April 27th, 2023

Sustainability-Linked Finance Framework Progress Report for calendar year 2022

Executive summary and comment by the Chief Sustainability Officer

An Introduction to the NHC Group

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 five divisions in fields such as health care, preschools, integration services, services for individuals and families and social infrastructure within the property division. The Group 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. **We aim to be a welfare innovator and a powerhouse safeguarding and developing welfare.**

The Group includes the following companies.

The NHC Group and Sustainability

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

Our business is diverse, and hence faces a variety of sustainability challenges and opportunities. The individual companies in the Group are responsible for identifying the sustainability focus areas that are most relevant for their operations – their sustainability priorities – using the UN Sustainable Development Goals as a foundation. The companies are also responsible for setting relevant strategies and targets around these priorities, ensuring that the full organization meets and exceeds expectations and contributes to sustainable development. This creates a greater commitment and stronger motivation across the Group.

In 2022, NHC established a sustainability task force whose mission is 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 is to conduct a materiality analysis. The analysis is a crucial process for any company that is serious about corporate social responsibility (CSR). It involves identifying and prioritizing the most significant social, environmental, and economic issues that are relevant to the company and its stakeholders. By conducting the analysis, we can focus our efforts on the issues that matter most to its stakeholders and that have the greatest potential impact on the company's operations.

The task force has identified five material focus areas common across the group, reduction of value chain pollution, waste and emission, employee engagement, diversity and inclusion, human capital development, sustainable solutions and service lifecycle design and economic value creation.

In order to concretizes and take this materiality's to operations and individual business plans, there will be workshops held in all of the divisions in different levels of organization. In these workshops participance are identifying areas of each of the five topics that they find relevant to their operations and prioritizing these based on what's significant for sustainability and the business and how much can we impact these issues.

In May 2021, NHC placed a senior secured sustainability-linked bond of NOK 1,700 million. This report provides an update on the Key Performance Indicators ("KPIs") and Sustainability Performance Targets ("SPTs") under the Sustainability-Linked Finance Framework from April 2021 (the "Framework"). This report should be read in conjunction with the sustainability report to be published during 2022 for a complete update on the sustainability strategy and performance of NHC.

KPI 1: Perform greenhouse gas accounting

To ensure we implement the right measures and initiatives to mitigate our future environmental impact, we need to further invest in understanding our current footprint. We have therefore conducted a greenhouse gas accounting on group level. Targets for the greenhouse gas emissions will be determined as a part of annual Business Plan processes.

KPI calculation: Greenhouse gas accounting on group level.

SPT 1: Perform greenhouse gas accounting

NHC has performed an accounting of the greenhouse gas emissions generated by the Group's operations. Numbers are reported as of 31 December 2022.

2022 results

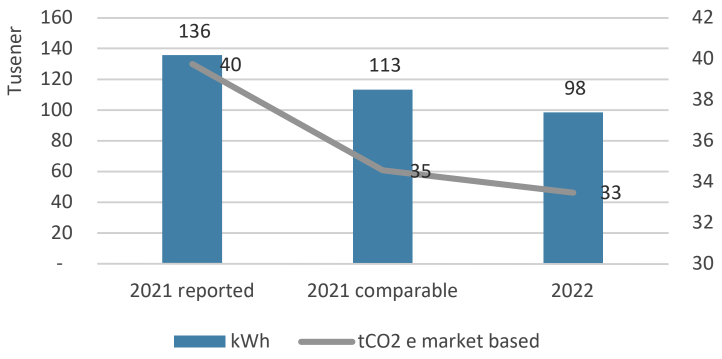
		Quatity			tCO2 equivalent		
Scope 1 - Fuel Consumption	Unit	2021 reported	2021 comparable	2022	2021 reported	2021 comparable	2022
Petrol	Litre	191 331	191 328	206 242	420	421	448
Diesel	Litre	117 691	117 688	154 407	296	252	383
Natural Gas	m3	356 377	356 377	326 840	720	649	664
Biomass	t	75	93	97	5	7	5
Burning oil	Litre	-	-	17 264	-	-	44
Total Scope 1					**1 441**	**1 329**	**1 544**
Scope 2 - Electricity and heating							
Purchased electricity - location based	kWh	52 761 101	50 979 558	50 301 777	2 294	1 988	1 167
Purchased electricity - market based	kWh	52 761 101	50 979 558	50 301 777	15 463	15 548	17 108
District heating	kWh	9 851 393	9 851 393	16 890 072	1 438	1 173	1 518
Total 2					**19 195**	**18 709**	**19 794**
Scope 3 - Indirect							
Business air travel	kg/CO2e	72 780	72 780	241 094	73	73	241
TOTAL EMISSIONS LOCATION BASED (SCOPE 1 + 2 + 3)					**5 246**	**4 563**	**4 470**
TOTAL EMISSIONS MARKET BASED (SCOPE 1 + 2 + 3)					**18 415**	**18 123**	**20 411**

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

When reporting 2021 figures a consulting agency was used while in 2022, we were able to implement ESG management system CEMAsys. This allows us to have an ownership and transparency to your carbon footprint reporting. However, this is causing some discontinuity in the reporting.

Year 2021 data is uploaded to this new system and the differences between this output and what was reported last year are seen in the table. We do not have a view on which emission factors were used in 2021 reporting. Since last year's reporting we have been able to improve the scope and accuracy. The 71 % increase in district heating kWh is mainly due to Swedish operations being able to report on their district heating consumption as well. This major increase in the kWh is not reflected in the same proportion in co2 equivalent due to the emission factors used. In 2022 district heating reporting we have been able to use the specific areas emission factors rather than country mix.

NHC biggest source of emissions; consumption of purchased electricity; has reduced from previous year by 1,3 %. The number of units have increased by around 60 units (2021: 450 units; 2022: 511 units) meaning that consumption in kWh per unit has decreased by 13 % and market-based CO2 equivalent by 3,1 %.



Purchased electricity per unit in kWh and market-based CO2 equivalents.

Looking at SPT trajectories 2022 and onwards

Following successfully completing the greenhouse gas accounting as targeted for 2022, the Group will establish targets in order to work with activities that over time will reduce the consumptions and energy use, and at the same time focus on scope 3, including identifying other areas that the Group can positively influence the environment. The mentioned materiality analysis process will result in targeted KPI for divisions and NHC Group. We already see positive development in looking to reduce transportation; meaning shorter supply line, avoid unnecessary steps in our value chain and choose suppliers with an environmental profile. We are also look at company-wide usage of secondhand hardware, furniture, building ecofriendly buildings, ecofriendly maintenance to mention some. We aim to present these areas in our 2022 progress report with targets and SPT trajectories where possible.

NHC has a goal to be carbon neutral by 2030 and knowing our carbon footprint is a big step in achieving that goal.

KPI 2: Increasing the share of electric vehicles in our car fleet

Transportation is estimated to contribute approximately 16% of the world's greenhouse gas emissions, where road transport is the major contributor. Across the NHC Group, we depend on transportation. Many of our employees travel between locations as part of their daily work to assist our clients and users. Focusing on low-emission transport is an important part of reducing the carbon emissions from our operations and we aim to shift our car fleet over to electric vehicles over time.

KPI calculation: Share of electric vehicles in NHC's car fleet, including both leased and owned cars.

SPT 2: Increasing the share of electric vehicles in our car fleet

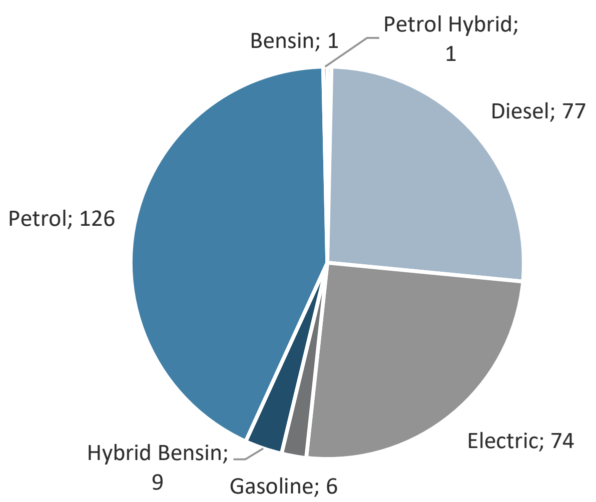
The share of electric vehicles in NHC's car fleet should increase over time, and we have set the following SPT Trajectory:

Historic values			SPT Trajectory				
2018	2019	2020	2021	2022	2023	2024	2025
1 %	2 %	8 %	13 %	17 %	25 %	32 %	36 %

Actions to reach the SPT Trajectory: NHC's car fleet currently consists of a mix of electric, hybrid and fossil fuel cars. NHC will strive for all new car purchases across the Group to be electric, also including new lease contracts.

2022 results

The share of electric cars in 2022 was 25% out of 294 cars. Target for the year was 17 %. From the year 2021 the share of electric cars has increased by 12 %-points. Total number of cars has increased by 23 cars and number of electric cars by 40 cars. This shows that NHC is on track and has a positive trajectory towards targets of becoming years.



Cars owned and leased by NHC Group by type.

KPI 3: Sustainability education in our preschools

In Norlandia Preschools, our greatest impact on society is via the education and experiences we provide for the children in our preschools. In the second half of 2021, we launched our Go Green program across our preschools.

The Go Green program has the following goals:

- Create an interest for the environment and being outdoors in nature
- Contribute to environmentally sustainable development
- Create awareness around the opportunities that nature presents
- Share knowledge on recycling and reduce food waste
- Take ownership of our own future

SPT 3: Sustainability education in our preschools

In the second half of 2021, Norlandia Preschools started the implementation of the Go Green program across the organisation. Our aim is for all majority-owned preschools to implement this program over time. To gain the Go Green label, a preschool need to complete the program on an annual basis, and the label needs to be renewed every year through an internal evaluation process. We have set the following SPT Trajectory, indicating the share of our majority-owned preschools that should have completed the program on an annual basis.

SPT Trajectory				
2021	**2022**	**2023**	**2024**	**2025**
15%	30%	40%	47%	65%

Actions to reach the SPT Trajectory: The Go Green program has been launched internally across preschools.

2022 results

The SPT for 2021 was exceeded by eight percent to a total of 38%. This is a positive development and shows trajectory above the targeted rate of implementation.

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DNV verified our KPIs as per the Framework and attested the 2022 achievement. DNV's verification report is attached to this report.

There has been no material update to NHC's sustainability strategy, vision or plan related to and impacting the KPIs and SPTs.

For NHC Group

Dag Rune Gabrielsen

Chief Sustainability Officer

VERIFICATION STATEMENT

Statement no:	Valid from:	Valid to:
2023-0145	April 13, 2023	Current KPI revision

NHC GROUP

Verification of KPI performance of the Sustainability-Linked Finance Framework

Scope and objectives

DNV Business Assurance Norway AS (henceforth referred to as “DNV”) has been commissioned by NHC GROUP (henceforth referred to as “NHC”) to provide third-party verification of NHC’s KPI performance in relation to the SPT trajectory described in NHC’s Sustainable Finance Framework (the “Framework”). Our objective has been to verify NHC’s approach to calculate the

- KPI performance for Greenhouse gas accounting,
- share of electric vehicles in the car fleet,
- share of preschools with sustainability education,

as well as to verify the underlying data for 2022. Our methodology to achieve this is described under ‘Work Undertaken’.

Responsibilities of the Management of NHC and DNV

The management of NHC has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform NHC management and other interested stakeholders in the SECURITIES as to how NHC’s actual KPI performance relates to the SPT trajectory, based on the information provided to us. In our work we have relied on the information and the facts presented to us by NHC. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by NHC’s management and used as a basis for this assessment were not correct or complete.

Work undertaken

The verification was conducted between 13rd March 2023 and 13th April 2023, during which NHC provided its information. Our work constituted a review of the available information, based on the understanding that this information was provided to us by NHC in good faith. The work undertaken to form our opinion included:

- Discussions of NHC’s methodology with NHC management (MS Teams)
- Q&A-sessions with NHC management for each of the KPIs including Questions log
- Review of NHC’s sustainable finance framework, annual and sustainability report and Second-Party Opinion
- Review of NHC’s 2022 performance and spot checks of documented evidence provided by NHC

Findings and DNV's opinion

- DNV notes, that KPI1 "Perform Greenhouse Gas Accounting" for the NHC Group is a KPI that does not have an SPT and selecting the trajectory is therefore not possible. DNV confirms, that NHC have performed a GHG accounting system for Group's operations for 2022 that includes Scope 1, Scope 2 and the business travel category of Scope 3, specifically, business air travel. DNV recommends that NHC sets targets for Scope 1, Scope 2 and Scope 3.

  DNV notes that NHC has put together a task force for sustainability that oversees and support the divisions on all its works concerning target setting for Scope 1, Scope 2 and Scope 3. The targets are set as part of an annual process where each unit completes its Business plan that also includes targets on emissions.

- DNV recommends quarterly reporting on the Go Green program from each preschool to show consistent progress on the SPT for KPI 3 across preschools.

- DNV noted minor inconsistencies in the KPI reporting, and recommends that NHC put a process in place to capture any adjustments made in the system and to have documentation with linked data. DNV has reviewed the documentation and processes (data gathering and QA mechanisms), and has closed out the findings with NHC management.

Based on the information provided by NHC and the review procedures conducted, nothing has come to our attention that causes us to believe that NHC's performance is not in accordance with the KPI reporting requirements described under the Framework. DNV opines that NHC's methodologies to calculate the share of electric vehicles in the car fleet and the share of preschools with sustainability education are consistent with the purpose of NHC's KPI as defined in its Framework.

for DNV Business Assurance Norway AS

Oslo, 30th of October 2023

Ingebjørg Nueva Finnebråten Lead auditor	**Tone Rice** Quality Assurance

APPENDIX

NHC's actual KPI performance relative to the SPT trajectory described in NHC's Framework

KPI 2: Increasing the share of electric vehicles in our car fleet

Below graph visualises the data reviewed by DNV. It compares NHC's planned KPI performance of electric car fleet ratio against its actual performance in 2022. DNV's findings correspond with NHC's representation of actual KPI performance relative to its SPT trajectory.

Past performance and SPT	2018	2019	2020	2021	**2022**	*2023*	*2024*	*2025*
The share of electric vehicles in NHC's car fleet	1%	2%	8%	13%	17%	*25%*	*32%*	*36%*
Actual performance in 2022					**25%**			

KPI 3: Sustainability education in our preschools

Below graph visualises the data reviewed by DNV. It compares NHC's planned KPI performance of share of preschools with the sustainability education as described in the Framework against its actual performance. DNV's findings correspond with NHC's representation of actual KPI performance relative to its SPT trajectory.

SPT	2021	**2022**	*2023*	*2024*	*2025*
Sustainability education in preschools	15%	30%	*40%*	*47%*	*65%*
Actual performance in 2022		**38%**