

Corporate Governance Report

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Corporate Governance Report

Attendo AB (publ) is a Swedish public limited company (corporate identity number 559026-7885), whose shares are listed on Nasdaq Stockholm.

Attendo’s registered office is in Danderyd, near Stockholm.

The address of the head office is Vendevägen 85, 182 91, Danderyd.



Good corporate governance is important for supporting Attendo’s vision, achieving Attendos’ strategic goals and to strengthen the corporate culture.

Corporate governance at Attendo is based on external regulations such as the Companies Act, the Annual Accounts Act, Nasdaq Stockholm’s Rulebook for Issuers, and the Swedish Code of Corporate Governance (the Code), as well as other applicable Swedish and foreign laws and regulations. As a complement to the external regulations, the Board of Directors of Attendo has adopted rules of procedures that govern the work of the Board and its committees, as well as instructions for the CEO and the operations. This Corporate Governance report has been prepared in accordance with the Annual Accounts Act and the Code and aims to describe the corporate governance in Attendo during the year 2022. Attendo has not deviated from the Code, Nasdaq Stockholm’s Rule Book for Issuers or from good stock market practice during 2022.

SHARES AND SHAREHOLDERS

Attendo had 161,386,592 registered shares as of 31 December, 2022 and the shareholders include both institutional shareholders, Attendo’s management and a large number of private investors. Each share represents one vote at the Annual General Meeting (AGM) and an equal right to a share in the company’s assets and profits.

The largest owners as per 31 December, 2022 are Nordstjernan AB (19 percent) and Pertti Karjalainen (9 percent). The 20 largest shareholders hold about 60 percent of share capital and votes. In total, Attendo owns 453,697 own shares as per 31 December, 2022.

The 2022 AGM authorised the Board to issue new shares in Attendo corresponding to a maximum of 10 percent of the total number of shares and to resolve on the repurchase of shares, either to assign to the participants in the company’s incentive programs or to adapt the company’s capital structure, or to finance company acquisitions. As of 31 December, 2022, this mandate has not been utilised. The 2023 AGM is proposed to authorize the Board with corresponding mandates.

NOMINATION COMMITTEE

Instructions for Attendo’s Nomination Committee were adopted by the 2020 AGM and describe the composition of the Nomination Committee and how its work must proceed. According to these instructions, the Nomination Committee must consist of at least three and no more than four members who are elected directly by the AGM. At the 2022 AGM the following members were elected (nominating shareholders within brackets): Peter Hofvenstam (Nordstjernan AB), Anssi Soila (Pertti Karjalainen), Niklas Antman (Incentive) and Marianne Nilsson (Swedbank Robur Fonder). The chair of the Board, shall be a co-opted member of the Nomination Committee.

By reason of changes in the ownership of Robur during the year, Marianne Nilsson has stepped down from the Nomination Committee. Ahead of the 2023 AGM, the Nomination Committee is thus composed of Peter Hofvenstam (Nordstjernan AB), Anssi Soila (Pertti Karjalainen) and Niklas Antman (Incentive).

CORPORATE GOVERNANCE

The Nomination Committee has judged that there are no conflicts of interest that affect the board members' involvement in Attendo's nomination committee and that the composition of the committee is consistent with the rules set out in the Code. The duties of the Nomination Committee are to fulfil the tasks set out in the instructions for the Nomination Committee and the Code. The Nomination Committee applies Rule 4.1 of the Code regarding the diversity of the Company's Board of Directors. The Nomination Committee also takes into account the need to ensure that the independence requirements are met.

The Nomination Committee's complete proposals to the 2023 AGM are included in the notice of the meeting and available on Attendo's website.

GENERAL MEETING

The general meeting, which is the group's highest decision-making body, is the forum in which shareholders exercise their influence.

All shareholders that are recorded in the share register and that have notified the company, prior to the deadline, of their intention to attend are entitled to participate at the general meeting and vote for their total holdings of shares. Shareholders unable to personally attend are entitled to appoint proxies if they notify the company in time prior to the general meeting. Individual shareholders who wish to have a matter considered at a general meeting must, well in advance of the meeting, notify the Board of Directors of Attendo through the address stated on Attendo's website.

Documentation from general meetings including minutes from the meetings are available on Attendo's website, www.attendo.com.

AGM 2022

The AGM 2022 was held on 26 April, 2022.

AGM 2023

The AGM 2023 will be held on 26 April, 2023. Please refer to page 119 for further information.

BOARD OF DIRECTORS

The Board of Directors, which is the highest governing body after the general meeting, bears ultimate responsibility for Attendo's organisation and management as well as control of the company's financial conditions. The duties of the Board include appointing, evaluating and, if necessary, dismissing the CEO and ensuring that systems exist for monitoring and controlling operations, taking into consideration the risks to which Attendo is exposed. The work of the Board is governed by the Companies Act, the Articles of Association, the Code and the rules of procedures for the Board, among else. According to Attendo's Articles of Association, the Board must have a minimum of three and a maximum of ten Board members. In addition to Board members elected by general meetings, trade unions may appoint employee representatives to the Board.

Since the AGM 2022, the Board has consisted of seven

BOARD COMPOSITION AND MEETING ATTENDANCE IN 2022

Board member	Title	Independent of shareholders/ company	Attendance		
			Board	Audit Committee	Compensation Committee
Ulf Mattsson ¹	Board Chair and Committee Member, April-December	Yes/Yes	8/8		2/4
Ulf Lundahl ²	Board Chair and Committee Member, Jan-April	Yes/Yes	3/3		2/4
Catharina Fagerholm	Board Member and Committee Member	Yes/Yes	10/11	5/5	
Alf Göransson	Director and Committee member	Yes/Yes	11/11	5/5	4/4
Tobias Lönnevall	Director and Committee member	No/Yes	11/11	5/5	4/4
Anssi Soila	Board Member	No/Yes	11/11		
Suvi-Anne Siimes	Board Member	Yes/Yes	10/11		
Margareta Danelius	Board Member	Yes/Yes	11/11		
Faya Lahdou ³	Employee Representative, Board Member	–	4/5		
Katarina Nirhammar ⁴	Employee Representative, Deputy	–	9/11		
Amanda Hellström	Employee Representative, Deputy	–	3/11		

1) Seated in conjunction with the AGM in April 2022.

2) Stepped down in conjunction with the AGM 2022.

3) Stepped down in May 2022.

4) Deputy prior to May 2022 and ordinary representative after May 2022.

All union representatives are appointed by the Swedish Municipal Workers' Union.

Board members elected by the general meeting. The trade union Kommunal has elected one employee representative and one deputy representative. At Attendo's Board meetings the CEO and CFO participate, as well as the general counsel who is Board secretary. Other member of group management and other employees are participating if necessary. For a presentation of the Board please refer to pages 52-53.

BOARD CHARTER

The Board follows a written charter that is revised annually and adopted at the constituent Board meeting. The charter governs issues including Board practices, functions and the division of responsibilities between the Board of Directors and the CEO and between the Board and Board committees. Separate instructions have been adopted for Board committees. In connection with the constituent Board meeting, the Board of Directors also adopts instructions for the CEO, which include instructions for financial reporting. The Board meets according to an annual timetable. In addition to regular meetings, additional Board meetings may be convened to address issues that cannot be postponed until the next ordinary meeting.

THE WORK OF THE BOARD OF DIRECTORS IN 2022

The Board held 11 meetings during 2022, including the constituent meeting. The attendance among Board members is presented in the table. Attendo's General Counsel is Board secretary. Board members obtain the agenda and documentation related to each item on the agenda in advance of the meeting.

The agenda includes a recurring item for Board own time without management present.

The Board deals with matters related to the company's progress in the areas of customers, quality and business development, finance and budget, risk management, compliance, internal control, payors, strategy and sustainability, and managers and employees.

The Board of Directors considers and decides on financial reports, and follows the financial development and value creation and action plans.

In 2022, the Board of Directors focused heavily on efforts to restore profitability and manage market conditions for private care providers, with emphasis on regulatory conditions and staff provision in the Finnish business and on quality, operational and sales trends in the Scandinavian business. The Board also maintained its intensified focus on Attendo's development of data-driven methods and measurability linked to quality, employee satisfaction and sustainability. As is customary, the Board has discussed developments with the company's auditor with no representatives of management present (in addition to the auditor's regular attendance at meetings of the Audit Committee).

CHAIR OF THE BOARD

The Chair of the Board is responsible for presiding over Board meetings, allocating duties, organising the work of the Board and ensuring that decisions are executed. The Chair continuously monitors operations through regular contact with the



Newly opened elderly home in Helsingör



"The Board deals with matters related to company's progress in the areas of customers, quality and business development, finance and budget, risk management, compliance, internal control, payors, strategy and sustainability, and managers and employees"

CEO and is responsible for ensuring that all Board members receive the information and documentation they require.

BOARD COMMITTEES

The Board had two committees during 2022: the Audit Committee and the Compensation Committee. After each committee meeting, the Chair of each committee presents a report to the entire Board. The following presentation of committee members refers to composition of the committee after the 2022 AGM.

AUDIT COMMITTEE

The Audit Committee consists of three members who are independent of the company and its management: Catarina Fagerholm (Chair), Tobias Lönnevall and Alf Göransson. The CEO, CFO, General Counsel, and the Communications and IR Director attend meetings of the Audit Committee. The company's auditors regularly attend. The Audit Committee prepares matters related to Attendo's risk management and internal control, as well as accounting, financial reporting and auditing. The Audit Committee held 5 meetings during 2022.

COMPENSATION COMMITTEE

The Compensation Committee consists of three members who are independent of the company and its management: Tobias Lönnevall (Chair), Ulf Mattsson and Alf Göransson. The CEO, CFO and General Counsel also attends meetings of the Compensation Committee, apart from when decisions are

taken that directly affect own remuneration. The Compensation Committee prepares matters relating to terms of employment and remuneration to Attendo's Executive Management. The Compensation Committee held 4 meetings during 2022.

EVALUATION OF BOARD AND CEO

The Board of Directors conducts an annual Board evaluation in which all Board members evaluate the work of the Board during the year. The Board evaluation includes areas such as Board composition, reporting, governance, and working methods as well as what items should be focused on. The Board evaluates the CEO's work continuously by following the businesses development. A formal evaluation is performed annually.

AUDITOR

At the request of the company's Board of Directors and the Audit Committee, Attendo carried out a procurement of auditing services based on a tendering process ahead of the 2022 AGM. KMPG, PwC and EY participated in the tendering process. Other accounting firms were given the opportunity to participate. Upon overall assessment, where particular importance was assigned to networks and local presence, methods and audit approach, team composition and fee levels, PwC was assessed as the firm that best met Attendo's needs and specifications.

PwC (PricewaterhouseCoopers AB) was reappointed by the 2022 AGM as Attendo's auditor for a term of one year. Erik Bergh is the new auditor in charge.

CEO and Executive management

Attendo’s organisation is founded on a common vision and strong values, but with a large degree of decentralised responsibility for retaining an entrepreneurial spirit and local anchoring. The CEO has general responsibility for day-to-day management of the company’s affairs in accordance with Board directives. Operations are divided into two Business Areas, managed by a Business Area Director. The division of responsibility is based on geographical regions. Both Business Area Directors report to the CEO. In addition, there are four Group functions: Finance, Business Development, Communications and IR and Legal and Sustainability, which all report directly to the CEO. Executive management meets regularly and addresses the company’s financial performance, financial position and development, strategy and business plans, quality work, ESG and Group organisational issues on an ongoing basis.

BUSINESS AREAS

The Business Area Directors are responsible for monitoring operations and financial performance in their Business Area. Reporting is made monthly to the CEO and the group functions (see also “Internal control over financial Reporting” on page 51. The nature of services, customers, processes, and procedures for delivering services is similar across the group. Operations are divided into Business area primarily to create local ownership of Attendo businesses.

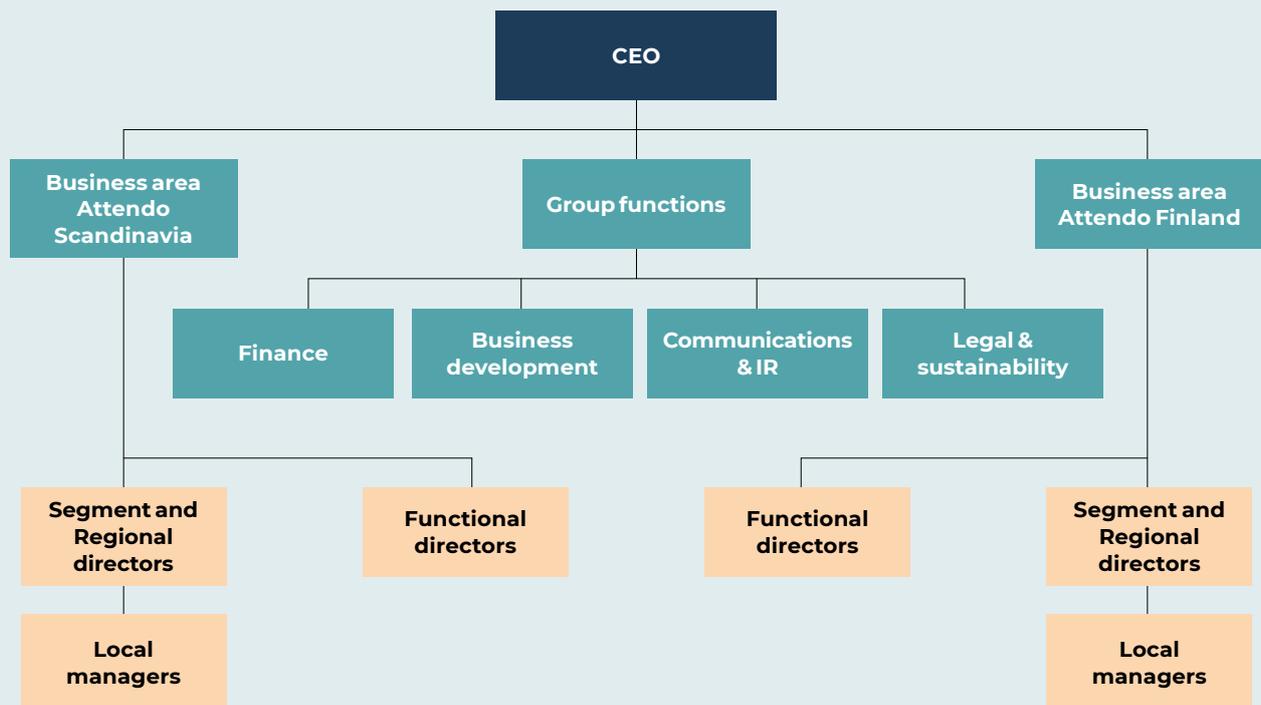
Local units are backed up by a number of support functions at the business area level, such as Sales and Marketing, Operational Development, Establishment and Property Development, Quality and HR.

GROUP FUNCTIONS

The group functions are responsible for all group-wide matters within Attendo, such as issuing policies, procedures, and processes. The group functions are also responsible for supporting the CEO and Executive Management with expertise in their respective fields. These include business development, accounting and reporting, legal matters and risk management, internal control, finance, insurance, external communications and investor relations.



The executive management team takes a long-term approach.



Internal control over financial reporting

Internal control over financial reporting is intended to provide reasonable assurance of the accuracy of financial reporting, and to ensure that external financial reporting complies with applicable laws and accounting standards. The Board of Directors is ultimately responsible for internal control and continuously evaluates risk management and internal control at Attendo via the Audit Committee. Please refer to pages 57–60 for further information about risks and risk management. Internal control at Attendo is based on principles drafted by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

AREAS OF RESPONSIBILITY

Attendo has a group function responsible for internal control, which sets requirements and supports the Business Areas in their internal control work. The function works continuously to develop and improve internal control over financial reporting by means of preventative measures and annual reviews, which are reported to the Audit Committee. The function works according to an annual plan approved by the Audit Committee. Based on the work of the legal and internal control function together with the external audit, Attendo assesses that its financial reporting has achieved sufficient accuracy without the need for an independent internal audit function. The Board of Directors regularly evaluates the need for an internal audit function.

CONTROL ENVIRONMENT

Attendo's control environment is based on its strategy, goals and associated risks, as well as the company's organisational and technical circumstances. The Board of Directors has overall responsibility for group internal control. This is executed through written instructions and working plans, which define the Board's responsibilities and the allocation of duties among Board members, Board committees and the CEO. Internal control is further supported by Group policies, guidelines and instructions in each business area, along with the implemented responsibility and authority structure. The Audit Committee has a particular duty to represent the Board of Directors in matters concerning the consolidated accounts, taxation, risk management, internal control, external reporting, and auditing. The Audit Committee is also to Regularly review and monitor the independence and impartiality of the auditor and support the AGM in connection with appointment of auditors. Responsibility for maintaining good internal control has been operationally delegated to the CEO.

RISK ASSESSMENT

Attendo's risk management process is monitored by the Board and implemented by the legal function with support from the internal control function. Risk assessment regarding financial reporting proceeds from the degree of risk; that is, the impact on financial reporting and the likelihood that misstatements will occur. The control measures Attendo has implemented to manage the risk are also considered. The risk assessment is updated annually and the results are reported to the Board of Directors.

CONTROL ACTIVITIES AND FOLLOW-UP

The internal control function has devised a number of group-wide controls for critical processes to ensure a consistent control environment. The business areas are responsible for ensuring that these controls are carried out. This is accomplished through self-assessments and internal audits, alongside assistance by the company's external auditor.

The Group internal control function audits compliance with established control activities.

INFORMATION AND COMMUNICATION

Attendo's framework and policies are made available to all employees via the intranet and other appropriate communication channels. Other information, such as guidelines and instructions concerning financial reporting, is contained in the Attendo Finance Manual and Accounting Manual, which are communicated to the employees concerned. Attendo's Group Accounting Department is responsible for legal accounting and for implementing and communicating group-wide accounting policies.

MONITORING

The group's internal control function reviews compliance with group control activities. Attendo works in several ways to ensure that internal control meets group standards, such as self-assessment, internal reviews, and with the assistance of the company's external auditors.

INTERNAL CONTROL IN 2022

During 2021, the work around risk assessment and monitoring, including internal control, has continued to be highly prioritized. Internal control during the year entailed particular emphasis on information security and data protection, as well as expanding the framework to include additional processes, such as acquisitions and permits.

Danderyd, 15 March 2023
Attendo AB (publ)

Board of Directors

Board of Directors and auditors



ULF MATTSSON
Board Chair, Member of the Compensation Committee

Born 1964. MSc Economics.
Elected to the Board: 2022
Positions and board directorships: Chair of the board of VaccinDirekt Sverige AB, Swemac Innovation AB, Eltel AB and Prima Vård AB.
Previous positions: Board Chair of Securitas Direct and AcadeMedia and CEO of Capio, Gambro and Mölnlycke Health Care.
Independent: Independent of major shareholders and the company.
Attendo holdings: 24,390 shares and 691,729 call options.



MARGARETA DANELIUS
Board Member

Born 1964. MSc in Medicine, Uppsala University
Elected to the Board: 2021
Positions and board directorships: Chief Medical Officer, Capio Sweden
Previous positions: Senior medical positions within the Capio Group and senior positions with Ersta sjukhus (hospital), including as chief medical officer and head of operations, paediatric and adolescent hospice.
Independent: Independent of major shareholders and the company.
Attendo holdings: 0 shares



CATHARINA FAGERHOLM
Board Member, Chair of Audit Committee

Born 1963. MSc Business and Economics, Helsinki School of Economics.
Elected to the Board: 2016
Positions and board directorships: Board Member of Restel Oy, CapMan Oyj, Byggmax Group AB and Lekolar AB
Previous positions: CEO of Instru Optiikka Oy, CEO of BSH Kodinkoneet Oy and member of executive management of BSH Hausgeräte Northern Europe; senior management positions within Electrolux/AEG including country manager AEG Household Appliances in Finland and Russia and several senior positions with Amer Group Ltd.
Independent: Independent of major shareholders and the company.
Attendo holdings: 10,000 shares.



ALF GÖRANSSON
Board Member, Member of the Audit Committee and Member of the Compensation Committee

Born 1957. Degree in International Economics, University of Gothenburg, School of Business, Economics and Law.
Elected to the Board: 2018
Positions and board directorships: Board Chair of Loomis AB, Hexpol AB, NCC AB and AxFast AB; Board Member of Anticimex AB, Sweco AB, Melker Schörling AB and Sandberg Development Group.
Previous positions: CEO of Securitas AB; CEO of NCC AB; CEO of Svedala Industri AB.
Independent: Independent of major shareholders and the company.
Attendo holdings: 0 shares.

“During 2022, the board has had a major focus on the work to restore profitability and manage the market conditions for private care providers, not least with respect to regulations and staffing in Finland. The board has also placed great emphasis on quality development”.

*Ulf Mattsson
Board Chair*

BOARD OF DIRECTORS AND AUDITORS



TOBIAS LÖNNEVALL
Board Member, Chair of the Compensation Committee and Member of the Audit Committee

Born 1980. MSc Business and Economics, Stockholm School of Economics.

Elected to the Board: 2016

Positions and board directorships: Investment Director, Nordstjärnan. Board Member, Diös AB.

Previous positions: Board Chair of KMT Precision Grinding; Acting CEO of NH Logistics 2010; Finance Manager at Landic Property and Management Consultant at Accenture.

Independent: Dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 20,000 shares.



SUVI-ANNE SIIMES
Board Member

Born 1963. Licentiate of Political Science (Economics) and Master of Political Science (Economics), Helsinki University.

Elected to the Board: 2020

Positions and board directorships: CEO of Finnish Pension Alliance TELA. Board Member of AEIP (European Association of Paritarian Institutions of Social Protection).

Previous positions: CEO of Pharma Industry Finland; Board Chair of Veikkaus Oy; Board Member of Yrjö Jahnsson Foundation; Board Member and Vice Chair of Posti Group Oyj. Several ministerial posts in the Finnish government.

Independent: Independent of major shareholders and the company.

Attendo holdings: 0 shares



ANSSI SOILA
Board Member

Born 1949. MSc, Helsinki University of Technology and MSc Economics, Helsinki School of Economics.

Elected to the Board: 2007

Positions and board directorships: Adviser at IK Investment Partners; Board Chair of Orox Oy and Sopix Oy; Board Member of Ankkalampi Oy, Finlands Trafikkmedicinska Förening and Stöd Stiftelsen för Finlands Flygförbund.

Previous positions: Board Chair of Sponda Abp and Kemira Abp; CEO of Kone Corporation Oy; other senior positions within Kone Corporation Oy.

Independent: Dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 1,255,455 shares.

KATARINA NIRHAMMAR
Employee Representative, Swedish Municipal Workers' Union.

Born 1963

Appointed to the Board: 2020

Attendo holdings: 0 shares

AMANDA HELLSTRÖM
Employee Representative, Swedish Municipal Workers' Union, Deputy.

Born 1988

Appointed to the board: 2020

Attendo holdings: 0 shares

Auditors
PricewaterhouseCoopers AB

Erik Bergh
Auditor in charge until the close of the 2023 AGM

Born 1979. Authorised Public Accountant and member of FAR (Institute for the Accountancy Profession in Sweden. Auditor in charge for Attendo AB since Annual general meeting 2022..

Other audit engagements: Formpipe Software AB

Executive management



**MARTIN
TIVÉUS**

Chief Executive Officer

Born 1970. BSc

Stockholm University

Employed: 2018

Member of Executive

Management: 2018

Positions and board

directorships: -

Previous positions:

CEO of Avanza Bank; Chief Commercial Officer at Klarna; senior positions including CEO of Evidensia and Glocalnet.

Attendo holdings:

112,000 shares, 1,083,892 call options and 598,730 warrants.



**ULRIKA
ERIKSSON**

*Business Area Director
Attendo Scandinavia*

Born 1969. MSc Business and Economics, Stockholm School of Economics.

Employed: 2020

Member of Executive

Management: 2021

Positions and board

directorships: Board Member, Systembolaget AB.

Previous positions: CEO of KungSängen Sverige; senior positions including Deputy CEO of Apoteket AB and Deputy CEO of Reitangruppen (Pressbyrå/7-Eleven)

Attendo holdings: 10,000 shares and 201,144 warrants.



**VIRPI
HOLMQVIST**

*Business Area Director
Attendo Finland*

Born 1970. MSc Business and Economics, Helsinki School of Economics.

Employed: 2019

Member of executive

management since: 2019

Previous positions: CEO of Touhola Group; COO of business area for primary care and care services and CFO of Pihlajalinna. Holmqvist was previously with Attendo, 2008-2015.

Attendo holdings: 20,607 warrants.



**ANDREAS
KOCH**

*Communications and
IR Director*

Born 1977. MSc Business and Economics, Stockholm School of Economics.

Employed: 2016

Member of Executive

Management: 2016

Previous positions: Head of Investor Relations, SSAB 2013–2016; Head of Communications, Carnegie 2007–2013; Head of Investor Relations, SCA 2005–2007; Business Analyst, SCA 2002–2005.

Attendo holdings: 60,913 shares and 163,721 warrants.

“Modern care is about living your entire life as the person you are and have always been. After all, we do not become other people just because we are ageing or develop a need for care. For us at Attendo, good care is a matter of helping people continue to be who they are and live the life they want to live”.

*Martin Tivéus,
President and CEO*

EXECUTIVE MANAGEMENT



**FREDRIK
LAGERCRANTZ**
Chief Financial Officer

Born 1977. MSc Business and Economics, Stockholm School of Economics.

Employed: 2018

Member of Executive Management: 2018

Positions and board directorships: Board Member of MVB.

Previous positions: Senior Vice President Business Control, Swedish Match 2013–2017; Vice President Group Business Control, Swedish Match 2009–2013; Management Consultant, McKinsey & Co 2004–2009.

Attendo holdings: 8,140 shares, 240 932 call options and 275,339 warrants.



**JO-ANNA
NORDSTRÖM**
General Counsel & Director of Sustainability

Born 1985. Bachelor of Laws, Uppsala University.

Employed: 2019

Member of Executive Management: 2022

Previous positions: Senior Manager, Advokatfirman Vinge 2011–2019 (including secondment to Investor AB, 2018), Associate Linklaters LLP, 2009–2011.

Attendo holdings: –



**ERIC
WÅHLGREN**
Business Development Director

Born 1979. MSc Engineering, Linköping University

Employed: 2020

Member of Executive Management: 2020

Previous positions: Vice President & Head of Group Strategy at Elekta 2017–2020; Principal at The Boston Consulting Group 2005–2017.

Attendo holdings: 121,832 warrants.

Auditor's Report on the Corporate Governance Report

To the AGM of Attendo AB (publ), corporate identity number 559026-7885

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2022 on pages 40–49 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with international standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 20 March 2023
PricewaterhouseCoopers AB

Erik Bergh
Authorised Public Accountant
Principal Auditor

Risks and risk management

As a large company with a mission that is essential to society – empowering every individual in our care – and many stakeholders, Attendo is exposed to various types of risks and uncertainties. The work to identify, analyse, assess and manage these risks and uncertainties is a key component of Attendo’s strategy and operations.

Attendo takes a systematic approach to risk assessment and management as a central component of the strategic process, where risks in relation to the company’s capacity to meet its strategic and financial targets are assessed in a regular and structured manner. Identified risks are coupled with a materiality analysis of the effect that a risk event would have if it occurred and the likelihood that the event will occur. Risks are identified starting with each Attendo business area and are co-weighted to prepare a Group-wide report over the risks to which the Group is exposed. This broad and structured approach to working with risks ensures that risk awareness and management are well-integrated into decisions by the Board of Directors and Executive Management concerning Attendo’s strategy and with management’s work to execute the strategy.

In addition to the systematic work, Attendo’s support functions work with specific risk assessments, legal issues and regulatory compliance and internal control, and provide support to the Board of Directors, Executive Management and operational managers in their effort to manage various types of risks. The Business Area Directors are responsible for risk management within their business areas.

Based on the Group-wide risk assessment, relevant mitigating tools are implemented to manage the identified risks. This may be accomplished, for example, through increased/modified governance and control (policies, guidelines, instructions and follow-up), through targeted projects and initiatives or through developing operational inputs and processes. The ongoing risk management includes an annual self-assessment process aimed at ensuring that the business annually tests implemented internal controls and assesses whether the controls are effective or whether they should be modified or improved.

CURRENT RISKS

Based on Attendo’s strategic focus areas and financial targets, the reform of Finnish care for older people and its effects, availability of qualified staff and the historically high inflation rate are the most significant risks at present. These risks, however, also entail opportunities for Attendo, in its capacity as a large and leading provider in Nordic care, to have favourable impact on long-term conditions in the sector.

THE FINNISH REFORM OF CARE FOR OLDER PEOPLE

A comprehensive care reform is ongoing in Finland. One of the aspects of the reform is that staffing requirements have been

increased in several steps and are planned to increase further in 2023. Higher staffing requirements entail higher costs for all providers. Private providers must negotiate with each local region on price compensation for staffing changes, which entails uncertainty. Costs also arise before each step (staffing requirements) takes effect and there is consequently a lag before compensation is received. Staff provision in Finnish care for older people is generally strained and has been exacerbated by the reform.

A CHALLENGING BUSINESS ENVIRONMENT

The Russian invasion of Ukraine has no direct impact on Attendo, as Attendo does not operate in either country. The company is, however, suffering indirect impact in the form of higher prices for fuel, energy, food and consumable supplies. There is high risk that it will not be possible to cover increased purchasing costs by raising prices during the year that the costs affect Attendo because compensation for inflation and comparable compensation is normally received after a delay according to contracts with Attendo’s payors and is to a certain extent dependent upon political decisions.

THE CONTINUED IMPACT OF THE CORONA PANDEMIC

The Corona pandemic remains a significant risk for Attendo, with serious impact on Attendo’s business and financial performance. At present, the primary effects of the pandemic are increased personnel costs due to high absenteeism due to illness among employees and lower occupancy.

RISK AREAS AND RISK MANAGEMENT

The risks to which Attendo is exposed can be categorised as *external risks* – risks and uncertainties related to the conditions over which Attendo has limited control, such as political decisions, regulations and access to public funds, *operational risks* – factors and events that are directly related to Attendo’s operations, such as occupancy, pricing and access to skilled employees, and *financial risks* – risks related to access to capital, foreign currency, interest rates and liquidity. A list of identified risks in each of these general risk areas and how we are working to manage them follows. *Sustainability risks* are reported separately in the Sustainability Report, see pages 42–43.

RISKS AND RISK MANAGEMENT

Risk	Description of risk	Risk management
EXTERNAL RISKS		
Market risk and political risk	<p>The care market is characterised by competition between public and private providers of varying size on a market affected by demographic development and access to public funds. The ability for private providers to conduct care business is dependent on political decisions on national and municipal level. In addition, political decisions that leads to regulatory changes or changes in political willingness to engage private providers may have a significant impact on Attendo's operations and financials. Furthermore, there is a risk for margin deterioration as a result of price pressure on Attendo's services, which may occur as a consequence of challenging financial conditions on municipal level or increased requirements in regulations or customer contracts.</p>	<p>Attendo has many years of experience of conducting care services in the Nordic markets. For more than 35 years, Attendo has developed the business in a manner that has enhanced the company's competitive offering, which upholds high quality services for customers at a price that is attractive to the payor. Part of this work is Attendo's continuous efforts to create a service offering based on quality and innovative solutions improving customer experience and employee working conditions. Attendo carefully follows the political development in order to manage and prepare the operations for changed regulations or conditions. Attendo monitors research in the care sector and collaborates in different industry bodies, for example Vårdföretagarna in Sweden and Hali in Finland, to continuously develop the conditions in the industry for the better.</p>
Reputational risk	<p>Reputational risk is the risk that Attendo's reputation among customers and their relatives or the general public is damaged due to negative media attention. Operations conducted by private care and health care providers are often heavily monitored by the media. Negative publicity concerning Attendo, one of our competitors, or the industry as a whole may have negative impact on Attendo's reputation and thus reduce the ability to receive or renew customer contracts, attract employees or lead to increased surveillance costs.</p>	<p>Attendo takes a structured approach to offer superior care with high quality and in a manner characterised by transparency, both internally and towards the media. We also strive to offer employees an attractive and stimulating workplace. Attendo's efforts to spread and anchor the vision and values throughout the organisation are important to create a positive culture and a good reputation.</p>
Regulatory risk	<p>The formal starting point for high quality and safety in Attendo's operations is based on applicable external and internal regulations and requirements in permits and customer agreements. If Attendo does not comply with requirements or if new rules or requirements are introduced or if the application/interpretation of these are changed, this could lead to changes in the conditions for the operations, e.g. in the form of increased costs. Furthermore, severe non-compliance can give payors the right to cancel contracts or demand that an operation is discontinued. The principles for quality control and regulatory enforcement from authorities and payors vary and the consequences for Attendo may therefore be hard to project in individual cases.</p>	<p>The legislative process in the countries where Attendo operates is transparent, meaning that regulatory changes are normally announced well in advance of implementation and that Attendo can adapt its operations thereafter. In addition, Attendo carefully monitors changing requirements in terms of quality and safety. Ensuring regulatory compliance is an area of high importance in which Attendo spends substantial effort and resources. Attendo has a well-defined system of policies, procedures, guidelines, and documentation implemented in the day-today operations. On Group level, Attendo takes a structured approach to participation and collaboration in various discussion forums relevant for the regulations that apply to Attendo's business, including that Attendo participates as a consultation body or with its expertise to support the to regulatory development within the area.</p>

RISKS AND RISK MANAGEMENT

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Occupancy and lease risk	<p>Attendo is exposed to financial risks associated with the occupancy levels in the units. This is primarily a result of Attendo's operations under own management being conducted in facilities owned by external facility owners, which Attendo enters into lease agreements, often on long terms. If Attendo does not obtain a customer contract for a planned unit, but has a signed lease agreement for the facility, significant costs arise which are not matched against any revenues. Since the lease agreements normally have longer maturities than the customer contracts, the company has to estimate future supply and demand already when lease agreements are entered into without having binding customer contracts for the entire lease period. If Attendo operates more units than needed with respect to demand, and cannot modify the operations to other use in non-occupied units, this may have a significant negative impact on Attendo's business, financial result or financial position.</p>	<p>Conducting care in own care units is part of Attendo's core business. Managing these risks is hence a highly prioritized area, and managed throughout the process for new units – from project phase to construction and completion. A thorough analysis of the supply and demand on the applicable market is done during the initial project phase. Throughout the years, Attendo has developed models and processes to minimize the risk that long-term lease agreements are entered into in areas where the demand for Attendo's services is to be considered unfavourable.</p>
Staffing and employee risk	<p>Access to competent employees is critical to the company's business. Attendo's operations are highly labour intensive and the company has around 30,000 employees in several occupational categories, including nurses, assistant nurses, and social workers. The decentralized organization within the company also means that local and regional managers have extensive responsibilities and mandates and are central in carrying out Attendo's strategy and goals. It is thus very important that Attendo can employ and retain qualified executives, managers, nurses, and other care and health care personnel.</p>	<p>Attendo continually develops and strengthens its models for attracting, developing, and retaining skilled and dedicated employees. This includes for instance to have well balanced HR functions to support the operations, to continuously evaluate the regional and local organization and to work actively with Attendo's vision and values. Recruitment of key employees is critical for Attendo and the company is highly experienced in recruiting employees in areas where there currently is a shortage. Examples of this are projects aimed at recruiting nurses in both Finland and Sweden. Attendo is taking various actions to retain key employees through incentive programmes as well as opportunities for competence development and job rotation.</p>
Pricing risk	<p>Attendo's pricing is based on a number of assumptions regarding future conditions. Attendo's contracts with payors span over several years and Attendo receives payment based on occupancy. Since the payor contracts usually do not include guaranteed service volumes it means that Attendo is dependent on making accurate forecasts of future supply and demand in its pricing models. As wages are Attendo's largest cost, significant wage increases or changed staffing requirement imply a financial risk for the company.</p>	<p>Attendo's pricing is based on careful models and processes developed throughout the years. The risk of loss in profitability due to increased wages is minimized for most payor contracts by connecting prices to a labour market index. Attendo strive to proactively follow and renegotiate prices, e.g. as a result of increased staffing requirements.</p>
Permit risk	<p>A significant proportion of Attendo's operations require permits and many of its operations require dedicated permits. Permits can only be obtained when operations satisfy stipulated quality and safety requirements and other demands. These requirements, as well as conditions and processes relating to obtaining permits may change, which may have an effect on Attendo's operations. By example, long permit processing times may lead to delayed start of new operations, changes in the direction of operations or change of local manager. Since operations cannot be conducted or changed without permit, such lead times may result in occupancy challenges and loss in revenues.</p>	<p>Attendo has long experience running care and health care operations and is well-equipped to meet regulatory requirements. When a new unit is planned, the risk that a permit cannot be obtained within a reasonable time frame is always taken into account and is thus included in the estimated start-up costs.</p>

RISKS AND RISK MANAGEMENT

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Acquisition risk	Acquisition risk entails that Attendo may not identify suitable acquisition targets, that the company will not successfully negotiate acceptable terms, or be able to finance the acquisitions, or that overly optimistic assumptions support acquisitions that otherwise would not have been made. Acquisitions also entails the risk that Attendo will be exposed to unknown obligations in the acquired company or that the costs of acquisition and/or integration will be higher than expected. In addition, acquisitions of less profitable businesses may have negative impact on Attendo's margins. If acquisitions are not developing according to plan, write-downs may be necessary.	Over the years, Attendo has established and implemented a structured and systematic acquisition process that requires analysis, documentation and sufficient approval prior to each specific acquisition. In addition, Attendo establishes a detailed integration plan in connection with the acquisition decision.
Quality and customer satisfaction risk	Attendo's work with quality, related risks and how Attendo is working to continuously increase quality and manage quality related risks, as set out in detail in the sustainability report, see pages 26–27.	
FINANCIAL RISKS		
Liquidity and financing risk and risks related to interest rates, foreign exchange rates, etc.	Through its business, Attendo is exposed to several financial risks, such as currency risk, interest rate risk, liquidity and financing risk and credit/counterparty risk. These risks and how Attendo mitigates each of them is described in detail in note C26.	As of year-end 2022, Attendo has two financial covenants (net debt/EBITDA and interest coverage ratio) linked to the group's loan facilities. The central treasury department analyses compliance with the financial covenants on an ongoing basis and ensures that Attendo has adequate liquidity for its operations.