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**Social Bond Framework**  
May 2024

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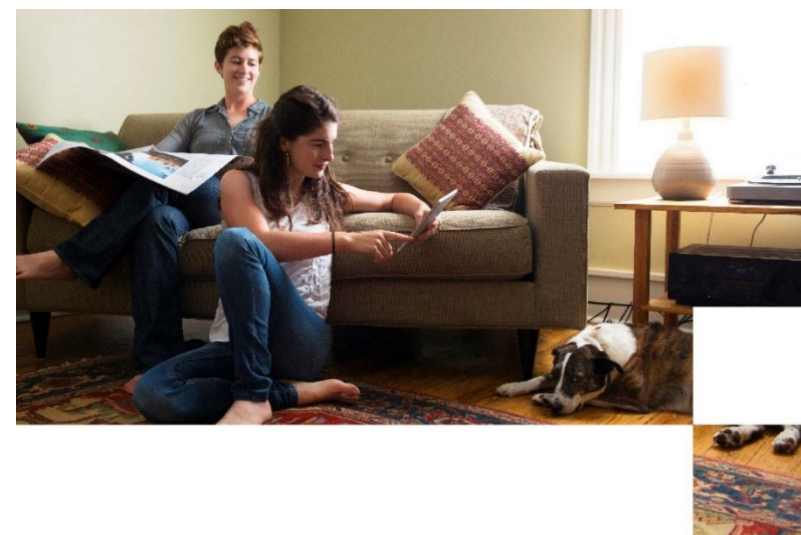
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Sanoma (or the “Company”) is a leading K12 (i.e., *primary, secondary and vocational education*) learning company in Europe and a leading digital media company in Finland. The Company’s business is divided into *Sanoma Learning* and *Sanoma Media Finland*. In 2023, Sanoma Learning represented approx. 80% of the Company’s operational EBIT excl. PPA. The Company operates in 12 European countries and employs more than 5,500 professionals. In 2023, Sanoma’s net sales amounted to ~1.4 bn€. Sanoma shares are listed on Nasdaq Helsinki. Sanoma’s ambition is that by 2030, the Company’s net sales are over 2bn€, of which at least 75% are coming from Learning.

*Sanoma Learning* focuses on K12, supporting about 25 million 6–18 year old students across Europe, the main operating countries being the Netherlands, Spain, Poland, Italy, Belgium, Finland, Sweden and Norway. Teachers and schools are Sanoma Learning’s primary customers. Sanoma Learning’s learning products and services enable teachers to develop the talents of every child to reach their potential. It offers *printed and digital learning materials* as well as *digital learning and teaching platforms* for K12. Sanoma Learning develops its methods based on deep teacher and student insight and by truly understanding their individual needs. By combining educational technologies and pedagogical expertise, it creates learning products and services with the highest learning impact. Sanoma Learning’s market share of the European K12 learning services market is ~17%.

*Sanoma Media Finland* is the leading digital media company in Finland, reaching 97% of all Finns weekly. Sanoma Media Finland provides information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels and has approx. 50 media brands. It has leading Finnish media brands and services, such as Helsingin Sanomat, Iltasanomat and Radio Suomipop. For advertisers, Sanoma Media Finland is a trusted partner with insight, impact and reach.



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# Sanoma's role in society and positive impacts

Sanoma plays an important role in society and has a *positive impact on the lives of millions of people every day*. The Company's positive impacts include promoting the *right to education as well as freedom of expression*.

Education is an empowering human right, enabling people to participate fully in society. Sanoma promotes the right to education through its K12 learning services for about 25 million students across Europe. The Company's role is central in enhancing *inclusiveness, equality and accessibility* in K12 education. By contributing to high-quality education through its learning materials and platforms, Sanoma can enforce the positive impacts it has on societal stability.

Further, Sanoma's purpose is to support teachers to help all students reach their potential with best-in-class learning solutions. The Company's deep-rooted passion for education stems from the opportunity to contribute to the growth of current and future generations. Every day, Sanoma's methods and technology have the ability to positively impact millions of young minds across Europe.

“Through our deep understanding of teachers' and schools' needs, we create high impact learning solutions for today and tomorrow.”



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# Sanoma's Sustainability Strategy

As a learning and media company, sustainability is an integral part of Sanoma's daily business. Sanoma's Sustainability Strategy is designed to maximise the Company's positive impact on the lives of millions of people every day and minimise its environmental footprint. The Sustainability Strategy focuses on six main topics: *Inclusive learning, Sustainable media, Vital Environment, Valued people, Trustworthy data, and Responsible*

*business practices.* To implement its Sustainability Strategy, Sanoma has set long-term targets and key performance indicators (KPIs) for the main topics. Progress is monitored regularly, and consolidated performance results are reported externally on an annual basis. Below graph focuses on *inclusive learning* and related topics. For more details, see Sanoma's website at [sanoma.com](http://sanoma.com).



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## Inclusive learning

Our mission is to enable teachers to excel at developing the talents of every child by offering them the best-in-class learning solutions. Our inclusive learning solutions support diversity, accessibility and differentiation.

*High-quality and affordable learning materials to all* - by combining educational technologies and pedagogical expertise, Sanoma Learning creates learning products and services with the highest learning impact. High-quality learning materials have a twofold impact. First of all, learning materials help teachers to be more efficient in their work, leaving more time to focus on the students. Second, high-quality learning materials have a direct impact on students' achievements and learning outcomes. In Sanoma's operating countries, learning content is largely *publicly funded*, ensuring its affordability for students. Printed and digital learning content typically represents approx. 1–3% of public education spend.

*Personalised learning* – each student is unique, coming from different backgrounds with individual learning skills and preferences as well as varying digital competences. As classrooms are diverse and students equipped with different cognitive and social skills, the importance of personalised learning increases. Sanoma Learning's aim is to create learning content that contributes to *equity*. Sanoma Learning focuses on assessing the *diversity* aspects of its learning content and platforms to ensure a fair representation of different students and society. For instance, the Company follows its own Editorial Guidelines that support creating *inclusive learning* content. To support personalised learning, Sanoma Learning e.g. offers specific products for children with *special learning needs*, such as dyslexia or autism.

In addition, Sanoma works in close cooperation with various local organisations and initiatives to ensure that all students have access to its materials.

*Accessibility at the core of personalised learning* – Sanoma's learning materials aim to increase *learning impact* among all students and address barriers to learning through traditional formats. For example, for some students the barriers of text-based materials can be overcome by an application providing audio learning content. Sanoma Learning has also set targets to develop digital accessibility. Firstly, common accessibility components used in its core digital products will be compliant with the *AA-level of the WCAG Accessibility Guidelines from 2025 onwards*. Secondly, Sanoma's newly marketed core digital products will meet the accessibility requirements as defined locally by 2025. In addition, Sanoma Learning aims to publish its own accessibility guidelines at the latest in 2025.

*Supporting teachers to develop the talents of every child* – to follow up on its impact and better understand the use of various teaching materials and tools in each of its operating countries, Sanoma Learning annually conducts its own '*European Teacher Survey*'. In the survey, the impacts of learning materials are evaluated by teachers from three aspects: *student engagement, learning outcomes, and teacher efficiency*. In the most recent survey, conducted early 2024, the overall perception of learning materials was positive, and the results remained stable:

- 84% of teachers agreed that Sanoma's learning materials help students reach curriculum objectives.
- 74% of teachers agreed that the learning materials help engage their students.
- 78% of teachers agreed that Sanoma's learning materials help them be more efficient in their work.

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## Sustainable media

In its media business, Sanoma promotes freedom of expression, creates public discussion and increases awareness through independent journalism. A cornerstone for reliable and fair journalism in Finland is the unique self-regulating and independent system and committee of the *Council for Mass Media (CMM)* which has for decades been overseeing editorial ethics and providing highly valued industry standards in Finland. Sanoma Media Finland is a member of the CMM and committed to the *Guidelines for Journalists*. These principles guide all journalistic work.

Supporting *literacy and media literacy* is important to Sanoma. One of the most significant ways to strengthen media literacy is to *support the relationship of children and young people with media and reading*. For example, a separate printed newspaper for children was added to Sanoma's product family in 2020. Sanoma also supports Finnish schools in their literacy work every year for example during the 'Newsweek', which focuses on media education.

## Vital environment

Sanoma's environmental action focuses on climate and biodiversity impacts throughout its own operations and value chain. 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). This validation confirms that Sanoma's climate strategy and business model are compatible with the transition to a sustainable economy and the limiting of global warming to 1.5°C in line with the Paris Agreement. Sanoma's target is to reduce absolute Scope 1 and 2 GHG emissions by 42% and Scope 3 emissions by 38% by 2030. By the end of 2023, Sanoma's own operations' emissions declined by 31% and value chain emissions by 29% compared to base year 2021.

## Valued people

Sanoma's focus is to support good work life balance, create an equal and inspiring workplace and offer opportunities to develop. The Company's strategic ambition is an inclusive culture where everyone is welcomed, respected and supported as their own true selves. Sanoma develops *diversity, equity and inclusion (DE&I)* through various initiatives. For example, Sanoma regularly evaluates DE&I, wellbeing and other topics through employee surveys. Based on the insights, Sanoma has established e.g. a DE&I development plan which includes training on different topics such as supporting equality between genders, generations, LGBTQ+ minorities, people from different cultural backgrounds and people with disabilities. In addition, to promote active leadership on DE&I topics, Sanoma has established an internal Leaders as Allies -network.

## Trustworthy data

Educational technology is rapidly evolving from smart to intelligent digital classrooms. Sanoma Learning strives to lead this *digital transformation* of education with advanced multichannel blended learning solutions. Data is an integral part of Sanoma's digital learning products. It helps teachers enhance learning outcomes, engagement and workflows, and supports students in optimising their individual learning paths. Sanoma processes personal data mostly as a 'data processor' on behalf of customers, i.e. schools and municipalities. This means that schools and municipalities decide the purposes and lawful basis for data processing and instruct Sanoma to process data accordingly. To ensure reliable use of data, the Company implements its *Privacy Programme and Privacy and Security by Design process* to ensure that privacy and data protection is built into the products. Sanoma's ethical AI guidelines guide the development and use of AI applications.

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## Responsible business practices

### Policies & guidelines

In its business, Sanoma follows laws and regulations applicable in its operating countries, ethical guidelines set by its Code of Conduct as well as the Company's internal policies and standards.

- [The Sanoma Code of Conduct](#) acts as an umbrella for all policies and standards within Sanoma. The Code encompasses the *Ten Principles of the UN Global Compact* on human rights, labour, environment and anti-corruption
- [The Sanoma Supplier Code of Conduct](#) applies to suppliers incl. their employees, affiliates and sub-contractors. All new suppliers go through Sanoma's source-to-contract solution, which incorporates the Supplier Code as a mandatory step. In addition, Sanoma requires all suppliers to comply with the *Sanoma General Procurement Terms and Conditions* and the *Data protection and Information Security* requirements

### Additional policies include:

- Anti-Bribery & Corruption Policy (internal)
- Business Travel Policy (internal)
- Business Travel Policy for Externals (internal)
- Disclosure Policy (internal)
- Diversity and Inclusion Policy (public)
- Donations and Sponsorships Policy (internal)
- Enterprise Risk Management Policy (internal)
- Fair Competition Policy (internal)
- Information Security Policy (public)
- Insider Policy (internal)
- Internal Audit Policy (internal)
- Internal Control Policy (internal)
- IPR Policy (internal)
- M&A Policy (internal)
- Privacy and Data Protection Policy (internal)
- Procurement Policy (internal)
- Related Party Policy (internal)
- Remuneration Policy (public)
- Tax Policy (public)
- Treasury Policy (internal)

Up to date list of all policies can be found at [Sanoma.com](https://www.sanoma.com). Sanoma has an externally hosted, independent *whistle-blowing hotline* that enables employees, customers and business partners to report suspicions of misconduct confidentially and anonymously.



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**Sanoma's human rights commitments**

Sanoma's commitment to respect the international standards on human rights is integrated into the Code of Conduct and the Supplier Code of Conduct. The Company commits to the *UDHR*, *the ILO Declaration on Fundamental Principles and Rights at Work*, *the Ten Principles of the UNGC* related to fundamental responsibilities in human rights, freedom of speech, labour conditions, environment and anti-corruption, *the Rio Declaration on Environment and Development*, and *the UN's Convention Against Corruption*. In addition to voluntary international standards, Sanoma complies with human rights due diligence legislation in its operating countries. Sanoma's Human Rights Impact Assessment, which was first published in 2023, evaluates Sanoma's impacts. It has been conducted in line with the due diligence process defined in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

**UN Agenda 2030 and Sustainable Development Goals**

Sanoma has identified nine SDGs as most relevant for its business based on where the Company has the greatest impact. These nine SDGs are embedded into the Sustainability Strategy:

- *SDG 4* Quality education
- *SDG 5* Gender equality
- *SDG 8* Decent work and economic growth
- *SDG 9* Industry, innovation and infrastructure
- *SDG 10* Reduced inequalities
- *SDG 12* Responsible consumption and production
- *SDG 13* Climate action
- *SDG 16* Peace, justice and strong institutions
- *SDG 17* Partnership for the goals



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# Governance

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 Sustainability Strategy. Sanoma's *Board of Directors* approves strategic sustainability guidelines and monitors sustainability development and performance. The Board of Directors' *Audit Committee* acts as Sanoma's Sustainability Committee and supports the Board. The Audit Committee reviews Sanoma's sustainability reporting and progress as well as monitors the implementation of the strategy at least twice a year.

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. Together with the business units, the EMT develops strategic sustainability guidelines and targets as well as approves major sustainability projects. Sanoma's *Sustainability and Ethics Working Committee*, consisting of representatives of the EMT, meets bi-annually to follow up implementation of the Sustainability Strategy.

Sanoma's *Sustainability and Ethics Working Group*, consisting of selected representatives across the Company, follows the implementation of the Sustainability Strategy, coordinates related development and actions, and evaluates risks and opportunities regarding sustainability, ethics and compliance, convening quarterly.

Sanoma's *Investor Relations and Sustainability Team* supports businesses and functions in target achievement, project implementation and communications. Sustainability development is further supported by dedicated roles in Sanoma Learning and Sanoma Media Finland. *Local business units* and employees implement Sanoma's Sustainability Strategy in cooperation with the Sustainability and Ethics Working Group, Sustainability Team and other support functions.

In regard to remuneration, Sanoma has embedded sustainability into the short-term incentives of the Executive Management.

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# ESG ratings and performance

Sanoma is one of the leading companies in the media and learning industry in managing ESG risks and opportunities. The following third parties assess Sanoma's sustainability performance by their own initiative and independently from Sanoma. Up to date list of all ESG ratings and performance can be found at [Sanoma.com](https://www.sanoma.com).

Rating agency	Sanoma's score Q2/2024	Scale
<i>MSCI ESG Rating</i>	AA – above industry average	CCC to AAA (AAA is the best score)
<i>ISS Corporate Rating</i>	Prime C+ - among the highest decile in the industry	D to A+ (A+ is the best score)
<i>Sustainalytics Risk Rating</i>	10.4 – above industry average	100-0 (0 is the best score)
<i>CDP Climate Change and CDP Forest</i>	Climate A-, Forest B – among industry leaders	D- to A (A is the best score)
<i>S&amp;P Global Corporate Sustainability Assessment (CSA)</i>	44/100 – among top 3% in the industry	0-100 (100 is the best score)
<i>Upright Net Impact</i>	+74% – among highest decile in the industry	From limitless negative % to +100% (+100% is the best score)
<i>SHE Index - powered by EY</i>	85 – 2 <sup>nd</sup> best in Finland	0 to 100 (100 is the best)

## In addition to ESG ratings:

- *Nasdaq OMX Sustainability Finland Index* – Sanoma's share is included in the Nasdaq OMX Sustainability Finland Index since December 2022. The Nasdaq OMX Finland Sustainability Indexes are created for responsible investments and are calculated by Nasdaq in cooperation with ISS Corporate Rating.
- *Nasdaq ESG Transparency Partner* – Sanoma has been certified as a Nasdaq ESG Transparency Partner in 2021. This certification is a signal of market transparency and raising environmental standards.

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# Sanoma's Social Bond Framework

## Rationale for Social Bond issuance

Education is a fundamental right and key to achieving sustainable development. It builds knowledge, capacities and confidence and opens up new opportunities for children and societies. Sanoma believes every student deserves equal opportunities in life. Therefore, Sanoma *promotes equal access to education for all students*, especially in the ongoing digital transformation.

Through the establishment of this *Social Bond Framework* ("the Framework") Sanoma commits to greater *transparency* towards investors, by following the rigorous governance and reporting standards that the International Capital Markets Association's (ICMA) Social Bond Principles (SBP) requests. The Framework will further offer investors the ability to invest in Sanoma's purpose to *support teachers to help all students reach their potential*.

The Framework has been developed in alignment with ICMA's SBP<sup>1</sup> from 2023 and follows the core components and recommendation of external review:

- Use of Proceeds
- Process for Evaluation and Selection of Expenditures
- Management of Proceeds
- Reporting

The Framework is applicable for issuance of Social Bonds under various formats including public and private placements.

The terms and conditions of the underlying documentation for each Social Bond issued by Sanoma shall provide a reference to this Framework. This Framework may over time be updated, however new versions shall have no implications for the Social Bonds that have been issued under this Framework unless explicitly stated by Sanoma.

Further, this Framework is applicable to the parent company and its subsidiaries. In case eligible expenditures are owned by joint ventures or associated companies, the value of eligible expenditures is to be adjusted for the share of capital owned by Sanoma.

Swedbank has acted as advisor to Sanoma in the establishment of this Framework.

<sup>1</sup> The Social Bond Principles (SBP) 2023

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# Use of Proceeds

## Allocation of net proceeds

An amount equivalent to the net proceeds from Sanoma's Social Bonds shall be used to finance or refinance, in whole or in part, Eligible Expenditures that have been evaluated and selected by Sanoma in accordance with the Eligibility Criteria as set out in this Framework.

Eligible Expenditures include capital expenditures, operational expenditures and acquisition costs fulfilling the Eligibility Criteria set out in this Framework. Operational expenditures have a requirement of maximum three-year look-back period from the time of issuance. Capital expenditures are normally capitalized on the balance sheet; rest value of Eligible Expenditures on the balance sheet is subject for refinancing purposes. Refinancing refers to Eligible Expenditures that have been financed prior the reporting year. New financing refers to Eligible Expenditures that have been financed during the reporting year.

Sanoma's Social Bonds aim to *promote access to essential services - education* through the Company's K12 (i.e. primary, secondary and vocational education) learning services as well as to support Sanoma to increase its positive impact on learning across Europe.

The *target population* includes all K12 (i.e. primary, secondary and vocational education) students in Sanoma's operating countries.

## Exclusion criteria

For the avoidance of doubt, equivalent to the net proceeds of Sanoma's Social Bonds will not be used to finance or refinance Sanoma Media Finland and marketing costs



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**Eligible Expenditures**

ICMA SBP category and SDG contribution	Eligible Expenditures	Target population	Alignment with the UN SDG targets
<p><b>Access to essential services – education</b></p> 	<p>Eligibility Criteria:</p> <ul style="list-style-type: none"> <li>■ Development and maintenance of inclusive learning solutions i.e.:                             <ul style="list-style-type: none"> <li>– Printed and digital learning materials</li> <li>– Digital learning and teaching platforms</li> </ul> </li> <li>■ Acquisitions of learning content businesses</li> </ul>	<p>All K12 students in Sanoma’s operating countries</p>	<p>4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes</p> <p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy</p>

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# Process for Evaluation and Selection of Expenditures

The evaluation and selection process for Eligible Expenditures plays an important role in guaranteeing that the funds raised through Social Bonds are allocated towards expenditures that align with the Eligibility Criteria as set out in this Framework where the intended benefit to the target population is to support teachers to help all students reach their potential with best-in-class learning solutions.

## The Social Bond Committee

Sanoma has a dedicated *Social Bond Committee* ("SBC") to oversee the process for evaluation and selection of Eligible Expenditures. The SBC will meet on a regular basis (at least annually) and consists of representatives from Treasury, Investor Relations and Sustainability, Group Finance and Control, Legal and Business Control. The CFO will keep the Executive Management informed accordingly.

The process for evaluation and selection of Eligible Expenditures proceeds as follows:

- Any SBC member may propose potential expenditures to be evaluated in alignment with the Eligibility Criteria as set out in this Framework
- The SBC will jointly evaluate potential expenditures against the Eligibility Criteria as set out in this Framework and will remove such expenditures that do not meet the Eligibility Criteria

- The SBC will jointly verify the eligibility of expenditures and approved Eligible Expenditures will be included in Sanoma's tracking spreadsheet ("Social Bond Register")
- Sanoma screens Eligible Expenditures against applicable environmental and social regulations as well as Sanoma's internal policies and guidelines to identify and manage perceived environmental and social risks associated with the Eligible Expenditures

Additional responsibilities of the SBC include:

- Managing the Social Bond Register and allocation of net proceeds towards Eligible Expenditures
- Reviewing the eligibility of underlying expenditures on a regular basis (at least annually) to ensure there are sufficient volume of Eligible Expenditures in the register
- Reviewing the Framework and updating it to reflect changes in corporate strategy, technology, market, or regulatory developments on a best-effort basis
- Overseeing, approving and publishing the Investor Report. Sanoma may rely on external consultants and their data sources, in addition to its own assessments
- Updating external documents such as the Second Party Opinion (SPO) and related documents from external consultants and accountants in connection with material updates to this Framework

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# Management of Proceeds

## Tracking of net proceeds

Equivalent to the net proceeds from Sanoma's Social Bonds will be tracked via Sanoma's internal Social Bond Register. The information available in the Social Bond Register will in turn serve as basis for regular reporting (see section "Reporting") and will be verified by an independent third party (see section "External review").

All Social Bonds issued by Sanoma will be managed on a *portfolio level*. This means that a Social Bond will not be linked directly to pre-determined Eligible Expenditures.

The Social Bond Register will be monitored annually by the Treasury Team to ensure there are sufficient volume of Eligible Expenditures in the register. The Social Bond Register can be updated as needed by adding Eligible Expenditures or removing Eligible Expenditures that ceases to comply with the requirements set out in the Framework.

## Allocation period

Sanoma will commit to, on a best-effort basis, allocate the net proceeds from the Social Bonds to Eligible Expenditures within 12 months from the issuance date of each Social Bond.

## Temporary holdings

Pending full allocation, Sanoma will hold and/or invest the balance of net proceeds not yet allocated, at its own discretion, in its treasury liquidity portfolio or for any treasury business.





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# Reporting

To be fully transparent towards investors, Sanoma will provide an *Investor Report*. The Investor Report will include an Allocation report and an Impact report and will be published annually until full allocation and in the event of any material developments, as long as there are Social Bonds outstanding. The Investor Report will be made available on Sanoma's website at [sanoma.com](http://sanoma.com) together with this Framework.

## Allocation reporting

The allocation reporting may include the following information, on an aggregated basis:

- Total amount of Social Bonds outstanding
- Share of proceeds used for new financing and refinancing
- Share of unallocated proceeds (if any)
- List of Eligible Expenditures incl. ICMA SBP category, relevant SDGs and target population

## Impact reporting

Impact reporting will be based on Sanoma's annual report and the indicators contained therein. These indicators measuring the social impact may evolve and develop accordingly. Examples of impact indicators include:

- Share of teachers (%) that agree that Sanoma's learning materials help:
  - students reach curriculum objectives
  - engage their students
  - them be more efficient in their work
- Number of students reached
- Examples of qualitative case studies on the observed impact of Sanoma's learning materials

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## Second Party Opinion

This Framework has been reviewed by ISS Corporate who was asked to confirm the alignment with the ICMA Social Bond Principles 2023 (SBP). The independent Second Party Opinion will be published on Sanoma's website at [sanoma.com](http://sanoma.com) together with this Framework.

## Verification

The allocation reporting will be externally verified, by an auditor or another independent third party, to verify the internal tracking and the allocation of funds from the Social Bond proceeds. This verification will take place annually until full allocation and in the event of any material developments. The verification report will be published on Sanoma's website at [sanoma.com](http://sanoma.com) together with the Investor Report.

