



Terveystalo

Sustainability-Linked Financing Framework

May 2023

Background & Rationale

Terveystalo is a leading healthcare service company in Finland. We offer versatile healthcare, occupational healthcare, medical and examination services in 370 clinics in Finland and 155 clinics in Sweden. The clinic network is supplemented by unique 24/7 digital services that offer convenience.

Our customers include private individuals, companies and communities, insurance companies, and the public sector. We offer a comprehensive portfolio of occupational health, primary and secondary healthcare services with over 16,800 healthcare professionals. Terveystalo is listed on the Helsinki Stock Exchange and has predominantly Finnish ownership.

We want to be extensively involved in developing healthcare in Finland and promoting the well-being of the Finnish people. As the leading national producer of occupational healthcare services in Finland, we provide occupational healthcare services for over a half million Finnish people.

Terveystalo has a broad impact on the healthcare sector in Finland and Sweden with 1.3 million unique customers, 8.5 million customer visits in Finland, and 1.9 million end customers of

occupational health services in the Nordics during 2022.

We bear our share of responsibility for Finland and the Finns – we promote health and well-being. We are committed to follow the principles of responsible business and the high ethical requirements of healthcare services. In addition to being in compliance with tax legislation and authorities' guidance, we follow our public tax strategy and responsible tax policy (published in Finnish) in our daily operations. Our suppliers are also required to follow the key principles thereof. We have signed the UN Global Compact initiative. We are committed to continuing our work to integrate the Global Compact's principles related to the environment, human rights, work and the fight against corruption into our operations, culture and value chain.

Thinking about sustainability in everything we do is well-rooted in our organization and daily operations. We also aim to improve our operations constantly. In our view, it is thus a natural step to integrate sustainability into our financing operations in a more pronounced way. We want also to engage our investors and financiers in our ambitious sustainability journey.

The rationale for the Framework

Our sustainability-linked financing framework is created to link our sustainability to the funding and to help investors to understand our core values, strong commitments to sustainability goals, and methods to enrich the surrounding society. We aim to deliver high-quality healthcare services for our customers in as convenient manner as possible. Quality and impact of care are at the center of everything we do and thus it is natural to build a financing framework on those crucial pillars.

With this framework, we aim to improve the quality and impact of care. We have chosen mental health treatment and customer

satisfaction as key KPIs to reflect our ambitions. We also think that these are relevant and material ways to measure our impact on society and well-being. Mental health issues are among the highest reason for sick leaves in Finland and we are determined to do our part of addressing this increasing concern by providing the proper treatment for each individual. Health and well-being are also more than figures. This is why we have chosen customer satisfaction (NPS, Net Promoter Score) as the second KPI. Well-being is in many ways a subjective experience and who else is better equipped to tell how we have managed to make an impact with quality healthcare than our patients.

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Approach to Sustainability

1. Sustainability Strategy and Targets

Our sustainability strategy is built on our values. They are as follows:

- Human being at the center.
- Steered by medical science.
- For the common good.

We take responsibility for the health and well-being of our fellow human beings, for the opportunity to live a good life. We work together to help our customer and our customer guides us in our renewal. We help each other and value all of our experts. Everything we do is based on medical science and researched knowledge. All our decisions are steered by care efficacy and the well-being of our customers.

We build health and wealth for the society and produce effective care efficiently. We share information and ignite discussion and create better healthcare for all: customers, professionals, and society.

Terveystalo's responsibility themes divide our approach to sustainability into five categories. They are as follows:

- Good health and well-being.
- Ethical business.
- Responsible work.
- Sustainable economic growth.
- Responsible consumption and climate action.





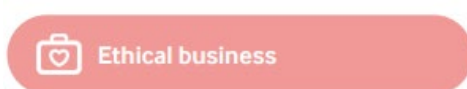
Quality and impact of care is in the core of our daily work. All members of our personnel are responsible for ensuring that our customers receive appropriate, high-quality, and safe care. We aim to stand out by providing an outstanding experience in all customer encounters, regardless of the channel. We develop our work by listening to our customers and utilizing new technology.

We are committed to the high quality and continuous development of our operations. We measure, monitor, and manage our quality actively. Developing our service quality and operational efficiency even further allows us to ensure the best possible working conditions for our professionals and the optimal impact of our customers' service experience, without compromising on the all-important aspects of human contact and empathy.

We measure our performance with quality index, access to care, and patient safety. Our quality index is a combination of various crucial elements in our processes that we aim to keep at a very high level. Access to care is a natural starting point in every care chain and our ambition is to meet the Finnish requirements (availability in days) in the public side. We also aim to be available for private customers in minutes 24/7 with our digital platform as a key enabler.

Area	Target	Indicator	Target	2022	2021	2020	SDG
Quality index: High clinical and experienced quality, access to care and preventive care	Use of the WHO Surgical Safety Checklist in over 99% of surgical operations	Use of the WHO Surgical Safety Checklist in surgical operations	>99%	98.9%	99.8%	97.8%	3
	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician below 3.5%	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician	<3.5%	4.0%	4.3%	4.6%	
	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament <28 days	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament	<28	30	32	36	
	Percentage of preventive work of occupational health appointments over 60%	Percentage of preventive work of occupational health appointments	>60%	69.6%	70.2%	67.8%	
	Days until next available appointment, clinics (T3) below 1.00	T3, i.e. the third available appointment	<1.00	1.93	1.61	1.17	
	Appointment NPS over 74	Appointment NPS	>74	82.7	83.0	82.8	
	eNPS at least 31 by 2025	eNPS	>31	29	32	18	
	Quality index total	Quality index, %	100	92.2	94.6	94.2	
Access to care, public services	Days until next available appointment (T3) public services < 7 for a physician, < 1 for a nurse	T3, i.e. the third available appointment with a physician	<7	12.0	6.5	5.6	
		T3, i.e. the third available appointment with a nurse	<1	2	1	1	
Patient safety		Reimbursed patient claims / appointments with a physician		0.0016%	0.0019%	0.0021%	
		Near misses/hazardous incidents		56.9%	50.0%	57.0%	

The figures include Terveystalo's operations in Finland.



Operating ethically and responsibly is an integral element of Terveystalo's values and strategy. Terveystalo's Code of Conduct and Supplier Code of Conduct provide a framework that helps us ensure that we act in accordance with our values, internal guidelines, and applicable laws. They support a company culture that takes ethical perspectives into account and combines a high work ethic, professionalism, solution oriented cooperation and the pursuit of measurable impact in everything we do.

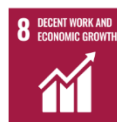
Terveystalo Sustainability-Linked Financing Framework

Area	Target	Indicator	Target	2022	2021	2020	SDG
Employees who have completed orientation training on the Code of Conduct and correct action	100% of our employees have completed the training	Percentage of employees who have completed the training relative to all employees ¹⁾	100%	69.2%	66.0%	52.3%	16
Suppliers who have approved the Supplier Code of Conduct	100% of our suppliers have approved the Supplier Code of Conduct	Percentage of suppliers who have approved the Supplier Code of Conduct relative to all suppliers (of suppliers representing 80% of total purchases)	100%	80%	80%	80%	

¹⁾ The training periods have been of different lengths. The figures for 2022 also include performances during the second half of 2021, which is why the figures are not fully comparable. The figures include Terveystalo's operations in Finland.



Responsible work



At Terveystalo, our mission is to fight for a healthier life. To realize our goal of being a pioneer in the health care industry, we continuously develop our thinking, our competence, and our working methods. We give healthcare professionals the opportunity to join a multidisciplinary community of top talents, a team whose members help each other succeed. In line with our values, we always focus on people and work towards the common good. Our strategic goal is to be the best and most attractive employer in the industry for all professionals. Equality, fairness, and non-discrimination are important principles to which we have committed.

We monitor employee well-being with accident rates, sick absences, and employee Net Promotor Score (eNPS). Our performance in accidents has been below the sector average in 2019-21. eNPS have been steadily improving and in 2021 was above our 2025 target of 31. Sickness absences have been stable in recent years albeit small increase in 2021, partly driven by COVID-19.

Area	Target	Indicator	Target	2022	2021	2020	SDG
Occupational safety	Accident rate below the sector average	Accident rate	< 34 (sector average)	15	20	25	8
Personnel's well-being	Reducing sickness absences	Sickness absences	-	5.2%	4.4%	3.8%	
Employer recommended by the personnel	Improving the employee promoter score	eNPS	31 by 2025	29	32	18	

The figures include Terveystalo's operations in Finland.



Sustainable economic growth



A responsible business is also financially profitable and sustainable. We create value for our customers, society, and our shareholders by continuously developing the quality of our operations, enabling faster access to care, reducing sickness absences, and employing, directly and indirectly, more than 16,800 people, including both employees and private practitioners. We are a significant employer, taxpayer, and provider of health services in Finland.

We bring value for stakeholders. In 2021, our tax footprint was EUR 191 million and employee benefit expenses amounted to EUR 378 million, which equals to 33% of our revenues.

Area	Target	Indicator	Target	2022	2021	2020	SDG
Tax footprint	We openly disclose our tax footprint annually	Tax footprint, EUR million	-	235.7	191.0	152.3	8
Revenue growth	Minimum annual growth 5%	Revenue growth, %	5%	9.0%	17.1%	-4.3%	
The people we employ	We create jobs	Employee benefit expenses, EUR million	-	455.0	378.2	310.2	





Sustainable consumption and climate action



Despite our environmental footprint is relatively low, we aim to have a holistic improvement in our operations. We reduce the emissions arising from our operations by using emission-free green electricity and prioritizing vehicles with low emissions. We promote the conservation and sustainable use of natural resources in our supply chain by reducing plastic consumption, recycling, and increasing the efficiency of material management. Our digital services enable us to simultaneously improve service availability and reduce our customers' travel times and the emissions generated by travel.

Our goal is to be carbon neutral in 2022 (Scope 1) and achieve zero emissions in our own operations in 2030 (Scope 1&2). We have started a process to measure our Scope 3 emissions, which is a significant part of our carbon footprint. However, as our suppliers are many (over 4,000 entities) and generally the suppliers tend to be small, this set boundaries on arriving at a definitive overview at this point. We are already purchasing 100% green electricity and have an ambitious (100%) waste recovery rate and recycling rate.

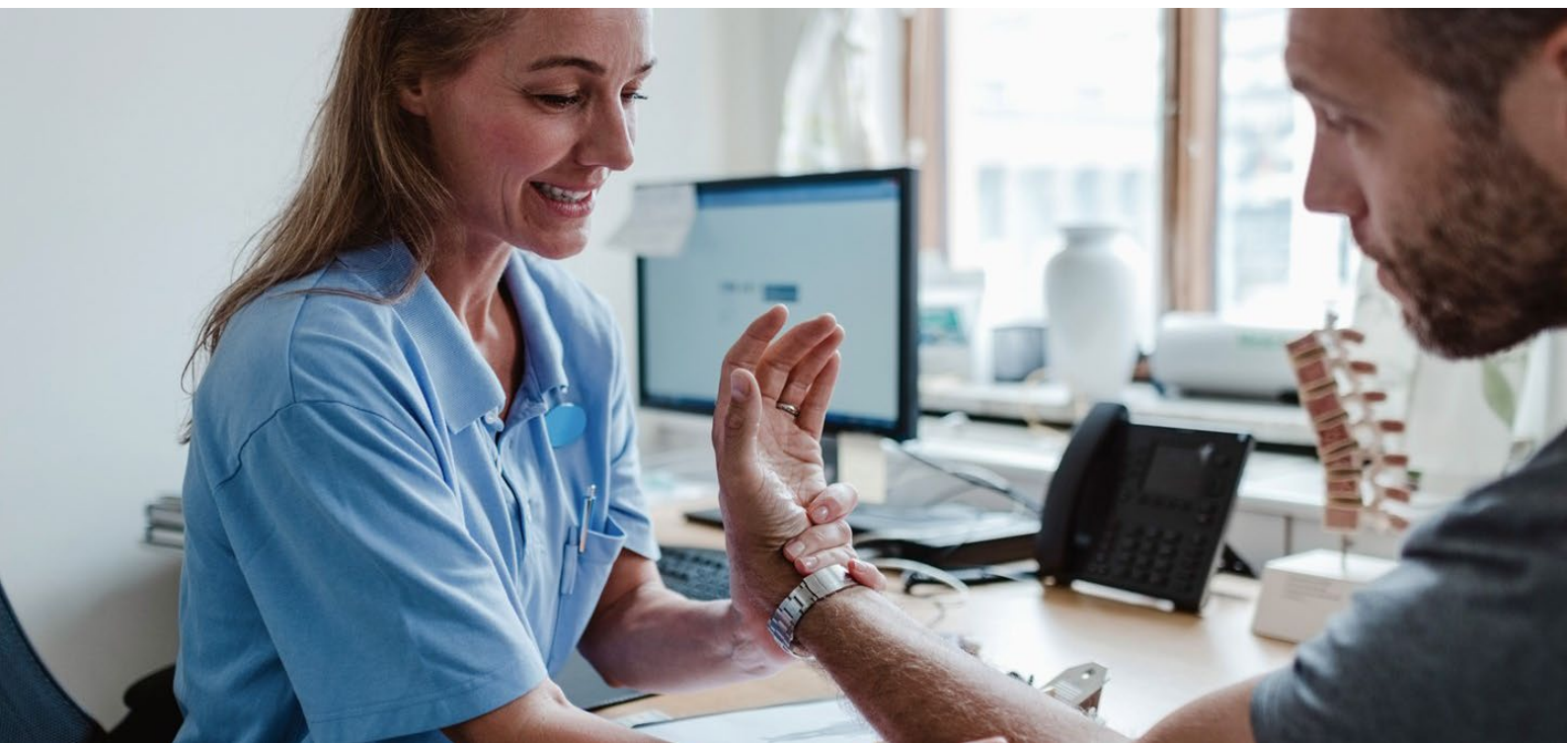
Area	Target	Indicator	Target	2022	2021	2020	SDG
Reducing the carbon footprint	Zero emissions from own operations in 2030. ¹⁾ Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects.	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018 (6,316.8 tCO ₂)	-100% by 2030	-61%	-89%	-66%	13
	We will reduce direct and indirect CO ₂ emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline).	Direct (scope 1) and indirect (scope 2) greenhouse gas emissions, tCO ₂	-80% by 2025	2,476.3	664.0	2,165.4	
Energy consumption	We will purchase 100% green electricity by 2025 ²⁾	Share of green electricity of all purchased electricity, %	100% by 2025	50%	89%	62%	
Waste recovery ⁴⁾	We will minimize waste in all of our operations and forward all waste to be recovered.	The recovery rate of waste generated at Terveystalo units, % ³⁾	100% by 2025	100%	100%	99%	12
		The recycling rate of waste generated at Terveystalo units, % ³⁾	100% by 2025	67%	64%	61%	
		Mixed waste intensity (mixed waste [metric tons] relative to total revenue [100 million])	Annual reduction	5.8	6.4	6.0	

¹⁾ Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects. Our aim is to eventually discontinue compensation measures and to achieve zero emissions in our own operations by 2030. In 2022 emissions were not compensated due to cost savings. The calculation of Scope 2 emissions is market-based. The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. The calculation of the market-based figure is based on the emission factor of the electricity purchased by Terveystalo in Finland, while the location-based figure is calculated according to a factor based on the source distribution of local energy production. The amount of green electricity from the electricity purchased in Sweden has been calculated according to the average share of green electricity in the Swedish market, since supplier-specific information is not available. The energy consumption and carbon footprint figures for 2022 also include operations in Sweden. Comparison years only include Finland.

²⁾ In the units where we purchase electricity ourselves.

³⁾ Excludes waste fractions that cannot be recycled or recovered under any circumstances, such as hazardous waste.

⁴⁾ Includes Terveystalo's operations in Finland.



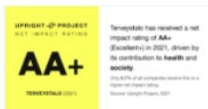
Our key commitments and sustainability indices

Terveystalo was the first Finnish health care company to be awarded the ISS ESG Prime responsibility rating. This means that we meet the highest ISS ESG responsibility standards in our industry and are among the top 10% in the ISS ESG Prime responsibility rating globally in our industry. We received above-average grades, especially for quality, patient safety, employee relations, and the work environment.

In 2021, Terveystalo received an AA + (Excellent +) rating in the Upright Project's net social impact assessment. The rating is higher than 93.3% of all evaluated companies, 96.1% and higher than the companies listed on Nasdaq Helsinki and 50% higher than other healthcare companies. Net impact refers to the difference between positive and negative effects, i.e., the comprehensive net value creation of companies. The Net Impact Scorecard tells you what resources a company is using and what it is achieving with them. The Net Impact Scorecard is an indicator of what resources a company uses and what it achieves with those resources. Inspired by credit ratings, the scorecard summarizes each company's net impact using a rating scale of AAA-CC.

Terveystalo is a member of the Finnish corporate responsibility network FIBS, a member of the Climate Leadership Coalition (CLC) climate network, and an official partner of Helsinki Pride in 2021 and 2022.

In 2022, Terveystalo completed the CDP (formerly the Carbon Disclosure Project) comprehensive climate assessment for the second time and was awarded a rating of C.

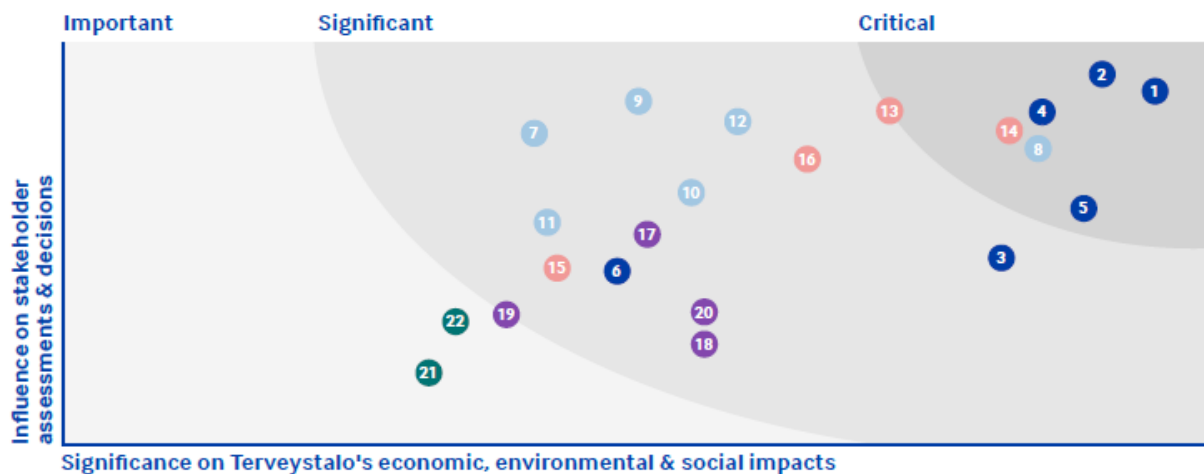


2. Materiality

In 2019, we defined our material aspects of sustainability in collaboration with the representatives of our key stakeholders. As part of the background work for the materiality analysis, we benchmarked the global leaders of our industry. To identify Terveystalo's sustainability and responsibility priorities, we arranged a workshop with our selected experts. After the workshop, we reinforced the results by conducting a survey targeted at our experts, which was then used as the basis for an online survey of stakeholders. Terveystalo's employees and private practitioners were particularly well represented in the survey. Other stakeholders represented in the survey included our shareholders, investors, media, and industry organizations. In addition to the online survey, we interviewed the representatives of our key stakeholders with the help of our partner Miltton. The order of priority of our material themes of responsibility was largely the same regardless of the stakeholder mix.

We find that the most material and critical factors for our operations fall under the responsibility theme of good health and well-being. Key factors acknowledged are quality and impact of care, patient security, availability of care, high-quality services, customer well-being, and preventing illness.

Ethical business and responsible work themes are also seen as critical and significant. These factors include data protection & information security, safety, employee well-being, and developing know-how of employees. Sustainable economic growth and responsible consumption & climate actions are also important but not as material for Terveystalo and stakeholders as previously mentioned.



Good health and well-being

- 1 Quality and impact of care
- 2 Guaranteeing patient security
- 3 Availability of care
- 4 Offering high quality services
- 5 Increasing customer wellbeing and preventing illnesses
- 6 Creating service innovations and developing operations

Ethical business

- 7 Preventing corruption and bribery
- 8 Ensuring data protection and information security
- 9 Respecting human rights
- 10 Responsible marketing
- 11 Using AI responsibly
- 12 Playing fair

Responsible work

- 13 Employee well-being
- 14 Guaranteeing safety
- 15 Diversity of employees
- 16 Developing know-how of employees

Sustainable economic growth

- 17 Responsible tax policy and paying taxes
- 18 Creating added economic value for the society and owners
- 19 Sustainable supply chain operations and the share of domestic purchases

- 20 Providing employment in Finland

Responsible consumption and climate action

- 21 Minimizing our carbon footprint
- 22 Material efficiency and recycling

3. Governance

The Board of Directors of Terveystalo is the highest decision-making body which oversees the sustainability related issues within the organization. The Board reviews and guides the sustainability strategy and major plans of action and monitors and oversees progress against goals and targets annually.

Terveystalo's sustainability and corporate responsibility efforts are guided by the company Code of Conduct, values, and strategic goals as well as the sustainability themes that are essential to Terveystalo stakeholders. The results of Terveystalo's sustainability efforts are monitored regularly. The most significant risks related to material non-financial themes are assessed and sought to be mitigated as part of the company's overall risk management process.

On the management level, the Quality Steering Group (*in Finnish: Laadun Ohjausryhmä*) chaired by Chief Medical Officer is responsible for the assurance and development of quality and patient safety and monitors the implementation and progress of the quality and sustainability measures. The Vice President, Communications, IR & CR (reporting to the CEO) are responsible for managing the process of setting new sustainability targets and coordinating sustainability initiatives within the company.

Risk management procedures are integrated into all levels of the organization. Terveystalo identifies risks using performance indicators, market statistics, effectiveness and register data, customer feedback, inspection reports and inquiries from the authorities, occupational safety risk surveys, incident information, results of internal audits and audits, and competitor information. Risk management is assessed annually through the following quality certificates:

- ISO 9001: 2015 quality system.
This certificate covers corporate management systems, business lines, corporate services, appointment services, hospital services, occupational health care, screening services, medical imaging services, laboratory services, dental care, customer services, health care staffing, biobanking activities, digital appointment services, and well-being services.
- ISO 13485 quality system.
This certificate covers the design, development, manufacturing, distribution, and sales of medical software.
- ISO 14001: 2015 environmental system.
This certificate covers corporate management systems, business lines, corporate services, appointment services, hospital services, occupational health care, screening services, medical imaging services, laboratory services, dental care, and customer services.

The company also has a Risk management and internal control policy to manage the different risk processes. Also, an internal audit verifies the processes and control duties. The Company has outsourced internal audits to be carried out by authorized public accountants.



Sustainability-Linked Financing Framework

This Sustainability-Linked Financing Framework has been developed in accordance with the Sustainability-Linked Bond Principles (SLBP), established by the International Capital Markets Association (ICMA) in June 2020, as well as the Sustainability Linked Loan Principles (SLLP) established by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and the Loan Syndications & Trading Association (LSTA) in February 2023. Terveystalo may under this framework issue financial instruments, including but not limited to bonds, loans and Schuldschein.

The Sustainability-Linked Financing Framework has been developed to be aligned with the five core components of the SLBP and SLLP:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Security characteristics
4. Reporting
5. Verification



ISS ESG will provide a Second Party Opinion on this Sustainability-Linked Financing Framework, which will be made publicly available at Terveystalo's website.

We believe that the services we provide have a significant role in society which gives us a responsibility to offer high quality healthcare services in a sustainable way. Thus, linking financing to the implementation of our sustainability strategy is a natural choice for us. Sustainability-linked financing will contribute to the awareness within all functions at Terveystalo and our commitment to our set-out goals, as well as offer an opportunity to communicate with investors and other stakeholders about our work within this area.

1. Selection of Key Performance Indicators (KPI)

These KPIs have been included for the purpose of this Sustainability-Linked Financing Framework as they mirror the key sustainability challenges the healthcare industry is facing. For Terveystalo, the main sustainability efforts selected for this framework relate to the Quality and impact of care. By concentrating the focus on this area, Terveystalo aims to improve service to its clients.



KPI 1 and 2 refer to UN Sustainable Development Goal 3 "Ensure healthy lives and promote well-being for all at all ages". KPI 1 more specifically addresses the sub-target 3.4: "By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being"

The KPIs are closely linked to topics number 1,4 and 5 in our Materiality analysis, being 1) Quality and impact of care 4) Offering high-quality services and 5) Increasing patient well-being and preventing illnesses. All of these are in the top-right "Critical" sphere of the materiality analysis.



KPI 1: Proportion of relevant occupational healthcare patients referred to short-term psychotherapy treatment

Mental health related issues are among the top three diagnosis groups in Terveystalo's patient data and a major cause of human suffering and related sickness absence days as well as early retirements in Finland. Depression alone causes a significant decline in the ability to work and function, in addition to which it impairs the quality of life. Improving fast access to appropriate care (short-term psychotherapy) for the two largest issues, depression, and anxiety, would have a major impact¹ on workability and individual wellbeing as well as costs related to absenteeism and early retirement for employers and society.

In 2022, a total of 118,391 (up by 1% vs. the previous year) occupational health patients were diagnosed with mental health issues at Terveystalo and a total of 2,047,543 days of sick leave were recorded for these reasons (down by 5% vs. the previous year). The average cost of one day of sick leave for an employer is approximately EUR 350 / day², indicating an annual cost of sick leaves due to mental health of EUR 716,640,050 in 2022 for our customer companies alone. Sick leaves related to two of the most common mental health diagnosis, depression or anxiety totaled 1,438,394 days, corresponding to an annual cost of EUR 503,437,900 in 2022.

Our long-term goal is to change the field of mental health services in Finland so that more and more people receive treatment at an early stage, freeing up resources for long-term rehabilitative psychotherapy for those who need it because of the severity of their illness. Currently, patients even with mild symptoms end up in rehabilitative psychotherapy (if they receive care at all) without an effective treatment attempt in the early phase.

The purpose of the KPI is to depict how well we refer our occupational health patients in need of psychotherapy to effective treatment in line with the Current Care Guidelines³. Our goal is to provide an increasing proportion of our customers with referrals to short-term psychotherapy in occupational health services.

The KPI represents the proportion of occupational health patients who have received a depression or anxiety diagnosis and a consultation referral to short-term psychotherapy. We want to enable short-term psychotherapy treatment to start without delay, in a timely manner, and in the early stages of the medical condition. Psychotherapy is a primary treatment method in line with the Current Care Guidelines for treating mild and moderate depression and anxiety disorders. Terveystalo monitors the effectiveness of short-term psychotherapy with CORE-OM (Clinical Outcomes in Routine Evaluation)⁴ and PHQ-9 (Patient Health questionnaire- nine items version)⁵. The results show that well-being and performance are significantly improved after short-term psychotherapy, while risk behavior is reduced, and PHQ-9 scores return to normal levels.

Feeling depressed or anxious occasionally is part of being human, and these normal emotions should not be diagnosed as a medical condition, nor should they be treated. However, if these feelings persist for longer periods - several days or even weeks - or cause distress to the individual, it may be helpful (e.g. with a psychotherapist) to evaluate the possible underlying causes and examine ways to ease symptoms and related distress.

A diagnosis of depressive or anxiety disorder (e.g. major depression, panic disorder, social phobia) is based on:

- a) a thorough evaluation of the current symptoms & checking that the symptom criteria are met (each disorder is defined in the diagnostic manual by its own, unique set of symptoms). Diagnostic criteria usually include some form of temporal criterion, e.g. for major depression it is required that the symptoms have been present at least for two weeks.
- b) after the presence of symptoms is confirmed, it is necessary to assess how the symptoms affect functioning. A diagnosis of depressive or anxiety disorder requires that the symptoms cause marked distress or impair the individual's ability to function.
- c) in order to make a specific diagnosis, it is usually necessary to exclude other possible causes of symptoms - psychiatric disorders or medical conditions (e.g. hypothyreosis).

- 1) <https://www.kaypahoito.fi/nak06944> Terveystalo clinical results support the research findings, that well-being and performance are significantly improved after short-term psychotherapy, while risk behavior is reduced, and PHQ-9 scores return to normal levels.
- 2) Source: The Confederation of Finnish Industries. Based on different estimates. At the workplace level, costs can deviate significantly up or down.
- 3) Current Care Guidelines (Käypä hoito -suositukset) are independent, evidence-based clinical practice guidelines. These national guidelines cover important issues related to Finnish health, medical treatment as well as prevention of diseases. The guidelines are intended as a basis for treatment decisions and can be used by physicians, dentists, healthcare professionals, and citizens. The guidelines are developed by the Finnish Medical Society Duodecim in association with various medical specialist associations. The Current Care editorial team is responsible for the production of the guidelines. The guidelines are produced with public funding.
- 4) The CORE Outcome Measure (CORE-OM) is a self-report measure of psychological distress designed to be administered during a course of treatment to determine treatment response. The broad-spectrum nature of the measure means it captures a wide variety of problems associated with mental health difficulties, beyond typical symptom measures. The client is asked to respond to 34 questions about how they have been feeling over the last week, using a 5-point scale. The scale covers four dimensions:
 - a. Subjective well-being
 - b. Problems/symptoms
 - c. Life functioning
 - d. Risk/harmWhen the questionnaire is administered periodically comparison of the pre-and post-therapy scores offers a robust measure of 'outcome' (i.e. whether or not the client's level of distress has changed, and by how much)
Source: <https://novopsych.com.au/assessments/outcome-monitoring/clinical-outcomes-in-routine-evaluation-core-om/>
- 5) PHQ-9 is a useful clinical and research tool for making criteria-based diagnoses of depressive disorders. It is also a reliable and valid measure of depression severity.
Source: Kroenke K, Spitzer R L, Williams J B (2001). The PHQ-9: validity of a brief depression severity measure. *Journal of General Internal Medicine*, 16(9): 606-613. Kroenke, K.



KPI 2: Average Net Promoter Score (NPS)

Terveystalo strives to offer its patients a superior service experience. While Terveystalo measures the clinical quality of care with multiple KPI's, the NPS is the best measure of the patients experience of care which also correlates with the quality of care. The KPI is widely used within the industry, enabling comparison between different care providers. In the NPS survey, we randomly ask individual patients to assess their willingness to recommend our services. The NPS can range between -100 and 100. NPS over 50 is considered to reflect a good customer experience.

1.1 KPI definition

KPI 1	Proportion of relevant occupational healthcare patients referred to short-term psychotherapy treatment			
Definition	Percentage of occupational healthcare patients with a depression or anxiety diagnosis, who have received a consultation referral to short-term psychotherapy.			
Scope	Occupational healthcare patients (51% of Terveystalo's patients in 2022)			
Calculation method	Occupational healthcare patients with a depression or anxiety diagnosis who receive a referral to short-term psychotherapy / Patients within occupational health with a depression or anxiety diagnosis.			
The rationale for choosing the KPI	Mental health-related issues are among the top three diagnosis groups in Terveystalo's patient data and a major cause of human suffering and related sickness absence days as well as early retirements in Finland. Assigning the correct treatment for mental illness is one of Terveystalo's priorities for the coming years. Patients receiving short-term psychotherapy care have been shown to recover quicker, than those receiving only sick leave and/or medication, and therefore also have fewer sickness absence days.			
Historical performance		2020	2021	2022
	Occupational healthcare patients with depression or anxiety diagnosis	48,236	55,299	58,301
	Of which have received a referral to short-term psychotherapy	2,131	3,426	4,944
	Proportion referred to short-term psychotherapy treatment (%)	4.4%	6.2%	8.5%
	The number of diagnoses for depression or anxiety has steadily grown in recent years. Terveystalo has invested in the development of treatment pathways for these illnesses and increased the share of patients who receive a referral to appropriate care, i.e., short-term psychotherapy. Despite major improvement in the number of referrals (98% CAGR), the share of patients receiving referrals remains very low, leaving much room for further improvement.			
Baseline year	2022			

Definitions

Occupational health care: Terveystalo provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is a leading provider* of occupational health services in Finland providing services for over 27,000 companies in Finland, which have approximately 670,000 employees covered by these services. The scope of services varies between companies, but in addition to statutory preventive occupational health services, it typically includes also primary care and secondary care, covered by the employer. The statutory task of occupational healthcare is to prevent work-related adverse health effects. Preventive services include, for example, workplace surveys to examine the conditions and exposures at the workplace; health examinations; suggested measures to improve work conditions and to promote the employees' ability to work; guidance and counseling; participation in the planning and implementation of measures that maintain work ability; promotion of coping at work and, when necessary, referrals to rehabilitation in case of reduced work ability; guidance in first aid preparedness at the workplace; and assessment and monitoring of the quality and impact of occupational healthcare activities.

**According to the view of Terveystalo's management based on revenue*

Referrals are counted as one referral per patient per calendar year, irrespective of how many psychotherapy visits a patient has per year.

Short-term psychotherapy:

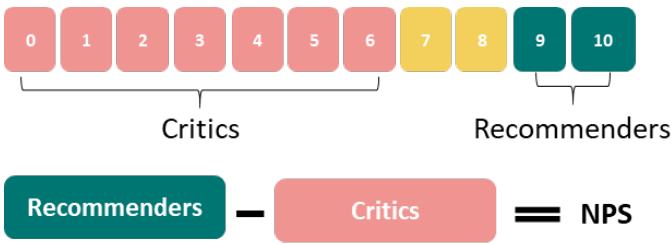
Psychotherapy is a form of psychological treatment aimed at increasing a person's mental health, and ability to work and function, in which a central method is a discussion with a psychotherapist. Various homework and exercises and functionalities during psychotherapy visits are often used to support the treatment. Psychotherapy is used to treat mental strain and mental health problems and aims not only to alleviate mental suffering and improve functioning but also to support psychological growth and development and to increase a person's ability to face challenging things on their own. Short-term psychotherapy usually includes 10-20 sessions and is a focused, goal-oriented treatment for mild to moderate common mental health disorders such as anxiety and depression disorders. At Terveystalo, short-term psychotherapy is carried out by psychotherapists who are experienced in occupational health care, and the effectiveness of the treatment is monitored on a customer- and company-specific basis using CORE-OM and PHQ indicators.

Depression or anxiety diagnosis:

The diagnosis of depression is always based on the symptoms found in the interview, the number, severity, duration, and temporal prevalence which led to a diagnosis. Depression includes International classification of Diseases tenth version (ICD-10) diagnostic codes F32, F32.0, F32.1, F32.2, F32.8, F32.9, F33, F33.0, F33.1, F33.2, F33.4, F33.8, F33.9, F34, F34.0, F34.1, F34.8, F34.9

Anxiety includes ICD-10 Codes F40, F40.0, F40.00, F40.01, F40.1, F40.2, F40.8, F40.9, F41, F41.0, F41.00, F41.01, F41.08, F41.09, F41.1, F41.2, F41.3, F41.8, F41.9, F42, F42.0, F42.1, F42.2, F42.8, F42.9, F43, F43.0, F43.00, F43.01, F43.02, F43.1, F43.2, F43.20, F43.21, F43.22, F43.23, F43.24, F43.25, F43.28, F43.29, F43.8, F43.9.



KPI 2	Average Net Promoter Score (NPS)			
Definition	The NPS figure indicates the proportion of our patients who would recommend Terveystalo services to others			
Scope	Patients who have visited Terveystalo clinics in Finland			
Calculation method	<p>The NPS measures an individual patient's experience of the service received shortly after the service experience. The patient is asked to rate how likely (on a scale of 0 to 10) the patient would recommend our service. The recommendation index is calculated by subtracting the share of those who responded on a scale of 0-6 (i.e., the share of critics) from those who responded on a scale of 9-10 (i.e. those who recommended). The NPS score will be calculated as an average number from and including the year of issuance, until the full calendar year ahead of the testing date.</p>  <p>NPS is a sensitive metric – it responds quickly to patient satisfaction or dissatisfaction. The customer experience may be affected by e.g. availability of appointments, adherence to schedule, length of sick leave granted, etc. The NPS reading may therefore rise and fall sharply and must be earned every day, in every encounter.</p> <p>NPS measurement is conducted via SMS. An external partner sends text messages at random based on the running data provided to them and at the same time acts as an objective body in the validation of the results. The same patient can receive an NPS query via SMS up to once a month. The transmission frequency is about 4 hours after the visit or the day after the visit if the visit is in the evening. The current external partner is Dun & Bradstreet (DnB), but this can change from time to time.</p> <p>Any newly acquired clinic can be added to the KPI calculation as soon as possible but at the latest in the second full calendar year following an acquisition, giving Terveystalo the opportunity to fully integrate the acquired clinic to the Group, before including its key metrics for KPI calculations. The NPS query will be implemented in all new clinics located in Finland.</p>			
The rationale for choosing the KPI	The NPS is Terveystalo's most important measure of the quality of the customer experience. Terveystalo aims to stand out by providing an excellent experience in all customer encounters. The company develops its services by listening to patients and utilizing new technology.			
Historical performance		2020	2021	2022
	NPS	82.8	83.0	82.7
	Terveystalo has consistently improved its performance every year, starting from 2017 when the NPS stood at 66.9, in 2018 at 70.9 and in 2019 it reached 72.5. In 2020 and 2021 the Covid-19 pandemic impacted the mix of services that the company provided which may have had an impact on the perceived customer experience and subsequent NPS ratings.			
Baseline year	2022			

2. Calibration of Sustainability Performance Targets (SPTs)

The Target Trajectory consists of annual targets (per December 31st of each year) of which one or several will be designated as SPTs in the legal documentation relating to each Sustainability-Linked Financial Instrument.

SPT 1: Increase the proportion of occupational healthcare patients diagnosed with anxiety or depression who are referred to short-term psychotherapy treatment to 25% by 2026

SPT 2: Maintain an average Net Promoter Score (NPS) of 83 or above

SPT 1: Increase the proportion of occupational healthcare patients diagnosed with anxiety or depression who are referred to short-term psychotherapy treatment to 25% by 2026

The trajectory for SPT 1:

	2023	2024	2025	2026
Mental health treatment	11%	15%	20%	25%

Ambitiousness of SPT 1

Growing mental health challenges are a public health concern to which Terveystalo wants to find solutions that benefit a wider population and society. Terveystalo has been among the forerunners to develop fast access to appropriate care and efficient care pathways to the most common mental health-related issues, depression, and anxiety. Despite these efforts, only a small proportion of patients receive a referral to appropriate care, namely short-term psychotherapy. A significant improvement requires more investments in care pathways, training, and recruitment of professionals, and the ability to demonstrate the effectiveness of this treatment and resulting cost savings for the employers to persuade them to include these services in their occupational health contracts. An increase from the current level of 8.5% (2022) to 25% is an ambitious target as the number of people suffering from depression or anxiety is growing each year. Achieving the target requires major development of processes as well as training and recruitment of professionals.

Strategy to achieve SPT 1

Terveystalo has identified several measures to reach the ambitious targets. The main measures include but are not limited to:

- A treatment protocol for anxiety and depression has been formulated, and a protocol for short-term psychotherapy will follow. Along with the protocols, also measurements and indicators for their performance will be made and turned into action.
- Occupational healthcare teams will be regularly trained for recognition and treatment (referring to short-term psychotherapy) of common mild mental health disorders and following the current treatment guidelines.
- Medical leaders will follow the performance of this KPI constantly. A focus unit for mental health care provision will also follow the effectiveness and usage of psychotherapy.
- Sales and marketing will promote the inclusion of this service into occupational health plans and the effectiveness of provided treatment will be constantly reported to patients to promote the usage of this service.

- The People and Careers unit will enhance recruiting professionals to produce services and our units will welcome these professionals and help them to integrate into the company.

Benchmarking of SPT 1

We are the first company to publicly track a KPI on mental health treatment, that we are aware of. Similar projects are undergoing in other companies as well as in public health care, but no public benchmark could be found on this topic.

SPT 2: Maintain an average Net Promoter Score (NPS) of 83 or above

The target for SPT 2:

Maintain an average Net Promoter Score (NPS) of 83 or above.

Ambitiousness of SPT 2

The NPS is Terveystalo's most important measure of the quality of the customer experience. Terveystalo aims to stand out by providing an excellent experience in all patient encounters. The company develops its services by listening to patients and utilizing new technology.

NPS is a sensitive metric – it responds quickly to patient satisfaction or dissatisfaction. The customer experience may be affected by e.g. availability of appointments, adherence to schedule, length of sick leave granted, etc. The NPS reading may therefore rise and fall sharply and must be earned every day in each encounter.

Terveystalo has an exceptionally high NPS compared to the industry average (38) and maintaining this high performance requires consistent work. The calculation methodology is the same for all NPS scores, however, the timing and format for asking the customers for feedback might differ between companies.

Strategy to achieve SPT 2

NPS is used as a quality metric and customer experience management tool in the clinic network.

In addition to monitoring the realization of clinic-specific targets, open customer feedback is analyzed to identify factors that drive NPS output up or down.

Each clinic has a Quality Management Team, whose job it is to foster a culture of continuous improvement in the customer experience and to identify areas for improvement, monitor the impact of corrective actions on NPS feedback and results, as well as to identify and further strengthen the strong areas and leverage them to increase the NPS.

As a new initiative, Terveystalo has launched NPS measurement on an individual professional level. Typically, much of the process and digital development in healthcare is done outside the patient room, and healthcare professionals receive little direct feedback from the patient or tools and support for their professional development. We are changing this by using the NPS data also on an individual professional level. In addition, we are building support models for the employee's resilience and for receiving feedback. This directly impacts the core of Terveystalo's operations.

The first pilot trials were conducted during the summer of 2022 with encouraging results. The management system and reporting model was built for individual level measurement and we have expanded the measurement to all physician appointments in both digital and physical channels from the beginning of 2023. By the end of 2023 the measurement will be expanded to all patient facing healthcare professionals.

Additionally, Terveystalo aims to automate nonvalue-adding parts of the care chain, so that the professionals can focus on the most value-adding tasks, most importantly interaction with the patient.

Benchmarking of SPT 2

The NPS score can generally be assessed across industries based on the following guidelines*:

- NPS higher than 30 = the company has far more happy customers than unhappy ones
- NPS over 70 means that your customers love you and your company is generating a lot of positive word-of-mouth from their referrals.
- The healthcare industry benchmark has increased by 11 points since 2020 to a score of 38.

The healthcare NPS benchmarks can differ, for example, a recent Forbes article explains that a score above 50 can be considered “excellent” for the healthcare industry.**

Top benchmarks for the healthcare industry***:

- Kaiser Permanente 48 (annual variation 28-48 since 2018)
- Clevelandclinic.org 51
- Mayoclinic.com 5

* Source: Retently

** Lauren Parr, Forbes, ‘How to use your Net Promoter Score (NPS) effectively in health care’, 16 August 2021, <https://www.forbes.com/sites/forbescommunicationscouncil/2021/08/16/how-to-use-your-net-promoter-score-nps-effectively-in-health-care/>

***High quality healthcare players, which report their NPS, 2021 benchmarks, source Customer Guru. It should be noted that external providers might have varying NPS calculation methodology and might not be directly comparable.



3. Security Characteristics

The financial and structural characteristics of any Sustainability-Linked Financial Instrument issued under this Framework will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a Trigger Event. Terveystalo commits to include both KPIs in each Sustainability-Linked Financial Instrument issued under this Framework.

3.1 Trigger Events

The occurrence of any of the following events (the Trigger Events) will trigger a change in the financial characteristics of the relevant Sustainability-Linked Financial Instrument as described below in 3.2 (Changes to the Securities Characteristics).

- Terveystalo's performance in relation to a KPI fails to meet the related SPT for the relevant Target Observation Date(s) as reported on or before the Reporting End Date following the applicable Reference Year is not achieved, or
- Terveystalo's reporting does not meet the requirements in accordance with section 4 (Reporting) of this Framework for each year up to and including the Target Observation Date relating to the Reference Year of the relevant Sustainability-Linked Financial Instrument, or
- The verification of Terveystalo's KPI performance in accordance with section 5 (Verification) of this Framework has not been provided and, where applicable, made public by the Reporting End Date for each year up to and including the last Target Observation Date relating to the Reference Year of the relevant Sustainability-Linked Financial Instrument.

The Target Observation Date is defined as the date on which KPI performance is to be observed and if applicable measured against a relevant SPT. The Reporting End Date for any given year up to and including the Reference Year shall be the date falling 120 days after the 31st of December of the applicable year. The Reference Year means the twelve-month period ending on the Target Observation Date

3.2 Changes in Security Characteristics

The occurrence of a Trigger Event will result in a change in the financial and/or structural characteristics of the relevant Sustainability-Linked Financial Instrument as described in the applicable legal documentation.

Sustainability-Linked Bonds issued under this Framework will take the form of a step-up in the coupon or a premium payable on the redemption price. Sustainability-Linked Loans will have financial characteristics that allow for both increases and decreases in the margin.

3.3 Fallback mechanisms and exceptional events

Any newly acquired clinic can be added to the KPI calculation as soon as possible but at the latest in the second full calendar year following an acquisition, giving Terveystalo the opportunity to fully integrate the acquired clinic into the Group, before including its key metrics for KPI calculations. The NPS query will be implemented in all new clinics located in Finland.

The KPI(s) and/or SPT(s) may be recalculated by Terveystalo to reflect any material change in:

- (i) the calculation methodology of the KPIs,
- (ii) a regulation that is relevant to the determination of the KPIs,
- (iii) the data due to better data accessibility or discovery of data errors, or

- (iv) the perimeter of the Group as a result of any acquisition, amalgamation, demerger, merger, corporate reconstruction, divestiture, or disposal, where any such change, taken individually or in the aggregate, has a significant impact on the levels of the Sustainability Performance Targets.

Any recalculation shall be performed in good faith, provided that:

- (a) in the reasonable opinion of the Issuer, such change has no material adverse effect on the interests of the Noteholders; and
- (b) an External Verifier has independently confirmed that the proposed revision:
 - (i) is consistent with the Issuer's sustainable strategy; and
 - (ii) is in line with the initial level of ambition of the Sustainability Performance Target(s),

all as described in the specific documentation of each Sustainability-Linked Financial Instrument and in the Framework.

Any such change will be communicated as soon as reasonably practicable by Terveystalo in accordance with the conditions detailed in the specific documentation of each Sustainability-Linked Financial Instrument.

The KPIs and SPTs set out in this Framework will remain applicable regardless of any changes to Terveystalo's sustainability strategy and ambitions. This includes any changes relating to the company's general sustainability targets and ambitions or changes in applicable benchmarks or industry standards. Any new or updated Sustainability-Linked Financing Framework, in relation to any subsequent Sustainability-Linked Financing Instrument, shall not have any implications on the Sustainability-Linked Financing Instruments issued under this Framework.

4. Reporting

To provide investors, lenders, and other stakeholders with adequate information about Terveystalo's implementation of its sustainability strategy, Terveystalo will provide relevant reporting on the progress made with respect to the KPIs and the achievement or not of the SPTs set out in the documentation relating to the relevant Sustainability-Linked Financial Instrument. Such reporting shall be made publicly available on an annual basis in the Progress Report (Progress Report) in relation to the previous calendar year. The Progress Report shall be published on Terveystalo's web page no later than the Reporting End Date.

The reporting will form the basis for evaluating the impact on the financial characteristics of any Sustainability-Linked Financial Instrument issued under this Framework, as outlined in section 3 (Security characteristics).

For Sustainability-Linked Bonds issued under this Framework, a change in the financial characteristics of the bond triggered due to failure to achieve the applicable SPTs, to report or to provide verification, will only occur after the Reporting End Date for the Reference Year, regardless of when a failure to report or provide the verification occurs.

The Progress Report will contain all the relevant information needed to assess the progress towards the SPTs including but not limited to:

- The performance of the KPIs, as per the relevant reporting year as per the Target Observation Date including the calculation methodology;
- Information about recalculations, if any, of the KPI levels as set out in section 3.3 (Fallback Mechanisms and exceptional events);
- Verification relating to the KPI performance, outlining the performance against the SPTs and the related impact, and timing of such impact, on the financial and structural characteristics of any security issued under this Framework; and

- Information on relevant updates to Terveystalo's sustainability strategy and/or governance with an impact on the KPIs and Target Trajectory.

Where feasible and possible the Progress Report will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities and changes to the organization, behind the evolution of the performance on the KPIs on an annual basis;
- Illustration of the positive sustainability impacts of any performance improvement;
- Updates on new or proposed regulations from regulatory bodies and authorities relevant to the KPIs and the Target Trajectory.

The Progress Report referred to above shall be verified by one or more External Verifiers as described in section 5 (Verification).

5. Verification

In order to provide transparency to investors, lenders and other stakeholders, and in alignment with the Sustainability-Linked Bond Principles and the Sustainability-Linked Loan Principles, Terveystalo will ensure an external and independent verification by one or more qualified external reviewers with relevant expertise, as outlined in the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, of its actual KPI performance level against the relevant SPTs in the Target Trajectory. The verification shall be conducted with limited assurance by the external reviewer. Terveystalo has the discretion to change the external reviewer subject to fulfilling the requirements set out herein.

The verification shall be made public together with Terveystalo's annual reporting on Sustainability-Linked Financial Instruments on the Terveystalo's webpage no later than the Reporting End Date, as outlined in section 3 (Security Characteristics).

In relation to any SPT, the verification, together with the applicable reporting, will form the basis for evaluating whether a Trigger Event has occurred with respect to any Sustainability-Linked Financial Instrument issued under this Framework as described in section 3 (Security Characteristics) above.

6. Second Party Opinion

Terveystalo has engaged ISS ESG as an external reviewer to provide, in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, an independent, ex-ante Second Party Opinion on Terveystalo's Sustainability-Linked Financing Framework. The Second Party Opinion will be made publicly available on the company's website.



Terveystalo