

ENVIRONMENTAL, SOCIAL, GOVERNMENTAL (ESG)

NLC Health Ventures

NLC is steadfast in its journey towards becoming a carbon-neutral company. We still have a way to go, and we're creating a roadmap on how to reach this goal as fast as possible. The following initiatives were launched as a first step on this journey:

NLC's Commitment to a Greener World

We fully support our employees in using public transport or biking to work, thereby reducing the impact of commuting. Our Sustainable Travel Policy, implemented at the end of 2023, not only promotes eco-friendly commuting. Trains are favored over airplanes for business travel whenever feasible, aligning with our planet-friendly approach and we are carbon offsetting all of our flights. However, we're not there yet. If we look at the travel movements in 2023¹m 77% of our international trips were by airplane, while the remaining 23% was by train or by bus. Of these airplane trips, 20% should be undertaken by train in the future, according to our newly implemented travel policy.

NLC's Commitment to Empowering Our Team

At NLC, we believe that our most valuable asset is our people. Our commitment to employee development, diversity, welfare, and safety goes beyond ESG; it's integral to our business ethos. If we look at the gender diversity of our employees, we observe a distribution of 54% female and 46% male. Our employees represent a great number of 26 different nationalities, with the majority originating from the Netherlands (43%), followed by Germany and Italy, both accounting for 5% each.

Engagement at NLC is measured through OfficeVibe's pulse surveys, every 2 weeks. Our employees give a 7.6 out of 10 as an overall engagement and satisfaction score, which is slightly above the average of 7.5 for our reference industry (Healthcare and social assistance). In terms of eNPS (employee Net Promotor Scores), NLC has recorded a score of 14 points. The eNPS is a simple way to track loyalty and pride for the organization and measures the likelihood of whether an employee would be willing to recommend your organization as a good place to work. Even though an eNPS of 14 is considered to be 'very good', there has been a decline of 11 points compared to the end of 2022. This decline has been noticed, and appropriate measures have been taken, to further support our employees to have a meaningful contribution in a scaling organization.

NLC's commitment to strong corporate governance

We adhere to good corporate governance principles and applicable corporate laws and regulations. We set ourselves high standards to implement these for the NLC group and for our ventures (taking into account that these ventures are early-stage startups). Every month, we organize update calls for our shareholders, during which we provide them with updates on the state of the business and the

¹ Only data available from August 2023 and onwards

opportunity to ask questions. Comprehensive quarterly management reports ensure transparency and engagement with our shareholders.

NLC's ventures

To assess progress consistently among our ventures, we've tailored an ESG survey, considering the size of the ventures, while ensuring comparability. These metrics reflect our dedication to transparently integrating ESG principles into our operations, recognizing the importance of responsible business practices in fostering a sustainable future. A selection of the data is shown below per ESG theme.

When examining the scale of our ventures, we've categorized them into three groups: those with fewer than 5 full-time employees (FTE), those with 5-10 FTE, and those with more than 10 FTE. Since the majority of our ventures are still in their initial stages of growth, they predominantly belong to the first group. This phenomenon can also account for any anomalies in the data, such as instances where the numbers in groups 2 or 3 deviate unexpectedly due to sample size effects.

Environmental performance

Many ventures are already implementing waste-reducing initiatives. In group 1, 32% of the ventures have such initiatives in place. Often, these smaller ventures feel that their impact might be limited. In contrast, 60% of the ventures in group 2 are actively engaged in waste-reducing initiatives. The percentage is slightly lower for group 3, with 50% of the ventures having implemented waste-reducing initiatives.

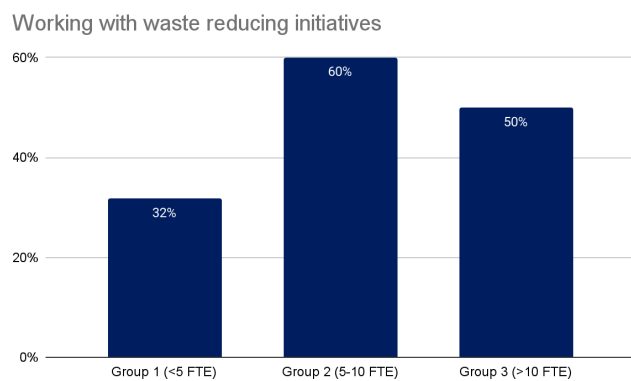


Figure 10.1 Percentage per group ventures with waste reducing initiatives

When examining ventures with a CO2 reduction policy, the second group achieves the highest score at 40%. In contrast, only 18% of ventures in group 1 have implemented a CO2 reduction policy, which could be relatively easy to implement in such small ventures. Surprisingly, none of the ventures in group 3 have a CO2 reduction policy, which may be unexpected for larger ventures.

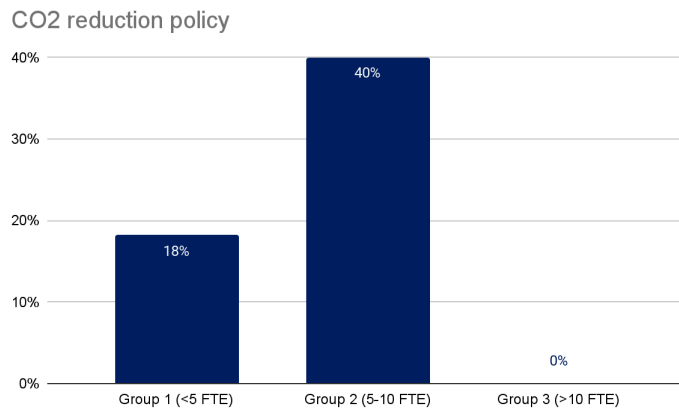


Figure 10.2 Percentage per group ventures with a CO2 reduction policy

Social performance

Group 2 performs very well in terms of having a female in the executive board, as 100% of these ventures have a female board member. Group 3 scores a bit lower at 75%. However, Group 1 has the lowest score by far at 30%, which can be explained by the high presence of 1-employee ventures with a male CEO.

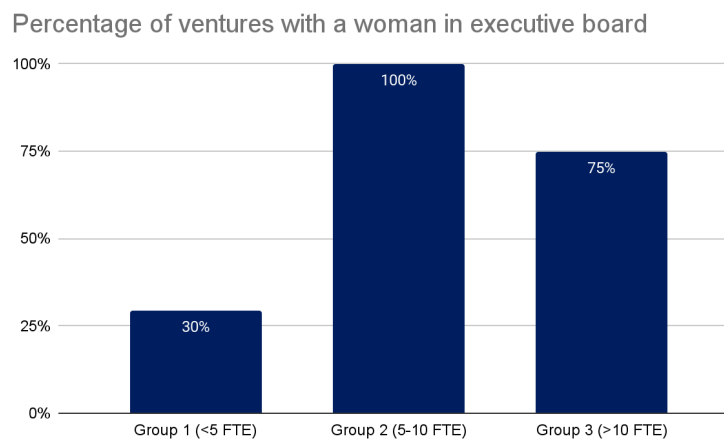


Figure 10.3 Percentage per group ventures with a woman in the executive board

Group 2 performs well in terms of gender distribution, with a ratio of 42 females to 58 males. Group 3, on the other hand, scores relatively lower, as the distribution is 30 females to 70 males. For Group 1, we don't pose this question, as most of these ventures consist of only 1 or 2 employees.

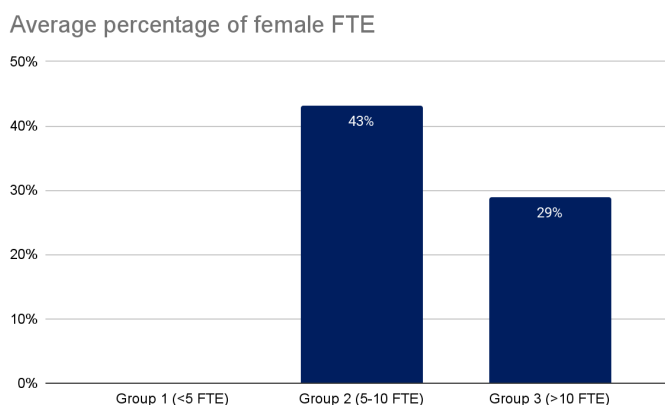


Figure 10.4 Average percentage of female FTE per group ventures (no data for group 1)

Governance performance

Looking at the ethics policies, there can be seen a nice increase in the different groups. For the first group, only 20% has an ethics policy. For group 2 this number is 40%, and for the third group, this number increases to 50%.

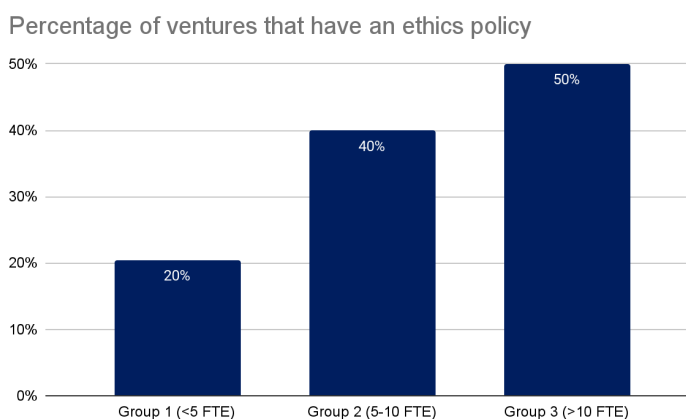


Figure 10.5 Percentage per group ventures with an ethics policy

Part of ESG is also the Principal Adverse Impact (PAI) and Do No Serious Harm (DNSH). You can read more [here](#) how we integrated this into our process.