

ESG Questionnaire 1/3

Question	Answer
General industry	
Please list the industry’s three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges	<p>The planned EU Social Taxonomy and UN SDG 3 Good Health and Wellbeing, outline the sustainability challenges in healthcare services (in developed nations) to be:</p> <ol style="list-style-type: none">Ensuring access to quality healthcare (including mental healthcare) for everyoneReducing the number of premature deaths caused by non-communicable diseases such as depression and lifestyle diseases through prevention and treatmentPromoting mental health and well-being <p>Environmental issues are also central to promoting health globally.</p>
Does the company have a Science Based Target, report to the CDP or engage in any similar sustainability initiatives?	<p>Terveystalo has submitted the CDP comprehensive climate assessment for years 2021 and 2022 with “C” rating. Terveystalo will continue reporting to CDP and developing its environmental agenda accordingly. Terveystalo does not have Science Based Targets but aims to set them in the coming years.</p> <p>In addition, Terveystalo is committed to the principles of the UN Global Compact initiative.</p> <p>Terveystalo is the first Finnish health service provider to receive the ISS ESG Prime sustainability rating and is a member of the Finnish corporate responsibility network FIBS, a member of the Climate Leadership Coalition (CLC) climate network.</p>
Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?	<p>Terveystalo has determined its taxonomic eligibility by examining its activities in relation to the economic activities listed in the taxonomy and their NACE codes. Only one of Terveystalo’s businesses is classified in taxonomy (12.1 Residential care activities, NACE code Q87). After this, Terveystalo has evaluated the taxonomy alignment of the operation. Based on this assessment, Terveystalo's activities listed in the taxonomy (12.1 Residential care activities) cannot be considered taxonomy-aligned, because the activities, due to their nature, do not target or support the achievement of the taxonomy's environmental goals. According to Terveystalo’s estimate, 1 percent of Terveystalo’s revenue, operating costs and investments are eligible with the current taxonomy and 99 percent are non-eligible. Furthermore, 0 percent of Terveystalo’s revenue, operating costs and investments are taxonomy-aligned, and 100 percent are non-taxonomy-aligned.</p> <p>Terveystalo strives to minimize the environmental impact of its operations and to promote the digitalization of health care, but these measures are not included in the current taxonomy.</p>
Environment	
Please list the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities	<p>The company estimates that, due to the nature of its business as a health care service provider with low carbon intensity and due to the location of its clinics and hospitals, climate-related aspects do not pose material financial or strategic risks to Terveystalo. Digitalization of healthcare has been identified as an opportunity.</p>
Does the firm anticipate any climate-related investments, and if so to what extent?	<p>Terveystalo continues to invest in the digitalization of its operations and developing commercial digital applications for other healthcare providers. These investments are primarily related to improving access and quality of healthcare but have climate-related positive impacts as well. In 2022, investments in intangible assets were EUR 26 Mill., corresponding to 45% of Capex and ~2% of revenue.</p>
Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?	<p>Terveystalo aims to minimize waste in all operations, increase recycling and the share of waste to be recovered. Targets are set for reducing the mixed waste intensity and increasing the recovery rate and recycling rate of waste generated at Terveystalo’s units. Terveystalo is committed to reducing the plastic waste generated by its operations in accordance with the EU’s plastic strategy. Terveystalo procurement takes environmental perspectives into account by, for example reviewing the packaging options offered by suppliers whenever possible and ensuring efficient inventory management.</p> <p>Terveystalo does not rely on any scarce resources.</p>
Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm’s offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?	<p>We have not identified any material risks to our business related to transition to carbon-neutral society. Terveystalo is an asset light service company that aims to have zero emissions from our own operations in 2030. So far, we have successfully decreased our Scope 1 and 2 emissions by 61% from 2018 baseline.</p>

ESG Questionnaire 2/3

Question	Answer
Environment, cont.	
Please disclose your Scope 1, 2 & 3 GHG emissions. If not available, do you have a time plan for when to start reporting?	In 2022, Scope 1 CO2 emissions in Finland totalled 134.5 (245.5) metric tons of carbon dioxide equivalent (tCO2e). In Sweden, Scope 1 emissions totalled 39.9 tCO2e. Scope 2 (market-based) in Finland totalled 2,199.6 (418.5) tCO2e and in Sweden 102.3 tCO2e. For indirect Scope 3 emissions, Terveystalo reports emissions arising from work-related travel by employees and waste created by the company's operations. In 2022, these Scope 3 emissions totaled 856.1 (411.1) tCO2e. Terveystalo aims to expand Scope 3 reporting in 2023.
Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?	Terveystalo's zero emissions in own operations in 2030. Between 2023 and 2030, any remaining greenhouse gas emissions will be compensated by investing in certified CO2 emission compensation projects. The aim is to eventually discontinue compensation measures and to achieve zero emissions in own operations by 2030. A further goal is to reduce direct and indirect CO2 emissions (Scope 1 and Scope 2) by 80 percent by 2025 (using 2018 as the baseline). As regards energy consumption, the target is for green electricity to account for 100 percent of the electricity purchased for Terveystalo's operations.
Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?	We prevent adverse environmental impacts by reducing energy consumption and transitioning to carbon-neutral energy, reducing the volume of waste created in our operations and increasing our recycling rate, optimizing the life-cycle of health care equipment with due consideration for technological development, taking environmental perspectives into account in our travel and car policy, developing digital services, taking environmental perspectives into account in centralized procurement and in developing our premises and ensuring efficient inventory management. These are linked to SDGs: 12,13.
Social	
Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?	Employees are covered by statutory insurance with respect to workplace accidents and occupational diseases. There has been no fatal accidents or accidents leading to serious injuries at Terveystalo. Terveystalo's accident frequency in Finland was 15 (20) in 2022, which is clearly below the average in the healthcare sector (34). Terveystalo continuously monitors and develops occupational safety. In 2021, we started work on the development of occupational safety in Finland, as part of which we started to reform occupational safety operating models, tools and guidelines, and drew up an action plan of measures that we will implement over the next few years in order to ensure the safety of our personnel at work even better than before. The action plan includes, for example, occupational safety training, clarified safety responsibilities and new operating models for assessing occupational safety risks, among other things. In 2022, these development measures were implemented across the organization. In Sweden (Feelgood), occupational health and safety is organized in accordance with Swedish legislation, and Feelgood has an ISO 45001 occupational health certificate.
If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team	Terveystalo observes the principles of equality, fairness, and non-discrimination. At Terveystalo no one is discriminated based on race, age, ethnic or national origin, nationality, language, religion, belief, opinions, health status, disability, sexual orientation or other personal reasons or circumstances. Terveystalo Plc and its subsidiaries in Finland prepare company-specific personnel plans, training plans, equality and non-discrimination plans and defined targets for improvement. In accordance with the diversity policy of the Board of Directors, the objective is to have a balanced gender distribution in the Board of Directors. At the end of 2022, two of the five members of the Board of Directors were women. Four of the eight Management Group members were women. Of all personnel, 72% are women.
Does the company conduct any other community engagement activities aside from those directly connected to the business?	We support carefully selected partners to strengthen our positive impact on society. Terveystalo is a partner of Helsinki Pride and Economy and Youth TAT that offers children and young people the opportunity to learn and get excited about working life and the economy, and to pursue an independent life as an active member of society. Additionally, Terveystalo donated care supplies such as syringes, needles, and protective equipment for crisis aid in Ukraine and made a EUR 100,000 donation to Doctors Without Borders for the operations in Ukraine in 2022.
How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?	Terveystalo buys services, materials and supplies for its clinics from more than 4,000 suppliers. To ensure the responsible conduct of suppliers, contractual suppliers and suppliers participating in tendering processes must approve the Supplier Code of Conduct. At the end of 2022, 80 (80) percent of suppliers representing 80 percent of Terveystalo's total procurement volume had approved the Supplier Code of Conduct. Terveystalo also uses a supplier self-assessment form to assess compliance with the Supplier Code of Conduct.

ESG Questionnaire 3/3

Question	Answer
Governance	
Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?	<p>Terveystalo has a mandatory training on compliance and Code of Conduct, including anti-corruption for all employees.</p> <p>Terveystalo has an external whistle-blower system (WhistleB) which is open to anyone. This system enables anonymous reporting of observed or suspected misconduct. Any suspected misconduct and violations are investigated appropriately and confidentially.</p> <p>Terveystalo does not have any ongoing or historical incidents involving corruption, cartels or other unethical business conduct.</p>
Please state the firm's business tax residence (i.e., where the firm pays tax) and explain why that specific tax residence was chosen	In accordance with Terveystalo's public tax strategy, we pay, collect, account, and report our indirect and direct taxes in full at the right time and place, i.e., where the economic activity, addition of value, and work generating the profit take place. This means that, as a Group, we pay almost all our taxes to Finland, which is where most of our operations take place. For the business segment Sweden, taxes are paid in Sweden.
How many independent members sit on the Board of Directors?	5/7 of the Board members are independent of the company and its largest shareholders.
Please state if and to what extent, the company has transactions with related parties	<p>The Company has documented guidelines to identify related party transactions as well as procedures to notify the Company thereof and to handle such transactions. The Company's financial administration monitors related party transactions as part of the Company's normal reporting and control procedures and submits regular reports on related party transactions to the Audit Committee. The Audit Committee monitors and evaluates transactions between the Company and its related parties to ensure that they are in the ordinary course of business and at arm's length.</p> <p>The Group's related parties include the parent company as well as subsidiaries and associated companies. In addition, related parties also include the members of the Board of Directors, Group management and the CEO as well as their close family members and entities in which they have control or joint control. Related party transactions which are not eliminated in the preparation of Terveystalo's consolidated financial statements are presented as related party transactions.</p>
Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?	<p>For 2021, the STI performance targets for the CEO were based on the Company's adjusted EBITA and revenue, as well as NPS, productivity, eNPS and attrition targets. Of these, the NPS, eNPS and attrition targets are linked to Terveystalo's sustainability agenda.</p> <p>For LTI in the performance period 2022-2024, the performance indicators based on which share rewards may be paid are absolute Total Shareholder Return (TSR) with 50 per cent weight and relative TSR (compared to the OMX HKI benchmark CAP GI index) with 50 per cent weight.</p>
Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken	<p>The Board of Directors of Terveystalo 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 in an annual review. All <u>key KPI's</u> related to Terveystalo's sustainability themes are monitored.</p> <p>Terveystalo reports on its progress against ESG targets annually in its Annual Report.</p>
Have you signed a Union agreement?	In 2022, approximately 65 percent of our personnel was covered by collective agreements, and the general increases determined in the collective agreements guide the salary development of this personnel group.