

Sustainability Report 2021

Company introduction

Akademikliniken Aesthetic treatments



Sustainability statement

Our Vision

Is to have the worlds most satisfied customers. With themselves. In our work, we are committed to sustainability and aim to reach our Vision in a sustainable and responsible way, particularly within three key focus areas. We want to ensure that we are always...

...Caring for our patients

Aesthetic procedures, like all medical procedures, involve certain risks. At Akademikliniken we take this very seriously and do our utmost to minimize risks of adverse effects to our patients. If adverse impacts should occur, Akademikliniken ensures we are available to our patients 24/7. In addition, as industry leaders, we are committed not only to the safety of our own patients; we also work to improve the standards of the entire industry. We continuously engage with regulators, peers and relevant organizations to ensure adequate rules and regulations to protect patients from being treated by unauthorized professionals and to ensure that all patients are provided with correct advice and necessary support in their process. Patients that wish to benefit from our industry should be protected from disappointments, over-treatments, unsafe procedures or other undue risks.

...Caring for our employees

We care deeply for our employees. Our employees are the ones ensuring that we can run a sustainable business, and the ones providing the customer care and outcomes we strive for. It is important to us, that all current and potential future employees are treated with dignity and respect. As part of this, promoting Gender Equality is a top priority for us. To ensure our employees have the best foundation for providing a world class service, that both they and our patients deserve, we invest in their professional training, general well-being and awareness of high quality across our operations.

...Caring for our environment

We appreciate that all actors in our society need to act on climate change. In addition to our continuous efforts to reduce our adverse environmental impacts, we are focused on reducing our carbon footprint. We will continue our focused engagement to diligently improve our efforts and use our leverage to reduce negative environmental impact across our value chain.



Key statistics

CEO	Annika Söderberg
Chairman	Thomas Berglund
Headquarter	Stockholm, Sweden
# of FTEs	185
Year acquired	2016
Polaris Fund	Polaris IV
Polaris ownership	57%
Revenue (DKKm)	459
Revenue (EURm)	46

Management summary



“We take our role as industry leader in the Nordics very seriously and actively work to improve the industry and push for stronger regulation within the patient safety area”

During 2021 our sustainability related efforts have been to improve the awareness and more actively work with our initiatives within the organization.

Our company-wide sustainability commitments include acting responsibly, supporting core principles for social, environmental, and economic sustainability as defined by UN/OECD and striving to continuously improve our performance. The work with impact assessments gives a clear overview of our key impact areas. In 2021, a new impact assessment work has started for Norway and is planned to be finalized during 2022. So far in that work we have identified that the key impact areas are mainly the same as for Sweden and there are minor differences which will be addressed with separate initiatives. With our three focus areas: caring for our patients, caring for our employees and caring for our environment we give over employees the opportunity to be engaged in Akademikliniken’s commitment in their everyday work.

Caring for our patients

For several years Akademikliniken has put extensive work to improve the industry and push for a stronger regulation within the patient safety area. We are very proud of our contribution where we have been involved in dialogues with politicians, colleagues and public health care providers, promoted the regulation in all available media and actively helped patients who have had bad experiences with other providers. This finally led to a new legislation in July 2021. The safety of the patients is now covered in a much better way, when it comes to aesthetic treatments. In Norway, the same legislation has been initiated and even here Akademikliniken takes an active role in the debate hoping for a new regulation to be implemented during 2022. As in Sweden the regulation will e.g. help to protect patients from unauthorized caregivers. Patients’ health and safety are the highest priority for Akademikliniken, and we are focused on ensuring high quality procedures. We track relevant KPIs across the organization, and ensuring that across all our clinics, we continuously follow and improve our customer experience at all levels. Our customer satisfaction surveys have during 2021 given us insights throughout our customer journey and resulted in actions in 2022 to improve the experience after surgery.

Caring for our employees

To continuously ensure our employees’ commitment and well-being, we use the employee-experience measurement tool, Peakon. The second survey was sent out in June 2021 and our overall score continuous to be in the highest 25% in the Healthcare sector according to the Peakon benchmark. The result from the survey

in June has from high numbers decreased since 2020 and we believe that this is caused by organizational changes in relation to productivity. When it comes to Gender Equality, the strategy is to focus on the underrepresented gender in the recruitment process. Unfortunately the objective of recruiting more female surgeons didn’t succeed during 2021, so it is still high priority.

Caring for our environment

Our main CO₂e emission impact derives from Scope 3 (purchase of goods and services) where Akademikliniken, during 2021 in an even more active way tried to foster vendors with low impact on the environment. Even though total share of CO₂e emissions from travel and transportations are not significant, Akademikliniken has focused on minimizing the use of fossil fuels. Our two identified focus areas to reduce our CO₂e footprint are: engaging our suppliers to jointly reduce our emissions, and to a greater extent engage our employees so they can contribute to our decarbonization efforts in their daily processes. An example of the latter includes improvement of our purchase processes with less suppliers and more products centered to one supplier with less transportation as a result.

Our commitment and engagement

Together with our employees and other business partners, we strongly believe that we can increase our contribution to a sustainable development. In August, Akademikliniken sent the first Communication on Progress report (CoP) to UN Global Compact and reviewed our sustainability policy and Business Code of Conduct available on our homepage. Akademikliniken will continue to work with sustainability in the structured way that we started in 2020.

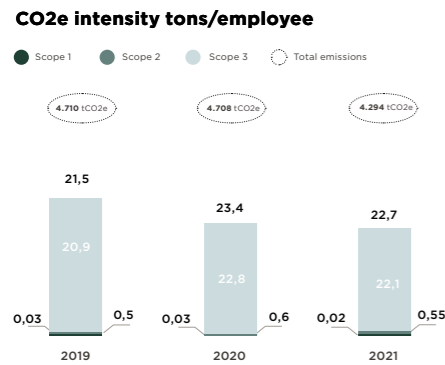
With kind regards,

Annika Söderberg

Sustainability metrics

Polaris cross-portfolio KPIs

13 **CLIMATE ACTION**
 Climate action



Main CO2e emission impact derives from Scope 3 (purchase of goods and services) where Akademikliniken, where possible, always try to foster vendors with low impact on the environment. Even though total share of CO2e emissions from travel and transportations are not significant, Akademikliniken always tries to minimize the use of fossil fuels.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2
Activity-based with national statistics on fuel and energy prices.

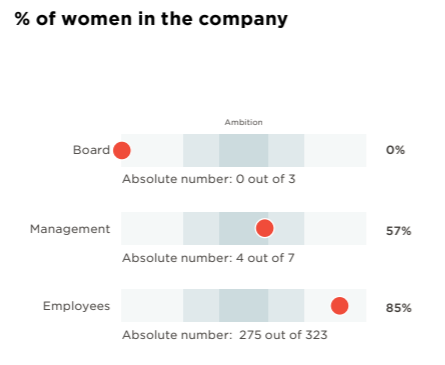
Scope 3
Combination of spend-based calculations, and activity-based for key categories.

Strategy & targets
Definition of targets in progress.

Initiatives
Initiatives defined. Most are already initiated.

TCFD
TCFD aligned analysis not undertaken: Climate related risks and opportunities deemed low.

5 **GENDER EQUALITY**
 Gender equality



For each job function and level we have a strong focus on the underrepresented gender in our recruitment process.

There is a challenge to retrieve a total balance within many functions due to an uneven distribution of educated people in the market.

GRI: 405-1(i)

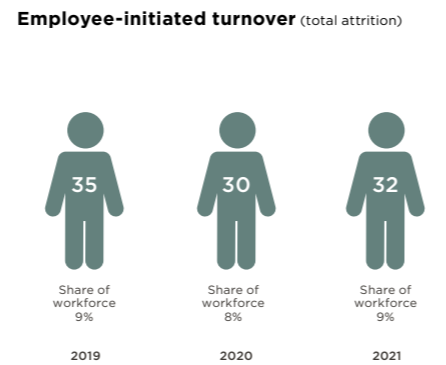
Gender Equality Management

Tracking
Tracking in place on gender across the organization, at different tenures.

Strategy & targets
Always focus on the underrepresented gender in the recruitment process. Targets in numbers are not set.

Initiatives
Initiative for 2022 will be to recruit more female surgeons, since the surgeon group stands out with an overweight on males.

8 **SECURITY, WORK AND ECONOMIC RESILIENCE**
 Employee turnover



In 2021 we did see a slight increase in total attrition. This is due to organizational changes, closing our central customer service unit. In 2022, we will continue to work on our efforts to strengthen Akademikliniken as a great workplace, hereunder focus on talent retention and personal development. We still have many employees who have passed or are near retirement age, which might cause an increase in the coming years.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

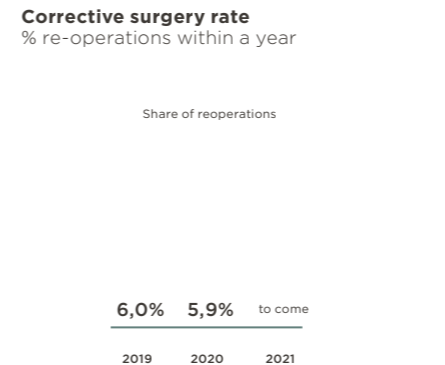
Tracking
Tracking in place on employee-initiated turnover.

Strategy & targets
Targets to be defined and approved by the BoD in 2021.

Initiatives
Initiatives defined to ensure good work environment and employee engagement.

Portfolio company-specific KPIs and initiatives

3 **GOOD HEALTH AND WELL-BEING**
 Medical quality 1: Corrective surgery



Correction rate is calculated from how many of the surgeries performed in 2019 resp. 2020, that have resulted in a correction within 365 days. Values for full year 2021 will not be available until 2022 report. The correction rate is not spread evenly over different surgery procedures. The focus is to reduce the correction rate for procedures with higher correction rates.

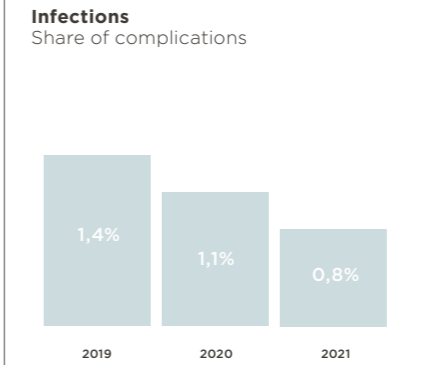
SASB: Adapted from HC-DY-250a.4

Provide excess resources

Akademikliniken wants to contribute to the society by offering the excess human and physical capital of our clinics to external partners that have patients in need of care. During the Covid-19 outbreak, many hospitals had to put surgeries on hold, which extended their waiting lists.

We have continued our contribution during 2021 to help some of these hospitals reduce their waiting lists and patients in need of cancer breast surgery.

3 **GOOD HEALTH AND WELL-BEING**
 Medical quality 2: Infections



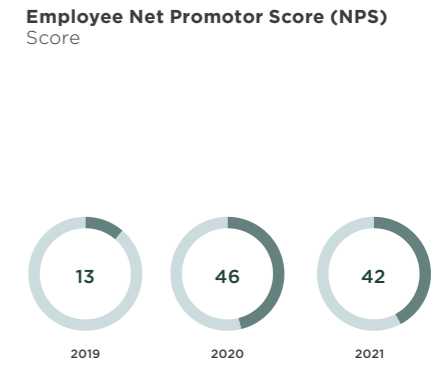
The infection rate covers all surgical procedures in Akademikliniken Sweden. The infection rate is not spread evenly over the different surgical procedures. The progress from 2020 to 2021 is mainly due to changed surgical technique within specific procedures.

SASB: Adapted from HC-DY-250a.4

Waste management

During 2021 information about waste handling in the clinics has been initiated and we have had dialog with suppliers to be able to get more differentiated reports for follow up. Customers have also been informed to recycle skin care packaging at our clinics.

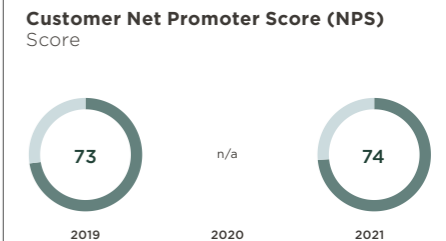
8 **SECURITY, WORK AND ECONOMIC RESILIENCE**
 Employee satisfaction



The measurement method has been updated between 2019 and 2020, which limits the possibility of comparing the two figures.

SASB: Adapted from SV-PS-330a.3

Customer satisfaction



At Akademikliniken we see high customer/patient-satisfaction as the final proof of the quality of delivered services and effectiveness of used resources. During 2021, a new system for surveys was implemented and lower values than expected for NPS 6-months after surgery was detected, leading to an extended measurement period (12-month) and focus during 2022 to improve the post surgery outcomes.

The Sustainable Development Goals

Akademikliniken's contribution to the SDGs

Increasing Positive Impacts

Minimizing Negative Impacts

Suppliers

Product & Services

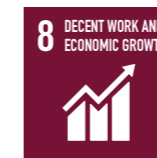


13.1
To increase coverage of our emission estimates, and cover more of our indirect emissions, Akademikliniken will request CO2e data from its suppliers. More importantly, we are in the process of professionalizing our supply chain, and hereunder acknowledge resource efficiency and environmental impact. As part of this effort, we will, among other things, seek to favour suppliers who work to minimize their environmental impact and maximize their resource efficiency.

13.1
Akademikliniken will seek to reduce its CO2e emissions continuously and will disclose our CO2e emission data annually and strengthen the transparency of emissions.



5.5
A core value in Akademikliniken is diversity and treating everyone fairly. This has been formalized in the Code of Conduct, and we continuously work on promoting an equal balance of women and men across all levels.



8.8
It is fundamental for Akademikliniken to respect and protect labor rights and provide a safe, secure and healthy working environment. We do this by having strong internal policies in place, monitoring employee satisfaction, conducting regular impact and compliance assessments and by monitoring and reporting on our performance. We prioritize investment in employees' professional training.

Operations & Employees

Customers & Patients



3.4
Akademikliniken is committed to high quality and responsible treatments and has developed strong control mechanisms to ensure that we minimize the risks for adverse effects and manage any adverse impacts that do occur in the best possible way. As leader of the industry in the Nordics, we want to take an active role in continuously improving the industry and actively push for stronger regulation within the patient safety area.

The Sustainable Development Goals

Akademikliniken's contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Implement a new equality plan to ensure gender-sensitive recruitment and retention practices, with a target of gender balance in the field of candidates when hiring
- Define and implement internal targets for gender balance at each level/position within the organization
- Ensure all employees have an equal voice in the workplace, including through adequate grievance mechanisms and employee satisfaction feedback systems and processes, all of which are to address and incorporate elements of gender equality adequately



- Implement sustainability related elements in Employee Handbook and Employee Code of Conduct, and communicate new sustainability structure to all staff
- Establish grievance mechanism and whistle-blower system for sustainability related issues for employees across organization
- Expand upon current employee engagement efforts, hereunder including broader topics and strengthen how insights are used and backed up by ensuring procedures for more frequent follow-ups
- Implement a new leadership program with focus on coaching and feedback based on the SCARF-model
- Focus on surgeon training program to share knowledge and educate, as an investment in both the surgeon and Akademikliniken

Status on initiatives

- The equality plan is implemented and Focus will be activities to hire future female surgeons.
- Initiated data gathering on gender diversity within our specific professions has been initiated. Among plastic surgeons there is approx. 20/80% split between female/male. Especially among injection nurses it is difficult to gather the information due to lack of national records and supplier and clinic supported educations.
- We measure twice a year in our eNPS survey our employees' perception regarding gender, equality, diversity and inclusion.
- Update of Employee Handbook has not yet been initiated
- In accordance with new EU directives this will be in place for employees as well as for external stakeholders during 2022.
- The expanded employee satisfaction survey has been performed twice since Q4 2020. The result gave three focus areas which are; overlaying strategy communication, competence development and job satisfaction. These focus areas have been addressed during employee meetings, management online presentations and dedicated competence development days for all work groups.
- The leadership program has been performed in 4 modules during 2021 with focus on; Target and Development, Feedback and Coaching, The psychology of leadership, Coaching step2 and Strategy. Additional modules will be added in 2022.
- New recruited surgeons have been introduced to AK procedures and surgeon techniques in a new developed mentor program. Due to pandemic reasons, physical meetings with surgeon training on the agenda has been postponed to 2022.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Expand upon current CO2e baseline coverage to continue to improve the depth of data collection to support decision making on carbon reduction initiatives (both with respect to quality and granularity)
- Use the CO2e emissions baseline to define and prioritize reduction efforts
- Formalize sustainable procurement policies and supplier Code of Conduct in order to promote sustainable practice across the supply chain
- Investigate handling of medical waste and identify measures to reduce waste



- Develop even stronger control mechanisms to further ensure that we always do what is in the patient's best interest - and ensure consistency across geographies
- Develop annual quality follow-up tracking
- Support implementation of stronger governmental controls/regulations of the aesthetic treatment industry in Sweden and Norway.

Status on initiatives

- The dialogue with key suppliers to gather data on their CO2e emissions and sustainability efforts has been performed. Continued dialogue is planned for 2022 to be able both compare data from different suppliers and to improve data collection.
- Initial CO2e emissions reduction plan has been defined, hereunder a procurement process project.
- Procurement process project has been started and improvements has been implemented in some of the focus areas. E.g. a new supplier for office supplies with a clear environmental policy has been contracted for all clinics in Sweden.
- Waste management initiative is not yet initiated
- The work process for follow up on deviation has been improved, and the Clinical Management Team is following and gives recommendations in relation to severe deviations. Consistency across geographies still needs improvement and is planned for during Q2 2022.
- Correction rates and infections in standardized, automated reports developed and process for follow up implemented.
- New regulation in place from 1st of July 2021 in Sweden. Marketing efforts to educate patients in their rights. Supported the process for regulation in Norway. Going forward the public work with compliance to the Swedish regulation will be followed during 2022.

