We are Atos Medical

Atos Medical was born out of a desire to make life easier for people living with a neck stoma. Since our foundation in 1986, we have cemented ourselves as the leaders in neck stoma care, with a world leading position in laryngectomy care.

Today, Atos Medical continues to serve the needs of more than 100,000 people with a neck stoma globally. We want to remain at the forefront and this involves first-rate product development, based on profound clinical research and customer insights, as well as customer care, with education of both professionals and patients. These are integral parts of our business.
I joined Atos Medical in March 2019, and my first year as the CEO has given me valuable insights into the challenges our customers face following a laryngectomy. The appreciation by patients and health care professionals of the difference Atos makes for people living with a neck stoma makes me proud, and it drives our ambition to secure that many more have access to care.

Building on our strong growth through recent years, we have launched our new strategy Succeeding through Personalized Care. We aim to leverage our strong direct-to-consumer set-up, while optimizing the balance between direct support to users and assistance to health-care professionals. We prioritize customers’ needs in everything we do. In order to better understand their needs, we conducted a global in-depth study of 1,800 laryngectomees in 2019. This gave us new insights, which we actively use to guide ground-breaking innovation and personalized care, and to engage with customers on an everyday basis. I am excited to introduce our strengthened customer-centric purpose, “Breathing – Speaking – Living”, which emphasizes our commitment to better customer care, and highlights our three objectives: Protecting our customers’ lung health, giving them back their voice, and helping them live good lives.

Our strategy puts the customer in the center of everything we do, starting with our deep social commitment to the user, and we realize that being the key provider for thousands of customers world-wide comes with a great responsibility: We must serve them in the best possible way to improve their lives, and we must also protect their rights and live up to the trust they show us and maintain high ethical standards. Our sustainability activities - Environmental - Social - Governance - reflect our commitment to live up to this societal responsibility.

Atos Medical is committed to sustainable and ethical business practices and we have adopted the UN Sustainable Development Goals (SDGs) as our framework. To seize the most material business opportunities presented by the SDGs and to reduce risks, we define our priorities based on an assessment of their expected impact on the SDGs across our value chains, both short and longer term. To increase our likelihood of meeting our objectives, we integrate sustainability into our core business and governance. We ensure a strong link between our customer-centric purpose and our business objectives and strategy, to address the needs of our customers with personalized care, helping them breathe, speak, and live.

Our sustainability framework is built on three pillars: People, Planet, and Business Ethics, which support the UN 2030 Agenda for Sustainable Development, in particular the following SDGs:

- **Good Health and Well-Being** (3)
  - “We contribute to the well-being of our customers through personalized care, empowering them to breathe, speak, and live healthy lives.”

- **Decent Work and Economic Growth** (8)
  - “We provide a good workplace and equal opportunities; we systematically improve working environment and work safety in all of our organization”

- **Responsible Consumption and Production** (12)
  - “Our approach to environmental challenges is ambitious and precautionary, and we seek to use resources efficiently”

- **Peace, Justice and Strong Institutions** (16)
  - “Respect and integrity are at the core of everything we do, and we work to promote ethics and to reduce corruption and bribery”

People | Planet | Business Ethics
--- | --- | ---

---

**Introduction**

We are passionate about making life easier for people living with a neck stoma, by providing personalized care and innovative solutions. We always live our values: We listen – we inspire – we focus – we engage.
Atos Medical’s Business Model and Strategy

The foundation of our Business Model and Strategy is our 30-year history of being a fully integrated, high-quality, original manufacturer while having a strong presence in all sales channels: Direct-to-consumer, to healthcare providers, or via distributors.

In 2019, we launched a new strategy Succeeding through Personalized Care. It emphasizes our continued patient and customer-centric focus and builds on a thorough understanding of our customer’s situation to make sure we address the needs of each individual customer that we serve. In addition, the strategy addresses the three main value drivers of the business:

1. **Serve all laryngectomy patients early and maintain for life**
   - Engage with all laryngectomy patients early after surgery
   - Partner with clinicians to provide better patient care
   - Retain customers for life through personalized care

2. **Expand through continuous product advancement**
   - Optimize customer experience through product usage and engagement
   - Accelerate innovation leadership

3. **Secure strong foundation for accelerated growth**
   - Build reliable and simple business processes supported by corporate infrastructure
   - Retain engaged employees
This clear and focused business strategy also determines the three foundational pillars of Atos Medical’s Environmental, Social, and Governance priorities: People, Planet, and Business Ethics, which reflect that the most material ESG issues relate to.

By aligning the ESG risk assessment with the strategic planning and the overall Enterprise Risk Management processes, Atos Medical ensures that the Environmental, Social, and Governance activities make sense not only in an isolated sustainability perspective, but also as supporting activities for our business priorities.
**Executive Summary: 2019 ESG Performance at a Glance**

We work systematically with sustainability targets guided by the strategic priorities in the three ESG Pillars. We aim to ensure that our goals include opportunities to make positive contributions to the SDGs as well as to reduce current and potential negative impacts. In 2019, we made progress in a number of areas.

### Organization and Reporting

Sustainability (ESG) activities are anchored with members of the Global Leadership Team, and overseen by the Risk, ESG, and Compliance Committee. Performance is monitored on defined KPIs, and is reported quarterly to the Audit Committee, while the Board of Directors assesses the strategic ESG priorities annually. Environmental, Social, and Governance risks are integrated in Atos Medical’s general risk reporting and risk management system, cf. the Annual Report p. 25f.

### 2019 Performance

For 2019, Atos Medical wants to highlight the following important ESG milestones across the three pillars of our sustainability program:

<table>
<thead>
<tr>
<th>People</th>
<th>Planet</th>
<th>Business Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3</strong></td>
<td><strong>12</strong></td>
<td><strong>16</strong></td>
</tr>
<tr>
<td>We took action based on the 2018 employee survey, and improved the 2019 score by 6%, being true to our promise for a good and inspiring workplace</td>
<td>We renewed the energy mapping of our production site in Sweden to identify good practices as well as opportunities for reducing our energy consumption levels</td>
<td>We updated our Code of Conduct to more clearly reflect our commitment to ethical interactions with both patients and healthcare professionals, and show our commitment to European and US industry ethics standards</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We further strengthened our GDPR compliance efforts, building and training a network of Data Protection Officers in our subsidiaries to deliver on our pledge to safeguard our customers’ personal data</td>
<td>We carried through initiatives to recycle all packaging materials to deliver on our pledge to use resources responsibly</td>
<td>We further strengthened our GDPR compliance efforts, building and training a network of Data Protection Officers in our subsidiaries to deliver on our promise to safeguard our customers’ personal data</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We passed an unannounced MDSAP Audit re-certifying us for compliance with ISO 13485, and regulations in Australia, Brazil, Canada, Japan, the EU, and the US, delivering on our promise for high quality, and safe products</td>
<td>We renewed the energy mapping of our production site in Sweden to identify good practices as well as opportunities for reducing our energy consumption levels</td>
<td>We updated our Code of Conduct to more clearly reflect our commitment to ethical interactions with both patients and healthcare professionals, and show our commitment to European and US industry ethics standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We renewed the energy mapping of our production site in Sweden to identify good practices as well as opportunities for reducing our energy consumption levels</td>
<td>We carried through initiatives to recycle all packaging materials to deliver on our pledge to use resources responsibly</td>
<td>We further strengthened our GDPR compliance efforts, building and training a network of Data Protection Officers in our subsidiaries to deliver on our promise to safeguard our customers’ personal data</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>16</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We updated our Code of Conduct to more clearly reflect our commitment to ethical interactions with both patients and healthcare professionals, and show our commitment to European and US industry ethics standards</td>
<td>We further strengthened our GDPR compliance efforts, building and training a network of Data Protection Officers in our subsidiaries to deliver on our promise to safeguard our customers’ personal data</td>
<td>We rolled all distributors into our due diligence system to detect and prevent corruption and unethical behavior in our distribution chain</td>
</tr>
</tbody>
</table>
Sustainability Organization and Risk Management

**Tasks and Responsibilities**

The overall responsibility for Environmental, Social, and Governance issues is anchored in the Board of Directors, who addresses ESG risks and organization annually, whereas the Audit Committee of the Board receives quarterly reports on Environmental, Social, and Governance, incl. Compliance. At the Senior Leadership level, organizational responsibility for sustainability (ESG) are split between the SVP HR, the SVP Operations, and the VP Legal Affairs and Compliance. The Quality Management System is managed by the QA & RA team under the VP QA & RA. Operational responsibilities rest on the individual managers.

**ESG Risk Management**

In Atos Medical we have integrated the identification, assessment, and management of all ESG risks (environment, employee, social, human rights and anti-corruption risks) into their overall Enterprise Risk Management system, which has the objective of identifying strategic risks that may threaten Atos Medical’s long term ability to fulfill our strategy, operational risks that may impact short term targets, as well as financial risks that relate to exposures in our financial operations.

Risks are quantified and assessed, and for each risk an adequate response with concrete mitigating actions is defined and assigned to Risk Owners in the organization. Risks are monitored and regularly reported to the Audit Committee and the Board of Directors to provide them with a strategic tool for assessing whether target risks are at acceptable levels, and whether the defined responses are adequate. At the time of reporting, Atos includes two ESG related risks – Product Quality and Safety and Personal Data Protection – in the Group level risk reporting (cf. Annual Report p. 26f).
Policies

In Atos Medical we consider integrity, ethics, and strong compliance fundamental to our business, and express this clearly in our Code of Conduct. The Code of Conduct was updated in 2019, and its purpose continues to be communicating clear policies on all key sustainability issues, and giving fundamental hands-on guidance to all Atos employees on a global level. The Code captures all material ESG areas in a single document, and while keeping them kept short and concise, still making them detailed enough to give our people real guidance through clear dos and don’ts.

We track Code of Conduct training globally and we test for understanding. English language training is available, and German, French, Italian, Spanish, and Portuguese training modules will be introduced in 2020. A number of SOPs and instructional documents are in place, and specific training is offered based on functional or geographic needs, e.g. HIPAA, and GDPR. Product quality compliance is maintained under our MDSAP and ISO 13485 compliant Quality Management System.

Due Diligence

Atos Medical maintains due diligence processes for upstream suppliers, and performed a total of twelve supplier audits during 2019. All suppliers that operate in high risk jurisdictions (China, Malaysia) undergo audits that monitor the suppliers’ quality system, their social and ethical commitment, as well as their working environment. All suppliers sign Atos Medical’s Supplier Code of Conduct, which contains provisions on Human Rights (forced labor, child labor, discrimination, wages, working hours, and freedom of association), Environmental Protection, and Health and Safety.

In Atos Medical, we have implemented standard compliance undertakings in contracts with third parties (anti-corruption, sanctions compliance), and our distributor contracts also comply with traceability, recall, and non-conformity reporting requirements. We maintain a vetting process for third parties supported by a software CRG platform. We screen against sanctions databases and adverse media, and perform due diligence based on risk criteria. Through a dedicated operational effort, we carried through due diligence of all legacy distributors during 2019. In 2020 we will enroll all critical suppliers on our due diligence and screening platform.

“Giving Voice to Our Values”

The Atos Medical Code of Conduct – is available on the corporate website in five languages, and contains policy-level positions on all material sustainability matters:

Environment:
Protecting the Environment;

Employees:
Diversity Health and Safety;

Social matters:
User Safety and Product Quality; Interaction with End-users; Communicating about our Products

Human rights:
Non-discrimination and Non-harassment; Human and Labor Rights; Personal Data Protection;

Anti-corruption:
Bribery and Extortion; Gifts, hospitality and other advantages to outside parties; Receiving gifts, hospitality, and other advantages from outside parties; Conflicts of Interest; Sponsorships, Grants and Donations; Interaction with HCPs; Competition Law Compliance;
Performance:

Activities

Indicators

Outcomes
Environment

Atos Medical’s main manufacturing site in Hörby, Sweden, is the hub of Atos Medical’s fully integrated business system where R&D, manufacture, supply chain, regulatory affairs and quality management take place. The vast majority of Atos Medical’s laryngectomy products are produced in-house at the manufacturing facilities, which leave a comparatively small environmental footprint.

### Basic indicators

<table>
<thead>
<tr>
<th>indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption, Sweden</td>
<td>2,140mWh</td>
</tr>
<tr>
<td>Water consumption, Sweden</td>
<td>1,262 m³</td>
</tr>
<tr>
<td>Hazardous waste (all waste is recovered)</td>
<td>1.14t</td>
</tr>
<tr>
<td>Non-hazardous waste (all waste is recovered)</td>
<td>94,49t</td>
</tr>
</tbody>
</table>

Atos Medical’s environmental work is anchored with the SVP Operations, and we maintain an Environment Program. Based on an energy mapping report prepared by external advisors, Atos Medical have been focusing environmental activities on relevant energy reduction initiatives at the manufacturing site in Hörby, where reduction activities have the greatest impact.

<table>
<thead>
<tr>
<th>ESG Pillar / SDG</th>
<th>Timing</th>
<th>KPI</th>
<th>Target/deliverable</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2019</td>
<td>Map energy consumption at SE production site</td>
<td>External report w. conclusions and recommendations</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Q4 2019</td>
<td>Reduce or recycle waste</td>
<td>Recycle all transparent plastic packaging waste</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Q4 2019</td>
<td>Increase share of sustainable freight</td>
<td>(1) Shift from air freight to bulk cf. detailed plan</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(2) Shift from parcel to full pallet shipments cf. detailed plan</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Q4 2019</td>
<td>Increase share of sustainable energy consumption</td>
<td>Change company utility car from diesel to electric</td>
<td>Complete</td>
</tr>
</tbody>
</table>

**Future Focus**

Based on recommendations from the 2019 energy mapping report, a number of Environmental activities are planned for 2020, focusing on reducing energy consumption through change to LED light sources, and – subject to tests and feasibility studies – optimization of air change cycles and over-pressure in clean rooms.
Basic indicators 2019 Value

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. no. of customer events per month YE</td>
<td>373 events per month</td>
</tr>
<tr>
<td>Avg. no. of outbound customer calls per month YE</td>
<td>17,430 calls per month</td>
</tr>
</tbody>
</table>

For a medical device manufacturer like Atos Medical, the highest possible product quality and patient safety is key to maintaining the license to operate. In Atos Medical, the VP QA & RA is overall responsible for the Quality Management System and manages a dedicated QA & RA team. Atos Medical is certified under the Medical Device Directive (MDD), the Medical Device Single Audit Program (MDSAP), and ISO13485:2016 and operates a certified Quality Management System, incl. complaints handling. Top management conducts a Quality Management review at least biannually. In 2019, the complaints-to-products-sold ratio remained low, and Atos Medical passed the ISO and MDSAP re-certifications. The 2020 deadline for complying with the new EU Medical Device Regulation (MDR) has been driving our 2019 high priorities:

Future Focus

In 2020, Atos Medical will continue to aim for better personalized care by starting the implementation of a state-of-the-art Customer Relation Management (CRM) solution worldwide, allowing us to optimize the customer experience. Further, we will continue our efforts to secure not only a high number of customer interaction, but also continuously improve the quality of such interactions. We will continue to work on MDR compliance to secure that we meet all set deadlines.

Social Matters

With our Strategy Succeeding through Personalized Care we emphasize our continued patient and customer centric focus. This updated strategy builds on a thorough understanding of our customers’ situation to make sure we address the needs of each one of them. Atos Medical puts the end-user at the center of all activities, and the two first of our strategic priorities focus on this commitment:

- Serve all laryngectomy patients early and maintain them for life
- Expand through continuous product advancement

Atos Medical realizes that to this end we must engage with all laryngectomy patients early after surgery, partner with clinicians to provide better patient care, and retain customers for life through personalized care. Our efforts on these Must-Win-Battles are reflected in our high numbers of direct interactions with customers.
Employees

Our employees are the foundation of our success: To deliver on our strategy and constantly improve customer care, Atos Medical needs talented and dedicated employees that are driven by our purpose and we must constantly inspire them by our vision and values to secure that they stay committed for the long term. In short, our commitment to Retain Engaged Employees is a cornerstone of our strategy. It is critical for us to provide our people with an inspiring work environment, exciting roles, and opportunities to develop, both professionally and personally, especially as we continue to grow significantly.

To fulfill Atos Medical’s ambitious strategy, our staff has increased to almost 850 employees worldwide, making Atos Medical a net provider of new positions.

### Basic indicators

<table>
<thead>
<tr>
<th></th>
<th>2018 total YE headcount</th>
<th>2019 total YE headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workforce</td>
<td>769</td>
<td>842</td>
</tr>
<tr>
<td>Workforce Sweden</td>
<td>147</td>
<td>176</td>
</tr>
<tr>
<td>Total net job creation</td>
<td>141</td>
<td>73</td>
</tr>
</tbody>
</table>

Building on feedback from the 2018 Employee Engagement Survey, Atos Medical has been working on action plans worldwide during 2019 resulting in a 6% improvement of the overall engagement score in 2019. This value-based and systematic approach also resulted in positive developments on voluntary employee turnover, trending very positively through Q4 2019.

Atos Medical has in place OHS processes in accordance with applicable OHS regulations to secure timely reporting and follow-up on all work injuries to prevent and learn from incidents going forward. We have a zero-tolerance to work injuries, and in 2019 we managed to keep work injury related absence at a very low level.

### Future Focus

In 2020 Atos Medical will continue to focus on retaining employees and on improving employee engagement. To this end, we will not only be investing in improved tools and systems for our employees, but also in a global leadership development program – Leading the Atos Way – a blended-learning development program for our leaders implemented through online, face-to-face, and on-the-job training initiatives.
Human Rights

Though Atos Medical only has very few suppliers in high risk countries, Atos Medical ensures that suppliers are audited and sign the Supplier Code of Conduct, which includes Human Rights provisions (forced labor, child labor, discrimination, wages, working hours, and freedom of association).

<table>
<thead>
<tr>
<th>Basic indicators</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of suppliers in high risk countries who have signed the Atos Medical Code of Conduct</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of suppliers in high risk countries audited by Atos Medical</td>
<td>100%</td>
</tr>
</tbody>
</table>

Personal Data Protection a key Human Rights focus area for Atos. As we serve thousands of customers on a daily basis, we process their personal data, including their sensitive health information. Atos Medical has strong ethical and legal obligations towards our customers; most notably under HIPAA in the US and General Data Protection Regulation (GDPR) in the EU/EEA.

Atos maintains policies for Personal Data Protection compliance, and train employees on data protection issues. In 2019 we strengthened the collaboration and knowledge sharing in our Data Protection Officer organization, which consists of our Group DPO and eight local Atos DPOs, and rolled out our first webinar for DPOs.

<table>
<thead>
<tr>
<th>ESG Pillar / SDG</th>
<th>Timing</th>
<th>KPI</th>
<th>Target/threshold</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace, Justice</td>
<td>Q4 2019</td>
<td>Establish DPO organization with regular online meetings</td>
<td>Three meetings by YE 2019</td>
<td>Complete</td>
</tr>
<tr>
<td>and Strong</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insitutions</td>
<td>Q3 2019</td>
<td>Awareness and training on Data Breach Response</td>
<td>100% of DPOs pass test on Data Breach Response</td>
<td>100%</td>
</tr>
</tbody>
</table>

Future Focus

In 2020, Atos Medical will begin rolling key suppliers into our CRG software solution, allowing us to do continuous screening against relevant databases and adverse media. We will also continue our awareness and training efforts in the area of Personal Data Protection introducing e-learning solutions as well as more webinars for DPOs.
Anti-Corruption

“Giving Voice to Our Values” – the Atos Medical Code of Conduct – is the centerpiece of Atos Medical’s compliance training, rolled out in face-to-face training and e-learning covering a broad spectrum of ethical risks, including key corruption risks areas such as bribery and extortion; gifts, hospitality and other advantages to or from outside parties; conflicts of interest; sponsorships, grants and donations; interaction with HCPs; competition law; and fair marketing. In 2019, Atos Medical updated the Code of Conduct based on a broad review and feedback round, to make the guidance even clearer.

Atos Medical is aware of the inherent risk in dealing with third parties, and has implemented standard compliance undertakings in contract templates. All third parties in our distribution chain go through a risk based vetting process, screening against sanctions databases and adverse media. During 2019, Atos Medical extended these due diligence efforts to cover not only new contracts, but also all legacy 3rd parties in the distribution chain, leading to 100% coverage going forward.

### Future Focus

In 2020 we intend to reinforce our compliance program by launching a new, external whistleblower hotline, and re-launching our Code of Conduct Training campaign in multiple languages.

<table>
<thead>
<tr>
<th>ESG Pillar / SDG</th>
<th>Timing</th>
<th>KPI</th>
<th>Target/threshold</th>
<th>2018 Performance</th>
<th>2019 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quarterly reporting</td>
<td>Employees trained in Code of Conduct</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Quarterly reporting</td>
<td>New and renegotiated 3rd party contracts (distribution) covered by due diligence system</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Quarterly reporting</td>
<td>New and renegotiated 3rd party contracts (distribution) covered by due diligence system</td>
<td>100%</td>
<td>N/a</td>
<td>100%</td>
</tr>
</tbody>
</table>
Where to find us

**Head office & Manufacturer:**

**Head office:**
Atos Medical AB
Hyllie Boulevard 17
SE-215 32 Malmö
Sweden

**Manufacturer:**
Atos Medical AB
Kraftgatan 8
SE-242 22 Hörby
Sweden

**Australia:**
Atos Medical Pty Ltd
www.atosmedical.com.au

**Belgium:**
Atos Medical BVBA / SPRL
www.atosmedical.be

**Brazil:**
Atos Medical ltd
www.atosmedical.com.br

**Canada:**
Atos Medical Canada Inc
www.atosmedical.ca

**France:**
Atos Medical S.A.S.
www.atosmedical.fr

**Germany:**
Atos Medical GmbH
www.atosmedical.de

**Hungary:**
Atos Medical AB Magyarorszagi
www.atosmedical.com

**Italy:**
Atos Medical Srl
www.atosmedical.it

**Japan:**
Atos Medical Japan Inc.
www.atosmedical.jp

**The Netherlands:**
Atos Medical B.V.
www.atosmedical.nl

**New Zealand:**
Atos Medical Ltd
www.atosmedical.co.nz

**Nordic countries:**
www.atosmedical.com

**Poland:**
Atos Medical Poland Sp. z o.o
www.atosmedical.pl

**Portugal:**
Atos Medical Spain S.L.
www.atosmedical.pt

**Spain:**
Atos Medical Spain S.L.
www.atosmedical.es

**Switzerland:**
Atos Medical, Switzerland
www.atosmedical.ch

**U.K.:**
Atos Medical UK
www.atosmedical.co.uk

**U.S.:**
Atos Medical Inc.
www.atosmedical.us