



# Sustainability-Linked Finance Progress Report 2023

(SLB Progress Report)

**Terveystalo**

## Introduction

This Sustainability Linked Finance Progress Report is prepared under the [Sustainability-Linked Financing Framework](#) of May 2023, the Terms and Conditions of the outstanding [EUR 100 million Sustainability Linked Notes](#) due in 2028, and the EUR 175 million Term Loan and Revolving Credit Facilities Agreement dated 26 October 2023.

The EUR 100 million Sustainability Linked Notes is due on 1 June 2028 and will bear a fixed annual interest rate of 5.375%. The bond was admitted to trading on Nasdaq Helsinki on 5 June 2023.

The Term Loan and Revolving Credit Facilities Agreement dated 26 October 2023 consists of a EUR 135 million Term Loan linked to sustainability targets and the refinancing of a EUR 40 million revolving credit facility (RCF). The term loan has a maturity of three years with a one-year extension option and is lump-sum. The maturity of the revolving credit facility is three years with a one-year extension option.

This report contains the status of the Sustainability Performance Targets and it should be read in conjunction with the Group Sustainability disclosure of 2023 published on 22 February 2023 and available at: <https://www.terveystalo.com/en/company/investors/reports-and-presentations>

## Selected Sustainability Performance Indicators and targets

### SPT 1: The proportion of relevant occupational healthcare patients referred to short-term psychotherapy treatment

Mental health issues are among the three most common diagnosis categories in Terveystalo and are a significant cause of human suffering, related sickness absences, and early retirement in Finland. Providing appropriate and effective treatment for mental health issues is one of the priorities of Terveystalo's medical quality development. Patients who receive brief psychotherapy recover faster than those given only sick leave and/or medication. Patients who go through brief psychotherapy also have fewer sickness absences. Terveystalo aims to increase the use of brief psychotherapy in occupational healthcare in the treatment of people diagnosed with depression or anxiety disorders. When more patients receive care at an early stage, resources for long-term rehabilitative psychotherapy are freed up for those who need it due to the severity of their condition. Terveystalo has systematically developed mental health care paths and increased the proportion of patients referred to brief psychotherapy.

Terveystalo's target is to increase the share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy to 25 percent by 2026. Going up from the current level to 25 percent is an ambitious goal, as the number of people suffering from depression or anxiety increases every year. Achieving the target will require the further development of processes, as well as the training and recruitment of professionals.

### SPT 2: Average Net Promoter Score (NPS)

NPS (Net Promoter Score) is Terveystalo's most important indicator 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 customers and utilising new technology. NPS expresses the share of Terveystalo's patients who would recommend Terveystalo's services to others. NPS is a sensitive indicator – it reacts quickly to patient satisfaction or dissatisfaction. The customer experience can be affected by the availability of appointments, staying on schedule, the perceived quality of care, or the duration of the granted sick leave, for example. For this reason, the NPS figure can increase and decrease sharply, and it must be earned every day in every encounter. Terveystalo's NPS is exceptionally high compared to the industry average (38), and maintaining this performance requires continuous effort.

The NPS can range between -100 and 100. NPS over 50 is considered to reflect a good customer experience. Terveystalo's target is to maintain a customer satisfaction score (NPS) of at least 83.

Please see the [Sustainability-Linked Financing Framework](#) for complete definitions and annual targets.

**Progress on Sustainability Performance Targets in 2023**

We are on track towards our 2026 targets for treating mental health issues and the quality of care.

**SPT 1: The proportion of relevant occupational healthcare patients referred to short-term psychotherapy treatment**

In 2023, the share of occupational health patients referred to brief psychotherapy was 10.8 (8.5) percent of all occupational health patients diagnosed with anxiety or depression. The total number of diagnoses of depression and anxiety in occupational health was 66,769 (58,301). The results achieved in 2023 were slightly below the target.

**SPT 2: Average Net Promoter Score (NPS)**

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In 2023, the NPS for appointments was 84.8 (82.7). The results achieved in 2023 were in line with the target.

**SPT progress:**

Target	Indicator (KPI)	Scope of application	Target level	Target year	Baseline	2021	2022	2023	2024	2025	2026
<b>Increase the share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy to 25% by 2026 <sup>1)</sup></b>	The share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy	Occupational healthcare customers in Finland	25 %	2026	2022						
			Target trajectory					11 %	15 %	20 %	25 %
			outcome				6.2%	8.5%	10.8% <sup>2)</sup>		
<b>Maintain a customer satisfaction score (NPS) of at least 83 <sup>3)</sup></b>	NPS (Net Promoter Score) for appointments	Terveystalo’s customers, who have visited appointments in Finland	At least 83	Continuous	2022	83.0	82.7	84.8			

1) 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.

2) The figure has been revised from the one presented in the annual report 2023.

3) NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo’s services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those who gave a score of 9–10 (promoters).

## Calculation methodology

SPT 1: 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.

SPT 2: The NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo's services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those who gave a score of 9–10 (promoters). NPS is based on the rolling 90-day average at the end of each reporting period.

The NPS can range between -100 and 100. NPS over 50 is considered to reflect a good customer experience.

## Examples of measures taken during 2023 impacting the SPT performance

In 2023, Terveystalo developed a reporting tool that the physicians in charge of each unit can use to review their unit's progress towards the goal, as well as compare their performance with that of a similar unit, enabling peer development. Terveystalo's Fokus Mieli special unit also monitors progress towards the goal and supports its achievement by providing training and communicating the importance of the topic, for example.

### **New Symptom Assessment Tool facilitates access to care and supports the work of healthcare professionals**

In 2023, all of Terveystalo's occupational health customers were given access to the Symptom Assessment tool, a CE-marked medical device that makes the use of occupational healthcare services significantly smoother in the event of illness. The Symptom Assessment tool refers the customer to the right specialist and the right channel in a timely manner. The tool also supports the work of healthcare professionals by taking care of certain routine tasks on the professional's behalf, allowing them to allocate more time to customer encounters.

When a customer has the need to contact their occupational healthcare provider and they use Terveystalo's digital channels, the customer is first requested to describe their symptoms. Based on the symptoms, the Symptom Assessment tool analyses the answers provided by the customer and refers them to the right specialist and the right channel promptly according to the urgency of the case. The answers provided by the customer are forwarded to the receiving specialist, which speeds up and improves the care the customer receives from the healthcare professional. Terveystalo's new solution was developed to make daily life easier for both healthcare professionals and customers.

Thanks to the referral model, the customer does not need to determine who is the right professional to treat their condition and what channel to use. The customer is referred to the appropriate professional and channel based on the answers they provide when using the Symptom Assessment tool. For example, a customer may find the best treatment for musculoskeletal disorders by having a direct appointment with a physiotherapist instead of a physician. Similarly, some conditions can be dealt with remotely, while others call for an in-person appointment.

The new referral model helps alleviate the shortage of physicians and improves access to care and the quality of care. Access to care is improved when customers are referred either to an in-person appointment or remote channels and the appropriate occupational healthcare professional, based on their symptoms. In the first round of customer feedback, the Symptom Assessment tool was rated 4 out of 5 for its ease of use. Having technology take over part of the routine tasks allows healthcare professionals to allocate more time to treat customers.

## Independent Practitioners Limited Assurance Report over selected KPI's within Terveystalo Oyj's financial agreements (EUR 100,000,000 Sustainability Linked Notes and EUR 175,000,000 Term Loan and Revolving Credit Facilities Agreement)

### To the Management of Terveystalo Oyj

We have been engaged by the Management of Terveystalo Oyj (2575979-3) (hereafter "Terveystalo" or the "Company") to provide limited assurance on Sustainability Criteria KPI 1 *Proportion of relevant occupational healthcare patients referred to short-term psychotherapy treatment* and KPI 2 *Average Net Promoter Score (NPS)* indicators set in the Sustainability Linked Notes and the Term Loan and Revolving Credit Facilities Agreement (hereafter "Sustainability Information") presented in the *Terveystalo Oyj Sustainability-Linked Finance Progress Report 2023* (hereafter "Progress Report").

The Sustainability Information subject to assurance is prepared by the Company based on reporting guidelines presented in the Progress Report (calculation methodology defined on page three of the Progress Report).

#### *Management's responsibilities*

The Management of Terveystalo is responsible for the preparation and presentation of the Sustainability Information in accordance with the reporting criteria, i.e. the Company's reporting guidelines presented in the Progress Report. The Management is also responsible for determining the Company's objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

#### *Our responsibilities*

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Sustainability Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information are free from material misstatement. The nature, timing and extent of the assurance procedures selected depend on professional judgement, including the assessment of material misstatement due to irregularity or error. We believe that the evidence we obtain is sufficient and appropriate to provide a basis for our limited assurance conclusion.

We are independent of the Company in accordance with the ethical requirements applicable in Finland to the engagement we have undertaken and have fulfilled our other ethical obligations under those requirements.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Procedures performed*

A limited assurance engagement on Sustainability Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed a member of Terveystalo's senior management and relevant staff responsible for providing the Sustainability Information;

- Assessed the application of the Terveystalo's reporting principles in the presentation of the Sustainability Information;
- Assessed data management processes, information systems, calculations and working methods used to gather and consolidate the Sustainability Information;
- Reviewed the presented information and assessed its quality and reporting boundary definitions;
- Assessed the Sustainability Information data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### *Inherent limitations*

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

#### *Conclusion*

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Sustainability Information subject to the limited assurance engagement is not prepared, in all material respects, in accordance with the Company's reporting guidelines presented in the Progress Report.

Yours sincerely

KPMG Oy Ab

Helsinki, 11 April 2024

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