Arsano Medical Group

Sustainability Report 2024

About Sustainability Report

This Sustainability Report has been prepared for the period from 1st January 2024 to 31st December 2024 and includes information about environmental, social and governance impacts, risks and opportunities of ASEF Health d.o.o. which acts on the market as Arsano Medical Group (AMG or Group) and will be reffered like that in this report. Strategy, policies, measures and targets apply to all Arsano Medical Group members, while quantitative data in this report includes members that joined by the June 2024: Aviva Polyclinic, Diagnostic Clinic 2000, Urocenter Polyclinic, Dr. Nemec Special Hospital, Arithera Special Hospital, Ptuj Digital Imaging Diagnostics, Latebra Healthcare Institution, Dr. Ritz Nova Polyclinic.

In the reporting period, Arsano Medical Group was not legally obliged to prepare sustainability statements. The report has been prepared following the European Sustainability Reporting Standards with the intention to prepare timely for future regulatory requirements.

The report is prepared in PDF format and published on the corporate website. Stakeholders are invited to read the report and share their comments and suggestions via the following e-mail address:

info@arsanomedical.com

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1 ABOUT ARSANO MEDICAL GROUP (AMG)

AMG Mission

As one of the largest medical groups in the region, we set new standards in the comprehensive approach to prevention, treatment and rehabilitation of all our patients, and we invest in the professional development of medical teams and the improvement of the health institutions that make up our group.

AMG Vision

Our vision is to become the first choice of patients for top quality healthcare services. Through the synergistic action of group members and the creation of medical centers of excellence, we will focus on the integrity of the service, individual approach and maximizing the treatment results of our patients. Using modern methods and technologies, we want to improve the effectiveness of treatment and be the driver of positive changes in private healthcare.

With more than 40 specialized health departments, 300 medical experts, and 230,000+ satisfied patients every year, Arsano Medical Group is the leading and fastest growing medical group in the Adria region's private healthcare sector.

Arsano Medical Group (AMG) was founded in 2021 to elevate healthcare standards in the Adria region, bringing world-class medical experts and institutions together and making them accessible to every patient and every physician.

9

Members

40+

Specialized departments

300+

Medical experts

450+

Employees

230 000+

Satisfied patients every year

1.1

Strategy, business model and value chain

Arsano Medical Group is one of the largest medical groups in the region whose purpose is to provide comprehensive medical services to patients and elevate private healthcare standards. Combining individual approach, state-of-the-art methods and best medical experts in prevention, diagnostics, treatment and rehabilitation, AMG is able to provide more effective treatments and better outcomes for patients.

Arsano Medical Group continuously invests in technology and education ensuring high-quality of the services offered, guaranteeing satisfaction with the results for all patients and partners.

By grouping special hospitals, clinics and laboratories together, Arsano Medical Group is able to enhance the capabilities of the private healthcare to improve patient's health and quality of life. The main goal of the Group is to increase the offer and quality of healthcare services and to ensure long-term sustainable growth as a basis for a safe and stable environment for clients and employees. Business growth of AMG members is empowered by improvements in management quality, implementation of new processes, strategic positioning and further capital investments for development.

AMG Business model

INPUT RESOURCES

Physical assets

- Latest technology
- Modernly equipped clinics
- IT system

Social resources

- Competent and motivated employees
- Stable relationships with suppliers
- Stakeholder support

Intellectual resources

- Knowledge and experience
- Operating licenses
- Internal processes
- Market reputation

Procurement

- Medications
- Implants
- Medical consumables
- Non-medical consumables

Natural resources

- Energy
- Water

Financial resources

- Own funds
- External financial support

ACTIVITIES

- Providing high-quality evidence-based medical services
- Specialized medical services
- Specialized medical-biochemical laboratory

VALUE

For patients

- Top-quality healthcare service
- Diagnosis of diseases and disorders
- Treatment
- Rehabilitation
- Improved quality of life
- Disease prevention
- Satisfaction with provided service
- Greater accessibility of healthcare services (more locations)

For society

- Choice of healthcare services and specialists
- Speed of appointment scheduling, reduced processing time, timeliness of treatment

For employees

- Favorable working conditions
- Opportunities for personal and professional development
- Care for employee well-being

For the environment

- Reducing environmental impact through adjustments to business processes

For owners

- Profit
- Market development and reputation

AMG Value chain

UPSTREAM

Medicine

Consumables and implants

Medical devices

OWN OPERATIONS

Healthcare delivery

DOWNSTREAM

Benefits from medical services:

- ☑ Prevention
- ☑ Diagnostics
- ☑ Treatment
- ☑ Rehabilitation

PHILIPS

AMG’s strategy for sustainable growth

PEOPLE

We enhance patient health and quality of life through modern medical methods, advanced technologies and investment in employee development.

ENVIRONMENT

We optimize business processes with the aim of reducing negative environmental impacts.

GOVERNANCE

In our operations, we adhere to principles of ethics and transparency.

1

Climate change

→

Goals	⊙ Maintain the current GHG intensity in Scope 1 and 2
Actions	**Implemented** ☑ Calculating carbon footprint in scope 1 and 2 **Planned** ↻ Procurement of green electricity
Performance	☑ Total energy consumption in MWh: 2643.11 ☑ Percentage of energy from renewable sources: 0 % ☑ Total CO_2e emissions: 430.05

2

Water management

→

Goals	⊙ Maintain the current water consumption intensity
Actions	☑ Continue encouraging a water-saving mindset throughout AMG
Performance	☑ Water consumption intensity: 223.35 m^3 / mil EUR

1

Human resources →

Goals

- ⊙ Support the personal and professional development of employees through educational opportunities
- ⊙ Create an encouraging work environment with appropriate conditions to ensure high employee satisfaction
- ⊙ Protect the mental and physical health of employees
- ⊙ Prevent discrimination and ensure equal opportunities

Actions

Implemented

- ☑ Robust H&S management system to protect employee's health at work
- ☑ Free annual health check-ups for all employees
- ☑ Internal and external education and trainings

Planned

- ↻ Wellbeing Day for employees
- ↻ Mental health workshops
- ↻ Scholarship programme
- ↻ In-person trainings for employees

Performance

- ☑ Share of employees who participated in some form of education: 44.7 %
- ☑ Average training hours per employee: 10
- ☑ Employee satisfaction with working conditions: 3.34/4
- ☑ Number of workplace injuries: 0
- ☑ Discrimination cases: 0
- ☑ Share of women in top management: 62.5 %

2

Health, safety and satisfaction of patients

→

Goals

- ⊙ Contribute to the better overall health of the society
- ⊙ Ensure high patient satisfaction
- ⊙ Provide high-quality and safe services
- ⊙ Enhance treatment effectiveness through personalized care, modern medical methods, and technology
- ⊙ Protect patient privacy

Actions

Implemented

- ☑ Investment in new medical devices
- ☑ Improvements of the IT systems to strengthen privacy protection
- ☑ Promotion of healthy lifestyle with events such as Aviva's Zdravljak

Planned

- ↻ Implement measures to maintain high customer satisfaction, such as education in communication skills
- ↻ Optimize patient flow to maximize availability
- ↻ Continuous education of sales staff on AMG services in order to provide patients with appropriate recommendations
- ↻ Introduce quality management system in AMG members (eg. standardization of processes, documenting of procedures etc.)

Performance

- ☑ Total number of patients: 230 000 +
- ☑ Patient satisfaction (NPS): 75.1
- ☑ Number of recorded complaints per 1,000 patients: 0.8
- ☑ Certified ISO 9001 clinics: 2
- ☑ Number of identified instances of non-compliance with legal frameworks or voluntary codes related to quality and patient safety standards: 0
- ☑ Number of cases of privacy breaches: 0

3

Waste management

→

Goals

- ⊙ Reduce the intensity of non-hazardous waste generation
- ⊙ Increase the proportion of waste that is recycled

Actions

Implemented

- ☑ Established procedures for waste management
- ☑ Accurate labeling and storage
- ☑ Contracts with licensed waste management companies

Planned

- ↻ Review of waste management at all locations
- ↻ Procurement of containers for separate collection of waste (paper, plastic, glass) where necessary
- ↻ Contracts with specialized companies for the collection and recycling of sorted waste where feasible
- ↻ Awareness campaign for employees

Performance

- ☑ Total waste generated: 56.64 t
- ☑ Proportion of waste that is recycled: 38.77 %

1

Business ethics

→

Goals

- ⊙ Apply ethical principles in all business operations
- ⊙ Preventing delays in payments to suppliers
- ⊙ Prevent incidents related to corruption and bribery

Actions

Implemented

- ☑ Adoption of Code of ethics
- ☑ Adoption of Anti-corruption and anti-bribery policy
- ☑ Standardization of payment practices

Planned

- ↻ Conduct education on the Code of ethics for all employees
- ↻ Conduct online sustainability training for employees
- ↻ Implement anti-bribery policy into on-boarding training

Performance

- ☑ Number of internal reports of unethical behavior: 0
- ☑ Number of legal proceedings initiated due to payment delays: 0
- ☑ Total number of confirmed cases of corruption or bribery: 0

1.2

Sustainability governance

Sustainability is integrated into the decision-making process of all governance bodies.

Management board

Arsano Medical Group's Board consists of three members – Chief Executive Officer, Chief Financial Officer and Chief Medical Officer. The Management Board has a balanced mix of experts in executive management, investments and medicine. They have rich experience in the clinical and non-clinical aspects of the private healthcare sector. This allows the Group to grow sustainably in the market, while staying focused on the quality of service, well-being of patients and development of the profession. Members of the Management Board have been carefully selected to develop the strategic direction and pursue the goals of the Arsano Medical Group while adopting a socially responsible and ethical approach in every decision and interaction with stakeholders.

Boris Rivić

Chief Executive Officer

Boris Rivić has over 20 years of experience in executive management, investments, sales and marketing, as well as restructuring and organizing the operations of private healthcare institutions. After several years of working in private entrepreneurship and gaining managerial experience both in Croatia and abroad, he spent five years working in the private healthcare sector. He graduated from the University of Rijeka with a degree in economics and obtained a master's degree in International Economics and Finance from the University of Ljubljana.

Alen Akšamija

Chief Financial Officer

Alen Akšamija has 25 years of experience in the financial sector, primarily in banking, and has been involved in numerous financial restructuring models and innovative financial solutions. He worked at Bank Austria Creditanstalt/HVB Group and later at Societe Generale Splitska Banka in various roles, first in risk management and then in corporate banking, holding managerial and executive positions. In 2007, he transitioned to investment banking, working for Deutsche Bank AG, covering several countries in the region. He holds a degree in economics from the University of Rijeka and a master's degree from the University of Zagreb.

Sandra Morović

Chief Medical Officer

Asst. prof. prim. Sandra Morović, MD, PhD, senior research assistant, and neurology specialist, is a member of the Management and chairman of Arsano Medical Group's Medical Board. A graduate of University of Zagreb School of Medicine, she began her career as a research fellow at University Hospital in Zagreb, where she obtained her Master of Science degree, and PhD. Following her neurology residency, she completed a postdoctoral fellowship program in Italy. She is a recipient of the American Academy of Neurology International Scholarship Award and author and co-author of numerous scientific and professional publications. Following a decade in state healthcare, she transfered to Aviva Medical Centar, first as a neurologist and acupuncturist, then also as deputy head. She has extensive clinical, research and educational experience, is a court expert in neurology.

Medical board

The Medical Board of the Arsano Medical Group consists of medical experts with extensive experience in the respective fields, including the founders and representatives of the Group members. Members of the Medical Board have considerable knowledge, competence and experience in the different branches of the medicine in both the public and private medical sectors which they have developed over the decades of practical and scientific work. AMG's Medical Board, led by the Asst. prof. prim. Sandra Morović, MD, PhD, neurologist, senior research assistant, oversees the medical standards, supports doctors in their clinical autonomy, ensures compliance with regulatory standards, provides guidelines and assurance of quality and implements safeguards to protect the well-being and integrity of patients and employees.

Members of the Medical Board:

ASST. PROF. PRIM. SANDRA MOROVIĆ, MD, PHD, NEUROLOGIST
Chairman of the Medical Board

HRVOJE PRPIĆ, MD, NUCLEAR MEDICINE SPECIALIST, MBA
Member of the Medical Board

DR. SC. NEVENKA KOVAČ, MD, PHD, MBA
Member of the Medical Board

PROF. BORIS NEMEC, MD, PHD, ORTHOPAEDIST
Member of the Medical Board

PRIM. DALIBOR ČIČIN-ŠAIN, MD, MSC, UROLOGIST
Member of the Medical Board

ARIJANA HEGEDIŠ DOŠEN, PHYSIOTHERAPIST
Member of the Medical Board

ZVONIMIR IVAN LUBINA, MD, RADIOLOGIST
Member of the Medical Board

Supervisory board

Members of the Supervisory Board have significant experience in investments, financial management and the development of private healthcare. Their background in asset management and mergers and acquisitions allows AMG to successfully expand and achieve sustainable growth.

Members of the Supervisory Board:

IGOR ČIČAK
Chairman of the Supervisory Board

SILVIJO RADUŠIĆ
Deputy Chairman of the Supervisory Board

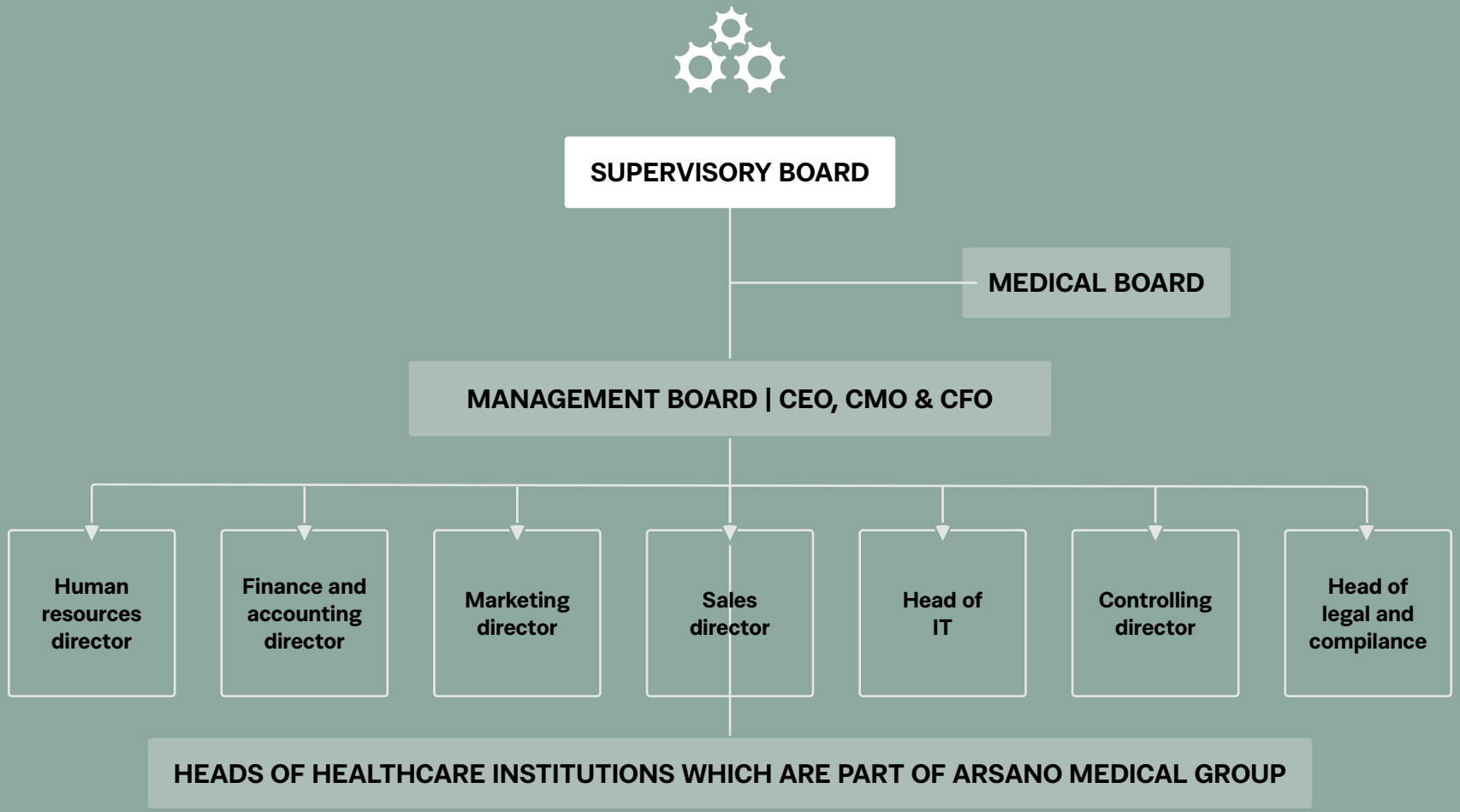
MARKO GALIĆ
Member of the Supervisory Board

BORIS GALIĆ
Member of the Supervisory Board

HRVOJE PRPIĆ
Member of the Supervisory Board

LAJOS K. FÁBIÁN
Member of the Supervisory Board

Organizational chart of AMG



Roles and responsibilities of the governance bodies

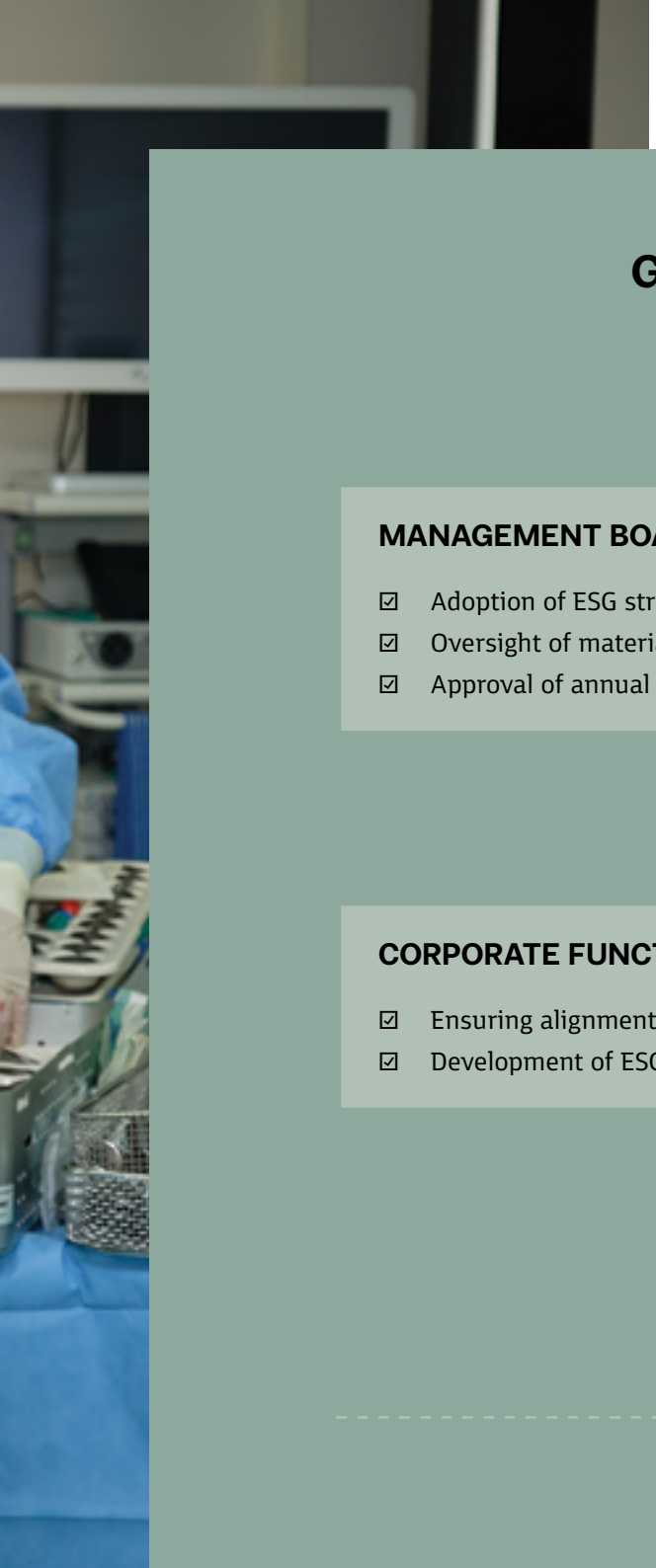
Qualitative and quantitative data on sustainability matters and stakeholder interests inform the Board's decisions and strategic planning. ESG impacts, risks and opportunities are taken into account when deciding on major transactions and expansion. When there are possible conflicts between financial gains and impacts on stakeholders, AMG is guided by the Group values, ESG strategy and ESG policies.

In the reporting period, administrative, management and supervisory bodies addressed:

- Materiality assessment
- Development of sustainability strategy
- Adoption of the ESG corporate policies
- Possibilities for green energy and improvements in waste management system
- Improvement of the customer satisfaction system

The Sustainability Report is prepared by the ESG team and presented to the Management and Supervisory Board for approval.

In the reporting period, remuneration policies have not been linked to sustainability matters.



Governance of sustainability matters in AMG

MANAGEMENT BOARD

- ☑ Adoption of ESG strategy
- ☑ Oversight of material sustainability matters
- ☑ Approval of annual sustainability report

ESG TEAM

- ☑ Development and revision of ESG strategy and policies
- ☑ Coordination of data collection
- ☑ Preparation of sustainability report

CORPORATE FUNCTIONS

- ☑ Ensuring alignment with ESG policies
- ☑ Development of ESG measures

HEAD OF CLINICS

- ☑ Implementation of ESG policies and measures in practice
- ☑ Management of ESG matters
- ☑ Data collection

1.3

Stakeholder engagement

Continuous stakeholder engagement is crucial for the sustainable development of Arsano Medical Group. It informs decision-making and allows the adaptation of strategy and business models to align with stakeholder interests and enhance ESG outcomes. Regular interactions with stakeholders help identify and monitor ESG risks, ensuring that the strategy remains resilient to ESG challenges. The ESG team identifies key stakeholders, while the Management Board is responsible for ensuring timely communication and incorporating stakeholder feedback into decision-making. Engaging with various stakeholders provides diverse perspectives, reveals potential risks and opportunities and helps adjust practices to meet expectations, ultimately improving the company's reputation.

Stakeholders				
EMPLOYEES	PATIENTS	SUPPLIERS	LOCAL COMMUNITY	OWNERS
Engagement form				
☑ Satisfaction survey ☑ Regular meetings ☑ Professional meetings ☑ Internal newsletters ☑ Email ☑ Verbal or written communication (expressing concerns to a superior) ☑ Channel for reporting irregularities	☑ Direct contact with staff ☑ Website and social media ☑ Blog posts and FAQ ☑ Email, SMS, phone ☑ Aviva's call center ☑ Customer satisfaction measurement surveys (NPS) ☑ Complaints mechanism	☑ Email ☑ Individual meetings	☑ Educative events ☑ Engagement in projects	☑ Monthly reports (financial indicators, ESG topics, profitability, clinical operations, challenges) ☑ Meetings as needed
AMG's approach to stakeholders				
☑ Supporting employee's personal and professional development through education opportunities ☑ Monitoring the development of the salaries and working conditions on the market and adjusting own practices to ensure high employee satisfaction ☑ Promoting employee well-being at work and at home through benefits package ☑ Maintaining an organizational culture that respects diversity and provides equal opportunities	☑ Continuous improvements of the service through quality management system ☑ Using premium materials and modern technologies ☑ Monitoring and implementing the latest techniques and technology ☑ Regular review of hygiene protocols ☑ Continuously enhancing overall satisfaction through improvements in patient's journey ☑ Digitalization of communication and treatment tracking	☑ Nurturing long-term stable partner relationship ☑ Fair payment practices ☑ Minimizing ESG risks in the supply chain	☑ Promoting health and healthy lifestyle with own educative initiatives and engaging in community's projects	☑ Long-term sustainable business operations ☑ Effective management of ESG risks

1.4

Materiality assessment

1

Identification of impacts, risks and opportunities

Material impacts, risks and opportunities have been identified based on the:

- analysis of the business model, value chain and business strategy;
- industry and regulatory screening and overview of ESG trends;
- outcomes of continuous stakeholder engagement which were provided by members of the ESG team.

2

Assessment of impact and financial materiality

Assessment of sustainability matters was done by:

- Management Board,
- ESG team and
- heads of healthcare institutions

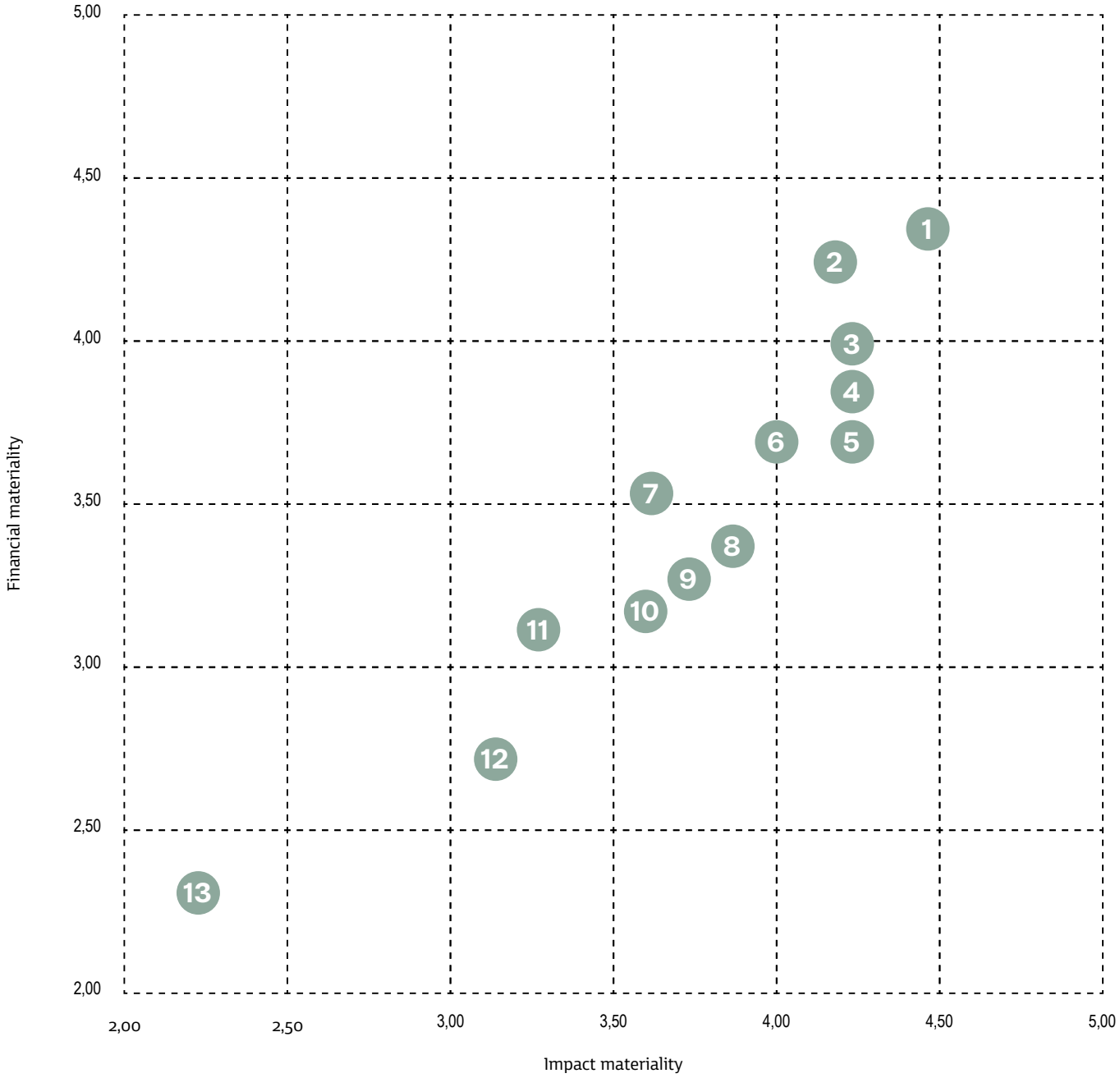
They have the necessary knowledge, experience and information to assess the materiality of sustainability matters.

3

Consolidation and validation

The results have been analyzed and visually presented in the form of a materiality matrix where materiality threshold is set at 2.0.

Impact materiality refers to AMG's impact on sustainability matters, while financial materiality refers to the impact of sustainability matters on financial performance of AMG. The materiality matrix has been validated by the Management and Supervisory Board.



1. **Patient's health, safety and satisfaction**
2. **Working conditions**
2. **Employee development**
3. **Accesss to information**
4. **Ethics and good business conduct**
4. **Protection of privacy and personal data**
5. **Contribution to community**
6. **Relations with suppliers**
7. **Accessibility of services**
8. **Employee health and safety**
9. **Employee diversity and inclusion**
10. **Anti-corruption**
11. **Water management**
12. **Waste management and circular economy**
13. **Climate change and energy management**

Material impacts, risks and opportunities

MATERIAL TOPIC	SUSTAINABILITY MATTER	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	STRATEGY AND BUSINESS MODEL
Climate change and energy management	Climate change mitigation	AMG activities result in GHG emissions in scope 1 and 2 due to use of non-renewable energy. Scope 3 emissions are mostly related to procurement of goods and services, waste disposal, employee commuting, business travel, and client's arrival to appointments.	While aware of the need to reduce GHG emissions, AMG faces limitations related to leased premises. Improvements in energy efficiency and procurement of renewable energy will be considered as mitigation measures.
	Climate change adaptation	With the EU decarbonization strategy, regulatory and market pressures to align business models with the ambitions of limiting global temperatures below 1,5°C are growing. Climate risks such as flooding, heat waves and heavy storms could affect AMG's business operations and assets leading to costs.	At the moment, it is considered that climate change does not significantly impact AMG. AMG will continue to monitor the regulatory and market environment and physical climate risks and act accordingly.
Water	Water consumption	AMG uses water from the public water grid in its healthcare institutions for the purposes of procedures, drinking, cleaning and sanitation. Water is disposed of in the public sewage system. Water in which contaminants are present (eg. from laboratory) is collected separately and disposed accordingly.	AMG's priority is to maintain high quality of service and to preserve the health of both employees and patients. Therefore, water consumption cannot be significantly reduced as this could impact hygiene standards. AMG encourages responsible water consumption.
Circular economy and waste management	Hazardous waste generation	AMG business model of providing medical services results in waste (such as needles, gloves that have been in contact with bodily fluids, gauze with blood or saliva, etc.) which is legally characterized as hazardous. Improper disposal or inadequate waste management can harm the environment and lead to regulatory non-compliance.	AMG responsibly manages waste. There are strict procedures in place for sorting, collection and disposal of hazardous waste developed in line with legal requirements. The quantity of such waste is related to the volume of business operations.
	Non-hazardous waste generation and recycling	AMG operations result in non-hazardous waste which has a potential for recycling or composting. This includes packaging waste (eg. from medicines), food waste related to meals for patients, paper related to administrative work...	There is an opportunity to reduce waste by switching to reusable items where applicable and feasible, digitalization (eg. of medical documentation) and to improve recycling rates by better sorting and contracts with specialized waste collectors.

MATERIAL TOPIC	SUSTAINABILITY MATTER	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	STRATEGY AND BUSINESS MODEL
Own workforce	Working conditions	With permanent work contracts and competitive remuneration, AMG positively impacts their employees. Employees that use the right to family leave return to the same, equivalent or better working position. Operating in the healthcare industry, shift and weekend work can affect employee‘s work-life balance. Employee satisfaction, influenced by working conditions, is important as it influences service quality.	AMG’s strategy is to set benchmark in the industry in regards to working conditions of their own workforce with the aim to attract and retain the best talent.
	Health and safety	Working with patients poses risks of infection and spread of communicable diseases. Furthermore, work with sharp objects, medical equipment and slippery floors can result in workplace injuries which lead to lost days and possible fines in case of non-compliances. Working in healthcare can also put pressure on employee‘s physical and mental well-being.	AMG develops a health and safety system in line with the legislation and best practice in the healthcare sector. Caring for employee‘s well-being, AMG provides benefits that help them practice a healthy lifestyle and reduce work-related stress.
	Employee diversity and inclusion	In every workplace where there is diversity there is a risk of discrimination and harassment which can negatively affect employer reputation. Equal opportunities and inclusive workplace practices positively impact employees.	AMG supports diversity and equal opportunities for all employees. All employees are hired, managed, trained and promoted in an equal manner and compensated in line with their competences, experience and performance.
	Training and skills development	Shortage of qualified professionals on the market could increase costs related to attracting and retaining talent. This risk is increased due to emigration to EU countries. Employee knowledge and skills are crucial for high-quality healthcare and patient satisfaction. Investing in education and training is not only a positive impact on employes, but also a benefit for AMG as it grows the human capital, ensures quality of service and positively affects reputation.	All employees are encouraged and supported to participate in external education and training, which includes the development of both hard and soft skills. With the aim to structure an approach to internal education, AMG is working on the development of a digital platform for its own employees. AMG is proactively working on developing a working environment that is in line with employee‘s expectations and a benchmark on the market to facilitate the attraction and retention of employees.

MATERIAL TOPIC	SUSTAINABILITY MATTER	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	STRATEGY AND BUSINESS MODEL
Consumers and end-users	Patient health, safety and satisfaction	Most positive AMG's impact is related to improvements in patient's health by offering high quality and safe medical services.	AMG's strategy focuses on enhancing patient health, safety, and satisfaction through a comprehensive approach to prevention, diagnostics, treatment, and rehabilitation. This approach is based on modern methods, advanced technology and employee expertise. There is a need to prioritize professional development for medical staff and provide full business support to member clinics.
	Protection of privacy and personal data	AMG handles sensitive patient data which makes it vulnerable to risks of privacy breaches. Failing to protect the patient's privacy by own mistakes or external attacks could lead to loss of trust and reputation and could result in legal and financial consequences.	Aiming to protect the privacy of patients, AMG invests in structuring and strengthening the data privacy and cyber security system in order to mitigate the risk of data breaches and cyber attacks.
	Access to quality information	Accurate, relevant, timely and complete information about the procedures, costs, duration, risks etc. are important for patient's well-being.	AMG ensures transparent communication with patients. To be able to provide timely, relevant and complete information, various communication channels have been established and protocols are being improved for the benefit of the patients.
	Accessibility of services	Equal accessibility of services positively impacts reputation.	AMG aims to ensure equal access to all medical services regardless of a patient's disability.

MATERIAL TOPIC	SUSTAINABILITY MATTER	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	STRATEGY AND BUSINESS MODEL
Business conduct	Corporate culture	Corporate culture which influences behaviors and decisions of employees impacts other sustainability matters.	With strong corporate culture rooted in ethics and responsibility, AMG avoids negative impacts on people and the planet.
	Anti-corruption	Corruption and bribery incidents and accusations can impact stakeholders involved and pose reputational and regulatory threats.	AMG is against all forms of corruption and bribery and acts accordingly in all business transactions.
	Relationships with suppliers	Setting fair contractual agreements, having an open dialogue and payments in line with the agreed terms positively impact suppliers. ESG practices in the supply chain could in the long-term affect reputation.	AMG fosters long-term, fair and mutually beneficial relationships with suppliers. This includes on-time payment policy and fair contractual agreements.
	Information security	Cyber attacks or errors in digital tools used in the workplace could disrupt operations and negatively impact patient‘s well-being as well as cause financial losses.	Risk is minimized by investing in strengthening the IT systems and education of employees.

2 ENVIRONMENTAL INFORMATION

Aware of the importance of preserving natural resources, AMG commits to responsibly manage energy, water, and waste, integrating care for the environment in all business decisions.

2.1.

Environmental protection policy

Climate Change and Energy

AMG uses energy responsibly and strives to reduce greenhouse gas emissions wherever possible. Potential impact of climate on own operations is considered and taken into account with the goal of minimizing risks.

Water management

Recognizing the importance of conserving water resources, AMG promotes responsible water consumption.

Responsible Resource Management

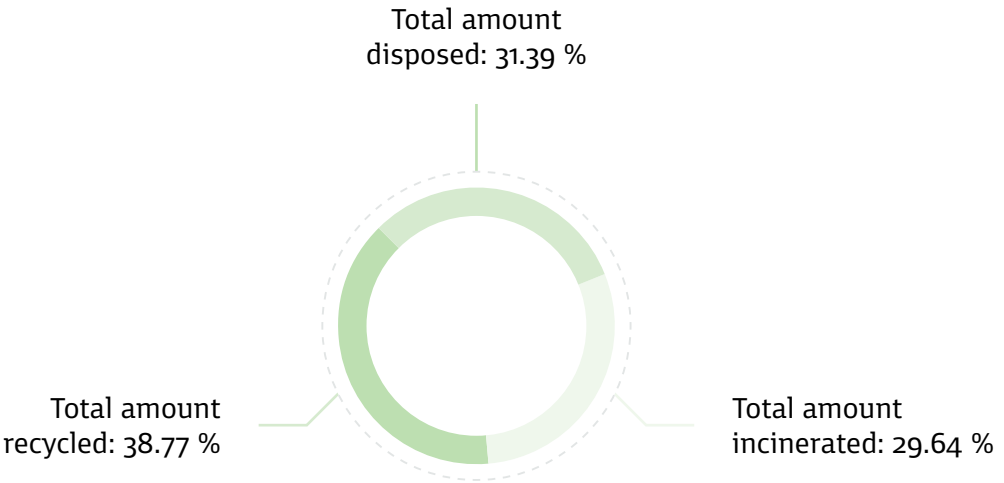
AMG is committed to using resources required for own operations in a responsible and efficient manner in accordance with the internal acts of the group members.

Waste Management

Medical and other types of hazardous waste are properly sorted and disposed of to protect the health of all stakeholders and prevent environmental pollution. AMG works on reducing and recycling non-hazardous waste (plastic, paper, etc.). AMG encourages the replacement of single-use plastic products with more sustainable alternatives where appropriate and feasible.

2.2.

Actions for reduced environmental impact



Optimizing energy consumption

Energy is saved by:

- managing indoor temperatures,
- turning off devices when not in use, and
- ensuring lights are switched off when not needed. In Aviva polyclinic this is supported with automatic light motion sensors.

The lights installed in most healthcare institutions are energy saving LEDs and whenever possible, AMG opts for online meetings to reduce environmental impact.

Responsible waste management

AMG healthcare institutions are committed to proper waste management practices, including the separation of hazardous and non-hazardous waste, accurate labeling, and appropriate storage. All waste is handed over to a licensed waste management company for disposal or recovery. These processes are conducted in accordance with the Waste Management Act (OG 84/2021) and the Rulebook on Medical Waste Management (OG 50/15).

Waste management is not a straightforward issue; it involves balancing the benefits of reusing materials with the resource demands of cleaning and sterilization. AMG practices strive to manage this balance effectively, ensuring both environmental sustainability and high standards of patient care.

Going digital – reducing waste

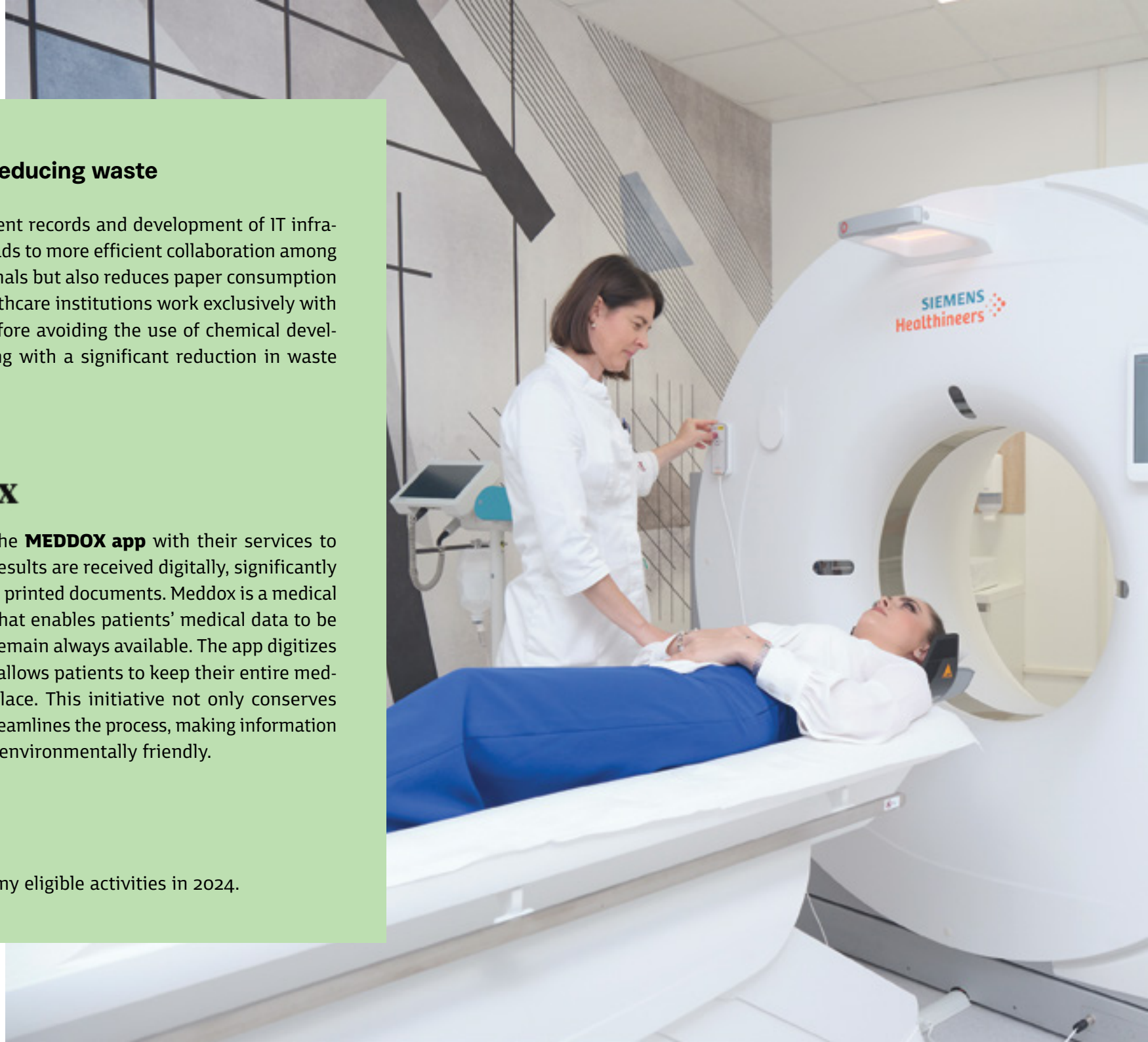
Digitalization of patient records and development of IT infrastructure not only leads to more efficient collaboration among healthcare professionals but also reduces paper consumption and waste. AMG healthcare institutions work exclusively with digital images, therefore avoiding the use of chemical developers/fixers, resulting with a significant reduction in waste generation.

meddox

AMG is integrating the **MEDDOX app** with their services to ensure that patient results are received digitally, significantly reducing the need for printed documents. Meddox is a medical record-keeping app that enables patients' medical data to be stored securely and remain always available. The app digitizes medical records and allows patients to keep their entire medical history in one place. This initiative not only conserves resources but also streamlines the process, making information more accessible and environmentally friendly.

EU taxonomy

There are no taxonomy eligible activities in 2024.



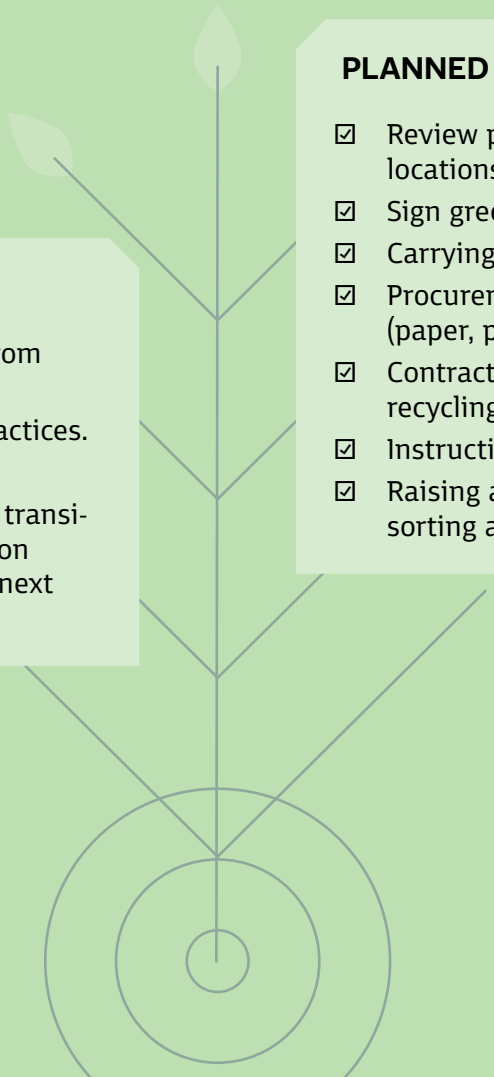
2.3.

Targets and planned actions

TARGETS

- ☑ From 2025 procure 20 % of electricity from renewable sources.
- ☑ In 2025 improve waste management practices.

In the reporting period, AMG did not have a transition plan. Transition plan for achieving carbon neutrality by 2050 will be developed in the next reporting periods.



PLANNED ACTION

- ☑ Review possibilities to switch to green energy at some locations.
- ☑ Sign green energy contract with supplier.
- ☑ Carrying out a review of waste management at all locations.
- ☑ Procurement of containers for separate collection of waste (paper, plastic, glass) where necessary.
- ☑ Contracts with specialized companies for the collection and recycling of sorted waste where feasible.
- ☑ Instructing employees on sorting and recycling practices.
- ☑ Raising awareness of employees about the importance of sorting and recycling waste.

2.4.

Environmental metrics

Energy consumption

At AMG healthcare institutions, electricity and gas serve as the primary energy sources, essential for heating and cooling, lighting, and powering equipment and IT systems. In addition to these energy needs, AMG utilizes fuel for its fleet of vehicles, which are used for business meetings and travel purposes. In 2024, AMG healthcare institutions used a total of 2643.11 MWh of energy, all sourced from non-renewable resources. The primary type of energy utilized within the organization is electricity, accounting for 67.42 % of the total energy consumption. AMG does not operate in a sector with a high climate impact. Data was collected based on the utility bills by representatives of the healthcare institutions.

ENERGY INTENSITY (MWh/EUR): 0.0000821

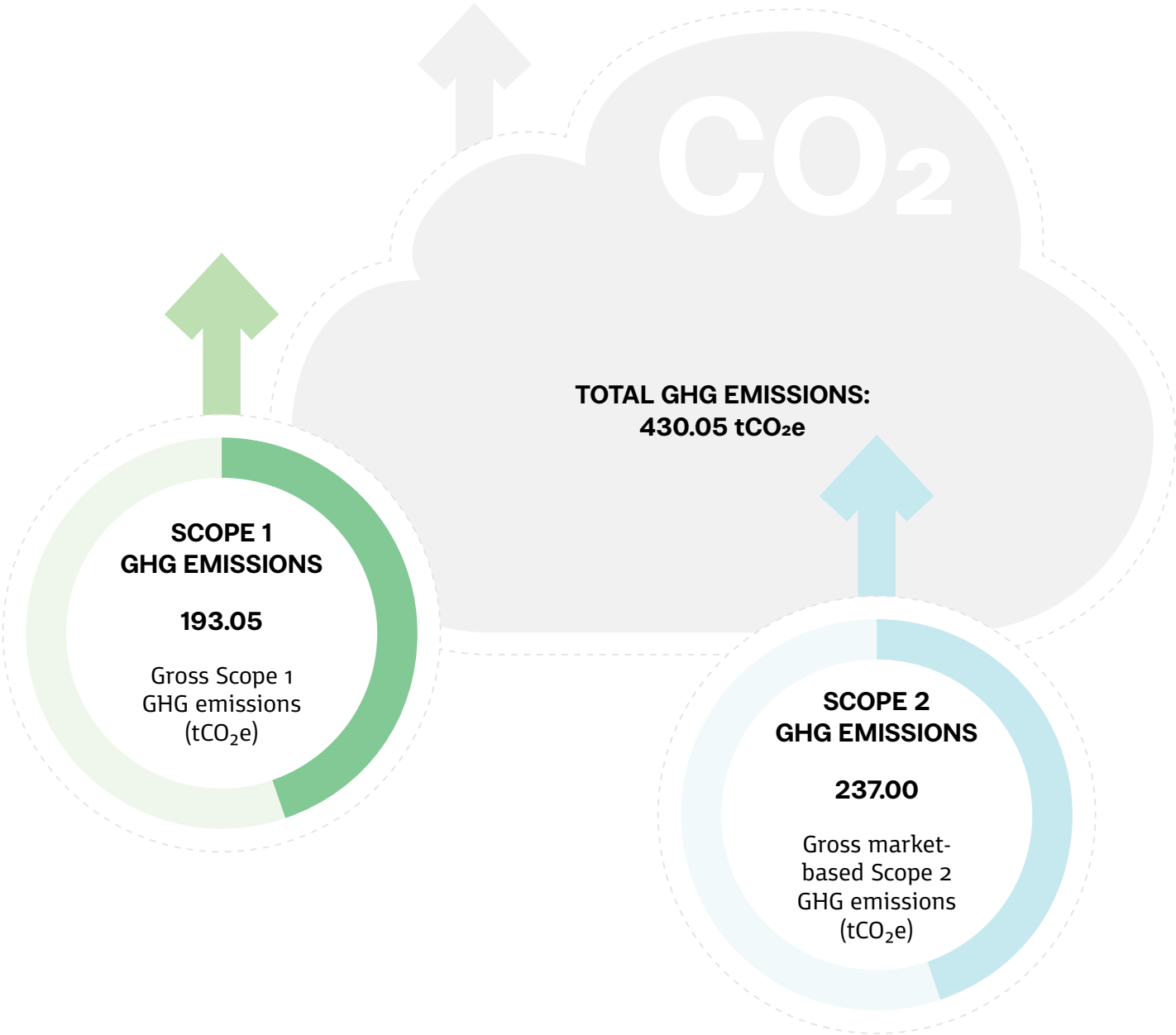
TABLE **ENERGY CONSUMPTION**

ENERGY CONSUMPTION AND MIX	2024
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	253.41
Fuel consumption from natural gas (MWh)	607.72
Fuel consumption from other fossil sources (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	1781.98
Total fossil energy consumption (MWh)	2643.11
Share of fossil sources in total energy consumption (%)	100 %
Consumption from nuclear sources (MWh)	0 %
Share of consumption from nuclear sources in total energy consumption (%)	0 %
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0
The consumption of self-generated non-fuel renewable energy (MWh)	0
Total renewable energy consumption (MWh)	0
Share of renewable sources in total energy consumption (%)	0 %
Total energy consumption (MWh)	2643.11

Carbon footprint

In 2024, AMG operations generated a total of 430.05 tCO_2e market-based emissions. The primary source of these emissions was electricity consumption, primarily due to the energy demands for powering medical equipment, maintaining optimal indoor temperatures and supporting IT systems necessary for patient care and administrative functions. Direct emissions (scope 1) include consumed fuel, natural gas for heating and also emissions from anesthesia (in a negligible amount). AMG applied the GHG Protocol standard for the calculations of the GHG emissions. Most recent Global Warming Potential (GWP) values published by the IPCC have been used.

GHG INTENSITY (tCO_2e/EUR): 0.0000134



2.5.

Water consumption

Water consumption in AMG healthcare institutions is essential for hygiene processes, as well as for meeting the daily needs of staff and patients. Water is primarily used for routine cleaning, handwashing, and maintaining general sanitation standards. AMG recognizes the importance of managing this resource responsibly; therefore, measures are implemented to reduce consumption where possible, ensuring efficiency without compromising the quality and safety of the stakeholders.

In 2024, Arsano Medical Group used in total 8803.25 m³ of water. Water was supplied from the public network and discharged into the public sewage system. According to the World Resources Institute's Aqueduct Water Risk Atlas, AMG's healthcare institutions are not located in areas at water risk. Therefore, at the moment, systems for water recycling and reuse are not implemented. Data was collected based on the utility bills. Water intensity is calculated based on the million EUR of net revenues.

SCHEME **WATER CONSUMPTION IN 2024**

8803.25 m³

Total water use

223.35

Water intensity (in m³/million EUR)

2.6.

Waste management

AMG's operations result in several waste streams:

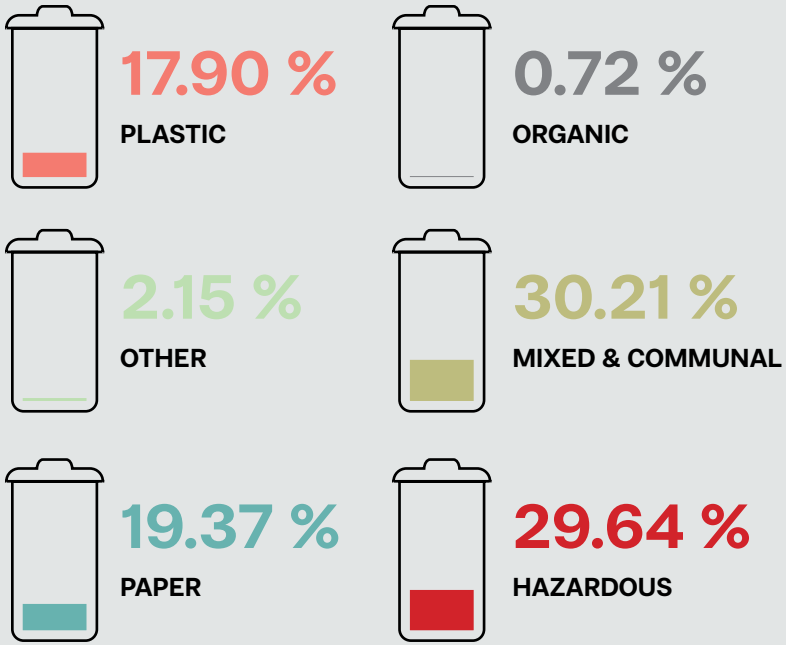
MEDICAL AND INFECTIOUS WASTE: Materials such as used sharps (needles, syringes), contaminated gauze and materials, and items like gloves that have come into contact with bodily fluids. Includes waste generated during medical procedures contaminated with blood or other potentially infectious materials.

PLASTIC WASTE: In order to protect the health of both employees and patients, medical industry uses a significant amount of single-use plastic-based materials. This involves packaging for medical equipment, disposable items such as gloves and aprons, and other plastic materials used during procedures.

GENERAL WASTE: Non-hazardous waste from administrative operations, including office waste, paper, packaging, food leftovers and non-contaminated materials.

AMG Healthcare institutions manage these waste streams in compliance with regulations and best practices to ensure proper disposal and protect health and safety of everyone involved.

SCHEME **SHARE OF MATERIALS IN TOTAL AMOUNT OF WASTE**



- **Total amount of non-hazardous waste in 2024: 39.85 tons**
- **Total amount of hazardous waste in 2024: 16.79 tons**
- **Total amount of waste in 2024: 56.64 t**

Data was collected based on the information provided by waste collectors or estimated based on the standardized methodology. Data is not available for Arithera, Urocentar and Aviva as waste is disposed in shared containers.

3 SOCIAL INFORMATION

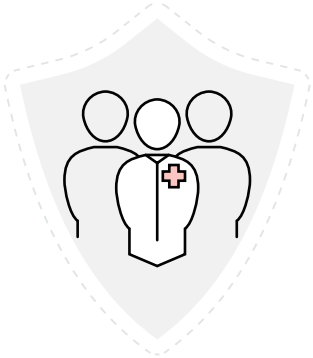
We are committed to improving patient's lives by raising the bar with our comprehensive approach to prevention, diagnostics, treatment, and rehabilitation, combining a personal approach with state-of-the-art methods and technology.

3.1.

Our employees

Human resources policy

Expertise, proven results, and teamwork are the driving force behind Arsano Medical Group. The organization is dedicated to creating an environment that promotes employee well-being, supports their personal and professional development, and ensures equality for all team members. By caring for its employees, it creates a sustainable competitive advantage in the market. With this policy, Arsano Medical Group aims to contribute to achieving the UN's sustainable development goals.



Creating competitive working conditions

Fair and competitive working conditions are being offered to AMG employees, reflecting in job security through permanent employment, salaries that align with market developments, appropriate working hours and shift formation, and additional benefits for employee well-being. The right of employees to take a family leave is respected and the opportunity to return to the same, equivalent, or better position is guaranteed.

Managing health and safety at work

Arsano Medical Group has established a health and safety management system with the ultimate goal of zero work-related injuries. To prevent injuries and illnesses at work, it provides quality protective equipment, training for safe work practices, and protocols to avoid risks when working with patients.

Development of employee knowledge and skills

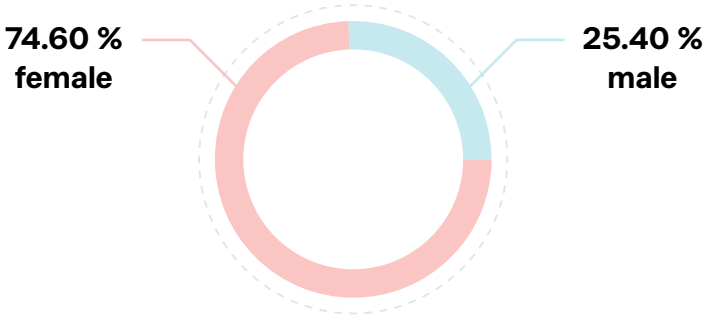
Arsano Medical Group supports its employees in continuous personal and professional development by providing internal and external training.

Equality

Equal work is valued equally, and everyone has equal opportunities regardless of gender, nationality, religion, race, age, or other characteristics that could be grounds for discrimination. All decisions regarding employees, such as hiring, promotion, or termination, are made based on professional qualifications, work performance, and alignment with the organizational values.

Insights into AMG workforce

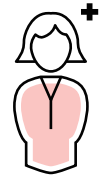
In 2024, AMG had in total 315 employees of which 74.60 % were female, and 25.40 % were male. The substantial representation of women within the workforce reflects a common trend observed in the healthcare industry. Human resources data is based on headcount at the close of the reporting period. Data includes members that joined the Group until the June 2024, while in other members data collection system is being introduced. There are no employees in category “Other” which is why this category is left out from the tables in this chapter.



SCHEME **WORKFORCE STRUCTURE BY GENDER**

80 Male

Number of employees



235 Female

Number of employees

Working conditions

AMG primarily offers its employees permanent, full-time contracts, thereby providing job security. By focusing on permanent contracts, AMG reinforces its commitment to employee retention and organizational stability. In 2024, 98.09 % of employees had permanent employment contracts and 83.81 % were employed full-time. There were no non-employees (self-employed or agency workers).

TABLE **NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND GENDER**

INDICATOR	MALE	FEMALE	TOTAL
Number of permanent contracts	80	229	309
Number of temporary contracts	1	5	6

TABLE **NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER**

INDICATOR	MALE	FEMALE	TOTAL
Number of full-time employees	60	204	264
Number of part-time employees	21	30	51

Balancing work and personal time is also a priority, so efforts are made to evenly distribute shifts and to take into consideration employee‘s preferences.

In accordance with legal regulations and internal policies, employees are entitled to a paid family-related leave, after which they generally return to their original or equivalent positions, ensuring continuity and stability in their professional roles.

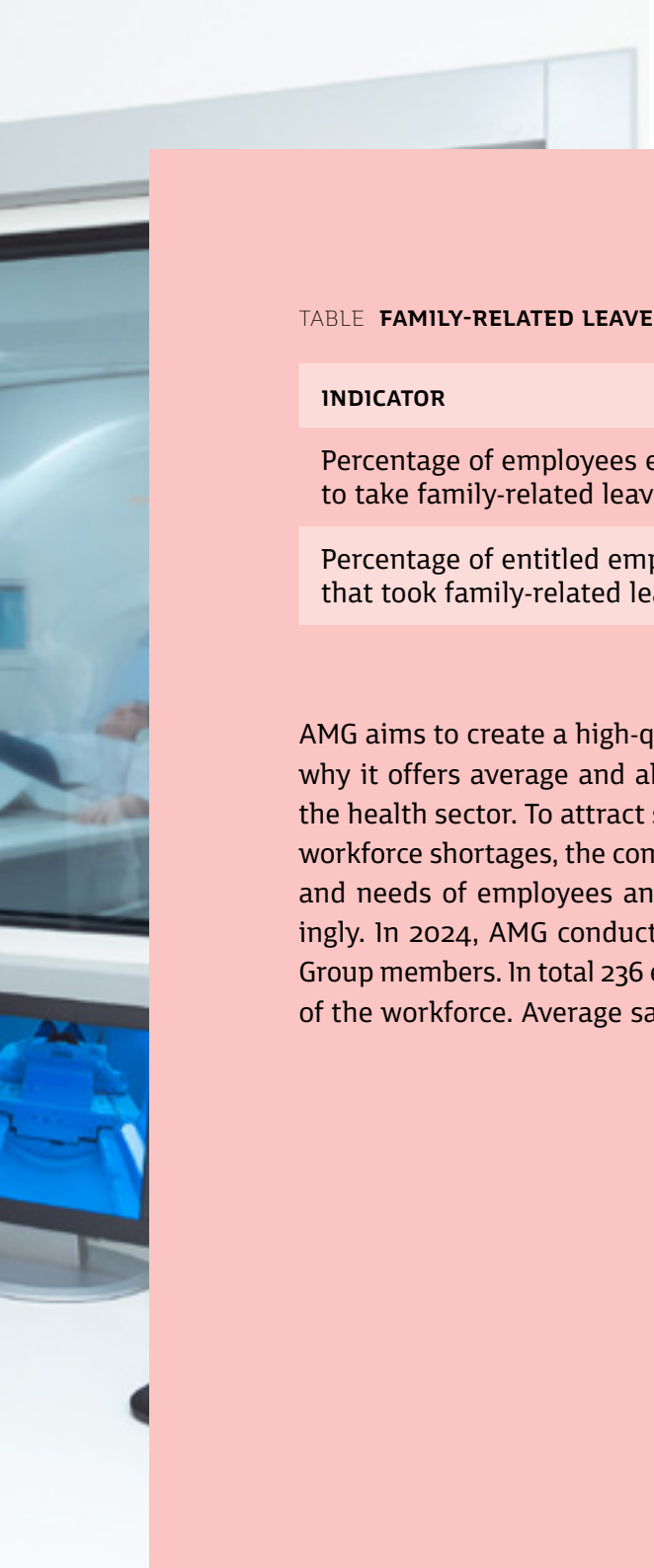


TABLE **FAMILY-RELATED LEAVE**

INDICATOR	MALE	FEMALE
Percentage of employees entitled to take family-related leave	100 %	100 %
Percentage of entitled employees that took family-related leave	7.5 %	6.38 %

AMG aims to create a high-quality and satisfied workforce, which is why it offers average and above-average compensation relative to the health sector. To attract skilled personnel and reduce the risk of workforce shortages, the company continuously monitors the status and needs of employees and makes periodic adjustments accordingly. In 2024, AMG conducted employee satisfaction survey in all Group members. In total 236 employees participated covering 74,92 % of the workforce. Average satisfaction score is 3.34 out of 4.

SCHEME: **EMPLOYEE SATISFACTION**

74.92 %

Percentage of employees participated in the annual employee satisfaction survey

3.34 / 4

Average employee satisfaction score

Health and Safety

AMG established the H&S management system which is in line with the applicable laws and regulations and covers all employees. Occupational safety is managed by external providers which are contracted on the level of each healthcare institution. Occupational hazard identification and assessment has been conducted by external providers of occupational safety services, based on which appropriate preventive measures have been designed.

- All employees upon employment in AMG members pass occupational safety training.
- AMG provides employees with quality protective equipment and establishes protocols to reduce risks of infections.
- Strict sanitation protocols are in place.
- In order to be able to adequately react and protect themselves from health-related risks stemming from work with patients, patients are required to fill-in the form where they need to state all conditions and diseases that could impact doctor‘s, nurse‘s or technician’s health. This form is evaluated and adequate safety measures are applied.

To promote healthy lifestyle, AMG established benefit program for all employees which includes:

- Free annual health check-ups
- Discounts on services within PCP portfolio members
- Multisport card

TABLE: **HEALTH AND SAFETY METRICS**

INDICATOR	
The number of fatalities as a result of work-related injuries and work-related ill health	0
The number of recordable work-related injuries	0
The rate of recordable work-related injuries	0
The number of cases of recordable work-related ill health	0
The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0

In 2024, there were no work-related accidents and there were no reports of work-related ill-health.

Training and Skills Development

Medical and non-medical staff participate in external education and training opportunities financed by AMG. Employee performance is monitored and evaluated, and there are career advancement opportunities for employees. AMG also offers education days that are allocated as paid leave for doctors. Internal professional meetings to foster the development of knowledge and skills of employees are organized.

In 2024, in total 141 employees participated in education and training and there were in total 3117 hours of education and training. Investment in employee development amounted in total 21,347.00 EUR.

TABLE: **TRAINING AND SKILLS DEVELOPMENT METRICS**

INDICATOR	MALE	FEMALE
Percentage of employees who participated in regular performance and career development reviews	6.25 %	4.68 %
Average number of training hours per employee	19	6.8

Average number of training hours per employee: 10

Diversity and Inclusion

AMG supports diversity, which is reflected in the composition of its Board and senior management. Diverse groups within medical teams bring a range of experiences and perspectives, leading to more comprehensive and empathetic patient care. Generational mix also fosters innovation by combining traditional knowledge with modern approaches, improving both treatment methods and patient outcomes.

TABLE **DIVERSITY OF MANAGEMENT AND WORKFORCE**

INDICATOR	NUMBER	%
Women in Management Board	1	33,33 %
Women in top management	10	62.5 %
Employees < 30 years old	53	16.83 %
Employees 30-50 years old	169	53.65 %
Employees > 50 years old	93	29.52 %

Top management includes Board members, directors and heads of health-care institutions.

Incidents, complaints and severe human rights impacts

During the reporting period, there were zero instances of reported discrimination or harassment. Additionally, no complaints were submitted through the company's mechanisms for addressing concerns related to human rights or labor rights violations. There were no severe human rights incidents, and as a result, zero fines, penalties, or compensation for damages were incurred.

Targets and planned actions in regards to own employees

TARGETS

- ☑ Conduct a health awareness and educational campaign for all employees.
- ☑ Grant scholarships to 4 students of deficitary professions.
- ☑ Increase the average number of training hours per employee to 16 average hours per employee.

PLANNED ACTIONS

- ☑ Organize Wellbeing Day for employees (team building, mental helath theme, sports event)
- ☑ Hold workshops on the topic of mental health for employees.
- ☑ Open a scholarship tender, carry out the selection process and award scholarships.
- ☑ Organize in-person trainings for employees (i.e CPR).

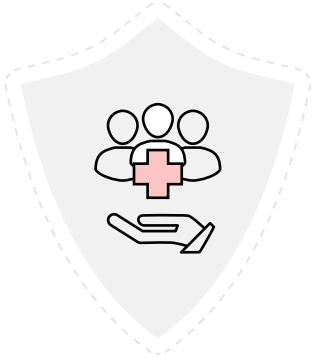
Budget allocated for this purpose: 24,675.09 EUR

3.2.

Providing high quality healthcare

Quality and Patient Well-being Policy

The health and well-being of patients are priorities in everything Arsano Medical Group does. It is committed to creating value for patients through excellence in approach, modern methods and technology, compliance with all applicable requirements (legal or voluntary), and leading by example in implementing best practices, prioritizing continuous quality improvement of services.



Health, Safety and Patient Satisfaction

By adopting an individual and interdisciplinary approach to each patient, using modern medical methods and the best technology, and adhering to strict safety and quality standards, AMG acts in the best interest of improving patient's health and achieving high satisfaction.

Access to Information

Patients and their families are always provided with all relevant information, ensuring accuracy and timeliness. It is ensured that there is enough time for communication with patients to address all their concerns.

Privacy Protection

AMG protects patient's personal data and privacy. By applying adequate measures and responsible handling, AMG prevents theft, loss, or leakage of personal data and other information that could harm patient's reputations or otherwise affect their well-being.

Equality in Access

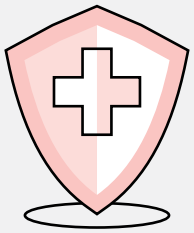
Medical services are provided to all patients equally, regardless of gender, age, race, nationality, language, national or social origin, sexual, religious, or political orientation, social status, or other aspects of individual integrity. Patient's rights, dignity, and fundamental human rights are always respected.

Care for patient's well-being

An extensive range of medical services is being offered, designed to enhance both the physical and mental well-being of their patients, leading to an improved quality of life. Commitment to comprehensive healthcare solutions ensures that patients receive tailored care that addresses a variety of health needs, from preventive measures to specialized treatments. By integrating advanced medical technologies and personalized care plans, AMG effectively supports patients in achieving optimal health outcomes.

TABLE **TOTAL NUMBER OF PATIENTS**

INDICATOR	
Number of patients	230 000 +



HIGH-QUALITY AND SAFE SERVICES
are the result of employee expertise, quality input, advanced technology and individual approach

Employee expertise

The Group places significant emphasis on the expertise of its employees, which is essential for delivering high-quality medical services. Exceptional healthcare is closely tied to the skills, knowledge, and experience of the staff. Aware of the importance of employee expertize, AMG prioritizes professional development and provides opportunities for education and knowledge exchange between member healthcare institutions.

Quality inputs

Collaboration with suppliers is based on fair contractual terms, trust, and daily communication which enables AMG to secure needed inputs. Key suppliers are representatives of international companies that are established providers of products and services in the field of medicine. Procurements include medications, implants, medical, as well as non-medical consumables which are used in everyday work.

Advanced technology

Integration of cutting-edge technology has transformed the landscape of modern medicine, enhancing patient care, treatment precision, efficiency, and overall experience. Advanced technology plays a crucial role in AMG's activities because it allows staff to improve diagnostic precision and treatment planning and allows procedures to be minimally invasive. Technology also improves treatment outcomes, shortens rehabilitation and increases satisfaction with services.

Approach and modern methods

In diagnosis, treatment and rehabilitation, interdisciplinarity, modern methods and latest advancements in medicine are applied. Patients benefit from personalized interactions with specialists, tailored services, and the flexibility to choose their doctor. Expert staff provide precise information and schedule appointments at convenient times. This patient-centered approach enhances the overall patient experience and contributes to better treatment outcomes.

Quality management system

To ensure the highest standards of quality, AMG healthcare institutions adhere to the internationally recognized ISO 9001 quality management standard. In 2024, DSD Ptuj and Dijagnostika 2000 had a valid ISO 9001 certificate. At the end of 2024, Aviva Polyclinic initiated accreditation process according to American Acreditation Comission International standard (AACI). AMG will continue with accreditation in other Group members in line with the commitment to high quality service.

TABLE **NUMBER OF ISO 9001 CERTIFIED HEALTHCARE INSTITUTIONS**

INDICATOR	
Number of clinics with ISO 9001 certificate	2

In the reporting period there were zero identified cases of non-compliance with the legal framework or voluntary codes related to quality and safety standards for patients.

Investments in new technology

AMG integrates cutting-edge techniques and state-of-the-art technology to provide exceptional patient care and achieve superior clinical outcomes. These advancements ensure more accurate diagnoses, efficient treatments, and a higher level of overall patient satisfaction.

In 2024, 2 186 000 EUR was invested in procurement of new devices and medical equipment.

Enhancing customer satisfaction

Customer satisfaction is evaluated through the Net Promoter Score (NPS), a tool that measures the likelihood of recommending AMG to others. In 2024, in total 4 157 customers in 5 Group members participated in the customer satisfaction survey. Average Net Promoter Score is 75.1.

NPS measurement provides valuable insights for comparing clinics within the Group and pinpointing areas for improvement. This approach helps identify key drivers of loyalty and highlights areas where enhancements can be made, including patient experience, staff interactions, and pricing. AMG is focused on implementing measures to address patient dissatisfaction and minimize complaints, with the overarching goal of boosting overall patient satisfaction and service quality.

Patient's complaints

In 2024, AMG recorded a total of 129 complaints, equating to 0.8* complaints per 1000 patients. All complaints are noted in detail in patient's records. Head of clinics or responsible administrators keep special documentation in regards to complaints. All complaints were resolved within the prescribed period of days and at patient's benefit.

*CALCULATED AS: **(NUMBER OF COMPLAINTS/TOTAL NUMBER OF PATIENTS) X 1000**

Accessibility

AMG is actively working to address and bridge gaps in accessibility to enhance service quality and create a more inclusive environment for all patients. Implementing comprehensive accessibility measures not only aligns with non-discrimination principles but also strengthens the Group's commitment to equal access for everyone.

Ensuring patient's privacy and data security

The Group respects and protects individual's privacy rights, adhering to applicable data protection laws and regulations. It handles personal data responsibly and securely, ensuring that individuals have control over their data and are informed about how it is collected, used, and shared.

Inadequate management of confidential patient data and potential data leaks can significantly harm an organization. To comply with the GDPR regulation, AMG has implemented the following solutions:

- appointing a Data Protection Officer,
- conducting internal system audits to identify weaknesses and opportunities for improvement, and
- providing training for employees who handle personal data.

This ensures the protection and proper handling of sensitive patient information, minimizing the risk of data breaches and their associated consequences.

TABLE **PERSONAL DATA BREACH CASES**

INDICATOR	
Number of personal data breach cases	0

Ethical and transparent practices in advertising and sales

Patients are provided with **relevant**, **sufficient**, **and accurate** information, along with all available options, to make informed decisions regarding medical services. Information about medical services is publicly available on the website where services are clearly listed and described. AMG healthcare institutions inform patients of all costs in advance and services are billed accordingly, with transparent information regarding all items. In case of additional expenses, this is discussed with patients.

Access to quality information

AMG prioritizes providing comprehensive information to ensure that patients fully understand their health conditions and treatment plans. They are committed to

- offering patients enough time with doctors,
- ensuring personalized attention and
- clear communication.

Beyond in-person consultations, they offer multiple communication channels to enhance accessibility of information. Resources include

- a user-friendly website with expert advice,
- email and phone consultations with administrative staff,
- control appointments.

These tools empower patients to access crucial information and engage with their healthcare team when needed, improving their overall experience and satisfaction with their services.

Targets and planned actions in regards to patients

TARGETS

- ☑ Maintain high NPS.
- ☑ Carry out certification according to AACI standard in most Arsano Medical Group members.
- ☑ Increase general public awareness and knowledge on health-related topic.

PLANNED ACTIONS

- ☑ Implement measures to maintain high customer satisfaction, such as education in communication skills.
- ☑ Optimize patient flow to maximize availability.
- ☑ Countinuous education of staff on AMG services in order to provide patients with appropriate recommendations.
- ☑ Introduce quality management system in AMG members according to AACI standard
- ☑ Organize Avivin Zdravljak.

4 GOVERNANCE INFORMATION

AMG has a profound commitment to fostering an ethical corporate culture, ensuring that all interactions are conducted with transparency and integrity. The company is dedicated to upholding the highest professional standards and safeguarding stakeholder trust.

4.1.

Code of Ethics

The Code of Ethics, developed and published in 2024, delineates the ethical business conduct and principles upheld by Arsano Medical Group (AMG). Rooted in AMG's mission, vision, and core values, this Code ensures that patient well-being remains paramount. The Code of Ethics includes principles of ethical behavior to guide daily business activities:

- ☑ Principles of behavior in relationships with patients
- ☑ Principles of behavior within the organization
- ☑ Principles of behavior towards external staff and the public
- ☑ Principles of responsible business conduct

Reporting irregularities

Employees who notice and report irregularities can help prevent harmful effects on other stakeholders through an internal system for reporting irregularities. Internal rulebook on irregularities reporting, which outlines the process for reporting and investigating cases of unlawful behavior or violations of Code of Ethics, has been adopted and is accessible to employees through internal channels.

There were no reports recored in 2024.

Anti-corruption Policy

Arsano Medical Group adopted an anti-corruption policy in 2024, to commit to upholding the highest standards of responsibility, integrity, and transparency among its employees and business partners. The policy strictly forbids all forms of corruption, including bribery, conflicts of interest, and insider trading. Employees are expected to respect legal boundaries in outside activities, maintain confidentiality of sensitive information, and report any suspicions of policy violations through established channels.

During the reporting period, there were no convictions or fines related to violations of anti-corruption and anti-bribery laws.

Information security

Recognizing the evolving risks associated with cyberattacks and data breaches, AMG is committed to continually enhancing the IT infrastructure across all healthcare institutions while educating employees on potential threats. Both technical and organizational measures have been implemented to safeguard against the loss, theft, or leakage of confidential data.

In 2024, there were no recorded data breaches.

Training in ethics and sustainability

It is recognized that a robust ethical culture begins with every individual within the organization. Training is deemed a critical component in fostering ethical business practices throughout the company. In 2024, ethics training was conducted in Digitalna slikovna dijagostika Ptuj, and in 2025 it will be introduced in other members as well. The planned training program will be designed to improve knowledge on various aspects of ethical conduct, including measures to prevent corruption and bribery. It will encompass all employees across different levels and departments, irrespective of their specific roles. New hires will receive thorough on-boarding training that introduces them to AMG's Code of Ethics, ESG policies, and relevant legal requirements, establishing clear expectations for business conduct from the start.

Targets and planned actions in governance

TARGET

- ☑ Educate 100 % of employees in regards to business conduct matters.

PLANNED ACTIONS

- ☑ Conduct education on the Code of ethics for all employees
- ☑ Conduct online education on the topic of sustainability (ESG policies, goals and measures) for all employees.
- ☑ Implement anti-bribery policy into on-boarding training.

Resources allocated for this purpose: time & effort of internal human resources.

4.2.

Management of relationships with suppliers

Supplier relations policy

Supplier relations policy articulates AMG's expectations for suppliers regarding environmental, social, and governance (ESG) standards and establishes a framework aimed at fostering sustainable supplier partnerships.

ENVIRONMENTAL IMPACT IN THE SUPPLY CHAIN – Suppliers must comply with all applicable environmental laws, regulations, and standards in the regions where they operate. They should adopt practices that minimize their environmental impact, including pollution prevention and responsible resource usage.

LABOR STANDARDS – Suppliers must respect fundamental labor rights, including fair wages, safe working conditions, non-discrimination, and freedom of association.

HUMAN RIGHTS – Suppliers must respect and support human rights, including the rights of their employees, local communities, and stakeholders. They must not engage in any form of forced labor, child labor, human trafficking, or other human rights violations.

QUALITY – We expect the highest level of quality from our suppliers, along with compliance with legal regulations and industry standards, so that we can deliver the promised service quality to our clients.

Partnerships for Success

Achieving exceptional quality in medical services necessitates the careful and strategic selection of suppliers and manufacturers of medical equipment and materials. Building strong partnerships with these suppliers and manufacturers is a key driver of Arsano Medical Group's success. Approach to supplier relationships focuses on fostering long-term collaborations, promoting open communication, and facilitating the exchange of knowledge and innovation.

AMG is dedicated to sourcing exclusively from suppliers and manufacturers who comply with the Medical Device Regulation (EU) 2017/745, thereby ensuring optimal safety and quality in the products and services provided to AMG's patients.

Payment Practices

The organization prioritizes avoiding delays, particularly for small and medium-sized enterprises, as outlined in the supplier relations policy adopted by the Board in 2024.

AMG's standard payment terms are within 15 and 60 days, depending on the agreement with suppliers and on average 70 % payments adhere to these terms. There were no legal actions taken against AMG related to late payments during this period. Average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated: 41.71 days.

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