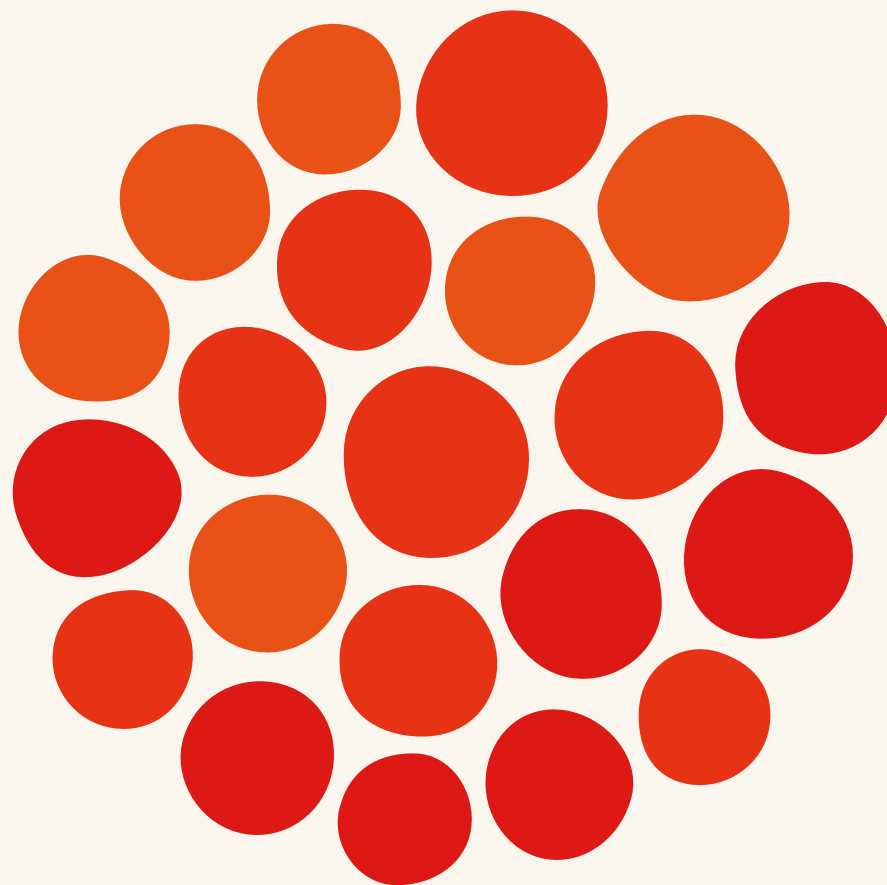


2021



Pihlajalinna

SUSTAINABILITY REPORT 2021

Sustainability report 2021

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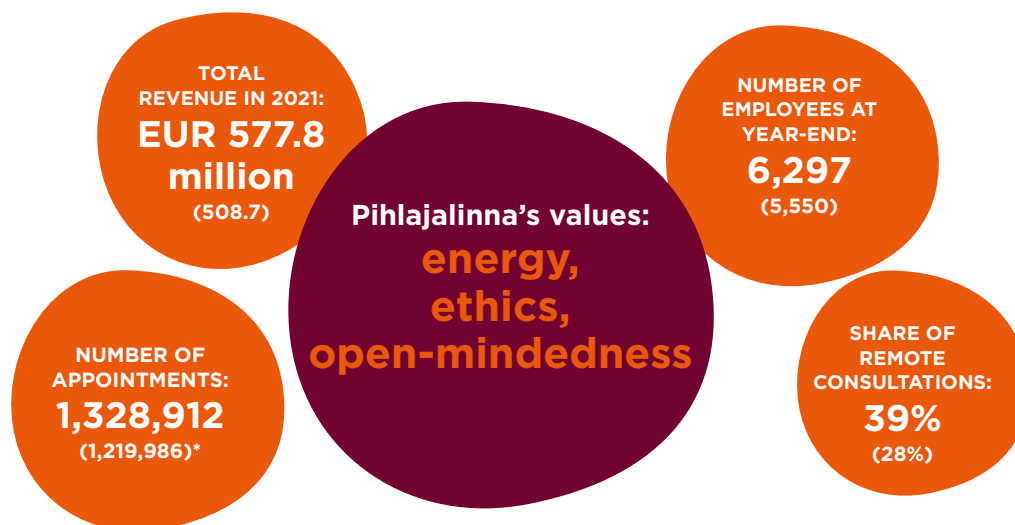
Pihlajalinna Plc is one of Finland's leading providers of social, healthcare and wellbeing services. The Group's customers include private individuals, businesses, insurance companies and public sector entities, such as municipalities and joint municipal authorities.

About this report

This is Pihlajalinna's first sustainability report in accordance with the Global Reporting Initiative (GRI) standards. This report is also Pihlajalinna Group's statement of non-financial information pursuant to Section 3a of the Finnish Accounting Act. This report is compliant with the Core requirements of the GRI Standards. The report is published in Finnish and English.

Customer groups

EUR million	2021	2020	change	change %
Corporate customers	137.8	120.7	17.1	14.1%
of which insurance company customers	34.8	31.4	3.4	10.9%
Private customers	85.3	81.1	4.2	5.1%
Public sector	427.7	372.4	55.2	14.8%
of which complete and partial outsourcing agreements	300.8	287.9	12.9	4.5%
of which staffing	26.1	23.0	3.0	13.2%
of which occupational healthcare and other services	100.8	61.5	39.3	63.8%
Intra-Group sales	-73.0	-65.6	-7.4	11.2%
Consolidated revenue	577.8	508.7	69.1	13.6%



* The number of appointments includes Pihlajalinna's private clinics, dental clinics, the Group's private hospitals, occupational health centres and appointments under the responsible doctor concept.

Pihlajalinna's mission is to help Finns to live a better life

Pihlajalinna provides high-quality social, healthcare and wellbeing services. The Group's comprehensive service selection includes general practitioner and medical specialist services, hospital services, occupational healthcare, social and healthcare outsourcing, fitness centre services, responsible doctor and remote consultation services as well as residential services and staffing services.

Pihlajalinna operates only in Finland and pays all of its taxes to Finland. The Group's head office is located in Kehräsaari, Tampere. Pihlajalinna has operations across Finland and a strong geographical position especially in Pirkanmaa, Central Finland, North Karelia and North Savo.

At the end of 2021, Pihlajalinna Group consisted of 28 (2020:30) subsidiaries, 2 (1) associated companies and 1 (1) joint venture. All Pihlajalinna subsidiaries are registered in Finland. The figures include companies that are jointly owned by Pihlajalinna and municipalities or joint municipal authorities. The joint venture model developed by Pihlajalinna, which involves the Group establishing a company with a municipality or joint municipal authority to provide public social and healthcare services, has become the prevailing practice in the tendering of social and healthcare services.

Pihlajalinna's share (PIHLIS) has been listed on Nasdaq OMX Helsinki since 2015. Pihlajalinna is 96.05% (95.33%) Finnish-owned. Pihlajalinna's largest shareholders on 31 December 2021 are presented in the adjacent table. Up-to-date information on Pihlajalinna's largest shareholders is available on the company's investor website at https://investors.pihlajalinna.fi/?sc_lang=en.

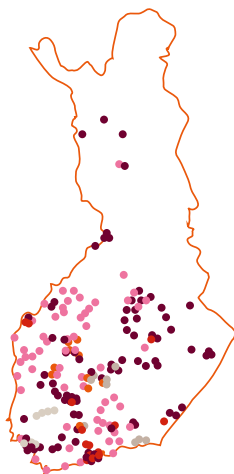
Five largest shareholders

	Shareholding
LocalTapiola General Mutual Insurance Company	15.40%
MWW Yhtiö Oy	10.20%
Fennia Mutual Insurance Company	8.80%
LocalTapiola Mutual Life Insurance Company	8.40%
Elo Mutual Pension Insurance Company	5.60%

Pihlajalinna's largest shareholders on 31 December 2021

Pihlajalinna's business locations in 2021

- Private clinic, hospital, dental clinic
- Social and healthcare outsourcing
- Residential service
- Fitness centre
- Responsible doctor service



Pihlajalinna's sustainability is visible to customers

The year under review was the second year of the COVID-19 pandemic. The pandemic has been reflected in Pihlajalinna's operations on a daily basis, requiring resilience and a high level of professionalism from our personnel. I want to thank all of our personnel and partners for their contribution to fulfilling our strategic mission of helping Finns to live a better life. We are committed to our mission even under the present difficult circumstances. We are continuing our development projects focused on improving customer service and the working conditions of our professionals in order to create better service for our customers and provide our personnel with the best possible working conditions. One example of these efforts is the development of a mobile application for employees and professionals. It enables them to carry out their duties efficiently and flexibly when working remotely.

In spite of the pandemic, Pihlajalinna's business development during the financial year was in line with the company's plans. At the beginning of July 2021, Pihlajalinna announced it would acquire the entire

share capital of Pohjola Hospital Ltd. In January 2022, the Finnish Competition and Consumer Authority (FCCA) unconditionally approved the combining of Pihlajalinna and Pohjola Hospital. The transaction was completed on 1 February 2022. In connection with the acquisition, we also signed a new five-year service agreement with Pohjola Insurance.

The acquisition of Pohjola Hospital and the new service agreement represent a key strategic pillar with regard to our goal of expanding our network of locations and our range of specialised healthcare services in all regions, especially in areas with high population density. We want to continue to work together with Finland's leading insurance companies to provide all Finns with high-quality services and quick access to care regardless of where they live. Care chains that include sports services and produce genuine health benefits, along with digital services and the prevention of illnesses, are the focus areas of our development efforts.

The sharpening of our vision, "We bring wellbeing to everyone", is reflected in the

At Pihlajalinna, we can look to the future with confidence. Our sustainable approach to Finnish healthcare provides us with a competitive advantage and the ability to prepare for future challenges.

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continued development of digital services compared to the previous year. Of all the customer appointments during the financial year, 39% (28%) were digital, excluding municipal outsourcing and COVID-19 testing services. Pihlajalinna has a strong focus on digitalisation in the development of personnel, the customer experience and operational performance. Digital services significantly improve the accessibility of services and bring more variety to the work of healthcare professionals. We expect the future development of digital services to continue to significantly improve Pihlajalinna's competitiveness, particularly as the national reform of health and social services begins.

An analysis of Pihlajalinna's occupational healthcare visits shows that the rate of sickness-related absences caused by reasons related to mental health per 1,000 employees have increased by 24 per cent compared to the previous year. Sickness-related absences associated with musculoskeletal disorders have increased by three per cent. During the year under review, we focused particularly on the development of care paths for these types

of ailments in our digital service development.

In early 2021, we launched the Mental Care (Mielen huoli) service on Pihlajalinna's remote channels to provide assistance and treatment for mental health issues at an early stage and with a low threshold. When people who suffer from mental health problems are referred to effective treatment in a timely manner, the outcome will be a decrease in prolonged sickness absences, permanent disability and human suffering as well as costs borne by the employer and society.

In the early summer 2021, we launched the Pihlajalinna Exercise Referral (Liikuntalähte) as part of our new service selection. The exercise referral is a comprehensive service that improves the customer's quality of life and is produced in partnership with our fitness centres. The foundation for this service concept lies in the scientific evidence on the benefits of physical activity on wellbeing and health. Timely intervention in musculoskeletal disorders through occupational physiotherapy, physiotherapy and – where necessary – surgical treatment also reduces

sickness-related absences and costs.

Pihlajalinna's third Uniikki special needs residential service unit was opened in Lohja in September. The first Uniikki unit was established in Hämeenlinna in 2018 and the second in Riihimäki in 2020. Pihlajalinna's Uniikki units are intended for people who have severe challenges with behavioural regulation or life management. We will also strengthen our network of private clinics by opening new private clinics in Lahti, Espoo and Vantaa in early 2022.

We started the development of Pihlajalinna's sustainability strategy in the autumn. One of the first public outcomes of this process is our sustainability report, which includes a materiality assessment of our impacts. This is Pihlajalinna's first sustainability report that is based on the GRI Standards reporting framework. We will continue to develop our reporting further and prepare for the revised reporting obligations arising from a Regulation issued by the European Commission. We also highlighted new sustainability priorities in our strategy-related efforts. With nearly 200 business locations, we have a

significant network of properties and operating locations, and we will increasingly focus on the environmental impacts of this network.

We know the world is going to change. While the COVID-19 pandemic will eventually end, it is certain that the world will never be the same. The breakthrough of digital services will change customer encounters in healthcare, for example. At the same time, the upcoming Finnish legislation governing social and healthcare services will lead to a reallocation of the healthcare market and the related resources. At Pihlajalinna, we can look to the future with confidence. Our sustainable approach to Finnish healthcare provides us with a competitive advantage and the ability to prepare for future opportunities and challenges.

JONI AALTONEN
CEO

Pihlajalinna's material sustainability topics

As part of the adoption of the GRI Standards reporting framework, a working group comprised of representatives of Pihlajalinna's management carried out Pihlajalinna's first GRI-compliant materiality assessment in December 2021. The assessment is based on interviews conducted in autumn 2021 to assess the company from a wide range of perspectives with the aim of identifying Pihlajalinna's key sustainability impacts and assess sustainability risks in Pihlajalinna's operations.

The most significant sustainability risks in Pihlajalinna's operations are related to patient safety and the processing of patient data. With regard to personnel, the most significant risks are related to work ability and the availability of labour. The availability and adequacy of skilled labour has also been identified at the national level as a challenge in the social and healthcare service sector. The assessment of Pihlajalinna's environmental impacts is still ongoing. However, due to the nature of the business, Pihlajalinna's operations are not expected to involve critical environmental risks. Risks related to bribery, corruption and human rights have been assessed to be low, as the Group operates only in Finland.

The materiality assessment also took into account stakeholder feedback and the stakeholder survey conducted in late 2019. The materiality assessment has been approved by the Group Management Team. The materiality assessment serves as the foundation for Pihlajalinna's future sustainability efforts, including the process of defining the company's sustainability strategy.

In the materiality assessment, 15 topics were identified as being significant with regard to the company's impact and stakeholder views. The topics were divided into three themes:

Responsibility for health and wellbeing

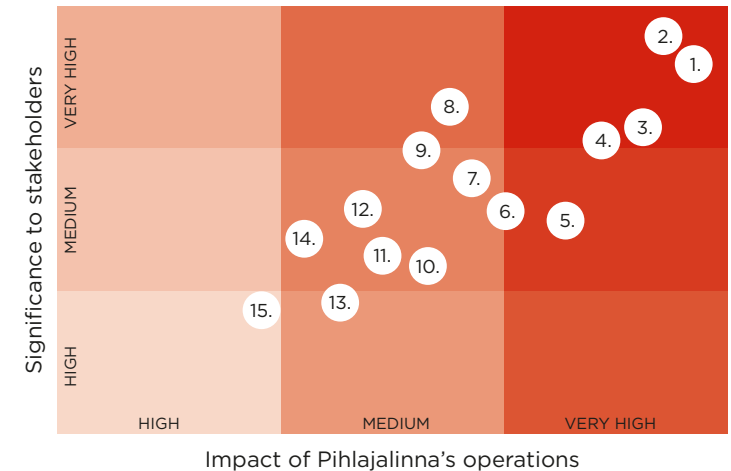
- Patient safety
- Effectiveness and quality of services
- Prevention of illnesses
- Service availability and accessibility
- Secure processing of patient data and personal data
- Uninterrupted operation of information systems

Sustainable business

- Ethics and integrity
- Economic value for society
- Equality and non-discrimination
- Sustainable procurement
- Environmental impacts
- Transparent communications and responsible marketing

Responsibility for personnel

- Occupational safety
- Employee wellbeing
- Competence development



Responsibility for health and wellbeing

1. Effectiveness and quality of services
2. Patient safety
5. Secure processing of patient data and personal data
7. Service availability and accessibility
8. Prevention of illnesses
12. Uninterrupted operation of information systems

Sustainable business

6. Ethics and integrity
10. Equality and non-discrimination
11. Economic value for society
13. Sustainable procurement
14. Transparent communications and responsible marketing
15. Environmental impacts

Responsibility for personnel

3. Occupational safety
4. Employee wellbeing
9. Competence development

Key stakeholders related to Pihlajalinna's sustainability

Pihlajalinna is part of the Finnish social and healthcare system. Their key stakeholders related to the company's sustainability include, in particular, the patients and customers whose health, wellbeing and quality of life are affected by Pihlajalinna's day-to-day operations. In addition, Pihlajalinna promotes the health and wellbeing of Finns by providing services to public and private sector customer organisations through outsourcing arrangements and occupational health-care, for example. The services cannot be produced without highly competent and motivated professionals. For Pihlajalinna's shareholders, the sustainable development of operations and open communications are part of ensuring the future success of the company's business operations. The nature of the industry also necessitates regular interaction with the public authorities.

Pihlajalinna engages in continuous dialogue with its key stakeholders to ensure that stakeholder expectations are met in the development of operations. The adjacent table shows Pihlajalinna's key stakeholders and channels of engagement.

Stakeholder	Channels of engagement	Key sustainability themes in 2021
Patients, family members of patients, consumers	Interaction during service provision, customer service channels, post-service surveys, customer satisfaction surveys, feedback channels, social media	High-quality and effective treatment and care, competent and professional healthcare personnel, diverse remote services, smooth appointment booking and service use
Customer organisations: municipalities, joint municipal authorities, hospital districts, parishes, the public administration, insurance companies, businesses	Personal interaction, customer service channels, customer satisfaction surveys	Clearly defined objectives and effective flow of information in cooperation, addressing data protection and information security in agreements
Personnel	Personal interaction, personnel briefings, development discussions, training and coaching, intranet, Pihlis Pulse personnel survey	Clear targets, implementation of team development discussions, development of leadership and supervisory work, enhancing collaboration in statutory employer-employee cooperation and the management of occupational wellbeing at various levels, occupational safety and health especially with regard to the COVID-19 pandemic and the threat of violence
Shareholders and investors	Regular reporting and disclosures, General Meetings, virtual Capital Markets Day, other events and meetings	Transparent and regular disclosure of information, active communications on the business impacts of the COVID-19 pandemic, development of sustainability and related reporting
Authorities	Cooperation, the authorities' service and interaction channels, reporting and communication	Operational compliance, active dialogue, effective information exchange regarding for example COVID-19 testing

Sustainable business

For Pihlajalinna, sustainable business means striving for good corporate citizenship. Operating ethically and sustainably is key to achieving the Group's strategic objectives. Pihlajalinna also creates economic value for society by producing efficient social and healthcare services, purchasing services and goods from local suppliers and paying all of its taxes to Finland.

Ethics and integrity

Pihlajalinna complies with the currently valid legislation, the orders issued by authorities and the rules and regulations concerning listed companies. The company has also documented its operating principles in a Code of Conduct.

The Code of Conduct covers topics such as workers' rights, bribery, conflicts of interest, political activities, fair competition and purchasing. According to the Code of Conduct, Pihlajalinna professionals may not, for example, give or receive gifts or other benefits that could influence business-related decisions, the authorities or officers representing public sector entities.

The Group Management Team is responsible for ensuring that the personnel is familiar with the Code of Conduct, and supervisors are responsible for adherence to the Code of Conduct. Pihlajalinna also requires its suppliers and partners to comply with the principles set out in the Code of Conduct.

Pihlajalinna's Code of Conduct is communicated to new supervisors as part of their induction training. The goal is for all Pihlajalinna professionals to have completed training on the Code of Conduct by the end of 2022.

The company's employees receive advice on issues related to the application of the Code of Conduct from their supervisor and the company's legal department. Violations of the Code of Conduct must be reported to the supervisor, the supervisor's supervisor or Pihlajalinna's legal department without delay. Reports of misconduct can also be submitted anonymously through Pihlajalinna's whistleblowing channel.

Pihlajalinna's whistleblowing channel is an independent reporting channel for employees and external parties to report suspected violations of regulations or the Code of Conduct. All reports are processed appropriately and confidentially in accordance with the provisions of the Finnish legislation concerning the protection of whistleblowers, ensuring that there are no adverse consequences for whistleblowers. In the first instance, whistleblower reports are forwarded to the company's legal department. Violations of the Code of Conduct lead to a discussion with the supervisor and, where necessary, other disciplinary action. No reports concerning Code of Conduct violations were received via the whistleblowing channel in 2021.

Incidents and legal action

	2021	2020
Incidents of corruption or bribery	0	0
Violations of competition law	0	0
Fines or penalties for violating environmental regulations	0	0
Fines or penalties for violating laws and regulations pertaining to social and economic responsibility	0	0

Equality and respect for human rights

Pihlajalinna respects internationally recognised human rights and equality. Pihlajalinna does not condone discrimination based on employees' and practitioners' origin, nationality, religious beliefs, ethnicity, gender, age or any other such factor.

Pihlajalinna applies an operating model aimed at the prevention of inappropriate conduct. Accordingly, all forms of harassment or inappropriate treatment of employees are prohibited. Supervisors are under an obligation to address inappropriate conduct or harassment immediately after being informed of the issue. Where necessary, the occupational safety and health delegate, occupational safety manager, shop steward and occupational healthcare provider can also support the workplace and individual employees in situations involving inappropriate conduct.

In 2021, legal action was taken against Pihlajalinna in one incident involving alleged discrimination. Pihlajalinna believes the allegation is unfounded.

Pihlajalinna complies with the applicable employment legislation and collective agreements. The remuneration of the personnel is based on the competence of each employee and adherence to the principles of equal treatment. In jobs covered by collective agreements, remuneration is based on the wage categories stipulated by the applicable agreement. Remuneration also takes into account job-specific responsibility premiums, years of experience and the job location's cost of living category. Gender is not a factor in remuneration under any circumstances. The remuneration of senior salaried employees is determined by the demands of the job and the individual's competence, experience, performance and results.

Pihlajalinna reports on the remuneration of the Group's management in the financial statements in Note 30 Related party transactions – Employee benefits of the management. As regards the Board of Directors and the CEO, Pihlajalinna publishes a separate Remuneration Report in connection with the publication of the Annual Report.

The remuneration of the CEO and other senior management is the responsibility of the People Committee, which is composed

of members of Pihlajalinna Plc's Board of Directors. Its duties also include the preparation of matters concerning the Group's other potential remuneration systems.

In accordance with Pihlajalinna's equality and non-discrimination plan, a balanced gender distribution is sought in the composition of the Board of Directors and the Management Team of the Group's parent company. In 2021, the Board of Directors had six members, three of whom were women. Of the eight members of Pihlajalinna's Group Management Team, four were women and four were men.

Transparent communications and responsible marketing

As a provider of social and healthcare services and a listed company, Pihlajalinna places a high priority on transparent, timely and reliable stakeholder communications. The cornerstones of Pihlajalinna's marketing and communications are professionalism, reliability, truthfulness and up-to-date medical knowledge. Pihlajalinna's employees working in the field of communications and marketing are subject to, for example, the laws and guidelines governing the communications and disclosures of listed companies, the Guidelines for Journalists published by the Council for Mass Media, and the regulations and guidelines governing the marketing of medicines and healthcare services.

The objectives of Pihlajalinna's communications include, for example, ensuring that social and healthcare services will continue to be produced in a humanely and economically sustainable manner in Finland in the future. Pihlajalinna also distributes information on topics of importance to society, and encourages its employees to do the same. However, communication may not jeopardise the privacy of customers or employees, data protection or the security of services. To this end, the Group has employee guidelines regarding interaction with the media and the use of social media. The Group also has crisis communication guidelines.

Pihlajalinna strives to always provide customers with appropriate information on the services included in a given price and to communicate changes in services and pricing in a timely manner. Pihlajalinna also ensures that customers have access to information on the appropriateness, benefits and risks of treatment and medical procedures.

Environmental impacts

Pihlajalinna is a significant part of the Finnish healthcare system and its service network spans the entire country. With nearly 200 operating locations, the significance of the Group's environmental responsibility has increased. In Pihlajalinna's operations, environmental impacts arise from energy consumption, carbon dioxide emissions and waste.



Pihlajalinna will start the development of environmental management systems in 2022. The aim of the process is to apply for ISO 14001 certification for selected business functions.

Due to the nature of the company's operations, Pihlajalinna's carbon intensity is low. Energy consumption is mostly related to heating, air conditioning, equipment and lighting. The Group has made the decision to switch to zero-emission electricity in 2022. The purchasing of zero-emission electricity is an important part of managing Pihlajalinna's climate impacts.

Over the past two years, a significant share of Pihlajalinna's patient consultations have moved to digital channels. Customer contacts via remote service channels reduce indirect climate emissions by reducing customer and employee traffic to the company's business locations.

Most of the properties where Pihlajalinna operates are owned by other parties, which makes it challenging to measure the

volume of waste. To estimate its waste volume, Pihlajalinna will start a pilot project in 2022 at a property where Pihlajalinna's operations account for a significant share of the entire property's waste volume.

In the social and healthcare sector, disposable products used in patient treatment represent a significant proportion of waste. Patient safety considerations limit the opportunities to reduce the amount of waste generated. Consequently, the appropriate sorting of waste is important, and Pihlajalinna ensures that all of its operating locations have waste sorting instructions and the necessary waste collection containers. Hazardous waste can be divided into four categories: infectious waste, injurious waste, ethical waste and other hazardous waste. For example, medicines at Pihlajalinna's operating locations that have not been used, are expired or whose use is prohibited, are returned to the unit's medicines centre, a pharmacy or waste disposal.

Economic value added and distributed

EUR 1,000	12/2021	12/2020
Economic value added		
Revenue and other operating income	581,102	510,074
Distribution of economic value added		
Operating cost	280,990	261,280
Employee wages and benefits	256,991	216,795
Payments to providers of capital	8,897	4,672
Payments to government	2,596	3,746
Donations	196	252
Economic value retained for the development of operations	27,446	18,817

Pihlajalinna's tax footprint

EUR million	2021	2020
Direct tax payable for the period		
Income tax	5,290	4,161
Employer's pension contributions	35,344	27,009
Social security contributions	3,214	2,451
Employer's unemployment insurance contributions	3,507	2,544
Contribution to accident insurance and group life insurance	1,648	1,332
Employer contributions, total	43,713	33,337
Property taxes	131	91
Transfer taxes	367	356
Direct tax payable for the period, total	49,500	37,944
Value added tax of goods and services paid by the company		
Value added taxes, estimate	14,315	11,311
Tax for the period		
Withholding taxes	48,010	43,254
Employee pension contributions	15,755	13,697
Employee unemployment insurance contributions	2,897	2,239
Payroll tax, total	66,662	59,190
Net value added tax	1,417	1,912
Total tax for the period	68,079	61,101
Tax footprint	131,894	110,356

Pihlajalinna uses a significant amount of rental textiles, such as work clothing, sheets and carpets. The environmental impacts of washing these textiles are reduced by avoiding chemical washing whenever possible.

Economic value for society Direct economic impacts

Pihlajalinna's operations generate economic added value in Finland, especially in the regions of Pirkanmaa, South Ostrobothnia and Central Finland. The most significant direct economic impacts arise from procurement and the remuneration of employees and practitioners. Of the goods and services purchased by Pihlajalinna, 99.8% were purchased from Finnish companies. The Group pays all of its taxes to Finland, and its operations also have significant local economic impacts, especially in the municipalities where Pihlajalinna is responsible for the complete outsourcing of public services.

Tax responsibility and tax footprint

Pihlajalinna's parent company and all of its subsidiaries are registered in Finland. Consequently, there is no cross-border tax planning involved in Pihlajalinna's operations. Pihlajalinna is 96.05% (95.33%) Finnish-owned.

Open communication is a key aspect of Pihlajalinna's tax responsibility. Tax footprint reporting is an established practice at Pihlajalinna. The Group has reported its tax footprint in connection with its annual reporting since 2016. Pihlajalinna openly responds to enquiries concerning its tax

responsibility as well as stakeholders' information needs, and the Group contributes to increasing the transparency of tax responsibility in the social and healthcare sector.

Pihlajalinna complies with Finnish legislation and practices in the collection, remittance and payment of taxes and tax-like charges. In accordance with Pihlajalinna's principles, taxes are remitted and paid in a timely manner and in the correct amounts, and the Group does not participate in artificial arrangements put into place purely for tax-related reasons.

Pihlajalinna's tax footprint illustrates the taxes and tax-like charges paid to society for the Group's operations. In 2021, Pihlajalinna's operations generated a total of EUR 131.9 (110.4) million in payments to society. A large proportion of Pihlajalinna's tax footprint consists of salary taxes, namely withholding taxes and employer's contributions. In addition, Pihlajalinna paid a total of EUR 73.0 (71.9) million in fees to practitioners, for which the practitioners themselves pay the taxes involved. Corporate income tax represented EUR 5.3 (4.2) million of Pihlajalinna's tax footprint.

Positive economic impacts on municipalities

Under the joint venture model developed by the company, Pihlajalinna establishes a joint venture with the municipality or joint municipal authority in question, with Pihlajalinna owning a majority stake and the municipality or joint municipal authority owning the remaining share. Pihlajalinna currently has a joint venture providing public social and healthcare services with

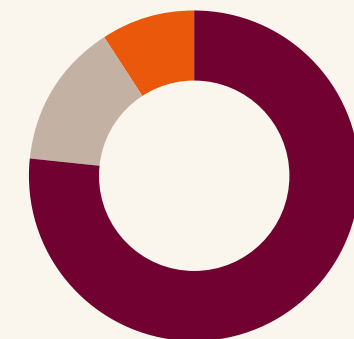
five different municipalities or joint municipal authorities. In addition, Pihlajalinna and the Hospital District of Central Finland jointly own Jokilaakson Terveys Oy, which is a hospital providing specialised care.

The joint ventures have significant direct impacts on the economy and regional well-being of the participating municipalities. The joint ventures are domiciled in the partner municipality, which means that the municipalities or joint municipal authorities involved receive a share of the joint venture's profits in the form of corporate income taxes. The joint ventures support the vitality of the local economy by employing people in social and healthcare services locally and by purchasing goods and services from local businesses.

Sustainable social and healthcare services are also efficient. Municipalities' limited resources and collective tax revenue need to be converted into the highest possible amount of wellbeing. The model developed by Pihlajalinna for municipal services is based on keeping people as healthy as possible through prevention, quick and effective primary care as well as immediate specialised care available locally. This reduces the need for expensive specialised care.

Pihlajalinna has studied the impacts of its operating model on the partner municipalities in primary care and in social and healthcare services for the elderly. Under Pihlajalinna's operating model, the annual increase in per capita costs has been slower than in the municipalities in the comparison group and, during the five-year evaluation period, the costs have even decreased. At the same time, service availability has improved and customer satisfaction has been high.

Procurement



Purchases of services	76%
Facility expenses	14%
Materials, supplies and goods	9%

Services and products purchased from local businesses

JÄMSÄN TERVEYS
EUR 758,392.35

JOKILAAKSON TERVEYS
EUR 113,278.27

MÄNTÄNVUOREN TERVEYS
EUR 2,392,945.70

KUUSIOLINNA TERVEYS
EUR 2,394,283.99

KOLMOSTIEN TERVEYS
EUR 461,864.24

Responsibility for health and wellbeing

Pihlajalinna's mission is to help people to live a better life. With this in mind, Pihlajalinna develops services that are focused on keeping people healthy and effective treatment of diseases.

The provision of social and healthcare services must comply with the applicable laws and regulations and be based on empirical evidence and good treatment practices. Pihlajalinna aims to ensure regulatory compliance, high quality, safety and effective treatment in all of its operations every day. Patient safety and the secure processing of patient and personal data are basic preconditions for the company's operations.

In 2021, Pihlajalinna's clinical management organisation was strengthened and a strategy effort focused on clinical quality and effectiveness was initiated. The aim is to identify the most significant aspects of quality and effectiveness with regard to Pihlajalinna and its customers, and to purposefully pursue goal-driven development in these areas in 2022.

Quality and patient safety

Pihlajalinna's quality-related efforts are based on compliance with legislation, instructions issued by the public authorities and official treatment recommendations. In addition, healthcare professionals are required to observe the relevant ethical and operational principles in their work.

Pihlajalinna has a Group-wide quality policy that guides activities related to quality and safety. Pihlajalinna's private clinics, hospitals, dental clinics and residential services use an ISO 9001:2015 certified quality management system. Among Pihlajalinna's municipal companies, departments 2 and 4 of Jokilaakso Hospital have an ISO 9001 quality management certificate.

Responsibility for the quality of Pihlajalinna's social and healthcare services is borne by Pihlajalinna's Medical Director, Quality Director, Medical Management Team and the Regional Directors in charge of healthcare services. At the unit level, responsibility for quality management and the supervision of operations and procedures is borne by the physician in charge, designated for each operating location, and the other persons in charge of the operating location. At the same time, quality is everyone's responsibility at Pihlajalinna.

The professional competence of the personnel is the foundation of quality and patient safety. The professional qualifications of employees are verified during recruitment, and all new employees are trained for their duties in accordance with an induction training programme. Pihlajalinna also actively develops the professional competence of the personnel. For example, weekly location-specific training is provided for doctors on current medical topics. More: Personnel, competence development

Pihlajalinna's quality management is based on comprehensive self-monitoring. The Group monitors the operating practices of its units as well as their compliance with operating guidelines, rules and regulations in accordance with the self-monitoring plan. All business locations are also audited on a regular basis.

Self-monitoring makes it possible to quickly identify and address risks related to quality or safety. All business locations have a reporting system for the personnel to report any observed deviations. Customers report any problems they observe either directly to the personnel or through Pihlajalinna's feedback systems. Reports, feedback and deviations are processed locally as a rule and, where necessary, at the Group management level and in cooperation with the authorities. For all deviations, the root causes are analysed and the necessary actions are determined to prevent the problem from recurring.

Pihlajalinna continuously monitors and evaluates quality and patient safety. Results, targets and the progress of the measures taken are regularly monitored in management reviews, in management teams and in unit meetings. The realisation and development of patient safety is evaluated by measuring, for example, deviations, infection rates, patient injury notifications and the decisions of the Patient Insurance Centre.

Pihlajalinna monitors the number of pa-

tient injury notifications and the decisions of the Patient Insurance Centre solutions in private services and municipal joint ventures. In 2021, the Patient Insurance Centre issued a ruling on seven patient injury notifications concerning Pihlajalinna, and found that none of the seven cases constituted a compensable injury.

To improve patient safety, Pihlajalinna pursues continuous improvement of practices related to treatment safety, equipment safety and medication safety. For example, with regard to equipment safety, the administration of the equipment register was revised in 2021 and the entire equipment register was inspected as part of that process. With regard to medication safety, an internal audit found deficiencies in the documentation used in induction training for pharmaceutical treatment. A new induction training form was implemented in response to this observation.

Patient safety indicators

	2021
Complaints	16.34*
Official complaints	0.39*
Patient injury notifications	0.08*
Patient injuries**	0 shares
Total number of appointments	1,267,010

The number of appointments, complaints, official complaints and patient injury notifications include Pihlajalinna's private healthcare services

(private clinics, private hospitals, occupational health centres and dental clinics) and cases that occurred in those services and which the Group was informed of. The Group does not necessarily receive information about complaints, official complaints or patient injury notifications related to the operations of practitioners working at Pihlajalinna's clinics.

* The number of complaints, official complaints and patient injury notifications is expressed per 100,000 appointments. Since January 2021, it has also been possible to submit complaints via Pihlajalinna's website.

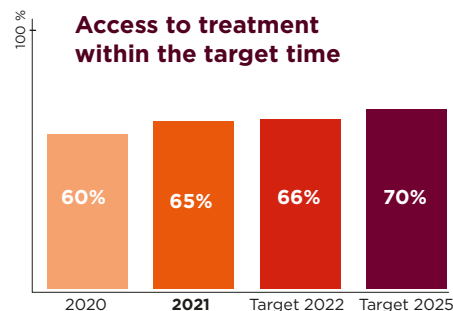
**The figure for patient injuries reflects the number of compensable injuries according to decisions issued by the Patient Insurance Centre in 2021.

Clinical quality and effectiveness

Pihlajalinna's network of private clinics included seven hospital units in 2021. The network also includes Jokilaakso Hospital in Jämsä, which provides public specialised care services to all Finns under the freedom of choice system. Approximately 13,000 surgeries were performed at Pihlajalinna in 2021. The services include orthopaedic, plastic, gastric, gynaecological and eye surgeries, for example.

The objective of Pihlajalinna's surgical operations is to implement a quick and high-quality chain of care, enabling quick recovery and rehabilitation for patients who have suffered an accident or otherwise require surgery. The aim is for the customer to be able to return to work as quickly as possible after the accident or surgery. Pihlajalinna continuously monitors and develops the chain of care in surgical operations. Access to treatment, the

duration of sick leave and rehabilitation are monitored with the Pihlajalinna Care tool, which has been developed for this purpose. It makes it possible to address deviations and comprehensively develop the operations.



Access to treatment within the target time reflects the share of accident insurance customers who have been diagnosed as being unable to work and require surgical treatment and for whom the first available surgery appointment is within five weekdays of the insurance company's payment commitment being delivered to Pihlajalinna. The scope of the indicator covers surgery customers who have been deemed medically fit for surgery and who receive compensation under an employer's statutory occupational accident insurance, an employer's leisure time accident insurance or motor liability insurance.

Access to treatment within the target time is an important indicator of the effectiveness of Pihlajalinna's surgical operations and chain of care for accident insurance customers. Pihlajalinna has set a target time of five weekdays for access to surgical procedures for customers who are unable to work. Pihlajalinna performed

well in 2021 with regard to the objective of providing quick surgical treatment to customers who are unable to work: the first available surgery appointment was in line with the target for 65% (60%) of customers.

With regard to patient safety in surgical operations, Pihlajalinna monitors the number of deep infections in the surgical area, among other things. The number of surgery-related infections has remained low. In 2021, the rate was 0.09%, with the national target being less than 2%.

Remote services and new treatment models

Pihlajalinna improves the availability and accessibility of its services by introducing new service innovations and by developing digital services in particular. In recent years, Pihlajalinna has significantly expanded the range of remote services offered by private clinics, occupational healthcare services and municipal joint ventures. In 2021, 39% (28%) of Pihlajalinna's appointments, excluding municipal outsourcing and COVID-19 testing, were conducted remotely. Remote services help equalise regional differences in service provision and have enabled the flexible and safe use of services during the COVID-19 pandemic.

Pihlajalinna continuously develops pathways of care that take advantage of new remote services and digital care models. One example of the results of these development efforts is Pihlajalinna's eDiabetes service. Having been in use for approximately two years, it was made available to private customers in 2021. The eDiabetes service is based on using video for cus-

tomers consultations, enabling diabetes patients to benefit from the care of an experienced diabetes doctor and diabetes nurse on a location-independent basis. Customer satisfaction with the service has been excellent.

In 2021, Pihlajalinna launched a new Weight Management Clinic service that is available remotely throughout Finland. It is a lifestyle guidance service delivered over multiple appointments, with specialist doctors, weight management nurses and other experts from the Weight Management Clinic team supporting the customer with comprehensive and systematic weight management. In 2021, Pihlajalinna also worked on developing a new service concept based on a similar model for the comprehensive treatment of cardiovascular disease, led by an experienced cardiologist.

Investments in preventive healthcare

The prevention of illness is in everyone's interest and helps reduce costs in the long term. With this in mind, Pihlajalinna has invested in preventive and proactive healthcare and wellbeing services that can help reduce prolonged sickness-related absences, permanent disability and human suffering as well as costs to the employer and, ultimately, to society.

Focusing on prevention is a key objective for Pihlajalinna, especially in occupational healthcare. This is monitored on a vocational group-specific basis at Pihlajalinna. The minimum target set by Pihlajalinna for the share of preventive

NET PROMOTER SCORE (NPS)

PRIVATE CLINICS

+75(+74)

DENTAL CLINICS

+85(+85)

MUNICIPAL COMPANIES

+70(+69)

HOSPITALS

+91(+90)

TELEPHONE SERVICES

+67(+65)

HEALTH APPLICATION

+73

The total amount of feedback received in 2021 was 121,818 (81,582). Net Promoter Score (NPS) is expressed in a range of -100 to +100.

work in the invoicing of occupational health physicians is 60 per cent. Thanks to systematic monitoring and actions, the share of preventive work has increased from one year to the next: in 2021, the share of preventive work performed by occupational health physicians was 55.8%, up from 49.4% in 2020.

Pihlajalinna also develops its preventive healthcare services. In early 2021, Pihlajalinna launched an Exercise Referral concept in its private clinics. There is a wealth of scientific evidence of the importance of exercise to general wellbeing and the treatment of many illnesses. In spite of this evidence, exercise services in Finnish society are almost entirely separate from healthcare. The Pihlajalinna Exercise Referral is a direct referral made by a physician to refer a customer to Pihlajalinna Group's Forever fitness centres. The referral can be issued by an occupational health physician or a diabetes doctor, for example. Based on the referral, a personalised exercise programme is created for the customer, taking into account their current health status. The programme supports the customer in health-related challenges and

life management. The customer is supported in their exercise programme with high-quality physiotherapy and personal trainer services. The early experiences of the Exercise Referral concept have been very positive.

In summer 2021, Pihlajalinna launched Mental Care (Mielen huoli), a low-threshold service for mental health issues. The aim is to provide treatment to the customer at an early stage, before the problems accumulate, become chronic and lead to disability. The services of Pihlajalinna's Sleep Clinic are developed according to the same principle: seeking treatment early and with a low threshold reduces the duration of symptoms and improves quality of life.

Actively involved in managing the COVID-19 pandemic

The COVID-19 pandemic changed our lives and Finnish healthcare in 2020 and 2021. Pihlajalinna has been actively involved in providing services to combat the pandemic. Pihlajalinna started offering PCR testing for COVID-19 as soon as the pandemic reached Finland in spring 2020.

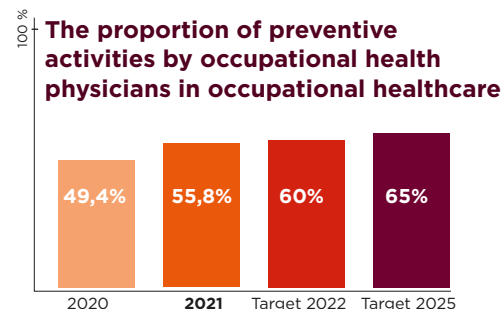
Pihlajalinna produces COVID-19 testing services for private customers, occupational healthcare customers and also as a partner to public healthcare at a significant volume. In 2021, Pihlajalinna also served as a COVID-19 testing partner for the Finentry service coordinated by Helsinki University Hospital, helping ensure health security with regard to people entering Finland from abroad. In addition to COVID-19 testing, Pihlajalinna has also

produced health advisory services at seaports. In addition to COVID-19 testing and health advisory services, Pihlajalinna started offering COVID-19 vaccinations in 2021 as a partner to occupational healthcare and public healthcare.

Customer satisfaction

Pihlajalinna aims for an excellent customer experience in all service channels and at all business locations. Pihlajalinna uses the Net Promoter Score (NPS) to measure the customer experience. NPS is expressed in a range between -100 and 100. For 2022, Pihlajalinna has set a target of 74 for the weighted NPS of all of the Group's operations. For 2025, Pihlajalinna has set a target of 80. Progress towards the target was made in 2021, with the NPS of Group's services as a whole improving slightly compared to 2020. The NPS for the Group's services as a whole was 72.5 (70.4).

The systematic collection and processing of customer feedback enables Pihlajalinna to develop services, processes and operating models according to the customers' wishes. Feedback is requested by text message from all customer groups after each interaction with the contact centre, private clinics, dental clinics and hospitals. Customer feedback is also collected in treatment and service situations and through a website feedback form. Feedback is also received from direct contacts and through social media, for example. Feedback on customer service situations is also collected from the personnel in accordance with Pihlajalinna's feedback process.



The responses to open-ended feedback questions highlight the significant role played by nursing staff in creating a positive customer experience. Pihlajalinna's customers appreciate the friendliness, professionalism and people skills of the company's personnel. The most critical feedback concerned delays and waiting. Themes related to booking and cancelling appointments were highlighted as a development area in the feedback.

Data protection and managing information security

At Pihlajalinna, the purpose of data protection and the management of information security is to ensure the secure processing of patient data and personal data as well as the protection of the privacy of patients, customers and the company's personnel. A further goal of information security management is the prevention of disruptions in the functioning of critical

information systems that could endanger service functionality or availability.

The processing of patient data and other health-related personal data is highly regulated and subject to special diligence. In processing personal data, patient data and social services customer data, Pihlajalinna complies with the European Union's General Data Protection Regulation (GDPR), the currently valid national legislation and the guidelines issued by the authorities.

The Group's information security principles are documented in Pihlajalinna's data protection and information security policy. Pihlajalinna's information security principles are reviewed regularly, at least once a year. Pihlajalinna's suppliers and external service providers are also required to commit to compliance with the information security standards defined by Pihlajalinna.

Information security throughout the Group is managed on a centralised basis. The person in charge of data protection is Pihlajalinna's Medical Director, who appoints the company's data protection officers. Information security is managed by Pihlajalinna's Chief Information Officer, the director in charge of information security and the information security officer.

Data protection and information security are an important part of Pihlajalinna's ISO 9001 certified quality management system. In addition, among Pihlajalinna's businesses, Pihlajalinna Dextra has been awarded the ISO/IEC 27001 information security management certificate.

Pihlajalinna takes into account the continuously increasing information security requirements in its operations as the provision of digital services grows. The Group develops and improves information security by means of up-to-date and secure methods, such as strong authentication practices, external monitoring and continuous testing. Pihlajalinna also has contingency plans for exceptional circumstances and these plans are continuously developed.

Data protection risks are assessed and analysed on a regular basis. The regular assessment of information security risks is continuously developed, and risks are always addressed in the new system specification phase and in connection with significant changes. Information security requirements are also reviewed in connection with changes to external services. Pihlajalinna's information security is continuously monitored with the help

of technical information security hardware and software, and on a 24/7 basis by an independent external partner (Security Operations Center SOC). In addition, separate information security inspections and tests are carried out on critical system environments, and development actions and corrective measures are taken as needed. Data protection and information security are also monitored by means of internal and external audits.

Customers can report suspected data protection or information security deviations through feedback systems or directly to the personnel. Pihlajalinna has a reporting system that employees at all business locations can use to report any observed deviations in data protection and information security. All information security deviations are investigated without delay, and decisions are made on the necessary measures. Pihlajalinna reports data protection deviations to the data protection authorities in accordance with the GDPR.

All Pihlajalinna professionals are required to complete general training on data protection, including a test. Employees who process patient data are also required to pass a test on patient data and its processing. The Group administration ensures that the guidelines pertaining to data protection and information security are up-to-date and provides training and support to supervisors on matters related to data protection and information security as well as their implementation at the unit level. Compliance with the operating guidelines concerning data protection and information security is monitored in internal audits.

Pihlajalinna's information security indicators

	Target	2021	2020
Number of intrusion attempts	0	0	0
Number of detected viruses and malware programs	Computers are free of viruses and malware programs	61 automatically removed viruses 81 automatically removed malware programs	72 automatically removed viruses 98 automatically removed malware programs
Volume of junk mail	Less than 1% of junk mail gets through	Target achieved	Target achieved
IT security updates are completed	All IT security updates are installed within 24 hours from the release	85% of updates are installed within one week from the release	80% of updates are installed within one week from the release

Responsibility for personnel

Pihlajalinna wants to be the first choice among professionals in its industry. The goal is an excellent employee experience. Pihlajalinna achieves this by treating its professionals equally and fairly, by creating a framework for personal and professional growth and by continuously developing the work community, leadership and occupational safety. At Pihlajalinna, everyone has a good opportunity to influence their own work and to be heard. Pihlajalinna builds open and trust-based relationships with personnel representatives and respects trade union activities.

In 2021, Pihlajalinna had 6,297 (5,550) employees and 1,070 (1,056) practitioners. The departure turnover of employees was 16.2% (11.1%).

Employee engagement and feedback

Pihlajalinna actively listens to the company's personnel. Pihlajalinna carries out a quarterly Pihlis Pulse personnel survey. It is an important tool for assessing, monitoring and developing the work community and its operating methods as well as dialogue between the personnel and supervisors. The results of Pihlis Pulse surveys are discussed in team meetings.

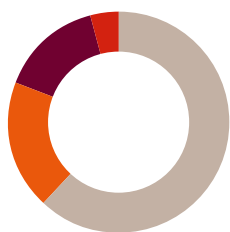
Pihlis Pulse consists of five indicators: perceived work ability, supervisory work, opportunities for influence, team cohesion and competence, with the latter being introduced as a new indicator in February 2021. The response rate of the Pihlis Pulse surveys was 42 (40) per cent in 2021.

Pihlis Pulse also measures the employee experience by means of the eNPS (employee Net Promoter Score) indicator, which is expressed in a range of +100 to -100. Pihlajalinna has set an eNPS target of +5 for the Group's operations as a whole in 2022. The corresponding eNPS target for 2025 is +15. In 2021, the eNPS for the Group's operations as a whole was +1 (2020: -4). The Group's eNPS excluding comprehensive and partial outsourcings in 2021 was +15 (2020: -0.5) and the eNPS of the Group's comprehensive and partial outsourcings in 2021 was -14 (2020: -7).

The views and opinions of the practitioners who work for Pihlajalinna are monitored by means of a survey aimed at practitioners as well as regular practitioner evenings.

Pihlajalinna respects its employees' right to unionisation and develops cooperation based on trust and openness with employee representatives. Pihlajalinna's Kimpassa ("Together") cooperation organisation covers the entire Group and empowers employees to exercise influence on their jobs and working environments. Its members include elected employee representatives, occupational safety and health delegates and Kimpassa representatives selected by the personnel. The aim of the activities is to create a coherent company culture, develop dialogue based on trust and openness as well as respond to the statutory requirements concerning employer-employee cooperation. Employer-employee cooperation

Professional groups



Nursing staff	62%	(60%)
Other personnel	19%	(21%)
Administration	4%	(4%)
Doctors	15%	(15%)

Age distribution



Under 30 years	22%	(23%)
30-50 years	46%	(45%)
Over 50 years	32%	(32%)

Personnel structure

	2021	2020
Gender		
Female	86%	87%
Male	14%	13%
Employment relationship		
Full-time	49%	50%
Part-time	17%	16%
On-call personnel	34%	34%
Employment contract		
Valid indefinitely	72%	72%
Fixed-term	28%	28%

Accidents

	Number and frequency	
	2021	2020
Fatal accidents	0 / -	0 / -
Accidents resulting in serious injury*	0 / -	1 / 0.15
Serious occupational accidents**	5 / 0.68	7 / 1.06
All workplace accidents	359 / 49	363 / 55
Hours worked	7,385,181	6,629,923

The frequency figures are calculated per 1,000,000 hours worked. The figures presented in the table reflect accidents at work that involved persons who are in an employment relationship with Pihlajalinna. Commuting accidents between the home and the workplace are not included in the figures.

* Accidents resulting in serious injury are accidents from which the employee cannot recover to the state of health they had before the accident, or from which the employee does not recover, or is not expected to recover, to the state of health they had before the accident within six months of the accident.

** Accidents at work resulting in an absence of at least 30 days.

also takes place locally in the cooperation groups of joint ventures, which meet on a regular basis.

High-quality supervisory work

High-quality supervisory work plays an important role in the day-to-day management and development of the Group's personnel and units. Internal training and coaching activities offered to supervisors are Pihlajalinna's most important tool for supporting the performance and development of supervisors. The training and coaching activities focus on topics such as the supervisor's tasks and responsibilities during the employment lifecycle, using a coaching-oriented and participatory approach as well as the management of wellbeing at work and work ability.

Supervisors are also offered training activities in cooperation with educational institutions, leading to a vocational qualification in first-level management. In 2021, approximately 30 Pihlajalinna supervisors started studies aimed at the qualification.

Supervisors have the opportunity to receive feedback on their performance through 360-degree evaluations and the Pihlis Pulse survey, for example.

Competence development

Pihlajalinna develops the competence of its personnel to ensure that the Group has highly competent, professional and motivated personnel. Pihlajalinna provides

its personnel with equal opportunities for training and competence development.

All Pihlajalinna employees are within the scope of annual development discussions. Development discussions at Pihlajalinna involve two parts: a "Key to Success" team discussion and a brief one-to-one discussion between the supervisor and the employee. The employee's job description is reviewed in the development discussion, and our recommendation is that an individual competence development plan should be drafted for each employee. The aim of the development discussions is to motivate teams and strengthen their collective understanding of the team's purpose and objectives as well as its development areas and related actions. The discussions are also aimed at ensuring that each team member has the necessary competencies and conditions for success at their work.

Pihlajalinna supports the professional specialisation of healthcare personnel. The physicians employed by Pihlajalinna can undertake specialisation training in, for example, general medicine, occupational healthcare and geriatrics as well as required training in areas related to their specialisation. Pihlajalinna also supports the competence and professional development of employees through various internal and external training activities and by supporting the professional specialisation and degree studies of the employees.

Pihlajalinna also has an online learning environment for personnel. Pihlajalinna Academy offers weekly updated content to support competence development, such as general and professional induction training, remote lectures on medical and occupational healthcare-related topics, systems training and independent study material on a wide range of topics. Pihlajalinna Academy is also a key tool in the development and training of supervisors at Pihlajalinna.

Occupational safety

At Pihlajalinna, the management of occupational safety is aimed at maintaining a healthy and safe working environment and the effective prevention of accidents. Pihlajalinna seeks to continuously reduce occupational accidents through the systematic improvement of operations. Pihlajalinna manages occupational safety impacts as part of an occupational safety and health organisation that covers all of the Group's activities.

The management of occupational safety and health risks aims to identify work-related hazards, risks and adverse effects, and to systematically eliminate or reduce these. Working environment risks are assessed by Pihlajalinna's units in two-year intervals at a minimum and whenever significant changes happen. The significance to health of the identified risks is also assessed in workplace surveys conducted



GROUP, EXCLUDING
COMPLETE AND PARTIAL
OUTSOURCINGS

eNPS 2021:
+15
(2020: -1)

COMPLETE AND
PARTIAL OUTSOURCINGS

eNPS 2021:
-14
(2020: -7)

Pihlajalinna uses the international eNPS (Employee Net Promoter Score) index to measure the employee experience. The eNPS index is expressed in a range of +100 to -100.

by the occupational healthcare function. These are carried out in five-year intervals at a minimum and whenever significant changes are made.

Pihlajalinna has an occupational safety and health action plan based on risk assessments. The action plan sets out responsibilities and performance indicators related to occupational safety. Drafting an occupational safety and health action plan is a legal requirement, and the action plan is reviewed annually. Pihlajalinna's local occupational safety and health committees also prepare local action plans and set local occupational safety targets.

Workplace occupational safety practices and the employees' occupational safety obligations are always covered with the personnel during induction training. The Group administration develops collective operating guidelines and procedures related to occupational safety and supports supervisors in their unit-level implementation through communications and supervisor training.

Monitoring the working conditions and ensuring safety is every employee's responsibility. Pihlajalinna has a reporting system for the personnel to report any occupational safety deviations they observe. Employees are encouraged to actively report their safety-related observations. Identifying deficiencies and areas requiring improvement is an important aspect of developing occupational safety and pre-

venting accidents. The number of reported safety observations has increased over the past few years. In 2021, the number of reported safety observations at the Group level rose to 1,850, compared to 1,564 in 2020. Reported safety observations are always investigated locally in the unit and discussed by teams. The Group's HR administration also monitors the number of reported safety observations and their processing times.

Pihlajalinna's total number of occupational accidents decreased slightly in 2021. A total of 359 workplace accidents were reported at Pihlajalinna in 2021 (2020: 363). The number of serious accidents that resulted in an absence of more than 30 days remained low: only 5 serious accidents were reported in the Group as a whole during the year (2020: 7). The most common causes of accidents were falling, slipping and the unexpected presence of a customer.

17% of the accidents were related to a situation involving violence. Pihlajalinna strives to improve operating models and security arrangements to manage the threat of violence. Managing the threat of violence was also a special theme of Pihlajalinna's Occupational Health and Safety Day in 2021.

Employee wellbeing

Pihlajalinna cares about employee health and wellbeing. The objectives of promot-

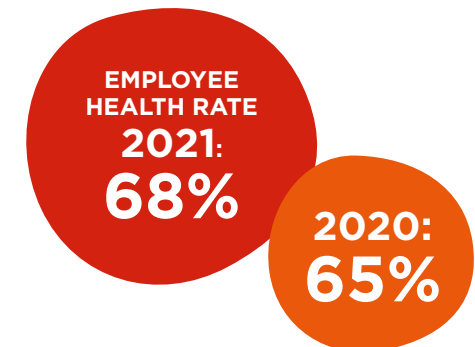
ing employee wellbeing include healthy employees, a functional work community and the effective prevention of work-related illnesses.

Pihlajalinna employees are covered by statutory occupational health services as well as occupational accident and occupational disease insurance. The practitioners who work for Pihlajalinna are responsible for their own occupational health services and insurance. Employees who work at least 15 hours per month are provided with occupational health services that exceed the statutory requirements. For employees in a permanent employment relationship, Pihlajalinna also provides wellbeing, sports and cultural benefits (ePassi Flex) as well as comprehensive leisure-time accident insurance that covers all sporting activities and has no ceiling on compensation.

Occupational healthcare at Pihlajalinna is based on prevention and an active caring model, which involves training supervisors to address work ability issues among employees as early as possible. To this end, Pihlajalinna has emphasised seamless cooperation between employees, occupational healthcare and supervisors. In the active care model, early support is complemented by return-to-work planning and targeted support, with occupational healthcare, the employee and the supervisor together assessing the risks of the job and seeking appropriate solutions. In

managing wellbeing at work and supporting work ability, Pihlajalinna also engages in active cooperation with pension and insurance companies.

Pihlajalinna's sickness-related absence rate in 2021 was 7.7 (7.7) per cent. Mental health problems were one of the most common reasons for sickness-related absences at Pihlajalinna, and the Group invests in their prevention. In 2021, Pihlajalinna developed its active caring model, according to which supervisors are encouraged to support employees also in situations involving mental health issues. Pihlajalinna also made its new Mental Care (Mielen Huoli) application available to employees. The service provides employees with low-threshold discussion-based assistance with mental health issues.



The health rate reflects the share of employees who did not have any sickness-related absences during the reporting period.

Reporting principles

This is Pihlajalinna's first sustainability report to be drawn up in accordance with the Global Reporting Initiative (GRI) Standards 2020 Core requirements. In accordance with the GRI Standards, the report content is based on a materiality assessment. Pihlajalinna has previously reported on its sustainability by means of an ESG report and as part of the company's annual report.

This report covers Pihlajalinna's operations in 2021. The information in this report has not been subject to external assurance. Going forward, Pihlajalinna will report on its sustainability for each financial year, which corresponds to the calendar year. The sustainability report will be published on the company website in connection with the publication of the annual report.

More information on the report and the information presented herein is available from the company's Chief Legal Officer:

Marko Savolainen
Chief Legal Officer
Tel. +358 400 195 213
marko.savolainen@pihlajalinna.fi

GRI content index

GRI	Content	Location	Additional information
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	Contents	
102-2	Activities, brands, products and services	Pihlajalinna in brief	
102-3	Location of headquarters	Pihlajalinna in brief	
102-4	Location of operations	Pihlajalinna in brief	
102-5	Ownership and legal form	Pihlajalinna in brief	
102-6	Markets served	Pihlajalinna in brief	
102-7	Scale of the organisation	Pihlajalinna in brief	
102-8	Information on employees and other workers	Responsibility for personnel	
102-9	Supply chain	Economic value for society	
102-10	Significant changes to the organisation and its supply chain	From the CEO	
102-11	Precautionary Principle or approach	GRI content index	Pihlajalinna observes the Precautionary Principle.
102-12	External initiatives	Sustainable business	
102-13	Memberships of associations	GRI content index	Pihlajalinna is an employer member of the Finnish Association of Private Providers HALI.
STRATEGY			
102-14	Statement from senior decision-maker	From the CEO	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour		
102-17	Mechanisms for advice and concerns about ethics	Ethics and integrity	
GOVERNANCE			
102-19	Governance structure	Annual report, Corporate Governance Statement	

GRI CONTENT INDEX

GRI	Content	Location	Additional information
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Stakeholder engagement	
102-41	Collective bargaining agreements	GRI content index	100% of Pihlajalinna's employees are covered by collectively negotiated labour agreements, with the exception of senior salaried employees and the management.
102-42	Identifying and selecting stakeholders	Stakeholder engagement	
102-43	Approach to stakeholder engagement	Stakeholder engagement	
102-44	Key topics and concerns raised	Materiality assessment	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Financial statements, Notes to the consolidated financial statements	
102-46	Defining report content and topic Boundaries	Materiality assessment	
102-47	List of material topics	Materiality assessment	
102-48	Restatements of information	GRI content index	No significant restatements.
102-49	Changes in reporting	Reporting principles	
102-50	Reporting period	Reporting principles	
102-51	Date of most recent report	GRI content index	This is Pihlajalinna's first sustainability report.
102-52	Reporting cycle	Reporting principles	
102-53	Contact point for questions regarding the report	Reporting principles	
102-54	Claims of reporting in accordance with the GRI Standards	Reporting principles	
102-55	GRI content index	GRI content index	
102-56	External assurance	Reporting principles	
GRI INDICATORS			
201-1	Direct economic value generated and distributed	Economic value for society	
203-2	Indirect economic impacts	Economic value for society	
204-1	Proportion of spending on local suppliers	Economic value for society	

GRI CONTENT INDEX

GRI	Content	Location	Additional information
205-3	Confirmed incidents of corruption and actions taken	Ethics and integrity	
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Ethics and integrity	
207-1	Approach to tax	Tax responsibility and tax footprint	
207-4	Country-by-country reporting	Tax responsibility and tax footprint	
307-1	Non-compliance with environmental laws and regulations	Ethics and integrity	
401-1	New employee hires and employee turnover	Responsibility for personnel	
403-1	Occupational health and safety management system	Occupational safety	
403-2	Hazard identification, risk assessment and incident investigation	Occupational safety	
403-3	Occupational health services	Employee wellbeing	
403-4	Worker participation, consultation and communication on occupational health and safety	Occupational safety	
403-5	Worker training on occupational health and safety	Occupational safety	
403-6	Promotion of worker health	Employee wellbeing	
403-9	Work-related injuries	Occupational safety	Item b of disclosure 403-9 is not reported.
404-3	Percentage of employees receiving regular performance and career development reviews	Employee engagement and feedback	
405-1	Diversity of governance bodies and employees	Equality and respect for human rights, Responsibility for personnel	
406-1	Incidents of discrimination and corrective actions taken	Equality and respect for human rights	
419-1	Non-compliance with laws and regulations in the social and economic area	Ethics and integrity	
STATEMENT OF NON-FINANCIAL INFORMATION - CONTENT REFERENCES			
	Business model description	Pihlajalinna in brief	
	Material sustainability themes and risks	The material topics of Pihlajalinna's sustainability	
	Personnel and social issues	Responsibility for health and wellbeing, Responsibility for personnel	
	Environmental responsibility	Environmental impacts	
	Respect for human rights	Equality and respect for human rights	
	Anti-corruption and bribery	Ethics and integrity	
	Taxonomy	EU Taxonomy	

Taxonomy eligibility

Regulation (EU) 2020/852 of the European Parliament and of the Council (Taxonomy Regulation) introduced a new common sustainable finance classification framework that aims to promote sustainable investment. In their reporting on the financial year 2021, companies that operate in sectors other than finance are required to disclose information on their share of taxonomy eligible and non-eligible economic activities of revenue, capital expenditure and operating expenditure. The taxonomy is currently focused on climate change mitigation and climate change adaptation. As a provider of social, healthcare and wellbeing services, Pihlajalinna's climate impacts and the efforts to manage those impacts are not within the scope of the current classification of taxonomy eligibility. Consequently, Pihlajalinna does not currently have taxonomy-related disclosures in any category of economic activity. Pihlajalinna's situation in this respect may, however, change in the future, when the taxonomy is expanded to cover other categories of environmental impacts and, potentially, social sustainability perspectives. With this in mind, Pihlajalinna actively monitors the development of the taxonomy and related regulatory activities.

Share of taxonomy eligible activities in 2021

	Total	Taxonomy eligible		Non-taxonomy eligible	
	MEUR	%	MEUR	%	MEUR
Revenue	577.8	0	0	100	577.8
Capital expenditure	44.8	0	0	100	44.8
Operating expenditure	549.9	0	0	100	549.9

Date of and signatures to the sustainability report

Tampere, 17 February 2022

Mikko Wirén
Chairman

Leena Niemistö

Kati Sulin

Seija Turunen

Hannu Juvonen

Mika Manninen

Joni Aaltonen
CEO