



Atos

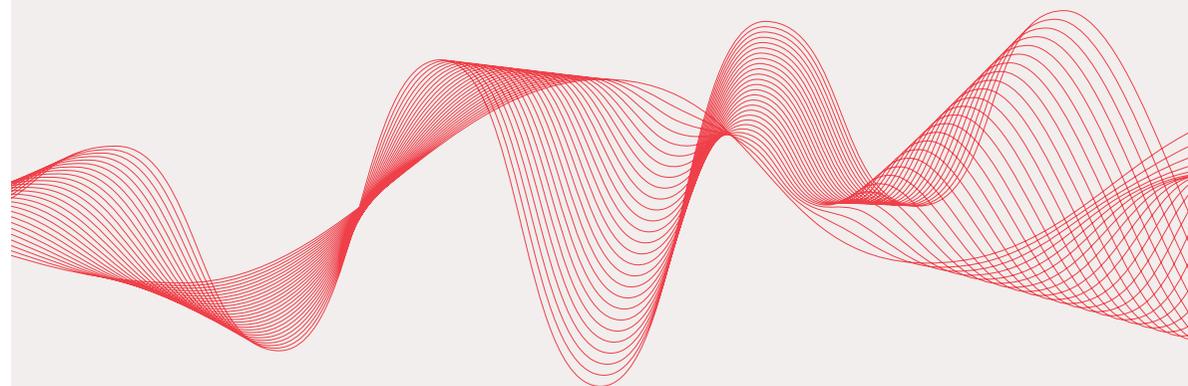
Breathing-Speaking-Living
atosmedical.com

Delivering on our sustainability commitments

Atos Medical Sustainability Report 2020

Lary 1 AB

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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 thousands of people with a neck stoma globally. We want to remain at the forefront and we know this involves more than first-rate product development, which is why clinical research and education of both professionals and patients are integral parts of our business.

Introduction

2020 turned out differently than expected, marked by the COVID-19 pandemic. I am proud of how all my colleagues in Atos Medical have managed to adopt new ways of working to secure our business while keeping all employees safe and never compromising our commitment to continue serving our users.



We are as passionate as ever about making life easier for people living with a neck stoma, by providing personalized care and innovative solutions, and we live our values every day: We listen – We inspire – We focus – We engage.

Our purpose is to make life easier for people living with a neck stoma. With over 30 years' of experience, we have an in-depth understanding of our users' needs and the different stages they go through from getting a diagnosis prior to surgery, until they are home

living the life they want. We use our expertise and insights in our innovation process and are launching a new product line, Provox® Life, for better breathing. This is the biggest launch in the history of Atos Medical, based on proprietary inventions and comprehensive clinical evidence, launching new products designed to serve different situational user needs 24/7.

In "Living Well", our 2025 user-focused strategy, Atos management and Board of Directors have defined the future potential and how to maximize our value creation over the next years. Launched by year-end 2020, "Living Well" focuses on expanding the number of users served, ensuring a good quality-of-life for people living with a neck stoma, and tailoring our care to the needs of each individual customer. Delivering on these objectives will enable us to organically double the business by 2025. Laryngectomy leadership in existing markets remains a key priority, but we will also accelerate growth through improved patient access in new markets where only a few people living with a neck stoma have access to treatment and are today left without care following their surgery. Through

our user-centric strategy, we aim to deliver good health and well-being to more users in line with our UN SDG 3 commitment, however, our growth ambition implies that we will prioritize securing a sustainable production and limiting CO₂ emissions. We have defined four clear ambitions to meet these challenges and do our part in protecting our planet: 80% of all our primary packaging contains recycled and/or renewable materials by 2025, 90% of all our secondary packaging is recyclable by 2025, 100% renewable energy in production by 2025, and zero Scope 1 and 2 emissions by 2030 (cf. p. 4). We are proud that we managed to reach a first important milestone on our Planet agenda in 2020 by securing 100% renewable energy in our production through dedicated energy supply contracts and by fully relying on geothermal heating and cooling.

Atos has adopted the UN Sustainable Development Goals (SDGs) as our framework, helping us seize material business opportunities presented by the SDGs and reducing risks. Sustainability is integrated into our core business and governance, and we ensure a strong link between our

user-centric purpose and our business objectives and strategy. We remain committed to sustainability, and I am looking forward to taking part in our continued team efforts on our sustainability activities – Environmental – Social – Governance – to live up to our societal responsibility.



Britt Meelby Jensen
CEO

Our Strategic Approach to Sustainability

We are committed to sustainable and ethical business practices, and have integrated our key sustainability ambitions as one of the four priorities for value creation in the 2025 Living Well strategy: Making a difference in people’s lives, sustaining an engaging and inclusive workplace, shaping a brighter future for our planet, and creating a sustainable future for Atos Medical.

It is our ambition to constantly increase the value we create for our users and ultimately serve twice as many users by 2025. This means that we – being a manufacturer of disposable medical devices – face the challenge of growing the number of users served while constantly minimizing the impact on the climate and our planet. Atos has accepted this challenge by setting four clear climate and environmental ambitions:



2020 marked a very important milestone in our Planet commitment as we secured 100% renewable energy in our production through sustainable energy supplies and by relying only on geothermal heating and cooling. This significant achievement effectively makes

our production CO₂ neutral, and makes a solid stepping stone for defining clear KPIs on all four strategic ambitions and use them as our baseline in future sustainability reporting.

A Comprehensive ESG strategy built on the United Nations Sustainable Development Goals (UN SDGs)

We have increased our strategic ambition in the Planet pillar of our ESG program, and we will maintain a high activity level in the two other pillars: People (our customers and our employees), and Business Ethics.

3 GOOD HEALTH AND WELL-BEING



“We contribute to the well-being of our customers through personalized care, empowering them to breathe, speak, and live healthy lives”

8 DECENT WORK AND ECONOMIC GROWTH



“We provide a good workplace and equal opportunities; we systematically improve working environment and work safety in all of our organization”

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



“Our approach to environmental challenges is ambitious and precautionary, and we seek to use resources efficiently”

13 CLIMATE ACTION



“We have a clear climate commitment, and work to contribute to a cleaner and more sustainable economy through the use of renewable energy and by reducing emissions”

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



“Respect and integrity are at the core of everything we do; and we work to promote ethics and to reduce corruption and bribery”

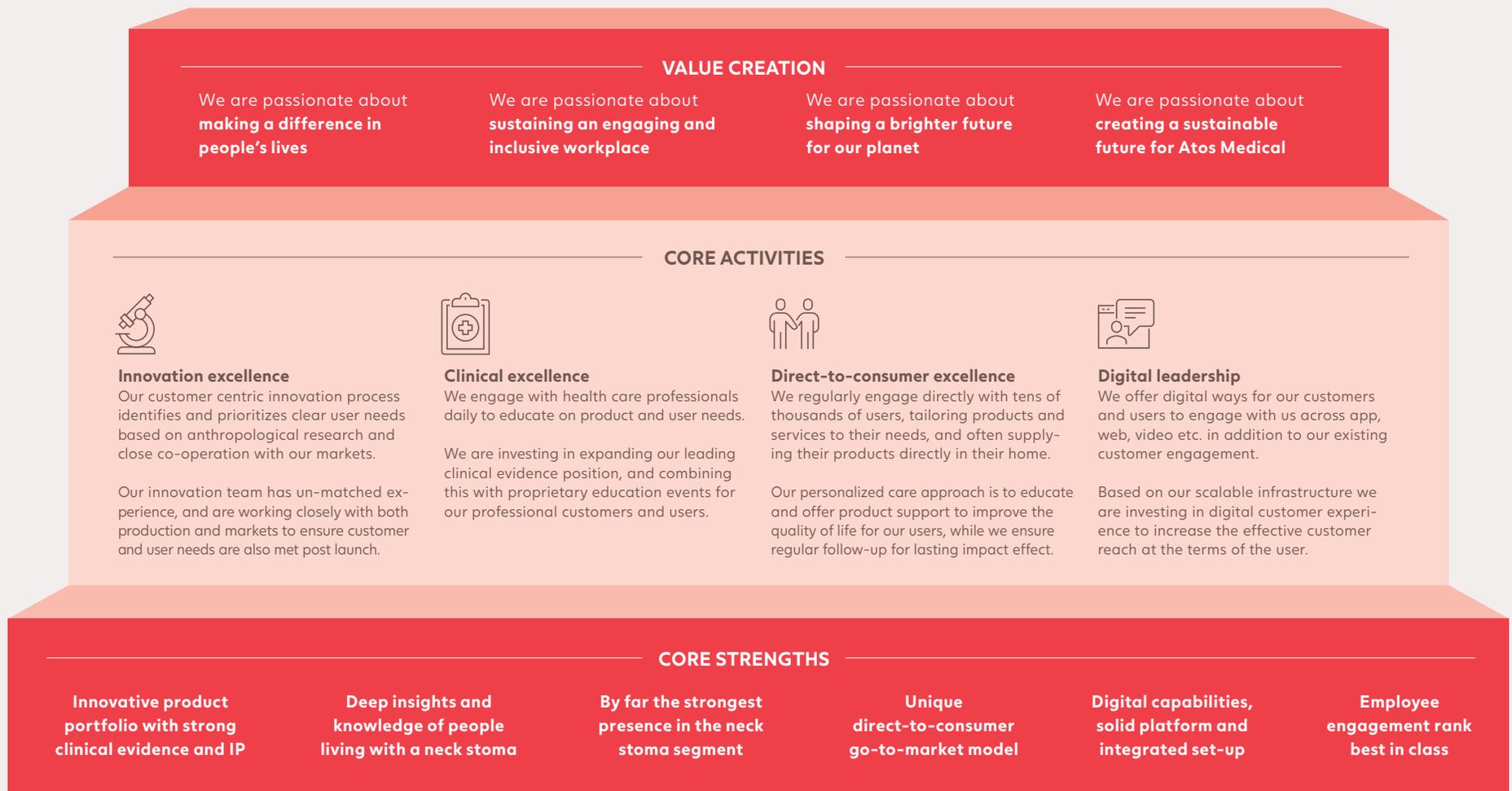
People

Planet

Business Ethics

Atos Medical's Business Model and Strategy

Our business model has proven strong and resilient. It ensures that we deliver value for our customers and solid business performance, also during the most challenging times.



Our People Focus: The User Journey

Our Living Well Strategy is based on the insights in the journey that our users face and the challenges they meet on the way from surgery to eventually living well breathing through a stoma. The story of Anna from Southern Sweden illustrates this clearly.





Executive Summary:

2020 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 2020, we made progress in a number of areas.

Organization and Reporting

Sustainability (ESG) activities are anchored with members of Atos' management 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. 26f.

2020 Performance

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

People		Planet		Business Ethics	
<p>Because breathing through an open stoma leaves tracheostomy patients vulnerable to infection, Atos Medical, with support from our owners at PAI Partners, made a charitable donation of Freevent XtraCare® HMEs to hospitals challenged by the COVID-19 pandemic offering patients increased bacterial and viral protection.</p>		<p>We secured 100% renewable energy in our production through dedicated energy supply contracts and by fully relying on geothermal heating and cooling.</p>		<p>We re-worked our Code-of-Conduct, which will be rolled out through e-learning expanding coverage from English only to our six key languages.</p>	
<p>We took action based on the 2019 employee engagement survey, and improved the 2020 satisfaction and motivation score by 6%, bringing us well within the top-quartile benchmark and delivering on our commitment to maintain a good and inspiring workplace.</p>		<p>In line with our commitment to sustainable packaging we introduced bio-plastics packaging for the new Provox® Life HMEs.</p>		<p>We further strengthened our GDPR compliance by launching e-learning for all relevant employees, and running awareness campaigns.</p>	
		<p>We reduced energy consumption by changing to LED light sources in our warehouse in Sweden, and made the technical preparations for reducing the air-renewal cycles in production clean rooms while staying within the ISO standard.</p>		<p>We included all major suppliers in our due-diligence system to improve detection and prevention of unethical behavior in our supply chain.</p>	

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 matters, incl. Compliance. At the Senior Leadership level, organizational responsibilities 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 our overall Enterprise Risk Management processes, which aims to identify 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's purpose is to communicate clear policies on all key sustainability issues, and to give fundamental hands-on guidance to all Atos employees on a global level. The Code includes all three pillars in our sustainability program - People, Planet, and Business Ethics - and captures all material ESG areas in a single document, keeping them short and concise, yet 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 2021.

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, which are subject to supplier audits. All suppliers that operate in high risk jurisdictions (China, Malaysia) undergo audits that review 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. In 2020 we enrolled critical suppliers on our due diligence and screening platform and now have both upstream and downstream coverage in our due diligence system.

“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:

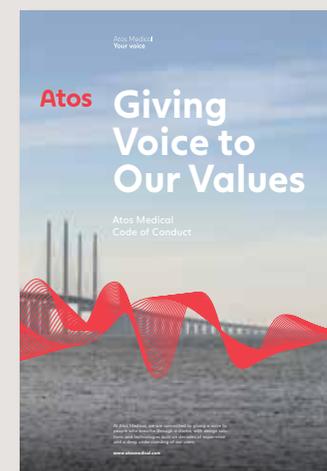
User Safety and Product Quality; Interaction with End-users; Communicating about our Products

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

Planet: 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 are placed. The vast majority of Atos Medical's laryngectomy products are produced in-house, leaving a comparatively small environmental footprint.

Basic indicators	2019	2020
Electricity consumption, Sweden	2,140 mWh	2,385 mWh
Water consumption, Sweden	1,262 m ³	1,315 m ³
Hazardous waste (all waste is securely disposed or recovered)	1.14 t	2.02 t
Non-hazardous waste (all waste is recovered)	94,49 t	112.6 t

Atos Medical's environmental work is anchored with the SVP Operations, who owns the Environment Program. Atos goes through energy mapping on a regular basis and has been focusing environmental activities on relevant energy reduction initiatives at the manufacturing site in Hörby, where reduction activities have the greatest overall impact.

ESG Pillar / SDG	Timing	KPI	Target/deliverable	Performance
 13 CLIMATE ACTION	Q4 2020	Ensure sustainable energy consumption	Secure 100% renewable energy in our production through dedicated energy supply contracts and by fully relying on geothermal heating and cooling	Complete
	Q1 2020	Reduce energy consumption	Change to LED light sources in warehouse (savings ~55MWh/y)	Complete
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Q2 2020	Ensure sustainable packaging materials	100% bio-plastics packaging for the new Provox® Life HMEs	Complete
	Q4 2020	Ensure sustainable waste disposal	Recycle all transparent plastic packaging waste	Complete

Future Focus

Our Planet commitments are central in our strategic approach to sustainability. Over the coming years we will be developing clear KPIs to achieve our ambitions: 80% of all our primary packaging contains minimum 50% of recycled and/or renewable materials by 2025, 90% of our secondary packaging materials are recyclable by 2025 and achieving 0 (zero) scope 1&2 emissions by 2030. Two first important steps are in focus for 2021: Establishing a product life cycle management process, and switching the last remaining regular air freight deliveries to ground transportation.

People: Users

With our Strategy “Living Well 2025” we reinforce our customer focus and build on our strong understanding of the users and our insights into the journey people with laryngectomy go through. “Living Well” refers to our ambition to secure that all users achieve a high quality of life, with three overall customer focused objectives:

- Improving the lives of more users,
- Securing better care with our products, and
- Personalizing care through digital and personalized interaction

Accelerated by the COVID-19 pandemic, our investments in digital infrastructure have been leveraged for intelligent and personalized solutions and support for our users, and information and training to Healthcare Professionals, with more than 3,500 professionals attending webinars, virtual panel meetings and online procedure training.

Stoma-breathers are vulnerable to airway infections, and the COVID-19 pandemic made it acutely clear that this required special attention. With generous support from our owners at PAI Partners Atos made a charitable donation of XtraCare® HMEs for hospitals under pressure from the pandemic to offer tracheostomy patients increased bacterial and viral protection.

In February, award-winning and multiple Emmy nominee director Bill Brummel premiered his feature documentary “Can You Hear My Voice?” in London. The film centers around the “Shout at Cancer” choir comprised of singers who no longer have vocal cords, as they prepare for the most ambitious concert they’ve ever performed. The declared ambition is to encourage people who are struggling through dark periods of recovery of any kind to hold on, and Atos is proud to have been the sole industry sponsor of the film, which Atos has screened for users at local virtual events worldwide.

The highest possible product quality and patient safety is crucial for our license to operate. 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, anchored with the team of the VP QA & RA. Top management conducts a Quality Management review at least biannually. In 2020, the complaints-to-products-sold ratio remained low, and Atos Medical passed the ISO and MDSAP re-certifications. The now extended deadline for complying with the new EU Medical Device Regulation (MDR) has been driving our 2020 high priorities:

ESG Pillar / SDG	Timing	KPI	Target/threshold	Performance
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ongoing	Complaints vs. products sold	25 PPM	9.3 PPM
	Q4 2020	Pass external audits	Audits passed	All audits passed 2020
	Q1 2020	MDD certificate	Extension granted	Achieved

Future Focus

In 2021, Atos Medical will continue to build the best possible infrastructure to follow and support our users on their journey towards Living Well post-surgery (cf. p. 6). This means further investing in digital infrastructure to deliver intelligent and personalized solutions for our users 24/7 care across the globe, as well as improving clinical excellence through digital services to healthcare professionals. Atos did not relax efforts to achieve MDR compliance in spite of the extension decided by the EU Commission, and will continue to work on best in class product quality and safety going forward.

People: Employees

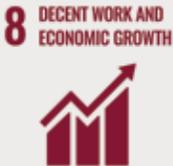
Our employees are the foundation for success with our strategic ambitions. We need talented and dedicated employees that are driven by our purpose and we must constantly inspire them by our vision and values to secure that they stay committed for the long term. In short, our commitment to retain engaged employees is a cornerstone of our strategy. We strive 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. A key enabler for executing on our Living Well Strategy is our leadership capabilities, and our “Leading the Atos Way” program was a focal point for 2020. All leaders globally went through the program, which embedded Atos Medical’s purpose and values, creating a wider sense of purpose in the organization and increasing global collaboration and employee engagement.

Basic indicators	2019	2020
Total workforce	830 people	850 people
Workforce Sweden	180 people	220 people
Total net job creation	150 people	190 people
Women in management	N/A	40%
Women in Top 40 management	N/A	25%

Over the past two years, employee engagement has improved significantly (from a score of 66 to 74), with a 2020 response rate of 92% which put Atos among the Top 25% best performing companies in terms of engagement and loyalty (Ennova Global Benchmark).

Atos has expanded the total workforce by app. 450 people over the past four years, and with our 2025 Living Well strategy we expect to continue to grow, especially in New Markets and within tracheostomy care. Employee retention is key to providing excellent customer care, and during the past two years, we have seen an increase in our employee retention from 80% to 92% driven by our 5 largest markets.

Atos Medical continues to have a zero work injury zero-tolerance and managed to keep work injury related absence at a low level during 2020. The COVID-19 pandemic posed some significant OHS challenges, and Atos quickly implemented global and local processes to secure adherence to all COVID-regulations, and to ensure a safe and healthy work environment for all whether in-the-office or working-from-home.

ESG Pillar / SDG	Timing	KPI	Target/threshold	2020 Performance
	Q4 2020	Improve employee satisfaction and motivation score over 2019 (70/100)	Score 72/100	75/100
	Quarterly reporting	Employee retention 12M (voluntary employee turnover)	88%	92% 12M calc. on Q419
	Q3 2020	Improve leadership capabilities linked to Atos’ purpose and values	100% of global leaders trained	100%
	Quarterly reporting	No. of work injuries resulting in absence	0	2

Future Focus

In 2021 Atos Medical will continue to focus on retaining employees and on improving employee engagement. We will be increasing our training efforts for clinical and customer support staff and take initiatives to sustain the basis for good leadership founded by the Leading the Atos Way Program. Gender diversity will be a point of increased focus, and 2020 marked the first mapping of our women-in-management baseline.

It is our ambition to increase the share of female leaders in senior leadership (Top 40 managers) through natural turnover until a balanced representation is reached. 2020 is the first year that we have measured gender diversity, and our share of female senior leaders is 25%. By 2025, we aim to reach a minimum share of 40% female leaders in senior leadership.

Business Ethics: Human Rights

Atos Medical has a low number of suppliers in high risk countries, and ensures that suppliers are regularly 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).

Basic indicators	Value
Percentage of suppliers in high risk countries who have signed the Atos Medical Code of Conduct	100%
Percentage of suppliers in high risk countries audited by Atos Medical	100%

Solid protection of personal data is key to maintaining our license to operate in particular towards our users. We process the personal data of thousands of users every day to be able to serve them, and this includes their sensitive health information. This imposes significant ethical and legal obligations on Atos Medical; most notably under HIPAA in the US and the General Data Protection Regulation (GDPR) in the EU/EEA.

In 2020 Atos strengthened personal data protection awareness and training and introduced mandatory, multi-language GDPR e-learning in the organization. Through Atos' Data Protection Officer (DPO) organization, we ensured timely responses to data breach incidents under GDPR and HIPAA.

Future Focus

In the years to come, Atos Medical will continue to focus on ensuring data protection compliance, maintaining a high level of awareness and training, and ensuring follow-up on data protection actions and improvements through the DPO organization.

ESG Pillar / SDG	Timing	KPI	Target/threshold	Performance
	Q4 2020	Roll-out Data Protection awareness and training	100% of staff in scope take course and pass test.	100%
	Ongoing	Respond timely to data breaches	100% of incidents (20 incidents reported in total) are managed and/or reported timely under GDPR and HIPAA	100%

Business Ethics: 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 virtual or face-to-face sessions 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. The updated Code was redrafted in 2019 and recently published has made the guidance even clearer on important policy issues such as the GDPR and interactions with patients – the users of our products.

To mitigate the inherent risk in dealing with third parties Atos operates a due diligence process, and maintains standard compliance undertakings in contract. All third parties in our distribution chain go through a risk based vetting process, screening against sanctions databases and adverse media, and during 2020 Atos Medical extended the scope to also cover top tier suppliers.

ESG Pillar / SDG	Timing	KPI	Target/threshold	2019 Performance	2020 Performance
	Quarterly reporting	Employees trained in Code of Conduct	100%	100%	100%
	Quarterly reporting	Distributors and key suppliers covered by due diligence system	100%	100%	100%

Future Focus

In 2021 we will revitalize the Code of Conduct awareness by rolling our multi-language e-learning, and by setting up direct touchpoints with managers and campaigning on our intranet.

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