FY25, reflecting the robustness of the current systems and controls. To build on this, SDI will assess the feasibility of implementing measurable product safety performance targets to ensure continued accountability and improvement.

Dental amalgam, an alloy containing mercury, presents both health and environmental concerns particularly for vulnerable populations, such as children and pregnant women and in regions lacking appropriate hazardous waste infrastructure. Recognising these risks, SDI publicly announced in August 2024 its intention to fully cease amalgam production by 2028.

This decision builds on years of proactive planning. Since 2019, SDI has been investing in developing safer alternatives, supported by a \$3 million grant from the Australian Government to develop mercury-free products. This led to the creation of the Stela product line, which continues to gain market share as global preferences shift away from amalgam.

Over the same period, amalgam sales have steadily declined, influenced by growing regulatory restrictions and the UN's target to eliminate amalgam use by 2034. In FY26, SDI will develop and publish a clear roadmap detailing the transition away from amalgam, ensuring a smooth shift for our customers while reinforcing the Company's commitment to product safety and environmental stewardship.

* ASX Announcement dated 14 August 2019

Customer Satisfaction

FY25 Strategic Actions	Progress
Develop a survey to capture customer perceptions, needs, and engagement drivers.	In progress
Develop a post-purchase survey to gather customer feedback on product performance and experience.	In progress
Establish a central register to log and track customer suggestions for product and service enhancements.	In progress
Enhance automation process to drive operational efficiency and reduce costs.	In progress
Assess customer willingness to purchase or pay a premium for sustainable product options	In progress

Customer satisfaction is fundamental to SDI’s business continuity and product excellence. By engaging with customers, the Company ensures that the delivery of high-performing, reliable, and trusted products. In FY25, SDI established a centralised feedback hub within its Customer Relationship Management platform to systematically capture customer input. In FY26, the Company’s priority is to review and distil this feedback into actionable insights that drive product and service enhancements.

To strengthen SDI’s understanding of customer experience, the Company is implementing targeted survey initiatives. These include a comprehensive customer engagement survey and a post-purchase product performance survey. These tools will help measure satisfaction, identify areas for improvement, and inform product innovation. In addition, SDI will begin tracking and publishing its Net Promoter Score in FY26, enabling the benchmarking of customer loyalty and satisfaction over time.

Before SDI progress in offering more sustainable product options, it is critical to understand customer willingness to pay a premium for these improvements. Many of these solutions come with increased production costs, and without insights into customer demand, such investments may not be commercially viable. To address this, the Company will roll out a dedicated survey to better gauge customer appetite and inform future product development decisions.

Operational efficiency remains a core pillar of SDI’s corporate strategy. Automation efforts launched under the Safe, Diverse Workforce pillar will continue to be implemented across our operations, driving cost reductions, improving safety, and enhancing overall productivity performance.



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SUBSIDIARIES

AUSTRALIA [HEAD OFFICE]

SDI Limited.
3-15 Brunsdon Street
Bayswater, Victoria 3153
Telephone +61 3 8727 7111
Fax +61 3 8727 7222
Toll Free 1 800 337 003
Email: Info@sdi.com.au

BRAZIL

SDI BRASIL INDUSTRIA
E COMERCIO LTDA.
Av. Paulista, 2300 - Pilotis
Bela Vista, São Paulo - SP
CEP: 01310-300
Brazil
Tel +55 11 3092 7100
Fax +55 11 3092 7101
Email: Brasil@sdi.com.au

USA AND CANADA

SDI (North America) Inc.
1279 Hamilton Parkway
Itasca, IL 60143 USA
Tel +1 630 361 9200
Fax +1 630 361 9222
Toll Free 1 800 228 5166
Email: USA.Canada@sdi.com.au

GERMANY

SDI Germany GmbH
Hansestrasse 85
51149, Cologne Germany
Tel +49 (0) 2203 9255 0
Fax +49 (0) 2203 9255 200
Free phone 0800 1005759
Email: Germany@sdi.com.au

BRANCHES

AUSTRIA

Free Phone: 00800 0225 5734
Email: Austria@sdi.com.au

FRANCE

Free Phone: 00800 0225 5734
Email: France@sdi.com.au

SPAIN

Free Phone: 00800 0225 5734
Email: Spain@sdi.com.au

ITALY

Free Phone: 00800 0225 5734
Email: Italy@sdi.com.au

NEW ZEALAND

Email: Info@sdi.com.au

UNITED KINGDOM

Free Phone: 00800 0225 5734
Email: UK@sdi.com.au

OTHER EUROPEAN COUNTRIES

Phone: +49 0 2203 9255 0
Email: Germany@sdi.com.au

SDI

YOUR SMILE. OUR VISION.

sdi.com.au
polasmile.com.au
rivastar.com
