



Regionaalhaigla

Consolidated annual report of 2023





Regionaalhaigla

CONSOLIDATED ANNUAL REPORT OF 2023

North Estonia
Medical Centre

Business name:

SA Põhja-Eesti Regionaalhaigla

(North Estonia Medical Centre Foundation)

Registry code: 90006399

Main field of activity: Hospitalisation services

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KPMG Baltics OÜ

Dear readers

The year 2023 was a significant one for the North Estonia Medical Centre and the entire group, both in terms of treatment and investment activities.

We fulfilled the treatment contract volumes agreed on with the Health Insurance Fund at the beginning of the year, completed the treatment cases given in an additional contract, and also worked overtime. Overtime is not economically sustainable for the hospital because the Health Insurance Fund covers its cost at a coefficient – for example, in inpatient treatment, it pays for only 30% of the actual cost of the treatment. For the patient, however, us working overtime means good news – they receive specialised medical care faster and the treatment queues will hopefully be shorter. Yes, even a state-owned hospital basically does charity work for the benefit of the patients by working overtime.

We must thank the professionals of the hospital, no matter what task a particular employee performs in the treatment journey. We were luckily able to better fill vacant nursing positions, which we were not optimistic about when approving the budget.

By providing high-quality treatment, we fulfilled our mission in 2023 – investing in people's health.

High-quality treatment requires sufficient state funding, adequate personnel, and an up-to-date treatment and working environment. The group significantly invested in large projects – the last time we saw investments of this scale was when the first hospital buildings were being built. We used our own funds, loans, and external funds to complete the new Y-block (where, for example, the treatment areas of our Oncology and Haematology Clinic and the Internal Medicine Clinic and the workplaces of pathologists are located), reconstruct the departments in our largest treatment unit, build isolation wards, install a high-tech ventilation and heating system, complete the first stage of the reconstruction of the largest blood centre in Estonia, and much more. The health centre, emergency care department, and polyclinic of Hiiumaa Hospital deserve a separate mention. None of these investments simply pouring money into concrete – they are our contribution to healthcare workers, patients and their relatives, and to Estonian healthcare as a whole.

In summary, in 2023, we implemented the vision of the North Estonia Medical Centre – being a recognised and innovative medical centre and a pioneer in Estonian healthcare.

Thank you!



Yours sincerely
Agris Peedu



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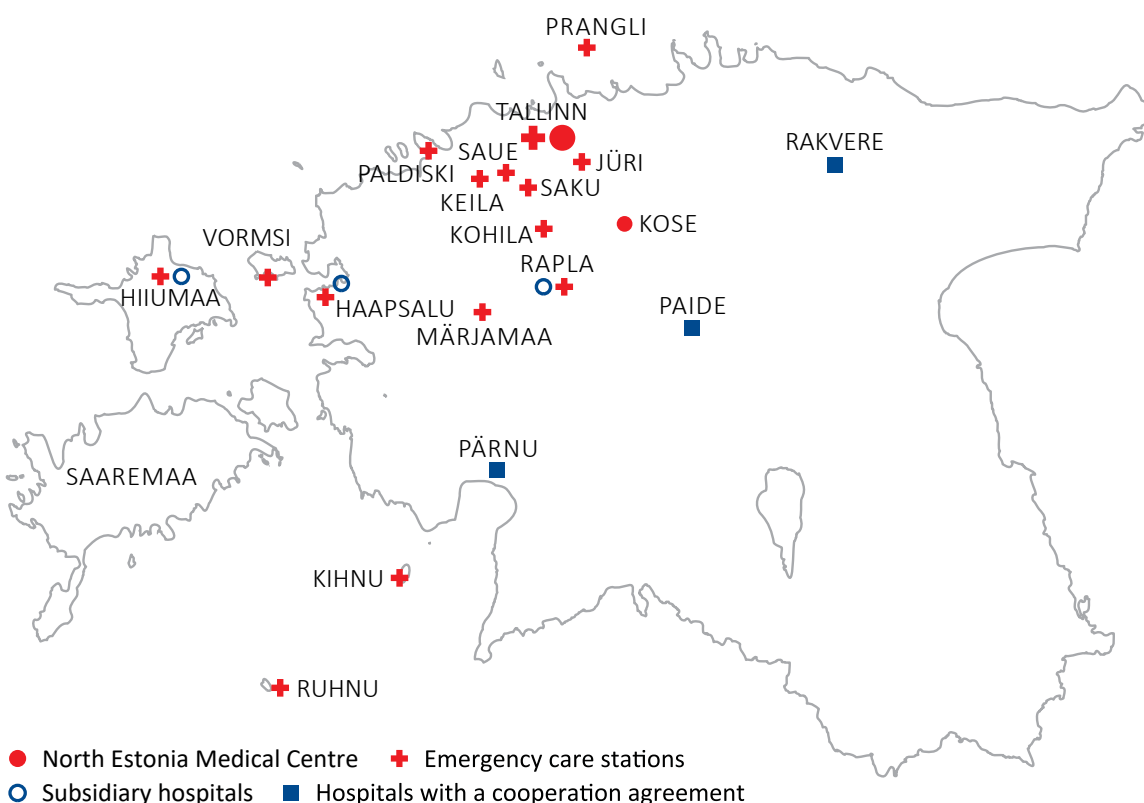
About the
Medical Centre

Medical Centre Group

SA Põhja-Eesti Regionaalhaigla (hereinafter 'North Estonia Medical Centre' or 'Medical Centre') is the leading healthcare institution in Estonia and a champion of innovation in the healthcare sector. The Medical Centre is a state-owned foundation founded by the Ministry of Social Affairs of the Republic of Estonia. The Medical Centre operates as a legal person governed by private law which is guided by its statutes and the laws of the Republic of Estonia. Like European university hospitals, the medical centre provides treatment in all medical specialities, except paediatrics and obstetrics. In addition, the Medical Centre is the largest cancer, trauma, cardiac, and psychiatric treatment centre in Estonia.

The consolidation group of the Medical Centre (hereinafter 'the Medical Centre Group') includes SA Läänemaa Haigla (hereinafter 'Läänemaa Hospital'), SA Hiiumaa Haigla (hereinafter 'Hiiumaa Hospital'), and SA Raplamaa Haigla (hereinafter 'Raplamaa Hospital'), which are general hospitals that mostly serve patients in their respective counties. The Medical Centre provides medical care of the highest level of medical complexity to all insured persons, mainly from Tallinn and Harju County and from Central, Western, and Northern Estonia. Urgent medical care is provided to all those in need. The Medical Centre consists of seven clinics with 33 specialist centres.

The Medical Centre has concluded framework partnership agreements with the Rakvere, Järvamaa, and Pärnu Hospitals: regarding chemotherapy in 2014 and haematology in 2017. The Medical Centre provides the largest volume of treatment services with the highest level of medical complexity in all of Estonia: its CMI (Case Mix Index) is 1.58 (2022: 1.47). The average CMI of Estonian hospitals is 1.20 (2022: 1.11).



The Medical Centre provides ambulance services in Harju County, Rapla County, on Hiiumaa, in Lääne County, and the small islands of Estonia, and basic life support ambulance service in Northern Estonia.

Core values



VISION:

to be a recognised and innovative medical centre, a pioneer in Estonian health care.



MISSION:

we invest in people's health.



CORE VALUES:

dedication and professionalism, caring attitude and responsibility, openness and cooperativeness.

Development plan

In 2021, the Medical Centre approved its 10-year development plan, which was prepared with the help of staff, patients, and partners in the healthcare system. This is our roadmap for great strides in this decade.

We see the following as the most important trends affecting our activities:

- the continued ageing and decline of the population;
- the rapid development of technology and the increasing digitalisation;
- climate change and environmental degradation, resulting in the growing importance of environmental awareness.

In a changing environment, our mission – investing in people's health – becomes all the more important and remains our guiding star in every situation. We invest our time, knowledge, dedication, and care because we know that every second spent on listening and including patients, seeking and finding solutions, will be worthwhile. We pay equal attention to ourselves and our colleagues. We contribute to the healthcare system in general so that it will continue to support the patients and our staff.

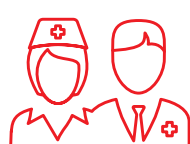
The three main principles of the development plan of the Medical Centre:

1.



It must be easy for the patient to receive the best possible treatment and the treatment must respect their dignity.

2.



Working at the Medical Centre must be good for development, motivating, and safe.

3.




The North Estonia Medical Centre contributes to the steady and sustainable development of the Estonian healthcare system.

The development plan of the Medical Centre contains six strategies for achieving our vision:

- satisfied patients and safe treatment paths – how to offer patients what they would value the most;
- a twenty-first-century hospital – how to implement advances in medicine and technology in the best manner for our patients and staff;
- the best environment for work and development – how to ensure that the Medical Centre will remain a great place of employment;
- a teaching and learning hospital – how to promote medical science and ensure a new generation of medical staff corresponding to our needs;
- an open and cooperative organisation – how to use the limited resources of the healthcare system in the best way to create the most value for our patients and staff;
- sustainable development of the hospital – how to keep developing while remaining sustainable.

We have created an operational programme for the implementation of the objectives of the development plan of the Medical Centre; the programme lasts until 2025 and includes 88 defined long-term projects. 59 of them have been launched as of the end of 2023. 15 projects have been either cancelled or put on hold because our priorities have changed. Important projects have been completed, such as the reconstruction of Hiiumaa Hospital, the construction of the Y-block, the development of the reception service of a specialised nurse, and the promotion of a patient safety culture.

The implementation of the development plan takes place in stages – in addition to longer projects, shorter-term activities supporting the implementation of the development plan are also undertaken. 136 of them have been launched in the last three years.

 **70%**
of the 2023 action plan of the Medical Centre consisted of projects related to the development plan.

Examples of some of the projects we completed in 2023:

- preparation for the procurement of a new online case history system
- zero bureaucracy project
- first stage of the implementation of the nationwide blood transfusion service management system
- construction works of the A wing of the of the Mustamäe Medical Campus of the Medical Centre (hereinafter the B-block)
- implementation of the green corner campaign and green transition action plan
- construction works of the first stage of the blood centre
- establishing a good practice of cross-hospital communication
- OnKontakt remote support for cancer patients

Important figures of the Medical Centre Group in 2023



1,263

Number of beds

(2022: 1,248)



362,832

Number of days of hospitalisation

(2022: 341,238)



37,570

Average number of patients treated

(2022: 35,707)



431,828

Number of outpatient appointments with doctors

(2022: 427,164)



157,724

Number of outpatient appointments with nurses

(2022: 146,155)



91,059

Surgical procedures

(2022: 83,742)



95,096

Number of patients received by the emergency care department

(2022: 94,698)



28,246

Number of ambulance responses

(2022: 30,885)



48.5 mln €

Investments and upgrades

(buildings, facilities, medical technology, IT)

(2022: 33 mln €)



317 mln €

The financial volume of services provided

(2022: 280 mln €)



5,327

Number of people employed by the centre

(2022: 5,158)



566

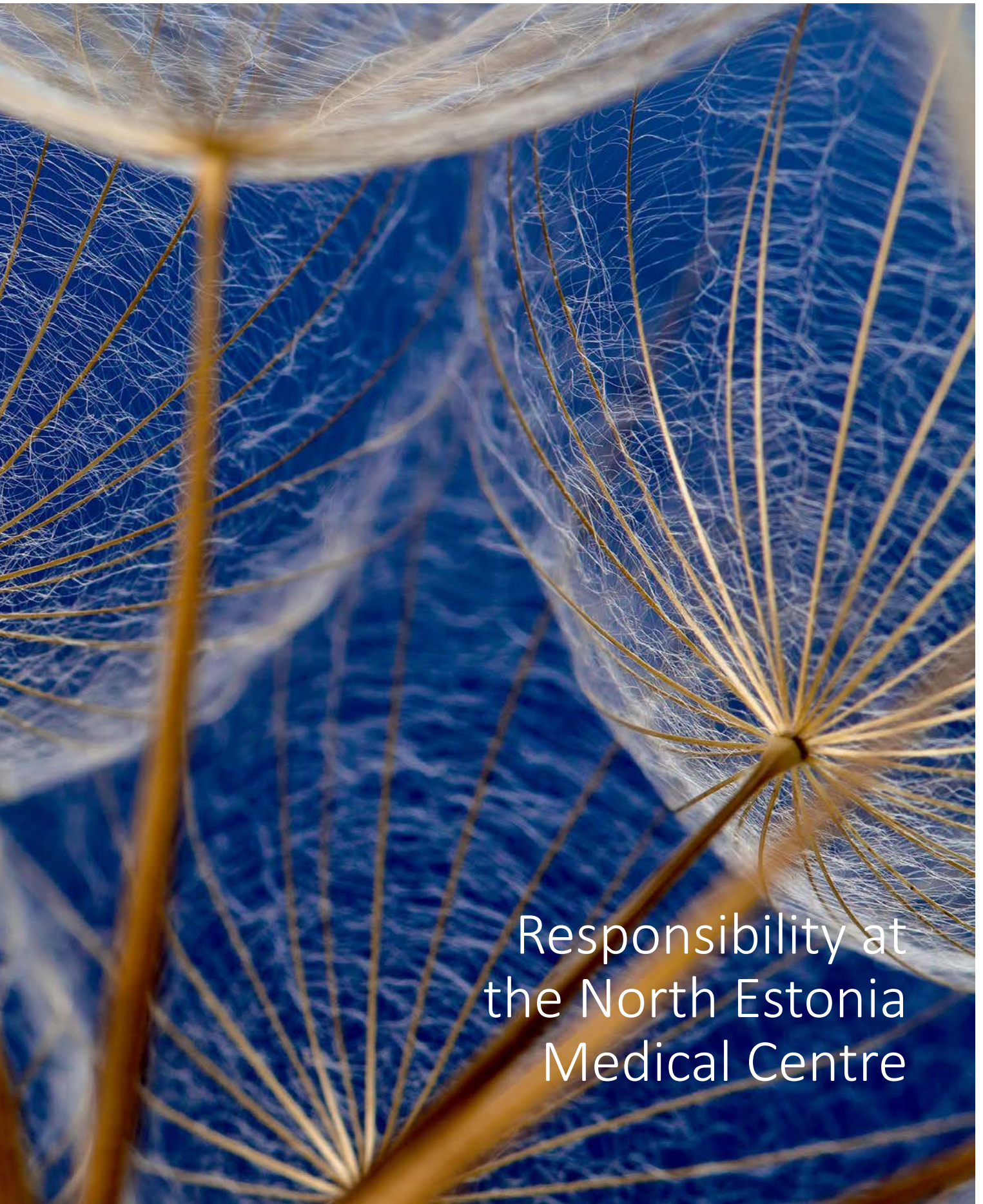
Expressions of gratitude from patients

(2022: 593)



Regionaalhaigla





Responsibility at
the North Estonia
Medical Centre

For several years now, the Medical Centre has been preparing a separate sustainability report as part of its annual report, which is consolidated to the same extent as the financial report and includes the activities of both the parent company and all its subsidiaries. The purpose of publishing a separate sustainability report is to gradually move closer to the requirements of the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). Although compliance with them is not mandatory for the Medical Centre as a state foundation, we want to meet the expectations and practice of the general economic environment.

As previously mentioned, the sustainability report is based on the important topics identified during the evaluation conducted in 2018 (the methodology is described on page 18) and the metrics related to them, as well as on the metrics required in the standards established by the EU Sustainability Reporting Directive.

The policies, measures, and objectives of the Medical Centre generally cover the activities of the Group and its impact on patients, unless otherwise stated. The metrics also generally only contain information about our own activities. The time perspectives of the metrics are outlined in the information provided with the metrics.

Management structure

Supervisory boards of the Medical Centre and its subsidiary hospitals:

The Medical Centre is a state foundation, meaning that the principles of appointing members of its governing bodies are established by the State Assets Act. Persons to be appointed to the governing bodies must have the necessary knowledge and experience to perform their duties, as well as the ability to act with the diligence expected of them, considering their field of activity. Pursuant to the requirements for the position, the members of the governing bodies must focus on the goals and interests of the legal person and the need to ensure the effective protection of the interests of the state as a shareholder, founder, or member.

Pursuant to the articles of association of the Medical Centre, the founder appoints the members of the supervisory board for three years and the members of the management board for five years. The chairman of the management board must be elected as a result of a public competition.

Members of the Supervisory Board of the Medical Centre:

Taavi Rõivas (chairman of the supervisory board from 30 August 2022)

Mihhail Kõlvart (until 10 March 2023)

Heidi Alasepp (until 31 October 2023)

Regina Vällik

Hanno Matto

Kersti Esnar (from 31 October 2023)

Diana Ingerainen (from 10 November 2023)

Members of the Supervisory Board of Läänemaa Hospital

Peep Talving – chairman

Agris Peedu

Andri Meriloo

Urmas Sukles

Sergei Kagalo

Members of the Supervisory Board of Raplamaa Hospital

Agris Peedu – chairman

Ülle Laasner

Rene Kokk

Monica Kirspuu-Uik

Terje Peetso

Members of the Supervisory Board of Hiiumaa Hospital

Agris Peedu – chairman

Aivi Karu

Äli Roose

Agris Koppel (until 1 June 2023)

Maris Jesse (from 1 June 2023)

Reili Rand

Management boards of the Medical Centre and its subsidiary hospitals

In 2023, the management board of the Medical Centre consisted of the following members: chairman of the management board Agris Peedu, Medical Director and member of the management board Dr Prof Peep Talving (until 14 October 2023), member of the management board and Medical Director Dr Kristo Erikson (from 15 October 2023), member of the management board Terje Peetso (until 16 April 2023), and member of the management board and Director of Nursing Katre Zirel (from 1 March 2023).

The management board of Hiiumaa Hospital consisted of one member – Riina Tamm – for most of the year; the other member was Tõnis Siir (until 25 January 2023).

The management board of Läänemaa Hospital in 2023 consisted of the following members:

Edvard Garder (until 31 March 2023), Tõnis Siir (1 April – 30 June 2023), and Katrin Luts (from 7 July 2023). The chairman of Raplamaa Hospital was Pille Mukk.

Sustainability management is described in more detail in the chapter 'Important sustainability topics and their management'.

Risk management

The purpose of the risk management system of the Medical Centre is to support the achievement of its goals and contribute to the continuous improvement of the quality of management and treatment processes. In 2023, the organisation of the risk management system moved from the direct authority of the chairman of the management board to the Sustainable Development Department.

In 2023, we identified the following as critical financial risks:

- price risk, which would significantly increase the cost base,
- interest risk, which would lead to higher financial expenses,
- compliance with the conditions of investment grants when carrying out development projects.

We have determined the target levels of critical and significant risks and activities for the management of financial risks.

In 2023, prices continued to rise due to high inflation. The inflation rate increased by an average of 9.2% (year on year), which increased both operating and general administration costs. In 2023, the price increase of medical goods and inventory had the greatest impact.

Interest rates also continued to rise in 2023, with EURIBOR increasing by more than 4% within the year, which significantly increased the interest expense.

Estonia's GDP has decreased for almost two years in a row, so the increasingly deteriorating state of the economic environment, which is significantly affected by Russian aggression in Ukraine and high interest rates, is now an additional financial risk. The poor economic condition of our main export partners also worsens the situation for Estonia.

Management checks

The management checks of the Medical Centre cover all activities conducted by the supervisory board, the management board, and employees to ensure that, when providing services, the centre:

- complies with the laws;
- protects its assets from squandering, non-intended use, incompetent management, and other such damage;
- operates in an adequate manner when performing the tasks set to the organisation;
- gathers, stores, forwards, and manages truthful, timely, and reliable information.

The Medical Centre implements three lines of defence:

- the first line of defence are activities in the units of the Medical Centre, conducted in compliance with rules and agreements, which support daily risk management. The heads of units are responsible for the first line of defence;
- the second line of defence consists of activities and functions for ensuring the checks of the first line of defence and/or constant monitoring and analysis of these checks;
- the third line of defence consists of the independent assessment of activities: external audits and internal audits to evaluate the efficiency of the first two lines of defence. However, this line of defence cannot design or develop the systems of internal controls or be liable for the functioning of the internal control system to maintain its independence.

1st LINE OF DEFENCE

- Daily risk management in treatment and in horizontal and support processes

2nd LINE OF DEFENCE

- Risk, incident, and crisis management
- Information and data security management
- Occupational safety management
- Quality of care and patient safety management
- Management of feedback

3rd LINE OF DEFENCE

- Internal audit
- Independent external audits

Internal control processes related to sustainability reporting are integrated into the management of sectoral processes and control processes. The sustainability report as a whole is audited by an external party.

Audit committee and internal audit

The **Audit Committee** is an advisory body established by the Supervisory Board, whose task is to monitor and analyse the processing of financial information, the effectiveness of risk management and internal control, the auditor control process of the consolidated annual accounts, and the independence and compliance of the activities of the auditor company and the sworn auditor representing the audit firm based on the law with other requirements of the Auditor Activities Act.

In 2023, the Audit Committee of the Medical Centre Hospital consisted of the following members: Urmas Kaarlep (chairman and member until 30 November 2023), Kaie Koskaru-Nelk (member from 13 October 2023, chairman from 7 December 2023), Regina Vällik, and Hanno Matto.

The Audit Committee convened six times in 2023, during which it:

- made proposals to the Supervisory Board regarding the work plan of the internal audit;
- analysed the results of the work of the internal audit unit;
- evaluated measures that the management board had implemented based on the proposals of internal audits;
- assessed the effectiveness of mitigating significant risks in the audited areas;
- analysed the results of the work of the audit firm;
- reviewed the annual report of the Medical Centre and submitted its opinion to the Supervisory Board.

Internal audits are carried out by the internal audit unit of the Medical Centre. In 2023, the internal audit unit had one employee. The purpose of the internal audit unit is to increase the confidence of the founders and the management board that the management and control measures of the Medical Centre support the goals of the organisation, are compliant with the laws, and guarantee the most economically efficient use of human and material resources.

Internal audits are conducted in accordance with the risk-based annual plan approved by the supervisory board; when preparing the plan, input from the supervisory and management boards and the audit committee is taken into account while considering the objectives, risks, and risk management processes of the Medical Centre. When determining the scope of internal audits, subsidiary hospitals are also taken into account when required by the topic in question.

Four internal audits were carried out in 2023:

- Rented spaces – the aim was to assess whether the process of renting the spaces of the Medical Centre has been organised efficiently.
- Uniform level of treatment in the use of personnel in auxiliary positions – the aim was to assess whether the high-quality provision of services in the use of personnel in auxiliary positions is guaranteed in the Medical Centre.
- Coding of medical bills – the aim was to evaluate whether the process of coding the medical bills of the Medical Centre ensures the maximum receipt of revenues.
- Management of procurement contracts – the aim was to assess whether the internal control system of the Medical Centre ensures that significant risks are mitigated in the process of managing procurement contracts.

The management board and the internal auditor of the hospital regularly monitor any risks identified during internal audits, conclusions and recommendations, and the implementation of action plans based thereon. A summary of the results is presented to the Audit Committee once a year.

Value chain and stakeholders

The main value created through the activities of the Medical Centre is the treatment outcomes of patients, or investing in the health of people. The most important component of the value chain is the staff of the Medical Centre, whose work directly affects the treatment outcomes of patients and their satisfaction with the treatment. Various support processes are used to back up treatment activities to ensure sustainable operation. Management processes, infrastructure, and technology are part of value creation, just like in all other organisations.

The main stakeholders of the Medical Centre are patients, employees, partners, professional unions and clusters, suppliers, public sector institutions and authorities, educational establishments, the Supervisory Board, and the representatives of the owner and the media.

Important sustainability topics and their management

In 2018, the Medical Centre assessed important aspects of sustainability based on the GRI standard with the support of external experts. The purpose of the analysis was to map the main topics of responsibility in which the Medical Centre has a significant contribution and the performance evaluation and communication of is necessary from the perspective of both the Centre itself and external parties. The process of identifying important responsibility topics included mapping the current solutions of similar organisations, an online survey and workshop for the management, and an online survey and workshop on the expectations of stakeholders.

As there have been no significant changes in the value creation and core activities of the organisation in the last year, the Medical Centre focuses on the same areas in the 2023 reporting as the ones defined in 2018. In 2024, the Medical Centre plans to conduct a double materiality assessment based on the requirements of the European Sustainability Reporting Standards (ESRS) and the methodology of the European Financial Reporting Advisory Group (EFRAG). The 2024 report will be presented on the basis of the new assessment.

Important sustainability impact areas:

- Management of medical services
- Development of the healthcare sector
- Honest and transparent management of the organisation
- Responsible HR management
- Management of the environmental impact of the activities of the organisation

Risks and opportunities related to important impact areas are described in the [SWOT analysis of the preparation process of the development plan of the Medical Centre](#).

Managing sustainability

The management of sustainability issues is integrated into the development plan and sectoral action plans of the hospital – thus, the managers are responsible for the development of sustainability, who, in turn, report to the management board members or the management, depending on the field. The list of steering groups/committees, objectives, and reporting obligations are described on the website of the hospital <https://www.regionaalhaigla.ee/et/regionaalhaigla-alalised-komiteed-ja-toogrupid>

Management by sustainability impact areas:

Management of medical services

Treatment services are the core activity of the hospital – service quality, as well as patient safety and satisfaction, depend on the activities and contribution of each employee. Hospital-wide leadership is divided among four area managers with expert knowledge in their fields: at the management board level, the treatment service is coordinated by the Medical Director and the Director of Nursing in cooperation with clinical managers. They are supported by the Head of Service (patient feedback) and the Head of Sustainable Development (the management systems that frame the operation of the hospital and the structure of the second line of defence). The Treatment Quality

Committee, the Nursing Quality Committee, various professional clinical committees and councils, and the Patient Council of the hospital also play an important role in the management of the treatment service.

Development of the healthcare sector

The management board, in cooperation with specialist managers, is responsible for the development of the healthcare sector. The Research Committee also contributes to this, the main goal of which is to shape the research and development strategy of the Medical Centre. The committee reports on its activities to the management board of the hospital.

Honest and transparent management

Honest and transparent management is built on the principle of three lines of defence. Leaders in the strategic plan are divided in accordance with their areas of responsibility:

- Strategic planning and management – management board of the hospital. The person in charge of each project or area of responsibility gives an overview of the projects related to the execution of the strategy at the quarterly review meeting on the execution of the action plan;
- Management systems, risk management, and action plans – Head of Sustainable Development;
- Conflict of interest and data protection – Administrative Director;
- Chief Information Security Officer – Information Security Manager;
- Reporting and financial management – CFO.

Honest and transparent management is additionally supported by the Ethics Committee, Information and Data Security Working Group, the Risk Committee, and the Patient Council. During the reporting period, the Risk Committee dealt with strategic risks, conflict of interest risks and financial risks.

Responsible HR management

HR management topics are coordinated by the Human Resources Department. The purpose of the department is to contribute to the achievement of the vision and goals of the Medical Centre through effective and developing personnel work and occupational health and safety activities. The hospital also has a Working Environment Council.

Management of the environmental impact of the activities of the organisation

Environmental impact management is distributed among experts in the field. For example, the Infrastructure Department is responsible for energy saving projects and the Administrative Department is responsible for waste management. The transition of the hospital to climate and environmentally sustainable solutions is generally coordinated by the Head of Green Transition.



Overview of the implementation of the development plan

The goals and activities related to the management of the treatment service are expressed in the strategies of the development plan: satisfied patients, safe treatment paths, and a pioneering twenty-first-century hospital. Only the highest-level objectives of the development plan are presented in this chapter. Sub-goals and performance metrics can be found here: https://www.regionaalhaigla.ee/sites/default/files/documents/RH_arengukava_2022-2032_A4_0.pdf

In connection with the management of the treatment service, the Medical Centre has set the following goals:

Satisfied patients, a safe treatment path

- The North Estonia Medical Centre provides the best patient experience in Estonia
- The treatment path of each patient is comprehensive and unhindered across the region
- The independent coping of the patient during their treatment path has improved
- The treatment path of each patient is safe
- The community of the Medical Centre is taken care of

Pioneering twenty-first-century hospital

- State-of-the-art care is available to every patient throughout their treatment path
- The development of the hospital is intertwined with innovation and new technological possibilities
- Modern, interoperable, and secure information systems across the North Estonia Medical Centre Group support the treatment path of the patients of the Medical Centre

The main projects related to the development of the field in 2023:

- Development of the independent nurse reception service
- Expansion of cancer treatment options close to home
- Accreditation by JACIE (Joint Accreditation Committee ISCT-Europe-EBMT) required for the provision of cell therapy
- CAR-T therapy, building capacity for NK cell therapy
- The development of precision oncology and haematology, which started in 2021, continued. The necessary processes and accreditations for the development of cell therapy, acquiring equipment
- The project of additional canyons for the radiotherapy equipment of the largest cancer centre in Estonia. Additional accelerators (V and VI) to the medical campus of the North Estonia Medical Centre, including a preliminary analysis of the linear accelerator.

The goals of the field of **responsible HR management** are reflected in the strategies 'The best environment for working and development' and 'A teaching and learning hospital'.

Our greatest strength is the professional team of the Medical Centre – we do our best to ensure that working for us supports development and is motivating and safe in accordance with internationally recognised standards. We want our employees to have a long and rewarding career at the Medical Centre, offering sufficient challenges and opportunities for personal growth. From the point of view of sustainable development, it is important to ensure the next generation of professionals that

meets the changing needs of the hospital and to support the lifelong learning of our employees. We consider it important to promote diversity, equality, and inclusion in the organisation as a whole so that all our employees can have a say in the comprehensive [development](#) of the Medical Centre.

Objectives regarding responsible HR management of the Medical Centre:

The best environment for working and development

The development and research work of employees is supported in each structural unit of the Medical Centre

It is good to work at the Medical Centre

The workload at the Medical Centre is optimal

A teaching and learning hospital

Developing into an academic hospital

Ensures a new generation of professionals that meets our needs

Lifelong learning is valued at the Medical Centre and it supports the achievement of the goals of the hospital

The main development projects of HR management in 2023 were:

- Development and implementation of the employer branding concept.
- Approving the 'Good communication practice of the Medical Centre', creating the necessary communication material for its distribution, and launching a network of internal trainers.
- We continued the development programme for the managers of the Medical Centre, in which 40 managers participated. For the first time, the Medical Centre prepared the entire development programme itself. We put more emphasis on the aspects necessary for the development of the hospital.
- We launched the 'Zero bureaucracy' project of the Medical Centre to reduce the administrative burden and better value the time of our employees.
- We organised a nursing research conference and a 5* nursing conference. One day of the 5* conference was dedicated to the Magnet® quality standard, which is crucial for creating a better working environment.
- We adopted the PlanPro software (personnel development) and the Talendipank environment to support recruitment.

Development of the healthcare sector

As a pioneering hospital, our task is not only to keep up with the continuous developments in the field, but to be one step ahead of them. Therefore, we consider it important for the Medical Centre to aim to be an academic hospital, where teaching and research go hand in hand with treatment. We want to develop both individual medical specialities and cooperation between them, introduce new technologies, as well as optimise existing work processes with the help of modern information systems.

Pioneering twenty-first-century hospital

State-of-the-art treatment is available to every patient during their treatment path. The development of the hospital is intertwined with innovation and the expansion of technological possibilities.

Modern, interoperable, and secure information systems across the Medical Centre Group support the treatment path of the patients of the Medical Centre.

A teaching and learning hospital

The Medical Centre is developing into an academic hospital

The Medical Centre is a valued partner for international research

An open and cooperative organisation

Resource utilisation in healthcare has improved and supports the provision of high-quality medical care to patients that is based on the treatment path

The hospitals in the Medical Centre region function as a whole

Higher-level care, primary care, and social care in the Medical Centre area function as a team

The most important strategic development projects in 2023:

- The first stage of the nationwide blood transfusion service management system (ÜVIS), i.e. the donor portal, in cooperation with the Tartu University Hospital.
- The development of digital pathology, the aim of which is to introduce the technologies used in the digitisation of pathology slides, which are accompanied by changes in work processes and create the ability to introduce AI.
- Development of laboratories in subsidiary hospitals: accreditation, improvement of equipment, and conducting competency assessments.

The ambitions of **honest and transparent organisational management** and **environmental impact management of the organisation** are reflected in the strategy 'Sustainable development of the hospital' of the Medical Centre. Our objectives are:

- The structural units of the Medical Centre Group focus on quality improvement every day.
- The Medical Centre Group is prepared for crises and we ensure the continuity of healthcare service provision in crisis situations.
- The activities of the Medical Centre Group are environmentally friendly – we aim to achieve carbon neutrality.
- The management quality of the Medical Centre enables to achieve the strategic goals set in the development plan.

As strategic development plan projects, the focus for 2023 was on:

- The transition to the new information security standard E-ITS (Estonian Information Security Standard). The full implementation of the standard brings us into full compliance with the Cybersecurity Act and provides an opportunity to audit the ISO standard if necessary.
- The implementation of large development projects (treatment areas of the B-block, the blood centre, the completion of the new Y-block – cancer treatment, ward departments of various specialities, isolation departments, and pathology).
- Low-carbon projects, including giving up single-use dishes in catering, using tap water instead of bottled water, reducing energy consumption, and redirecting mobility.
- Merging the Quality Department and the Research and Development Department into one Sustainable Development Department to better link quality planning and its development in the Medical Centre.
- The initiation of necessary training to mitigate bleeding deaths (Stop the Bleed) resulting from crisis and war risk and the introduction of whole blood transfusions with anti-A and anti-B titer to provide a safe alternative to component therapy in case of massive blood loss.

List of fulfilled disclosure requirements

The report partially complies with ESRS standards.

Fulfilled and/or partially fulfilled disclosure requirements are as follows:

Subject standard	Disclosure requirement	Location in report (page)
ESRS 2 General disclosures	BP-1	14
	GOV-1	14-19
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Regionaalhaigla





Activities and results
related to responsibility

Social impact

In 2018, in the analysis of social responsibility focus topics carried out in cooperation with external experts (background and methodology described on page 18), we identified treatment quality as the most important topic of our activities, both for the hospital itself and for stakeholders. We also value patient experience and satisfaction, as well as patient privacy and confidentiality. We describe our activities in these areas in the chapter 'Patient and treatment services', where, among other things, we explain the processes of communicating with stakeholders and ensuring safety and security.

Providing a developing and motivating working environment, as well as ensuring employee safety and security, the quality of education in the field, and the next generation of professionals are important to us – we describe dealing with these topics in the 'Working environment' chapter. We discuss the focus topics of health and service development and innovation in the chapter 'Contribution to society'.

Patient and treatment services

The involvement of patients in the hospital's activities to assess the possible impact on patients is mainly done through the Patient Council. In 2023, the first composition of the Patient Council of the Medical Centre ceased operations. During its period of activity, the Council convened 14 times. Their most important activities were:

- discussions, recommendations, and comments regarding the development plan of the Medical Centre;
- establishing the Patient School, preparing an action plan, and participating in various discussion groups and trainings;
- analysis of mobility within the hospital for patients with special needs.

■ Inputs:

- information materials, websites;
- information brochure for inpatients introducing the hospital;
- a film introducing day surgery;
- patient safety leaflet;
- the good communication practice of the Medical Centre;
- customer service and registration desks;
- patient journey, treatment close to home (including blood collection sites);
- digital skills;
- satisfaction surveys.

In October 2023, the management board of the hospital approved the statutes of the Patient Council, and in December, the composition of the new Council:

- Estonian Chamber of Disabled People
- Estonian Haemophilia Society
- Estonian Psoriasis Association
- Estonian Inflammatory Bowel Disease Association
- Estonian Coeliac Society
- Estonian Stroke Patients' Society
- Läänemaa Cancer Association
- NGO Estonian Rheumatology Society



From the left: Elen Kirt (Estonian Stroke Patients' Society), Tiia Reimann-Differt (Läänemaa Cancer Association), Kätlin Madis (Estonian Stroke Patients' Society), Chairman of the Patient Council Janek Kapper (Estonian Inflammatory Bowel Disease Association), Katrin Nugis (Estonian Chamber of Disabled People), Kaido Vaatemäe (Estonian Haemophilia Society), Georg Jurkanov (Estonian Psoriasis Association), Aive Antson (Estonian Coeliac Society, on the screen).

In accordance with the new statutes, the Council elects a chairman at its first meeting, who will be a representative of the patient organisation. On 28 February 2024, the management board approved Janek Kapper from the Estonian Inflammatory Bowel Disease Association as the Chairman of the Patient Council.

Objectives of the Council:

1. support activities related to maintaining the health of the patient and shaping their treatment path;
2. ensure that the interests of the patient are prioritised in the decisions and activities of the Medical Centre;
3. describe patient expectations in various topics;
4. give feedback to the Medical Centre;
5. provide a permanent and well-functioning communication channel between patient representatives and the hospital.

The patients' representatives are also involved in the work of the Ethics Committee of the Medical Centre.

As a healthcare service provider, the entire quality manual of the Medical Centre, starting from the statutes and management board regulations to individual treatment guidelines, is aimed at maximising positive effects and minimising negative effects related to patients. The latter derives both from the legislation of the Republic of Estonia (for example, the [requirements for ensuring the quality of medical services](#)) and directly from our [statutes](#): to provide high-quality specialised medical care and emergency medical care, to be a training base for healthcare professionals prior to the acquisition of the respective qualification and thereafter, and to conduct studies and research pertaining to healthcare through the administration and use of its property.

In accordance with the statutes, the Supervisory Board of the Medical Centre approves the development plan of the Medical Centre. In the development plan, patients come first. The first main thesis of the development plan states that receiving the best possible treatment for the patients of the Medical Centre must be easy and their dignity must be respected. The management board of the Medical Centre, in accordance with its regulations, primarily plans its activities based on [the development plan of the Medical Centre](#) and the resulting annual hospital action plan and budget. The development plan is based on the regularly reviewed SWOT analysis and macro trend analysis, directing attention and responding to the most important opportunities and threats that affect our patients, employees, and the healthcare system. The development plan is supplemented by a 4-year implementation plan, which describes in more detail the activities planned to implement the goals of the development plan. The lion's share of the projects in the annual action plan of the Medical Centre originate from the implementation plan of the development plan.



According to WHO, quality healthcare services are effective, safe, people-centred, efficient, timely, equitable, and integrated. The development plan of the Medical Centre also represents the vision of the service quality of the Medical Centre and thus promotes all these aspects. In addition, the development plan contains goals to support employee-friendly and sustainable (including environmentally friendly) development.

One of the inputs of the development plan of the Medical Centre is patient feedback, and the development plan has been created in cooperation with patient representatives. The latter participated both in the discussions of the creation of the development plan and in providing feedback for the development plan.

In addition to the development plan, various quality documents (guidelines, procedures, policies, etc.) have been established at the Medical Centre to manage important impacts for patients (including service availability, data protection, etc.) – more than 800 in total.

Some examples:

Ensuring safety and quality

- Guideline for recording medical complications
- Guideline for recording a patient safety incident
- Statutes of the Treatment Quality Committee
- Procedure of incident management
- Pharmaceutical policy of the Medical Centre
- Procedure for audits

Information and data security

- Information security procedure
- Procedure for processing personal data
- Processing a request regarding personal data processing
- Issuance of patient health data
- Composition of the committee for solving cases of improper processing of personal data

Information exchange

- Guideline for patient information and obtaining consent
- Guideline regarding feedback

Availability

- Maintaining a scheduled treatment schedule

The statutes and development plan of the Medical Centre apply to all structural units. The majority of quality documents, including all the aforementioned documents, apply to all structural units.

In addition to these, the structural units of the Medical Centre with a separate quality system (pathology, laboratory, pharmacy, blood centre, nuclear medicine) have established their own quality manuals, which are based on the quality documents of the Medical Centre, but which apply to the respective units.

One of the most important components of ensuring the availability of treatment is the development of digital systems, which makes it possible to make treatment more accessible with the help of modern technology.

Availability of treatment and development of digital systems in 2023:

- We started cooperating with the Health Insurance Fund so that the reception service of specialised nurses would be included in the list of medical services by 2024. For this purpose, we piloted the service in pulmonology, wound care, and vascular surgery. The results of the pilot were positive and we hope that the service will be permanently funded. This would create more opportunities for patients to get help with their health concerns, as they could turn to a specialised nurse.
- We continued to provide cancer treatment close to home at Hiiumaa Hospital. We also tried to create a similar service in Narva Hospital (the project is on hold due to the partner).
- We approved the procedure for managing the scheduled surgery timetable of the Surgery Clinic to improve the continuity of the treatment path and the transparency of schedule management.
- We started preparations to create additional canyons in radiotherapy. Location solutions have been completed and the design stage will begin soon. The project would increase our ability to provide radiotherapy in the largest cancer centre in Estonia.
- In cooperation with the Tartu University Hospital, we introduced a new nationwide blood transfusion service management system. The new digital system allows us to supply the population with blood products more effectively and efficiently. In the first stage, we switched to a new donor register and donor portal, but work continues.
- We optimised the use of resources in our polyclinics. As a result, we created 11.6 assistant positions, which frees nurses from low-value-added tasks and allows them to focus more on patient care tasks that require a nurse's qualification. In addition, we are developing the provision of evening receptions in various clinics, which expands the opportunities for patients to consult a doctor.
- We continued to plan radiation therapy based solely on MRIs in new cancer sites. This allows the CT resource to be freed up for new patients.
- We added the possibility of registering for breast cancer screening to the national eBooking system and started offering the possibility of the examination in the evening on Thursdays.

Main projects to improve the patient experience (including vulnerable patient target groups) in 2023:

- we designed the hospital admission journey of scheduled inpatients in the Mustamäe building to be smoother and shorter.
- We placed more benches in the common areas of the Mustamäe building and in the outdoor area.
- We updated the environmental graphics of the main lobby of the Y unit and the Mustamäe building to make orientation in the building easier for patients.
- We added disabled parking spaces to the patient parking garage of the Mustamäe building.
- We installed a hearing loop for the hearing impaired at the information desk in the main lobby of the Mustamäe building.

- We expanded the selection of mobility aids that patients can rent with an XL-size wheelchair and a walking frame.
- We implemented a new queuing system at the reception desk for outpatient care and hospitalisation.
- We introduced a ward information sheet in the inpatient departments, which gathers the most important information for the patients during their stay in the hospital.
- We successfully piloted the independent nurse reception service in the emergency care department, as a result of which the waiting time of patients has been reduced.

Planned activities in 2024:

- We will continue to work to develop the reception service of a specialised nurse.
- We will continue to work on the construction of additional canyons and the procurement of related medical equipment.
- We will continue to work to introduce the nationwide blood transfusion service management system to make the work of the blood centre more efficient.
- We will continue to work to optimise the resources of polyclinics, including offering services to patients in the evenings.
- We will introduce the inpatient e-questionnaire to more departments.
- We will continue to offer independent nurse appointments in the emergency care department to reduce patient waiting times.

Indicator	2023	2022
Number of outpatient appointments with doctors	431,828	427,164
The percentage of remote appointments (%)	0.8	5.8
Number of e-consultations	19,362	15,070

Treatment queue length data only covers the North Estonia Medical Centre (outpatient appointments).

The number of e-consultations was still on a fast upward trend in 2023, while the share of remote appointments has significantly decreased due to the relenting of the COVID-19 pandemic.

Quality of treatment

The most important activities in 2023 to increase the effectiveness, safety, and efficiency of treatment:

- We completed the move to the new Y unit to increase our treatment capacity in oncology as well as in several other specialities.
- We completed the construction work of the first stage of the new blood centre.
- We completed the construction work in the B-tower of the Mustamäe building, during which the departments from the 2nd floor to the 12th floor were reconstructed. In the course of the project, we created 39 new isolation wards in the hospital, which allows us to better ensure the quality of treatment in the event of pandemics and other infectious outbreaks.
- In cooperation with the Health Insurance Fund, we developed the concept of Digital Pathology, which would make it possible to significantly modernise the provision of pathology services to Estonian patients. At the end of the year, the Health Insurance Fund undertook a health technology assessment for digital pathology solutions, and the project will continue in 2024.

- For the development of precision oncology and haematology, we have created a vision of an initial comprehensive molecular oncology laboratory, which would also include the acquisition of NGS (next-generation sequencing) equipment.
- We continued the implementation of artificial intelligence-based autocontouring in the oncology and haematology clinic, which allows a more efficient and effective delivery of radiotherapy.
- We continued to work towards JACIE accreditation, which is a prerequisite for the production of CAR-T cells to provide cell therapy. Cell therapy is a rapidly developing form of therapy in oncology, haematology, and many other specialities. The access of Estonian patients to cell therapy is very limited, but it is becoming more and more common in the top medical centres of the world thanks to good results.
- We created a Quality Management Activities Coordination Committee to harmonise quality promotion across the quality management systems of the Medical Centre.
- We merged the Quality Department and the Research and Development Department into one Sustainable Development Department to better link quality planning and its development in the Medical Centre.
- We developed patient safety e-training aimed at all employees of the Medical Centre to improve basic skills in creating a safe treatment environment for patients.
- We started working on the development plans of our specialist centres in line with the development plan of the Medical Centre.
- We prepared a procurement for a new online case history system. Modern online case history system software allows us to significantly improve the quality of treatment.

Planned activities for 2024:

In 2024, several long-term activities to improve the quality of treatment will continue, for example, the development of cell therapy, the acquisition of a new online case history system, the renovation of our buildings (e.g. the blood centre), the introduction of new methods in radiation therapy, digital pathology, etc.

We will also continue to prepare and implement development plans for medical specialities in line with the vision of the Medical Centre to be a pioneer in Estonian healthcare.

In 2024, the new [Health Care Provider's Mandatory Liability Insurance Act](#) will enter into force. We are active partners of the state in the development of the patient safety system to minimise harm caused by healthcare. In addition, the Medical Centre monitors the results in the treatment quality reports of the Health Insurance Fund: <https://www.tervisekassa.ee/partnerile/tervishoiuteenuste-kvaliteet/ravikvaliteedi-indikaatorid/ravikvaliteedi-aruanded>.

The quality of treatment is supported by the following strategic goals established until 2032:

- The treatment path of each patient is safe
- State-of-the-art care is available to every patient throughout their treatment path
- The development of the hospital is intertwined with innovation and new technological possibilities
- Modern, interoperable, and secure information systems across the North Estonia Medical Centre Group support the treatment path of the patients of the Medical Centre

In addition, the Medical Centre monitors the results in the treatment quality reports of the Health Insurance Fund: <https://www.tervisekassa.ee/partnerile/tervishoiuteenuste-kvaliteet/ravikvaliteedi-indikaatorid/ravikvaliteedi-aruanded>.

Harm caused by healthcare and its compensation

Harm caused by healthcare occurs in up to 10% of treatment cases worldwide. If a patient is harmed during their treatment, the first step is prompt intervention by the clinical staff. For example, if a patient falls in the ward, the first priority is to help them get back to their feet, identify the extent of the harm, and adjust the treatment accordingly. Half of the cases cannot be avoided, and most of the avoidable ones are minor and do not affect the recovery of the patient. In more serious cases, it is possible for patients to request compensation. For example, if the teeth of a patient are damaged during intubation, the Medical Centre usually compensates the dental treatment. The mandatory [liability insurance](#) of medical service providers, which will enter into force in July 2024, will further improve the opportunities for patients to request compensation for avoidable damage.

Regardless of compensation, it is important to learn from cases where a patient may have been or could have been harmed in the course of providing medical services. In order to better identify such cases, the Medical Centre has an information system for reporting patient safety cases and a system for registering medical complications. Patients can also contribute through the complaints system (described below) and through the regular patient safety questionnaire we carry out in our departments.

More complex cases are usually first discussed at the department level, based on the 'Good communication practice' and the 'Principles for discussing treatment cases' of the Medical Centre. Discussions are also conducted in thematic formats, such as the red trauma discussion. If necessary, cases are discussed in the hospital-wide Treatment Quality Committee, which includes members of the quality team of the Medical Centre, the Medical Director of the Medical Centre, and representatives of all clinics. If areas for improvement are identified during the discussion, they are described in the action plan for improvement measures, the implementation of which is regularly monitored. This allows for preventing similar cases in the future.

In 2023, nine meetings of the Treatment Quality Committee were held. Last year, representatives of the subsidiary hospitals of the Medical Centre also participated in the meetings. The committee analysed six treatment cases. In addition to the cases of the Medical Centre, Hiiumaa Hospital submitted one case to the committee for discussion. In three meetings, the committee discussed improvement measures, where those responsible for the improvement activities gave an overview of the current status and the results of the improvement activities. The committee agreed on 18 improvement activities, of which 10 have been completed by 2023 (+ 2 improvement activities from 2022, which were completed at the beginning of 2023). The rest of the improvement activities are in progress and under the supervision of the Treatment Quality Committee.

When formulating improvement measures, we focus on the hierarchy of effectiveness¹, pursuant to which the most effective measures are the ones that depend the least on human factors (systemic changes). We also draw on the scientific literature to identify measures that have the greatest likelihood of success in the hospital context.

When planning improvement measures, we also take into account the labour intensity of the interventions using the impact-effort matrix². Some very effective measures are very difficult to implement and therefore cannot be put into use.

The effectiveness of the implemented measures is assessed based on whether similar cases occur in the future for similar reasons. Depending on the measure, it is also possible to assess its effectiveness with a follow-up audit. For example, if the measure is the implementation of a surgical safety checklist, it is possible to audit the use of the checklist during surgeries. This has also been done

4.73

points is the average satisfaction rating of patients on a 5-point scale at outpatient appointments

1 <https://ismpcanada.ca/resource/hierarchy-of-effectiveness/>

2 <https://asq.org/quality-resources/impact-effort-matrix>



at the Medical Centre. In individual cases, impact studies have also been carried out during the implementation of measures, but as our working environment is constantly changing and influenced by several factors, it is difficult to isolate the effect of a specific measure on the assessed result.

Patient satisfaction

For the constant improvement of patient experience and satisfaction, it is important to understand the ever-changing needs and expectations of patients and take them into consideration when designing services. We have gathered patient feedback for nearly 20 years in the course of a joint satisfaction survey of the six largest hospitals in Estonia. Patients, their relatives, and our cooperation partners can give us proactive feedback in several ways: by mail or email, via the e-form on the hospital website and on a paper form in departments and on reception desks.

Channels for patient feedback:

1. (Repeated) patient satisfaction surveys in cooperation with other major hospitals in Estonia.
2. Proactive patient feedback – expressions of gratitude, complaints, and suggestions – on paper or in electronic or verbal form.
3. Patient feedback e-questionnaire from 2022.
4. Other one-off project-based patient feedback e-questionnaires, such as the survey conducted on International Patient Day on 6 June 2023.

All feedback channels have been created by the Medical Centre. We inform patients about the possibilities of giving feedback on the website and in the common areas of the hospital. Paper feedback forms are available at the reception desks of all polyclinics and all inpatient treatment departments. If the patient wants to give feedback verbally, the employee writes it down and uploads it to the unified document management system. In connection with the launch of the patient feedback e-questionnaire in 2022, the possibilities for providing patient feedback have expanded significantly, and the hospital can respond to feedback more promptly.

Registration and processing of feedback

Heads of structural units/chief nurses ensure that department mailboxes are emptied and that feedback received on paper or electronically is forwarded to the structural unit for registration. Feedback is registered by document managers of the Document Management Department, service assistants, and clinic secretaries.



Feedback is registered in the document management system DELTA and forwarded as follows:

Expressions of gratitude

- to the service manager of the Customer Service Department or an employee appointed by them (for information);
- to the head of the corresponding structural unit (in the case of clinics, to the chief secretary of the clinic) whose field the given feedback concerns (for information). Within the unit, the feedback is forwarded to the employees whose field it concerns.

Complaints, suggestions:

- to the head of the corresponding structural unit or the chief secretary of the corresponding clinic whose field the feedback concerns (for responding);
- feedback regarding treatment also to the treatment quality coordinator (for information).

Drafting a response letter:

- the head of the structural unit and/or the chief nurse whose field the feedback concerns organises the drafting of a response letter to the suggestion/complaint;
- the secretary of the structural unit whose field the feedback concerns forms a correct response letter and forwards it for processing (approval, signing, forwarding for information);
- in the case of a complaint or suggestion received by one of the services, the head of the service ensures the necessary organisation of work to prepare a response letter, in accordance with the requirements established in the Medical Centre.

The main changes in the field of patient feedback in 2023:

- The first monitoring of improvement measures based on patient feedback in the annual reports of structural units.
- Regular implementation of the outpatient patient feedback e-questionnaire.
- The pilot project for the inpatient e-questionnaire involved eight departments.

In addition to developments in the processing of patient feedback, the following activities had the greatest impact on patient satisfaction:

- We approved the 'Good communication practice of the Medical Centre', created the necessary communication material for its distribution, and launched a network of internal trainers.
- We continued to harmonise treatment paths. The keyword for 2023 in treatment paths was standardisation. We took part in the preparation of the guidelines for creating treatment paths managed by the Health Insurance Fund. Additionally, the 'Good practice of the patient journey' document is being prepared under the leadership of the nursing field of the Medical Centre, which brings together different patient-centred approaches in the field of nursing into a comprehensive whole. In 2024, we will continue to work on harmonising approaches in shaping treatment paths.
- We created new treatment paths, such as the treatment path for patients with inflammatory bowel disease.
- We hired a full-time service designer, who will help make the internal processes and services of the Medical Centre more patient-centred.
- We once again conducted a service design sprint in cooperation with the Estonian Academy of Arts. Among other things, we improved the availability and comprehensibility of the information provided to patients.
- We completed the OnKontakt project in cooperation with the Health Insurance Fund, which enables cancer patients to access the Kaiku platform. This allows patients to quickly get the necessary information and medical help from their homes. Such remote support is not only patient-centred – it can also be life-saving.
- We took part in the international patient day 'What Matters To You', during which we conducted interviews with patients of the Medical Centre to find out what they would most need and want while being treated at our hospital.

Planned activities for 2024:

- We will continue to collect regular patient feedback with an e-questionnaire, and in April, together with other Estonian hospitals, we will conduct an outpatient patient satisfaction survey.
- We will continue to promote the principles of service design in the Medical Centre, further develop the patient journeys and other patient-centred solutions created so far, and implement the principles of the guideline of treatment paths of the Health Insurance Fund in our daily work.
- We will expand the Patient Journey App with an organ donor journey, which allows our transplant patients to better get the information they need at different stages of treatment.
- We will continue to work in cooperation with the Health Insurance Fund so that OnKontakt-style remote support becomes available to all cancer patients whose treatment requires it.

The promotion of patient-centredness is supported by the entire development plan of the Medical Centre, but especially by the first strategy: 'Satisfied patients, safe treatment paths'. The objectives described under the strategy:

- The North Estonia Medical Centre provides the best patient experience in Estonia
 - The treatment path of each patient is comprehensive and unhindered across the region
 - The independent coping of the patient during their treatment path has improved
 - The treatment path of each patient is safe
 - The community of the Medical Centre is taken care of
-

In addition to the objectives, one measurable result has been formulated: the average proportion of highly satisfied patients is 85% in the inpatient setting and 95% in the outpatient setting. In 2023, the corresponding indicator in the inpatient setting was 73% (72% in 2022) and the best result in Estonia was 81%. The average rating of satisfaction on a 5-point scale at outpatient appointments was 4.73. (All information in this section is only presented for the Medical Centre, not for the Group).

In addition, we regularly monitor expressions of gratitude, complaints, and suggestions from patient feedback. The total number of complaints has remained similar over the years. In 2023, the highest number of complaints (145) were related to the quality of treatment, while complaints referring to communication problems (137) fell to second place compared to the previous two years. There were 52 complaints about the organisation of work.

Most expressions of gratitude touched upon the effective treatment and the good communication skills, friendliness, and care of the hospital staff. Patients praised doctors, nurses, therapists, and care staff, as well as other employees, such as customer service representatives and drivers.

Indicator	2023	2022
Expressions of gratitude	566	598*
Complaints	395	361*
Suggestions	22	15

**In the 2022 annual report, the number of expressions of gratitude was 593, and the number of complaints was 367. The data for this year has been adjusted based on the updated data.*

In the spring of 2023, we analysed the satisfaction of inpatients in more detail. The results of the survey revealed that, compared to previous surveys, patient satisfaction has increased in almost all aspects – the work of doctors and nurses, the quality of treatment, living conditions in the hospital, and the admission process. We also collected data on how patients felt they were treated by our staff for the first time.

81.7% of the respondents firmly stated that they were treated with dignity and respect at the Medical Centre, and 17.4% answered the same question with ‘Closer to yes’.

According to inpatients, the main areas for development of the Medical Centre are the time of communication with the doctor, involvement in treatment decisions, information about different treatment options, explanations about examinations and procedures, instructions for coping at home, organisation of admission to the hospital, and information about pharmaceuticals. The 2023 survey revealed the lack of Estonian language skills among the staff as a new problem.

Based on patient feedback, we have implemented the ‘Good communication practice’ to promote the culture of communication, the implementation of which we support with internal training and communication. In 2024, we will train an additional group of internal trainers for the implementation of the ‘Good communication practice’ and offer additional training for managers and top specialists. We now assess compliance with the ‘Good communication practice’ in the performance evaluation of all senior and middle managers. In order to develop the Estonian language skills of our employees, we will continue with in-hospital language courses on a larger scale than before in 2024.

Protection of health data

We value the protection of confidentiality, integrity, and availability when processing the data of patients. Compliance with information and data security requirements is the responsibility of all employees. The information and data security working group, established in 2018, monitors the systematic creation and implementation of the information and data protection principles of the Medical Centre and compliance with them.

Most expressions of gratitude touched upon the effective treatment and the good communication skills, friendliness, and care of the hospital staff.

At the end of 2021, the Medical Centre started cooperating with the law firm Hedman Partnerid and Co., which provides data protection specialist services.

Every patient has the opportunity to contact the Medical Centre if there is suspicion of misuse of their data. In order to simplify the reporting of a possible problem, we have created additional channels for the support services portal of the hospital and the external website. The latter is an anonymous reporting channel. It is also still possible to contact the general address info@regionaalhaigla.ee and the address created for data protection, andmekaitse@regionaalhaigla.ee, to protect your interests.

We investigate each reported incident to determine whether the rights of a patient have been violated or not. We raise employees' awareness by discussing data protection issues at information meetings.

When ensuring the data protection rights of patients, guaranteeing the security of information systems and the transparency of processing the data for data subjects is important. The new procurement for a hospital information system focuses heavily on both of these aspects. The new system must support the main processes better than the current one and also comply with stricter security requirements and guarantee that patients have the currently required option for reviewing their own data and the way it is processed. The procurement documents for the new hospital information system were completed in 2023, and we will announce the procurement at the beginning of 2024.

Working environment

The most important asset and most valuable resource of the Medical Centre are the people who work at the hospital. The ultimate goal of the HR strategy is competent and motivated staff because the quality of the healthcare services depends directly on them.

The HR policy of the Medical Centre focuses on our employees – in addition to monitoring the efficiency of fulfilling tasks, we also protect the well-being and health of our staff while working. Standardisation of the workload, regulation of the intensity of work, handling issues related to the working environment and occupational safety, as well as steps for protecting the health of the employees and recognising their efforts – all this supports our goal to create a working environment focused on people and valuing each employee.

Employees

The North Estonia Regional Hospital Group has 5,327 employees. In 2023, the number of employees of the North Estonia Medical Centre Group increased by 169 people, which was largely related to the opening of the Y unit and the increase in the workload of the respective medical specialities and the creation of new positions, as well as the better filling of the already open positions. From the point of view of recruitment and filling positions, 2023 was a very good year for the Medical Centre Hospital – compared to previous years, we were able to fill more vacant positions and thereby reduce the staff deficit. While the proportions of our staff and other indicators do not vary much from year to year, 2023 brought an increase in the proportion of part-time employees. Although it is more difficult to plan the work of part-time employees, there is a worldwide trend towards more flexible working hours, and the Medical Centre has followed these trends. We are also happy to note that the number of residents slightly increased compared to the previous year, which is very important from the point of view of ensuring the next generation of professionals. As at the end of 2023, there were 166 residents working at the Medical Centre. However, a total of 288 residents were studying and working at our hospital throughout the year.

The Medical Centre does not select its staff based on gender, nationality, or race. No cases of discrimination have been registered in the Medical Centre Group. The number of women is usually higher than that of men in the healthcare sector and this ratio is also reflected in the gender composition of the staff of our Group.

Indicator	2023	2022
Organisation size, number of employees as at 31 December		
Total number of employees of the Medical Centre (employment contract, contract for services, authorisation agreement)*	4,778	4,619
Läänemaa Hospital	245	254
Raplamaa Hospital	207	196
Hiiumaa Hospital	97	89
TOTAL (MEDICAL CENTRE, NETWORKED HOSPITALS)	5,327	5,158
Information about employees		
Employees working in the Medical Centre based on an employment contract		
Persons employed under an employment contract	4,738	4,573
Including women	3,877	3,743
Including men	861	830
doctors, dispensing chemists	688	667
nurses, laboratory staff	1,810	1,737
carers	1,005	968
non-medical personnel	1,069	1,048
residents	166	153
Full-time employees	3,157	3,158
Including women	2,544	2,555
Including men	613	603
Part-time employees	1,359	1,205
Including women	1,114	988
Including men	245	217
Employees on parental leave	222	210
Employees working on the basis of an employment contract in networked hospitals	424	403
Hiiumaa Hospital	88	80
Including women	74	67
Including men	14	13
Läänemaa Hospital	162	153
Including women	152	144
Including men	10	9
Raplamaa Hospital	174	170
Including women	154	151
Including men	20	19

The total number of employees includes staff on maternity and parental leave.

*The total number includes partners working on the basis of contracts for services and authorisation agreements.

The employees in the Medical Centre are quite evenly divided into different age groups, and this is very important for ensuring the sustainability of the organisation and personnel. At the same time, the analysis of the personnel of the subsidiary hospitals shows that the proportion is overly leaning towards employees over 50 years of age.

Age distribution of employees of the Medical Centre Group:

Indicator		2023						2022						2023	2022
		Under 30 years old		31–50 years old		Over 50 years old		Under 30 years old		31–50 years old		Over 50 years old			
		F	M	F	M	F	M	F	M	F	M	F	M	Total	Total
Number of paid employees	Medical Centre Group	651	150	1,791	391	1,661	352	631	121	1,758	393	1,612	302	4,996	4,817
Employees in top management	Medical Centre Group	1	0	14	10	22	4	0	0	14	10	19	4	51	47
Number of paid employees	Medical Centre	626	145	1,676	378	1,461	286	607	120	1,651	381	1,376	279	4,572	4,414
Employees in top management	Medical Centre	0	0	10	8	13	3	0	0	11	7	11	4	34	33
Number of paid employees	Raplamaa Hospital	16	3	45	4	93	13	17	0	41	4	97	11	174	170
Employees in top management	Raplamaa Hospital	1	0	1	0	6	0	0	0	2	0	5	0	8	7
Number of paid employees	Läänemaa Hospital	6	1	46	3	100	6	5	0	46	4	93	5	162	153
Employees in top management	Läänemaa Hospital	0	0	1	1	3	0	0	0	1	2	2	0	5	5
Number of paid employees	Hiiumaa Hospital	3	1	24	6	7	47	2	1	20	4	46	7	88	80
Employees in top management	Hiiumaa Hospital	0	0	2	1	0	1	0	0	0	1	1	0	4	2

Indicator	2023		2022	
	Women	Men	Women	Men
Employees working on the basis of an employment contract*	4,257	905	4,105	871
including employees with fixed-term contracts	154	23	148	23
Employees with variable hours **	0	0	7	4
Employees with disabilities **	219	23	226	23

* Data covers the entire Medical Centre Group (includes residents)

** Data covers only the Medical Centre

Indicator	2023	2022
Number of employees who resigned during the year	704	719
Employee turnover rate	9.7%	11.66%
Share of paid employees covered by collective agreements *	88%	87%

*Employees covered by collective agreements include all medical personnel – doctors, nursing, carers, and other health professionals. Includes residents.

Employee turnover rate by position *	2023	2022
Voluntary turnover rate of employees (%), including	9.7%	11.66%
doctors, dispensing chemists	7.5%	6.6%
nurses, bioanalysts	9.4%	12.1%
carers	12.1%	13.0%
non-medical personnel	9.2%	12.3%

*Data covers only the Medical Centre

Remuneration

As a health care institution, in addition to the general wage and labour market and internal organisational goals, our remuneration decisions are influenced by the national collective agreement between unions and employers. This led to a significant increase (20% on average) in minimum wage rates in the healthcare sector from 1 April 2023.

As a result, the average total salary of all employees of the Medical Centre increased by more than 15% and was 2,647 euros in 2023. Against the background of these decisions, the scope of the various areas of the Medical Centre and their division into both healthcare and support areas must be taken into account. As the support field is not regulated by the collective agreement and is primarily based on the labour market and the specific field of activity, the change in the average total salary of the corresponding group was smaller and in line with changes in the labour market as a whole (11%).

In terms of major occupational categories, the average total salary in 2023 was 5,554 euros for doctors, 2,674 euros for nurses, and 1,638 euros for carers. The total salary of healthcare workers includes a significant amount of overtime and the part of bonuses paid for intensive and special work, which in 2023 was in the range of 23–26% for various positions.

The Medical Centre bases its remuneration decisions on non-discriminatory and equal criteria. When determining remuneration, we consider the employee's training, the nature of their position, the national average salary for similar positions and fields, and the intensity of work at the Medical Centre. The remuneration of the employees is based on the remuneration guideline, which describes the remuneration principles of the employees and provides the necessary guidelines for making remuneration decisions. In addition to the prepared guidelines, we carry out regular monitoring to ensure fair and equal pay.

In 2023, the average total salary of a female employee of the Medical Centre was 26% lower than that of a male employee. The reason for the difference is the gender distribution of employees between different fields and positions. The share of male employees among the healthcare workers of the Medical Centre is 18% as a whole, but proportionally higher in higher-paid positions – the share of men is 7% in nursing positions and 19% among carers, but 37% among higher-paid doctors. The percentage of female employees is also higher in the various areas of support services (73%), reaching 95% in the areas of customer service, secretary work, and catering. Taking into account the specifics of the operations of the hospital, positions in the respective fields of activity make up more than 40% of all positions in support services. The remuneration determined in the employment contract

2,647
euros was the average total salary of all employees of the Medical Centre in 2023 – 15% higher than the previous year

We offer our employees various motivation packages:

Supporting personal development:

- Various training programmes, numerous internal courses, seminars, and hospital conferences
- Annual interviews for setting career goals
- 360-degree reviews for the managers
- The possibility of student loan repayment
- Onboarding trainings and programmes

Valuing a work-life balance:

- Christmas presents for children
- A bonus for when a child starts first grade and allowing the parent a day off
- Funeral benefit in the case of a loss of a family member and allowing the employee a day off
- A day off for the father when their child is born
- Lunch included in the working hours

Taking care of the health of the employees:

- Sports club of the Medical Centre
- Additional holiday up to seven days a year
- Regular thorough medical examinations
- Vaccinations of employees
- Massage chairs for the employees
- Kõnnikliinik indoor health track
- Psychological and psychiatric care, if necessary
- Online trainings on mental health
- We support participation in public competitions and other sports events (Maijooks, Sügisjooks, etc.)
- Discounts at sports clubs
- Women's choir

of female and male employees performing the same job in the same position in a comparable field does not differ in the Medical Centre. There may be differences in the total remuneration within the field and position, but this is based on the number of working hours and overtime.

Conducting annual staff interviews

For the purposes of human-centred management, a good working environment, and the sustainable development of personnel, it is important that systematic annual interviews between managers and employees take place in the organisation. In 2022, we started implementing the PlanPro software to help the process, and in 2023, we put the software into full use.

At the Medical Centre, expectations are prepared for top managers for the next periods – in 2023, the expectation sheets were integrated into the PlanPro environment, where they are logically located next to the information of the annual interviews of the corresponding employees.

Due to the size of the Medical Centre, we do not conduct annual satisfaction surveys for the entire organisation. Instead, we organise surveys in individual structural units based on need. We also conduct regular risk assessments which focus on psychosocial risk factors, the management of structural units, and job satisfaction. Adopting the environment of annual interviews provides new opportunities in terms of employee satisfaction indicators, as the PlanPro software enables various corresponding analytics.

Trainings

In 2023, the total volume of training hours that the employees of the Medical Centre underwent was approximately 167,000 hours. Compared to the previous year, this number has increased (approximately 137,000 in 2022), which shows that we have returned to the period before the restrictions imposed due to COVID-19.

There are several opportunities for the development of employees at the Medical Centre. Employees can participate in internal trainings – 299 are planned for 2024. In addition, structural units organise their own internal trainings, and we support participation in trainings and self-improvement outside the Medical Centre.

 **26%**
of employees
had their regular
annual interview
in the new PlanPro
environment.

Training hours for employees in 2023 by position and type of training:

	Online training	Internal training of the structural unit	Training calendar training	External training	Total
Doctor	1,401	3,524	4,960	30,320	40,205
Resident	611	624	835	6,928	8,998
Carer	2,150	4,032	6,078	1,577	13,837
Lab assistant	256	695	531	1,253	2,734
Other	1,852	3,998	5,238	15,240	26,331
Dispensing chemist	12	20	22	719	773
Nurse	8,648	13,182	30,380	21,809	74,020

The main training activities in 2023:

- We conducted refresher training for 60 nurses of the intensive care ward of the general department, which consisted of online learning (theory), a two-day seminar, and four days of practical learning in intensive care wards.
- For the first time, we put together the development programme for the managers of the Medical Centre, with a duration of 112 academic hours. 37 employees completed it.
- We trained trainers of the 'Good communication practice of the Medical Centre', who started to conduct internal trainings of structural units throughout the hospital.

Ensuring a future generation of professionals

Performance indicators as at 31 December 2023:

- The number of residents: 166
- The number of internship cycles for sixth-year students (of the medical faculty): 112
- The number of students and interns of nursing and care: 668
- The number of job shadows: 100

We will continue to create an internship information system in cooperation with other hospitals and healthcare universities.

A healthy and safe working environment

The Medical Centre values the health and healthy lifestyle of its employees and complies with occupational safety requirements by constantly updating its working environment, work equipment, and medical instruments, informing and training its employees regularly regarding occupational health and safety issues, and organising activities for promoting healthy habits. The activities related to occupational health and safety are organised and coordinated by the Human Resources Department. The Working Environment Council supports the efforts of the staff and the employer. Risk managers (biological risk manager, chemical risk manager, radiation safety specialist, ergonomics instructors), working environment representatives, and heads of structural units together with all employees play an important role in the organisation of the field.

We identify work-related risks through risk assessments and evaluate the health risks they cause. We monitor compliance with the occupational health and safety requirements through the internal inspection of the working environment. All employees can contribute towards the risk assessment of the working environment at their unit. The survey used for gathering initial data provides feedback on the psychosocial working environment, the management of the structural unit, and job satisfaction in addition to the state of the physical working environment. Risks related to work and occupational health and safety requirements are explained to the staff through various guidelines and trainings that are prepared in accordance with the nature of the work. An occupational health

doctor evaluates the health of the employees regularly based on the risks in the working environment. Having a high-quality occupational health service in-house is a big plus for the Medical Centre. Our occupational health doctors and nurses are well aware of the risks in the working environment and, as a result, are able to notice changes in the state of health caused by work, as well as to further investigate and advise where necessary. Based on the results of the risk analysis, we ensure vaccinations for all employees and guarantee the necessary personal protective equipment. We make sure that the workers exposed to radiation are constantly monitored regarding radiation doses. We pay additional remuneration to the employees in case of injury caused by an aggressive patient.

In 2023, the Y-block was completed, and in connection with the extensive reconstruction works in the B-block and the lobby, the working conditions and working environment were modernised and improved to a significant extent.

Accidents at work and occupational diseases	2023	2022
Work-related deaths	0	0
Registered accidents at work	40	46
...of which severe	7	7
...of which minor	33	39
Incidence of accidents at work per 1,000 employees	8	10
Working days lost as a result of accidents at work and other such incidents	1,661	1,406

**Kajastatud ainult Põhja-Eesti Regionaalhaigla*

No occupational diseases were diagnosed in 2023.

The number of accidents at work has decreased compared to the previous year. The main causes of accidents at work are still related to tripping and falling due to both slipperiness and haste. Compared to previous years, the number of accidents at work related to tripping and falling has decreased, but the ratio of the total number of accidents at work is still very high. Falls are also the main cause of severe accidents at work. On the upside, the number of accidents at work related to attacks by aggressive patients has decreased. In addition, there were no burns related to hot water in 2023 (for comparison, there were three in 2022). Compared to the previous year, the number of injuries related to the use of incorrect working methods and techniques related to patient transfer has increased.

Contrary to national statistics, it cannot be said that accidents happen to new employees at the Medical Centre. On average, accidents at work occur in the 10th year of work, and most accidents occur in the first and last hours of the working day. Caution is required when performing tasks already done hundreds of times because overconfidence can also lead to the risk of accidents at work. In order to reduce employee injuries when lifting patients, we are also improving the system of ergonomics instructors in 2024, and we are paying more attention to the aids used in patient transfers in the departments and to training employees in correct work techniques. To prevent tripping and falling, we have encouraged our staff to be careful and pay attention. We analyse the causes of attacks related to aggressive patients and invest more in the training of internal security workers and staff, as well as team work in solving difficult situations.

Improving the psychosocial working environment

In order to improve the psychosocial working environment and support the mental health of employees, we provide psychological counselling to our employees. They can turn to the psychologists and pastoral counsellors of the Palliative Care Centre, the psychologists of the Psychiatry Clinic, as well as the mental health specialists of the out-of-house cooperation partner to solve their concerns and problems.

As the need and demand of employees for mental health support options has increased in recent years, we participated in a pilot project for testing the mental health platform in cooperation with Tehnopol and MinuDoc in 2023. We also conducted a survey among the employees participating in the project to find out which of the mental health topics our employees are most interested in and what kind of support they need. The feedback of the pilot project and the health platform was positive and it shows that employees want more flexible options and solutions.

We have also focused on raising the awareness of employees of mental health issues, as this enables employees themselves to intervene at the primary level. In 2023, we started working on an online training on mental health and psychosocial risk factors, within the framework of which the first module of the training was completed. We plan to move forward with the online training project in 2024. We provide various trainings to our staff on mitigating health risks caused by psychosocial risk factors. As communication and mutual understanding between people are important factors of the psychosocial working environment, we have created the 'Good communication practice of the Medical Centre' to promote the culture of communication. In-house trainers conduct communication trainings in the structural units, where they introduce the employees to the core values of the Medical Centre and the general principles of respectful and polite communication with colleagues as well as patients and their relatives.

As psychosocial risks are largely created by inferior organisation of work and management, we are working on improving the quality of management through training our managers. We also discuss psychosocial topics in the development programme for managers. Units with repeated incidents of psychosocial issues use a special HSE mapper for precise identification. It measures seven types of important work-related stressors (work demands, monitoring, support from colleagues, support from the manager, role, relationships at work, change management). If necessary, we involve psychologists in solving the problems or organise trainings. An important factor in improving the psychosocial working environment is the involvement of the employee and the opportunity to receive regular feedback from and give it to their direct manager during the annual interview. The above-mentioned annual interview software PlanPro also allows us to evaluate job satisfaction and relationships between colleagues.

In order to avoid occupational disrespect, rude behaviour, and disagreements regarding behavioural norms and values that may occur in the working environment, we have created a code of ethics. Employees can report possible abuse, threats, or assaults in the working environment which cannot be resolved within the structural unit through the workplace violence registration form, which can be filled out in the self-service portal of employees. When processing cases of workplace violence, we follow the procedure for registering and processing workplace violence of the Medical Centre to ensure the confidentiality of the persons involved in the case. The Human Resources Department mainly works with the direct managers of the employees, as well as the psychologists of the Palliative Care Centre.

Indicator	2023	2022
Number of reports of workplace violence received from employees	30	26
Incidents inside the organisation	14	15
including mental workplace violence	14	15
Incidents outside the organisation	16	11
including mental workplace violence	5	2
including physical workplace violence	6	6
including both mental and physical workplace violence	4	3
including sexual workplace violence	1	0



In order to support the mental health of employees and to reduce the risks caused by psychosocial risk factors, a working group was created during the COVID-19 crisis, under the leadership of which the assessment of the impact of existing measures to reduce psychosocial risk factors and the development of new preventive measures continues. At the beginning of the COVID-19 pandemic, we also launched psychological first aid training consisting of several modules, the aim of which is to train an employee with psychological first aid training in each structural unit of the hospital, who would recognise critical incidents and those in need of help. In 2023, 11 chief nurses completed the training from start to finish, and it is planned to continue with the corresponding training project in 2024 as well.

Promoting healthy habits

Recreational sports are an integral part of everyday life for many employees of the Medical Centre. We provide our employees with the opportunity to exercise in our gym. We also offer discounts for exercise and other health-promoting services at our cooperation partners. Massage chairs are available for employees to relieve physical and mental stress. In 2023, we opened the indoor health track 'Sammusepad 44' in the Hiiu unit, and a table tennis table was added to the already existing indoor health track in Mustamäe.

We support the participation of our employees in runs, ski and bike marathons, and other public sports events. As 86% of our team is made up of women, we consider the Maijooks (LHV Women's Run), where approximately 300 women participated in 2023, the most important event of the sports year. The Medical Centre has earned the trophy for the organisation with the largest number of participants for several consecutive years. The Medical Centre also won the trophy for the organisation with the largest number of participants in 2023 at the biggest sports event of autumn, the Tallinn Marathon. Both the Maijooks Run and the Tallinn Marathon are much more than just running for our employees – the joy of being together and building team spirit are also important.

We organise information days and lectures to promote healthy habits, for example in April as part of Physical Activity Month and in October as part of Mental Health Month. In May 2023, we organised Women's Health Week, which focused on women's physical and mental health and awareness of related issues. During the week, various articles and presentations were shared on the intranet, and it was reminded that employees can, for example, go to the smoking cessation counselling cabinet, visit the Breast Health Office, and get cervical and breast cancer screenings at the Medical Centre.



In addition, we organised various competitions in 2023 to promote healthier and more environmentally friendly alternatives – bicycle transport and walking – instead of car transport. In 2023, for the first time, our employees took part in a joint bike ride from Mustamäe to Seewald.

In 2023, the Medical Centre joined the network of health-promoting workplaces, and in 2024, in cooperation with the area manager of preventive activities, it is planned to pay significantly more attention to health promotion through employee awareness and preventive activities.

Activities related to occupational safety and health promotion in 2023:

- we continued with the process of updating risk analyses;
- activities related to first-level mental health care, including the creation of module I of online training on psychosocial risk factors, testing the mental health platform;
- we completed the indoor health track in Hiiu and updated the indoor health track in the Mustamäe building;
- we performed radon measurements.

Planned activities in 2024:

- improving the guidance and training system;
- updating risk analyses;
- raising the health awareness of employees and carrying out activities within the framework of the health-promoting jobs network;
- continuing with the mental health and psychosocial online training project.

Work-life balance

Family leave includes parental leave, maternity leave, paternity leave, child leave, and leave for the parents of a disabled child. In 2022, more family holidays were taken than in 2023, because child leave was taken in 2022 in accordance with both the old law and the new legislation. The use of paternity leave has increased – in 2022, 31 fathers took paternity leave and in 2023, 48.

Indicator	2023		2022	
	Women	Men	Women	Men
Number of employees entitled to family leave	1,109	275	1,065	286
Percentage of employees entitled to family leave	23%	6%	23%	6%
Number of employees who took family leave	553	89	723	89
Percentage of employees who took family leave	50%	32%	68%	31%

**Data covers only the leaves of the employees of the Medical Centre*

Employee recognition

Every year, the Medical Centre recognises its employees. In 2023, the following events were organised:

- Lifelong Learning Grant
- Young Doctor/Specialist Grant
- Research Grant
- Grand Lady/Grand Man title
- Doctor of the Year title
- Choosing the best colleagues and a recognition evening at the beginning of the year
- Celebrating International Nurses Day
- Event for work anniversaries



From the left: Future Star of the Medical Centre Richard Karajev, Carer of the Year Kati Rimmel, Nurse of the Year Agnes Ulp, and Grand Man Prof Margus Viigimaa. Grand Man or Grand Lady is a Lifetime Achievement Award / title given to an doctor in recognition of a long, fruitful, and rewarding career.

Society

Research and innovation

The number of accidents at work has decreased compared to the previous year. The main causes of accidents at work are still related to tripping and falling due to both slipperiness and haste. Compared to previous years, the number of accidents at work related to tripping and falling has decreased, but the ratio of the total number of accidents at work is still very high. Falls are also the main cause of severe accidents at work. On the upside, the number of accidents at work related to attacks by aggressive patients has decreased. In addition, there were no burns related to hot water in 2023 (for comparison, there were three in 2022). Compared to the previous year, the number of injuries related to the use of incorrect working methods and techniques related to patient transfer has increased.

Contrary to national statistics, it cannot be said that accidents happen to new employees at the Medical Centre. On average, accidents at work occur in the 10th year of work, and most accidents occur in the first and last hours of the working day. Caution is required when performing tasks already done hundreds of times because overconfidence can also lead to the risk of accidents at work. In order to reduce employee injuries when lifting patients, we are also improving the system of ergonomics instructors in 2024, and we are paying more attention to the aids used in patient transfers in the departments and to training employees in correct work techniques. To prevent tripping and falling, we have encouraged our staff to be careful and pay attention. We analyse the causes of attacks related to aggressive patients and invest more in the training of internal security workers and staff, as well as team work in solving difficult situations.

In 2023, we continued to closely cooperate with the Estonian Academy of Arts, with whom we organised a five-day service design sprint. Using agile methods and co-creation, the students, in cooperation with specialists, searched for possible solutions to four complex problem areas set up by the hospital. Work on improvement activities will continue in 2024.

In 2023, the OnKontakt online support project for cancer patients was completed, in which patients with primary breast and colon cancer could use the online platform Kaiku Health to report side effects caused by cancer treatment. This allowed the treatment team to intervene if necessary, and the platform also provided initial AI-based advice on how the patient can help themselves at home. The Health Insurance Fund will carry out an additional impact study project in 2024 to find out whether it is possible to finance the solution in the future.

Since 2023, we collect information about research activities (primarily publications) through the Estonian Research Information System (Eesti Teadusinfosüsteem or ETIS). We consider it very important that all doctors and researchers report their research activities through ETIS. Based on ETIS, 78 scientific articles were published by the staff of the Medical Centre in 2023, which is less than last year (164). The change is due to differences in data collection – since 2023, we only consider articles reflected in ETIS. We will continue with active awareness-raising work and scientific communication, so that in the coming years, the majority of publications will be reflected in ETIS.

Studies started, ongoing, and completed in 2023:

Indicators	2023	2022
Drug trials started	23	24
Ongoing drug trials	94	88
Completed drug trials	7	17
Research started	45	39*
Ongoing research	167	158
Completed research	9	21

*Corrected data compared to the 2022 management report.

Clinical databases

The clinical databases of the Medical Centre are created on the REDCap platform, which ensures the best possible data security and ease of data collection. It also enables primary analytics.

In 2023, three new clinical databases were registered. Therefore, the Medical Centre now has a total of 14 functional clinical databases.

The biggest obstacle in managing databases is the complexity of entering data – we need human resources and finances that would be sufficiently motivating; in addition, gathering data from different sources is a complicated process.

14

functioning clinical databases have been set up at the Medical Centre

Drug trials

One of the most prominent drug trials initiated in 2023 at the Medical Centre is the academic clinical drug trail 'A double-blind, randomized, placebo-controlled second-phase feasibility study to evaluate the effect of adding LSTA1 to the standard treatment with temozolomide compared to placebo in patients with primary diagnosed glioblastoma multiforme'. As part of the study, the effect of adding the cyclic peptide LSTA1 on the efficacy and safety of the treatment of aggressive brain tumours (glioblastoma) is investigated. The study is led by the Tartu University Hospital. The leading researcher at the Medical Centre is Dr Kersti Oselin.

Research and doctoral theses

The doctors of the Medical Centre are active in several international researches. Under the leadership of Dr Peep Laanmets, the patients of the Medical Centre are involved in various projects in the field of cardiology: the effect of aspirin in the treatment of myocardial infarction without ST elevation is studied (the LEGACY study) and the effectiveness and safety of different aortic valve systems and coronary stent systems are compared (the LANDMARK and NAGOMI studies). Dr Teesi Sepp hopes to improve the effectiveness of the operative treatment of patients with non-muscle invasive bladder cancer by comparing the effectiveness of the classic TURB (transurethral resection of bladder tumour) method and the new en bloc TURB method.

In 2023, we joined several retrospective studies based on health data (DAYDREAM, Dr Eva-Maria Niine-Roolah; Retro-COSMOS, Dr Margit Valgma). Retrospective studies based on health data allow to improve the quality of treatment without interfering with the treatment of patients, as the health data already collected in the course of treatment is used. The use of health data is always coordinated with the Human Research Ethics Committee.

In 2023, four employees of the Medical Centre defended their doctorates.

Dr Marika Pikta (laboratory doctor/senior doctor) defended her doctoral thesis 'Implementation of Innovative Techniques in the Diagnostic Work-up of von Willebrand Disease' at the Department of Health Technologies of Tallinn University of Technology. The supervisor of the doctoral thesis was Prof Margus Viigimaa.

Cardiology resident Dr Silver Heinsar defended his doctorate at the University of Queensland in Australia on the topic 'A Comprehensive Pre-Clinical Evaluation of Pulsatile Flow Veno-arterial Extracorporeal Membrane Oxygenation'. The supervisors of the doctoral thesis were Prof John Fraser and Dr Jacky Suen (The University of Queensland).

Emergency medicine doctor Dr Triinu Keskaik and medical geneticist Dr Laura Roht defended their doctorate degrees at the Faculty of Medicine at the University of Tartu. Dr. Keskaik wrote her doctoral thesis on 'Quality Indicators and Non-Ischemic Myocardial Injury in Emergency Medicine'. The supervisors of the doctoral thesis were Prof Joel Starkopf (University of Tartu) and Prof Peep Talving. Dr Keskaik was the first in Estonia to obtain a doctorate in emergency medicine.

Dr Roht is one of the best oncogenetics specialists in Estonia. Her doctoral thesis was on 'Hereditary colorectal cancer syndromes in Estonia'. The supervisors of the doctoral thesis were Prof Katrin Õunap, Associate Prof Tiina Kahre, and Dr Jaan Soplepmann (University of Tartu).

Recognition of research

To support research and development activities, the Medical Centre awards its employees grants from targeted funds every year based on applications. As a rule, we support research by allocating working time for clinical studies, conducting development projects, and awarding grants to outstanding staff members who have acquired a doctoral degree and for the best-published research.

91,307 euros were granted from the requests submitted to support research and development activities (2022: 71,129). We mostly supported research conducted outside working hours (13 applications, 28,496 euros; 2022: 23 applications, 29,372 euros) and rewarded the authors of research articles – 21 applications, 21,800 euros (2022: 14 applications, 12,500 euros).

 **4**
employees of the
Medical Centre
defended their
doctorates in 2023

 **91,307**
euros were paid by
the Medical Centre to
support research and
development activities
in 2023



Terje Peetso, Head of Innovation and International Relations of the Medical Centre, radiologist Dr Juhan Reimand and laboratory doctor Dr Marika Pikta, both nominated for the AS Maag Grupp research grant, oncologist Dr Kersti Oselin, recipient of the research grant, and chairman of the management board, Agris Peedu.

The Medical Centre and AS Maag Grupp awarded their second research grant to a member of the staff of the Medical Centre with at least five years of research experience. Doctor of pharmacology and oncologist Dr Kersti Oselin, who leads a number of scientific and pharmaceutical studies at the Medical Centre, received the prestigious research grant worth 10,000 euros. Laboratory doctor Dr Marika Pikta and neuroradiologist Dr Juhan Reimand were also nominated for the research grant.

The Research Committee of the Medical Centre chose the article ‘Short Postoperative Intravenous Versus Oral Antibacterial Therapy in Complicated Acute Appendicitis – A Pilot Non-Inferiority Randomised Trial’ by Dr Edgar Lipping as the best research article of 2023. This is a landmark article for the Medical Centre, because it is the first time our surgeons have managed to publish in the most respected and most cited scientific journal in the field of surgery, *Annals of Surgery*.

In 2023, the Medical Centre supported both young specialists (including future colleagues – radiology technicians in training) and experienced colleagues with a young doctor/specialist grant and a lifelong learning grant in the amount of 48,000 euros.

Raising awareness in disease prevention

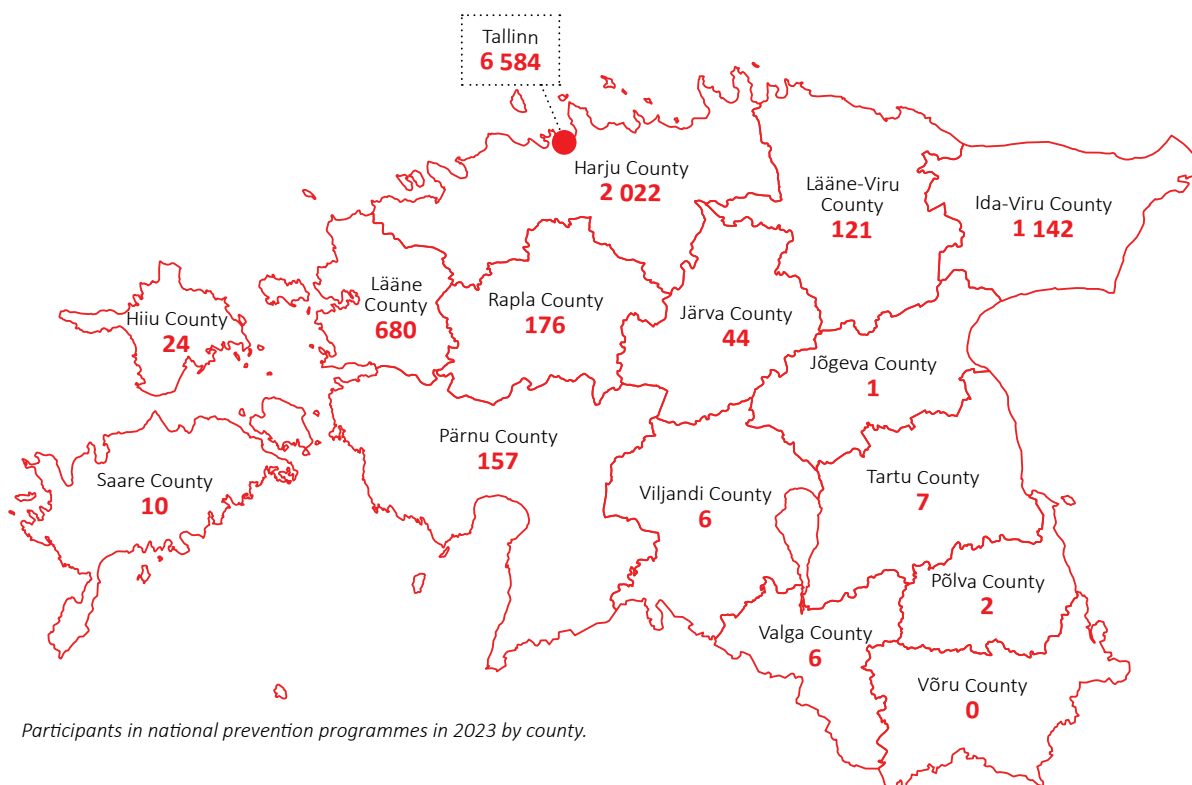
In 2023, the position of area manager of preventive work was created in the Medical Centre with the aim of developing a unified comprehensive concept and implementation of preventive work in the Medical Centre, involving both internal and external parties. When planning preventive activities, we focus on the mission and strategic goals of the Medical Centre, as well as the goals of the National Health Plan. One of the goals of 2024 is to create a comprehensive prevention concept in the Medical Centre, within which the processes of prevention activities have been mapped and described.

Out of the prevention programmes financed by the Health Insurance Fund, the Medical Centre participated in five programmes:

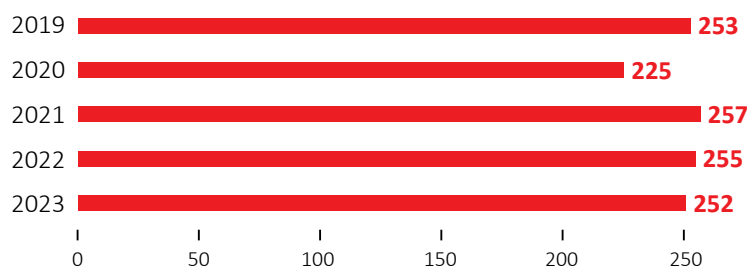
- early detection of cervical cancer – 812 treatment cases;
 - early detection of breast cancer – 8,504 treatment cases;
 - early detection of colon cancer – 371 treatment cases;
 - counselling for tobacco cessation – 152 treatment cases;
 - treatment of alcohol use disorder – 965 treatment cases.
-

The volume of these prevention programmes has increased over the years, both in the number of treatment cases and in funding (2021 – 0.3 million euros; 2022 – 0.5 million euros; 2023 – 0.78 million euros). This trend will continue in 2024 (0.86 million euros). In addition to monitoring the fulfilment of contracts for prevention programmes, the focus is on the patient-friendliness of services (evening reception times) and more coherent cooperation within the hospital.

In 2023, 10,321 people (10,984 treatment cases in the total amount of 736,455 euros) from various counties of Estonia participated in the prevention programmes financed by the Health Insurance Fund, of which 252 were first-time patients.



Participants in national prevention programmes in 2023 by county.



Number of new patients who participated in national prevention programmes.

Prevention projects with the Medical Centre

The Medical Centre participates in the pilot project of abdominal aortic aneurysm screening funded by the Health Insurance Fund. The purpose of the pilot project is to assess the feasibility of abdominal aortic aneurysm screening in Estonia based on two centres with the required competence (Tartu University Hospital, the Medical Centre) to provide the necessary input for starting a nationwide screening programme based on the obtained data.

In 2023, the routine monitoring of patients with a high genetic risk and their inclusion in the clinical database continued as part of the project ‘Monitoring the journey of people with a genetic breast cancer risk in the Medical Centre’. The project was supported by AstraZeneca.

Additionally, the pre-vocational training programme in cooperation with Arte Gymnasium, the Medical Centre, and the Tallinn Health Care College continued, within the framework of which the contract partners conduct elective courses for students in grades 10, 11, and 12. Cooperation experiences and the possibilities of developing the idea of conducting a health-related pre-vocational training programme in upper secondary schools were shared with partner organisations in Lääne County (Tallinn University Haapsalu College, Haapsalu Vocational Education and Training Centre, Haapsalu Neurological Rehabilitation Centre, education advisors from local governments, and Läänemaa Upper Secondary School).

Under the leadership of the Trauma Centre of the Medical Centre, we launched the training project 'Stop The Bleed', which is aimed at developing the knowledge and skills of the wider community to stop life-threatening bleeding at the scene of a crisis and increase the chances of survival of the injured, before the arrival of first responders. The project was recognised with the title of laureate of the Harju County Health Act 2023.

The trainers of the Ambulance Centre of the Medical Centre contributed to the campaign 'Your hands can save lives!', promoting the necessity of resuscitation in Europe, which was initiated and led by the Tartu Ambulance Foundation and the Estonian Red Cross.

Awareness-raising activities among the community, hospital employees, customers, and patients were mainly carried out on the intranet and external websites or through social media with the support of sharing information, articles, trainings, videos, and podcasts. Prevention information is available on the following thematic websites: www.sydamekeskus.ee, www.traumakeskus.ee, www.onkoloogikeskus.ee, or www.koroonakriis.ee. Information days aimed at preventing various diseases were also held in the atrium of the hospital, which everyone could join.

September	World Suicide Prevention Day	Psychiatry Clinic
	World Heart Day	Internal Medicine Clinic, Cardiology Centre
October	World Thrombosis Day	Internal Medicine Clinic, General Internal Medicine Centre
	World Osteoporosis Day	Internal Medicine Clinic, General Internal Medicine Centre
	World Stroke Day	Internal Medicine Clinic, Neurology Centre
	World Lung Day	Internal Medicine Clinic, Pulmonology Centre
November	World Diabetes Day Malnutrition Awareness Week	Internal Medicine Clinic, General Internal Medicine Centre
	Breast screening campaign	Diagnostics Clinic, Radiology Centre

For 2024, we have planned more than 20 activities aimed at the prevention of various diseases – projects, information days, trainings, etc. – which will be implemented in cooperation with clinic representatives and communication and occupational safety specialists.

The Patient School of the Medical Centre also plays an important role in informing the population and in preventive activities, the programme of which is prepared in cooperation with the Patient Council. The Patient School has its own website, where all recorded lectures and discussions are available. On this website, you can subscribe to all the new content or make your own suggestions regarding the organisation and topics of the trainings. The topics covered at the Patient School in 2023:

- Life after a stroke
- Suicide Prevention Day panel 'Notice the person: Giving hope'

In 2024, we will focus on improving the organisation of the activities of the Patient School: systematisation in collecting input from various interest groups, the variety of activities offered, and making various available materials available on the website of the Patient School.

20
different disease
prevention activities
are planned for 2024

Participation in shaping health policy

In addition to direct prevention and treatment activities, we participate in shaping the national healthcare policy, as well as actively cooperate with the Ministry of Social Affairs, the Health Insurance Fund, and other authorities, professional societies, and associations in the field of healthcare.

The Medical Centre is a member of the following organisations:

Estonian Hospitals Association – unites employers in the Estonian healthcare sector that provide healthcare services; membership is voluntary;

European Institute for Biomedical Imaging Research (EIBIR);

European Society for Radiotherapy & Oncology (ESTRO) – a non-profit research organisation that promotes radiotherapy and oncology in cancer treatment;

European Blood Alliance (EBA);

Organisation of European Cancer Institutes (OEI);

European Society for Blood and Marrow Transplantation (EBMT);

International Society for Telemedicine and eHealth (ISfTeH);

European Network for Rare Adult Solid Cancer Reference Network (EURACAN) – a European Union network for rare and complex diseases within the solid tumour network;

European Rare Kidney Disease Reference Network (ERKNet) – a European Union network for rare and complex diseases; a kidney disease network;

Connected Health cluster – an Estonian healthcare innovation ecosystem;

European Connected Health Alliance (ECHA) – a European digital healthcare and innovation network;

European Institute for Innovation Through Health Data (i~HD) – a European non-profit organisation, the purpose of which is the optimal and reliable use of health data for the benefit of healthcare.

In 2023, the Medical Centre also joined the health-promoting jobs network (TET) – the purpose of the network is to support Estonian organisations in developing the working environment, as well as improving the occupational safety and health awareness of employees. Membership is voluntary. The network is led by the Labour Inspectorate in cooperation with the National Institute for Health Development.

EH-ISAC – European Health Information Sharing and Analysis Centre (EH-ISAC), which the Medical Centre established in 2023 together with other European hospitals. The goal of EH-ISAC is to provide a secure environment and a framework for the secure exchange of information, thereby improving the readiness of European healthcare providers to respond to cyber threats.

In 2023, the Medical Centre joined two organisations focused on climate-sustainable operation:

1) Healthcare Without Harm – a global network of healthcare institutions that supports healthcare institutions in their actions to reduce climate impact;

2) the international initiative Cool Food Pledge – the collective promise of the participants is to reduce the climate impact resulting from catering by 25% by 2030.

In addition to the organisations above, the doctors of the Medical Centre participate in the work of professional associations that aim to develop their respective fields, prepare recommendations for care, and organise topical conferences.

Community

The main direct impact of the Medical Centre on the surrounding environment stems from the use and maintenance of the territory of the Medical Centre and from construction procurements.

In connection with the construction works in the immediate vicinity of the Mustamäe medical campus, there was temporary air noise and structural noise, dust, steam, and unpleasant odours spreading in the structures in 2023.

The contractor implemented the following measures to minimise the disturbing effects:

- 1) Limiting and marking the work zone, protecting existing and preserved structures from damage.
- 2) Temporary walls were built to prevent the spread of dust, noise, and fire between the demolition zone and the areas in use. Extraction fans were used to remove dusty air.
- 3) Access to the work zone was closed for hospital employees during the period of work.
- 4) Demolition debris was not stored on evacuation routes; in the event of a possible emergency, evacuees would be directed past the work zone.
- 5) Tools were brought into the work zone and debris was removed using separate transport routes.
- 6) The work zone was ventilated with fans.
- 7) Structures were not demolished with a demolition hammer, etc. if it started to interfere with the treatment work. Upon receiving the relevant information, the work was terminated.
- 8) Noisy work was avoided on certain days and during certain time periods in coordination with the hospital staff.
- 9) A schedule of weekly disruptive activities was put together and sent to the staff organising the treatment for review. The above-mentioned schedule showed each place of activity (source) causing the risk of infection, noise, dust, and vibration (unit, floor, location with axes, room number), the planned period of work to the nearest hour (start time, end time, and duration), and the name and contact details of the person responsible for the execution of the work for immediate contact during the execution of the work.

Environmental impact

In the analysis of social responsibility focus topics carried out with external experts in 2018 (background and methodology described on page 18), we identified the environmental impact of our activities as a moderately important topic for both the hospital itself and stakeholders.

Climate impact and energy consumption

One of the six strategies of the development plan of the Medical Centre is the sustainable development of the hospital to reduce the carbon footprint of its activities to achieve carbon neutrality.

For the overall management of environmental impact, we formed an environmental group of the Medical Centre that organises communication for raising general awareness of environmental issues, monitors the efficiency of actions taken by the Medical Centre for the management of its environmental impact, and initiates or supports the managers of different fields in carrying out various projects for reducing the environmental impact of the Medical Centre.

In 2023, the Medical Centre created the position of the Head of Green Transition, whose main role is to initiate hospital-wide environmental conservation projects and to support the initiatives of hospital units in environmentally sustainable operation.

In 2023, the activities for reducing the environmental impact focused on projects related to reductions in energy consumption and the 'Cycling to work' exercise campaign for the employees of the Medical Centre.

We have planned the projects for reducing our environmental impact based on the principle that they cannot affect patient safety and the quality of treatment. Planned actions to reduce our climate impact in 2024:

- we will integrate environmentally sustainable procurement conditions into the procurement of products with the greatest environmental impact (procurements related to climate impact are described on page 67);
- we will develop and approve a climate-friendly catering action plan;
- we will develop a climate- and environmentally friendly hospital pharmacy action plan;
- we will continue to create a climate-friendly mobility programme for the hospital.

**Edasi väiksema
jalajäljega!**



Energy consumption

The entire Medical Centre Group buys all of its electricity as green energy, i.e. energy produced from 100% renewable sources. 68% of the district heating thermal energy purchased by the Medical Centre is produced from renewable energy and is recognised with the efficient district heating label. The thermal energy of the Seewald (52 Paldiski Road) building is produced 100% from natural gas, i.e. fossil fuel. The thermal energy at Raplamaa Hospital is 91% renewable. The respective figures in Hiiumaa Hospital are 100% and in Läänemaa hospital, 74%.

The Medical Centre did not produce its own energy in 2023. However, at the end of the year, we made preparations for this: we installed the first 60kW solar park on the roofs of the Y-block of the Mustamäe medical campus.

The consumption data of the Medical Centre and subsidiary hospitals have been obtained by measuring and are summarised in the table below. In 2022, energy consumption data was presented in a different way, so in this table for 2022, only the total consumption is presented.

Energy consumption and distribution of energy sources	2023	2022
Total non-renewable energy consumption (MWh)	9,824	–
Non-renewable fuels consumed* (MWh)	2,716.36	2,806.21
Share of non-renewable sources in total energy consumption (%)	23	–
Fuel consumption of renewable sources (including biomass) (MWh)	10,201	–
Consumption of purchased or acquired electricity, steam, and cooling based on renewable sources (MWh)	22,333	–
Total renewable energy consumption (MWh)	32,533	–
Share of renewable sources in total energy consumption (%)	77	–
Total energy consumption (MWh)	42,358	38,981

*The [guide and coefficients of the Carbon Disclosure Project](#) were used to convert diesel and gasoline quantities from litres to megawatt-hours.



Greenhouse gas emissions

The climate impact assessment of the Medical Centre in 2021 showed that the greatest impact of the Medical Centre was related to the following activities:

- 1) Electricity consumption 35%
- 2) Emissions associated with the production of purchased goods 27%
- 3) Commuting 15%

We plan to carry out another climate impact assessment for 2023 in 2024. The Medical Centre joined the international initiative Cool Food Pledge. The collective promise of the participants is to reduce the climate impact resulting from catering by 25% by 2030.

In addition, in 2023, with the support of external experts, in connection with the international initiative Cool Food Pledge, we assessed, for the first time, the climate impact of our catering for the years 2022 and 2023. We took into account the greenhouse gas emissions generated both in agricultural supply chains³ and greenhouse gases that were not removed due to changed land use⁴. In the Medical Centre, the amount of greenhouse gases related to food was 5,899 t CO₂eq in 2022 and 5,904.55 t CO₂eq in 2023, which is 0.09% higher compared to the previous year. At the same time, the emission per 1,000 kcal decreased by 3.8%. Beef products account for approximately 15% of the climate impact of our food supply, and other meat products and dairy products account for 70%. At the same time, beef accounted for only 1% of the food purchased by the Medical Centre. We plan to use the results of the assessment in the development of an action plan for climate-sustainable catering and in the future in evaluating the effectiveness of the implementation of the action plan.

Indicator	2023	2022
Ruminant meat (t CO ₂ eq)	931	908
Other animal products* (t CO ₂ eq)	4,083	4,108
Cereals and legumes, seeds (t CO ₂ eq)	460	446
Other plant-based products (t CO ₂ eq)	428	438
Total food-related climate impact (t CO ₂ eq)	5,904.55	5,899.53
Total food-related climate impact per 1,000 kcal (kg CO ₂ eq/1,000 kcal)	6.54	6.8

*Dairy products, eggs, poultry and pork, fish and seafood.

³ <https://www.science.org/doi/10.1126/science.aag0216>

⁴ <https://www.nature.com/articles/s41586-018-0757-z>

Avoidance of other pollutants

As our principal activity does not cause direct environmental pollution, the Medical Centre has not established general operating principles or goals related to pollutants. In addition, during the reporting period, no environmental pollution has been detected/registered on our registered immovables.

When purchasing cleaning agents and procuring cleaning services, the Medical Centre has long been following the principle that, if possible, only products that have been given the ISO type I ecolabel or a certified equivalent product are used as cleaning agents. It is also not allowed to use sensitising, toxic, and dangerous substances in excess of the permitted concentration during cleaning. No cleaning agent (except biocides) must be classified or labelled as acutely toxic, toxic to the target organ, sensitising the respiratory tract or skin, carcinogenic, mutagenic or reprotoxic, or hazardous to the aquatic environment. The latest large-scale procurement of interior cleaning works for buildings at 19 J. Sütiste Road, 39 and 44 Hiiu Street, and 16 Sõle Street was also organised in compliance with the conditions of environmentally friendly procurement.

Air, water, and soil pollution

A natural gas-fired boiler house is in use in the unit at 52 Paldiski Road, and diesel generators installed to ensure operational continuity are located at 19 J. Sütiste Road, which are used to supply the hospital with electricity in an emergency. In accordance with the pollution permit issued for the unit at 19 J. Sütiste Road, we have an obligation to record, in addition to the pollutants emitted by diesel generators, other pollutants emitted into the outside air, especially disinfectants used in hospitals. Pollutant calculations are made on the basis of actual amounts of substances consumed (natural gas, diesel fuel, and disinfectants) and are reported in the environmental decision information system KOTKAS. The following environmental permits have been issued to the Medical Centre: No. L.ÕV/319125 for the address 52 Paldiski Road and No. L.ÕV/320429 for 19 J. Sütiste Road.

Address	CAS	Pollutant	2023	2022	Difference
52 Paldiski Road, Tallinn air pollution permit No. L.ÕV/319125	10102-44-0	Nitrogen dioxide, t	2.05	2.36	-0.31
	NMVOG	Non-methane volatile organic compounds, t	0.14	0.03	0.11
	124-38-9	Carbon dioxide, t	1,917.47	2,206.22	-288.75
	630-08-0	Carbon monoxide, t	2.05	2.36	-0.31
19 J. Sütiste Road, Tallinn air pollution permit No. L.ÕV/320429	67-63-0	2-propanol (isopropyl alcohol), t	16.47	10.00	6.47
	64-17-5	Ethanol (ethyl alcohol), t	19.40	25.70	-6.30
	10102-44-0	Nitrogen dioxide, t	0.06	0.05	0.01
	67-56-1	Methanol (methyl alcohol), t	0	0	0
	NMVOG	Non-methane volatile organic compounds, t	0.001	0.001	0.00
	124-38-9	Carbon dioxide, t	41.42	34.04	7.38
	630-08-0	Carbon monoxide, t	0.057	0.005	0.052
PM-sum	Solid particles, total, t	0.06	0.05	0.01	

Waste

While we have sorted waste in the departments for a long time, in 2023, we additionally started facilitating sorting in the support services offices and removing waste baskets from under the office desks to reduce the environmental impact of the waste bags that are changed during each cleaning. The adding of sorting stations also now provides the possibility of collecting biodegradable waste in office spaces. Until now, food waste resulting from the preparation of food in the kitchen and food waste from patients were separately collected. The introduction of sorting stations increased the reduction of the amount of household waste and promoted the more conscious sorting of packaging waste. As there are many doctor's offices in the hospital, the focus of 2024 is on promoting the use of sorting stations: we have planned a large-scale reduction of waste baskets under tables and the installation of sorting stations for the beginning of the year.

All new nurses and carers are also trained in waste sorting as part of the mandatory hygiene training. We additionally plan to put together an online training so that the entire hospital staff can check their knowledge if necessary. We conduct trainings for smaller groups in the departments, especially if, for example, an internal audit reveals that there are problems with waste sorting.

Unfortunately, the hospital cannot determine which treatment facility the waste should go to and which recycling/disposal operations the waste carrier should perform.

In terms of resource use, we switched to reusable dishes in catering in 2023 and replaced bottled water with tap water when offering drinking water to patients. In 2024, we plan to reduce the consumption of disposable accessories with the highest cost.

Waste flows and statistics

The main waste is waste generated during patient care, which may be infectious or non-hazardous waste, waste from transporting goods, and disposable accessories and their packaging waste.

Municipal waste includes all waste that does not need to be collected or disposed of in accordance with special requirements to prevent infection (e.g. dressings, plaster casts, linen, disposable clothing, diapers), including all disposable accessories that are not saturated with blood and body fluids. Packaging waste includes all packaging that comes with disposable accessories, pharmaceuticals, and goods that the hospital needs in its daily work. Infectious, pathological waste is saturated with body fluids and/or tissue pieces and similar materials, and it is collected and handled in accordance with the special requirements. The hospital also generates all kinds of construction and demolition waste, as well as special types of documents with personal data, etc., which also have special requirements for handling.

We send waste that has further value, such as broken patient beds, to a metal company for recycling.

Waste carriers normally provide customers with average data on the amount of waste from the route (the total m³ of containers is divided by tonnes of waste handed over). In 2020, however, when preparing the waste procurement, we wanted to get a better overview of our actual waste quantities, and the condition of the procurement was that the waste carriers must submit the waste quantities in accordance with the actually generated waste quantities.

We ensured this with regular quarterly weighings of non-hazardous waste (hospital municipal waste, paper and cardboard packaging, mixed packaging, plastic packaging, glass packaging) at all waste generation sites where waste was not collected with press containers.





At sites where the waste was collected in a container, we weighed a container filled 1/3 of the way and divided all container weights by the volume of the containers (m³), resulting in the specific weight of emptying each waste container, which the waste carrier multiplied by our procurement price, because the waste procurement is structured on a kilogram basis.

As we carried out these weighings for more than two years and the specific weight of the waste by quarter varied very little, we decided to agree on the average specific weights which we will use until the end of the contract period in 2024 to save resources. The weighings showed that the specific weight of the waste generated in the hospital is different from that of ordinary households, and calculations based on the principle of the usual route would have distorted our waste quantities.

The collection of hazardous waste is also organised based on weight: the waste carrier calculates the amount of waste actually generated for a specific type of waste and submits invoices based thereon.

Depending on the waste quantity collection systems of the waste carriers, it is not possible to provide data on waste recycling and/or disposal operations in accordance with the terms and conditions of the standard.

HAZARDOUS WASTE

Name of waste (waste code)	2023	2022	Change
Recycled			
Batteries and accumulators other than those mentioned in 20 01 33* (20 01 34), t	0.305	1.773	-1.468
Discarded large appliances (with any external dimension exceeding 50 cm) other than those mentioned in codes 20 01 21*, 20 01 23* and 20 01 35*, 20 01 36 11* – 20 01 36 13* (20 01 36), t	0.041	0.031	0.010
Waste that has reached interim storage or pre-treatment and is recycled or disposed of as energy			
Packaging containing residues of or contaminated by dangerous substances (15 01 10*), t	0.001	0	0.001
Wastes containing oil (16 07 08), t	8.000	0	8.000
Chemicals consisting of or containing dangerous substances (18 01 06*), t	36.545	21.827	14.718
Unsorted batches of medicines (18 01 98*), t	12.931	14.272	-1.341
Discarded equipment containing chlorofluorocarbons (20 01 23*), t	1.175	0	1.175
Batteries and accumulators included in 16 06 01*, 16 06 02*, or 16 06 03* and unsorted batteries and accumulators containing these batteries (20 01 33*), t	0.305	0.267	0.039
Discarded electrical and electronic equipment other than those mentioned in 20 01 21* and 20 01 23* containing hazardous components (20 01 35), t	4.147	5.785	-1.638
Fluorescent tubes and other mercury-containing waste (20 01 21*), t	0.309	0.280	0.029
Wastes whose collection and disposal is subject to special requirements in order to prevent infection (18 01 03*)	105.366	168.648 ^x	N/A
Cytotoxic and cytostatic medicines (18 01 08*), t	5.819	9.965 ^x	N/A
Medicines with a narcotic and psychotropic effect (18 01 96*), t	0.028	0.068 ^x	N/A
For disposal as energy or otherwise			
Wastes whose collection and disposal is subject to special requirements in order to prevent infection (18 01 03*), t	62.718	168.648 ^x	N/A
Cytotoxic and cytostatic medicines (18 01 08*), t	4.163	9.965 ^x	N/A
Medicines with a narcotic and psychotropic effect (18 01 96*), t	0.034	0.068 ^x	N/A
Construction materials containing asbestos* (17 06 05), t	0	0.031	-0.031

^x In the data for 2022, it was not possible to separate different recycling operations of the same category of waste, therefore it is not possible to accurately present the change in the amount of waste generated between the two years.

NON-HAZARDOUS WASTE

Name of waste (waste code)	2023	2022	Change
Recycled or otherwise recovered			
Paper and cardboard packaging (15 01 01), t	105.581	109.640	-4.059
Plastic packaging (15 01 02), t	0.351	4.450	-4.099
Metallic packaging – 15 01 04 – Handling (15 01 04), t	0.049	0.079	-0.030
Mixed packaging (15 01 06), t	49.590	45.816	3.774
Glass packaging (15 01 07), t	13.440	7.110	6.330
Paper and cardboard (20 01 01), t	1.033	13.620	-12.587
Biodegradable kitchen and canteen waste (20 01 08), t	23.339	19.472	3.866
Other fractions not otherwise specified (20 01 99), t	3.786	0	3.786
Biodegradable waste (20 02 01), t	18.769	8.370	10.399
Bulky waste (20 03 07), t	6.540	24.796	-18.256
Iron and steel (17 04 05), t	7.946	4.976	2.970
Mixed metals (17 04 07), t	1.520	-	1.520
Mixed municipal waste (20 03 01), t	111.660	100.764 ^x	N/A
Municipal wastes not otherwise specified (20 03 99), t	0	1.5	-1.500
Wooden packaging (15 01 03), t	-	0.021	-0.021
Organic wastes other than those mentioned in 16 03 05* (16 03 06), t	-	0.018	-0.018
For disposal as energy or during storage			
Mixed construction and demolition wastes other than those mentioned in 17 09 01, 17 09 02, and 17 09 03* (17 09 04), t	27.494	21.084	6.410
Wastes whose collection and disposal is not subject to special requirements in order to prevent infection (e.g. dressings, plaster casts, linen, disposable clothing, diapers) (18 01 04), t	380.162	689.757 ^x	N/A
Mixed municipal waste (20 03 01), t	8.290	100.764 ^x	N/A
For disposal during storage			
Wastes whose collection and disposal is not subject to special requirements in order to prevent infection (e.g. dressings, plaster casts, linen, disposable clothing, diapers) (18 01 04), t	327.049	689.757 ^x	N/A

^xIn the data for 2022, it was not possible to separate different recycling operations of the same category of waste, therefore it is not possible to accurately present the change in the amount of waste generated between the two years.

Water consumption

While reconstructing its treatment units and utility rooms across the Group, the Medical Centre has gradually switched to more water-saving technical solutions (more sustainable sanitary equipment and medical equipment). The Medical Engineering Department and the Infrastructure Engineering Department are responsible for this.

In 2023, we used water resources more economically in connection with the following activities:

- Moving units to the new connecting areas of the Oncology and Pathology Centre and the reconstructed AB-block.
- Moving units to the five reconstructed departments of the ward department of the Mustamäe medical campus.
- Putting into use the volume built during the first stage of the reconstruction works of the Blood Centre (Ädala 2, Tallinn).

Water resources are saved during cleaning in our facilities. The service providers use pre-moistened cleaning textiles. Cleaning textiles are washed in a washing machine after each cleaning, not in a bucket in the work area.

In 2024, no similar improvement measures (except for the cleaning service) are planned. We are commissioning the volumes built in 2023 and finding external funds for the following periods.

We have started cooperation with the local government to find external means to improve the stormwater solution for the medical campus by building flood zones on the nearby municipal registered immovables during heavy rains, where the stormwater systems of the network owner are not able to handle the large amounts of rainwater.

In the long term, the following activities are planned:

- During the further reconstruction works of the ward unit (B-block) departments in the period from about 2025–2033, we will upgrade all the remaining medical and sanitary equipment that consumes domestic water to more modern water-saving equipment.
- We will use increasingly economical water systems for all subsequent new developments financed by external funds.
- During the construction of the new Psychiatry Clinic building in 2027–2028, in addition to the economical water systems, we will partially also use rainwater collection and storage systems and reuse this water in the landscaping of the registered immovable and, if possible, in the sanitary facilities.
- In the following years, we will negotiate with the network operator to further ensure the operational continuity of the hospital by building an additional borehole serving the hospital buildings only.

Water consumption data

- The Medical Centre uses high-quality drinking water from the network area of AS Tallinna Vesi.
- We measure water consumption at consumption points with water meters, except at the 39 Hiiu Street consumption point, where the water meter failed.
- Water consumption is in a slight downward trend every year, because after repairs and renovations, we are constantly replacing medical and sanitary equipment that uses domestic water with more water-saving equipment.

Data on the water consumption of the Medical Centre is given in the table below:

Consumption points	2023	2022
Blocks A, B, C, D, and X, 19 J. Sütiste Road	79,642	79,842
Block E, 21 J. Sütiste Road	0	0
Hiiu unit, 39 Hiiu Street	2,000*	1,808
Hiiu unit, 44 Hiiu Street	3,752	3,347
Psychiatry Clinic, 52 Paldiski Road	12,029	13,934
Blood Centre, 2 Ädala Street	146	487
Total water consumption (m³)	97,569	99,418
Total amount of recycled and reused water (m ³)	0	0
Total stored water and changes in the volume of stored water (m ³)	0	0

**Estimated water consumption at the consumption point – there was a water meter failure.*

Biodiversity and ecosystems

The main direct impact of the Medical Centre on biodiversity and the surrounding environment stems from the use and maintenance of the territory of the units of the Medical Centre and from construction procurements. When maintaining the territory of the Medical Centre, we comply with national requirements and guidelines for maintenance. In construction procurements, we pay increasing attention to sustainable solutions and, if possible, take into account additional sustainability criteria.

The Medical Centre started the future development of the plot of the former Seewald summer manor (currently the Psychiatry Clinic) as early as in 2001, when we initiated the detailed planning of the land area. In cooperation with the city government and the Estonian Association of Architects, we held an architectural competition to find the best comprehensive complex in the area that would consider public interests, the natural environment, and the biodiversity of the entire surrounding area. The work completed on the basis of the architectural competition values high vegetation and matches the old with the new, preserving the existing architectural heritage and leaving the valuable trees intact. The backbone of the plan is the axis of the park that will be preserved. The area is going to be as car-free as possible, an independent living space that values the biodiversity in the area. While preparing the detailed plan, the following biodiversity studies have been completed on the Seewald plot in 2021–2022 in addition to the previous ones:

- inventory of trees, bushes, and grasses and an expert assessment of flora to analyse the condition of the forest and meadow communities in the planned development;
- detector survey of bats for determining possible breeding colonies, conducted in summer, and the hibernation sites survey of bats, completed in winter;
- expert assessment of the use of amphibian habitats along with measures for substitution, mitigation, preservation, and enrichment to avoid the destruction of the local amphibian population and ensure safe living and mobility conditions for them;
- inventory of breeding birds and an assessment on the impact of the realisation of the planned development and possible substitution, mitigation, preservation, and enrichment measures.

According to the compiler of the assessment summarising the previously listed studies, the results of the conducted studies do not completely exclude construction activities in the immediate vicinity of the northernmost hospital complex – in the open meadow areas with a degraded structure to the north and west of it. However, the location of the natural values that need to be preserved does not allow the implementation of the original plan. However, if the construction of a connection

road between Ädala Street and Paldiski Road should materialise, it will significantly change the living conditions of the ecosystem, especially the fauna. As a result, the greater part of the registered immovable at 52 Paldiski Road can no longer be considered ecologically as a part of Merimetsa. For mammals, a lighted and relatively wide road would become a barrier to their spread. In addition, the area south of the Merimetsa pond will also be largely cut off for amphibians.

The connection road between Ädala Street and Paldiski Road should be built on the border of the current meadow and forest area. In that case, it would be possible to expand the building area on both sides of the road. This would somewhat alleviate the transfer of traffic noise to the green area on the north-west edge of 52 Paldiski Road and the Merimetsa protected area.

Currently, the City of Tallinn is planning to build another street through the 52 Paldiski Road registered immovable in accordance with a comprehensive plan that is still in development. The street would reduce the traffic load at the Endla-Paldiski-Mustamäe and Paldiski-Sõle-Tulika intersections and include lanes for buses and bicycles, as well as sidewalks, to disperse the traffic load in the area. The comprehensive plan would alter the concept of creating an independent car-free space on the registered immovable at 52 Paldiski Road, which was first planned. The Medical Centre has informed the local government that it does not agree with the construction of a road through the registered immovable at 52 Paldiski Road in accordance with the comprehensive plan, the purpose of which is to reduce the traffic load of the larger intersections in the area.

In planning the new building of the Psychiatry Clinic, we have placed significant emphasis on fitting the new building into the existing natural environment on the edge of the Natura 2000 area of the Mustamäe-Nõmme nature reserve. For this, we have used the following sustainable solutions on the registered immovable at 21 J. Sütiste Road:

- a roof garden has been built on the roof of the single-storey building – 55% low stonecrops, 25% meadow and moorland plants (maiden pinks, bellflowers, wild strawberries, etc.), and 20% wild thyme;
- the flowerbeds in the courtyards of departments are inspired by Japanese gardens, where the main elements are grasses, stones, and low coniferous plants;
- large flowerbeds in the public area around the building;
- during construction, new trees are planted as replacement to preserve valuable vegetation. In total, 3,368 landscaping unit's worth of new landscaping is added.

Due to the fact that the registered immovables belonging to the hospital are not located in neither partially nor completely protected areas, there are no nature-oriented areas, and the hospital does not currently have the necessary information to confirm that alien species are located on our registered immovables, we have only presented data on land use and land development in the table below.

	2023	2022	Purpose (if any)
Number of sites located in or near protected areas and/or key biodiversity areas		None	
Area of sites located in or near protected areas and/or key biodiversity areas		None	
Total land use (m ²)	392,913	386,171	Principal activity
Total closed/covered area (m ²)	55,220	53,020	Principal activity
Nature-oriented area on our sites		None	
Nature-oriented area outside our sites		None	
Number of invasive alien species		None	
Area covered by invasive alien species		None	

Compliance with the EU taxonomy

In 2020, the European Commission adopted a classification system for sustainable economic activities ('Taxonomy Regulation'). The Taxonomy Regulation sets specific requirements and technical screening criteria for economic activities that contribute to the fulfilment of the environmental goals of the European Union. In 2021, the criteria related to climate change were adopted, and in 2023, the list of activities contributing to the remaining environmental goals was approved with the corresponding screening criteria. In case of the healthcare sector, the Taxonomy Regulation currently only focuses on residential care activities (NACE Q87). Hospital activities (NACE Q86) are not included, meaning that sustainability criteria have not been set for the main activities of the Medical Centre.

Responsible management

In the analysis of social responsibility focus topics carried out with external experts in 2018 (background and methodology described on page 18), we identified honest and high-quality management and a reputation of reliability as the second most important topic for both the hospital itself and stakeholders.

Core values and ethics

The Medical Centre is one of the most important actors in the healthcare sector in Estonia, and therefore, the words and actions of every employee have a huge impact on individual patients and the entire society. Therefore, every employee is expected to behave with honesty and dignity in compliance with the core values of the Medical Centre in any situation regardless of their profession or level of management. The core values of the Medical Centre are:

- dedication and professionalism
- caring attitude and responsibility
- openness and cooperativeness

Ethical behaviour is based on:

- the code of ethics of the Medical Centre
- professional ethics of doctors
- professional ethics of nurses
- other professional ethics
- the procedure for the prevention and management of conflicts of interest at the Medical Centre

With the aim of increasing the satisfaction of patients and relatives with our services and the satisfaction of employees with the working environment, the 'Good communication practice of the Medical Centre' of the Medical Centre was completed in 2023 in cooperation with our employees. We also trained 12 internal trainers who can support the hospital units in the further development of communication culture. In addition, two study groups with a total of 45 participants took part in the training 'Values, ethics, and communication at the Medical Centre'. The Healthcare Workers' Values Game created by the Centre for Ethics of the University of Tartu has been actively used as a teaching method in the structural units of the hospital.

In 2023, the second composition of the Ethics Committee of the Medical Centre was elected. It aims to bring together as many different perspectives as possible: it includes representatives from both the clinical and non-clinical sides, as well as senior employees and those who have only recently joined the hospital staff. In addition to hospital employees, the Committee includes a patient representative and an ethics expert. The purpose of the Ethics Committee is to support comprehensive compliance with ethical values at the Medical Centre. The Committee convened six times in 2023; an ethical assessment was given to two cases. Members of the Ethics Committee

and members of the management board of the Medical Centre visited the Centre for Ethics of the University of Tartu, where a joint discussion seminar was organised with the Ethics Committee of the Tartu University Hospital.

All employees and persons involved in the activities of the Medical Centre can report possible ethical violations anonymously on the external website.

Prevention of corruption

We have established a procedure for the prevention and management of conflicts of interest, which provides the employees of the Medical Centre with instructions on how to avoid conflicts of interest and how to behave in the event of a conflict of interest. The primary instruction for all employees is to avoid getting into a conflict of interest and to inform their manager immediately if they do end up in such a situation. The manager rearranges the work so that the employee does not have to perform tasks which would result in a conflict of interest for them. The Administrative Director advises managers on conflicts of interest.

To manage the risk of a conflict of interest, we created an online course in 2021 on the risks of corruption to increase the awareness of employees of the nature of the conflict of interest through practical examples. The purpose is to prevent possible unpleasant situations for employees and the employer.

Conflicts of interest can be anonymously reported via the appropriate form on the support services portal of the hospital or on the external website of the Medical Centre.

To avoid conflicts of interest, employees fill out a declaration form before being appointed as a member of the procurement committee. The declaration of interests is submitted by members of the management board and the Supervisory Board, managers of clinics and services, and employees to whom the aforementioned employees place such an obligation. In 2023, we carried out a conflict of interest risk analysis.

In 2023, there have been no convictions for violations of anti-corruption legislation against the Medical Centre or its employees.

The Medical Centre has not provided financial or non-financial political support.



ALL
employees and persons
involved in the activities
of the Medical Centre may
report a possible ethical
violation anonymously on
the external website

Purchases and procurements

The purpose of the supply chain of the Medical Centre Group is to ensure goods and services for its principal activity. The design of the purchasing process is based on transparency and efficiency. Internal procedures and guidelines have been prepared for managing these processes, including a procurement procedure stipulating the procedural rules for procurements and principles for avoiding conflicts of interests. When organising procurements, the rational and economical use of the funds of the Medical Centre must be ensured. If possible we also take into account aspects related to quality and cost in addition to the lowest price.

When conducting procurements, we comply with the valid legislation and the strategic principles of conducting public procurements approved by the Government of the Republic of Estonia, which include the central principles of ensuring sustainable development and contribute to the achievement of economic, social, and environmental goals. The Medical Centre has set sustainable development and carbon footprint reduction as its strategic goals. We have committed to implementing environmentally sustainable practices, reducing waste generation, and increasing the use of circular products. We have organised the most procurements with environmentally friendly criteria for the purchase of furniture, office supplies, cleaning products, and IT equipment. In addition, we have reduced the range of gloves in our procurements. If possible, we also apply social criteria when conducting procurements, encouraging the inclusion of people with reduced working ability in the performance of contracts through procurement conditions. However, due to the specific nature of the sector and the

limited size of the market, the number of tenderers is also limited. Additional limitations can have a significant adverse impact on the availability of the procured services and products.

For the purchase of supplies, services, and works, the Medical Centre Group mostly organises public procurements. The choice of the type of procurement procedure depends on the nature of the supplies, services, or works and the scope of the contract. The circle of suppliers and service providers of the Medical Centre is international and develops as a result of the procurement procedures.

In 2023, according to the Public Procurement Register, the Group published 235 procurements, of which 23 are joint procurements (Medical Centre – 22, of which 23 were joint procurements; Hiiumaa Hospital – 21 procurements, including 18 joint procurements; Raplamaa Hospital – 20 procurements, including 18 joint procurements, and Läänemaa Hospital – 17 procurements, including 11 joint procurements).

Joint procurements were carried out mainly for the purchase of pharmaceuticals, to a lesser extent also for the purchase of IT services and medical equipment. In addition, in 2023, under the leadership of the Medical Centre, preparations for the purchase of metalosteosynthesis equipment for traumatology and orthopedics were started as a joint procurement, in which the Tartu University Hospital, Pärnu Hospital, and East Tallinn Central Hospital are involved.

The largest groups of purchased goods of the Medical Centre are pharmaceuticals, medical supplies used in treatment processes, and other economic materials. In addition to the procurement of conventional supplies and services, the Medical Centre began preparations for the procurement of a new electronic hospital information system in 2023, and a procurement for the acquisition of a new automatic line for clinical chemistry, immunology, and preanalytics is also being prepared.

In 2023, we carried out a negotiated procurement for the construction of the Psychiatry Clinic, which was terminated because the costs of the tenders exceeded the expected cost of the procurement and thus the financial capabilities of the hospital.

In 2023, we introduced a new procurement method for purchasing hospital pharmaceuticals – a dynamic procurement system. This method of procurement enables more companies to submit their tenders, because the dynamic procurement system is open to new suppliers during its validity period, which makes it possible to involve more suppliers than under a framework agreement or under an agreement that is usually concluded with one or a few suppliers. This results in the optimal use of funds through greater competition. The use of a dynamic procurement system also ensures a quick and efficient procurement process in situations where the existing agreement partners have problems with the availability or supply of pharmaceuticals or the conclusion of a major agreement is delayed.

The procurement agreements of the Medical Centre usually stipulate a payment deadline of 14–30 days. The Medical Centre settles invoices on the payment deadline.

Procurements related to climate impact reduction

In 2023, the Medical Centre started looking for ways to integrate the climate impact aspect into our procurements without it increasing the cost of healthcare services, and we will continue to do this in 2024.

In 2023, we stopped procuring the anaesthetic gas with the greatest climate impact – desflurane – and it is no longer included in new procurements. Instead of desflurane, alternative anaesthetic gases are now used.

In the construction procurement of the Psychiatry Clinic, we asked the suppliers to use recycled materials in the tender.

In the procurement of computers and printers, we switched to a central full-service procurement, which allows, on the one hand, to reduce the number of printers used and, on the other hand, to ensure the organisation of the recycling of IT equipment by professionals specialised in the field.

 **235**
tenders were published
in the Group in 2023
according to the Public
Procurement Register



Regionaalhaigla





Overview of
economic activity

Direct economic value created and shared

<i>in thousands of euros</i>	2023	2022	Change
Total operating income	378,980	305,438	24%
Donations and targeted financing	58,794	21,472	174%
Healthcare services	316,967	280,312	13%
Other services	3,003	2,792	8%
Other income	216	863	-75%
Total operating expenses	336,810	295,412	14%
Staff costs	177,675	151,652	17%
Remuneration	132,388	113,065	17%
Fringe benefits	721	853	-15%
Taxes on staff costs and social security contributions	44,566	37,734	18%
Management expenses	116,459	106,279	10%
Other expenses	23,716	21,795	9%
Taxes to the state and local governments	68,099	59,467	15%
including labour taxes	44,566	37,734	18%
including VAT	23,468	21,665	8%
VAT expense on other products and services	15,457	14,113	10%
VAT expense on acquisition of fixed assets	8,011	7,552	6%
including local taxes	37	37	0%
Land tax	37	37	2%
including other taxes	28	32	-13%
Net result of the financial year	40,004	9,367	327%

The direct economic value created and shared describes the financial value that the Medical Centre creates with its activities. In the entire course of our activity, we are creating value for many stakeholders, including patients, staff, suppliers, state authorities, and the local community.

In 2023, the economic results of the Medical Centre Group were affected by the volume of treatment provided by the Medical Centre and other hospitals of the Group, as well as rising costs due to high inflation. Targeted financing for construction projects also had an effect.



Most of the increase in the revenue from healthcare services results from the volume of treatment and increased prices of services.

The increase in revenues in healthcare services is related both to changes in the collective agreement, which resulted in an average increase in wages of 20% compared to 2022, and to the increase in the overhead component in healthcare services.

Cost growth was fuelled by both high inflation and the rise in EURIBOR. Compared to 2022, the increase in costs was driven by the costs of basic services and a fourfold increase in interest costs.

The better result of the financial year is affected by the accounting principles applicable to national foundations, pursuant to which targeted financing is recorded in the income of the period, whereas acquired assets impact costs over a longer period, depending on their commissioning and depreciation.

The Medical Centre invests the entire net result in its main activity: employees, technology, infrastructure, and innovation.

The paid taxes increased by 15% compared to the previous year, mainly due to higher staff costs and an increase in management costs. Among Estonian companies and state agencies, the Medical Centre is in the top twenty in terms of paying taxes.

Financial ratios

<i>in thousands of euros</i>	2023	Including the Medical Centre	2022	Including the Medical Centre
Current liabilities coefficient (current assets / current liabilities)	1.5	1.5	1.3	1.2
Liquidity coefficient (cash / current liabilities)	0.3	0.3	0.4	0.3
Net assets coefficient ((net assets / assets) × 100)	63.9%	61.5%	57.4%	55.9%
Net debt load (((liabilities – liquid assets) / operating income) × 100)	11.2%	13.3%	14.9%	17.1%
ROA ((net gain of the financial year / assets) × 100)	13.5%	10.9%	3.6%	3.1%

In 2023, large real estate developments were completed in the Medical Centre Group, which were largely financed by external funds (targeted financing). The received amounts of targeted financing have a positive effect on the income and the net gain of the reporting year of the Group.

The Medical Centre Group is not aiming for profits from its operation and it does not distribute operating profits. The cash flow from the principal activity is used for covering operating costs and for investments. The main economic indicators and financial coefficients are monitored to make sure that the Group remains economically viable, is solvent in the short term, and can implement the planned investments in the long term.



Investments and developments

When developing the infrastructure of the hospital, we focus on the needs of patients and the staff. We make sure that the changes are modern, simplify the work processes of the hospital, ensure the operational continuity of the infrastructure, and reduce the operating costs of real estate due to better energy efficiency of the buildings.

In 2023, we invested a total of 33 million euros in infrastructure, which was distributed as follows:

- First stage of the reconstruction of the Blood Centre – 9.1 million euros
- Connecting levels between the ground and first floors of blocks AB and Y – 6.2 million euros
- Partial reconstruction of the B-block (including insulators) – 7.2 million euros
- Reconstruction of the Hiiumaa primary healthcare centre and the main building of the hospital – 10.1 million euros
- Other upgrades and renovation projects related to investments in infrastructure – 0.3 million euros

In 2023, we reported the income from the European Regional Development Fund related to targeted financing in connection with the construction of the Y-block, the reconstruction of the connecting levels of the AB-block, the first stage of the reconstruction of the Blood Centre, the reconstruction of the Hiiumaa primary healthcare centre and the main building of the hospital, and the partial reconstruction of the B-block (including isolators), totalling 48 million euros. A measure of the Health Board was used to support projects related to ensuring electricity continuity in the amount of 1.9 million euros.

Significant infrastructure development projects of 2023:

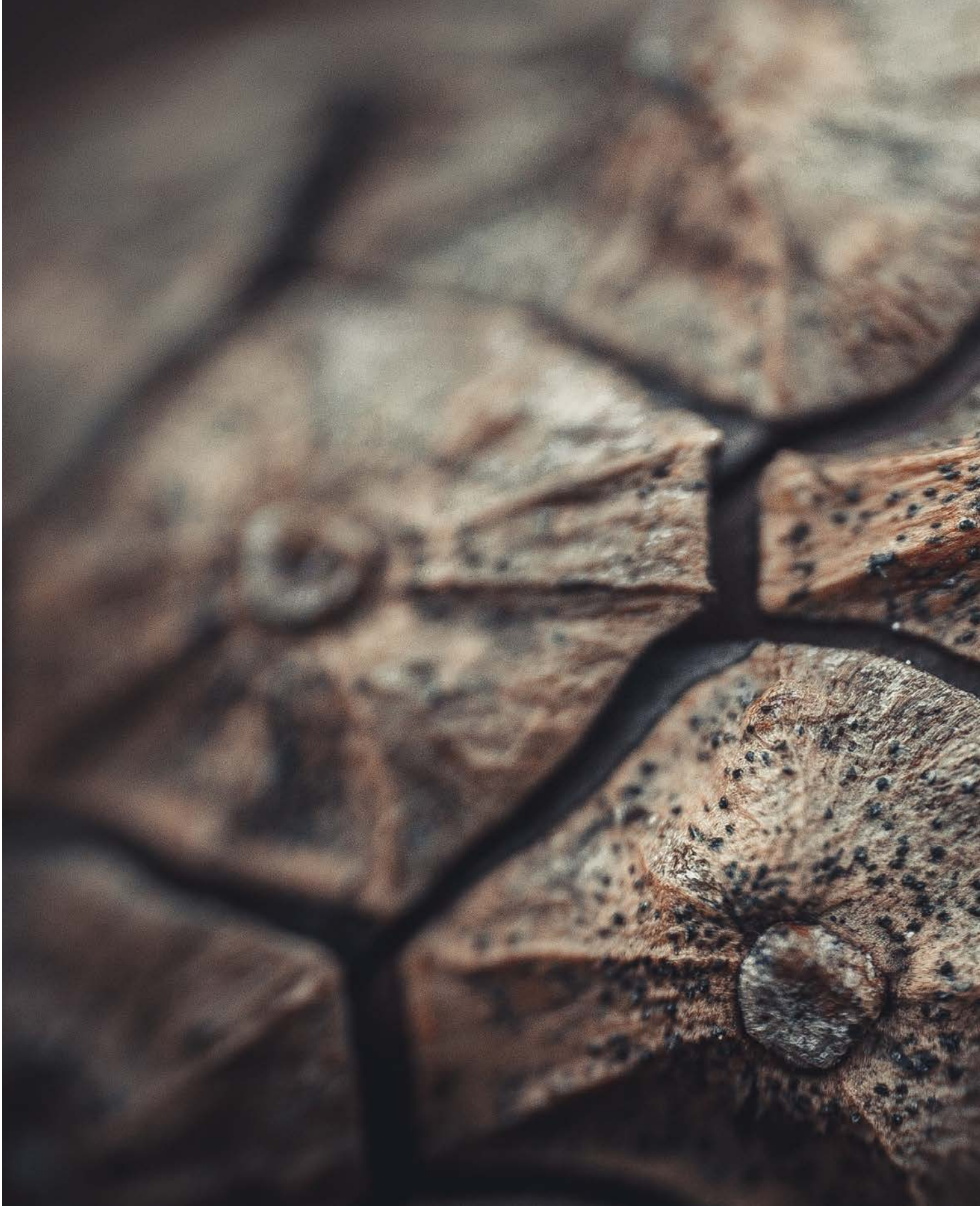
- we completed and put into use the reconstructed connecting levels of the Oncology and Pathology Centre and the AB-block, the construction of which started in 2020;
- we carried out the third negotiated procurement procedure for the construction of a Mental Health Centre and ended this procurement without concluding a construction contract because the construction prices significantly exceeded the expected cost of the procurement;
- we reconstructed and put into use five departments in the Mustamäe ward unit and built a total of 39 isolation wards that meet all requirements;
- we completed the reconstruction work of the first stage of the Blood Centre (Ädala 2, Tallinn) on time;
- we renovated the building part of the former Pathology Centre (D-block), which was left empty after the move to the Y-block, to use it as a training centre and office space for the hospital;
- we renovated the main building of the Hiiumaa primary healthcare centre and hospital.

Goals for 2024:

- put into use all the connecting levels of the reconstructed AB-block (new blood collection area, business areas of the lobby, and treatment areas of the Rehabilitation Centre);
- work on finding funding to continue with the complete reconstruction works of the departments of the ward unit, which would result in them becoming modern central environmental systems;
- work on finding funding to start the construction work of the Mental Health Centre in Mustamäe;
- put into use the areas reconstructed in the first stage of the Blood Centre building (donor area and staff areas) and work on finding financing to start the reconstruction works of the second stage;
- start with the reconstruction work of the X-block – in the first stage, the construction of a new surgery centre preparation room in the current corridor area;
- plan new additional radiotherapy canyons for the Radiotherapy Centre;
- work on finding financing to make the buildings of the Seewald registered immovable more energy efficient.



Regionaalhaigla





Consolidated annual
accounts of 2023

Consolidated balance sheet

in thousands of euros

Assets	31 December 2023	31 December 2022	Note
Current assets			
Cash	18,181	20,157	3
Receivables and prepayments	54,826	37,112	4
Inventories	8,312	7,923	5
Total current assets	81,319	65,192	
Fixed assets			
Financial investments	3	3	
Investment property	6,893	5,725	6
Property, plant, and equipment	200,738	181,696	7
Intangible assets	8,389	8,626	8
Total fixed assets	216,023	196,050	
Total assets	297,342	261,242	
Liabilities			
Current liabilities			
Trade creditors and other liabilities	45,788	44,073	10
Loan liabilities	7,458	6,604	15
Total current liabilities	53,246	50,677	
Non-current liabilities			
Trade creditors	833	1,338	
Loan liabilities	53,205	59,173	15
Total non-current liabilities	54,038	60,511	
Total liabilities	107,284	111,188	
Net assets			
Foundation capital at nominal value	34,243	34,243	
Net result of previous periods	115,811	106,444	
Net result of the financial year	40,004	9,367	
Total net assets	190,058	150,054	
Total liabilities and net assets	297,342	261,242	

Consolidated statement of financial performance

in thousands of euros

Revenue	2023	2022	Note
Sales revenue	319,970	283,104	16
Donations and targeted financing	58,794	21,472	17
Other income	216	863	
Total revenue	378,980	305,438	
Expenses			
Grants awarded	-239	-70	17
Staff costs	-177,675	-151,652	18
Miscellaneous operating expenses	-116,459	-106,279	19
Other expenses	-23,716	-21,795	20
Depreciation and impairment of fixed assets	-18,721	-15,616	6,7,8
Total expenses	-336,810	-295,412	
Net result from the principal activity	42,170	10,026	
Financial income and expenses	-2,166	-659	
Net result of the financial year	40,004	9,367	

Consolidated cash flow statement

in thousands of euros

Cash flow from the principal activity	2023	2022	Note
Proceeds from the sale of goods and services	320,639	281,199	
Operating subsidies and donations received	7,362	5,769	17
Purchase of goods and services	-140,360	-119,935	
Staff costs disbursed	-174,569	-150,959	
Grants awarded	-37	-49	
Interest paid	-2,258	-293	
Total cash flows from the principal activity	10,776	15,732	
Cash flows from investment activities			
Purchase of property, plant, and equipment and intangible assets	-41,419	-32,320	
Proceeds from targeted financing of fixed assets	34,648	14,032	17
Total cash flows from investment activities	-6,771	-18,288	
Cash flows from financing activities			
Proceeds from loans	0	24,500	
Loans repaid	-6,340	-5,569	15
Change in overdraft balance	723	0	
Financial lease repaid	-363	-6,044	
Total cash flows from financing activities	-5,980	12,887	
Total cash flows	-1,976	10,331	
Cash and cash equivalents at the beginning of the period	20,157	9,826	3
Cash and cash equivalents at the end of the period	18,181	20,157	3
Change in cash and cash equivalents	-1,976	10,331	

Consolidated statement of changes in net assets

<i>in thousands of euros</i>	Foundation capital	Accumulated net gain	Total net assets	Note
Balance as at 31 December 2021	34,243	106,400	140,643	
Revaluation of fixed assets	0	44	44	Lisa 7
Group net result of the financial year	0	9,367	9,367	
Balance as at 31 December 2022	34,243	115,811	150,054	
Group net result of the financial year	0	40,004	40,004	
Balance as at 31 December 2023	34,243	155,815	190,058	



Konsolideeritud raamatupidamise aastaaruande lisad

Note 1 Accounting principles

1.1. General information

The consolidated annual accounts of SA Põhja-Eesti Regionaalhaigla (North Estonia Medical Centre Foundation) have been prepared in accordance with the Estonian financial reporting standard (EFRS). EFRS is a set of financial reporting requirements meant for the public, which is based on internationally recognised accounting and reporting principles; its main requirements are established by the Accounting Act of the Republic of Estonia and supplemented by guidelines issued by the Estonian Accounting Standards Board and the Public Sector Financial Accounting and Reporting Guidelines.

The consolidated annual accounts of the North Estonia Medical Centre Group include the figures of the parent company, SA Põhja-Eesti Regionaalhaigla, and the subsidiary hospitals (SA Läänemaa Haigla, SA Raplamaa Haigla, SA Hiiumaa Haigla), which are presented in euros. Information about the subsidiary hospitals can be found in Note 2.

The annual accounts have been prepared based on the acquisition cost model, except revaluations of certain assets and financial instruments.

The most important accounting and reporting principles applied in the preparation of the consolidated annual accounts are presented below. These accounting and reporting principles have been used consistently in all reporting periods, except in cases where the information is published separately.

1.2. Reporting on subsidiaries

Consolidation principles

The consolidated annual accounts consist of line-by-line consolidated financial indicators of the North Estonia Medical Centre Foundation and its subsidiary hospitals. Any intra-Group receivables and liabilities, transactions between the companies included in the Group, as well as any unrealised profits or losses generated as a result thereof have been eliminated.

Where necessary, the accounting principles of subsidiaries have been changed to bring them into line with the accounting principles of the Group.

Unconsolidated statements of the parent company disclosed in the notes to the consolidated accounts

Notes to the consolidated annual accounts disclose the individual unconsolidated main financial statements of the consolidated entity (parent company).

The unconsolidated statements of the parent company, presented as notes to the consolidated annual accounts, report investments in subsidiaries at amortised cost.

When preparing the main financial statements of the parent company, the same accounting principles have been followed as in the case of the consolidated annual accounts.

1.3. Change in accounting principles

Starting from 2023, cash balances are not consolidated. The change does not affect the closing balance of the cash balances of the Group. The change affects the reporting of the balances of the State Treasury and commercial banks in Note 3 (Cash) of the consolidated annual report.

Adjusted lines <i>in thousands of euros</i>	Initial indicator 31 December 2022	Change	Adjusted figure 31 December 2022
Note 3: Cash at the State Treasury	12,116	4,280	16,396
Note 3: Cash in commercial banks	7,989	-4,280	3,709

1.4. Financial assets

Financial assets include cash, short- and long-term financial investments, trade receivables, and other short- and long-term receivables.

Financial assets have been initially registered at cost, which is the fair value of the consideration paid for the financial asset. The initial acquisition cost includes all direct expenses of the acquisition of the financial asset, including fees of mediators or advisers, any non-refundable taxes accompanying the transaction, and similar expenses (except the expenses accompanying any changes in the financial assets reported in fair value which are reported in the statement of financial performance), and acquisition expenses.

Any purchases and sales of financial assets completed under normal market conditions are recorded on the transaction date, i.e. the date on which the organisation took on the obligation (for example, entered into a contract) to buy or sell a financial asset. A purchase and sale transaction is deemed to have been completed under normal market conditions if the financial asset purchased or sold is transferred from the seller to the buyer during the period of time customary in the market or required by the applicable market regulations. After initial recognition, all financial assets are carried at fair value, except receivables from other parties (carried at amortised cost).

Long-term financial investments are loans granted with a deadline that is more than 12 months after the reporting date.

1.5. Cash and cash equivalents

Cash in the cash flow statement means cash and demand deposits (money on bank accounts).

Cash equivalents are deposits in currencies which are widely accepted and sufficiently liquid and demand deposits convertible within three months. Overdraft is included within current loan liabilities in the balance sheet.

The cash flow statement has been prepared based on the direct method. Cash flows from commercial activities are presented in gross amounts, meaning that significant inflows and outflows are reported separately.

1.6. Receivables and prepayments

Trade receivables, accrued income, and other short- and long-term receivables (including loan receivables, deposits) are reported at amortised cost. The amortised cost of short-term receivables is usually equal to their nominal value (minus write-downs); thus, short-term receivables are reported in the balance sheet in the amount which is likely to be received.

At the end of every quarter, the probability of the receipt of claims is assessed. The probability of the receipt of a claim is assessed based on individual claims. All claims which have not been received for 90 or more days are classified as doubtful debts. All claims against natural persons classified as doubtful debts are transferred to collection agencies and derecognised.

An exception is made in the case of claims to insurance companies for medical services, where the processing period before write-down is up to three years.

The write-down is reported in the balance sheet on the customer receivables account as a negative amount and in the expenses in accordance with the type of claim (on the 'Other expenses' line in the statement of financial performance). Doubtful debts which are later declared irrecoverable are derecognised.

Medical cases which are open on the reporting date but not yet completed and forwarded to the Health Insurance Fund, are reported as a separate entry in receivables and prepayments.

1.7. Inventories

Inventories are initially reported at cost, which consists of acquisition, manufacturing, and other costs that are required for bringing the inventories to the current location and condition.

In accordance with the Public Sector Financial Accounting and Reporting Guidelines, the non-refundable VAT and fees accompanying the acquisition of inventories are reported as expenses on the 'Other expenses' line in the statement of financial performance.

The cost of inventories has been determined based on individual cost (pharmaceuticals) and FIFO (except pharmaceuticals) methods. Inventories are reported in the balance sheet at cost or in the net realisable value, depending on which is lower. The net realisable value is the approximate price of the product if sold in the course of regular commercial activity less the approximate expenses necessary for preparing the product for sale and completing the sales transaction.

1.8. Investment property

In accordance with the Public Sector Financial Accounting and Reporting Guidelines, investment property is only a facility rented to an entity not belonging in the public sector for the purpose of earning rental income that no public sector entity uses in their principal activity.

Investment property is initially reported at cost. Investment property is subsequently reported in the balance sheet at cost, from which any accumulated depreciation and potential write-downs arising from the impairment of value have been deducted.

Depreciation is calculated based on the linear method. The rate of depreciation is determined based on the useful life of the asset.

The useful life of the investment property of the Group is 50 years. If there are any signs of the useful life or residual value of an asset having changed significantly, the asset is depreciated prospectively.

1.9. Property, plant, and equipment

Property, plant, and equipment is initially reported at cost, which consists of the purchase price and the direct expenses accompanying the acquisition that are required for taking the asset to the operating condition and location.

The lower limit of capitalisation of property, plant, and equipment is 10,000 euros (without VAT), except for land, which is reported at cost regardless of the cost.

Property, plant, and equipment is reported in the balance sheet at cost, from which any accumulated depreciation and potential write-downs arising from the impairment of value have been deducted.

The lower limit is not implemented in the case of land that is reported regardless of cost. The lower limit is also not applied in the case of assets with cultural value, the value of which does not decrease over time.

Acquisition cost

Property, plant, and equipment is initially reported at its acquisition cost (at cost).

- The acquisition cost of purchased property, plant, and equipment consists of the purchase price and the direct expenses accompanying the acquisition that are required for taking the asset to the operating condition and location.
- VAT, other taxes (except labour taxes), and fees accompanying the acquisition of assets are not capitalised in the cost of property, plant, and equipment.
- The acquisition cost of self-constructed assets comprises the costs of preparing the location, the cost of materials and services used in construction and commissioning, and staff costs.

If the construction of property, plant, and equipment lasts for a substantial amount of time and is financed with a loan or some other debt instrument, then borrowing expenses are not capitalised in the cost of property, plant, and equipment, but reported as interest expenses in the period they incurred.

Calculation of depreciation

Depreciation is calculated based on the linear method. Depreciation rates are determined separately for each object of property, plant, and equipment, depending on the useful life thereof. The useful lives of groups of property, plant, and equipment have the following depreciation rates:

Construction	
Buildings	3–50 years
Structures	5–50 years
Machinery and equipment	
Medical devices	1–14 years
Transport fleet	5–10 years
IT equipment	3–5 years
Other property, plant, and equipment	
Furniture	5–15 years
Other	3–10 years

Land is not depreciated.

If the real useful life of an asset differs significantly from the original estimate, the depreciation period is corrected. The impact of a change in the depreciation period is reported in the reporting period and the subsequent periods, not retrospectively.

Reporting improvements

A component replaced in the course of improvements is derecognised. The lifespan of the new component is determined based on its useful life; however, it cannot exceed the lifespan of the main object.

Revaluation of property, plant, and equipment

Pursuant to the public sector Public Sector Financial Accounting and Reporting Guidelines, the original cost of property, plant, and equipment can be replaced, as an exception, with a revalued amount if the fair value of the object significantly differs from the carrying amount and it has been caused by at least one of the following:

- the property, plant, and equipment was acquired in or prior to 1995;
- there is no accurate data on the actual cost of the property, plant, and equipment, including if it has been transferred to the public sector entity during reorganisation or due to a lack of an owner and the recipient has no correct data on the acquisition cost or if this absence of data is caused by differences with the earlier accounting principles compared to the accounting principles established by general guidelines.

Land can be revalued based on the assessed value of the land valid during the time of the revaluation.

Property, plant, and equipment can be revalued only once.

Sale of property, plant, and equipment

The sale, free transfer, and granting without charge of property, plant, and equipment from one state-owned entity that is required to maintain accounting to another is considered an asset transfer where the cost and depreciation of the asset are also transferred. As the recipient of an asset, the reporting of the Group reports the cost and depreciation of the property, plant, and equipment that was transferred.

Derecognition

Property, plant, and equipment is derecognised if the object no longer exists, it is transferred, decommissioned, or if the Group does not expect any economic benefits from its sale.

Property, plant, and equipment is written off in accordance with the State Assets Act.

Revenue and losses resulting from derecognising tangible assets are reported in the period when the tangible assets were derecognised on the 'Other income or other expenses' line in the statement of financial performance.

Impairment of property, plant, and equipment

In case of impairment of property, plant, and equipment (partial or complete disassembly, demolition, destruction, damage, loss), the assets are written down. The write-down of assets is reported with depreciation.

As a public sector entity, the Medical Centre does not test the value of assets and does not report the impairment of the value of assets that can be covered in case of property, plant, and equipment needed for the provision of public services if the value of assets has not decreased due to perishing or discarding them partly or completely for other reasons.

1.10. Intangible assets

Intangible assets are initially reported at cost, which consists of the purchase price and any expenses which are directly related to purchasing the assets. Intangible assets are reported in the balance sheet at acquisition cost, less any accumulated depreciation and potential write-downs arising from the impairment of the value. The lower limit of capitalisation of intangible assets is 10,000 euros (without VAT).

Goodwill is reported at cost, less accumulated depreciation.

Depreciation is calculated based on the linear method. Depreciation rates are determined separately for each object of intangible assets, depending on the useful life thereof.

The duration of useful life of groups of intangible assets is as follows:

Computer software	3–15 years
Licences	2–5 years
Goodwill	5 years

If there are any signs of the useful life or residual value of an asset having changed significantly, the asset is depreciated prospectively.

1.11. Financial liabilities

All financial liabilities (trade creditors, loans received, accrued debts, and other short- and long-term loan obligations) are reported at amortised cost. The amortised cost of short-term financial liabilities is generally equal to their nominal value, which is why short-term financial liabilities are reported in the balance sheet in the amount payable. For the calculation of the amortised cost of long-term financial liabilities, such liabilities are initially registered in the fair value of the payment received (less any expenses on the transaction), taking into consideration the interest costs of upcoming periods by using the effective interest rate method.

Financial liabilities are classified as short-term if the payment date is within twelve months from the reporting date or if the lender had the right to recall the financial liability on the reporting date due to a violation of the terms and conditions stipulated in the loan agreement.

1.12. Leases

A financial lease is a commercial lease contract that transfers all significant risks and rewards incidental to ownership of an asset to the lessee. Other lease contracts are reported as operating lease.

When classifying lease contracts as financial or operating leases, public sector entities whose main objective is not earning profits for the owner consider circumstances where the leased assets cannot be easily replaced with other assets a criterion of financial lease.

When a lease contract is concluded between entities in the same group, the lease contract is always classified as operational lease.

The Group as the lessee

Capital lease is reported in the balance sheet as the fair value of the leased assets and liabilities or the present value of the minimum lease payments, if the latter is lower. Lease payments are divided into financial costs (interest costs) and reduction of the residual value of the liability (repayment of the principal). Financial costs are divided over the entire lease term based on the assumption that the interest rate remains the same with respect to the residual value at all times.

Assets leased under financial lease are amortised in the same way as acquired fixed assets, whereas the amortisation period is the presumed useful life of the asset or the period of the lease contract, whichever is shorter.

The direct primary expenses covered by the lessee which arise from concluding financial lease contracts are reported under the acquisition cost of the asset leased.

Operational lease payments are reported in a linear manner as expenses in the statement of financial performance during the lease term.

The Group as the lessor

The assets which have been leased on the basis of operational lease are reported in the balance sheet as usual similarly to other assets of the Group, which are reported in the balance sheet. Operational lease payments are reported as income in a linear manner during the lease term. The Group leases commercial premises.

1.13. Provisions and contingent liabilities

Liabilities of the reporting period or previous periods are reported as provisions in the balance sheet if they have a legal or contractual liability, the realisation of the liability is probable, and its amount can be reliably measured. Provisions are reported in the balance sheet in the amount which is, based on the assessment of the management board, required for the satisfaction of the liability which is related to the provision as at the balance sheet date.

Other potential or actual liabilities which are less likely to realise or in the case of which it is not possible to reliably assess the amount of the expenditure that would incur are reported as conditional liabilities in the notes to the annual accounts.

1.14. Donations and grants

Types of grants

Earmarked subsidies, or targeted financing – project-based grants received and given for specific purposes where the objectives are determined along with the indicators for monitoring the fulfilment of objectives: schedule and budget; the grantor requires a detailed report from the recipient about the use of the funds; the surplus of funds or any unintended use must be paid back or compensated to the grantor.

Non-targeted subsidies, or operating grants – allocated and received grants and collected and received donations, which are given to the recipient based on its tasks set in the articles of association and goals established by development documents.

Domestic targeted financing – targeted financing from and to residents, including other public sector entities, except foreign targeted financing mediated through them.

Foreign targeted financing – targeted financing from non-residents, including international organisations.

Targeted financing for fixed assets – the main condition is that the recipient must buy or build or acquire certain objects of fixed assets in some other manner.

Targeted financing for operating costs – targeted financing that is not targeted financing for assets. Subsidies allocated for a specific purpose and under certain conditions are reported as targeted financing.

Reporting of grants

Targeted financing is reported as the revenue of the period of operating expenses or of the acquisition of fixed assets if the conditions of the targeted financing do not include an actual risk of a claim for repayment or failure to receive the funds; in the case of risk of actual claim for repayment or failure to receive the funds, the targeted financing is reported as revenue once the risk disappears.

Targeted financing for operations is reported as revenue when the targeted financing becomes collectable and any potential conditions of the targeted financing have been met. Any targeted financing received, in the case of which the terms and conditions for reporting as revenue have not been met, is reported as a liability in the balance sheet. Targeted financing is reported in the fair value of the asset received or to

be received. Revenue from targeted financing is reported in the statement of financial performance as 'Donations and targeted financing'.

Non-monetary targeted financing or operational subsidies are reported at the fair value of the assets received.

1.15. Revenue

Sales revenue is reported at the time of providing a service or, if a service is provided during a longer period, based on the maturity of the provided service, presuming that the revenue and expenditure of the service can be reliably predicted and the collection of the payment for the transaction is probable (healthcare services have been provided to natural persons by the reporting date but the cases have not yet been submitted to the Health Insurance Fund).

Sales revenue is adjusted in accordance with the change in the number of unfinished medical cases on the first and last date of reporting. The sales revenue of the Group comes from its principal activity – the provision of healthcare services to insured persons and the provision of emergency care to all persons under the contract for financing medical treatment of the Health Insurance Fund.

In addition, paid healthcare services to natural and legal persons, diagnostic services, psychiatric assessments, sale of blood products to medical institutions, and fees for medical trainings and conferences that the centre has organised are reported as sales revenue of the Group.

Revenue from the sale of goods is reported when all significant risks of ownership have been transferred to the buyer and the revenue and transaction costs can be measured reliably.

Interest income is reported on an accrual basis.

1.16. Expenses

When reporting economic transactions, the principle of matching revenue and expenses is followed, pursuant to which the expenses of the period are expenses that are necessary for earning the revenue of the period. Expenses are reported based on the principle of accrual.

Staff costs include salaries of employees, calculated based on the accrual method, other remuneration that is taxed under equal terms, and fringe benefits with taxes paid thereon.

Staff costs not paid during the reporting period are reported as liabilities to employees. The liability arising from unused holiday and the holiday pay payable is evaluated once a year at the end of the financial year and reported as expense of the reporting period.

The depreciation and impairment of property, plant, and equipment and intangible assets are reported as depreciation and write-down of fixed assets.

Revenue and expenditure of financial investments and borrowings are reported as financial income and expenses.

Financial income and expenses are reported in the period of their generation.

1.17. Reporting of foreign currency transactions

The entities in the Group make settlements in euros. The consolidated financial statement is presented in euros.

Transactions in foreign currencies are reported based on the official exchange rates of the European Central Bank on the transaction date. Monetary assets and liabilities which have been registered in foreign currencies are converted into the functional currency on the balance sheet date based on the exchange rates of the European Central Bank on the balance sheet date. Any exchange profits or losses which arise from the conversion are reported in the statement of financial performance of the reporting period.

1.18. Related parties

Parties are deemed related if one of the parties has control over the other party or a significant impact over the business decisions of the other party.

The Group considers the following its related parties:

- Members of the highest governing body or management of the Medical Centre and their family members (a spouse, a partner, and a child);
- Foundations, non-profit organisations, and enterprises under a dominant or significant influence of a member of the highest governing body or management of the Medical Centre or their family members;
- Foundations where the Medical Centre is one of the founders;
- Members of the highest governing body or management of a subsidiary of the Medical Centre, and their family members (a spouse, a partner, and a child);
- Foundations, non-profit organisations, and enterprises under a dominant or significant influence of a member of the highest governing body or management of a subsidiary of the Medical Centre or their family members.

In accordance with the Public Sector Financial Accounting and Reporting Guidelines, information regarding transactions with related parties is disclosed if they do not comply with the general requirements stipulated by law or the internal documents of the accounting entity or market conditions.

1.19. Events after the reporting date

The annual accounts reflect any significant circumstances which have an impact on the assessment of the assets and liabilities and which arose within the period between the balance sheet date and the date on which the report was prepared, but involve transactions which occurred during the reporting period or in previous periods. The adjusting events are reported in the balance sheet and statement of financial performance for the concluded year. An adjusting event is an event which had an effect on the reporting date.

The impact of non-adjusting events is not reported in the balance sheet and the statement of financial performance of the concluded year, but disclosed in notes, provided they were significant. Non-adjusting events after the reporting date are events which do not indicate the existence of circumstances on the reporting date.

Note 2 Subsidiaries of the Group

SA Põhja-Eesti Regionaalhaigla networked SA Läänemaa Haigla (Läänemaa Hospital) on 13 February 2015, SA Raplamaa Haigla (Raplamaa Hospital) on 26 February 2015, and SA Hiiumaa Haigla (Hiiumaa Hospital) on 24 July 2017.

The founding members of the foundations do not exercise control through a holding, but through the appointment of the members of the Supervisory Board.

SA Põhja-Eesti Regionaalhaigla can appoint three members to the supervisory boards of the networked hospitals and local governments can appoint two members of the Supervisory Board. As a result, SA Põhja-Eesti Regionaalhaigla has an important role in directing the daily operations of the hospitals it has acquired.

Note 3 Cash

<i>in thousands of euros</i>	31 December 2023	31 December 2022
Cash at the State Treasury	13,606	16,396
Cash in commercial banks	4,539	3,709
Cash in hand	36	51
Total cash	18,181	20,157

The Ministry of Finance has granted the Medical Centre an overdraft facility of 20 million euros, which has not been used as at the reporting date. Hiiumaa Haigla is using a Swedbank overdraft with a limit of 2.5 million euros, which has been used in the amount of 0.7 million euros (2022: 0 million euros) as at the reporting date and is reported in short-term debt obligations. See Note 15.

Note 4 Receivables and prepayments

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Accounts receivable	22,227	21,437	
Pending treatment cases ¹	8,135	8,137	
Prepayments and deferred expenses	1,663	1,235	
Receivables from grants	22,600	6,126	17
Other receivables	178	175	
Tax prepayments and taxes payable	21	2	
Total receivables and prepayments	54,826	37,112	

Note 5 Inventories

<i>in thousands of euros</i>	31 December 2023	31 December 2022
Medical supplies	4,144	3,932
Pharmaceuticals	3,771	3,602
Blood and blood components	342	320
Other (including food and foods for special medical purposes (FSMP))	55	69
Total inventories	8,312	7,923

The stock of pharmaceuticals decreased by 988 (2022: 801) thousand and the stock of medical supplies increased by 22 (2022: 63) thousand as at the reporting date. Outdated and unusable medical supplies in the amount of 440 (2022: 0) thousand euros were written off (medical supplies acquired during COVID-19).

Note 6 Investment property

<i>in thousands of euros</i>	Parking garage	TOTAL
Carrying amount as at 31 December 2022	5,725	5,725
Changes in 2023		
Purchases and improvements	1,376	1,376
Depreciation costs	-208	-208
Balance as at 31 December 2023		
Acquisition cost	7,349	7,349
Accumulated depreciation	-456	-456
Carrying amount as at 31 December 2023	6,893	6,893

<i>in thousands of euros</i>	2023	2022
Income earned from investment property	263	166
Direct expenses related to the management of investment property	64	41

¹ Pending treatment cases are medical cases which are ongoing on the reporting date, i.e. not yet completed and forwarded to the Health Insurance Fund.

Note 7 Tangible assets

<i>in thousands of euros</i>	Land	Buildings	Machinery and equipment	Other	Unfinished projects	Prepayments	TOTAL
Balance as at 31 December 2022							
Acquisition cost	5,767	176,459	76,597	1,797	39,493	478	300,591
Accumulated depreciation	0	-63,228	-54,590	-1,077	0	0	-118,895
Carrying amount as at 31 December 2022	5,767	113,231	22,007	719	39,493	478	181,696
Changes in 2023							
Purchases and improvements	0	97	7,838	160	28,387	82	36,565
Depreciation costs	0	-8,063	-5,139	-119	0	0	-13,321
Written-off assets in carrying amounts	0	-517	-1,949	-360	0	0	-2,826
Reclassification and other changes*	0	55,860	177	490	-57,625	-278	-1,376
Balance as at 31 December 2023							
Acquisition cost	5,767	229,356	74,359	1,602	10,255	282	321,621
Accumulated depreciation	0	-68,747	-51,424	-711	0	0	-120,883
Carrying amount as at 31 December 2023	5,767	160,609	22,935	891	10,255	282	200,738

*Other changes – assets reported as unfinished construction or prepayments which are later reclassified as operating costs.

An amendment was introduced to Regulation No. 105 of 11 December 2003 of the Minister of Finance 'Guidelines for public sector financial accounting and reporting', which became effective from 1 January 2023 and raised the lower limit of the acquisition cost of property, plant, and equipment and intangible assets from 5,000 euros to 10,000 euros.

Fixed assets costing less than 10,000 euros were derecognised, and the residual value of these assets was reported as amortisation costs in the total amount of 2.4 million euros. The normal depreciation of the same assets in 2023 would be 0.8 million euros, i.e. changing the limit reduces the result by 1.6 million euros.

Projects reported as ongoing construction

in thousands of euros

Amount	Name of the project
8,514	Renovation of the main building of Hiiumaa Hospital
1,177	Establishment of the Psychiatry Clinic
496	Establishment of the Hiiumaa primary healthcare centre
21	Reconstruction of the main entrance of the Medical Centre
47	Lift at Läänemaa Hospital
Total 10,255 euros	

Projects reported as prepayments of fixed assets

in thousands of euros

Amount	Name of the project
104	Partial reconstruction of the B unit of the Medical Centre
96	Designing the Psychiatry Clinic
82	Medical devices of Läänemaa Hospital
Total 282 euros	

Note 8 Intangible assets

<i>In thousands of euros</i>	Tarkvara	Litsentsid	Firma- väärtus	Lõpetamata projektid ja ettemaksud	Kokku
Balance as at 31 December 2022					
Acquisition cost	8,647	1,815	3,699	1,009	15,170
Accumulated depreciation	-4,313	-840	-1,392	0	-6,545
Carrying amount as at 31 December 2022	4,334	975	2,307	1,009	8,626
Changes in 2023					
Purchases and improvements	0	114	0	2,217	2,331
Depreciation costs	-1,199	-355	-739	0	-2,293
Written-off assets in carrying amounts	-62	-11	0	0	-73
Reclassification	1,454	0	0	-1,454	0
Other changes	-202	0	0	0	-202
Balance as at 31 December 2023					
Acquisition cost	9,445	1,631	3,699	1,772	16,547
Accumulated depreciation	-5,120	-908	-2,131	0	-8,159
Carrying amount as at 31 December 2023	4,325	723	1,568	1,772	8,389

The part of the rehabilitation service acquired from Põhja-Eesti Taastusravikeskus AS in 2020 and the part of the ophthalmological service acquired from Dr Kai Noor Silmakabinet OÜ in 2021 are reported as goodwill.

<i>in thousands of euros</i>	Acquisition cost	Accumulated depreciation	Residual value as at 31 December 2023
Põhja-Eesti Taastusravikeskus AS	1,338	-1,068	270
Dr Kai Noor Silmakabinet OÜ	2,361	-1,063	1,298
Total goodwill	3,699	-2,131	1,568

The sales agreement with Dr Kai Noor Silmakabinet OÜ was concluded in 2021 and the transaction value was 2.7 million euros, which is going to be paid over the course of four years. In 2023, 0.4 million was paid (2022: 0.4 million); the unpaid amount is reported as a liability in the balance sheet.

Projects reported as ongoing projects and prepayments

in thousands of euros

Amount	Name of the project
666	Investments for system operation and new developments
257	The Estonian Blood Information System
221	Small developments
119	The online case history system
108	Nursing epicrisis
90	Independent nurse reception service at the emergency care department
81	Integration module
55	Queue system equipment and interface with HIS
48	Digital referral
45	Interface with new PACs
31	ERP – implementing a pharmacy warehouse
17	iSilm
13	Online receptions: shifting from specialty lists to service lists
11	Implementation of CAS
10	Linking referrals and surgeries
Total 1,772	euros

Note 9 Operational lease

Reporting entity as the lessor

<i>in thousands of euros</i>	2023	2022	Note
Income from operational lease	1,370	1,202	16

Operational lease income of the next periods under noncancellable lease contracts

<i>in thousands of euros</i>	2023	2022
Within 12 months	727	662
Within 1–5 years	587	767
More than 5 years	1,584	742

Carrying amount of leased assets

<i>in thousands of euros</i>	2023	2022
Total other assets	2,789	2,656

Reporting entity as the lessee

<i>in thousands of euros</i>	2023	2022
Operational lease expense	1,756	1,688

Operational lease expense of the next periods under noncancellable lease contracts

<i>in thousands of euros</i>	2023	2022
Within 12 months	1,619	1,394
Within 1–5 years	3,480	4,537
More than 5 years	3,003	2,893

Note 10 Trade creditors and other liabilities

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Trade creditors ²	16,838	18,417	11
Employee-related liabilities	16,191	13,426	12
Taxes payable	6,348	5,288	
Accruals	4,125	3,404	13
Provisions	825	1,760	14
Prepayments of grants and targeted financing	190	532	17
Received prepayments, interest obligations, guarantee fees	1,271	1,245	
Total liabilities and prepayments	45,788	44,073	

Accrual-based social security contributions are reported as accrued liabilities.

Note 11 Trade creditors

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Trade creditors for goods and services	15,575	14,627	
Trade creditors for fixed assets	1,263	3,790	
Total trade creditors	16,838	18,417	10

Note 12 Employee-related liabilities

<i>tuhandetes eurodes</i>	31 December 2023	31 December 2022	Note
Remuneration liability	9,877	8,180	
Holiday pay liability	3,477	2,937	
Tax liability	2,781	2,264	
Withholdings from remunerations	56	45	
Total employee-related liabilities	16,191	13,426	10

² Does not include long-term trade creditors

Note 13 Tax payables

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Social tax	3,648	3,092	
Personal income tax	2,066	1,723	
Value added tax	239	134	
Unemployment insurance premium	248	208	
Mandatory funded pension	126	109	
Other tax payables	21	22	
Total tax payables	6,348	5,288	10

Note 14 Provisions

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Provision as at 1 January	1,760	1,287	
Use of provision during the period	-1,067	-1,968	
Provisions made	132	2,441	
Provision as at 31 December	825	1,760	10

Performance pay paid in 2024 and the additional remuneration fund of 2023 are reported as provisions.

Provisions are formed in the amount of 10% of the additional remuneration paid for the previous period approved by the management board. Payments are made in the first quarter of 2024 if the economic results correspond to the budget.

Note 15 Debt obligations

<i>in thousands of euros</i>	31 December 2023	31 December 2022	Note
Long-term debt obligations			
Long-term debt obligations	52,344	58,684	
Long-term financial lease liabilities	861	490	6
Total long-term debt obligations	53,205	59,173	
Short-term debt obligations	31 December 2023	31 December 2022	
Short-term debt obligations	7,063	6,340	
Short-term financial lease liabilities	395	264	
Total short-term debt obligations	7,458	6,604	
Total debt obligations	60,662	65,778	

Loan agreements include certain conditions (loan covenants) on ratios in addition to other terms, which the financial indicators of the Group must meet. As at 31 December 2023, the financial indicators of the Group met all terms and conditions of the loan agreements.

Change in debt obligations during the period

<i>in thousands of euros</i>	Balance, 31 December 2022	Repaid loans	Received loans	Balance, 31 December 2023	Distribution by remaining maturity		
					Up to 12 months	1–5 years	More than 5 years
Nordic Investment Bank	34,645	-3,645	0	31,000	3,645	13,129	14,226
European Investment Bank	30,379	-2,695	0	27,684	2,695	10,780	14,209
Swedbank overdraft	0	0	0	723	723	0	0
Financial lease	753	-390	893	1,256	395	861	0
Total debt obligations	65,778	-6,731	893	60,662	7,458	24,770	28,435

Loans from the EIB and the NIB are not secured by a pledge. The loan from the EIB is secured by the 52.2-million-euro guarantee issued by the Ministry of Finance.

In order to better manage the current monthly cash flow and liquidity risks, overdraft agreements have been concluded. Current cash flows are impacted the most by investments in construction, carried out with the help of structural support, which are funded from the cash flow of the Medical Centre Group until the grants are received.

By the decision of the Government of the Republic of Estonia, the North Estonia Medical Centre Foundation has been granted an overdraft in the State Treasury with a limit of 20 million euros for the period from 1 September 2022 to 31 August 2025. The interest rate per year is 3-month Euribor + 1.06%. The Medical Centre pays a fee of 0.27% to the lender from the unused overdraft limit. As at 31 December 2023, the overdraft has not been used.

Swedbank has granted Hiiumaa Hospital an overdraft of 2.5 million euros for the period from 1 January 2023 to 30 January 2024. The interest rate per year is 6-month Euribor + 1.58%. Hiiumaa Hospital pays an annual fee of 0.5% to the lender from the unused overdraft limit.

Terms and conditions of long-term bank loans

Loan	Contract date	Termination date	Loan amount in euros	Interest	Base currency
Nordic Investment Bank	08/06/2006	12/09/2028	32 million	6-month EURIBOR +0.22%	EUR
Nordic Investment Bank	09/10/2017	05/10/2037	24.5 million	6-month EURIBOR +0.85%	EUR
European Investment Bank	25/05/2020	25/05/2044	25 million	6-month Euribor + interest depending on the disbursement	EUR
European Investment Bank	16/09/2011	30/04/2035	43.5 million	6-month Euribor + (0.40%–0.75%)	EUR
Council of Europe Development Bank ³	18/12/2020	18/12/2043	25 million	6-month Euribor + interest depending on the disbursement	EUR

³ In 2023, no disbursements were made under this loan agreement



Note 16 Sales revenue

in thousands of euros

Provision of healthcare services	2023	2022	Note
Sale of services to the Estonian Health Insurance Fund	289,179	257,256	
<i>Including cost-based healthcare services to Hiiumaa Hospital⁴</i>	4,181	3,429	
Sale of healthcare services to other legal persons	12,036	10,574	
Sale of ambulance services	11,733	9,922	
Cost-sharing by patients and paid services	4,019	2,560	
Total revenue from the provision of healthcare services	316,967	280,312	
Provision of other services			
Lease income	1,370	1,202	9
Catering	573	521	
Training services	597	520	
Other services	201	403	
Sale of pharmaceuticals	262	146	
Total revenue from the provision of other services	3,003	2,792	
Total business revenue	319,970	283,104	

⁴ Starting from 1 April 2018, the Estonian Health Insurance Fund finances the services sold by Hiiumaa Hospital based on cost; other hospitals in the Group are funded based on treatment cases.

Note 17 Targeted fees, donations, and grants

Targeted financing and operating grants reported as income by type

in thousands of euros

Targeted financing for fixed assets	31 December 2023	31 December 2022
Domestic targeted financing for the acquisition of fixed assets	2,870	226
International targeted financing for the acquisition of fixed assets	48,548	15,570
Total targeted financing for fixed assets	51,418	15,796
Targeted financing for operating costs		
Domestic targeted financing for operating costs	6,825	5,503
International targeted financing for operating costs	237	89
Total targeted financing for operating costs	7,062	5,592
Total grants and donations	314	83
Total targeted financing, donations, and grants	58,794	21,472

The means received as targeted financing for fixed assets were used as follows: 21 million euros for the reconstruction of the Blood Centre; 13 million euros for the construction of the Y-block of the Mustamäe Medical Campus of the Medical Centre; 11 million euros for the reconstruction of the Hiiumaa primary healthcare centre and the main building of the hospital; 4 million euros for the construction of isolation units at the Medical Centre, Raplamaa Hospital, and Läänemaa Hospital; 1.9 million euros to ensure the energy efficiency of the Medical Centre units; 0.4 million euros to create the Estonian Blood Information System; and 0.1 million euros to prevent the spread of infection at Läänemaa Hospital.

Targeted financing for operating costs has been received as research grants, as support for participation in international studies, and as targeted financing of other operating costs.

Change in targeted financing and operating grants during the reporting period

in thousands of euros

	2023	2022	Note
Receivables as at the reporting date	22,600	6,126	4
Liabilities as at the reporting date	190	532	10
Income of the reporting period	58,794	21,472	
Grants granted during the reporting period	239	70	
Received during the reporting period	42,010	19,801	

Note 18 Staff costs

<i>in thousands of euros</i>	2023	2022
Remuneration, performance pay, holiday pay, and bonuses	132,388	113,065
Taxes from staff costs	44,566	37,734
Staff costs classified as fringe benefits along with taxes	721	853
Total staff costs	177,675	151,652
Average number of employees, reduced to full-time equivalents	4,207	4,098

Note 19 Operating expenses

<i>in thousands of euros</i>	2023	2022
Principal activity expenses		
Pharmaceuticals	36,436	32,594
Medical supplies	15,474	14,018
Surgery supplies	10,653	9,344
Reagents and allergens	8,118	9,093
Purchased medical services	6,241	5,091
Operating expenses related to medical equipment	6,577	4,149
Special clothing and disposable textiles	2,882	2,766
Other medical supplies	2,717	3,768
Research and development	38	74
Total principal activity expenses	89,136	80,897
Miscellaneous operating expenses		
Management costs of registered immovables, buildings, and premises	13,562	13,804
Information and communication technology expenses	3,657	4,059
Foodstuffs and catering services	2,009	1,768
Training and travel expenses	1,808	1,465
Administration expenses	1,663	1,359
Management costs of vehicles	1,118	1,135
Miscellaneous management costs	1,193	1,107
Inventory management costs	2,313	685
Total other operating expenses	27,323	25,382
Total operating expenses	116,459	106,279

Note 20 Other expenses

<i>in thousands of euros</i>	2023	2022
VAT expenses of goods and services	15,457	14,113
VAT expenses of fixed assets acquired	8,011	7,552
Other taxes, fees, doubtful receivables, write-down of inventory, and changes in exchange rates	248	130
Total other expenses	23,716	21,795

Note 21 Related parties

1. Remuneration and other significant benefits for the executive and senior management of the North Estonia Medical Centre and subsidiaries in the Group.

<i>in thousands of euros</i>	2023	2022
Staff costs, including tax expenses	843	707
Fringe benefits	6	0
Compensation for the use of a personal car for business travel	3	6

The members of the Supervisory Board who participated in the activities of the audit committee were paid a total of 7 thousand euros.

No transactions were conducted during 2023 or the reference period with the executive and senior management and their family members and foundations, non-profit organisations, or companies under their control or significant influence.

2. Important transactions with foundations where one of the founding members is the Medical Centre.

	The supervisory board of the lender approved the decision for granting a loan	Termination date	Loan amount in euros	Base currency	Interest
Läänemaa Hospital, contract 2019/9-17/127-1	30 October 2018	15 December 2026	1.2 million	EUR	6-month EURIBOR + 1.10%

<i>in thousands of euros</i>	Loan balance, 31 December 2022	Calculated interest	Repaid loans	Loan balance, 31 December 2023	Distribution by remaining maturity	
					Up to 12 months	1–5 years
Läänemaa Hospital	500	21	100	400	100	300
Total debt obligations	500	21	100	400	100	300

Note 22 Events after the reporting date

Hiiumaa Hospital signed an overdraft agreement for the period from 30 January 2024 to 31 March 2024 with a limit of 1.5 million euros with an annual interest rate of 6-month EURIBOR + 1.580%.

Note 23 Unconsolidated annual reports of the parent company

Balance sheet

in thousands of euros

Assets	31 December 2023	31 December 2022	Notes
Current assets			
Cash	13,640	16,446	
Receivables and prepayments	51,662	34,144	
Loan receivables	100	100	22
Inventories	8,001	7,806	
Total current assets	73,403	58,496	
Fixed assets			
Shares in subsidiaries	2,300	2,300	
Financial investments	300	400	
Long-term loan receivables	3	3	22
Investment property	5,589	5,725	
Property, plant, and equipment	180,514	169,311	
Intangible assets	8,389	8,626	
Total fixed assets	197,095	186,365	
Total assets	270,498	244,861	
Liabilities			
Current liabilities			
Trade creditors and other liabilities	42,520	38,830	
Loan liabilities	6,735	6,604	
Provisions	794	1,734	
Targeted grant liabilities	167	378	
Total current liabilities	50,216	47,547	
Non-current liabilities			
Trade creditors	833	1,337	
Loan liabilities	53,205	59,173	
Total non-current liabilities	54,038	60,511	
Total liabilities	104,254	108,058	
Net assets			
Foundation capital at nominal value	34,243	34,243	
Net result of previous periods	102,559	95,000	
Net result of the financial year	29,441	7,559	
Total net assets	166,244	136,803	
Total liabilities and net assets	270,498	244,861	

Statement of financial performance

in thousands of euros

Revenue	2023	2022
Sales revenue	301,661	268,154
Donations and grants received	46,881	19,104
Other revenue	216	863
Total revenue	348,758	288,121
Expenses		
Grants awarded	-239	-97
Staff costs	-164,620	-140,548
Miscellaneous operating expenses	-113,276	-103,489
Other expenses	-21,197	-20,980
Depreciation and impairment of fixed assets	-17,849	-14,795
Total expenses	-317,180	-279,909
Net result from the principal activity	31,578	8,212
Other financial income and expenses	-2,136	-653
Net result of the financial year	29,441	7,559



Cash flow statement

in thousands of euros

Cash flow from the principal activity	2023	2022	Notes
Targeted financing, grants, and donations received	6,772	5,665	
Proceeds from the sale of goods and services	302,219	266,046	
Purchase of goods and services	-134,231	-116,066	
Staff costs disbursed	-161,901	-140,003	
Interest paid	-2,233	-293	
Grants and targeted financing paid	-37	-49	
Total cash flows from the principal activity	10,589	15,291	
Cash flows from investment activities			
Purchase of property, plant, and equipment and intangible assets	-30,581	-31,338	
Proceeds from targeted financing of fixed assets	23,769	13,714	
Repayments of loans issued	100	400	22
Interest received	21	9	
Total cash flows from investment activities	-6,691	-17,215	
Cash flows from financing activities			
Proceeds from loans	0	24,500	
Loans repaid	-6,340	-5,550	
Financial lease repaid	-363	-6,044	
Total cash flows from financing activities	-6,703	12,906	
Total cash flows	-2,806	10,982	
Cash and cash equivalents at the beginning of the period	16,446	5,465	
Cash and cash equivalents at the end of the period	13,640	16,446	
Change in cash and cash equivalents	-2,806	10,982	

Statement of changes in net assets

<i>in thousands of euros</i>	Foundation capital	Accumulated net gain	Total net assets
Adjusted net assets as at 31 December 2021	34,243	106,400	140,643
Result of the financial year 2022	0	7,559	7,559
Net assets as at 31 December 2022	34,243	102,559	136,803
Carrying amount of holdings under our control and significant influence	0	-2,300	-2,300
Value of holdings under our control and significant influence based on the equity method	0	15,552	15,552
Adjusted net assets as at 31 December 2022	34,243	115,811	150,054
Result of the financial year 2023	0	29,441	29,441
Net assets as at 31 December 2023	34,243	132,001	166,244
Carrying amount of holdings under our control and significant influence	0	-2,300	-2,300
Value of holdings under our control and significant influence based on the equity method	0	26,114	26,114
Adjusted net assets as at 31 December 2023	34,243	155,815	190,058



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INDEPENDENT SWORN AUDITOR'S REPORT

To the Supervisory Board of the North Estonia Medical Centre Foundation

Opinion

We have audited the consolidated annual accounts of the North Estonia Medical Centre Foundation and its subsidiaries (hereinafter referred to as the Group) which include the consolidated balance sheet as at 31 December 2023, the consolidated statement of financial performance, the consolidated cash flow statement, and the consolidated statement of changes in net assets of the year which ended on the aforementioned date, as well as the consolidated notes to the annual accounts, including the summary of significant accounting policies.

In our opinion, the preceding consolidated annual accounts reflect fairly the consolidated financial position of the Group as at 31 December 2023 in all material respects, as well as the consolidated financial result and the consolidated cash flows of the financial year that ended on the date above in accordance with the Estonian financial reporting standard.

Basis for the opinion

We have conducted the audit in accordance with the international auditing standards (Estonia). Our obligations based on these standards are described further in the 'Obligations of the sworn auditor relating to the audit of the consolidated annual accounts' section of the report. We are independent of the group, in accordance with the Code of Ethics for Professional Accountants (Estonia) (including independence requirements), and have met all of our other ethics-related obligations based on these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management is responsible for other information. Other information contains the management report, but does not include the consolidated annual accounts or this sworn auditor's report.

Our opinion on the consolidated annual accounts does not cover the other information and we do not express any form of assured conclusion thereon.

In connection with our audit of the consolidated annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Should we conclude, based on our work, that other information has been significantly misreported, it is our obligation to report this fact. We have nothing to report in this matter.

Responsibilities of the management and those in charge for management relating to the audit of the consolidated annual accounts

The management is responsible for the preparation and fair presentation of the consolidated annual accounts in accordance with the Estonian Financial Reporting Standard and for such internal control as management determines is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless it is expected to liquidate the Group or to cease operations, or it has no realistic alternative but to do so.

Those in charge of management are responsible for overseeing the consolidated financial reporting process of the Group.

Obligations of the sworn auditor relating to the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Auditing (ISAs, Estonia) will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with the ISAs (Estonia), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures as a response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our sworn auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our sworn auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure, and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics OÜ

Audit firm activity licence No. 17

/signed digitally/

Andris Jegers

Sworn auditor's number 171

Tallinn, 19 March 2024

