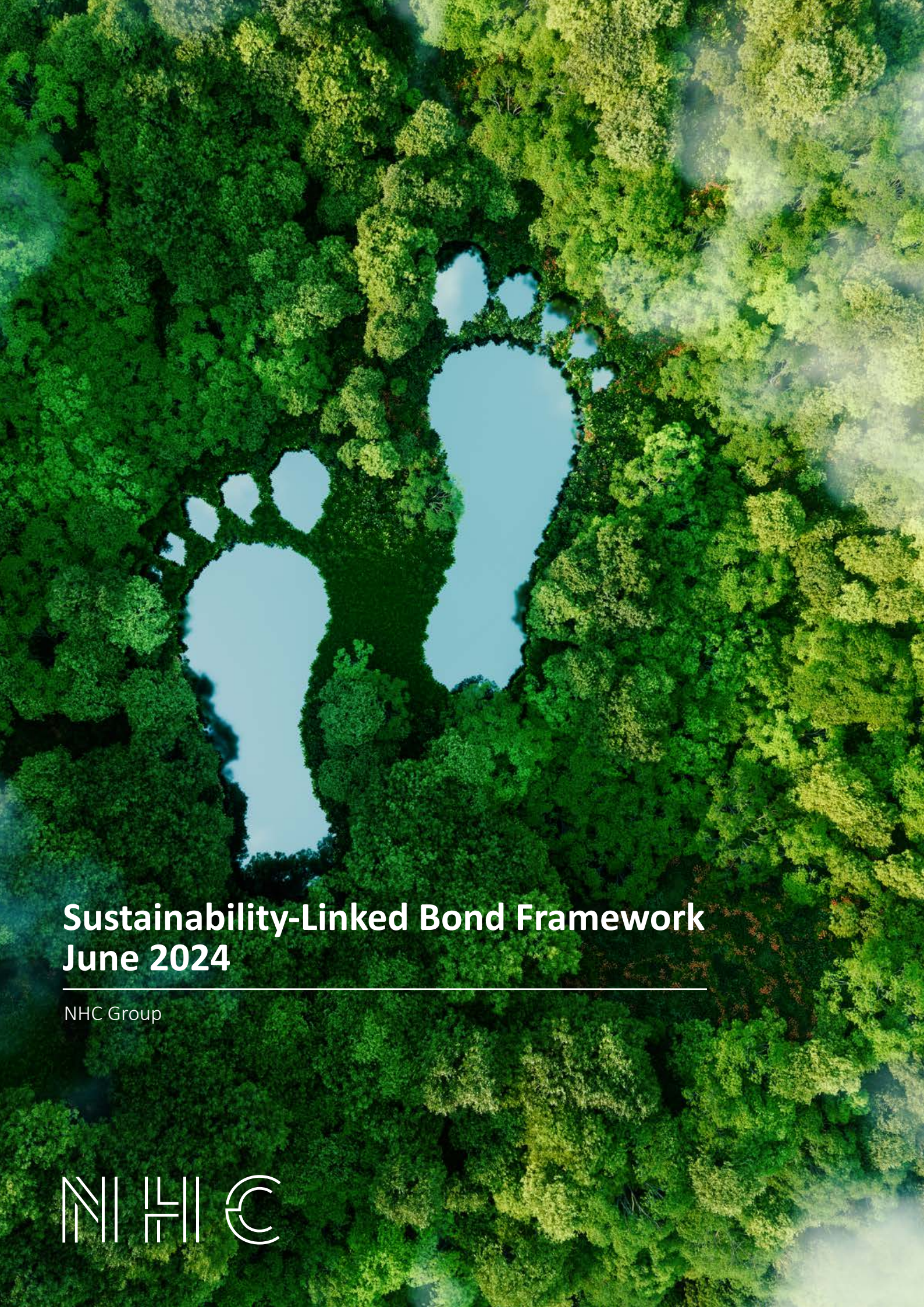




Sustainability-Linked Bond Framework June 2024

NHC Group



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An introduction to the NHC Group

The Norlandia Health & Care Group AS (“NHC” or the “Group”) is a family-owned, multinational company headquartered in Oslo, Norway. The owners, Kristian and Roger Adolfsen, started the operations in the early 1990s and have since inception focused on a long-term, socially responsible perspective. The Group currently consists of four companies in fields such as health care, preschools, integration services as well as services for individuals and

families and has operations in Norway, Sweden, Finland, the Netherlands, Germany, and Poland. Our business is diverse, but a common factor among our users is that they are in a phase of their lives when they require care and, our understanding of their needs stretch across divisions and countries. NHC aims to be a welfare innovator and a powerhouse for safeguarding and developing welfare.

The NHC Group includes the following companies



Preschools





Individual & family





Care





Integration services





aurora

OMSORG



Property



The NHC Group and Sustainability

Society doesn't stand still, and neither do the welfare needs of the people and communities we serve. Across the NHC Group, we seek to improve people's lives and we want to be a driver for positive change through pioneering of new ideas and methods.

At NHC, we recognize that our diverse business landscape presents a spectrum of sustainability challenges and opportunities unique to each business area within our Group. As part of our overarching NHC strategy, we empower the individual companies under our umbrella to take the lead in identifying and addressing the sustainability themes that are most relevant to their specific operations.

Each company is entrusted with the autonomy to establish its own sustainability priorities, thereby crafting tailored strategies and setting ambitious targets. This decentralized approach is a strategic decision that aligns with our broader NHC vision, ensuring that sustainability is not just a concept, but a core facet of our business operations.

By embedding responsibility at the company level, we foster a culture of ownership and accountability. This ensures that our entire organization not only meets but strives to exceed expectations, but also actively contributes to sustainable development on a global scale. The result is a heightened level of commitment and a more robust motivation throughout the Group, driving us towards our collective goal of a sustainable future.

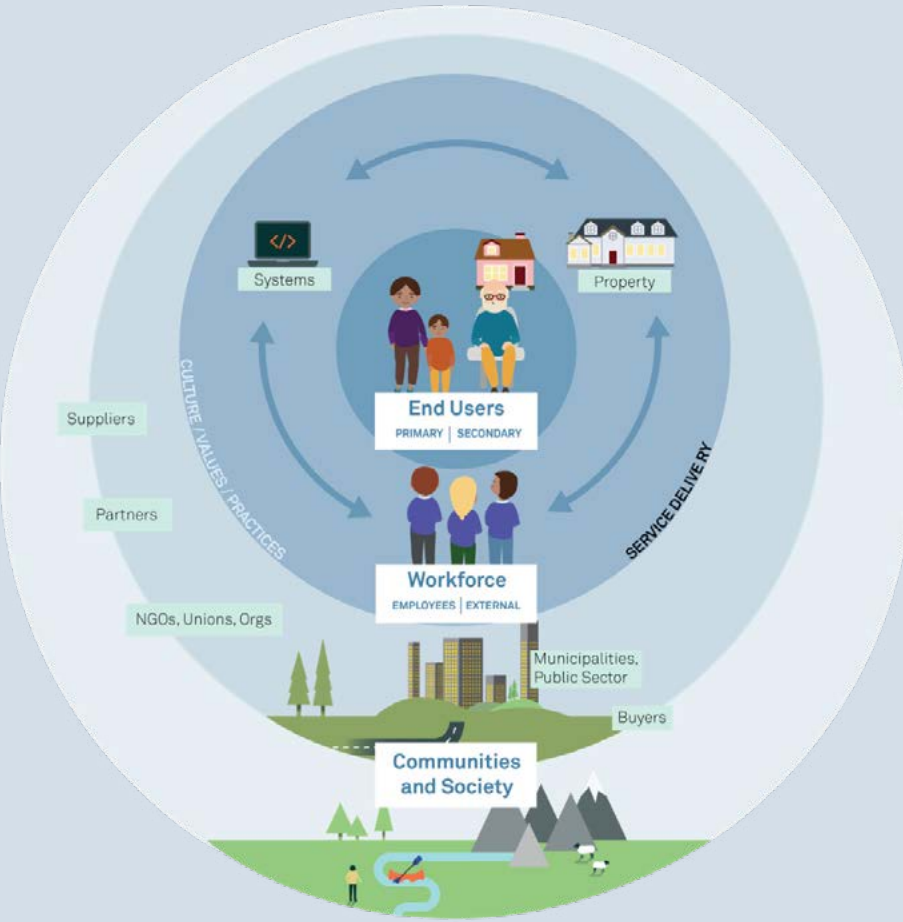
This strategy reflects our understanding that sustainable progress is a collaborative journey, one that is integral to our long-term success and leadership in the industry. At NHC, we are committed to advancing sustainability in a way that is both strategic and responsive to the evolving needs of our planet and society.

In 2022, NHC established a sustainability task force whose mission was to identify the most important areas that will play a role in NHC's ongoing strategy process as well as to lay the foundations for the development to NHC's sustainability strategy and to have sustainable values embedded across the organization.

The task force members represent different countries, divisions, and functions. One of the key focus areas of the task force was to conduct a materiality analysis. It involved identifying and prioritizing the most significant social, environmental, and economic issues that are relevant to the company and its stakeholders, which were (i) reduction of value chain pollution, waste and emission, (ii) employee engagement, diversity and inclusion, (iii) workforce protection in our value chain, (iv) sustainable solutions and service lifecycle design, (v) economic value creation.

By conducting the analysis, the company was able to focus our efforts on the topics that matter most to our stakeholders and that have the greatest potential impact on the company's operations.

The whole NHC Group has been working to operationalize and integrate these material topics into business operations and individual business plans, workshops have and will continue to be conducted across all divisions at several organizational levels. During these workshops, participants will identify the aspects within each of the five topics that are pertinent to their respective operations. Subsequently, they will prioritize these aspects based on their significance in terms of sustainability and business impact, as well as the potential for us to effect positive change in these areas.



Our vision is to be a reference point for society, satisfying users and making employees proud.



NHC’s sustainability strategy

Building on ESG-frameworks and prioritisation from the task force spanning all divisions the following commitments are prioritized across NHC:

1. Reduction of value chain pollution, waste and emissions

Since our direct emissions from sources we control or own (scope 1) are relative small, but rather purchase products and services from our suppliers, we estimate that around 80% of our GHG emissions are in the value chain (i.e. scope 3 emissions). Hence, we believe value chain collaboration to reduce total emissions is one of the most important things we can do to protect the resources of our planet that we and our communities depend on.

2. Employee Engagement, Diversity, and Inclusion

Increased employee engagement, diversity and inclusion are all consequences of longer-term organization investments. By becoming better in these areas, we enhance the broad set of knowledge, skills, understanding and competences we need to thrive as a company and by which we can advance individual careers, businesses, and societal wellbeing.

3. Workforce protection in our value chain

The core of our business is to serve vulnerable people, we must bring this sensibility into our value chain as well: We have a responsibility to ensure that worker’s rights are respected, and we will continue to provide opportunities to contribute to a fairer, more socially inclusive world.

4. Sustainable solutions and life-cycle design of services

The value and impact of solutions and services are decided in the design phase. We design, and later operate, high impact welfare offerings for children, patients, elderly people, and immigrants with the entire user-journey in mind. We provide offerings that are essential in fostering confident and active individuals and community members, while safeguarding a healthy environment.



Environment

Reduction of pollution, waste and emission



Customers

Sustainable services



Workforce

Employee engagement, diversity and inclusion



Society

Economic value creation

The four areas are used to establish direction and prioritize discussions within the divisions. Workshops conducted throughout the organization have solidified the areas, which this SLB Framework builds on. Moving forward, we will review our sustainability strategy to align with CSRD/ESRS, as detailed in a subsequent section.

Our employees are our most valuable resource

NHC has around 20.000 employees and reaches daily over 100.000 people including clients, users, parents and other direct relatives throughout our various businesses and operations. With this broad reach comes both responsibilities and opportunities. The policies and processes we implement in our businesses have the possibility to impact many lives. Through our work, we wish to promote an increasing awareness of sustainability topics and we are currently working to implement a more structured approach across the organization to ensure a higher degree of knowledge.

A higher degree of knowledge and awareness around sustainability will enable our employees, clients and users to make more environmentally friendly choices, both at work and in

their private lives. During the coming years, we are therefore implementing basic sustainability training programs for all new employees to go through, and in addition, we are launching more specialized training programs available to all employees.

The Group's companies operate in labor-intensive sectors and hence our employees are our most valuable resource. NHC's most significant contribution in society is made by its employees who provide services that are of value to individual users and to the larger community. Therefore, it is important for NHC that our employees are engaged in the development of our businesses, feel inspired and appreciated, and have a sense of pride in their daily work.



Our divisions and their sustainability priorities



Preschools



Individual & family



Care



Integration services



Property



Norlandia Preschools

Norlandia Preschools operates preschools and after school care in Norway, Sweden, Finland, the Netherlands, Germany, and Poland. Our aim is to teach the children in our preschools to be curious, to explore the world and to develop their own ideas. Through our preschool operations, we can impact the behavior of future generations.

Each Norlandia preschool is established and developed by local enthusiasts who are passionate about providing a secure and enriching environment for children. This commitment helps to establish a strong local culture within our preschools, making them welcoming places for both children and adults.

At Norlandia Preschools, we value and support these cultures. We also encourage sharing knowledge and experiences not only among our own preschools but also with other municipalities and counties, and even across national boundaries. This approach helps us maintain our preschools as places where learning and personal growth are fostered for everyone involved.

Norlandia Preschools sustainability priorities

In Norlandia Preschools, our greatest impact on society is via the education and experiences we provide for the children in our preschools. The children learn to take care of themselves, each other, and nature. Sustainable development in

preschools includes nature, economics and social conditions and is a prerequisite for taking care of life on earth as we know it. Preschools have an important task in promoting values, attitudes, and practices for future sustainable societies. Sustainable development in preschools is about people living today being able to meet their basic needs without destroying future generations' ability to meet theirs. It is about thinking and acting locally, nationally, and globally. The preschools must help children understand that today's actions have consequences for the future.

Preschools selected sustainability achievements

At Norlandia Preschools, we have initiated and developed several sustainability-related programs aimed at supporting sustainable behavior and development among preschoolers. Our "Food with Taste" program, launched in 2017, was the first of many concept development projects within our preschool organization. Through this program, we not only provide healthy meals but also engage children in the meal preparation process, teaching them about the interconnections between food, nature and culture. It's about establishing lifelong positive food values. This commitment has earned us the Swedish organic, supply chain-certification, level 1, in KRAV level 1 – The KRAV label stands for food produced without artificial chemical pesticides, good animal welfare, reduced climate impact, more biodiversity and better working conditions.

Additionally, "Norlandia Jump" is designed to develop the motor skills children need for an active and healthy life. Every day, there is organized physical activities, ensuring that children are not only learning but also staying active.



Our collaboration with Green Flag began with a dynamic sustainability initiative in Norway focused around spreading knowledge about sustainability and organizing Litter Picking Days, for example, to help clean up the environment around preschools.

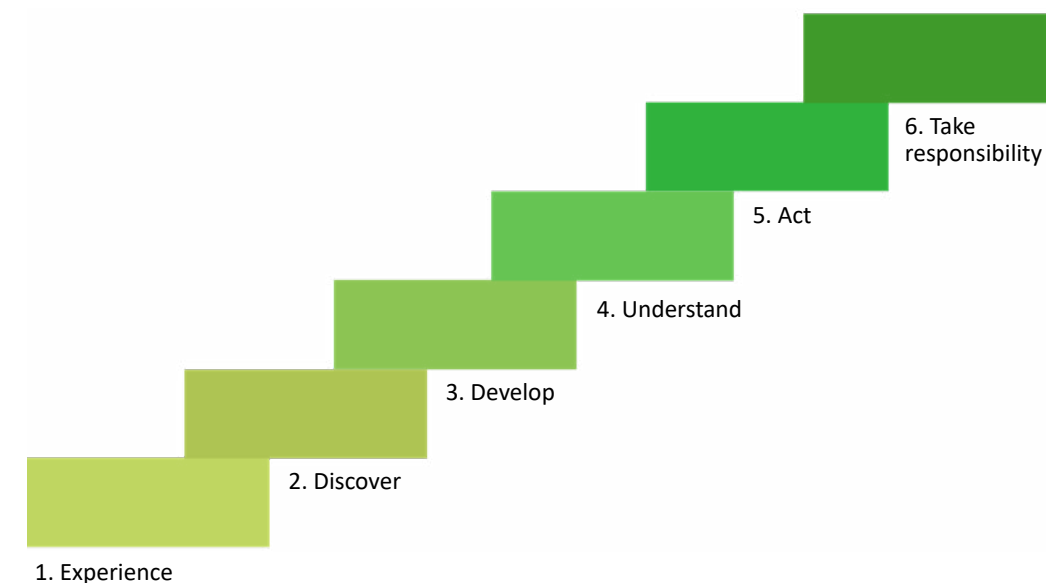
Another significant development is our pedagogical tool, CLASS, introduced in Norway in 2022. In Sweden the implementation has started during the spring of 2024. CLASS is a scientific research-based tool that enhances our ability to define teaching quality and social relation in pedagogical interactions. CLASS is a supportive, scaffolding tool that helps us to secure a warm and safe environment that enhances the children's ability to learn and to be curious. According to the European Foundation for the Improvement of Living and Working Conditions, Eruofound, filming one's own practice is seen as the gold standard in development work. CLASS is both socially and economically sustainable.

The Go Green program

Launched in 2019/2020, the Go Green initiative at Norlandia Preschools aims to deepen knowledge and foster awareness about environmental sustainability. With a steadfast commitment, we have evolved this initiative, aspiring to implement it across all our preschools. This program equips our children with the understanding and skills necessary to collectively contribute to a green future.

Each Norlandia preschool incorporates Go Green practices into daily activities. These practices include, for example, reducing food waste, sorting recyclables, using less plastic, and improving recycling efforts. Our goal is to make sustainability a natural part of everyday life in our preschools.

By 2024, the initiative proudly spans all our preschools. Through Go Green, Norlandia preschool continues to inspire children, empowering them to be environmental heroes.



The sustainability ladder is a model that shows all the dimensions of sustainable development. The steps are interdependent, and you need to complete each one before you can move to the next. The Go Green program includes activities within each step with the aim of providing the preschool children with the tools they need to promote sustainable development in the future.



frösunda.

aberia

aurora
OMSORG



The Individual & Family Division

The Individual & Family Division offers high-quality services to individuals with functional variations, as well as young people and families in need of special support. Tracing their history back to the 1980's, Frösunda and Aberia now have around 200 units and around 8000 employees in Norway and Sweden. The Division deliver both children welfare services, care services of different kinds, and personal assistance.

Sustainability priorities

Reducing CO2 emissions from transport, creating sustainable working conditions for our employees, and minimizing food waste are among our sustainability priority areas.

Travelling and living with our clients is part of our daily work, and we are working to systematically reduce emissions from our travels. This includes shifting towards electric vehicles in our fleet, but also reducing the total number of cars as well as choosing other means of transportation, such as public transportation. We are also working to increase the use of digital means where possible for administrative purposes, reducing the need for internal meeting-related travelling.

In our work to reduce food waste, adopting responsible purchasing habits is key. This requires knowledge and awareness among our employees. We also focus on reuse and recycling, and we should only buy new items when we can't find recycled alternatives.

Selected sustainability achievements

In 2022/2023, the Individual & Family Division implemented the first basic stage of environmental focus and achieved great results. Aurora Omsorg, a part of Aberia, reduced its energy consumption by 34%, total fossil fuel consumption by 16%, and average fuel consumption from 0.51 to 0.21 liters per driven kilometer.

As of 2024, Aberia is working on measuring and closing waste loops, focusing on the sharing economy through Aberia-markedplace, and sharing equipment solutions across departments and regions. Aberia is also collaborating with Aberia-school to create educational videos based on identified environmental deviations.

Aberia and Frösunda's user-driven development of sustainability initiatives focuses on solutions that will be used and function in the daily department life. This is combined with strategic development through the established ESG-taskforce. This ensures that the solutions developed are appropriate and have the greatest long-term effects.



norlandia
care



Norlandia Care

Norlandia Care operates nursing homes, home care services and patient hotels, in Norway, Sweden, and Finland. Our services are a supplement to the offerings of municipalities and the public health care sector, and we operate within the framework of the welfare model. The combination of our services and expertise makes us unique in the market.

Within elderly care and patient hotel operations we have right from the start in 1997 been committed to combining competences from the two business areas. Within elderly care, we have emphasized hotel service; conversely, in the hotel operations we offer customized medical service with our care skills from nursing home operations. In Norlandia Care, we offer individual care with the aim to make life good for everyone – every day.

Norlandia Care sustainability priorities

In Norlandia Care, caring for our employees, reducing CO2 emissions from consumables and food as well as from food waste are among our sustainability priority areas. Moreover, we seek new innovative ways to deliver services for elderly, being the welfare innovator.

We are a transparent and socially responsible company with a sound operation. We are a serious and responsible employer. We care for the environment and appreciate a multicultural and inclusive workplace. We have ambitious goals for work-force job satisfaction, sick leave, and employee turnover rates.

We have a clear personnel policy and comprehensive ethical guidelines which are widely known and accepted by everyone at Norlandia.

Since we are running our business 24/7 all days a year we serve a lot of meals every day. The meal is one of the most important experiences of the day at a nursing home and contributes to health, happiness, and well-being. But at our facilities, the customer gets much more than good, nutritious, and well-prepared food that meets guidelines and nutritional recommendations. The customers receive meals characterized by community, conversation, and the joy of eating – a dining experience. We have set a high standard for our food and meals and are heading towards an increased share of sustainable ingredients

In our nursing homes, patient hotels and producing kitchens we aspire to measure food waste and use this to constantly work on calibrating the amount of purchased food and raw materials to minimize unnecessary waste. In our home care, we aim to help our clients, so they do not buy more than they consume.

In addition to food, consumables are an area where we see a potential in reducing the footprint.



HERO



Hero Group

Hero provides services for refugees and immigrants in Norway, Sweden and Germany. Our services include reception centers, interpretation services, preschool and integration services. Our goal is to enable a new future for newcomers and help them become contributors to the highly developed welfare systems of the Scandinavian countries. These systems are based on high employment rates for both men and women and require effective integration of new citizens. To achieve this, we need continuous innovation and social entrepreneurship. Our main customers are the Norwegian Directorate of Immigration and the State Office for Refugee Affairs in Germany, as well as many municipalities and private companies that need language and educational services.

Hero Group sustainability priorities

Education and sustainability are essential ingredients for our vision of enabling a new future. Our key sustainability priorities are educating our employees, residents and course participants, and reducing CO2 emission through less consumption, recycling and systematic waste handling. We also want to do more than our fair share by initiating positive actions and interactions in the local communities where we are present.

All our work in Hero has to do with integration and inclusion. We accommodate newly arrived asylum seekers, teach language skills and support immigrants struggling to enter the

labor market. We are aware that our effort can be crucial for individuals and of great importance for the society at large. Sustainability is an integral part of this work.

Hero Group selected sustainability achievements

Since 2023, Hero is a member of the NGO Hold Norge Rent (HNR, Keep Norway Clean). Together with our partner and residents, we organize clean ups in our local communities, often partnering up with local NGOs such as Friluftsrådene. This is an example of Hero's aim to do more than our fair share. We battle general pollution and at the same time create awareness among residents and employees. In addition, these initiatives support our aim to facilitate social inclusion of refugees in society.

Taking care of the local environment is meaningful for refugees settled in a Norwegian village or a Berlin suburb when they are included in «dugnad» to pick waste such as plastic at a nearby beach or a park. Using local recycling stores and waste reduction allows people of lesser means to eat healthy and acquire the clothes that are needed in our colder climate. Knowledge and sound attitudes towards proper waste handling improve your chance for a job after a period of job training. In all of this, our employees need to be knowledgeable role models setting a good example.



NHC
PROPERTY



NHC Property

We use our long experience and extensive expertise in real estate development to realize a wide range of projects. We at NHC Property develop both existing and new real estate projects, as well as work to manage and maintain properties in NHC. We are a relevant and current partner for private developers, municipal authorities and other actors who are concerned with creating quality of life in good buildings and residential environments. We develop and manage nursing homes, patient hotels, health houses, kindergartens, refugee reception centers, child welfare housing, care housing and senior housing.

Our real estate strategy

- Develop as a quality differentiation company for our operational businesses with "user focused" and cost-effective real estate
- Leverage new values from our standing as a strong counterparty tenant in future real estate transactions
- Provide responsive, customer focused, tailored and cost-efficient facility management services to all our units
- Secure sufficient and competitive financing for new projects

NHC Property's sustainability priorities

Real estate development and management is value creation in a bigger picture, and for us it is about how we develop and manage properties for the weakest groups in society. From functional kindergartens, safe concept housing for children, young people and the elderly, care housing and nursing homes. Therefore, we always have three thoughts in our head at the same time: Environmental, social and economic sustainability.

NHC Property continuously maps the energy consumption of the operating units in NHC's divisions in Norway and compiles data. In renovations and investments, we work closely with our partners and those we rent buildings from, to be able to make sustainable solutions that could improving the building's energy label. NHC Property (Norway) has the goal of becoming ISO certified by 2024 for the 9001 and 14001 standards.



NHC Property has chosen to focus on the following 6 main sustainability goals



- Goal 3. Ensure good health and promote well-being for all, at all ages**
- We build and operate good communal and social meeting places, both outdoors and indoors, for all age groups.
 - We construct safe and accommodating living and residential environments that do not exclude.
 - We have a systematic follow-up of buildings and property.
 - We facilitate buildings and services for the sharing economy (ski/sports equipment, etc.)



- Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all**
- We have effective systems in place to prevent undeclared work and social dumping.
 - We construct buildings that facilitate personal development, both socially and economically.
 - We build homes that enable individuals to live independently for longer.



- Goal 11: Make cities and human settlements inclusive, safe, resilient, and sustainable**
- We contribute to ensuring that more people have access to adequate and safe housing and basic services at an affordable price.
 - We facilitate car sharing in our care homes.
 - We construct good and flexible housing solutions for vulnerable groups in society, which reduce inequalities and improve living conditions.
 - We develop and build safe, inclusive, and easily accessible outdoor and indoor areas for the local community.



- Goal 12: Ensure sustainable consumption and production patterns**
- We rehabilitate rather than demolish and reuse materials/buildings to reduce the CO2 footprint where appropriate.
 - We aim for a sorting rate of 90% at construction sites. Our goal is that our top 5 materials used on construction sites are certified and not harmful to the environment or health.
 - We are conscious of maximum emission (EPD) products, especially concrete and steel.
 - We consider alternatives such as mass timber.



- Goal 13: Take urgent action to combat climate change and its impacts**
- We strive to follow the 10 immediate actions developed by Norsk Eiendom (see attachment).
 - We optimize our properties, acquire new knowledge, and monitor our buildings.
 - We conduct BREEAM pre-assessments for all major projects.
 - We challenge consultants on energy-saving solutions, and new buildings have an energy rating of B or better..



- Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development**
- We collaborate with municipalities and public entities to address important societal missions.
 - We work purposefully to ensure that our projects meet the Quality Principles of Bygg 21 (see attachment).
 - We strive to choose partners who are concerned with and knowledgeable about the environment and sustainability.
 - Our goal is to prepare greenhouse gas accounts for all major projects.

Quality work in NHC

NHC is constantly striving to improve governance and quality. Over the past few years, several parts of the Group have been certified according to the ISO standards. Today, Norlandia Care, and Hero are certified in accordance with ISO 9001:2015 (quality) and ISO 14001:2015 (environment). In addition, Aberia and Norlandia Preschools works continuously with governance and systematic quality work that are in line or accredited with other industry standards (Green flag, CLASS, Miljøfyrtårn etc.)

The Group use well established systems for handling incidents and deviations. All our employees have access to the quality systems and are trained in the practical use of it. We believe that the more deviations and incidents we report, and

employees and managers are able to take actions, the better services and quality the Group will be able to provide to our customers. The NHC culture encourages everyone to report incidents, deviations, and possible areas of improvement.

NHC is also committed to ensuring that our quality work is aligned with our sustainability work. We have integrated sustainability considerations into our quality system and our risk management processes. We also monitor and evaluate our sustainability performance and impact on a regular basis. We are transparent and accountable to our stakeholders, and we seek to engage them in a constructive dialogue about our sustainability challenges and opportunities.





Leadership by merging innovation and sustainability

Merging innovation and sustainability is a journey that requires commitment, continuous learning, and adaptability. By integrating these principles into our strategy and leadership approach, we can effectively differentiate ourselves and contribute to a more sustainable future. It's in our competency, a mentality and constant focus. It is executed by some key principles in our duty:

1. Incorporate Sustainability into Innovation

i. We encourage our research and development teams to focus on sustainable technologies and practices.

ii. Our innovation goals prioritize sustainability, such as reducing carbon emissions, minimizing waste, or enhancing resource efficiency.

2. Sustainable Product/Service Development

i. Develop and promote products and services that have a reduced environmental footprint or contribute to sustainability in some way (constant link to our goals).

ii. We consider the entire lifespan of our services. We ensure sustainability at every stage, and even beyond the stages and phases within our control.

3. Eco-friendly Supply Chain

i. We work with suppliers who share our commitment to sustainability.

ii. We implement sustainable sourcing practices, reduce transportation emissions, and optimize logistics for efficiency.

4. Green Energy and Technology Adoption

i. We invest in renewable energy sources and energy-efficient technologies to reduce our carbon footprint.

5. Employee Engagement and Education

i. We foster a culture of sustainability by educating and involving employees in eco-friendly initiatives.

ii. We encourage innovation through employee-led sustainability projects and ideas.

6. Transparency and Reporting

i. We are transparent about our sustainability efforts and progress by publishing annual sustainability reports.

ii. We set clear, measurable sustainability targets and track our company's performance

7. Collaboration and Partnerships

i. We collaborate with other companies, organizations, or research institutions working on sustainability-related projects.

ii. We form partnerships that enable the sharing of knowledge and resources to drive innovation in sustainability.

8. Market Differentiation

i. We use our commitment to innovation and sustainability as a key marketing point to attract eco-conscious customers and investors.

ii. We leverage certifications or awards related to sustainability to reinforce our brand's credibility.

9. Leadership by Example

i. We demonstrate commitment to sustainability from the top down, with executives and leadership teams actively participating in sustainable initiatives.

ii. We encourage leadership to attend sustainability-focused conferences and engage in thought leadership on the topic.

10. Continuous Improvement

i. We make sustainability and innovation an ongoing strategic priority, with regular reviews and updates to adapt to changing service practices, environmental and technological landscapes.

11. Regulatory Compliance and Advocacy

i. We stay abreast of evolving environmental regulations and advocate for policies that promote sustainability.

ii. We ensure our company not only complies with regulations but also goes beyond them in order to become a leader in sustainability.

These are some of the ways we demonstrate our responsibility towards the environment and society, and how we create value for our customers and stakeholders.



NHC’s sustainability efforts and strategic priorities going forward

For many years, NHC has been committed to making our company more sustainable in everything we do. We have laid down a solid sustainability framework and made sure it is in action across all divisions. Over the last three years, we have regularly reported on our environmental, social, and governance (ESG) performance. To help us keep track of information and guide our activities, we have adopted a well-established ESG reporting tool at the group level.

We have established an ESG-policy at group level and in the divisions, started to prepare for reporting according to EU-Taxonomy and EU's Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS), and structured our work for further focusing our business development and innovation efforts around sustainability. As the sustainability landscape is rapidly evolving, we are advancing our focus areas accordingly. Below a description of our core focus areas going forward.

Moving from SDG reporting to CSRD compliance and ESRS reporting

Like many large companies, NHC is transitioning from voluntary to mandatory reporting in accordance with the CSRD/ESRS standard. The introduction of ESRS standards marks a significant change in the business landscape, tightening the link between sustainability and corporate strategy and finance. This shift acknowledges that economic performance cannot

be divorced from environmental and social impacts.

NHC is currently working on a double materiality approach in accordance with the CSRD requirements. Current priorities under the UN Sustainability Development Goals (SDGs) and the four areas of our sustainability strategy will be mirrored with material ESRSs. This approach ensures that the company's sustainability efforts are aligned with both its internal strategic goals and external reporting requirements. Additionally, NHC will update its priorities in accordance with the results of the double materiality assessment, ensuring that its sustainability initiatives remain relevant and impactful. CSRD aligns with the SDG, and respond to increasing demands from consumers, investors, and legislators for greater transparency and accountability from businesses.

NetZero ambitions

For Europe to reach the goal of climate neutrality by 2050 and reduce net greenhouse gas (GHG) emissions by at least 55 % by 2030 versus 1990 levels, companies must contribute to and align with the EU Green Deal. NHC is committed to achieving net-zero GHG emissions by 2050. By 2030, we aim to reduce our scope 1 and 2 emissions by 42 % from 2023 levels (a 6% reduction/year) and later set targets for our scope 3 emissions to align with the objectives of the Paris Agreement to limit global warming to well below 2°C, with efforts to limit the increase to 1.5°C. This ambition underscores our commitment

to sustainability and environmental stewardship. NHC now prioritizes to set clear GHG reduction targets and implementing measures in line with the latest standards. We are taking a proactive role in understanding how a net-zero ambition will unfold for our company, ensuring that our actions are in line with the broader European goals for climate action.

Anchor Net Zero and sustainability ambitions in organization

NHC recognizes that reducing emissions requires concerted effort from every level of our organization. The company consists of divisions that again are comprised of individuals —people who make daily decisions, provide services, purchase equipment, plan and serve meals, use the vehicle fleet, and contribute to the collective impact of the group. By empowering people to understand climate issues and take personal action, NHC can provide them with a new perspective, and another mindset to bring into decision making.

When the employees act, they send powerful signals that drive the actions required to reach the overarching goals and achieve real progress. They inspire sustainable innovations from within and influence voting and investment decisions with climate considerations in mind.

NHC strongly believes that engaging with people in the organization and beyond and aligning their actions at work with the climate goals, will play a vital part towards reaching a future new-zero company vision.

Enable dynamic data collection and modelling

A standard disclosure-data approach follows a linear path where a company collects and analyzes data, revealing outcomes to pursue, such as emissions reduction goals. As the

data has been interpreted and decisions are made, its internal usefulness ends. External stakeholders may combine reported data with other datasets, transforming it for different uses, beyond the company’s control. NHC views reporting as a by-product of our sustainability efforts, and strive for a model where data is integrated into decision-making continuously. By using data to inform strategy, our reporting becomes cyclical, and is driving progress.

The approach involves collecting high-quality primary data directly from suppliers. In cases where primary data is not accessible, we will utilize reputable secondary life cycle assessment (LCA) databases like ecoinvent and DEFRA. This comprehensive data collection will enable us to track performance across various levels – from company-wide to specific divisions and units – allowing for precise identification of areas for improvement.

Furthermore, we are committed to modeling the footprint of our services. By integrating footprint considerations into our decision-making processes and business development strategies, we ensure sustainability remains at the forefront of our operations.

Our efforts will be grounded in life LCA according to ISO14040:2006 standards (Environmental management - Life cycle assessment). Through this approach, the company aims to establish key indicators tailored to business needs, with a specific focus on capturing the carbon intensity of our services.





NHC and Sustainability-Linked Bond/Framework

This Sustainability-Linked Bond Framework (the “Framework”) has been developed in line with the [Sustainability-Linked Bond Principles](#) (“SLBPs”), established and updated by the International Capital Markets Association (“ICMA”) in 2023,. The SLBPs is voluntary process guideline that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market.

This Framework may be updated in the future and any such updated versions of the Framework will have no implications for the Sustainability-Linked Bonds issued under this version of the Framework. Each Sustainability-Linked Bond issued by NHC should in their transaction-specific documentation refer to the applicable Sustainability-Linked Bond Framework.

This Framework is specifically structured in line with the five components of the SLBPs:

- 1. Selected Key Performance Indicator (“KPI”)
- 2. Calibration of the Sustainability Performance Target (“SPT”)
- 3. Securities characteristics
- 4. Reporting
- 5. Verification

Selecting a Key Performance Indicator (KPI)

Our business divisions face a variety of sustainability challenges and opportunities, and different priorities have been identified to suit the specific characteristics of the respective operations. The individual business divisions are therefore responsible for setting strategies and targets around their priorities and ensuring their organization meets and exceeds expectations.

Some sustainability priorities are common denominators across several businesses. The reduction of carbon emissions is a core priority for all business divisions in ensuring that NHC contributes to sustainable development in the future.

KPI: Reduction of GHG intensity emissions for scope 1 and 2

Rationale: NHC has recently committed to achieving net zero of all of our GHG emissions by 2050. To achieve this, we must ensure implementing the right measures and initiatives to mitigate our future environmental impact. However, since we have gathered historical data for our scope 1 and 2 emission, but has only limited data for scope 3 emissions we commence with targeting a significant reduction of scope 1 and 2 emissions in line with the latest scientific standard (e.g. in line with the target set out by the Science Based Targets initiative, SBTi). NHC will continue to invest in understanding our current aggregated emission footprint and initiate granular data gathering to prepare for future reporting of scope 3 emissions.

KPI relevance and materiality: Increasing the awareness of our emission footprint will enable us to make informed decisions to reduce our negative impact going forward. According to ESRS E1 undertakings are required to disclose information

on their transition plans for climate change mitigation and the compatibility with limiting global warming to 1.5 °C and with NHC’s objective of achieving climate neutrality by 2050 (DR E1-1 Transition plan for climate change mitigation). Although scope 1 and 2 represents only about 20% of our total GHG emissions, applying this KPI for the issue of a Sustainability-Linked bond will help drive change in our operation and create greater focus on limiting all of our GHG emissions. Therefore, we consider this KPI to be material for NHC in improving our operation and in the context of this Framework.

KPI calculation: For the purpose of this KPI, we use a market-based approach for calculating scope 2 emissions. Since we do not yet have sufficient data for our scope 3 emissions, these are not included in the calculation of the KPI.

Since NHC has growth ambitions the group’s total absolute emissions may increase over time through acquisitions. To allow for this, but still target reduction of our emissions we will apply an GHG emission intensity calculation, where we will report our total scope 1 and 2 emissions relative to the total revenues for the NHC Group as we believe NHC’s revenues captures the size of our business operation and the associated GHG emissions in a good manner:

GHG emission intensity = $\frac{\text{Scope 1 and 2 emissions}}{\text{Total revenues}}$



Historical performance

		Quantity			tCO2 equivalent		
		2021	2022	2023	2021	2022	2023
Unit							
Scope 1 - Fuel Consumption							
Petrol	Litre	191 328	206 242	295 842	421	448	694
Diesel	Litre	117 688	154 407	156 899	252	383	417
Natural Gas	m3	365 377	326 840	276 742	649	664	568
Biomass	t	93	97	110	7	5	6
Burning oil	Litre		17 264	80 942		44	206
Total scope 1					1 329	1 544	1 891
Scope 2 - Electricity and heating							
Purchased electricity - location based	kWh	50 979 558	50 301 777	67 446 400	1 988	1 167	1 409
Purchased electricity - market based	kWh	50 979 558	50 301 777	67 446 400	15 548	17 108	24 007
District heating	kWh	9 851 393	16 890 072	19 937 750	1 173	1 518	1 411
Total scope 2 location based					3 161	2 685	2 819
Total scope 2 market based					16 721	18 626	25 418

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). Source: GHG Protocol

The main reason for the increase in emissions from 2022 to 2023 is expansion of our reporting scope.

Calibration of Sustainability Performance Targets (SPTs)

SPT: Reduce GHG intensity emissions with 42% by 2030 compared to baseline 2023

As an intermediary target towards our net zero ambitions, which is defined to be a core element of our sustainability strategy, we aim to reduce the NHC Group’s scope 1 and 2 emissions relative to our total revenues with 42% by 2030, or on average 6% annual reduction from baseline year 2023. This implies that our reduction target for 2027 is 24% compared to baseline year 2023, 30% reduction for 2028, 36% for 2029, as per the SPT Trajectory table below.

Our “business as usual” performance will be relative flat without making efforts and implement concrete measures to reduce our GHG emissions. We do not have appropriate peers or established external standards to benchmark against, but since the SPT is in line with SBTi recommendations we consider our target to be ambitious and beyond business as usual.

Target Observation Date: Each Sustainability-Linked Bond issued under this Framework will in the transaction documentation include a date at which the actual KPI performance for the most recent financial year ending on 31st December will be measured against the SPT for the same year (the “Target Observation Date”).

Risks to not achieve the SPT: Since the SPT Trajectory is set based on emissions intensity, there is a risk that we fail to achieve the target if we experience reduction in our total revenues due to market circumstances without experiencing a similar reduction in our underlying activity level.

Furthermore, NHC is operating in some countries where renewable energy does not comprise a large part of the energy mix, making it difficult to reduce scope 2 emissions by sourcing renewable energy.

Actions to achieve the SPT: To reduce our scope 1 and 2 emissions in the shorter term we aim to reduce the use of fossil energy sources as much as possible to reduce our scope 1 emissions. We also need to focus on changing work habits among our personnel as well as energy efficiency measures. We have conducted energy performance mapping of three large buildings which we own and operate and from this we can implement several site-specific improvement measures, such as installing light sensors, smart lightning and smart meters.

Furthermore, we may purchase Guarantees of Origin (“GoO”) for renewable energy for the electricity we purchase and thereby reduce our scope 2 emissions, depending on availability and costs of GoOs.

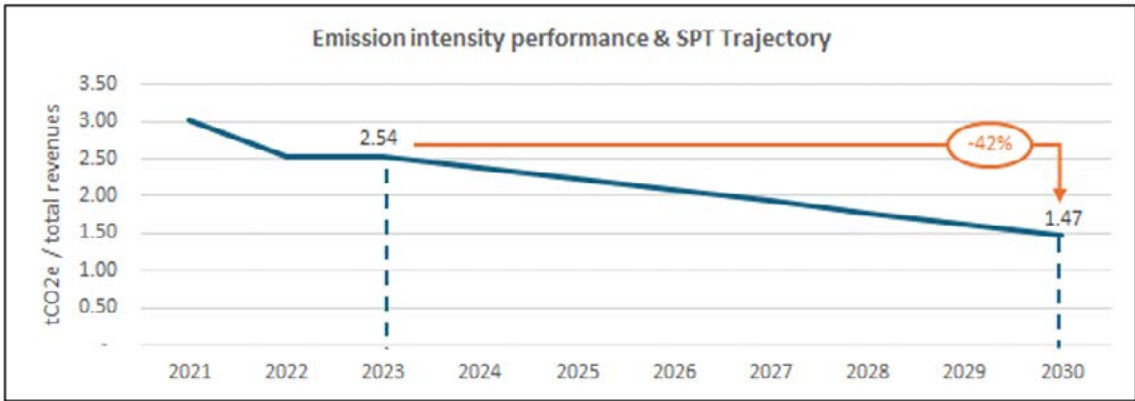
Longer term, we will assess how to make the buildings we own consume less energy from a heat loss perspective through renovation and upgrade.

Historical performance

	2021	2022	2023 (baseline)
Scope 1 emissions (tCO2e)	1,329	1,544	1,891
Scope 2 emissions (tCO2e, market based)	16,721	18,626	25,418
Total scope 1 & 2 emissions (tCO2e)	18,050	20,170	27,309
Total revenues (MNOK)	5,975.55	7,966.38	10,772.17
Emission intensity performance	3.02	2.53	2.54
- annual reduction	-	-16%	0%

SPT Trajectory

	2024	2025	2026	2027	2028	2029	2030
Average annual GHG emission reduction target	-6%	-6%	-6%	-6%	-6%	-6%	-6%
Accumulated GHG emission reduction target	-6%	-12%	-18%	-24%	-30%	-36%	-42%
Emission intensity targets (the SPTs)	2.38	2.23	2.08	1.93	1.77	1.62	1.47



Bond characteristics

Each Sustainability-Linked Bond issued under this Framework will include the KPI and the relevant SPT based on the SPT Trajectory.

The specific financial characteristics of any Sustainability-Linked Bond issued under this Framework will be specified in the transaction-specific documentation. The financial adjustment will either be a coupon or interest rate step-up or premium payment at the redemption of the bond, following a trigger event set out below. Depending on the which changes to the financial characteristic is agreed in the transaction-specific documentation, a coupon or interest rate step-up will apply to the relevant bond from the first day of the next interest period immediately following the Target Observation Date and until maturity, while the premium payment of the redemption price will be paid at maturity.

A trigger event occurs if:

- the SPT has not been achieved at the relevant Target Observation Date; or
- the reporting has not been completed in line with the requirements set out in this Framework or in the related transaction documentation; or
- the verification has not been provided and made publicly available as set out in this Framework.

Reporting

To ensure investors and other stakeholders are updated on the progress on our KPI, the company will publish a report as part our annual sustainability/ESG-reporting, available on our website. The report will be published no later than 120 days after the end of each calendar year and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the Sustainability-Linked Bond's financial characteristics.

The Report will contain the relevant information needed to assess if any changes to the security characteristics are to be made. The information will include:

- Information on the performance of the KPI against the SPT as per the relevant reporting period, including the calculation methodology and baselines where relevant.

Since we have chosen an intensity target, which by nature will accommodate for changes in our business activity and thus implicitly our GHG emissions from operation, we have not included any fallback mechanism whereby the baseline will need to be adjusted. In the event a company is acquired, this will be included in the KPI calculation no later than 12 months following the acquisition closing date.

For the avoidance of doubt, the KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any bond issued under this Framework. Any updated version of this Framework shall not have any implications on Sustainability-Linked Bonds issued under this Framework.

- Any relevant updates to NHC's sustainability strategy, ambitions or plans carrying relevance for the KPI and/or SPT.
- An overview of Sustainability-Linked Bonds issued under this Framework.

Failure to provide reporting as mentioned above will result in an automatic adjustment of the financial characteristics as outlined in the transaction-specific documentation.

In addition to the above, the Report may also include information around observed positive impact achieved as a result of the measures taken to reach the targets.

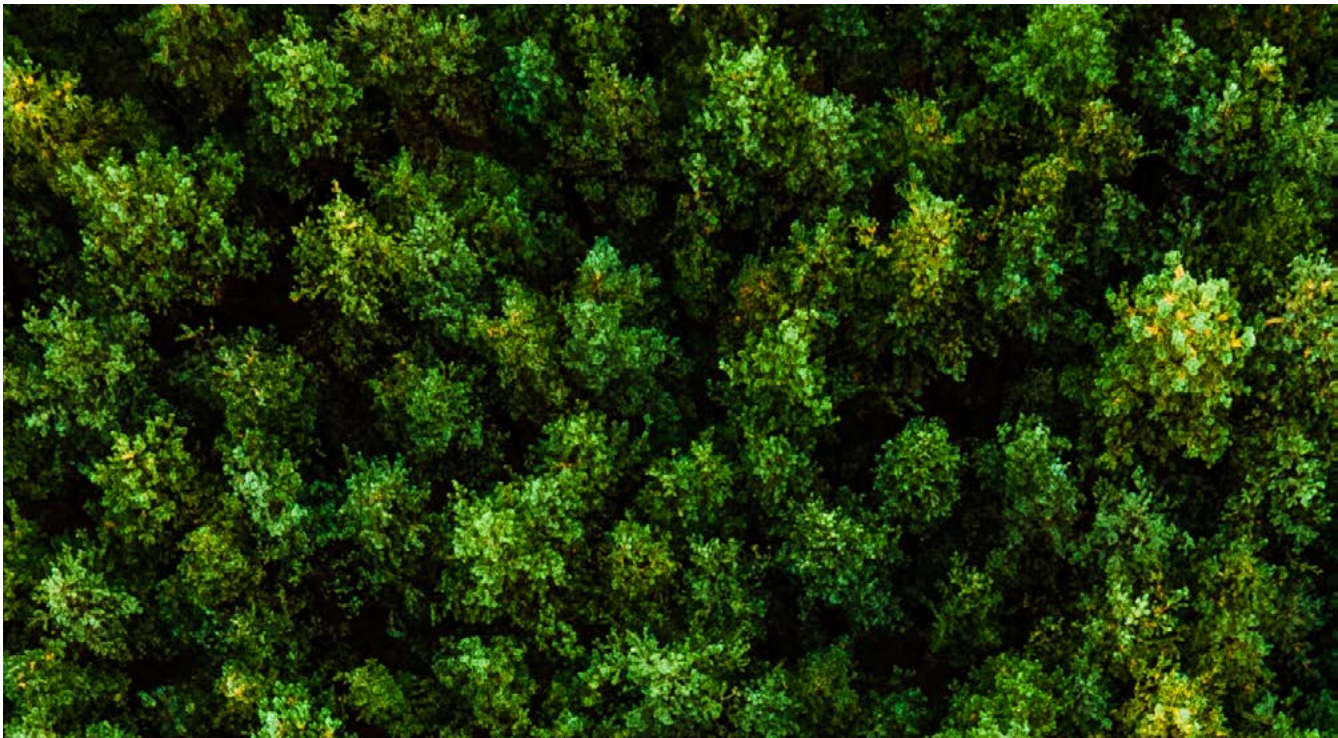


Verification

NHC will ensure independent verification of the performance of the KPI versus the SPT . This verification should be conducted by a qualified external reviewer with relevant expertise at least once a year and in any case for any date/period relevant for assessing the KPI performance leading to a potential adjustment of the financial characteristics of a Sustainability-Linked Bond issued (“the Verification Report”).

The Verification Report will be in the form of a limited assurance report issued by the reviewer and will be made public on our website together with this Framework.

A failure to provide a Verification Report will result in an automatic adjustment of the financial characteristics as outlined in the transaction-specific documentation (see Bond Characteristics above).



External Review

NHC has obtained a Second Party Opinion from DNV to confirm the transparency of this Sustainability-Linked Bond Framework and its alignment with the [ICMA SLBPs](#), published in 2023. The Second Party Opinion will be made available on our website together with this Framework.

Being the welfare innovator
a powerhouse safeguarding and developing welfare

