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## Independent Limited Assurance Report to the Directors and Management of Oceania Healthcare Limited

### Assurance Conclusion

Based on our limited assurance procedures described below, nothing has come to our attention that causes us to believe that Oceania Healthcare Limited's ('Oceania') FY23 sustainability performance, in relation to the Sustainability Performance Targets ('SPTs') and Key Performance Indicators ('KPIs') set out in the Compliance Certificate (the 'Subject Matter'), is not reported and presented, in all material respects, accurately and in accordance with Year 1 SPTs and their definitions and boundaries as set out in Oceania's Sustainably-Linked Loan ('SLL') agreement (the 'Criteria').

### Other Matters

Over the course of the first year of the SLL, Oceania has reviewed the methodology for KPI 3: Care Resident Wellbeing and as a result has made changes to the methodology triggering a Sustainability Event of Review. This has changed the Criteria for first year testing. The new methodology is outlined in Appendix B. Our opinion is not modified in respect of this matter.

### Scope

Ernst & Young Limited ('EY') has been engaged by Oceania to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, over Oceania's sustainability performance for the 12-month period ended 31 March 2023 ('Year 1 performance') against SPTs detailed in the Sustainability Linked Loan terms of agreement with various banks ('the SLL terms') (the 'Subject Matter') as disclosed in Oceania's SLL Compliance Certificate signed by Oceania directors ('Compliance Certificate').

The relevant KPIs are as follows:

- ▶ KPI 1: Greenhouse gas ('GHG') emissions
- ▶ KPI 2: Construction Waste to Landfill
- ▶ KPI 3: Care Resident Wellbeing

Specifically, the following disclosures from the Compliance Certificate are included in the Subject Matter:

- ▶ Confirmation that Oceania's performance in relation to SPT 1 and 2 is within the Neutral Performance Range per the SLL terms
- ▶ Confirmation that Oceania's performance in relation to SPT 3 met the threshold for a Sustainability Discount per the SLL terms
- ▶ Specific performance data cited as the basis for the above confirmations.

### Criteria applied by Oceania Healthcare Limited

In preparing the Subject Matter, Oceania applied the Year 1 SPTs and their definitions and boundaries as set out in Oceania's SLL documentation (as attached in Appendix A) ('Criteria').

### Oceania Healthcare Limited's responsibilities

Oceania's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000') and the terms of reference for this engagement as agreed with Oceania on 27 March 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



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#### **Level of Assurance**

A limited assurance engagement consists of making enquiries and applying analytical, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, these procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3, 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.

#### **Description of procedures performed**

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The engagement consisted of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other relevant procedures.

Our procedures included:

- ▶ Reviewing the policies and procedures established by Oceania related to the Subject Matter to assess whether they were aligned to the requirements detailed in the Criteria
- ▶ Interviewing selected group level personnel to understand key issues related to Oceania's KPIs and SPTs and relevant policies and procedures
- ▶ Checking the accuracy of reported sustainability performance for Year 1 of the SLL back to source data
- ▶ Comparing the FY23 performance against the Year 1 SPTs included in the SLL terms
- ▶ Seeking management representation on key assertions.

We also performed such other procedures as we considered necessary in the circumstances.

#### **Limitations on scope**

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 (NZ) and the Loan Market Association's *Sustainability Linked Loan Principles (February 2023)* is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Subject Matter and did not include statutory financial statements.

#### **Restricted use**

This report is intended solely for the information and use of Oceania Healthcare Limited and in accordance with the terms of reference for this engagement as agreed with Oceania on 27 March 2023. It is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young Limited  
23 May 2023