

2 September 2024

ESG QUESTIONNAIRE

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General industry

Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges:

- Data and privacy risks
- Talent attraction and retention
- Editorial and content related ethics both in learning and media

Sanoma Enterprise Risk Management Policy defines Group-wide risk management principles, objectives, roles, responsibilities and procedures, including sustainability-related risks. Risk management is integrated in Sanoma's management, strategic planning and internal control system, and covers all risk categories at Group, SBU and entity levels. It covers short-, medium- and long-term risks. Risk assessment results are reported to the Audit Committee and further to the Board of Directors at least annually. More information about the risk assessment process and the above described sustainability-related challenges is available in [Annual Report 2023, Risks and risk management](#).

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Sanoma's EU Taxonomy disclosure 2023 is based on the third annual assessment of Taxonomy eligibility and second annual assessment of Taxonomy alignment. For 2023, Sanoma reported the eligibility of all six environmental objectives with three KPIs – turnover, capex and opex. In addition, alignment was reported for climate change mitigation and adaptation. The Taxonomy currently focuses on the most carbon intensive industries, green energy and innovations. As a learning and media company, only a few of Sanoma's businesses are defined as Taxonomy-eligible activities, while none are Taxonomy-aligned. According to Sanoma's assessment, the following economic activities are identified as eligible under objective 2) climate change adaptation: 8.2 Computer programming, consultancy and related activities (digital learning businesses) and 8.3 Programming and broadcasting activities (TV and radio broadcasting business in Finland). According to Sanoma's assessment, the Taxonomy's economic activity 11 Education, only refers to the organising of public and private education, and thus does not cover Learning's business. The Taxonomy's list of potentially eligible activities does not include any news media related economic activities and therefore Sanoma's news media business is not considered as an eligible economic activity according to EU's classification. None of Sanoma's eligible activities were identified to substantially contribute to 2) climate change adaptation and therefore none of Sanoma's activities are Taxonomy-aligned. None of Sanoma's eligible activities include any Do No Significant Harm (DNSH) criteria. Sanoma has reviewed the Minimum Safeguards criteria related to the Taxonomy and complies with respect to human rights, bribery and corruption, taxation and fair competition. The Taxonomy regulation and reporting requirements will evolve in the coming years and Sanoma will continue annually disclosing its Taxonomy assessment according to the requirements. Read the full EU Taxonomy disclosure in Sanoma's [Annual Report 2023, EU Taxonomy disclosure](#).

Environment

Sanoma's climate-related opportunities are:

- Use of lower-emission sources of energy, paper and printing resulting in reduced indirect (operating) costs. Close cooperation internally and with suppliers can result in cost-savings through energy efficiency, efficient material usage, minimising waste and minimising travel.
- Active approach and visible measures in mitigating Sanoma's emissions can result in positive brand development. Shift in consumer preferences towards low carbon products can create opportunities to develop Sanoma increasingly towards a carbon neutral learning and media company. This can create further competitive advantages.

Sanoma's three primary risks related to climate change are:

- Changing customer behaviour and brand impacts: International consulting company Brand Finance has listed Sanoma one of the most valuable company brands in Finland. Reputational risks can affect Sanoma's brand and could reduce stakeholder interest to purchase from, invest in or work for Sanoma. Therefore, any mismatch in Sanoma's environmental actions could expose Sanoma to reputational risk.
- Transition risk through enhanced emissions-reporting obligations and regulation: Sanoma is exposed to a risk of increasing energy pricing, including the impact of carbon taxes, which could increase Sanoma's cost of operations. Office facilities use energy for heating and IT services and the printing facilities both in learning and media are also dependent on energy. Still, energy is only a small part of Sanoma's total operating cost.

- Physical risk, extreme weather such as flooding: Increased severity and frequency of extreme weather events such as floods or storms could lead to decreased revenues due to reduced production capacity in Sanoma's printing plants due to power cuts or delivery issues. We estimate this risk to be low.

Sanoma's climate-related investments are:

To mitigate climate-related risks and impacts, Sanoma has done several investments:

- Ambitious climate target setting: In 2023, the Science Based Targets initiative (SBTi) validated Sanoma's near-term science-based emission reduction targets for own operations (Scope 1 and 2) and value chain (Scope 3). Sanoma's target is to reduce Scope 1 and 2 GHG emissions by 42% and Scope 3 emissions from purchased goods and services, fuel and energy related activities, and upstream transportation and distribution by 38% by 2030 from a 2021 base year.
- Systematic accounting and management of climate action: Management and transparent reporting of Sanoma's emissions throughout the value chain in accordance with the GHG Protocol.
- Transition towards lower carbon economy: Transition towards lower carbon products through cooperation with suppliers and for example lower paper-specific carbon profiles. Sanoma's focus is especially on supporting paper and printing suppliers in reducing GHG emissions related to the materials' production and transport, and to ensure Sanoma's continued emission reductions in line with its targets. Sanoma favours suppliers that set ambitious energy and emission reduction targets to transition towards a low-carbon future. By the end of 2023, our value chain emissions decreased by 29% (2022: 8%) compared to base year 2021.
- Investments in transition to fossil free energy and energy efficiency: By the end of 2023, energy-related emissions for our own operations' declined by 31% (2022: 7%) compared to base year 2021. In Scope 2, our energy-related emissions declined by 54% (2022: 15%) as a result of investments towards fossil free energy sources. Sanoma has for example invested in renewable electricity production and planted solar panels on the roofs of Sanoma House in Helsinki and Manu printing house in Tampere. Sanoma has also invested in the use of renewable heating and cooling as well as AI optimisation of heating use.

Circular Economy: how are purchases and waste managed? If Sanoma relies 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?

In 2023, Sanoma used 63,000 tonnes of paper to produce learning materials, newspapers and magazines. Sanoma's Paper Procurement Standard is annexed to all paper procurement agreements with the suppliers. The aim is to ensure that paper used by Sanoma is produced responsibly and originates from certified, traceable and verified sources. Sanoma's target is that all wood fibre in paper qualities used by Sanoma originates from FSC or PEFC certified sources. Overall, driven by the prevailing trend of media consumers moving from printed to hybrid and digital media products, comparable paper usage is declining.

Transition-related risks: Does Sanoma 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, is Sanoma well positioned to handle that risk?

Risks: Risk of increasing costs of the production and transport of learning materials, newspapers and magazines due to carbon taxes or suppliers investing in carbon neutral production and transport. Close cooperation with suppliers increases visibility to the risk and helps anticipate changes in the supply chain.

Opportunities: Legislation and policies to speed up the climate change mitigation efforts by Sanoma's suppliers could support us in reaching Sanoma's climate goals. Sanoma has advanced its digital development in most products as far as or further than its peers. Further digitalisation will enhance carbon-neutrality as well as Sanoma's market position and profitability.

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

In addition to Sanoma's Science Based emission reduction targets, Sanoma aims to be carbon neutral in all operations in 2030. This means that Sanoma's aim is to take responsibility of the emissions that cannot be avoided or reduced by compensating.

Please list the firm's primary means of making a positive environmental impact or minimising negative environmental impact. List the corresponding most relevant UN SDGs. What proportion of sales can be directly linked to selected UN SDGs?

- Science Based Target for own operations: Sanoma commits to reduce Scope 1 and 2 own operations GHG emissions by 4.2% annually until 2030 from a 2021 base year (42% in total)
- Science Based Target for the value chain: Sanoma commits to reduce Scope 3 value chain GHG emissions from purchased goods and services, fuel and energy related activities, and upstream transportation and distribution by 4.2% annually until 2030 from a 2021 base year (38% in total)
- By the end of 2030, Sanoma aims to be carbon neutral throughout the value chain
- In addition to climate targets, Sanoma monitors energy, waste and materials consumption. Sanoma aims to use only fossil free energy, and all wood fibre in the paper qualities used by Sanoma to originate from trusted FSC or PEFC certified sources

Sanoma's climate-related action is communicated and KPIs reported in the Sustainability Report 2023 and at [sanoma.com](https://www.sanoma.com). Linkage to UN SDGs is described in the Annual Report 2023, Sustainability Scorecard. Most relevant UN SDGs from the environmental perspective are 12 Responsible consumption and production, 13 Climate action and 17 Partnership for the goals. Sanoma has not evaluated the proportion of sales directly linked to selected UN SDGs.

Social

Does Sanoma have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

No work-related, serious or fatal accidents took place in 2021–2023.

Sanoma's Human Resources management model ensures a well-organised management of the occupational safety, health, and wellbeing of our people. Sanoma provides occupational healthcare services, including preventive services, to all our employees to promote their health and maintain work ability. Sanoma owns two printing houses in Finland, where we focus on preventive measures to ensure safe work procedures. The work in the printing houses deviates from office work. Health risks are mainly related to tripping or slipping. Therefore, we follow and report accidents as well as high-potential injuries and close-calls at work concerning the two printing facilities in Finland. Both printing facilities have a safety management system in place, and accidents are reported internally to all printing facility workers and communicated on-site daily. Developing employee awareness is the primary method of ensuring safety at work. Likelihood of accidents is reduced by carefully processing every observation in our printing houses and reviewing it with employees to ensure the right precautionary attitude towards incidents. The lost time accident injury rate (LTA) for the printing facilities was 3.2 in 2023 (2022: 9.2). In 2023, 3 (2022: 4) injuries resulting in lost day occurred, 2 (2022: 1) of them when commuting to work.

If applicable, state the firm's targets for gender and cultural equality and indicate the relevant split of men/women at every level of the firm

Sanoma continuously strives to improve the diversity, equity and inclusion (DE&I) of its workforce. Investing in DE&I increases innovation, engagement and understanding of the customers and communities we serve. We believe that diversity is not enough without inclusion. Therefore, our strategic ambition is an inclusive culture where everyone is welcomed, respected and supported as their own true selves. We follow our progress in DE&I through chosen measurable targets and metrics. Providing equal opportunities is tracked using the Equal opportunities rating of Sanoma's annual Employee Engagement Survey. In 2023, the rating improved to 8.2 (2022: 7.7) which is above the European Benchmark of 7.0 and shows that Sanoma has progressed well in the development of a more equal and respectful working environment. During 2023–2024, Sanoma has continued the development work of DE&I with several initiatives.

Split of men/women at every level of the firm in 2023:

- All employees: 56% female / 44% male
- Board of Directors: 33% female / 67% male
- Executive Management Team: 50% female / 50% male
- Directors and Senior Management: 45% female / 55% male
- Managers with subordinates: 47% female / 53% male

Does Sanoma conduct any community engagement activities aside from those directly connected to the business?

In 2023, there was no new donation reserve proposed to the Annual General Meeting. The Board of Directors used its discretion and donation reserve from earlier years in supporting the Red Cross and several other initiatives with donations to help the relief work in Ukraine. In the future, Sanoma will continue supporting communities through cooperative initiatives related to for example literacy, media literacy and equal access to education.

How often does the company conduct audits of its suppliers? How often do you discover incidents not compliant with your code of conduct?

Sanoma is committed to responsible business practices and ethics throughout its supply chain. Sanoma's Supplier Code of Conduct sets out the ethical standards and responsible business principles suppliers are required to comply with and expected to also apply to their employees, affiliates and sub-contractors. Ensuring a sustainable supply chain begins from selecting suppliers. Sanoma's Know Your Counterparty (KYC) process identifies risks of doing business with third parties by looking at their ownership, activities and role. We annually follow the number of new Sanoma suppliers committed to the Sanoma Supplier Code aiming to have full coverage. In 2023, 92% (2022: 86%) of new key suppliers above EUR 100,000 spend signed our Supplier Code of Conduct.

Governance

Do all staff members receive continuing education on anti-corruption? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

The Sanoma Code of Conduct (the Code) outlines the shared ethical standards for employees and business partners, including anti-corruption. Employees are required to apply the Code and Sanoma's policies in full in their daily conduct and business decisions. Sanoma's anti-bribery and corruption policy gives specific rules and monetary limits for received and given gifts (EUR 75), and entertainment and hospitality (EUR 100), and sets out the process to seek further approval through a separate gift and hospitality tool if necessary. When it comes to public officials, receiving and giving gifts is always subject to approval.

Sanoma has two Code of Conduct e-learnings in place. Both include dedicated sections for general ethics, anti-bribery and corruption rules, competition law, privacy, security and compliance with supplier relationship management. As of 2022, the basic e-learning has been targeted at new employees and it is mandatory for all new employees. At the same time, existing employees are reminded of the ethics and principles of the Code through a mandatory refresher Code of Conduct e-learning, which is updated annually. In 2023, this refresher e-learning covered also current topics such as safe corporate culture and AI.

Violations of the Code, or any related policy or law, are encouraged to be reported through various reporting channels. Cases are reported via several channels (e-mail, top management, HR, internal audit), which indicates trust within the organisation. Sanoma offers an externally hosted, independent whistle-blowing hotline, which enables the Group's employees, customers and business partners to report suspicions of misconduct confidentially and anonymously. During 2023, in total 20 (2022: 16) potential cases of non-compliance were reported to the Sanoma Compliance and Ethics Working Group in confidence. All cases were investigated and reported to the Audit Committee of the Board responsible for the oversight. Nine out of 20 of the allegations were found to be partially or completely true. Two (2022: 3) out of these 20 cases were related to discrimination. All proven cases were handled with care and respecting the privacy of the parties. By the end of 2023, all nine alleged incidents had been resolved and the cases were closed.

Sanoma's business tax residence and explanation to why that specific tax residence was chosen:

Sanoma legal entities are tax registered in the countries where they have business operations (Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Poland, Spain, Sweden and UK). In accordance with Sanoma's Code of Conduct and Tax Policy, we are committed to comply with all applicable tax laws, rules and regulations.

Are there independent members in the Board of Directors?

After the AGM 2024, all members of the Board are non-executive and independent of the company. Seven out of eight members are also independent of major shareholders. Independence of the Board member is evaluated annually. More information is available at [sanoma.com](https://www.sanoma.com).

Please state if and to what extent, Sanoma has transactions with related parties:

Sanoma has a Related Party Policy, under which members of the Board of Directors, the Executive Management Team and the SBU management teams are under obligation to submit certain related party transactions, as defined in the Policy, for a prior approval. In addition, the Board Charter includes instructions for Board members' conduct in related party transactions and other conflict of interest situations. Sanoma reports related party transactions in accordance with IFRS. More information on transactions with related parties is available in [Financial Statements 2023, Note 6.1](#).

Which KPIs dictate the remuneration (are sustainability and diversity goals included)?

The HR Committee regularly evaluates the CEO's remuneration and benchmarks it in order to ensure a competitive and fair total remuneration opportunity compared to the relevant peers and markets. To encourage share ownership in Sanoma, shareholding guidelines for the CEO are in place to further support and align shareholder and top executive interests. In 2023, key financial KPIs linked to the CEO's short-term remuneration were Operational EBIT excl. PPA and Adjusted Free Cash Flow and in the long-term remuneration Adjusted Free Cash Flow and Operational EPS. Sanoma has embedded sustainability to the short-term incentives of the executive management. In 2023, sustainability targets made up 20% of Sanoma's short-term executive management incentives on the target level. Half of these targets were linked to the results of the Employee Engagement Survey (EES) and the other half to achieving internal third party data and privacy targets. More information is available in the Remuneration Report 2023 and Remuneration Policy that are available at [sanoma.com](#).

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. Confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

At Sanoma, sustainability is owned by the Board of Directors, the President and CEO, and the Executive Management Team (EMT). The CEO has the ultimate responsibility for successful implementation of the Group's Sustainability Strategy. Sanoma's Board of Directors approves strategic sustainability guidelines and monitors sustainability development and performance. Sustainability-related issues are reviewed, for example, when approving the Group's Financial Statements and the report of the Board of Directors including the NFRD non-financial information, annual short-term incentives for the executive management and Sustainability Strategy and targets. The Board of Directors' Audit Committee acts as Sanoma's Sustainability Committee and supports the Board, for example, in overseeing Sanoma's Sustainability Strategy and ethics, compliance, privacy and security programmes. The Audit Committee reviews Sanoma's sustainability reporting and progress as well as monitors the implementation of the strategy at least twice a year. In addition to regular agenda items, in 2023, the Audit Committee focused especially on preparations for the EU's Corporate Sustainability Reporting Directive (CSRD) and the reporting requirements of the related European Sustainability Reporting Standards (ESRS).

Together with the President and CEO, the EMT is responsible for outlining Sanoma's strategic approach to sustainability, managing sustainability development, and monitoring how sustainability is reflected in the business units. Sanoma's Sustainability Strategy and performance are regularly discussed with the President and CEO and the EMT prior to discussions with the Board of Directors and communication to stakeholders. Together with the business units, the EMT develops strategic sustainability guidelines and targets as well as approves major sustainability projects. In 2023, in addition to development work related to the CSRD, the President and CEO together with the EMT worked closely with the Sustainability Team and Treasury to develop Sanoma's sustainable finance opportunities.

Sanoma monitors sustainability progress both on the Group and Strategic Business Unit (SBU) level. The Head of Investor Relations and Sustainability, reporting to the CFO, and the Sustainability Managers support the Group and SBUs in target achievement, project implementation and communications. In addition, sustainability development on the SBU-level is supported by dedicated roles in Learning and Media Finland. In 2023, Sanoma's Sustainability Working Group met quarterly. In addition, Sanoma's Ethics and Compliance Working Group monitored ethics and compliance development work during 2023. From 2024 onwards, Sanoma has combine these groups into a Sustainability and Ethics Working Group.

Sanoma's Sustainability Scorecard includes a list of sustainability KPIs monitored through Sanoma's sustainability management model. Learn more at [sanoma.com](#).

Have you signed a Union agreement

Employees' right to freedom of association is an important value supported by Sanoma. As a signatory of the UN Global Compact, we commit to principle three on the right to freedom of association and collective bargaining. At the end of 2023, 70% (2022: 69%) of Sanoma employees were covered by collective bargaining agreements. In general, for employees not

covered by collective bargaining agreements, Sanoma determines their working conditions and terms of employment based on local labour legislation or collective bargaining agreements that cover other employees.

PAI – Principle Adverse Impacts

PAI – Principle Adverse Impacts (Numeric)	FY 2023
Revenue (EUR)	EUR 1,392.9 million
Greenhouse gas emissions; Scope 1, Scope 2, Scope 3	Scope 1: 3,767 tCO ₂ e Scope 2: 2,433 tCO ₂ e, market-based Scope 2: 5,040 tCO ₂ e, location-based Scope 3: 102,744 tCO ₂ e
Share of non-renewable energy consumption	Share of fossil energy consumption: 27% Share of fossil electricity consumption: 7%
Share of non-renewable energy production	No non-renewable energy production
Energy consumption in GWh	0.038535 GWh
Tonnes of emissions to water	0 tonnes
Tonnes of hazardous waste and radioactive waste generated	224 tonnes, no radioactive waste generated
Unadjusted gender pay gap	N/A
Board gender diversity	33% female / 67% male

PAI – Principle Adverse Impacts (Yes/No)	
Fossil fuel operations	No
Sites/operations located in or near to biodiversity sensitive areas where activities negatively affect those areas	No
Science Based Target	Yes
Reports to CDP	Yes
UN Global Compact Signatory	Yes
Involved in the manufacture or selling of controversial weapons	No
Whistle blower policy	Yes
Supplier code of conduct	Yes