



DIAGNOSTYKA Report ESG 2020





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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

LADIES AND GENTLEMEN,

THIS IS THE FIRST SUSTAINABILITY REPORT OF DIAGNOSTYKA, IN WHICH WE PRESENT OUR ORGANIZATIONAL CULTURE, OUR GOALS, AND OUR RESULTS.

Our Company has been built on a foundation of values and ethical business standards. Safe workplace and the highest quality of tests are our top priorities. These standards are ensured by our team of laboratory diagnosticians and technicians, nurses, paramedics, doctors as well as couriers, IT specialists and managers. I am so proud to say that it is the employees of DIAGNOSTYKA who are our most valuable assets. It is them to whom we owe our successes.

DIAGNOSTYKA has been conducting medical laboratory tests for over 20 years. In Poland, we are the leader in terms of number of tests, labs, and points of collection. In 2020, the year of COVID-19 pandemic, we continued to serve patients and clients – our labs were not closed for even one day. Each of us

had to face new challenges in the time of pandemic, but it was the healthcare personnel that met the most demanding ones. We responded in no time. We ensured both our employees and patients sanitary safety. In the spring of 2020, we started to run COVID-19 diagnostics at 15 newly-created molecular biology laboratories, we organized the first drive-thru swab collection points, and we tested more than 4,000 medics free of charge. We soon realized that lab tests are the main weapon in the struggle against such epidemiological threat. In this report, you will find the details on the operating activities and initiatives taken by DIAGNOSTYKA and the role we played during that hard time.

One of the pillars of our development is digitization. In our Company, mobile access to test results is already a standard and over the last year we accelerated the implementation of digital solutions, which are vital to ensure our patients a safe service.

As medical professionals, we are perfectly aware of the connection between the health of each of us and the condition of the environment in which we live and work. We carefully manage our environmental footprint. We have identified the environmental risks connected with every stage of our operations and we have put efforts to mitigate them. To this end, we use, for example, innovative



solutions, such as a system that optimizes routes covered by our couriers.

Our motto since the very outset has been: "DIAGNOSTYKA is more than results". Therefore I especially value our social initiatives and fully support those activities of DIAGNOSTYKA that shape the diagnostics sector in Poland. In this report, you can read about some of our initiatives in those areas.

Response to challenges of sustainable development and responsible approach to environmental footprint are not only a necessity, but they should also be perceived as an opportunity. We promise to include the ESG factors in our business activities by improving management practices and by taking into consideration the needs of our stakeholders in the development plans of DIAGNOSTYKA. As the leader of our sector, we believe that it is our duty to contribute to building a sustainable economy in Poland.

On behalf of the Management Board I would like to express my appreciation to all employees and associates of DIAGNOSTYKA who served our society throughout 2020 with utmost commitment and dedication. The trust our patients have in us, and which we owe to the hard work of our team, is our pride and strong motivation to keep growing.

**Jakub Swadzba, MD, PhD Habil.
President of the Management Board**



CHAPTER 1.

ABOUT DIAGNOSTYKA



Who we are
and what we do

Scale of our operations

Our strategy





1.1.

Our business model

DIAGNOSTYKA was established in Kraków in 1998. Over the years, we grew to become a sector leader, also in terms of quality and implemented technology, computer and management solutions.

From → collection and transportation of biological material *to* → tests *to* → delivery of results of medical analyses as soon as possible.

We offer a broad range of both routine and specialized laboratory tests (genetics, allergology, infections, bacteriology, autoimmunology, histopathology, etc.).

We are focused on development and promotion of state-of-the-art procedures. As the first lab network in Poland, we started our own molecular biology lab. We have also been developing a unique portfolio of tests for the diagnosis of autoimmune diseases, hence facilitating the access of the patients to the achievements of modern medicine.



WE ARE THE LARGEST NETWORK OF MEDICAL LABORATORIES IN POLAND AND WE OFFER THE BROADEST RANGE OF LAB TESTS. EVERY YEAR, WE SERVE MILLIONS OF PATIENTS AND COOPERATE WITH A FEW THOUSAND OF HEALTHCARE INSTITUTIONS.

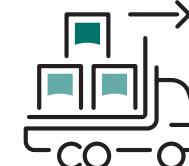


We offer:
more than
3,500
tests and diagnostic services

More than
1,000
points of collection
throughout Poland



450
couriers



6,764
employees



80
medical
representatives

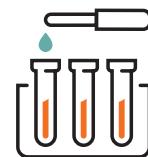


1,700
laboratory
technicians



1,167
diagnosticians
(including **230**
specialists)

121
laboratories



1,800
nurses
and midwives

Diagnostic specimens from institutional clients (hospitals, clinics, doctors) and from points of collection are delivered via our own courier network to more than 100 medical labs operated by DIAGNOSTYKA.

In 2020, we performed more than **72 million** tests for over **18 million** patients and nearly **9 thousand** counterparties¹.



PRIORITIES IN 2020

Because of COVID-19, the year 2020 turned out to be a very exceptional time in the entire history of our Company. Nonetheless, we did not close our labs and collection points even for a while.

Key developments in 2020

We actively participated in diagnostics of SARS-CoV-2 virus.

- › We started more than ten new molecular biology laboratories.
- › We organized safe drive-thru swab collection points.
- › We proposed and implemented new tests directly after their approval by the Polish Ministry of Health.
- › Simultaneously with taking care of health of our patients, we ensured our employees safe working conditions on every level and in every area.

- › We kept developing our portfolio by adding new and innovative tests. We became even more focused on development of genetics tests.

- › We continued to launch new facilities and build new laboratories. Considerable resources have been concentrated to create a central laboratory in Warsaw, which will be one of the largest and most advanced centers of this type in Europe.

The multi-year investment programs covering both lab infrastructure and highly-qualified personnel and efficient management, enabled DIAGNOSTYKA to play a key role in the struggle against the pandemic and to effectively support the government in performing its duties towards the citizens.



**We estimated that in 2020
DIAGNOSTYKA Group
had approximately a 23%
share in the market
of laboratory tests and served
between ten and twenty
million of patients.**



1.2. DIAGNOSTYKA Group

DIAGNOSTYKA S.A. A JOIN-STOCK COMPANY, IS THE PARENT COMPANY OF THE DIAGNOSTYKA GROUP, AND ITS PRINCIPAL SEAT IS IN KRAKÓW.

The primary business of the Group is running medical laboratories, i.e. carrying out laboratory tests, which are categorized as other healthcare activities. DIAGNOSTYKA S.A. is the leading company in the Group and the main contributor to its financial results.

STRUCTURE OF THE GROUP

The DIAGNOSTYKA Group runs its activities throughout the territory of Poland.

COMPANIES PERFORMING DIAGNOSTIC TESTS AS PART OF THE DIAGNOSTYKA CAPITAL GROUP

Companies that provide:	> lab tests	> histopathology tests	> genetic tests	e-commerce company	Special purpose vehicle
Diagnostyka S.A.		Diagnostyka Consilio Sp. z o.o.	Oncogene Diagnostics Sp. z o.o.	ZdroweGeny PL Sp. z o.o.	Diagnostyka Investments Sp. z o.o. Sp.k. **
Diagnostyka Sp. z o.o. Sp. kom., Częstochowa		Diagnostyka Consilio Sp. z o.o., Poznań Sp.k.	Centra Genetyki Medycznej Genesis Sp. z o.o. w Poznaniu		
Loma Sp. z o.o., Opole	Histamed	Diagnostyka Consilio Sp. z o.o. Sp.k.	Genomed SA, Warszawa		
Dr n. med. Teresa Fryda, Laboratorium Medyczne Sp. z o.o.			genXone SA, Suchy Las		
Diagnostyka – Tarnów, Medyczne Centrum Laboratoryjne Sp. z o.o. w Tarnowie					
Laboratorium Medyczne OPTIMED Kuriata, Wroński Sp. z o.o.					
VITALABO Laboratoria Medyczne sp. z o.o., Bydgoszcz					

* As at 31 Dec. 2020

** The company managing the real estate of the Diagnostyka Capital Group.

CHANGES IN 2020 AND 2021

On September 2, 2021, the company Diagnostyka Spółka z ograniczoną odpowiedzialnością, a limited liability company, with the head office located in Krakow, was transformed into a company called Diagnostyka Spółka Akcyjna, a join-stock company, with the head office located in Krakow. The change of the legal form is of a formal character and does not affect the continuation of the Company's activities.



1.3.

Development Strategy

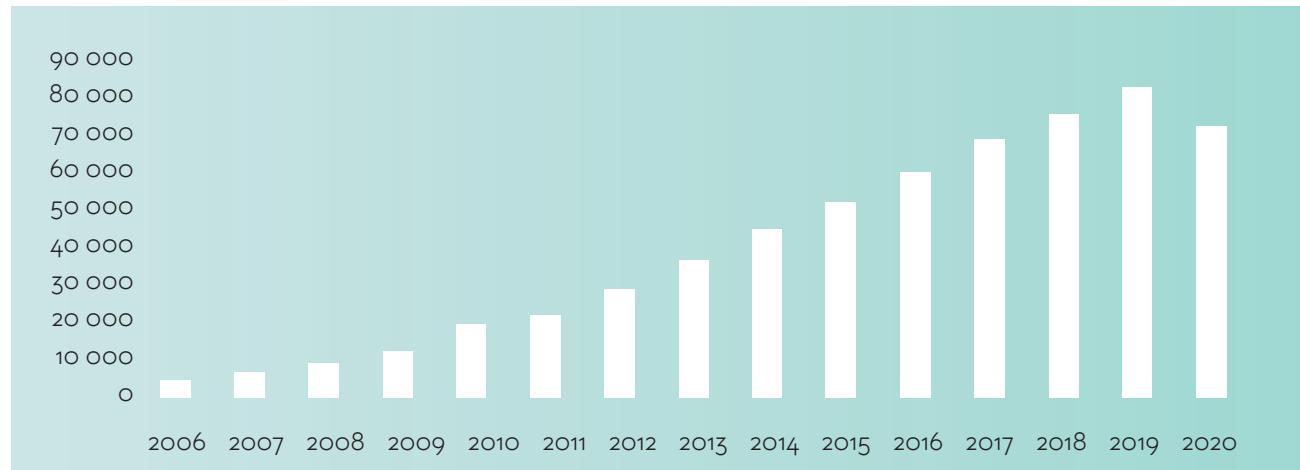
WE RESPOND TO CHALLENGES FACED BY OUR INDUSTRY

Towards our partners, shareholders and employees, we have a duty to generate sustainable economic results. We achieve this by way of implementing our strategic plan and pursuing effective management. Good financial results fuel our development to the benefit of the society – we can provide accessible, competitive and diverse services.

Before the pandemic we saw profound changes in medical laboratory diagnostics. Some factors emerged with the potential to hamper further development. The most important ones included:

- new quality requirements imposed by law;

NUMBER OF TESTS IN 2006-2020 (IN '000)



- new regulations, such as increased requirements qualifications of managers of medical laboratories;
- increased expectations of clients with respect to the prices, scope and quality of offered tests and service standards, as well as to the availability of services provided electronically.

Those factors affect the operations of both large and small laboratories. The rising expectations of the market are an equally important challenge. In response to those challenges, we have been implementing a win-win model within the framework of

our strategic program Friendly Laboratory Integrator. We are focused on development.

- We intend to continue our development through acquisitions.
- As a Group, we will continue to promote B2C sales by establishing new points of collection.
- We will consistently expand our activities in the area of genetic methods.



FRIENDLY LABORATORY INTEGRATOR PROGRAM

We are perfectly aware of the strengths of local labs. These include:

- commitment of owners and managers,
- loyal employees,
- excellent knowledge of the local market and the needs of clients (healthcare services providers and patients),
- direct and often long-term relationships with clients.

This is why we have started our Friendly Laboratory Integrator program. It assumes that the DIAGNOSTYKA Group will join forces with local laboratories. Laboratories that will decide to join our Group can expect the following benefits:

- access to the full scope of the tests performed in the DIAGNOSTYKA network,
- lower procurement costs,
- outsourcing of some of the processes,
- optimized laboratory processes,
- e-Lab Laboratory IT System,
- professional development of personnel,
- increased capacity.

IMPACT OF THE PANDEMIC ON PERFORMANCE

The COVID-19 pandemic had an adverse impact on the situation of DIAGNOSTYKA, but only for a short time. We successively started laboratories testing for the presence of the virus using the RT-PCR protocol. The huge demand for tests positively translated into our financial performance. In 2020, our sales exceeded the budget goals adopted for that year.

The Management Board incessantly monitors the impact of the pandemic and takes appropriate steps to mitigate any adverse effects for our organization and to capitalise on potential opportunities.



1.4. Awards and accolades



We were distinguished in the the 22nd edition of the “500 Ranking of Rzeczpospolita Daily” ranking, in the INVESTMENTS category.



Jakub Swadźba, MD, PhD Habil., the President of the Management Board, received a PRB Award in the VISION and INNOVATIONS category, granted under the patronage of the Management Board of the Polish Business Roundtable. In this category the awards are granted for “the implementation of a new, bold, non-standard and unconventional business concept or idea.”



The President of the Management Board was also honored with the Vector Award 2020, from the Pracodawcy RP (Polish Employers) Association. He was recognized for “nearly a quarter of century of consistent pursuit of his business plan, with unshakeable faith in success, and for the achievement of his success way above the plan by building the largest network of medical laboratories in Poland, which is today one of the most powerful resources our country can use in its struggle against the pandemic.”



Zdrowegeny.pl, a company that is a member of the DIAGNOSTYKA Group, took the eighth place in the Deloitte's ranking of the 50 fastest growing companies in Europe. It also was ranked fourth amongst the Polish companies in Europe.



DIAGNOSTYKA Podbeskidzie Branch in the city of Bielsko-Biała was a laureate of the Eagles of Medicine 2020 contest.



CHAPTER 2.

CORPORATE GOVERNANCE

G - governance

Our approach
to management

Our values





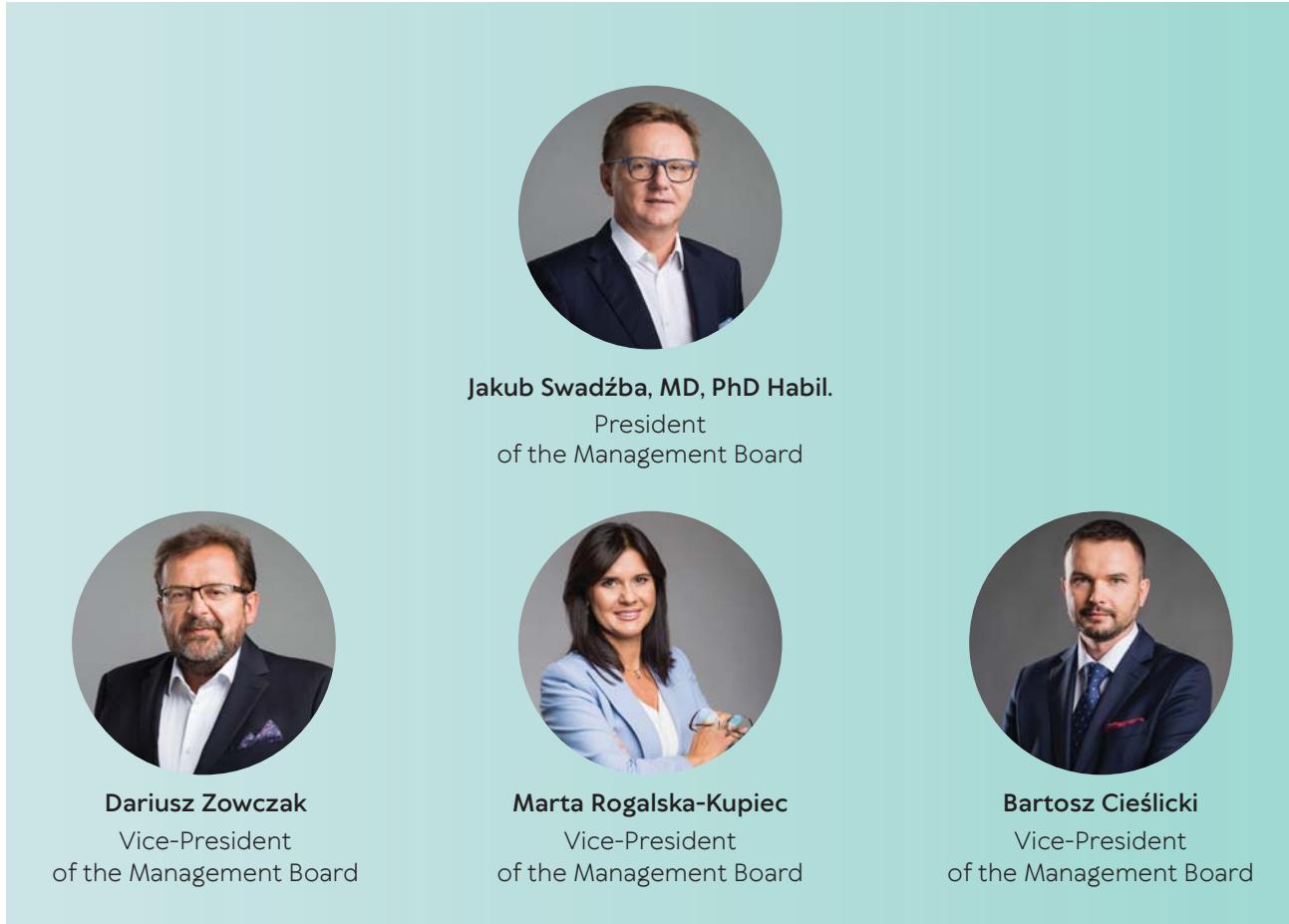
2.1. Foundation of management

Our activities are regulated in particular by the Polish Commercial Companies Code and the Articles of Association of Diagnostyka Spółka z ograniczoną odpowiedzialnością (which specify e.g. the rules of appointing of members of the Management Board) and various internal regulations. We strive to ensure the transparency of our activities.

In the middle of 2020 the Management Board of DIAGNOSTYKA was changed, Vice-Presidents Barbara Kopeć and Wacław Dziurzyński stood down from their functions due to retirement. In 2020 Marta Rogalska-Kupiec and in 2021 Bartosz Cieślicki were appointed to the Management Board.

Two of the Board's members is in the range of 30–50 years old and two are above 50 years old.

MANAGEMENT BOARD





VISION AND VALUES

In our operations we put emphasis not only on the activities that are important for the economic development of our Company, but also on those that are vital to the organizational identity and corporate social responsibility.

By effective, ethical and socially responsible management, we strive to achieve our mission:

OUR MISSION

We want to be the most preferred network of medical laboratories in Poland.
We pursue this goal by ensuring the highest quality of our tests, developing a high level of customer services and carrying out educational and social activities.

OUR VISION

With rigorous quality control and openness to innovation, we continuously improve the level of our services. We adhere to principles of responsible development to the benefit of our employees, patients, business partners, investors and the society.

The values we follow to fulfill our missions are also our competitive advantages. Those values define our conduct in all the companies of the DIAGNOSTYKA Group.

OUR VALUES

- › **Top quality diagnostics services**
- › **Well-being and satisfaction of clients**
- › **Availability of tests**
- › **Top class specialists**
- › **Full transparency**
- › **Social activities**
- › **Reliability and promptness**
- › **Clear procedures**



ETHICS AND HUMAN RIGHTS

We do not accept any unethical conduct in relationships with our employees, patients, counterparties and any other stakeholders. Our core values include transparency and clear procedures. At DIAGNOSTYKA, we follow the “zero tolerance” approach to corruption.

We have in place:

- **Anti-Corruption Code of DIAGNOSTYKA S.A.**, which specifies in detail the prohibited actions and their consequences. Employees must report any corruption proposals and any violations of the anti-corruption rules. This document describes the investigation procedures initiated if such a case is reported.

Every employee must sign a statement that confirms that he or she has received and read the Code and the rules of criminal liability for the offences indicated therein.

At all companies of our Group, any forms of discrimination are strictly prohibited, both towards employees and stakeholders. No activities or conduct will be tolerated that represent direct or indirect discrimination, mobbing, sexual harassment or behavior that is against generally accepted good practices and rules of social life.

- Our **anti-discrimination and anti-mobbing procedure** defines the internal rules of countering such incidents and determines the methods of resolving problems occurring at our Company.

Every employee who believes that he or she has been exposed to or seen any prohibited conduct may file a written complaint with our HR director. A commission will be established to investigate the issue. The procedure defines how the commission should be appointed and how it should conduct the investigation.

The scope of application of the anti-mobbing and anti-discrimination procedure is part of our on-boarding training. On an annual basis, we assess if the procedure is adhered to.

- **Our impartiality and confidentiality policy** sets out that we provide our services in accordance with the principles of impartiality, confidentiality and integrity, and apply the same procedures to all the customers of our labs.
- **Laboratory diagnostician code of conduct**
- **Nurse and midwife code of conduct**
- **Doctor code of conduct**



100% of DIAGNOSTYKA's employees read the anti-corruption procedures and the anti-discrimination and anti-mobbing procedures.

In 2020, we recorded no infringement of our ethics and human rights procedures



2.2. Risks and opportunities

WE ENSURE THAT OUR ACTIVITIES ARE CARRIED OUT CONSISTENTLY, ON THE BASIS OF A SYSTEM USED FOR ANALYSIS OF RISKS AND OPPORTUNITIES, WHICH IS DESCRIBED IN THE “RISKS & OPPORTUNITIES” PROCEDURE (LAST UPDATE IN APRIL 2021).

The objectives of the procedure are:

- assess risks for management, systemic, research and other processes;
- prepare risk mitigation plans;
- identify improvement opportunities.

During the risk assessment process, we consider the probabilities of occurrence and possible effects of threats. Such assessment includes the probability of occurrence of a threat, the impact on delivery of services to patients and the possible reputational and/or financial loss for the Company.

The risk materiality level (priority) takes into account the assessed probability of occurrence and the type of risk:

- unacceptable risk,
- high risk,
- acceptable risk.

We have implemented clear principles and standards of risk identification, evaluation, monitoring, mitigation, and reporting.

Operational risk is understood as a possibility of occurrence of a direct or indirect loss arising from the improper alignment or failure of internal processes, people and systems or from external events. We include legal risk in operational risk.

Operational risk assessment includes, without limitation:

- risk relating to undesirable effects of laboratory activities and potential errors in such activities, for example a risk that the wrong test results can be handed over to a patient;

- risk to impartial operations of a laboratory;
- risk of improper HR and workplace safety practices;
- risk of breach of information security, and in particular the security of personal data;
- risk of interruption of business continuity;
- risk of failure to meet legal requirements;
- environmental risks.

RISK MANAGEMENT SYSTEM AT LABORATORIES

In order to improve risk management at our labs, we have implemented and maintain and improve:

- ISO 9001 certified management system,
- ISO 27001 certified information security management system,
- ISO 14001 certified environmental management system.

In addition, many labs are accredited by the Polish Centre for Accreditation in accordance with ISO 15189 and ISO 17025 standards.



2.3. Data protection and cybersecurity

PERSONAL DATA PROTECTION

The DIAGNOSTYKA Group has in place a personal data protection policy which has been implemented on the basis of applicable laws and regulations and our general procedures and special regulations, e.g. job instructions.

Key regulations:

- › **Personal Data Protection Policy,**
- › **IT System Management Instruction,**
- › **Infringement Oversight.**

We monitor, on an ongoing basis, the procedures relating to the processing of personal data.

Our priorities are:

- › Align our personal data processing procedures and processes to the sectoral GDPR Code approved by the personal data protection authority.
- › Eliminate human errors from the processing of personal data.
- › Reinforce and support the team responsible at our Company for the management of personal data protection, with a particular focus on raising cybersecurity challenges and the increasing significance of privacy protection.
- › Support a project aimed at implementation of the GDPR Code for the healthcare sector. This initiative is described in the chapter Communities.

CYBERSECURITY

The cybersecurity assurance principles are determined by the IT System Management Instruction. In addition, to ensure the most effective management of the cybersecurity, we have implemented **16 procedures for the information security management system in accordance with ISO/IEC 27001**, which cover the cybersecurity area and are concentrated on the security of information and communication systems (ICS).

Our Company has a certificate that confirms our compliance with the ISO/IEC 27001 standard.

DIAGNOSTYKA incessantly improves its procedures and reinforces its cybersecurity team. Our areas of focus include:

- › ensure a two-factor authentication function for online access to test results. This will reduce the risk of interception of online access to test results connected with the carelessness of patients;
- › develop systems that protect against data leaks. Such systems monitor, block unauthorized attempts to transfer sensitive data and warn the system administrator of such attempts;
- › increase the utilization and support the development of systems that log events on servers and network devices to ensure that any attacks are effectively intercepted, blocked, and neutralized.



2.4.

Management of social and environmental footprint

WE BELIEVE THAT, TODAY, THE RESPONSIBILITY FOR AND MANAGEMENT OF SOCIAL AND ENVIRONMENTAL FOOTPRINTS ARE INDISPENSABLE TO SUCCESSFULLY RUN A BUSINESS.

In our activities, we consider the ESG factors, i.e. environment protection, social responsibility and corporate governance. We are aware of the impact we exert on our ecosystem and we take into account the perspective of our stakeholders in our decisions and operations.



**DIAGNOSTYKA means more than just the results of laboratory tests.
We perceive our role and duties towards stakeholders in a much broader perspective.**

- We ensure high quality laboratory services and we support the healthcare system.
- We share our knowledge and we provide advanced solutions in the area of medical tests.
- We are a reliable employer and business and we contribute our share to the country's budget and generate profits for our investors.
- We proactively initiate activities to shape the standards in Poland's diagnostics sector.
- Within the framework of responsible practices, we build our relationships with employees, competitors and clients on our values.
- We cooperate with communities by supporting healthcare, educational, informational, scientific, intra-sector and charitable initiatives. We initiate them and we get them done.

Millions of patients in Poland have trusted us.

**KEY POLICIES****E****Our environmental footprint Our social footprint****S**

Environmental policy

E

Certification of the environmental management system in accordance with ISO 14001:2015 standard

C**I****P****S**

Work rules (updated in 2020)

Remuneration rules

Anti-corruption code

Anti-discrimination and anti-mobbing procedure

New hires onboarding procedures and the "First Steps" guide

General terms and conditions for third party products and services delivered to DIAGNOSTYKA S.A.

Quality requirements for suppliers

Questionnaires for subcontractors (including a separate questionnaire for foreign subcontractors)

G**Corporate governance of DIAGNOSTYKA**

Quality policy

Certified Quality Management System

As part of the quality and utmost care policy:

- › ISO 9001:2008 certificate
- › PN-EN ISO/IEC 27001 certificate
- › accreditation certificates PN-ISO 15189 AM 003, AM 004, AM 006 and PN-ISO 17023 AB 1213

Anti-corruption code

Impartiality and confidentiality policy

Laboratory diagnostician code of conduct

Nurse and midwife code of conduct

Doctor code of conduct

Security policy

"Risks and Opportunities" procedure

Risk management scheme



CHAPTER 3.

PATIENTS

S – social

How we serve our patients
and counterparties

Standards and innovations
we implement to improve
quality of service

How we supported
our patients and
counterparties
during pandemic



3.1. Services and clients

Year 2020

- › Laboratories of DIAGNOSTYKA Group carried out more than **72 million tests**.
- › As at the end of 2020, our product range included **more than 3.5 thousand items** – including test packages for particular diseases and/or age groups.
- › We served **more than 18 million patients**.

We offer tests in the following segments:

- › basic tests,
- › special tests,
- › microbiology and mycology,
- › transfusiological serology,
- › toxicology,
- › genetics and molecular biology, including tests connected with SARS-CoV-2,
- › pathomorphology.

We quickly responded to market needs and adjusted our offer to challenges of the pandemic:

- › We created 15 new laboratories performing RT-PCR tests for SARS-CoV-2, which operated 24 hours a day.
- › We implemented COVID-19 tests. **Nearly 100 new items (tests, test packages, certificates) relating to SARS-CoV-2 virus and COVID-19 disease were added to our product range.**
- › We implemented a procedure to issue certificates upon test results (more than 20 different certificates in 7 languages) to enable border crossing, including ongoing modifications to take account of changing requirements introduced in individual countries.
- › We launched a text message service to notify that test results are ready for receipt. This communication channel is used upon a customer's request and consent.



Despite huge problems with delivery of supplies from manufacturers and reagents necessary to carry out lab tests, we did not stop our activities in 2020 even for one second.

- › We introduced an online option for patients to buy vouchers for e-Packages of tests.
- › The offer for counterparties was enhanced by antigen and antibody test cassettes.

In relationships with patients and counterparties, our priorities were:

- › ensure the continuity of lab services,
- › keep safe our counterparties, personnel and patients in accordance with developed procedures,
- › reduce the time of execution of COVID-19 tests as much as possible,
- › cooperate with institutions carrying out tests financed by the National Health Fund on the basis of systemic integration,
- › cooperate with sanitary and epidemiological stations throughout Poland and report COVID-19 test results.



OUR COUNTERPARTIES

Our business clients, which we call "counterparties," included **almost 9 thousand entities**. These were public hospitals, private healthcare networks, public and private clinics and private doctor practices.

We cooperate with our counterparties using several models:



Our business clients are public hospitals, private healthcare networks, public and private clinics and private doctor practices.

1. under a contract, we serve the patients of a counterparty at our points of collection and carry out the whole service process;
2. we create DIAGNOSTYKA's franchise points of collection within the organizational structure of a business partner and test biological samples at our labs;
3. customer services after winning a tender or contest for running a lab, e.g. at a hospital. Personnel become officially our employees and still work at the point of collection and laboratory of the client;
4. employees of a counterparty collect biological samples at its own collection points and our couriers take the samples and deliver them to DIAGNOSTYKA's labs.

We have reference lists, received from our counterparties, that confirm top quality of our services. We also measure the level of satisfaction of counterparties within the framework of a program dedicated to receive any comments. As part of day-to-day cooperation, we monitor the level of satisfaction of counterparties that cooperate with us on the basis of received e-mail correspondence.

Every counterparty is supported by a dedicated medical representative from DIAGNOSTYKA.

In the course of cooperation, we support our counterparties in a pre-laboratory process:

- › we deliver all supplies required to collect samples for tests and order forms, together with barcodes;
- › we support the integration of IT systems of hospitals or doctor's practices with our laboratory IT system. This enables us to reduce the number of errors in test ordering phase;
- › we arrange meetings with a counterparty's nurse team to agree the scope of activities to be carried out as part of our cooperation, with training plans as a main theme.

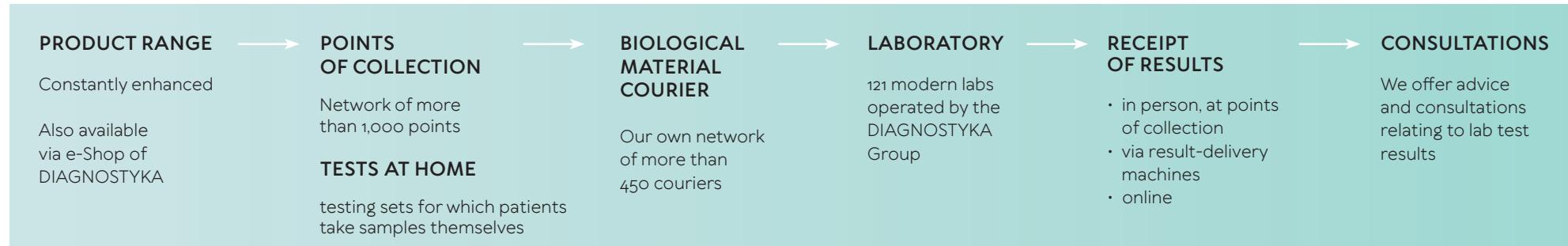
We used to carry out meetings with a counterparty's nurses dedicated to correct collection of testing samples. In 2020, such meetings became impossible to arrange because of the pandemic.

Knowledge base

We operate the Nurse Assistant website, which is dedicated to our counterparties – nurses, midwives and other persons interested in issues relating to collection of materials for laboratory tests and quality in pre-lab phase.



PATIENT SERVICING PROCESS



MAIN CHANNELS OF CONTACT WITH PATIENTS

- › Points of collection
- › wyniki.diag.pl website
- › e-Commerce platform – e-Shop of DIAGNOSTYKA
- › Call Center for patients – available every day, 8:00 a.m. to 8:00 p.m.
- › Regional infolines – 7 branches in the largest cities throughout Poland. Since 2020, after the DIAGNOSTYKA lab network joined the National Vaccination Program, those infolines have been used to provide information relating to vaccination

- › Website www.diagnostyka.pl. About 10 million hits a month
- › Social media presence, DIAGNOSTYKA's profile on Facebook.
- › "Diagnostyka ZDROWIA" magazine
- › DIAGNOSTYKA's quarterly newsletter, delivered to about 350,000 subscribers

POINTS OF COLLECTION

We serve our patients at about **1,000 points of collection** of DIAGNOSTYKA dispersed throughout the country. We offer our services to patients who:

- › are sent by doctors – counterparties of DIAGNOSTYKA,
- › order tests on their own for themselves or minor persons in their custody (patients select and pay for tests on site or they redeem vouchers purchased from the e-Shop).

We strive to unify DIAGNOSTYKA's facilities – they have standardized look, equipment and materials informing about offered tests and services, including packages and special offers. Patients are served by highly skilled personnel who undergo regular training and whose work is verified to ensure appropriate customer service and the use of safe sample collection techniques.

**OUR POINTS OF COLLECTION ARE:****FRIENDLY**

- › Convenient location – easy to get there;
- › Available parking places;
- › Convenient and spacious waiting rooms;
- › Privacy is ensured both during registration and collection of samples for tests;
- › Professional service;
- › Our personnel provide detailed information on the process used to order tests and to collect samples to carry out them.

AVAILABLE AND INCLUSIVE

- › The opening hours of particular points of collection are aligned to our patients' needs and number.
- › Personnel of DIAGNOSTYKA's points of collection is trained in servicing our patients who have special needs or require an exceptional approach. Newborns, children, pregnant women, seniors, persons with disabilities or chronic illnesses are served taking into account their special needs and requirements.
- › All points of collection are adapted to serve patients with disabilities.
- › Improvements for children – point of collection have changing tables and playing corners for older children. Professional approach of collecting personnel to our youngest patients creates a feeling of safety at a child's custodian, winning their trust and giving them assurance they desire.

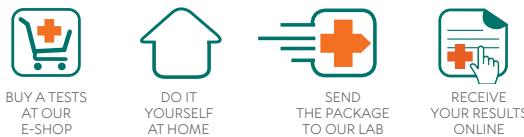
ADVANCED

- › At points of collection, we inform visitors of our online services, which is the possibility to buy tests via a dedicated online shop (also so called dispatch tests where patients takes sample on their own at home) or to receive test results safely online or on a mobile phone.
- › We want to equip our facilities with electronic devices that improve and accelerate patient registration and servicing processes. Since 2021, we have been testing patient self-registration stands.



TESTS AT HOME

For certain tests (paternity and kinship tests, DBS tests, digestive system infections, Real Time molecular metabolism tests, intimate infections, tick tests), patients can take samples at home and send them to our lab. This package is called DIAGpack and includes a very detailed instruction for patient.



COURIERS

Our fleet ensures:

- › quick and safe transport of biological samples, in accordance with all the legal requirements;
- › efficient cooperation between couriers and points of collection and laboratories – we use convenient order forms and barcode systems.

LABORATORIES

We operate 121 labs that use state-of-the-art technologies and the best European standards. We work on integrated lines composed of equipment provided by leading world-class manufacturers, including:



We also use the most recent technologies provided by:



We operate 121 labs that use state-of-the-art technologies and the best European standards.



3.2 Quality and novelty

WE HAVE IMPLEMENTED AN INTEGRATED QUALITY MANAGEMENT SYSTEM, WHICH IS MAINTAINED AND CONTINUOUSLY IMPROVED TO:

- ensure compliance with adopted policies, procedures and practices, and to accomplish objectives adopted for the Integrated Management System;

- improve the quality of our services;
- meet the expectations of our clients and stakeholders, as well as legal requirements.

The management system covers all the stages of the analytical process in accordance with standards PN-EN ISO 15189 and PN-EN ISO IEC 17025. The effectiveness of our quality management system is assessed by the Polish Centre for Accreditation.

Our **Quality Policy**, implemented in 2004 and updated on a regular basis (last update in July 2020), describes in detail how we strive to ensure access to advanced diagnostics solutions, the broadest scope of activities possible, the largest offering of tests available in the market and friendly services to guarantee customer satisfaction.

As regards standards PN-EN ISO 9001, PN-EN ISO 14001, and PN-EN ISO 27001, we have certificates that confirm that DIAGNOSTYKA's labs meet their requirements [certifying entities: TÜV SÜD and LL-C (Certification)]. Further, our laboratories are verified by Sanepid (State Sanitary Service), Regional Blood Donation and Blood Therapy Center and by regional consultants in the fields corresponding to specific profiles of particular labs.

LABORATORY AUDITS

Each of our laboratories monitors the performance of its tests to assess their quality on an ongoing basis and – if necessary – to immediately take appropriate corrective actions to ensure the full satisfaction of our clients. Two levels of audits:

- **Level 1** – in-lab audits. They are carried out in accordance with approved procedures and enable us to assess the quality of the applied methods. Results are analyzed on an ongoing basis using our in-house DiagQC software.
- **Level 2** – participation in external audits. They are carried out in accordance with the requirements set out in the Regulation of the Minister of Health of 23 March 2006 on the standards of quality for diagnostics and microbiological medical laboratories and the requirements included in our internal documentation (Policy of Participation in Proficiency Testing).

The results achieved by a lab in the course of internal and external audits are discussed by management. If the lab does not meet any pre-determined criteria verified by level 1 or 2 audits, corrective actions will be implemented, and their effectiveness will be monitored.

The results of a lab in such audits are used during a review of the Quality Management System.



We carry out various activities to improve the knowledge and awareness of sample takers to ensure they know how their activities can affect the quality of test results.

HOW WE PREVENT ERRORS

Professional literature shows that more than 70% of incorrect lab test results are caused during so called pre-lab phase, i.e. by activities of persons who take samples for tests.

Such irregularities mainly include taking a blood sample into a wrong test-tube, technical errors during taking, incorrect use of a closed (vacuum) sample taking system, incorrect storage of samples (while ignoring temperature requirements). A second source of errors is putting incorrect barcodes on test-tubes and incorrect or incomplete data in a test order.

At our counterparties, sample taking is carried out by nurses who are their employees. Therefore, we carry out various activities to improve the knowledge and awareness of sample takers to ensure they know how their activities can affect the quality of test results.

At every lab of DIAGNOSTYKA, during the sample taking process, information is recorded on the status of samples and their usefulness for tests. Statistical results are presented and discussed at meetings with the nurses of the counterparty.

REQUIREMENTS TOWARDS SUPPLIERS

In order to ensure highest quality, we manage and control our supply chain. Every supplier is subject to initial assessment. Subcontractors that perform tests must fill in detailed questionnaires and are verified meticulously.

A company will be added to our list of qualified suppliers after it is positively verified. We re-verify our suppliers on an annual basis. Unsatisfactory results require corrective actions or lead to removal from our list of suppliers.

Our supplier management policy is based on the following procedures and documents:

- General terms and conditions for third party products and services delivered to DIAGNOSTYKA S.A. – quality requirements for suppliers,
- Information on adding a company to the list of suppliers on the basis of the qualification criteria by DIAGNOSTYKA S.A. This document, among other things, informs suppliers that they will be subject to our: Quality Policy and Environmental Policy,
- Supplier assessment schemes.



DIGITIZATION

One of the key areas of development for DIAGNOSTYKA is our **in-house team of IT experts**. It ensures the efficient management and continuous development of our IT system that supports our diagnostics laboratories and points of collection. Digitization also covers supporting processes, including finance, HR, warehousing, document circulation, etc.

The pandemic triggered urgent needs to make quick changes in the IT area.

Selected advanced IT solutions

- Digital signature on test results
(more than 6 million a month)
 - Result-delivery machines at points of collection
(more than 50 devices)
 - Central Server of Test Results
(more than 5 million visits a month)

Upgrades implemented in 2020

- We digitized our newly-established molecular biology labs dedicated to SARS-CoV-2 tests.
 - We integrated our “Covid” labs with the external state-owned systems with respect to receipt of test orders, reporting and delivery of Covid test results.
 - As medical tele-consult services gained enormous popularity, we developed and implemented our

own system of e-orders (codes) that replace paper-format orders and, in consequence, make the personal visit of a patient to receive it unnecessary.

- › We started a system of text messages that inform individual patients that their test results are ready.
 - › We implemented an IT system for management of our own courier fleet and transport of samples to labs for testing.

AREAS WHERE WE INTEND TO INVEST AND DEVELOP ADVANCED TECHNOLOGIES:





3.3. DIAGNOSTYKA in struggle against the pandemic

THE TIME OF THE COVID-19 PANDEMIC WAS A SORT OF TEST FOR US. AND WE ARE PROUD TO SAY THAT DIAGNOSTYKA DID NOT FAIL.

In the face of such a difficult social situation, it would be difficult to use the word "success," but our employees achieved success every day. If we are able not to close our labs, even for a second, we owe this to them, and to efficient management.

HOW WE MANAGED THE SITUATION

In the light of the nature of our activities, the prevention of infectious diseases and infections amongst our personnel, patients and subcontractors is one of our priorities in day-to-day operations. By following our quality policy and by ensuring appropriate training for our personnel, we prevent any possible complications after the collection of a blood sample for testing (our goal is zero complaints filed by patients). For our employees, the most important thing is to achieve a zero-level of pricks with sharp objects to avoid exposure to infectious material.

We described our standards of conduct in a few new sanitary procedures (including the COVID-19 sanitary procedure or the procedure of safe handling of test samples), which regulated the operations of our points of collection and laboratories.

- › We ensured that our points of collection were in line with all the sanitary requirements.
- › We prepared detailed operating procedures, taking into account safety of patients and personnel. We separated (in time or in space) points of swab collection dedicated to COVID-19 testing from those performing the other microbiological tests. The activities we initiated to take care of our employees are described in the chapter Employees.



- › Simultaneously, we started **about 100 points of collection dedicated to safe taking of swabs** for the purposes of SARS-CoV-2 diagnostics. More than ten of them are *drive-thru* points which serve patients who do not need to get out of their cars. We were the first company to establish such testing places in Poland.



IMPROVEMENTS FOR COUNTERPARTIES AND PATIENTS

We implemented new solutions to improve our activities:

Test ordering

› At points of collection we implemented authorization barcodes generated by ourselves (they operate like e-orders and e-prescriptions). With this solution, counterparties could order tests for their patients without the need to make personal visits at a counterparty's facility (tele-consult mode gained popularity) in order to receive a paper-format order.

By the end of 2020, we generated more than 100 thousand authorization codes for testing. By 26 July 2021, it was already five times more.

› We started using our e-shop to sell tests to counterparties. Before the pandemic this platform was dedicated solely to individual patients.

Service of patients of counterparties at points of collection

› We made our analytical points of collection available to patients that only used facilities of counterparties before (during the pandemic many medical facilities of our counterparties were closed).

Service of counterparties by couriers of DIAGNOSTYKA

› We developed procedures to be followed by couriers when picking up test samples from counterparties, taking into account safety of a counterparty's personnel and of our courier.

Performance of COVID-19 tests

› We developed and distributed our own sets dedicated to taking samples for SARS-CoV-2 testing using the Real Time PCR method (DiagPack), which include, among other things, a detailed instruction of safe conduct for personnel who take test samples and tubes with a solution that deactivates the SARS-CoV-2 virus and stabilizes its genetic material (DiagProbe). This solution ensures the delivery of safe and stable test samples for testing at molecular biology labs of our Group.

Laboratories providing COVID-19 tests:

› We started 24/7 laboratories carrying out **COVID-19 tests at 15 locations** throughout Poland, which make it possible to perform ordered tests within 24 hours.

Sale of antigen tests

› We created an in-house application that made it possible to issue test results within 4 hours.

Special offer for employers

› We prepared a proposal of COVID-19 tests for employers. Those tests were to enable employees safe return to office from remote work during a period when Covid cases were on the rise.

WE VACCINATE AGAINST COVID-19

Our labs participate in the National Vaccination Program. We created 16 vaccination points (2 points in each of Kraków, Warsaw and Wrocław, one mass vaccination point in Słupsk, and one point in points in each of Białystok, Bielsko-Biała, Gdynia, Katowice, Lublin, Łomża, Łódź, Olsztyn, and Szczecin).

By 31 July 2021, we delivered a total of **48,569** doses.

CHAPTER 4.

EMPLOYEES

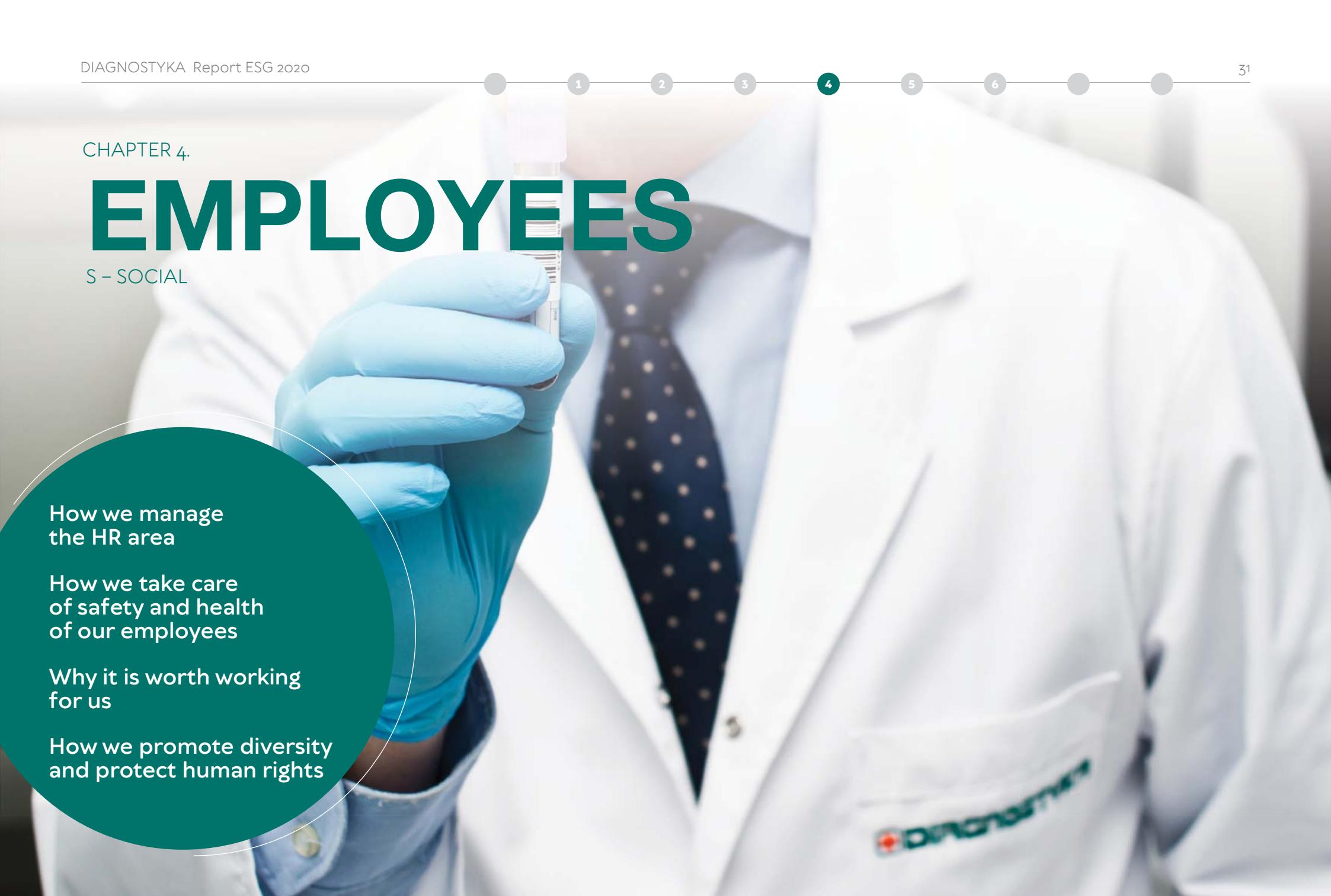
S – SOCIAL

How we manage
the HR area

How we take care
of safety and health
of our employees

Why it is worth working
for us

How we promote diversity
and protect human rights





4.1. HR management

ALL THE PROCESSES IN THE HR AREA, FROM RECRUITMENT AND FIRST STEPS AT THE COMPANY (ONBOARDING) TO PERIODIC APPRAISALS TO TERMINATION, ARE CARRIED OUT IN ACCORDANCE WITH MODERN HR MANAGEMENT STANDARDS. WE APPLY TRANSPARENT PROCEDURES AND BEST PRACTICES.

Our HR policy is based on relevant regulations. These are:

- › Work rules, updated in 2020,
- › Remuneration rules,
- › Anti-discrimination and anti-mobbing procedure
- › Anti-corruption code

At DIAGNOSTYKA, the appraisal process covers almost all employees under a contract of employment with a length of service longer than 3 months. In 2018 and 2019, we evaluated all employees. After the pandemic outbreak, we postponed the appraisal process from 2020 to 2021.

At DIAGNOSTYKA, employees enjoy the freedom of association and have the right to initiate collective bargaining negotiations. We have no collective bargaining agreement in place.

COOPERATION WITH COUNTERPARTIES AND HR THEMES

We start in contests and tenders organized by hospitals for running laboratories. If we win, we take over a hospital lab personnel under Article 23 of the Labor Code for the term of the agreement with the hospital. In practice, those hospital employees become our employees on the terms and conditions they had at their hospital. When the agreement is terminated, those employees "return" to their hos-

pital (also in accordance with the Labor Code). Such a legal situation also occurs where we buy companies and amalgamate them with DIAGNOSTYKA – employees of those companies become our employees.

HR objectives pursued in 2020

- › Ensure that the Company has all the necessary employees, and first of all laboratory diagnosticians of any required specialties, nurses and computer and software engineers, through recruitment carried out using new methods.
- › Ensure appropriate supervision over the onboarding of new employees, first of all at labs.
- › Carry out integration activities and support employee initiatives in that area.
- › Start works on digitization of the periodic appraisal process. The electronic version will enable us to improve the appraisal process and to carry out in-depth data analysis.



4.2. Our personnel in numbers

HEADCOUNT²

EMPLOYEES BY EMPLOYMENT BASIS

Category of employees	2020	2019	2018
Employment contract for indefinite period			
Women	1,865	1,778	1,714
Men	319	299	292
Employment contract (for trial or definite period)			
Women	1,034	918	851
Men	161	156	129
Other civil-law contracts			
Women	2,882	2,472	2,284
Men	503	388	392

FULL-TIME AND PART-TIME EMPLOYEES UNDER EMPLOYMENT CONTRACTS

Category of employees	2020	2019	2018
Full-time			
Women	2,733	2,353	2,427
Men	447	415	388
Part-time			
Women	166	161	138
Men	33	40	33

AS AT THE END OF 2020, WE HAD,
AT DIAGNOSTYKA, **6,764 EMPLOYEES**,
INCLUDING THOSE UNDER EMPLOYMENT
CONTRACTS AND CIVIL-LAW CONTRACTS.

² Employment data are reported as at the end of each year.



EMPLOYEE TURNOVER

TOTAL NUMBER OF NEW HIRES

Category of employees	2020	2019	2018
By sex			
Women	560	525	491
Men	72	105	74
Total	632	630	565
By age			
Below 30 years old	378	339	324
30–50 years old	204	231	184
Above 50 years old	50	60	57
Total	632	630	565

TOTAL NUMBER OF RESIGNATIONS

Category of employees	2020	2019	2018
By sex			
Women	429	467	403
Men	50	75	55
Total	479	542	458
By age			
Below 30 years old	147	188	147
30–50 years old	182	208	162
Above 50 years old	150	146	149
Total	479	542	458

GENERAL EMPLOYEE TURNOVER RATE

	2020	2019	2018
	14.17%	17.20%	15.33%



Every employee whom we have hired is informed by their manager of our policies that are to prevent mobbing, harassment, violence or discrimination and of our anti-corruption rules. The employee agrees in writing to comply with the standards described in the documents that regulate the above areas. Certain components of our human rights and ethics policy are described in the chapter Corporate Governance.

In 2020, we had recorded no discrimination incident.

In 2020, the category "management" included 11 persons with disabilities, as compared to 10 persons in 2019 and 2018. In 2020, the category "other employees" included 266 persons with disabilities, as compared to 245 and 208 persons in 2019 and 2018, respectively.

EQUALITY AND DIVERSITY⁴

EMPLOYEE NUMBER BY SEX AND AGE

Category of employees	2020	2019	2018
By sex			
Women	5,781	4,907	4,594
Men	983	773	744
Total	6,764	5,680	5,338
By age			
Below 30 years old	1,668	1,238	1,117
30–50 years old	2,738	2,274	2,149
Above 50 years old	2,358	2,168	2,072
Total	6,764	5,680	5,338

MANAGEMENT BY SEX AND AGE⁵

Kategoria pracowników	2020	2019	2018
W podziale na płeć			
Kobiety	261	261	255
Mężczyźni	72	70	69
Suma	333	331	324
W podziale na wiek			
Poniżej 30 lat	11	13	11
30–50 lat	201	208	209
Powyżej 50 lat	121	110	105
Suma	333	331	325

³ Management includes every employee who runs a team composed of more than two persons. Management Board excluded.

⁴ Data as at 31 Dec. 2020.



4.3.

Training and development

OUR TRAINING POLICY ASSUMES THAT WE WILL SUPPORT OUR EMPLOYEES IN THEIR PROFESSIONAL DEVELOPMENT.

Every laboratory diagnostician must collect every year at least 100 educational credits and such approach motivates those employees to actively search for training opportunities. We support participation in such training by giving training leave and by covering the costs, in full or in part.

We offer **internal training**, for example in the areas of customer services, team work or interpersonal communication. From amongst specialists working for DIAGNOSTYKA, we select **internal consultants** in particular areas. They provide training in laboratory diagnostics at our **Internal Academy of Diagnostics**.

THE AVERAGE NUMBER OF TRAINING COURSES PER EMPLOYEE – BY TRAINING TYPE⁶

Training type	2018	2019	2020
External training	0.09	0.13	0.07
Internal training	0.53	0.51	0.44
Training for managers	1.9	2.72	3.2
Training for lab and point of collection personnel	0.6	0.67	0.54
Training for couriers and warehouse staff	-	-	0.18

THE AVERAGE NUMBER OF TRAINING COURSES PER EMPLOYEE – BY SEX⁷

Rate	2018	2019	2020
Average number of training courses per employee	0.61	0.64	0.51
Women	0.60	0.59	0.49
Men	0.64	0.96	0.59

WE SUPPORT EMPLOYEES SEEKING SPECIALIZATION

Our laboratory diagnosticians may complete their specialty education as our employees. This right is granted to a licensed diagnostician after one year of work for DIAGNOSTYKA. We offer training leave and cover the cost of all or certain training courses participated during such specialty education.

DEVELOPMENT PATHS

We offer to our laboratory technologists professional development paths in the areas of quality control, computer science or finance, depending on predispositions or skills of an employee.

^{6,7} Data are reported as at the end of each year.

4.4.

Safe and attractive workplace

WE ARE A GOOD EMPLOYER.

OUR PROPOSAL FOR EMPLOYEES INCLUDES:

Values arising from interesting work

- We offer work in line with interests, predispositions and competences of an employee
- We hire persons with different professional experience, also those who are just starting their professional career
- We offer internships for laboratory diagnosticians during specialty education

Development values

- We are a fast-growing company and our employees are developing with us
- We offer a differentiated training package
- We use transparent development paths and we recruit from within
- 73% of our managers are from within our organization
- We shape the future professional opportunities for our employees
- Experience gained with DIAGNOSTYKA is a valuable asset at the next stages of one's career

Financial values

- We are a large and strong organization, present in the market for 23 years
- We guarantee stable employment and financial security
- We invest in modern technologies and tools that make work on a given position easier
- We offer market-level remuneration, comprehensive healthcare packages, pensions benefits and leave for specialty program
- As a nation-wide employer, we offer continued employment history within our structures if an employee decides to relocate to another city.



Social values

- We ensure friendly workplace by investing in technologically advanced offices in good locations
- We carry out preventive campaigns dedicated to all employees, such as free SARS Cov-2 tests or influenza vaccination
- We offer various benefits, available right from the start of the trial period
- We carry out activities to take care of health and wellbeing of our employees. We promote sports – we have volleyball and running teams
- We organize integration meetings (trips, picnics, holiday meetings)

Benefits

- Discounts for laboratory tests.
- We provide our employees and their families preferential access to laboratory tests performed in DIAGNOSTYKA.
- Private healthcare insurance.
- Group insurance program provided by PZU
- Language courses on a remote platform
- MultiSport card from BenefitSystem
- Company Social Fund



SAFETY AND HEALTH OF OUR EMPLOYEES

Our occupational safety and health policy

regulates how we carry out our tasks in the area of safety and health in the workplace, including fire safety. Persons responsible for the fulfilment of those duties include:

- › OSH specialists,
- › management specialists, which are present at every regional branch,
- › managers.

The OSH area is regulated in **procedures and instructions for the quality management systems** and in **job instructions**. The threats associated with particular workstations are described in the **Occupational Risk Assessment** document, which presents estimated risks and threats with and without preventive measures.

Our key objectives in the OSH area

- › Prevent infectious diseases and infections amongst our personnel, patients and subcontractors by preventing complications after taking a blood sample for tests. For our employees, strive to achieve a zero-level of pricks with sharp objects to avoid exposure to infectious material.
- › Supervise the working conditions of our personnel.
- › Supervise disinfectants by selecting the measures that are most safe for the personnel and, at the

NUMBER OF ACCIDENTS AND INJURIES AS AT 31 DEC. 2020⁸

Incident type	2018	2019	2020
Total number of accidents	21	27	25
Number of injuries in the workplace	21	27	25
Number of fatal accidents	0	0	0
Number of deaths caused by diseases arising from workplace conditions	0	0	0

same time, meet the disinfection requirements and have the lowest adverse impact on the environment.

Key activities in 2020

We initiated activities to reduce the risk of transmission of the virus and to ensure the continuity of our work while keeping our employees safe:

- › We implemented new sanitary safety procedures.
- › We provided our employees at points of collection and labs with necessary personal protective equipment. We also used recommended and available individual protective measures at our offices.
- › We increased the frequency of space cleaning and we secured more hand disinfectants.
- › We prepared new work organization rules. We implemented a rotational work system so that

particular shifts had no contact with each other. Administrative and office personnel worked remotely and their presence at the office was also rotational.

- › We prepared informational materials about Covid-19 for particular groups of employees.
- › We tested our employees for Covid-19 to protect their work places and our patients. Over 21 days, for 100 different workstations, we conducted 3,000 serological tests, 200 deeper tests and 30 genetic tests using the RT-PCR method. We offered the maximum discount for tests for family members of our employees.

In 2020, the number of days of inability to work as a result of workplace accidents was 931, and the lost-days ratio amounted to 0.2⁷.

⁷ The total number of accidents leading to a loss of work time per time unit, e.g. per 100,000 hours worked.

⁸ Data are reported as at the end of each year.



CHAPTER 5.

COMMUNITIES

S – SOCIAL



Key themes of our social commitment

Initiatives completed in 2020





5.1. Areas of our social commitment

DIAGNOSTYKA OFFERS MORE THAN RESULTS. WE ARE AN EXPERT WHO WILLINGLY SHARES ITS KNOWLEDGE AND EXPERIENCE. OUR COMPANY GETS INVOLVED IN VARIOUS MATTERS THAT ARE IMPORTANT TO THE ENVIRONMENT IN WHICH IT OPERATES. WE SUPPORT ACTIVITIES TO RESOLVE SOCIAL ISSUES AND WE RESPOND TO THE NEEDS OF OUR STAKEHOLDERS. WE ARE A LEADER IN THE DIAGNOSTICS SECTOR, BUT WE ALSO TRY TO SHAPE IT.

- › We consider important our scientific cooperation with Academia.
- › We disseminate knowledge in the fields of laboratory testing and advanced solutions used in that area. We organize scientific conferences and meetings with experts, and we publish information materials.
- › We initiate nation-wide educational and preventive campaigns targeted at every age group.
- › We cooperate with social partners and we support public benefit organizations. Over the past years, we have provided assistance, including financing, tangible resources and services, to various non-governmental organizations and educational and care institutions. We have supported individual initiatives, as well as artist ad sportspersons.

A review of our activities since 2015 is available on the website diag.pl in the tab "More than results".





TAKING CARE OF INDUSTRY STANDARDS

› We are active in the area of personal data protection and information security, where we support **the project initiated to prepare a GDPR code for the healthcare sector**. In May 2021, we took part in the conference “GDPR in the medical sector – where we are, where we are going – Edition III”, by sharing our experiences in the area of personal data protection at medical labs.

The project “Polish GDPR Code of Conduct in Healthcare” was nominated in 2021 to Emerging Europe Awards and admitted to an international contest in the category “Modern and Future-proof Policymaking”. More about the project on www.rodowzdrowiu.pl.

› We initiate activities to enhance the group of professions authorized to take blood samples.

A few years ago, DIAGNOSTYKA, through the Private Medicine Employers Association, recommended that authorization to draw blood and other samples for lab testing (phlebotomy) be given to medical carers. After several years, joint efforts of DIAGNOSTYKA and the Medical Carers Foundation led to a regulation issued by the Minister of Education and Science in 2021 to modify the curriculum of medical carer education as regards phlebotomy.

This is an important change. The sector has a visible shortage of medical analytics technicians at points of collection of samples for laboratory testing (analytics technicians are authorized to do so). And this is coupled with the problem with employment of nurses and midwives.

We also initiated changes in the regulation relating to activities of paramedics. As a result, they are now authorized to take blood samples at medical facilities (previously they only could do this in the scene of an event, i.e. accident). By this, we have enhanced the possibility to employ paramedics at points of collection.



5.2. Community initiatives

SUPPORTING COMMUNITIES DURING PANDEMIC

› We Test–We Support Program

In the first half of April, we initiated a program to offer free SARS-CoV-2 tests for healthcare employees. We collected test samples at 15 mobile *drive&go-thru* points in the largest cities. Those tests were financed by our Group and project partners.

Over **7 weeks** we tested almost 6.5 thousand persons – doctors, dentists, laboratory diagnosticians, physiotherapists, nurses, midwives and paramedics. This means as many as 2% of all the persons in those professional groups in Poland.

On 1 June, we started the second phase of the WE TEST–WE SUPPORT program. Friends of medics (companies, local governments or individuals) could support them with special test vouchers offered directly to healthcare representatives. They could take a test at any of our mobile points of collection.

Our commitment to the project so far is **PLN 1.5 million**. Simultaneously, the campaign was joined by corporations, business and local governments, which donated more than PLN 1.1 million for tests of medics.

› “We Test–We Support 2.0” program carried out in October 2020.

Together with uPacjenta, a startup from our Group, we conducted, free of charge, nearly 550 antigen tests and RTC-PCR tests for teachers from schools exposed to higher epidemiological risk. The program was to improve the safety of teachers and students and to stop the coronavirus from spreading in the school environment.

› On our websites, in the tab “Coronavirus,” we present professional publications and recommendations relating to the COVID-19 virus and disease.

**BECAUSE OF THE UNIQUE SITUATION
IN 2020, WE FOCUSED ON RESPONDING
TO THE NEEDS OF LOCAL COMMUNITIES
IN THE FACE OF THE PANDEMIC. WE HAD
TO STOP CERTAIN REGULAR COMMUNITY
ACTIONS.**

EDUCATIONAL AND INFORMATIONAL ACTIVITIES

- We regularly prepare, update and distribute informational and educational leaflets about health-related issues. In 2020, they covered diagnostics of Lyme disease or celiac disease, and the threats connected with insect bites.
- A regular campaign to **accustom children to visits at points of collection** is connected with information for parents what to do during a visit and how to cooperate with our personnel to take a test sample. It is supported by posters, publications on the website and video instructions published on our Company's profile on Facebook. We have prepared videos for YouTube (such as "Adventure at the lab," "Children friendly lab," or a guide for parents: "By reason, not by force"), which we show at points of collection equipped with screens.





CHAPTER 6.

ENVIRONMENT

E – environment



How we manage our environmental footprint

Environmental activities we carry out





6.1.

Management of environmental topics

AT DIAGNOSTYKA, WE HAVE IMPLEMENTED AND WE CONTINUOUSLY IMPROVE AN ENVIRONMENTAL MANAGEMENT SYSTEM THAT MEETS THE REQUIREMENTS OF ISO 14001:2015 STANDARD. IN ACCORDANCE WITH THAT STANDARD, WE CARRY OUT REGULAR AUDITS OF THE SYSTEM.

The system consists of policies, procedures and other documents. The key documents are:

- › **Environmental Policy**, signed by the President of DIAGNOSTYKA's Management Board in April 2019. Formally it only covers the registered office of the Company in Krakow, at ul. Życzkowskiego 16, but its rules are adhered to by all units of our Company.
- › **Environmental Aspect Assessment** – a list of environmental aspects of our activities with an assessment against criteria such as frequency, environmental footprint, scope of impact, effects and probability of occurrence of emergency situations connected with a given aspect.
- › **Environmental Program** – a list of the key directions of activities with determined environmental impact and objective, assigned tasks, persons responsible for their implementation and planned completion dates.
- › **Report – a review of the environmental management system**, this document is prepared every year.

ENVIRONMENTAL RISKS

The “Risks and Opportunities” procedure describes the risks identified in our activities.

We have named and manage our **environmental risks**, including climate risk, which we identify in the following processes:

- › management,
 - pre-laboratory,
 - laboratory,
 - post-analytical,
 - cooperation with suppliers and counterparties.

Risk assessment covers:

- identification and assessment of environmental aspects;
- analysis of environmental risks with reference to environmental aspects, legal requirements, impact on public opinion, disturbance to environment and effects of potential emergency situations;
- monitoring of indicators;
- preventive activities initiated for key risks.

In our activities, we have identified the following environmental aspects that are material in both business-as-usual conditions and emergency situations:

- › air pollution caused by CO₂ emissions connected with our vehicle fleet,
- › air pollution caused by waste incineration,
- › soil pollution connected with generated hazardous waste (code 180103 and 180106).



ENVIRONMENTAL REQUIREMENTS FOR SUPPLIERS

- › Pursuant to our Environmental Policy, we follow a Procurement Policy that includes financial and environmental issues.
- › The document that regulates the terms and conditions of our cooperation with suppliers (procedure "General terms and conditions for third party products and services delivered to DIAGNOSTYKA S.A. – quality requirements for suppliers"), we have imposed an obligation on our suppliers to ensure conformity with the environment protection principles.
- › In the document "Information on adding your company to the list of suppliers on the basis of the qualification criteria by DIAGNOSTYKA S.A." we inform our suppliers of our Environmental Policy, based on ISO 14001 standard.

KEY SUBJECTS

In 2020, because of the pandemic, the Management Board considered that the most important tasks in the area of environment protection would include:

- › carry out supervision over chemical substances in use,
- › ensure correct segregation and management of medical and non-medical waste,
- › keep the medical equipment operational, including by regular checks, which guarantee reliable test results and safety of employees, and prevent environmental failures,
- › follow an environment-friendly vehicle fleet policy, including the ongoing monitoring of fuel consumption.



Effective segregation and management of medical and non-medical waste are among our top priorities.





6.2. Our environmental footprint

OKREŚLILIŚMY I MONITORUJEMY GŁÓWNE WSKAŹNIKI ŚRODOWISKOWE. PREZENTUJEMY JE W PRZELICZENIU NA JEDNO WYKONANE BADANIE DIAGNOSTYCZNE. JEST TO PRZYJĘTA PRZEZ NAS METODA PORÓWYWANIA WYNIKÓW ROK DO ROKU.

We have determined and monitor the key environmental indicators:

MAIN ENVIRONMENTAL INDICATORS PER ONE DIAGNOSTIC TEST PERFORMED AS AT THE END OF EACH YEAR

Indicator name	Unit	Value	
		2019	2020
Number of tests	unit	82 544 890	72 083 602
Waste volume rate (waste volume in grams / test)	g	11.64	11.77
Fuel consumption rate (volume in milliliters / 1 test)	ml	20.86	23.27
Calculated as: fuel quantity/number of tests*1,000			
VOC emission rate (volume in grams / 1 test)	g		0.05
Packaging use rate (volume in grams / 1 test)	g	0.00018	0.28
Indicator of energy consumption (total energy consumption / number of tests)	kWh	0,361	0,419

TOTAL ENERGY CONSUMPTION IN THE COMPANY AS AT THE END OF EACH YEAR

	Total consumption (MWh)	
	2019	2020
Electricity	7 696,592	7 953,854
Heat and steam	6 864,156	7 162,574
Natural gas	848,753	889,400
Burning oil	14 387,516	14 218,179
TOTAL CONSUMPTION	29 797,017	30 224,007



WE REDUCE OUR EMISSIONS

Our primary task for the years to come under our environmental policy is the electrification of transport at DIAGNOSTYKA. This initiative is to minimize CO₂ emissions generated by our vehicles.

The project assumes that by the end of 2025 the majority of our courier fleet will be replaced with electric cars. We estimated that we will be able to replace at least a half of our vehicles by 2025. We want to implement this process effectively as our ultimate goal is to replace all our vehicles. However, we are aware that this project also depends on external factors and many suppliers, therefore any more precise estimates are difficult to prepare.

In addition, the project assumes that we will build our own car charging points and at locations administered by DIAGNOSTYKA we will also install photovoltaic systems sufficient to charge our electric cars.

The project is also our response to the risk that combustion-engine cars will not be allowed to enter city centers. Another benefit is a shorter time to deliver test samples as electric cars can use bus-only lanes.

We take care of a low-emission fleet

In our Environmental Policy, we have promised to supervise the chemical substances in use, follow an environment-friendly car policy and monitor fuel consumption on a regular basis.

As at the end of 2020, our fleet consisted of 672 cars (of which 444 courier vehicles for transport of biological samples), including 669 with engines in conformity with Euro 5 and 6 standard. In addition, our vehicles are not older than 4 years.

In 2020, we implemented an IT system that analyzes all the parameters of use of every car. This tool helps us optimize courier routes and in the future it will also provide an optimal charging plan for electric cars.

As compared to 2019, our fleet was increased by 36 vehicles and, moreover, the scale of our operations also rose in connection with both our normal business growth and the role of DIAGNOSTYKA during the pandemic (e.g. in connection with SARS-CoV-2 tests and a frequent need to do them as soon as possible or in connection with newly-opened drive-thru points) affecting the level of our emissions in 2020.

Greenhouse gas emissions ⁹ (scope 1)	2020	2019	2018
CO ₂ emissions from fuel combusted in vehicle engines [Mg]	1,115.43	1,126.51	1,097.07

Consumption of fuels ¹⁰	2020	2019	2018
Petrol [m ³]	537.42	496.19	489.00
LPG [m ³]	1,041.81	1,110.07	1,056.35
Diesel [m ³]	224.71	234.33	237.74

^{9,10} Data are reported as at the end of each year.



WASTE

We monitor in detail all waste generation indicators. Waste supervision and management consists in its correct collection and marking. In those processes, the protection of employees and subcontractors (employees of companies that collect waste) from exposure to infectious materials is of utmost importance. We implement detailed operating procedures for handling hazardous waste and disinfection procedures for personnel.

We use disinfectants that are most safe for personnel and, at the same time, meet the disinfection requirements and have the minimum adverse impact on the environment.

Total weigh (Mg)	2020	2019	2018
Hazardous waste	915	916	931
Other waste	5	8	11
TOTAL WASTE	920	924	942



ABOUT THIS REPORT





THIS REPORT COVERS ACTIVITIES OF DIAGNOSTYKA S.A. AND DIAGNOSTYKA GROUP.

It includes indicators and ratios specified in the document “ESG reporting guidelines for WSE listed companies”. In this report, we present our impacts in the areas of ESG and our efforts to ensure that our activities are in conformity with responsible business practices.

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