

SANOMA ESG QUESTIONNAIRE

General industry

The industry's three biggest sustainability-related challenges according to Sanoma are:

1. Transparent and trustworthy use of customer data
2. Employee wellbeing, diversity and training – keeping our talents
3. Independency of media and responsible marketing practices

How does Sanoma compare to industry peers regarding sustainability initiatives?

Several external ESG (Environmental, Social, Governance) ratings evaluate our performance against peers not only in Finland, but also globally. As a result of our progressive development during last years, Sanoma is among the highest ranking companies in the relevant ESG ratings. Learn more at [Sanoma.com](https://www.sanoma.com).

Is Sanoma a signatory of the UN Global Compact or Science Based Targets, reports to the CDP or engages in any other relevant sustainability initiatives?

Sanoma is a signatory of the UN Global Compact, and the Sanoma Code of Conduct encompasses its Ten Principles on human rights, labour, environment and anti-corruption.

We are committed to the UN Sustainable Development Goals through our Sustainability Strategy.

Sanoma was awarded with a leadership level score of A- in the international CDP Climate Change rating in 2022. In addition, Sanoma has a solid CDP Forest rating of B.

In 2022, Sanoma updated its climate targets and aligned them with the Science Based Targets initiative (SBTi). Sanoma aims to reduce GHG emissions both from its own operations (Scope 1 and 2) and from the value chain (Scope 3) by 4.2% annually from the 2021 base year. The Scope 3 target applies to Sanoma's GHG emissions under categories 1, 3, 4 and 9, which account for more than 75% of Sanoma's value chain emissions. Altogether, this means a 38% reduction by 2030 from the 2021 base year, in addition to Sanoma's earlier emission reduction measures. The SBTi targets are currently being validated and validation results are expected to be ready in the third quarter of 2023.

Environment

Sanoma's climate-related opportunities are:

1. Use of lower-emission sources of energy 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.
2. Active approach and visible measures in mitigating Sanoma's emissions can result in positive brand development.
3. Shift in consumer preferences towards low carbon products can create an opportunity 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:

1. 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 our total operating cost.

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2. International consulting company Brand Finance has listed Sanoma one of the most valuable company brands in Finland. Even though our business as a learning and media company is not highly carbon-intensive, all companies face increasing stakeholder expectations regarding their environmental practices. Reputational risks can affect our 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.
3. 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:

- Emissions reductions in line with our Science Based Targets for our own operations (Scope 1 & 2) and throughout the value chain (Scope 3)
- Energy efficiency improvements in office and printing facilities and transition to renewable energy in owned and leased office facilities
- Co-operation with suppliers to mitigate environmental effects and reduce emissions
- Calculating and following Sanoma's emissions throughout the value chain in accordance with the GHG Protocol

Does Sanoma rely on any scarce resources for its operations? What efforts are made to mitigate the risk of those resources becoming even more scarce in the future?

Sanoma uses about 70 000 tonnes of paper annually to produce learning materials, newspapers and magazines. Our Paper Procurement Standard is annexed to all paper procurement agreements with suppliers. The aim is to ensure that paper used by us is produced responsibly and originates from traceable and verified sources. Our target is that all wood fibre in paper qualities used by Sanoma will originate from certified sources. Overall, driven by the prevailing trend of media consumers moving from printed to hybrid and digital media products, comparable paper usage is in decline.

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?

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

Risks: Risk of rising pricing 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 co-operation with suppliers increases visibility to risk and helps anticipate changes in the supply chain.

Sanoma's primary means of making a positive environmental impact or minimising negative environmental impact. How are they tracked and communicated?

- Science Based Target for own operations: Sanoma commits to reduce Scope 1 and 2 own operations GHG emissions 4.2% annually until 2030 from a 2021 base year (38% in total)
- Science Based Target for value chain: Sanoma commits to reduce Scope 3 value chain GHG emissions 4.2% annually until 2030 from a 2021 base year (38% in total)
- By end of 2030, our aim is to be carbon neutral throughout the value chain

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- By end of 2023, our aim is to use only carbon neutral electricity

Our climate-related action is communicated and KPIs reported in our Sustainability Report 2022 and at [Sanoma.com](https://www.sanoma.com).

Social

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

Every employee has the right to work in a safe and healthy environment. Our Human Resources management model ensures a well-organised management of the occupational safety, health, and wellbeing of our people. Our OHS system covers all Sanoma employees. We provide 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 only 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. No work-related, serious or fatal accidents took place during 2022. The lost time accident injury rate (LTA) for the printing facilities was 9.2 in 2022. In 2022, 4 (2021: 4) injuries resulting in lost day occurred, 1 (2021: 1) of them when commuting to work.

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

In 2022, 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.

Are there any goals, policies, or codes of conduct applicable to Sanoma's suppliers? How often does Sanoma conduct audits of its suppliers?

We are committed to responsible business practices and ethics throughout our supply chain. Our Supplier Code of Conduct sets out the ethical standards and responsible business principles our 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. Our Know Your Counterparty (KYC) process identifies the 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 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? 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?

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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 all policies in full. In 2022, 98% (2021: 97%) of employees completed the Sanoma Code of Conduct e-learning.

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. To ensure compliance, our people are trained through compulsory e-learning on the Code and the anti-bribery and corruption policy.

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 among the organisations. 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 2022, in total 16 (2021: 9) potential non-compliance cases 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. 8 out of 16 of the allegations were found to be partially or completely true. 3 out of these 8 cases were related to discrimination. All proven cases were handled with care and respecting the privacy of the parties. Misconduct led to disciplinary, legal, or other actions. By early 2023, all 16 alleged incidents had been resolved and cases were closed. There are no ongoing or historical incidents involving corruption or cartels.

Sanoma's business tax residence:

Finland

Are there independent members in the Board of Directors?

According to the Board's annual evaluation all members of the Board are non-executive and independent of the company. Seven out of nine members are also independent of major shareholders. 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 2022, Note 6.1.

Is the remuneration of the CEO and other members of the management team in line with the industry peers? Which KPIs dictate the remuneration?

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 2022, 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

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executive management. In 2022, 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 2022 and Remuneration Policy that are available at [Sanoma.com](https://www.sanoma.com).

Relative split of men/women in Sanoma:

Board of Directors:

33% women and 67% men

Directors and senior management:

41% women and 59% men

Management (all managers with subordinates):

44% women and 56% men

All employees:

56% women and 44% men

Is the Head of Sustainability a member of the management team? If not, who does that person report to?

Head of Sustainability reports to the CFO. At Group level, the President and CEO is responsible for overseeing sustainability, supported by the Executive Management Team (EMT), including the CFO. The EMT is responsible for outlining the company's strategic approach to sustainability, managing sustainability development and monitoring how sustainability is reflected in the business units. Together with the business units, the EMT develops the annual strategic guidelines and targets for the Sanoma Sustainability Strategy as well as approves major sustainability projects. The EMT proposes the annual strategic guidelines to the Board for approval and updates the Audit Committee on the Group's sustainability performance and development at least twice a year.

Please state whether Sanoma has the following policies or agreements in place:

- Union agreement: Yes, 69% of total employees were covered by collective bargaining agreements
- Code of Conduct: Yes
- Diversity policy: Yes
- Anti-corruption policy: Yes