

Northern Horizon Aged Care Social Infrastructure Fund :

# Frontrunner in social infrastructure investments and ESG

ESG Playbook

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This document is marketing communication relating to Northern Horizon Aged Care Social Infrastructure SCSp SICAV-RAIF ("ACSIF"), an alternative investment fund managed by Northern Horizon Capital AIFM Oy, an authorised alternative investment fund manager under Directive 2011/61/EU. This marketing communication is for PROFESSIONAL INVESTORS only.

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Investment involve risks. Key risks include, but are not limited to: real estate market risk, development and forward funding risk, tenant concentration risk, ESG implementation risk, regulatory changes (including EU Taxonomy and SFDR), and liquidity risk associated with long-term investments.

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# Impact-driven investments for a better future

**Aged Care Social Infrastructure Fund – ACSIF - is Northern Horizon’s most recent investment fund. Launched in 2024 as an evergreen fund, ACSIF builds on the long-term structural demand-supply imbalance for modern aged care facilities in the Nordic region.**

Through its social impact-driven investments, ACSIF adds new supply to the Nordic region and provides modern, sustainable care and living environments to communities with a sustained shortage of care beds.

Environmental criteria are a central pillar of the fund’s investment strategy, and stringent requirements are applied to new investments and for the ongoing efforts to improve efficiency and reduce the environmental impact of the buildings.

A close collaboration and ongoing dialogue with our tenants has enabled a 68% reduction in operational CO<sub>2</sub> emissions in 2025, mainly driven by many tenants transitioning to fossil-free electricity.

This dedicated work towards sustainable practices, carried out in close collaboration with tenants, resulted in ACSIF not only achieving the maximum five-star GRESB rating in 2025 and ranking #1 in its peer-group, but also being recognized as a Global Sector Leader 2025 by the organization.

The built environment is a major contributor to global CO<sub>2</sub> emissions. As a long-term investment manager, Northern Horizon recognizes its responsibility and has committed to achieving net-zero emissions across its operations, in line with the ambitions of the Paris Agreement.

ESG credentials have become a strategic asset for investors. The sector leadership has given ACSIF increased momentum with its target group of global institutional investors, while efforts to further improve ESG performance continue with the measurable milestone to reach net zero emissions.



## **GRESB Global Sector Leader 2025**

ACSIF was recognized as a 2025 Global and Regional Sector Leader in the non-listed healthcare category of the Global Real Estate Sustainability Benchmark for standing investments.

GRESB ratings are based on a self-reported assessment and may not be directly comparable across funds or over time.

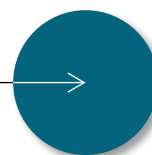




Today's leading international investors understand that high ESG standards are not a constraint on returns – they are a driver of them. A focus on ESG considerations creates long-term value through efficiency, resilience, and stronger protection against uncertainty through more durable cash flows. In a more volatile world, ESG analysis has become an essential consideration when identifying the right opportunities and appropriately safeguarding investments.

**Myles Grover, Principal and part of the Responsible Investment team, Townsend,** overseeing investments into Aged Care Social Infrastructure Fund on behalf of their investor clients.

# A long-term sustainable portfolio of social infrastructure assets



## Ageing is one of the biggest societal challenges facing Europe and the Nordics.

The rapidly growing population of elderly citizens has already resulted in a significant undersupply of care beds in the Nordic region, and the demand is expected to increase further in the coming decades.

Helping society care for the elders through investments in new, modern aged care facilities and similar social infrastructure assets is a driver for ACSIF.

The investment scope includes residential care assets such as aged care, senior housing, disabled care, rehabilitation facilities and other social infrastructure assets such as healthcare facilities, and day-care facilities.

In line with its SFDR Article 8 classification, ESG considerations are integrated into the investment selection and asset management processes of ACSIF.

## Key investment criteria



We prioritize prime, strategically well-located assets that are newly built fit-for-purpose properties or projects under development (forward purchase or forward-funding)



We target urban areas where we are seeing a significant need today and a projected shortage in the decades to come



ESG measures are integrated into the screening and selection process, and new investments are expected to achieve BREEAM certification of Very Good or an equivalent local standard at minimum



We partner with municipalities and the most established private operators and predominantly use long-term lease structures to ensure cash flow stability and predictable returns for our investors

ACSIF's  
asset portfolio  
by the numbers

76  
assets  
in operation

9  
assets under  
completion

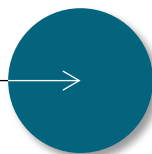
72  
residential care  
assets

4  
Other social infra  
assets

3,393  
care beds  
in total

210,997  
sqm  
portfolio footprint

# Screening and selecting the most sustainable investments



ESG requirements are fundamental to ACSIF's investment activities and are embedded as a formal and integrated part of the decision-making process for all new investments.

In accordance with the methodology described in ACSIF's SFDR disclosures, the fund has established minimum thresholds for sustainable investments, including an ambitious target of **at least 60% sustainable investments** and a corresponding robust **minimum of 30% taxonomy alignment**.

A third key requirement is the building's certifiability from a sustainability perspective. For new investments, a minimum certification level of BREEAM Very Good or equivalent is expected.

As part of the due diligence process for new investments, a comprehensive ESG due diligence assessment is conducted, typically combining onsite inspections with desktop research. The conclusions of the ESG due diligence are reviewed and signed off by Northern Horizon's Sustainability Manager and form an integral part of the Investment Committee's decision-making basis.

The ESG due diligence process includes, among other elements, a **physical climate risk assessment** that evaluates long-term risks in the context of a changing climate. The assessment is carried out by external consultants, who provide a report identifying and categorizing risks that must be addressed through an action plan before an investment decision can be made.

Where an investment decision is contingent on specific future ESG initiatives, Northern Horizon's Compliance Manager is responsible for follow-up and ensuring that all initiatives are implemented as intended.

The physical climate risk assessment also forms part of the **taxonomy alignment assessment**. Another key element of the ESG due diligence is the **CRREM assessment**, which evaluates stranded asset risk by assessing current and projected energy emissions against pathways aligned with the Paris Agreement.

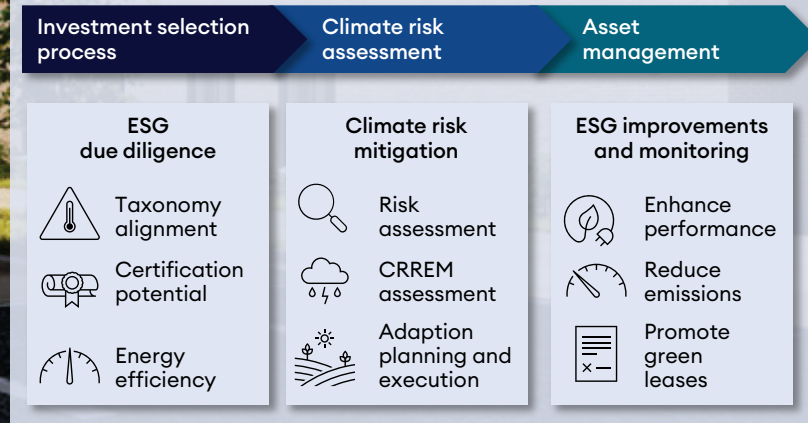
The ESG due diligence process also includes assessments of **social factors** and **biodiversity**.

## Case example

### Raising the ESG ambitions

In 2025, ACSIF acquired a hybrid care home development in Jyväskylä, Finland, in a forward funding deal. The building is under construction and will be completed by the end of 2026.

The asset was not originally designed to achieve certification, but with additional requirements, LCA calculations and the addition of 43kWp of solar panels, it is now targeting BREEAM In-Use Excellent.



## Diakonissestiftelsen Vallensbæk:

# Built to the highest sustainability standards

Located in Vallensbæk, a suburb of Copenhagen where the population aged 80+ is projected to increase by 23% by 2030, this newly developed elderly care home helps address growing demand for high-quality care capacity.

The property is one of ACSIF's most recent acquisitions, a forward purchase with handover in May 2026. It comprises 48 beds for residents requiring 24/7 care, as well as kitchen, communal and administrative facilities, across a total gross floor area of 4,000 sqm.

The project has been developed by SPD, a specialized Danish developer focused on care and senior living properties. **From the outset, the project has been designed with ambitious sustainability targets.**

The building has been constructed in accordance with **Gold-level requirements for DGNB certification**, a leading benchmark for responsible construction that reflects high Danish building standards.

This ambition is also reflected in the building's **EPC rating of A2020**, meaning it qualifies as a low-energy building and meets the highest energy efficiency standard under the Danish energy labelling framework.

The care home will be heated via **district heating**, a widely used heating source in Denmark. According to data from 2024, the district heating grid mix in the Vallensbæk North area is composed of 94% renewable energy.

The building's energy performance is further enhanced by **rooftop solar panels** covering 350 sqm, expected to generate around 69,000 kWh annually. This is projected to cover more than half of the building's expected electricity consumption.

The facility will be operated by Diakonissestiftelsen, a non-profit operator with a strong values-based DNA and more than 100 years of experience across elderly care, hospice, psychiatric care and childcare.

Energy efficiency is a key focus area for the operator. Since 2021, Diakonissestiftelsen has sourced certified green electricity through agreements with their energy supplier, ensuring a high share of renewable electricity consumption.

In parallel, Diakonissestiftelsen's heating supplier has increased the renewable share of its energy production, resulting in more than 88% of the operator's total energy consumption being sourced from renewable energy.



At Diakonissestiftelsen, a core value is to take responsibility for individuals and for the society we are part of. Sustainability is embedded in this commitment, and in this context, a particular priority for us is to use energy responsibly. This will also be a focus area at the new facility in Vallensbæk.

Anette Christoffersen, CEO, Diakonissestiftelsen

Dunja Lönnqvist, Sustainability Manager at Northern Horizon:

# Driving ESG excellence in Nordic healthcare real estate

Dunja Lönnqvist joined Northern Horizon in 2025 and leads the ESG agenda for ACSIF. She brings +10 years of experience working with sustainability from ESG consulting, the real estate sector, and as an expert in green building certifications.

Nine months into my role as Sustainability Manager, it has been extremely motivating and rewarding for me to work with ACSIF where ESG is not a parallel track, but a core part of the investment strategy and long-term value creation. **ACSIF combines high ESG ambition with real-world impact**, particularly within social infrastructure and healthcare, which gives the sustainability work a very tangible purpose.

My focus is on leading and coordinating the ESG agenda for ACSIF, setting the sustainability strategy and translating regulatory and investor requirements into action. Having said that, to drive the ESG agenda forward successfully, sustainability needs to be **fully embedded across the business**.

To ensure the strategic alignment, we have a quarterly **ESG task force** meeting spanning asset, investment, and fund management where we discuss ESG performance, investments in the properties, as well as strategy and implementation going forward. I am really proud of the engagement, also in the day-to-day collaboration which is very hands-on and built on close interaction across teams.

We continue raising the bar, and one of our biggest priorities is to switch from targets and frameworks to consistent implementation across the entire portfolio. During 2026, ACSIF will take an important step toward the **Science Based Targets** initiative, with the ambition to set **Net Zero targets**, including interim milestones, through to 2050. This will require robust data, clear prioritization of actions to take and even stronger alignment across the team.

As we move forward, there will be hurdles we will need to navigate. As a landlord, we do not control energy use in tenant-controlled areas, making collaboration and engagement essential. Another challenge relates to new development projects, where decisions on design, materials, certifications, and energy performance may in some cases be made before we enter the picture.

As a result, many initiatives will require a very close collaboration with tenants, as well as external partners, and may in certain cases involve additional costs for the fund. Our approach is guided by two key principles: long-term planning and careful prioritization.



In 2025, we were especially proud to be recognized as best-in-class globally in our category. It is a great honor to be acknowledged among leading peers for our sustained efforts and performance in ESG.

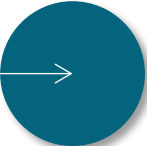
Dunja Lönnqvist, Sustainability Manager



The sustainability conversation has moved from ESG ambition to execution. Investors are increasingly backing GPs who can demonstrate how tangible actions – such as operational energy optimization and transition capex – translate into improved occupancy rates, lower risk, and stronger IRRs.

**Therése Lennehag, Global Head of AI & Sustainable Markets Advisory, UBS,** working closely with UBS Private Funds Group Real Estate team engaged as Placement Agent to Northern Horizon's Aged Care Social Infrastructure Fund.

# Unlocking value through energy efficiency and emissions reduction



We continuously work to improve the environmental performance of ACSIF's portfolio to secure operational resilience (including energy) and to reduce operational carbon emissions and also, ultimately to protect and enhance long-term value of the assets.

The fund has set a target of achieving net-zero operational emissions, which requires all assets to operate on 100% fossil-free electricity and heating.

Already in 2025, we achieved this milestone across landlord-controlled areas, where 100% of energy consumption is sourced from renewable or non-fossil energy.

We actively encourage our tenants to transition to fossil-free energy in their own procurement and to establish carbon neutrality targets for their operations.

97% of electricity consumption in tenant-controlled areas was fossil-free in 2025, including both purchased fossil-free electricity and on-site solar generation.

Energy efficiency remains a key focus area in our ongoing improvement efforts. In 2025, 60% of assets were classified as energy efficient (EPC A+B), as defined by SFDR disclosures. Here too, we work closely with tenants to drive performance improvements.

Our approach focuses on targeted upgrades to lower-performing assets, where property audits identify significant improvement potential.

We also have a strong focus on expanding on-site renewable energy generation. Together with tenants, we are actively identifying assets suitable for on-site solar energy deployment.

Today, solar panels are installed across 23 assets, contributing approximately 8% of total electricity consumption.

## Case example



### Solar panels to improve energy footprint


**Esperi Nokia** is a modern aged care home in Finland with 30 care beds. The facility is leased to Esperi, a well-established Finnish care provider, under a lease agreement that also includes green clauses.


Built in 2017, the asset was designed to meet the standards of its time. However, to meet today's evolving requirements and the shared ambitions for sustainability, targeted environmental improvements were needed.

In close collaboration with the tenant, rooftop solar panels were installed in June 2025.

In the first six months alone, the solar panels generated 8,262 kWh of renewable electricity.

The improvements have resulted in an EPC rating upgrade from C to B, indicating improved energy performance and lower energy consumption per sqm, also verified by the new E-figure showing lower energy use.

Before:   
EPC C  
E-figure 197

After:   
EPC B  
E-figure 150

# ACSIF sustainability highlights in 2025

## Energy usage

99% portfolio fossil-free energy coverage

100% landlord-controlled fossil-free energy coverage

96% tenant-controlled fossil-free energy coverage

60% of portfolio is energy efficient EPC A and B

23 assets have on site energy production

↓ 4% reduction in energy consumption per sqm from 2024 to 2025

↓ 68% reduction in GHG emissions from 2024 to 2025

## Social impact

272 new aged care beds provided in 2025

52 new disabled care beds provided in 2025

324 new care beds in total provided in 2025

## SFDR characteristics and risk assessments

85% sustainable investments defined by EU SFDR

64% EU Taxonomy alignment

100% CRREM risk assessment

100% physical climate risk assessment

## ESG certifications

### Asset certifications during 2025

2	DGNB Gold
2	Swan Label
2	BREEAM Excellent
5	Miljöbyggnad Silver
7	LEED Gold
16	BREEAM Very Good

73% portfolio certification coverage by total value

## Best practices

#1



Peer-group ranking in the GRESB assessment 2025



Global and Regional GRESB Sector Leader 2025

## Humana Falkenberg

# State-of-the-art, even after five years in operation

**Humana Falkenberg** is a modern, purpose-built elderly care home designed to support residents with care needs, including those living with dementia.

The facility comprises 60 beds across three floors and is located in the municipality of Falkenberg on Sweden's west coast, between Gothenburg and Malmö. It is operated by Humana, one of the leading care providers in the Nordics, founded in Sweden in 2001.

Falkenberg is one of Sweden's growing municipalities, with the population aged 75 and above expected to increase significantly in the coming years. By 2050, this age group is projected to be approximately 55% larger than today, driving increased demand for high-quality elderly care capacity.

The care home has been thoughtfully designed, with a strong focus on resident wellbeing and quality of life. It offers many communal facilities, including a shared rooftop terrace on the top floor. Residents also benefit from landscaped outdoor areas featuring a greenhouse for gardening activities, seating areas, and walking paths designed for short walks and outdoor recreation.

The asset was acquired by ACSIF in 2026 as part of a larger transaction involving six standing assets.

**During screening, the property stood out for its exceptionally strong ESG profile for assets in this region.**

The building holds a **BREEAM In-Use Very Good** environmental certification, is **taxonomy-aligned**, and has **no identified material climate risks**.

The energy performance is equally strong. The building has an **EPC rating of B** and is heated primarily through **fossil-free geothermal energy**, supplemented by electricity for water heating.

**Solar panels** have been installed across two of the care home's rooftops, covering a total area of 193 sqm. These are calculated to generate approximately 35,000 kWh annually.

In 2023, the building's Primary Energy Demand (PED) was 63 kWh per sqm per year, significantly below the benchmark of 99 kWh per sqm per year for comparable buildings under normal operating conditions.

Humana Falkenberg has been operational since 2021 and recently completed its five-year inspection. Even after five years of operation, the building continues to demonstrate state-of-the-art ESG performance, highlighting the quality of its design.



EU Taxonomy aligned asset



BREEAM In-Use Very Good

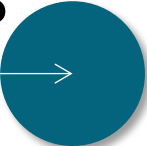


Solar panels



Energy efficient with EPC B

# Our approach to decarbonization and reaching net zero emissions



The global climate crisis is accelerating, with the built environment accounting for a significant share of global greenhouse gas emissions.

As a real estate investor and asset manager, we recognize both our responsibility and our opportunity to contribute to the transition toward a low-carbon economy, also if achieving this entails certain investments for the fund. Guided by the goals of the Paris Agreement, ACSIF is committed to reducing emissions across its portfolio and decarbonizing its operations.

As part of its decarbonization pathway, ACSIF monitors its exposure to energy-inefficient assets (EPC below B) and aims to progressively reduce this exposure over time through asset upgrades, active asset management, and the acquisition of energy-efficient assets.

Building on this approach, **Life Cycle Assessment (LCA)** is being incorporated into new development projects to better understand embodied emissions associated with the construction phase.

We have set short and longer-term sustainability goals to guide our efforts to reach net zero emissions in operations. In 2026, our focus will be on **validating and refining these goals in line with SBTi** and creating a roadmap for when they will be achieved.





Greater standardization has strengthened the role of ESG in investment decision by making performance more transparent and easier to evaluate and compare. Especially for international institutional investors, ESG criteria have become an important lens for assessing long-term value and risk, and strong ESG performance is increasingly favored because it signals lower risk, greater resilience, and stronger preparedness for uncertainty.

**Ilias Harcha, UBS,**  
overseeing investments into Aged Care Social Infrastructure Fund  
on behalf of their investor clients.



In days gone-by, discussions with large institutional investors revolved around returns and fees. In today's world, before we even get to discussing returns and fees, we are discussing 'asset stranding', 'climate risks' and 'fossil free portfolio percentages' as just an example.

Andrew Smith, Partner and Head of Fundraising

Andrew Smith, Partner and Head of Fundraising at Northern Horizon:

## Strong ESG credentials are a must-have for institutional investors

Focused on understanding the agendas and shifting requirements within the institutional investor segment, Andrew Smith reflects on the evolving role of ESG in the decision-making process for new investments.

My main focus over the past year has been on expanding the investor base for our flagship evergreen fund, Aged Care Social Infrastructure Fund.

Being a long-term investment product, ACSIF targets international institutional investors. What I have seen very clearly is a fundamental shift in how this investor segment approaches ESG.

Where ESG was once viewed as an added benefit, it has now become a core investment consideration. Today, high ESG standards are increasingly seen by the investors as essential to mitigating risk and protecting long-term value creation, making them one of the decisive factors in the investment decision process.

In my view, ACSIF is particularly well positioned in this context. In addition to its investment model, ACSIF offers a strong ESG profile due to its social impact and the high environmental standards it adheres to.

A contributing factor is the global frontrunner status that the Nordic region has in sustainability. This is where the fund makes its investments. Stringent building regulations, a highly developed public infrastructure, and world-leading progress in renewable energy and the transition away from fossil fuels create exceptionally strong foundations for sustainable real estate investment in the region.


We leverage these structural strengths to build a portfolio with ESG credentials that stand among the strongest both regionally and globally, underscored by our 2025 GRESB recognition. This position resonates strongly with institutional investors, who are taking an increasingly sophisticated interest not only in ESG outcomes, but also in the strategic depth and operational discipline required to deliver and continuously strengthen them.



## The social impact of social infrastructure investments

The ESG impact of ACSIF goes beyond environmental aspects.

To hear reflections on the social value created through investments in the segment and to get a sense of the living environments and quality of life offered in modern care homes in the Nordics, watch the interview with group CEO Christoffer Abramson on Northern Horizon's website:

 <https://www.nh-cap.com/real-estate-investment-with-real-impact>

The interview is recorded on-site at a care asset in Denmark owned by one of Northern Horizon's healthcare funds.



# Northern Horizon and ESG

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Northern Horizon is a leading specialized real estate investment manager in the Nordics with a 20-year track record in healthcare real estate. We invest institutional capital in healthcare social infrastructure and are committed exclusively to real estate investments in this segment.

Committed to address the undersupply of modern care beds, we work closely with developers, municipalities, and private care operators to provide modern, sustainable care and living environments in the Nordics.

We acknowledge that the built environment is responsible for a significant share of the world's CO2 emissions. Our two healthcare funds, **Aged Care Fund IV** and **Aged Care Social Infrastructure Fund**, are both aligned with SFDR Article 8, and we are committed to make sustainable investments, to improve the energy efficiency of our assets and to reduce emissions.

Our approach is aligned with the goals of the Paris Agreement, with the ambition to reach net zero operational emissions.

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**Northern Horizon is a member and signatory of the following internationally recognized ESG frameworks:**

Signatory of:





# Aged Care and Social Infrastructure

MANAGED BY NORTHERN HORIZON

## For more information

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