Annual Report 2024

Content

Our business in brief

Sanoma is an innovative and agile learning and media company, impacting the lives of millions of people every day.

This is Sanoma

At Sanoma, we impact the lives of millions of people every day. We work hard to equip the world with the highest-quality learning resources, independent media and local entertainment. Sustainability is integrated into our purpose and everything we do.

We are one of the global leaders in K12 education and Finland's #1 digital cross-media company. Over 20 years, we've grown through acquisitions in K12 learning across Europe and by leading the successful shift to digital media in Finland.

Our purpose
Through learning and media, we have a positive impact on the lives of millions of people every day.

Our ambition
Group net sales over EUR 2 billion by 2030 with at least 75% coming from the learning business.

Learning

Sanoma Learning is one of the global leaders in K12 education, serving about 25 million students across Europe. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning materials as well as digital learning and teaching platforms for K12, i.e. primary, secondary, and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and by truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Media Finland

Sanoma Media Finland is the leading cross-media company in Finland, reaching 96% of all Finns weekly. We provide information, experiences, inspiration, and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online, and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla, and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact, and reach.

Our year 2024

Increased operational EBIT and strong free cash flow improvement

1.3bn€
Net sales
(2023: 1.4)

0.46€
Operational EPS
(2023: 0.39)

180m€
Operational EBIT excl. PPA
(2023: 175)

0.39€
Dividend per share*
* Board's proposal
(2023: 0.37)

145m€
Free cash flow
(2023: 105)

0.89€
Free cash flow per share
(2023: 0.71)

Increasing profitability in both businesses

The Group's operational EBIT excl. PPA improvement was supported by strong growth in digital subscription and advertising sales in Media Finland, along with lower paper costs.

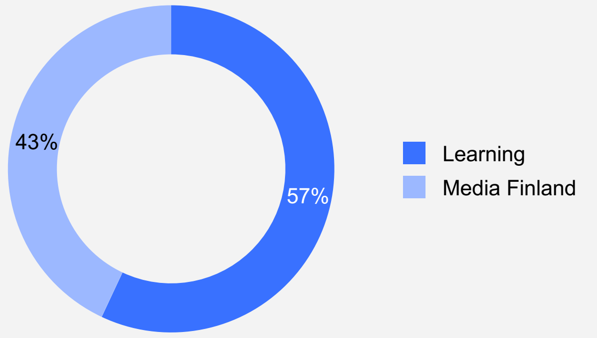
Strong free cash flow and focused investments

Free cash flow increased by EUR 40 million - or 38% - driven by lower investments in prepublication assets, partially resulting from Program Solar, and TV programme rights as well as higher operational results.

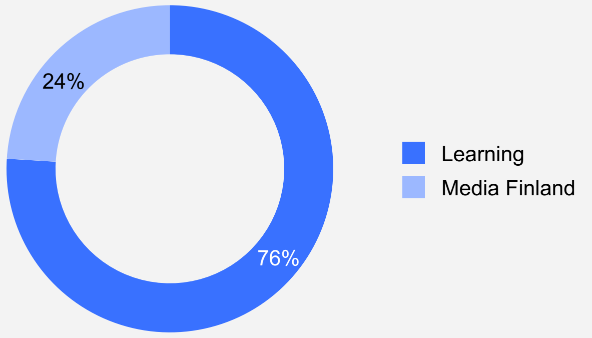
Major step in deleveraging the balance sheet

Leverage (net debt / Adj. EBITDA) was 2.2 and well within the long-term target of < 3.0. Refinancing, including the issuance of a Social Bond, extended the average maturity profile of external loans.

Net sales by SBU, m€



Operational EBIT excl. PPA by SBU, m€



Our year 2024

Strong progress in advancing sustainability

84%
teachers say that Sanoma's materials support them in reaching curriculum objectives
Learn more

-44%
reduction in own operations' Scope 1 and 2 GHG emissions
Learn more

-38%
reduction in value chain Scope 3 GHG emissions
Learn more

Sanoma issued a EUR 150 million social bond

The social bond was issued under Sanoma's Social Bond Framework and the funds support initiatives that improve access to education.

Learn more

Advancing AI integration

Sanoma strengthened its digital offering by launching AI-powered services in Learning and Media Finland, with a emphasis on AI ethics.

Learn more about AI in education and ethical principles

Sanoma acquired PEFC chain of custody system for paper

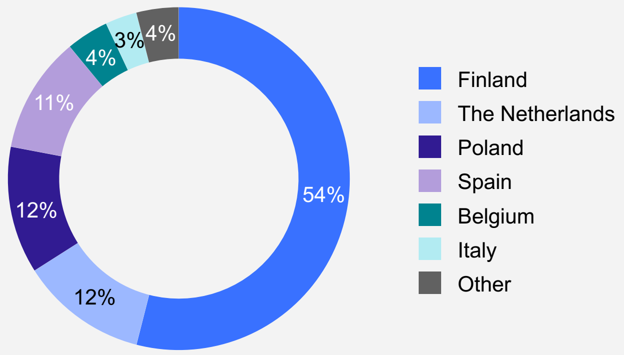
The origin of paper used in every newspaper and magazine in Media Finland is traced using the certification system.

Learn more

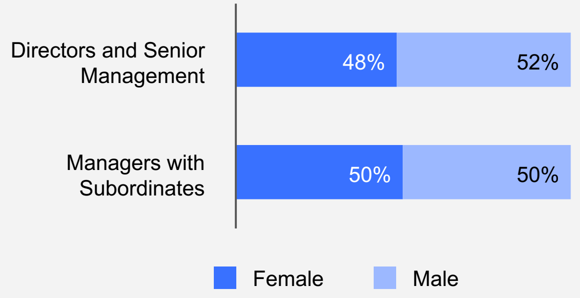
ESG performance

ISS Prime **B-** Scale D to A+	Sustainalytics **11.3** Scale 100-0 low score = low risk
Upright net impact **72%** from limitless negative % to +100%	S&P Global ESG **51** Scale 0–100
CDP Climate **A-** Scale D- to A	CDP Forest **B** Scale D- to A

Headcount by country, end of 2024



Gender diversity, end of 2024



Letter from the Chair of the Board

Ready for the next growth path

Dear shareholders,

I am pleased to share with you this overview of our year 2024.

Sanoma is one of the global leaders in printed and digital learning solutions for primary and secondary education, as well as Finland's leading digital multichannel media company. Our products and services have a positive impact on the lives of millions of people every day.

During 2024, we strengthened our digital offering in both learning and media and improved our productivity in different areas of our organisation. Alongside this, we continued to build the long-term strengths of both businesses and to further integrate the functions of acquired businesses. By investing in the development of our products and operational capabilities, while improving our financial position and cash flow, we have continued to strengthen our strategic foundation. Today, we are well-positioned to explore future growth opportunities.

The development of artificial intelligence (AI) has been faster than any previous technology, and its utilisation opens up a wealth of new opportunities for Sanoma. We utilise these opportunities extensively in the creation of learning and media products, as well as in further expanding our operational capabilities. Responsibility and trustworthiness are, and have been, our core values and the foundation of all our operations. These very same values are guiding us in the use of AI.

Our sustainability strategy encapsulates our impact on society. Measured by several sustainability ratings, Sanoma is among the leading companies in its field. Our Sustainability Statement, published for the first time according to the EU CSRD reporting requirements and as part of the Report of the Board of Directors, summarises our commitments, ways of working, targets and results.

According to its dividend policy, Sanoma aims to pay an increasing dividend of 40–60% of annual free cash flow. The Board of Directors proposes an increasing dividend of EUR 0.39 (2023: 0.37) per share for 2024, corresponding to 44% of free cash flow. The dividend proposal to the Annual General Meeting is based on the alignment of several different factors.

When preparing the dividend proposal, the Board of Directors takes into account the general macroeconomic environment, Sanoma's capital structure and capital structure targets, business plans and investment needs, as well as the previous year's cash flows and expected future cash flows affecting the capital structure. In summary, the proposal reflects the company's ability to generate strong free cash flow and balances the use of capital between dividend distribution and balance sheet strengthening. In addition, the Board of Directors proposes that the dividend will be paid in three equal instalments of EUR 0.13.

Rob Kolkman was appointed the President and CEO of Sanoma as of 1 January 2024. Kolkman previously served as the CEO of Sanoma Learning for four years and prior to that as the CEO of Sanoma Media Netherlands. Under his leadership, the further progression of our strategy has continued and the necessary development measures have been executed. Thanks to these factors, today we have a wide range of opportunities to enter in the next growth phase.

On behalf of the entire Board, I would like to thank our shareholders for their continued support and trust. I would also like to thank Sanoma's personnel and management for their contribution and commitment to the development of the company, as well as for the good results in 2024.

We look to the future with confidence. Both Learning and Media Finland are in a leading position in their respective fields. This, combined with our strategy and operational capability, creates a foundation from which we are heading towards 2025.

Pekka Ala-Pietilä
Chair of the Board

Letter from the CEO

Increased profitability and strong free cash flow improvement

In 2024, we made good progress on our strategic focus areas of increasing the profitability of Learning and Media Finland and deleveraging the Group's balance sheet. We also continued building on the long-term strengths of both businesses. As a result, our operational EBIT excl. PPA increased and our free cash flow improved strongly – by EUR 40 million or 38% – from the previous year.

Strong focus on accelerating digital development and leveraging AI

During the year, we have strengthened our digital offering in both Learning and Media. Examples of this in Learning include successful launches of the new Sanoma platform in Italy, the eduVULCAN platform in Poland and the itslearning development project with several German states. Across Media Finland, we have renewed our way of working to be even more customer focused and to bring new digital propositions faster to the market. Examples of these include the launches of Ilta-Sanomat (IS) Extra, a subscription-based digital tabloid, and +Kaikki, a bundle subscription including all Media Finland's digital consumer products.

We continued to move forward with our AI initiatives and launched new services empowered by generative AI, with a strong emphasis on its responsible use and human oversight. In Learning, we concluded multiple AI pilots across our markets, including an AI driven survey tool and a text-to-speech AI implementation in tests. The development of AI tools and services also progressed in journalism, driven by the Helsingin Sanomat-Ilta-Sanomat AI Lab delivering services like news summaries and news bots. In audio, generative AI was used, for example, for weather reports and DJ slots.

Strengthening our competitive advantages in Learning

Our blended (printed and digital) learning content continued to play a key role in supporting teachers in their day-to-day work and enhancing the students' learning outcomes. During the year we introduced several new products in our markets. In the Nordics, the adaptation of the Finnish Milli math series for the Swedish market is a good example of method sharing between markets. In the Netherlands, Malmberg has positioned itself strongly in the language materials market and in Belgium, VAN IN created a record number of new titles for secondary education.

In Learning, net sales decreased driven by the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium and the divestment of Stark. In the learning content business, growth in other learning content markets, in particular Poland and the Netherlands, more than offset the decline of net sales in Spain that resulted from the lower curriculum cycle.

In October 2023 we launched our efficiency and process improvement program Solar. It is now materially completed, with more than 80% of the actions taken by the end of 2024 in line with our original plan. The first results of the program were already visible in our 2024 free cash flow through a lower cost base and lower investments. Supported by our increased scale and Program Solar, we are on track to reach Learning's long-term profitability (operational EBIT margin excl. PPA) target of 23% by 2026.

In Media Finland, strong profitability improvement and continued growth in digital

In Media Finland, both digital subscription and digital advertising sales continued to develop positively. We have in total 1.4 million subscriptions and about 850,000 subscribers pay for digital content. The growth in digital subscriptions was driven by the SVOD service Ruutu+ and the successful content focus on drama, supported with co-operation with Elisa, domestic sports and music entertainment programs. The Ruutu+ subscription base reached its all-time-high. Also IS Extra, the new subscribed media brand launched early 2024, providing more and deeper content to the free and high-reach Ilta-Sanomat offering, gained a good subscriber base during its first year.

Our digital advertising sales continued to grow despite the fact that in Finland, the overall demand for advertising weakened slightly towards the end of the year. Driven by digital, we were successful in growing our share of the domestic advertising market driven by our in-depth knowledge of the local audiences.

We also introduced new operating models in several parts of Media Finland, targeting to sharpen even further the focus on the customer and to accelerate digital growth. While these measures are expected to continue delivering results in the years to come, they also positively contributed to the improvement in operational efficiency and Media Finland's increased profitability.

Solid balance sheet for future growth

The deleveraging of our balance sheet took a major step forward during the year. Our net debt and leverage improved year-on-year and Net debt / Adjusted EBITDA was well within the long-term target of < 3.0. We also refinanced a key part of our external loan portfolio by issuing a EUR 150 million 3-year Social Bond in September.

Learning and media have a positive impact on the lives of millions of people every day

We have a unique sustainability profile as learning and media have a positive impact on the lives of millions of people every day. In Learning, we enable teachers to excel at developing the talents of every child with our inclusive learning solutions. During the year, we updated our inclusive learning strategy to make the importance of accessibility of our learning content and digital solutions even more visible and to anchor our sustainability work more clearly into the UN Sustainable Development Goals. In media, our mission is to provide independent Finnish journalism and engaging local entertainment for current and future generations. To promote independent journalism and freedom of expression, we for example made the journalistic and ethical guidelines of our news media more transparent to the audience.

To support the purpose of our businesses, we have set ambitious targets for sustainability aspects in which we have the biggest impact and we performed well against these targets in 2024. The Employee Experience Index (EEI) was relatively stable at 7.4 (2023: 7.5), being close to our long-term target level of 7.5. We made good progress in enhancing the data security and privacy across our operations, with specific focus on ethical and secure use of AI with human oversight. Our greenhouse gas emissions decreased across the value chain. In our own operations (Scope 1 and 2), we have already reached the SBTi emission reduction targets set for 2030, and in the coming years, our focus will be mainly in further reducing the value chain (Scope 3) emissions, representing ≈95% of Sanoma’s total GHG emissions. Sustainability targets related to data, privacy & AI, employee engagement and climate are also linked to the executive management’s short-term incentives (read more in the Remuneration Report). Our full sustainability performance is included in the Sustainability Statement in the Report of the Board of Directors.

We continue with our ambitious strategy for sustainable long-term growth

Our focus remains on increasing our profitability and free cash flow, and our Outlook for 2025 indicates relatively stable operational EBIT excl. PPA with lower net sales compared to 2024. From 2026 onwards, the upcoming curriculum renewals in our major learning markets, particularly Poland and Spain, are expected to accelerate organic growth. In Media Finland, we are continuing, and accelerating, our successful digital transformation. We aim to also expand through value-creating M&A in K12 learning services, while being committed to meeting our leverage and equity ratio targets and paying an increasing dividend, equal to 40–60% of our annual free cash flow.

I would like to extend my warmest thanks to all Sanoma employees for their excellent work in delivering these good results and for their strong commitment and passion in supporting our customers. I also would like to thank our customers, suppliers, shareholders and all other stakeholders for their continued support. I look forward to working together to continue to grow our business, creating value for all our stakeholders in 2025 and beyond.

Rob Kolkman
President and CEO

Sanoma as an investment

We continue with our ambitious strategy for sustainable long-term growth

- Increasing profitability and free cash flow
- Growing organically in Learning with curriculum renewals accelerating from 2026
- Successful and accelerating digital transformation in Media Finland
- Expanding through value-creating M&A in K12 learning services
- Meeting leverage and equity ratio targets
- Increasing dividend, equal to 40–60% of annual free cash flow

Our purpose
Through learning and media, we have a positive impact on the lives of millions of people every day

Global megatrends impacting our business

The world and our operating environment are constantly evolving. Megatrends influence our operating environment, strategic choices and business operations. To maintain our competitiveness and manage potential risks, we follow the market development closely. Our balanced business portfolio supports us in responding to these changes in the operating environment.

Accelerating digitalisation and responsible use of AI continue to transform learning and media ecosystems

- Trusted brands and digital destinations becoming increasingly valuable
- Sufficient investments and sustainable financial performance during digital era require scale and integrity in the use of data and AI

Challenging economic and geopolitical environment with increasing importance of both global and local

- Continuing challenges in economic growth, development and geopolitical tensions
- Digital content increasingly crosses national borders enhancing globalisation
- At the same time, continued meaning of local aspects and impact both in learning and media
- Developing demography and migration transform the consumption of learning and media content in the long run

Rising inequalities call for a focus on enhancing equality

- Learning and media content are key in enhancing diversity and inclusion in society
- Diverse employees, who feel included and engaged in their workplace, deliver better results

Climate crisis requires more urgent action

- Learning and media content play a key role in increasing fact-based public knowledge
- Ambitious corporate climate action and responsible business practices lead the way to a low-carbon economy, boost innovation and drive sustainable growth

Our operating environment

Our operating environment is in constant change

Market trends impacting our **learning business**

- Funding for K12 education is growing and resilient to crises
- Growing teacher shortages is driving increased funding, more flexible teaching formats and use of AI
- Fundamentals of demand for professionally curated printed and digital learning materials remain valid
- Schools continue to teach in classrooms but are trying out new, more flexible teaching and learning ideas
- AI tools are being used to a varying degree in schools and for home learning, increasing personalisation and flexibility

How we respond?

- We develop inclusive printed and digital learning solutions that help all students to achieve their potential, supporting the increasingly varying needs of educational systems
- We are embedding AI into educational products to drive personalised and adaptive learning further
- We continuously develop accessibility of our content and digital solutions
- We address the UN Sustainable Development Goals in our learning materials

Market trends impacting our **media business**

- Transformation from printed to digital news media, new habits and formats for consuming media
- Growing demand for quality local entertainment and sports
- Continued growth in demand for digital advertising offsetting the decline in print and FTA TV
- Potential opening of the gambling market in Finland in the coming years creates demand and new advertising opportunities

How we respond?

- We have a unique independent cross-media offering reaching 96% of all Finns every week
- We are accelerating our successful digital transformation and introducing new subscription products, e.g. IS Extra, a subscription-based digital tabloid, and +Kaikki, a combined subscription including all Sanoma Media Finland's digital consumer products
- We continue to increase our share in digital advertising by providing a trusted marketing environment and by improving our capacity in marketing automation services
- In streaming, we continue to focus on local entertainment and sports, supported by selected co-operations
- Adoption of AI in news, video and audio allows us to improve customer experience and increase productivity across the business

Our long-term targets and performance 2024

	TARGET	KPIs AND PERFORMANCE 2024
Financial performance	**Group** ▪ Net debt / Adj. EBITDA: < 3.0 ▪ Equity ratio: 35–45% ▪ Dividend: Increasing dividend 40-60% of annual free cash flow **Learning** ▪ Organic net sales growth: 2–5% ▪ Operational EBIT margin excl. PPA: above 23% in 2026 **Media Finland** ▪ Organic net sales growth: +/-2% ▪ Operational EBIT margin excl. PPA: 12–14%	**Group** ▪ 2.2 ▪ 45.0% ▪ EUR 0.39 (Boards proposal to AGM 2025) **Learning** ▪ -2% ▪ 19.2% **Media Finland** ▪ -1% ▪ 8.2%
Inclusive learning 4 QUALITY EDUCATION 17 PARTNERSHIPS FOR THE GOALS	**Learning content:** ▪ We co-create high-quality and motivating learning materials with teachers, fitting the local curriculum ▪ We develop inclusive learning solutions that support diversity, differentiation and equal access to education ▪ We create learning methods that support the Sustainable Development Goals **Digital accessibility:** ▪ We develop accessibility of our content and digital solutions: Common accessibility components used in Learning's core digital products will be compliant with the AA-level of the WCAG Guidelines (Web Content Accessibility Guidelines) from 2025 onwards	**Learning content:** ▪ 84% of teachers agree that our materials help students reach curriculum objectives [1] ▪ 73% of teachers agree that our materials help engage their students [1] ▪ 78% of teachers agree that our materials support efficiency [1] **Digital accessibility:** ▪ In 2024, the SL Design System foundation was audited for accessibility against the WCAG guidelines (AA level) and development plan created based on the Accessibility audit report
Sustainable media 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	▪ We promote open democratic society and freedom of speech through our independent media ▪ We increase awareness, empathy and tolerance with our journalism ▪ We empower shared experiences with our sustainable entertainment and support the local audiovisual community ▪ We enable companies to thrive through our sustainable marketing solutions	▪ 5 notifications of violation concerning aspects of news articles as defined in the Guidelines for Journalists by The Council of Mass Media ▪ 2 cases of non-compliance against the Advertising and Marketing Communications Code of the International Chamber of Commerce

	TARGET	KPIs AND PERFORMANCE 2024
Valued people	**Employee engagement:** ▪ Annually, our Employee Experience Index is on a favourable level ≥ 7.5 ▪ Our people feel that we provide equal opportunities, and our Equal opportunities rating is on a favourable level, ≥ 7.6 ▪ We continuously seek to develop Sanoma as a great place to work, and, by 2025, aim to reach an Employee Net Promoter Score (eNPS) of > 10 **Gender diversity:** ▪ We promote diversity and gender neutrality throughout our business and aim for a 50/50 gender balance in managerial positions by 2030 ▪ The Board of Directors' objective is that both genders are represented on the Board with the share of under-represented gender being at least 40%	**Employee engagement:** ▪ Employee Experience Index: 7.4 (Scale 0-10) [2] ▪ Equal opportunities in my company rating 8.0 (Scale 0–10) [2] ▪ Employee Net Promoter Score: -5 (Scale -100 to +100) [2] **Gender diversity:** ▪ Managers with subordinates: 50% women / 50% men ▪ Directors and Senior Management: 48% women / 52% men ▪ Board of Directors: 25% women / 75% men
Trustworthy data	▪ All our nominated Privacy champions have completed a role-based training and operate across our businesses to provide privacy support ▪ We provide training on Privacy- and Security-by-Design to all our developers ▪ We train our permanent data breach management task force to handle personal data breaches	▪ Number of nominated privacy champions across our businesses: 32 ▪ Annual number of data breaches: 178 data breaches
Vital environment	**Science-based climate targets:** ▪ We reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year ▪ We reduce absolute Scope 3 GHG emissions from categories 1, 3 and 4 by 38% by 2030 from a 2021 base year [3] ▪ By end of 2030, we will be carbon neutral **Energy targets:** ▪ We use only fossil-free electricity ▪ By 2030, all energy used is fossil-free or renewable **Biodiversity targets:** ▪ All wood fibre in the paper qualities used by Sanoma originate from trusted certified sources	**Science-based climate targets:** ▪ Own operations (Scope 1 and 2) emission reduction from 2021: 44% ▪ Value chain (Scope 3) emission reduction from 2021: 38% [3] ▪ Emission intensity: 76 Scope 1, 2 and 3 tCO2 e/EUR net sales **Energy targets:** ▪ Share of fossil-free electricity: 97% ▪ Share of fossil-free energy: 92% **Biodiversity targets:** ▪ Amount of certified wood fibre in direct paper purchases: 98%
Responsible business practices	▪ All employees complete our mandatory Code of Conduct e-learning ▪ All new key Sanoma suppliers sign our Supplier Code of Conduct [4]	▪ Code of Conduct refresher e-learning completion rate: 97% ▪ Share of new key suppliers that have signed the Supplier Code of Conduct: 100% [4]

1 Results based on Sanoma's annual European Teacher Survey. Learn more on Sanoma's website.
2 Measured in the Employee Engagement Survey 2024.
3 KPI includes Scope 3 categories 1 Purchased goods and services, 3 Fuel- and energy-related activities and 4 Upstream transportation and distribution, which represented 75% of Scope 3 emissions in 2024.
4 KPI tracked via Sanoma's centralised contract Lifecycle Management system by evaluating new suppliers with above EUR 100,000 spend for the reporting year.

Sustainability highlights

Sanoma's Sustainability strategy focuses on six main topics, in which we have the greatest impact on society. It is designed to maximise our positive impact on society and to manage our environmental, social and governance impacts, risks and opportunities. Performance in the six topics in 2024 is summarised in the next three pages. Further details in Sanoma's Sustainability Statement.

Inclusive learning

Sanoma Learning is one of the global leaders in K12 education, serving about 25 million students across Europe. Its high-quality, inclusive learning solutions support diversity, accessibility and differentiation, enabling teachers to develop the talents of every child.

European Teacher Survey: Learning materials help teachers improve learning outcomes

Sanoma Learning's annual European Teacher Survey represents the voice of teachers. The survey reveals the main drivers and challenges in primary and secondary education across Europe.

Learn more

~25 million
students reached

2,800+
employees

11
operating countries

78%
of teachers agree that learning materials support efficiency

Sustainable media

Sanoma Media Finland is the leading cross-media company in Finland, providing media for current and future generations. It promotes independent journalism and freedom of expression, creating public discussion, sharing joy through entertainment, and increasing empathy and tolerance.

Emphasising responsible journalism on Press Freedom Day

On 3 May Sanoma celebrated International Press Freedom Day, which aims to remind everyone that freedom of the press is the foundation of a democratic society and a free world, and that everyone is entitled to fact-based information.

Learn more

96%
of Finns reached weekly

2,400+
employees

18
newspapers

53
media brands

Valued people

Great results call for people working towards shared goals in a safe and inspiring environment. Sanoma is committed to offer its employees meaningful work with a high sense of inclusion, as well as opportunities for professional development.

Sanoma Italy's #GenerationEquality project works for equality

Sanoma Italy's gender equality project creates tools to help teachers discuss gender and equality in the classroom. The team has also obtained an Italian gender equality certification promoting equality at the workplace.

Learn more

5,200+
employees

48%
of senior management are women

7.4
solid Employee Engagement Index (EEI)

Trustworthy data

Data is an essential part of Sanoma's business, and the importance of privacy, security and customer trust are at the core of our daily work. Sanoma's work to build strong privacy, data protection and ethical AI into products continued during 2024.

Privacy Awareness Week emphasises practical tips

In January 2024, Sanoma Learning held a Privacy Awareness Week for its employees with expert talks and activities. Practical tips were shared on data minimisation, security, strong passwords, multi-factor authentication and how to spot data breaches.

Learn more

Privacy- and Security-by-Design
process considers privacy impacts and AI ethics in procurement and digital development

32
Privacy Champions across business

Focused trainings
for product development teams, service managers, architects, data breach management task forces and HR

Vital environment

Sanoma's climate strategy is a key part of our 2030 business plan, aligned with the Paris Agreement's 1.5-degree target. Sanoma focuses on reducing climate and biodiversity impacts across our value chain, driving ambitious environmental actions to support a low-carbon economy.

Sanoma invests in renewable solar energy

Sanoma installed 320 solar panels on the roof of Sanoma House in Helsinki in June 2024 and 1,805 panels to Manu printing house in Tampere in July. They strengthen the renewable electricity production, energy independence and save costs.

Learn more

-44%

reduction in own operations Scope 1 and 2 GHG emissions

*Compared to base year 2021

-38%

reduction in value chain Scope 3 GHG emissions*

*Categories 1, 3 and 4 compared to base year 2021

101,810 tCO_2e

Sanoma's carbon footprint

Responsible business practices

Strong business ethics, supply chain integrity and ethical partnerships are fundamental to Sanoma and its role in society. Sanoma is a member of the UN Global Compact, and committed to the Ten Principles on human rights, labour, environment and anti-corruption.

Sanoma launched a Social Bond Framework

In September 2024, Sanoma introduced a Social Bond Framework to fund projects enhancing access to education. This initiative aims to tackle social challenges and drive sustainable development through strategic investments.

Learn more

97%

of employees took the annual Code of Conduct e-learning with topics focusing on anti-bribery and corruption, fair competition, working responsibly with suppliers, privacy, security and ethical AI

100%

of new key suppliers signed the Supplier Code of Conduct

Financials and sustainability

This Annual Report is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation.

Report of the Board of Directors

Strategic review

In 2024, Sanoma continued to build on the long-term competitive strengths of both Learning and Media Finland by enhancing its three strategic focus areas for 2024–2026: 1) increasing the profitability of Learning and Media Finland, 2) growing organically and through smaller in-market acquisitions in Learning and 3) deleveraging the balance sheet.

Sanoma Learning continued to focus on and invest in developing inclusive, digital and printed learning materials across markets and in harmonising and developing its digital learning platforms. Strategic choices to discontinue low-value distribution contracts in the Netherlands and Belgium and divest the exam preparation business Stark were implemented during the year, resulting in lower net sales but an improved business mix for future years. In 2024, learning content represented approx. 79% (2023: 74%) of Learning's net sales.

The implementation of Learning's process and efficiency program Solar proceeded as planned, with 80% of the actions completed by the end of 2024. Program Solar is estimated to bring EUR 55 million operational efficiencies from 2026 onwards, and it consists of four streams: 1) organisational optimisation post curriculum renewals in Poland and Spain, 2) process improvements in publishing operations, 3) continuing harmonisation of digital learning platforms, and 4) overhead and other optimisations across the SBU. Supported by Program Solar, Learning is expected to reach its long-term profitability target (operational EBIT margin excl. PPA) of 23% in 2026.

In Media Finland, enhancing and investing in successful digital transformation both in news media and entertainment remained a strategic focus area, with the aim of strengthening the sustainable long-term competitive position of the business. Media Finland's total subscription base continued to grow overall as solid growth in digital subscriptions offset the decline in print subscriptions. In B2B, digital advertising demand was stable, while Sanoma's market share within domestic digital advertising increased. Media Finland has a reasonably balanced business portfolio, with 55% (2023: 52%) of net sales attributable to the relatively stable B2C business, mainly subscription, and 45% (2023: 48%) to the B2B business in 2024. Within B2B, print advertising represented only 15% (2023: 17%) of net sales. During the year, Media Finland successfully continued to implement its well-established cost conscious way of working, resulting in a significant improvement in profitability.

In both Learning and Media Finland, Sanoma continued to move forward with numerous AI initiatives. Several new services empowered by generative AI were launched during the year, with a strong emphasis on responsible use and human oversight.

Sustainability is deeply rooted in the purpose of Sanoma's learning and media businesses, which have a positive impact on the lives of millions of people every day. During the year, Sanoma's sustainability work included reducing its carbon footprint as well as on developing diversity, equality and inclusion (DE&I), leadership, ethical use of AI and suppliers' sustainability practices across the Group. More information on the sustainability performance is available in the Sustainability Statement.

Successful implementation of the strategy in 2024 resulted in a strong free cash flow improvement and a significant strengthening of the balance sheet with the key ratios within long-term target levels at the end of the year. In September, Sanoma launched its first social bond framework and issued a EUR 150 million three year Social Bond, which was allocated to more than 40 investors. This, together with the extension of the maturity of the majority of the committed Revolving Credit Facility (RCF) to November 2027, extended significantly the average maturity of Sanoma's external debt.

From a competitive and financial perspective, Sanoma is in a strong position to implement its ambitious strategy for sustainable long-term growth, including the aim to expand through value-creating M&A in K12 learning services. The long-term financial and sustainability targets and 2030 growth ambition are unchanged (details available in this Annual Report under Sanoma as an investment).

Financial review FY 2024

Net sales decreased in both businesses and the Group's net sales amounted to EUR 1,344.8 million (2023: 1,392.9). In Learning, net sales declined mainly due to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium and the divestment of the exam preparation business Stark. The net sales decline in Spain, visible in the third quarter, was offset by growth in other learning content businesses, in particular in Poland and the Netherlands. In Media Finland, the net sales decline was mainly driven by small divestments in the beginning of the year, while lower advertising sales were mostly offset by continued growth in subscription sales. The Group's comparable net sales development was -2% (2023: 2%), amounting to -2% in Learning and -1% in Media Finland.

Operational EBIT excl. PPA improved to EUR 180.0 million (2023: 175.4). In Learning, earnings were relatively stable. The adverse earnings impact related to the lower sales in Spain was offset by the positive impact of lower paper costs and price increases across learning content businesses. The divestment of Stark had a minor adverse impact on earnings. In Media Finland, strong earnings improvement was mainly driven by lower paper costs and continuing efficiency enhancement. Costs in Other operations increased mainly due to higher hosting and other technology costs as well as incentive provisions.

EBIT improved to EUR 81.8 million (2023: 51.7), driven by lower IACs and improved operational earnings. The IACs amounted to EUR -61.5 million (2023: -82.3). The restructuring expenses were at the previous year's level and were mostly related to strategic development costs, including Program Solar, and integration costs of recent acquisitions. The impairments were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. The comparison period included a EUR 36 million booking related to VAT claims in Media Finland. PPAs amounted to EUR 36.7 million (2023: 41.3).

Net financial items increased to EUR -33.4 million (2023: -30.5) as a result of higher interest rates for external loans. The impact was partially mitigated by the lower amount of external debt. The average interest rate of external loans was 4.8% (2023: 3.6%).

Result before taxes improved to EUR 48.4 million (2023: 20.6). Income taxes amounted to EUR -7.8 million (2023: -16.5). Result for the period was EUR 40.6 million (2023: 4.1).

Operational earnings per share increased to EUR 0.46 (2023: 0.39) and earnings per share to EUR 0.19 (2023: -0.03).

IACs, PPAs and reconciliation of operational EBIT excl. PPA

EUR million	2024	2023
EBIT	**81.8**	**51.7**
Items affecting comparability (IACs)		
Restructuring expenses	-37.6	-37.6
Of which related to Program Solar	-17.0	-21.8
Impairments	-29.0	-13.3
Capital gains/losses	5.2	4.6
VAT claims for years 2015−2018 and 2019−2021		-35.9
IACs total	**-61.5**	-82.3
Purchase price allocation adjustments and amortisations (PPAs)	**-36.7**	-41.3
Operational EBIT excl. PPA	**180.0**	175.4

A detailed reconciliation on SBU level is presented under Reconciliation of certain key figures.

Financial position

At the end of December 2024, net debt amounted to EUR 568.5 million (2023: 639.7). Net debt to adjusted EBITDA ratio improved to 2.2 (2023: 2.8), being within the long-term target of below 3.0. Supported by the strong cash flow development during the year and in line with the seasonality of the learning business, the Group's net debt decreased not only compared to the previous year but also compared to the end of September 2024. In September 2024, Sanoma issued a EUR 150 million three-year social bond and used part of the funds to prepay a EUR 100 million term loan related to the acquisition of Santillana due in December 2024. The issuance of the Social Bond in September, together with the extension of the maturity of the majority of Sanoma's EUR 300 million committed Revolving Credit Facility (RCF) to November 2027, significantly extended the average maturity of Sanoma's external debt (more information on p. 151). At the end of December 2024, the RCF was fully unused. Equity ratio was 45.0% (2023: 42.5%), being within the long-term target range of 35−45%.

At the end of December 2024, the Group's equity totalled EUR 771.7 million (2023: 799.4) and the consolidated balance sheet amounted to EUR 1,879.1 million (2023: 2,036.6).

Cash flow

The Group's free cash flow improved to EUR 145.3 million (2023: 105.1) or EUR 0.89 per share (2023: 0.64). The improvement was driven by higher operational results as well as lower investments in prepublication assets, partially resulting from Program Solar, and TV programme rights. The impact of higher financial expenses paid was more than offset by lower taxes paid, partially due to phasing between years.

Capital expenditure included in the Group's free cash flow decreased to EUR 37.7 million (2023: 43.1). The capital expenditure mainly consisted of growth investments in digital platforms and ICT in Learning, as well as investments in technology and adapting offices to the hybrid way of working in Media Finland.

Progress in Program Solar in Learning

On 26 October 2023, Sanoma announced that Sanoma Learning's operational EBIT margin excl. PPA is expected to reach its long-term target level of 23% in 2026 (2023: 18.7%), supported by the new process and efficiency improvement program Solar. Annual operational efficiencies from Program Solar are estimated to amount to approx. EUR 55 million from 2026 onwards. The implementation of Solar is materially completed, with 80% of the initiatives taken by the end of 2024, as indicated earlier.

The costs related to Solar are estimated to be approx. EUR 45 million and are mainly related to restructuring expenses. The costs of Solar are treated as IACs and are booked in Learning's result. The majority of Solar-related costs occurred during 2023–2024. The costs of Solar, treated as IACs, amounted to EUR 17 million in 2024 and EUR 22 million in 2023. The remainder of the costs are expected to occur in 2025. All organisational optimisation actions are subject to works council negotiations and other local legal procedures.

Acquisitions and divestments

On 18 January 2024, Sanoma announced that it will divest its majority holding in Netwheels Oy to Alma Media. Net sales of the divested business were approx. EUR 8 million in 2023, and the company employed 29 people who were transferred to the buyer at completion. The transaction was completed at the end of January.

On 8 January 2024, Sanoma announced it had divested Stark, an exam preparation business in Germany, which it acquired with the Italian K12 learning content business from Pearson in August 2022. Net sales of the divested business were approx. EUR 14 million in 2023 and the company employed 56 people who were transferred to the buyer with the divestment.

Information on acquisitions and divestments conducted in 2023 and earlier is available on Sanoma's website.

Events during the reporting period

On 5 September 2024, Sanoma issued a EUR 150 million three-year social bond. The bond matures on 13 September 2027. It carries a fixed annual interest of 4.000% and had an issue price of 99.872%. The offering was allocated to over 40 investors. In accordance with Sanoma's Social Bond Framework, published on 2 September 2024, the funds will be used to finance or refinance expenditures aimed at improving access to essential education services.

On 28 August 2024, Sanoma announced that the Supreme Administrative Court had rejected Sanoma's application for a permission to appeal the administrative court's decision regarding the value added tax (VAT) payment decision given by the Finnish Tax Adjustment Board related to the tax audits at Sanoma Media Finland Oy for the years 2015–2018. The decision had no impact on Sanoma's financials or free cash flow, as the VAT claim has been paid in 2021 and booked in Sanoma's result in Q2 2023.

On 19 June 2024, Sanoma announced the composition of its Shareholders' Nomination Committee. The four largest shareholders have appointed the following members to the Shareholders' Nomination Committee: Juhani Mäkinen (Vice Chair of the Board, Jane and Aatos Erkko Foundation), Antti Herlin (Chair of the Board, Holding Manutas), Robin Langenskiöld (3rd largest shareholder in Sanoma) and Rafaela Seppälä (4th largest shareholder in Sanoma). At its meeting on 19 June 2024, the Committee elected Juhani Mäkinen as Chair of the Committee and invited Pekka Ala-Pietilä, Chair of Sanoma's Board of Directors, to serve as an expert on the Committee.

Strategic business units

In 2024, Sanoma Group included two strategic business units (SBU), Learning and Media Finland.

Learning

Sanoma Learning is one of the global leaders in K12 education, serving about 25 million students in 12 European countries. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning materials as well as digital learning and teaching platforms for K12. i.e., primary, secondary and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Key indicators

EUR million	2024	2023	Change
Net sales	764.2	795.2	-4%
Operational EBITDA[1]	241.5	237.6	2%
Operational EBIT excl. PPA [2]	146.9	148.4	-1%
Margin[2]	19.2%	18.7%	
EBIT	59.1	70.6	-16%
Capital expenditure	30.3	33.8	-10%
Average number of employees (FTE)	2,612	2,849	-8%

[1] Excluding IACs
[2] Excluding IACs of EUR -57.4 million in 2024 (2023: -43.4) as well as PPA adjustments and amortisations of EUR 30.4 million in 2024 (2023: 34.5).

Full reconciliation of operational EBITDA and operational EBIT excl. PPA is presented in a separate table under Reconciliation of certain key figures.

Net sales by country

EUR million	2024	2023	Change
The Netherlands	220.8	218.7	1%
Poland	139.2	125.7	11%
Spain	135.6	152.4	-11%
Italy	105.5	104.7	1%
Finland	59.4	60.9	-2%
Belgium	64.1	82.1	-22%
Other countries and eliminations[1]	39.6	50.8	-22%
Net sales total	**764.2**	795.2	-4%

[1] Other countries include Sweden, Norway, France, Germany, Denmark and the UK.

Net sales of Learning decreased to EUR 764.2 million (2023: 795.2). The decrease was mainly attributable to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. The net sales decline in Spain during the third quarter was offset by growth in other learning content businesses, in particular in Poland and the Netherlands. Comparable net sales development was -2% (2023: 6%). Divestment of the exam preparation business Stark at the beginning of 2024 had a EUR -14 million impact on net sales.

Operational EBIT excl. PPA was stable and amounted to EUR 146.9 million (2023: 148.4), while the corresponding margin improved to 19.2% (2023: 18.7%). The adverse earnings impact related to the lower sales in Spain and the divestment of Stark was offset by the positive impact of lower paper costs and price increases across learning content businesses.

EBIT amounted to EUR 59.1 million (2023: 70.6). IACs increased to EUR -57.4 million (2023: -43.4) and mainly consisted of impairments, which were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium as well as costs related to Program Solar. PPAs were EUR 30.4 million (2023: 34.5).

Capital expenditure amounted to EUR 30.3 million (2023: 33.8) and mainly consisted of growth investments in digital platforms and ICT.

Media Finland

Sanoma Media Finland is the leading cross-media company in Finland, reaching 96% of all Finns weekly. We provide information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact and reach.

Key indicators

EUR million	2024	2023	Change
Net sales	580.9	597.8	-3%
Operational EBITDA[1]	132.5	132.4	0%
Operational EBIT excl. PPA[2]	47.5	39.8	19%
Margin[2]	8.2%	6.7%	
EBIT	38.2	-8.4	557%
Capital expenditure	7.2	8.6	-16%
Average number of employees (FTE)	2,109	2,144	-2%

[1] Excluding IACs.
[2] Excluding IACs of EUR -3.0 million in 2024 (2023: -41.3) as well as PPA adjustments and amortisations of EUR 6.3 million in 2024 (2023: 6.8).

Full reconciliation of operational EBITDA and operational EBIT excl. PPA is presented in a separate table under Reconciliation of certain key figures.

Net sales by category

EUR million	2024	2023	Change
Print	251.1	272.8	-8%
Non-print	329.9	325.0	1%
Net sales total	**580.9**	597.8	-3%

EUR million	2024	2023	Change
Advertising sales	214.8	219.2	-2%
Subscription sales	254.3	246.0	3%
Single copy sales	37.0	38.3	-3%
Other	74.8	94.3	-21%
Net sales total	**580.9**	597.8	-3%

Other sales mainly include festivals and events, marketing services, event marketing, custom publishing, books and printing services.

Net sales of Media Finland declined slightly and amounted to EUR 580.9 million (2023: 597.8). Advertising sales declined slightly as lower sales in TV and newsprint advertising were not fully offset by continued growth in digital. Subscription sales continued to increase, especially driven by growth in the SVOD service Ruutu+ and price increases across the product portfolio. The decline in other sales was attributable to the recent small divestments, lower number of events held compared to the previous year and lower external printing sales. Comparable net sales development was -1% (2023: -3%).

According to the Finnish Advertising Trends survey for December 2024 by Kantar TNS, the advertising market in Finland declined by 3% year-on-year on a net basis in 2024. Advertising grew by 1% in TV and 1% in online excluding search and social media (3% including search and social media), but decreased by 18% in newspapers, 10% in magazines and 2% in radio.

Operational EBIT excl. PPA improved and amounted to EUR 47.5 million (2023: 39.8). The corresponding margin improved to 8.2% (2023: 6.7%). Strong earnings improvement was mainly driven by lower paper costs and continuing efficiency enhancement.

EBIT improved to EUR 38.2 million (2023: -8.4) as a result of higher operational earnings and lower IACs. The IACs decreased to EUR -3.0 million (2023: -41.3) as the comparison period included a booking of EUR 36 million VAT claims. PPAs were EUR 6.3 million (2023: 6.8).

Capital expenditure amounted to EUR 7.2 million (2023: 8.6) and consisted of investments in technology and adapting offices to the hybrid way of working.

Personnel

In January–December 2024, the average number of employees in full-time equivalents (FTE) was 4,820 (2023: 5,119). The average number of employees (FTE) per SBU was as follows: Learning 2,612 (2023: 2,849), Media Finland 2,109 (2023: 2,144) and Other operations 100 (2023: 125). The number of employees declined as a result of certain restructuring actions, including Program Solar, across the Group and small divestments.

At the end of December 2024, the number of employees (FTE) of the Group decreased to 4,648 (2023: 5,017).

Employee benefit expenses amounted to EUR 395.0 million (2023: 405.4).

Risks and risk management

Sanoma is exposed to numerous risks and opportunities, which may arise from its own operations or the changing operating environment in the short or long term. Sanoma divides its key risks into four main categories: strategic, operational, non-financial and financial risks.

The most significant risks that could have a negative impact on Sanoma's business, performance or financial status are described below. Under the different categories, the most material risks are presented first. In addition to the risks presented in this review, currently unknown or immaterial risks may arise or become material in the future. Significant near-term risks and uncertainties are reported on a continuous basis in each Interim Report.

Sanoma's Enterprise Risk Management Policy defines the Group-wide risk management principles, objectives, roles, responsibilities and procedures also covering sustainability-related risks. The President and CEO, supported by the Executive Management Team, is responsible for defining risk management strategies, procedures and setting risk management priorities. SBUs are responsible for identifying, measuring, reporting and managing risks. The updated risk assessment results, with related ongoing or planned mitigation actions, are reported to the Audit Committee and, further to the Board of Directors twice a year. Risk management and internal control policies, processes, roles and responsibilities are presented in more detail in the Corporate Governance Statement and in the Sustainability Statement sections of this Annual Report. Sustainability-related risks are also further described in the Sustainability Statement.

Strategic risks

Mergers & Acquisitions (M&A)

Sanoma's strategic aim is to grow through acquisitions primarily in Learning, where Sanoma is looking for growth opportunities in the K12 learning services business. In Media Finland, Sanoma is interested in synergistic acquisitions in the chosen strategic focus areas of news and feature, entertainment or B2B marketing solutions. However, Sanoma may not be able to identify suitable M&A opportunities or suitable targets may not be available at the right valuation. Even if suitable M&A opportunities were identified and feasible, there are several risks related to M&A transactions. M&A risks may relate to unidentified liabilities of the target companies or their assets, changes in the market conditions, the inability to ensure the right valuation and effective integration of acquisitions or that the anticipated economies of scale or synergies do not materialise. Future M&A transactions may also be financed with debt, increasing Sanoma's overall indebtedness, which may, in turn, adversely affect the availability, costs or other terms of future financing. Regulation of M&A activity by competition authorities may, among other things, also restrict or delay the Group's ability to engage in M&A transactions.

To focus its business on areas where it has clear competitive advantages and leading market positions, the Group divested some of its non-core businesses in 2024, including, the Stark exam preparation business in Germany and the 55.8% holding in Netwheels in Finland. Information on acquisitions and divestments conducted in 2024 and earlier is available on Sanoma's website. The success of the recent acquisitions largely depends on the timely and efficient integration of the business operations, processes and ways of working. The process of integrating the acquired businesses into Sanoma's existing businesses involves uncertainties, and there can be no assurance that Sanoma will be able to integrate the businesses in the manner or within the timeframe anticipated and achieve the anticipated benefits of the acquisitions.

Sanoma is mitigating these risks by actively maintaining its industry networks, proactively seeking potential targets, working with well-known parties in transaction processes and following its internal policies and procedures in the decision-making, organisation and follow-up concerning M&A transactions. Despite this, there can be no assurance that the acquisitions will be successful and that Sanoma will achieve its strategic aim of acquisition-based growth.

Changes in customer preferences, technology and industry trends

In learning, digital and blended (combined print and digital) learning materials, methods and platforms have gradually been gaining ground. Blended learning materials are seen to optimally support learning outcomes, and the usage of digital learning tools has continued to increase across most markets. In the learning material distribution services, this shift towards digital is being mirrored by a move from renting and selling books towards subscription-based commercial models, most notably in the Dutch market. Both trends and/or their acceleration or slow-down may have an effect on the operational performance, financial performance and/or financial position of Learning. In addition, Learning is, by nature, subject to seasonal fluctuation, with most of the sales and earnings accrued during the second and third quarters when the new school year starts, which further increases the pressure to be able to respond to changes in a timely manner.

On top of the key trends and market fluctuations over the last years, generative artificial intelligence (AI) has been introduced to the market, providing Learning both opportunities and uncertainties. Applications of generative AI may bring efficiency gains in core processes related to, for example, method creation and software development. In learning content, generative AI provides opportunities for personalisation, underpinning the value of curated, high-quality content published and owned by Sanoma, albeit potentially adding competitive pressure. As the speed in which new technologies develop and penetrate the market is uncertain, there can be no assurance that Learning's development work would keep it ahead or aligned with market trends.

With the continued development of alternative forms of media, particularly digital media, the Group's media businesses and the strength of its media brands depend on its continued ability to identify and respond to constantly shifting consumer preferences and industry trends, as well as its ability to develop new and appealing products and services in a timely manner. Ongoing digitalisation is the driving force behind many of these changes, and adaption of new technologies is changing the way people consume media. Print news media consumption is transforming to digital channels and viewing time of free-to-air

(FTA) television is decreasing while online video-on-demand (VOD) consumption is increasing. The demand for advertising derived from printed media has also been in decline in recent years as advertisers shift to digital channels, and this trend is expected to continue. However, even the digital advertising ecosystem is changing. For example, advertisers' preference for performance-based advertising or the deprecation of third-party cookies may result in changes in business models related to the sales of digital advertising.

In Media Finland, generative AI may provide opportunities for productivity improvements and possibilities to accelerate technology development, support journalism in reaching more audiences and enhance customer communication and services. Risks with generative AI include misuse of the Group's data and content. AI advancements also pose risks to media brand trust by creating seemingly credible content or increasing the volume of AI-generated content that starts to compete with curated content.

To mitigate these risks, Sanoma is continuously developing digital and hybrid learning and media products and services. In addition, Sanoma maintains close and long-term relationships with schools, teachers and governing bodies and typically sells digital solutions and printed materials together. The wide cross-media offering provides Sanoma a base to constantly develop its offering to advertisers. However, there can be no assurance that Sanoma will be able to adjust to and meet the changes of consumer preferences, industry trends and technological developments in the future. Failure to respond to market changes by developing and/or adopting new products and services, through both established and new platforms, on a competitive and profitable basis may result in the Group losing market share in its established businesses to competitors. To capture potential upsides and mitigate potential risks related to generative AI, Sanoma focuses on having up-to-date AI principles and employee instructions and the right technology in place upfront, and on following the market developments closely.

Competitive environment and threat of new entrants

The learning and media markets in which the Group operates are highly competitive and include many regional, national and international companies. In media, competition is affected by the level of consolidation within the Group's markets as well as by the development of alternative distribution channels, especially for digital products and services offered by the Group. Competition may arise from large international media companies entering new geographic markets or expanding the distribution of their products and services to new distribution channels. Risks may arise if competitors are faster than the Group to adopt new technologies, such as generative AI and alternative forms of media or digital destinations, catering to both consumer and advertiser needs. Additionally, consolidation within relevant markets may increase existing competition or give rise to new entrants in the market. In Learning, there is a similar risk stemming from large international media companies, digital entrants, educational technology companies, open educational resources, user-generated content or digital tools. Furthermore, Learning is exposed to competition also from traditional publishers in different countries.

To mitigate these risks, the Group's ability to compete effectively will require continuous efforts by the Group in, among other things, sales and marketing, cost innovation and investment in technology to respond to changes in the markets. Although the Group currently holds solid positions in its key markets, there can be no assurance that it will be able to maintain these positions or that these positions will enable the Group to compete effectively in the future.

Changes in applicable laws, regulations or the political environment

The Group's operations are subject to various laws and regulations in relation to matters including, for example, intellectual property, health and safety, consumer protection and marketing, environment and climate, sustainability, employment, competition, securities markets and company law, compliance, data protection, international trade and taxation, in the countries in which the Group operates. Changes in such laws and regulations could have a material effect on Sanoma's ability to conduct its business effectively. For example, changes in education or digital platforms-related regulation could have a material effect on Sanoma's commercial propositions, technology or content investment needs, or financial performance. Although legislation related to learning is typically country specific, which limits the magnitude of said risk at the Group level, Sanoma faces an increased legislative risk in Poland and Spain, both of which are large markets and where broad or abrupt education-related legislative changes could have a material effect on Learning. The introduction or delay, pace, scope and timing of changes in education-related legislation, or their reflections in public educational spending, in the markets in which Sanoma operates – most notably in Poland or Spain, but potentially also other markets – may also influence the performance of Learning as a whole. In media, any adverse developments affecting the freedom of the press or source protection could have an adverse effect on the performance of Media Finland.

Changes in taxation as well as in the interpretation of tax laws and practices may have an effect on the operations of the Group or on its financial performance (e.g., value-added tax, VAT, applicable to Sanoma's printed, digital and hybrid products).

Tightening of consumer protection-related laws may necessitate the amendment of some consumer media sales business models imposing additional costs on Sanoma and having an adverse effect on its profitability. Furthermore, the deterioration of publishers' and broadcasters' copyright protection or increase in legal obligations (such as reporting or monetary obligations) towards original authors of copyright protected works affects the Group's ability to provide its customers with new products and services and may increase costs or impact the valuation of balance sheet items related to acquiring and managing copyrights.

Data is an increasingly essential part of Sanoma's business, putting privacy and consumer trust at the core of the Group's daily operations. Regulatory changes and new guidance by authorities or regulatory enforcement actions regarding the use of consumer or cookie data could, therefore, have an adverse effect on Sanoma's ability to utilise data in its business.

The Group may also be faced with the risk of overregulation on the European or national levels, or different, potentially tighter national interpretations on the European Union (EU) regulation in its operating countries. In particular, this risk is seen to relate to sustainability, compliance, intellectual property rights (IPR), data protection, digital transformation, consumer protection, accessibility and AI. The EU's AI Act has entered into force in all 27 EU member states on 1 August 2024. The enforcement of the majority of its provisions will commence on 2 August 2026, and could potentially have some impacts on certain products of Learning.

To mitigate these risks, Sanoma aims to anticipate any changes by closely monitoring the regulatory developments and adapting its business models accordingly. However, implementing changes to its business models in order to adapt to new regulations is likely to impose additional costs and may take time. Violations of any applicable laws or regulations could also result in penalties and fines.

General economic and market conditions

The general economic and political conditions in Sanoma's operating countries and overall industry trends could influence Sanoma's business activities and operational performance. In addition to the increasing global risks, including geopolitical unrest, the fluctuating costs and supply of global commodities, such as energy, and overall inflation, general economic conditions may be affected by various additional events that are beyond Sanoma's control, such as natural disasters or pandemics. Although Sanoma's diversified and balanced business portfolio to a certain extent mitigates this type of risk, it may cause disruption to Sanoma, its employees, markets, suppliers and customers, which could have a material adverse effect on Sanoma's business, operating model, financial condition and/or results of operations.

In general, long- and mid-term cyclicality associated with the performance of Learning relate to the development of public and private education spending especially during curriculum renewals, and may affect the demand of Learning content year-on-year. Moreover, changes in the overall economic environment can affect Learning's cost base, particularly the cost and availability of paper and printing, as well as of personnel. Such changes could also affect demand in segments where the parents or students themselves (rather than the government or schools) pay for learning materials, e.g., by increasing the demand for second-hand books. Such segments constitute a minority of Learning's business.

In Media Finland, risks associated with business and financial performance typically relate to advertising demand (B2B) and consumer spending (B2C). A significant proportion of Group's net sales is derived from advertising in digital media, printed newspapers and magazines, television and radio, and from subscriptions and single copies sold to consumers. Both of these sources of income are sensitive to changes in the general economic environment and consumer confidence, with advertising sales being historically somewhat more sensitive to economic downturns than consumer sales, particularly in subscription sales. Moreover, changes in the overall economic environment can affect Media Finland's cost base, particularly the cost and availability of paper and printing, as well as of personnel and distribution costs. In addition to increasing Media Finland's direct operating costs, higher cost inflation may have an adverse indirect impact in the demand of its products and services.

Changes in the geopolitical situation, particularly in Finland, could have an indirect impact in the business operations and financial performance of Sanoma's businesses in Finland.

Sanoma's diverse business portfolio and actions to manage the risks and costs related to prevailing and expected economic conditions, partially mitigate these risks. In 2024, approx. 57% (2023: 57%) of Sanoma's net sales was derived from learning, approx. 22% (2023: 20%) from single copy or subscription sales, approx. 3% (2023: 3%) from print advertising, approx. 13% (2023: 12%) from non-print advertising and approx. 6% (2023: 7%) from other sales.

Operational risks

Changes in economic conditions

Changes in general economic conditions may be reflected in Sanoma's operational and financial performance. Cost inflation may continue to have some impact on Sanoma's operating costs. The availability of newsprint paper, the paper quality most used by Sanoma, has recently remained at a good level, but there can be no assurance that the situation will persist in the future. Weakened confidence among Finnish consumers, impacted by the inflation and high interest rates since the start of the war in Ukraine, may have an adverse impact on the demand of Media Finland's products and services. In addition, the weakening of the euro against main currencies, including the US dollar, may increase the cost of the goods and services Sanoma buys in currencies other than euro (e.g., hosting and TV content) and poses a risk to Sanoma's financial performance, albeit part of the currency transaction risk is hedged with forward contracts. Sanoma can partly mitigate these impacts on its financial performance through, for example, costs management actions, such as the process and efficiency improvement program Solar, launched in October 2023 in Learning. Failure in implementing the cost management actions related to Solar, or otherwise, may have an impact on Sanoma's financial performance in the coming years. At the end of 2024, the implementation of Solar was materially completed, with 80% of the initiatives taken.

Data and privacy

Data is an increasingly essential part of Sanoma's products and services in both Learning and Media Finland. The Group holds large volumes of personal data, including that of employees, customers and, in its digital learning businesses, students and teachers. Sanoma is subject to the General Data Protection Regulation ((EU) 2016/679, "the GDPR"), which sets strict requirements for implementing data subject rights, and for companies to demonstrate their accountability for complying with the regulation. Non-compliance with the GDPR in Sanoma's business and operations, or potential inadequacy of the data protection processes and practices may cause problems, difficulties or additional costs to Sanoma. Any infringement of the GDPR could adversely affect Sanoma's reputation. Furthermore, under the GDPR, a national data protection authority is vested with the power to impose corrective actions, such as temporary or definitive bans on processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or 4% of the total worldwide annual turnover of a company. The Directive on Privacy and Electronic Communications 2002/58/EC also imposes requirements for online data collection and use. There have been various authority enforcement actions across the EU since 2021 regarding consent practices for the use of cookies and similar identifiers. While these are benefiting the media and advertising industry in the long term by creating a level playing field for small media players, in the short term they could also have a negative impact on media through additional costs. Although Sanoma runs a privacy programme that monitors development and enforcement of privacy regulations, there can be no assurance that such measures will be successful in ensuring compliance with privacy laws, which could lead to penalties, significant remediation costs and reputational damage to Sanoma.

In addition, Sanoma is exposed to potential data breaches resulting from unauthorised or accidental loss of, or access to personal data managed by Sanoma or by third parties processing data on Sanoma's behalf. For example, Sanoma's or its third-party suppliers' systems could be vulnerable to unauthorised access, misuse, breaches due to employee error or malfeasance, computer viruses, attacks by hackers or other similar threats. Data is key in the development of Sanoma's products and services, as it enables content and learning services to be better tailored to the needs of customers, such as by providing individualised learning paths and even more compelling media content. Continuing the use of data in the future is dependent on maintaining the trust of customers, and potential data breaches could significantly undermine this trust.

To mitigate these risks, Sanoma's key privacy implementation processes include conducting privacy impact assessments, data lifecycle management, negotiating data processing agreements with third parties, information security measures to protect data, data breach management procedures and implementation of data subject rights. However, there can be no assurance that data breaches will not occur despite these efforts to prevent such breaches or, in the event that breaches occur, that Sanoma will be able to mitigate the effects of such a breach. This could lead to reputational damage which could ultimately lead to Sanoma's inability to effectively compete for future business and to potential cancellations of existing contracts.

Information and Communications Technology (ICT)

Functioning and reliable information and communication technology systems are integral to the Group's businesses and operations. The systems include online services, digital learning platforms, VOD platforms, newspaper and magazine subscriptions, advertising and delivery systems, as well as various internal systems for production control, customer relations management and supporting functions. Information and communication technology security risks may relate to confidentiality, integrity and/or availability of information, as well as to reliability and compliance of data processing. The risks can be divided into physical risks, such as fire, sabotage and equipment breakdown, and logical risks, such as information security risks, including the increasing threat of malware and cyber-attacks, hacking of personal data or other sensitive data assets, and employee or software failure. Additionally, fragmentation of the data landscape and legacy systems or failure in meeting customer needs or local requirements when developing or harmonising the digital offering could cause a delay or hinder the Group's digitalisation.

To mitigate these risks, Sanoma has continuity and disaster recovery plans in place for its critical systems and clear responsibilities regarding information and communication technology security. Information security controls include the use of threat intelligence capabilities, cyber security incident detection capabilities, identity and access management solutions, log management capabilities and the use of external information security audits. Sanoma's insurance programme provides partial coverage for insurable information security risk. Although Sanoma has several information security control measures in place, there can be no assurance that such measures will be adequate to prevent failures of one or more of the Group's essential information and communication technology systems, which could cause disruptions to its business and reputational damage resulting from possible data breaches.

Third parties

A broad network of third parties in a wide variety of countries plays an integral role in Sanoma's daily operations. Third-party suppliers in Sanoma's value chain include, among others, technology solution and service providers, paper, print and logistics suppliers as well as content providers both for Learning and Media Finland. Therefore, risks relating to the availability, price, quality, security and delivery schedules of third-party suppliers are material for Sanoma's operations. During recent years, these include increased use of external cloud-based services, the functioning of which is strongly dependent on usability and accessibility of global internet connections.

The expanding global supply chain risks that are a combination of, for example, geopolitics, post-pandemic situation, economic environment, high inflation, growing sustainability requirements and production factors, may result in much tighter supply market conditions, cost and availability concerns. The current global geopolitical and economic situation may also cause delivery delays and cost overruns. To mitigate the risks inherent in its supply chain, Sanoma has diversified its supplier base with a targeted selection of regional and local suppliers and developed response strategies should disruption materialise. Close cooperation with the suppliers helps Sanoma to assess and understand which suppliers are most at risk under different circumstances.

Sanoma uses freelancers to support its own editorial staff in content creation. The status of freelancers and related copyright legislation development may vary by authority and country, but no individual case is estimated to become material unless it escalates to concern a large group of freelancers working for Sanoma. The development in the status of freelancers or the related regulation may, however, also increase the related costs.

In addition, certain advertising and marketing efforts are executed with the help of third parties. The advertising technology ecosystem consists of players, such as Google and Facebook, that have dominant market power, which may lead to an imbalance in their agreements entered into with Sanoma. Sanoma participates in a class action by European publishers against Google regarding abuse of Google's dominant position in the advertising technology ecosystem.

Sanoma's daily business is dependent on its ability to identify sources of supply that meet Sanoma's standards and identified business, technology and sustainability requirements, although Sanoma is not dependent on any individual suppliers. To mitigate third-party-related risks, Sanoma follows the guiding principles of supplier risk management set in the Group's Procurement Policy, Supplier Code of Conduct and legal framework. The most significant suppliers are selected through competitive bidding and qualification processes. Suppliers and other third parties are subject to a Know Your Counterparty (KYC) process to identify any risks related to anti-bribery, sanctions regulations and other issues.

With suppliers most relevant for Sanoma's business continuity, Sanoma has set up steering practices and supplier engagement to jointly mitigate the identified risks, for example, by increasing the paper inventory and agreeing on steps to avoid problems with newspaper delivery. If any of the key suppliers had to be replaced abruptly, it could cause temporary business interruptions and/or increase costs.

Despite the processes and risk mitigation activities that Sanoma has in place, Sanoma may not be able to ensure that its suppliers or other third parties comply with all relevant regulations and its internal policies and standards, which could, for example, lead to legal processes and/or reputational damage. In addition, cooperation with third parties may expose Sanoma to certain data-related risks.

Intellectual Property Rights (IPR)

The Group's products and services largely consist of intellectual property delivered through a variety of media. Key IPR related to Sanoma's products and services are copyrights including rights to make the copyright protected works available to the public, trademarks, business names, domains and know-how owned and licensed by the Group. In addition, the Group conducts business in certain countries where the extent of effective legal protection and enforcement of IPR may differ and, therefore, cause uncertainty. Moreover, despite trademark and copyright protection, third parties may copy, commercially exploit, infringe on or otherwise profit from the Group's proprietary rights without authorisation. These unauthorised activities may be more easily facilitated by internet and generative AI tools. The scarcity of internet and generative AI-specific legislation relating to trademark and copyright protection or enforcement of rights, as well as effective and concrete means to intervene with online IPR infringements, create an additional challenge for the Group in protecting its proprietary rights relating to its online business processes and other digital rights, and failure to protect its proprietary rights or IPR could result in the loss or diminution in value of these rights. Sanoma also uses a high volume of third-party IPR in its operations, which exposes it to possible infringement claims from third parties. Such claims could result in burdensome litigations and additional costs as well as adversely affect Sanoma's reputation, which could, in turn, have a negative impact on Sanoma's operations.

To mitigate these risks, the Group relies on copyright, trademark and other intellectual property laws as well as its Group-wide IPR Policy and procedures to establish and protect its proprietary rights in these products. However, there can be no assurance that the Group's proprietary rights will not be challenged, invalidated or circumvented.

Business interruption, health and safety and physical climate-related hazards

Operational disruption to the Group's business may be caused by a major disaster and/or external threat that could restrict its ability to supply products and services to its customers, including potential disruptions, such as the availability of internet or energy in the Group's main operating countries. The Group is exposed to various health and safety and environmental risks, such as natural disasters and hazards following physical risks of climate change, that are beyond Sanoma's control and that could cause business interruption and result in significant costs. External threats including, but not limited to pandemics, terrorist attacks, strikes and weather conditions, could affect the Group's businesses and employees, disrupting daily business activities. Also, any failure to maintain high levels of safety management could result in physical injury, sickness or liability to Sanoma's employees, which could, in turn, result in the impairment of Sanoma's reputation or inability to attract and retain skilled employees.

Despite Sanoma's operational policies, efficient and accurate process management and contingency planning, there can be no assurance that these will be sufficient in preventing any of the above-mentioned risks, or recovering from such risks. To mitigate potential risks, Sanoma has continuity and disaster recovery plans in place for its critical systems and operations, but there can be, however, no assurance that these will be sufficient in preventing such risks impacting Sanoma negatively.

Sanoma's insurance programme provides coverage for insurable hazard risks, subject to insurance terms and conditions, but there can be no assurance that Sanoma's insurance coverage would adequately cover all or any of such costs, if such an incident were to occur, which could result in significant costs.

Non-financial risks

Talent attraction and retention

The Group's success depends on having competent, skilled and engaged management and employees, and on their competencies and skills in developing appealing products and services in accordance with customer needs in a changing environment. Recruiting and retaining skilled and motivated personnel may become increasingly difficult as a result of various factors, including a shortage of skills in the labour market and intensifying competition for talent. In addition, Sanoma's involvement in M&A transactions generally exposes it to the risk of employees, including senior management and other key employees, leaving before such projects are completed or the acquired businesses are integrated to Sanoma's existing business. Also, cultural differences and resistance to change may hinder the Group's performance or transformation. Should the Group fail to attract, retain, develop, train and motivate qualified, engaged and diverse employees at all levels, it could have an adverse effect on the Group's profitability and value creation, competitiveness and development of its business operations in the long term.

To mitigate these risks, Sanoma aims to enhance a corporate culture that supports learning, innovation, creativity, diversity, managing continuous change, as well as ethical and efficient ways of working, for which the framework is set in Sanoma's Code of Conduct and People Policy. Sanoma measures employee engagement on an annual basis, and the results are also linked to executive and senior management remuneration. Further details of Sanoma's material impacts related to its own workforce are available in the Sustainability Statement of this Report of the Board of Directors, section S1 Own workforce.

Human rights, anti-corruption and bribery

Sanoma operates across Europe and both of its business segments use a wide network and variety of business partners that provide products and services. These business partners range from individual third-party content providers to international paper and print producers and cloud-service providers (more information on risk related to third-parties is available above under Operational risks). Sanoma is committed to conducting business in a legal and ethical manner in compliance with local and international laws and regulations applicable to its business as well as its Code of Conduct and Supplier Code of Conduct. Nevertheless, there is a risk that Sanoma's employees or business partners may act in a way that potentially impacts or violates human rights or anti-corruption and bribery laws and regulations or they may act unethically.

To mitigate these risks, all Sanoma employees, for example, must comply with Sanoma's Code of Conduct, which supports the international standards on human rights and labour conditions and clearly prohibits all corruption and bribery. The requirements of the Code of Conduct are extended to Sanoma's suppliers through the Supplier Code of Conduct. Sanoma aims to ensure compliance with measures such as a mandatory e-learning course on the Code of Conduct to all employees; however, there can be no assurance that Sanoma's internal control measures will detect and prevent misbehaviour by individual employees or third-party suppliers. Breaches of applicable laws and regulations or corporate policies by Sanoma's employees or business partners may lead to legal processes, sanctions and fines, as well as reputational damage affecting Sanoma's operations, which could have a material adverse effect on Sanoma's business, financial condition or results of operations. Further details of Sanoma's material impacts and risks related to human rights, anti-corruption and bribery are available in the Sustainability Statement of this Report of the Board of Directors, sections S1 Own workforce, S2 Workers in the value chain, S4 Customers and End-users and G1 Business conduct.

Environment and climate

Sanoma's most significant climate and biodiversity impacts derive from greenhouse gas emissions caused by resources, i.e., energy and materials, used in its value chain. As Sanoma's business is not highly carbon intensive, no significant climate risks are expected to arise in the short term. In the medium to long term, Sanoma has identified low to medium climate and biodiversity-related transition risks related to regulatory changes as well as brand and changing customer behaviour. Physical climate-related risks include the increased severity and frequency of extreme weather events such as cyclones or floods. Through its resource use, the availability and price of certified paper and renewable energy pose some risk for Sanoma and changes in them may potentially have an adverse impact on the Group's business and financial performance. The effects of climate change are wide-ranging and may, in the long term, bring, for example, considerable social uncertainty, which may in turn cause risks that are currently unidentified.

Sanoma mitigates climate-related risks through its ambitious climate strategy and by developing sustainability together with its stakeholders. Sanoma works alongside its suppliers to improve their sustainability performance by monitoring and collecting relevant data and using this to compare suppliers. To identify and control environmental and climate-related risks and opportunities, Sanoma evaluates them as part of its annual risk-assessment process. Further details of Sanoma's material impacts and risks related to environmental topics are available in the Sustainability Statement of this Report of the Board of Directors, sections E1 Climate change, E4 Biodiversity and ecosystems and E5 Resource use and circular economy.

Financial risks

Funding and liquidity

Under all circumstances, the Group seeks to maintain adequate liquidity, which depends on a number of factors. The Group's liquidity risk relates to servicing debt, financing investments and retaining adequate working capital. Sanoma aims to minimise its liquidity risks by ensuring sufficient revenues, maintaining adequate committed credit limits, using several financing institutions and forms of financing, and spreading loan repayment programmes over a number of calendar years. The Group's Treasury Policy sets minimum requirements for liquidity reserves.

There can be no assurance that the Group will be able to maintain a sufficient level of liquidity or that the Group will be able to obtain, on a timely basis or at all, sufficient funds on acceptable terms to provide adequate liquidity in the event that cash flows from operations, unused committed credit line and cash reserves prove to be insufficient. Negative changes in economic environment could affect the Group's profitability and cash flow in a manner that could adversely impact the Group's ability to comply with financial covenants in loan agreements. Failure to comply with the financial covenants could lead to acceleration of loans. Failure to generate additional funds, whether from operations or additional debt or equity financings, may, for example, require the Group to delay or abandon some or all of its strategy initiatives, including its strategic aim of acquisition-based growth, which could have a material adverse effect on the Group's business, financial condition or results of operations. In addition, any future adverse developments, such as a deterioration in the financial markets and a worsening of general economic conditions, may adversely affect Sanoma's ability to borrow additional funds as well as the cost and other terms of the funding. For example, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruption, for example, due to geopolitical risks, high inflation or the impacts of the war in Ukraine, which may adversely affect Sanoma's funding costs and access to funding and ultimately affect Sanoma's ability to finance its operations.

A more detailed description of the funding and liquidity risks and their management is available in the Consolidated Financial Statements, Note 5.2.

Interest rate

The Group's interest rate risk is mainly related to changes in the reference rates and loan margins of floating rate loans in the Group's loan portfolio. The Group manages its exposure to interest rate risk by ensuring that the interest duration of the gross debt of the Group is within a certain time range approved by the Board of Directors as part of the Group's Treasury Policy. The Group may also manage its exposure to interest rate risk by using a mix of fixed rate and floating rate loans or by utilising interest rate derivatives.

As at 31 December 2024, the Group's total interest-bearing loans amounted to EUR 456 million. The share of fixed rate loans was 33%, amounting to EUR 149 million. As at 31 December 2024, the Group did not have any interest rate derivatives. As a result of the floating rate loans, a significant rise in interest rates would lead to an increase in financial expenses limiting for example the Group's ability to pay dividends. For example, one percentage point increase in interest rates for the loan portfolio as at 31 December 2024 would cause a EUR 2.6 million (2023: 3.1) increase in Sanoma's net financing costs. A failure to manage interest rate risk may have an adverse effect on the Group's financial condition.

A more detailed description of the interest rate risks and their management is available in the Consolidated Financial Statements, Note 5.2.

Currency

The majority of the Group's cash flow from operations is denominated in euros. However, the Group is exposed to some transaction risk resulting from cash flows generated from sales and expenses denominated in other currencies. Group companies are responsible for monitoring and hedging material transaction risks related to their business operations in accordance with the Group's Treasury Policy. The majority of the Group's transaction risk in 2024 was related to the procurement of IT services and TV programming rights, both denominated in US dollars, the strengthening of which could significantly increase the Group's operating costs. The Group has selectively entered into forward contracts as a means of hedging against significant transaction risks.

Internal funding transactions within the Group are mainly carried out in the functional currency of the subsidiary. Group Treasury is responsible for monitoring and hedging the currency risks related to intra-group loans. Derivative instruments are used to hedge future cash flows, hence changes in their value will offset changes in the value of cash flows at the time they are paid or received. The materialisation of any of these risks could have a materially adverse effect on the Group's earnings and cash flow directly, and there can be no assurance that the hedging of these risks is sufficient. As at 31 December 2024, the Group had hedged intra-group loans of EUR 14.3 million (2023: 10). If the hedged currencies weakened by 10% against the euro at the year-end date 31 December 2024, the change in the value of forward contracts would have decreased financial expenses for 2024 by EUR 1.7 million (2023: 1.0). If the currencies strengthened by 10% against the euro, financial expenses would have increased by EUR 1.7 million (2023: 1.0).

The Group is also exposed to translation risk resulting from converting the income statement and balance sheet items of foreign subsidiaries into euros. A significant change in exchange rates may have an effect on the value of the businesses in Poland, Norway and Sweden. For the year ended 31 December 2024, business operations outside the euro area accounted for 13.1% (2023: 11.7%) of consolidated net sales and mainly consisted of revenues in Polish złoty, Norwegian krone and Swedish krona. The Group did not hedge against translation risk in 2024, in accordance with the Group's Treasury Policy approved by the Board of Directors.

A more detailed description of the currency risks and their management is available in the Consolidated Financial Statements, Note 5.2.

Credit

The Group's credit risks are related to its business operations, that is, the risk of the Group not being able to collect the payments for its receivables. Possible weakening of the economy, for example due to geopolitical risks or high inflation, may increase the Group's credit risk, although potential concentrations of credit risk are offset by the Group's diversified operations and the fact that no individual customer or group of customers is material to the Group. As part of the quarterly reporting, Sanoma reviews the potential changes on the expected credit losses and adjusts provisions accordingly if needed. In

Learning, credit risk of certain customers with a high-risk profile is partially covered by credit insurance. The Group's operational units are responsible for managing credit risks related to their businesses.

Agreements Sanoma has entered into with financial institutions contain an element of risk of the counterparties being unable to meet their obligations, which could have a material adverse effect on Sanoma's business and financial condition. The Group's Treasury Policy specifies that financing, deposits and derivative transactions are carried out with counterparties of good credit standing and divided between a sufficient number of counterparties in order to protect financial assets. The Group has spread its credit risks efficiently by dealing with several financing institutions. Sanoma's ability to manage its financial counterparty-related risks depends on a number of factors, including market conditions affecting its financial counterparties, and there can be no assurance that Sanoma's measures will be successful in preventing the realisation of financial counterparty-related risks, which could have a material adverse effect on Sanoma's business and financial condition.

A more detailed description of the credit risks and their management is available in the Consolidated Financial Statements, Note 5.2.

Impairment of goodwill, immaterial rights and other intangible assets

At the end of December 2024, Sanoma's consolidated balance sheet included EUR 1,455.9 million (2023: 1,532.7) of goodwill, immaterial rights and other intangible assets. The majority of these are related to the learning business. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis or more frequently if there is any indication of impairment. Changes in business fundamentals could lead to further impairment, thus impacting Sanoma's equity and equity-related ratios. Furthermore, as Sanoma's strategic aim is to grow through acquisitions, material amounts of goodwill, immaterial rights and other intangible assets might be recorded on Sanoma's balance sheet in the future in connection with the completions of acquisitions and may be impaired. The impairment losses on goodwill, immaterial rights and other intangible assets for the year ended 31 December 2024, totalled EUR 33 million (2023: 11). Impairments of other intangible assets amounted to EUR 29 million (2023: 1) and mainly related to the discontinuation of low-value distribution contracts in the Netherlands and Belgium.

Seasonal fluctuation

The Group's businesses are exposed to seasonal fluctuation. For example, the Group's learning business has, by its nature, an annual cycle with strong seasonality. Most net sales and earnings are accrued during the second and third quarters, while the first and fourth quarters are typically loss-making. Shifts of single orders between quarters may have a material impact when comparing quarterly net sales and earnings on a year-on-year basis, and thus year-to-date figures typically provide a more comprehensive picture of Learning's business performance and development.

In the media business, net sales and earnings are particularly affected by the development of advertising. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published each quarter, which varies annually. TV advertising in Finland is usually strongest in the second and fourth quarters. The events business in Finland is typically focused on the second and third quarters.

Such seasonal fluctuations influence the Group's net sales, EBIT and free cash flow and, thus, could have a material adverse effect on Sanoma's business, financial condition or results of operations and impact the comparability of the quarterly financial information of the Group.

Changes to tax laws or their application, or tax audits

Sanoma's tax burden depends on tax laws and regulations and their application and interpretation. Changes in them may increase Sanoma's tax costs to a significant degree, which could have an adverse effect on Sanoma's financial condition and/ or results of operations. In addition, Sanoma may, at times, be subject to tax audits conducted by national tax authorities. Tax audits or other auditing measures carried out by tax or other authorities could result in an imposition of additional taxes (such as income taxes, VAT and withholding taxes), which could lead to an increase in Sanoma's tax liability.

Changes in taxation, as well as in the interpretation of tax laws and practices applicable to Sanoma's products and services or their distribution, e.g. VAT, may have an effect on the Group's operations or its financial performance. Sanoma booked a total net amount of EUR 31 million of VAT claims for the years 2015−2018 and 2019−2021 concerning the treatment of VAT on certain magazines that were printed in multiple locations in Europe and processed in and distributed through a centralised logistics centre in Norway, as IACs in Media Finland's result in 2023. In August 2024, the Supreme Administrative Court rejected Sanoma's application for permission to appeal the decision regarding the years 2015−2018. Thus, it will not give a resolution to the Company's appeal. A decision regarding 2019−2021 is still pending Tax Adjustment Board's decision. The VAT regulations have changed as of 1 July 2021 and, thus, further claims related to the matter are not expected.

A more detailed description of the Group's financial risks and their management is available in the Consolidated Financial Statements, Note 5.2.

Outlook for 2025

In 2025, Sanoma expects that the Group's reported net sales will be EUR 1.28–1.33 billion (2024: 1.34). The Group's operational EBIT excl. PPA is expected to be EUR 170−190 million (2024: 180).

The outlook is based on the following assumptions:

- Demand for learning content will be relatively stable across the Group's main operating markets.
- The advertising market in Finland will be relatively stable.

Corporate governance

Separate Corporate Governance Statement 2024 and Remuneration Report 2024 can be read in the Governance section of this Annual Report.

Decisions of the Annual General Meeting 2024

Sanoma Corporation's Annual General Meeting (AGM) was held on 17 April 2024, in Helsinki, Finland. For the purposes of expanding the opportunities for shareholders' participation, the opportunity was reserved for the shareholders to exercise their rights by voting in advance.

The meeting adopted the Financial Statements, the Board of Directors' Report and the Auditor's Report for the year 2023, as well as discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023. In addition, the meeting made an advisory decision on the adoption of the Remuneration Report of the governing bodies.

The AGM resolved that a dividend of EUR 0.37 per share shall be paid. The dividend shall be paid in three instalments. The first instalment of EUR 0.13 per share was paid to a shareholder who was registered in the shareholder register of the Company maintained by Euroclear Finland Oy on the dividend record date 19 April 2024. The payment date was 26 April 2024.

The second instalment of EUR 0.13 per share was paid to a shareholder who was registered in the shareholder register of the Company on the dividend record date 17 September 2024. The payment date for the instalment was 24 September 2024.

The third instalment of EUR 0.11 per share was paid to a shareholder who was registered in the shareholder register of the Company on the dividend record date 5 November 2024. The payment date for the instalment was 12 November 2024.

The AGM resolved that the number of the members of the Board of Directors shall be set at eight. Pekka Ala-Pietilä, Julian Drinkall, Rolf Grisebach, Anna Herlin, Mika Ihamuotila, Sebastian Langenskiöld and Eugenie van Wiechen were re-elected as members, and Klaus Cawén was elected as a new member of the Board of Directors. Pekka Ala-Pietilä was elected as the Chair of the Board and Klaus Cawén as the Vice Chair. The term of all Board members ends at the end of the AGM 2025.

The AGM resolved that the remuneration payable to the members of the Board of Directors remains unchanged. The monthly remunerations are EUR 12,000 for the Chair of the Board of Directors, EUR 7,000 for the Vice Chair of the Board of Directors, and EUR 6,000 for the members of the Board of Directors.

The meeting fees of the Board of Directors are:

- For Board members who reside outside Finland: EUR 1,000 / Board meeting where the member was present;
- For members of the Board of Directors who reside in Finland: No separate fee is paid for attending Board meetings
- For the Chairs of Board of Directors' Committees: EUR 3,500 / Committee meeting participated in;
- For Committee members who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated in; and
- For Committee members who reside in Finland: EUR 1,500 / Committee meeting participated.

The meeting fees of the Shareholders' Nomination Committee remain unchanged and are:

- For the Chair of the Shareholders' Nomination Committee: EUR 3,500 / Committee meeting participated in;
- For members of the Shareholders' Nomination Committee who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated in; and
- For members of the Shareholders' Nomination Committee who reside in Finland: EUR 1,500 / Committee meeting participated in.

The AGM appointed audit firm PricewaterhouseCoopers Oy as the Auditor and the Sustainability Auditor of the Company with Tiina Puukkoniemi, Authorised Public Accountant, Authorised Sustainability Auditor (ASA), as the Auditor with principal responsibility and responsible Sustainability Auditor. The Auditor and Sustainability Auditor shall be reimbursed against an invoice approved by the Company.

Board authorisations

The AGM authorised the Board of Directors to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares (approx. 9.8% of all shares of the Company) in one or several instalments. The shares shall be repurchased with funds from the Company's unrestricted shareholders' equity, and the repurchases shall reduce funds available for distribution of profits. The authorisation will be valid until 30 June 2025, and it terminates the corresponding authorisation granted by the AGM 2023. The shares shall be repurchased to develop the Company's capital structure, to carry out or finance potential corporate acquisitions or other business arrangements or agreements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

The AGM authorised the Board of Directors to decide on the issuance of new shares and the conveyance of the Company's own shares held by the Company (treasury shares) and the issuance of option rights and other special rights entitling to shares as specified in Chapter 10, Section 1 of the Finnish Companies Act. Option rights and other special rights entitling to shares as specified in Chapter 10, Section 1 of the Finnish Companies Act may not be granted as part of the Company's incentive programme. The Board will be entitled to decide on the issuance of a maximum of 16,000,000 new shares (approx. 9.8% of all shares of the Company) as well as conveyance of a maximum of 21,000,000 treasury shares held by the Company in one or several instalments. The issuance of shares, the conveyance of treasury shares and the granting of option rights and other special rights entitling to shares may be done in deviation from the shareholders' pre-emptive right (directed issue). The authorisation will be valid until 30 June 2025, and it will replace the corresponding authorisation granted by the AGM 2023.

Executive Management Team

In 2024, Sanoma's Executive Management Team consisted of the following members: Rob Kolkman (President and CEO as of 1 January 2024), Alex Green (CFO) and Pia Kalsta (CEO of Media Finland).

Related party transactions

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 the Consolidated Financial Statements, Note 6.1.

Annual General Meeting 2025

The Annual General Meeting 2025, is planned to be held on Tuesday, 29 April 2025, in Helsinki. The shareholders of the Company and their proxy representatives can also exercise the shareholder's rights by voting in advance as well as by submitting counterproposals and asking questions in advance in accordance with the instructions set out in the Notice to the Annual General Meeting of the Company published on 11 February 2025. More information is available on Sanoma's website.

Dividend proposal

On 31 December 2024, Sanoma Corporation's distributable funds were EUR 338 million, of which profit for the year made up EUR -1 million. Including the fund for non-restricted equity of EUR 210 million, the distributable funds amounted to EUR 548 million. The Board of Directors proposes to the Annual General Meeting that:

- A dividend of EUR 0.39 per share shall be paid for the year 2024. The dividend shall be paid in three equal instalments. The first instalment of EUR 0.13 per share shall be paid to a shareholder who is registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the dividend record date 2 May 2025. The payment date for this instalment is 9 May 2025. The record date for the second instalment of EUR 0.13 per share will be decided by the Board of Directors in September, and the estimated payment date will be in September 2025. The record date for the third instalment of EUR 0.13 per share will be decided by the Board of Directors in October, and the estimated payment date will be in November 2025.
- The amount left in equity shall be EUR 484 million.

According to its dividend policy, Sanoma aims to pay an increasing dividend, equal to 40–60% of the annual free cash flow. When proposing a dividend to the AGM, the Board of Directors looks at the general macroeconomic environment, Sanoma's current and target capital structure, Sanoma's future business plans and investment needs, as well as both the previous year's cash flows and expected future cash flows affecting capital structure.

Shares and shareholders

Sanoma has one series of shares, with all shares producing equal voting rights and other shareholder rights. The shares have no redemption and consent clauses, nor any other transfer restrictions. Sanoma share has no nominal value or book value.

Share capital

At the end of December 2024, Sanoma's registered share capital was EUR 71.3 million (2023: 71.3), and the total number of shares was 163,565,663 (2023: 163,565,663), including 349,690 (2023: 298,045) of its own shares. Sanoma's own shares represented 0.2% (2023: 0.2%) of all shares and votes. The number of outstanding shares excluding Sanoma's own shares was 163,215,973 (2023: 163,267,618).

In March 2024, Sanoma delivered a total of 214,554 (2023: 89,850) of its own shares (without consideration and after taxes) as part of its long-term share-based incentive plans.

Acquisition of own shares

On 31 October, Sanoma announced that it would start to repurchase the Company's own shares on the basis of the authorisation given by the 2024 Annual General Meeting. The shares shall be repurchased to be used as part of Sanoma's incentive programme. The maximum number of shares to be acquired is 720,000, corresponding to 0.44% of the total number of shares. The maximum sum to be used for the repurchase is EUR 5.9 million. The shares shall be acquired in public trading on Nasdaq Helsinki Ltd. at the market price prevailing at the time of purchase. The share repurchase started on 1 November 2024, and will end by 30 June 2025, at the latest. By 31 December 2024, Sanoma had acquired a total of 275,899 of its own shares.

Share trading and performance

At the end of December 2024, Sanoma's market capitalisation was EUR 1,251.9 million (2023: 1,134.7) with Sanoma's share closing at EUR 7.67 (2023: 6.95). In January–December 2024, the volume-weighted average price of Sanoma's share on Nasdaq Helsinki Ltd. was EUR 6.90 (2023: 7.58), with a low of EUR 6.27 (2023: 5.91) and a high of EUR 7.80 (2023: 10.30).

In January–December 2024, the cumulative value of Sanoma's share turnover on Nasdaq Helsinki Ltd. was EUR 80 million (2023: 166). The trading volume of 12 million shares (2023: 22) equalled an average daily turnover of 46,400 shares (2023: 87,200). The traded shares accounted for some 7% (2023: 13%) of the average number of shares. Sanoma's share turnover, including alternative trading venues, CBOE DXE, Turquoise and Frankfurt, was 14 million shares (2023: 26). Nasdaq Helsinki represented 83% (2023: 83%) of the share turnover. (Source: Euroland, Nasdaq Helsinki)

Ownership structure and shareholders

The Board of Directors is not aware of any effective agreements related to holdings in Sanoma shares and the exercise of voting rights.

Sanoma had 24,315 (2023: 24,466) registered shareholders at the end of December 2024.

On 31 December 2024, the combined holdings in the Company's shares of the members of the Board of Directors, the President and CEO, and the bodies they control (as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act) accounted for 0.5% (2023: 0.9%) of all shares and votes. More information on management shareholding and remuneration is available in the Consolidated Financial Statements, Note 6.3.

Major shareholders 31 December 2024

	Shareholder	Shares	% of shares
1	Jane and Aatos Erkko Foundation	39,820,286	24.35
2	Holding Manutas Oy	21,870,000	13.37
3	Langenskiöld Robin	12,273,371	7.50
4	Seppälä Rafaela	7,654,746	4.68
5	Varma Mutual Pension Insurance Company	5,538,352	3.39
6	Helsingin Sanomat Foundation	4,701,570	2.87
7	Ilmarinen Mutual Pension Insurance Company	4,073,424	2.49
8	Noyer Alex	3,213,277	1.96
9	Elo Mutual Pension Insurance Company	2,284,722	1.40
10	Bernardin-Aubouin Lorna	1,852,470	1.13
11	The State Pension Fund	1,760,000	1.08
12	Foundation for Actors' Old-Age Home	1,600,000	0.98
13	Evli Finnish Small Cap Fund	1,032,536	0.63
14	Säästöpankki Kotimaa Mutual Fund	864,139	0.53
15	Stiftelsen för Åbo Akademi	800,000	0.49
16	Samfundet Folkhälsan i Svenska Finland	764,389	0.47
17	Overseas Cattle Company Oy Ltd	700,000	0.43
18	Langenskiöld Christoffer	645,996	0.39
19	Langenskiöld Sebastian	645,963	0.39
20	Langenskiöld Pamela	645,963	0.39
	20 largest shareholders total	**112,741,204**	**68.93**
	Nominee registered	**16,374,195**	**10.01**
	Other shares	**34,450,264**	**21.06**
	Total	**163,565,663**	**100.00**

Shareholders by number of shares held 31 December 2024

Number of shares	Number of shareholders	%	Number of shares	%
1–100	8,820	36.27	401,605	0.25
101–500	8,720	35.86	2,391,164	1.46
501–1,000	2,945	12.11	2,305,215	1.41
1,001–5,000	3,004	12.35	6,574,870	4.02
5,001–10,000	411	1.69	2,939,066	1.80
10,001–50,000	299	1.23	5,713,380	3.49
50,001–100,000	45	0.19	3,308,115	2.02
100,001–500,000	45	0.19	9,329,713	5.70
500,001 +	26	0.11	130,523,086	79.80
Total	**24,315**	**100.00**	**163,486,214**	**99.95**
In the joint book-entry account			79,449	0.05
Number of shares issued			**163,565,663**	**100.00**

Holdings by sector 31 December 2024

Sector	Shareholders		Shares and votes	
	Number	%	Number	%
Private companies	806	3.31	5,590,734	3.42
Financial and insurance institutions	53	0.22	27,112,303	16.58
Public sector organisations	23	0.09	14,100,835	8.62
Households	22,974	94.48	44,010,471	26.91
Non-profit organisations	310	1.27	50,971,422	31.16
Foreigners	149	0.61	21,700,449	13.27
Total	**24,315**	**100.00**	**163,565,663**	**100.00**
In the joint book-entry account			79,449	0.05
Number of shares issued			**163,565,663**	**100.00**

Events after the reporting period

On 20 January 2025, Sanoma announced that it had acquired a portfolio of learning materials for secondary and vocational education from Finnish publisher Edita Oppiminen Oy, which had made a decision to discontinue its learning material publishing business. The acquired product offering complements Sanoma's current product portfolio for secondary and vocational education in Finland. In 2024, pro forma net sales of the acquired portfolio amounted to approx. EUR 4 million. No employees transferred from the seller to Sanoma with the transaction.

On 15 January 2025, the Shareholders' Nomination Committee proposed to the Annual General Meeting 2025, that the number of the members of the Board of Directors is set at nine. The Nomination Committee also proposed that Pekka Ala-Pietilä, Klaus Cawén, Julian Drinkall, Rolf Grisebach, Anna Herlin, Sebastian Langenskiöld and Eugenie van Wiechen are re-elected as members of the Board of Directors. Mika Ihamuotila informed that he does not stand for re-election to the Board. Consequently, the Nomination Committee proposed that Jannica Fagerholm and Timo Lappalainen be elected as new members of the Board. In addition, the Shareholders' Nomination Committee has proposed that Pekka Ala-Pietilä is elected as the Chair and Klaus Cawén as the Vice Chair of the Board of Directors. The proposed Board members have all given their consent to being elected. The term of all the Board members ends at the end of the Annual General Meeting 2026. The Shareholders' Nomination Committee also proposed that the monthly remuneration and meeting fees payable to the members of the Board of Directors remain unchanged, while the meeting fees of the members of the Board Committees are to be increased by EUR 1,000 / meeting for the Committee chairs and by EUR 500 / meeting for the Committee members. Essential biographical information on all Board member candidates is available on Sanoma's website.

Alternative performance measures

Sanoma presents certain financial performance measures on a non-IFRS basis as alternative performance measures (APMs). Sanoma considers that these alternative performance measures provide useful and relevant supplemental information to the management and investors on Sanoma's financial performance, financial position or cash flows. Some APMs exclude certain non-operational or non-cash valuation items affecting comparability (IACs) and are provided to reflect the underlying business performance and to enhance comparability between reporting periods. The APMs should not be considered as a substitute for performance measures in accordance with IFRS.

Definitions of key IFRS indicators and APMs are available on p. 103. Reconciliations are available on p. 104.

Sustainability Statement

General information

ESRS 2 General Disclosures

Basis of preparation

BP-1 General basis for preparation of the Sustainability Statement

Sanoma's Sustainability Statement ("Sustainability Report" as per the Finnish Accounting Act) has been prepared in accordance with the Corporate Sustainability Reporting Directive (EU) 2022/2464 and the European Sustainability Reporting Standards (ESRS) defined in the Commission Delegated Regulation (EU) 2023/2772, the requirements of Chapter 7 of the Finnish Accounting Act on sustainability reporting, and the EU Taxonomy legislation (2020/852).

The Sustainability Statement has been prepared on a consolidated basis and comprises Sanoma Corporation and its subsidiaries. The scope of consolidation is the same as for the Consolidated Financial Statements. Aligned with the Financial Statements, the figures include joint operations according to the Sanoma's ownership share exceeding 50%. ownership share (50%).

The reported topics are based on Sanoma's double materiality assessment process conducted in 2024. The identified material impacts, risks and opportunities cover Sanoma's own operations as well as the upstream and downstream value chain. For the upstream value chain, the statements cover information on Sanoma's tier 1 suppliers. In addition, Sanoma traces and monitors the origin of its purchased materials further in the supply chain to tier 2 suppliers. For downstream value chain, the statements cover information extending to consumers and end-users.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the Sustainability Statement. Sanoma has not either omitted from disclosure of any impending developments or matters that are currently in the course of negotiation.

BP-2 Disclosures in relations to specific circumstances

Sanoma's Sustainability Statement fulfils the characteristics of specific circumstances for the disclosures described below.

Time horizons

The European Sustainability Reporting Standards (ESRS) recommends to adopt the following time horizons: short-term time horizon being the reporting period in the financial statements, medium-term time horizon being from 1–5 years and long-term time horizon being more than 5 years. Sanoma deviates from the ESRS 1 definitions of medium- and long-term time horizons as it has used in its reporting the same time horizons as in the Company's Enterprise Risk Management (ERM) process. In its sustainability reporting, Sanoma's has used the following time horizons: short-term one year, medium-term 1-3 years and long-term 3 years and beyond.

Value chain estimation

Sanoma's reporting includes data mainly from own operations, and the reporting is based on Sanoma's policies and standards as well as actions and targets related to their implementation. The emissions data for Scope 3 related to categories 1, 4, 5 and 7 is partially estimated using indirect sources. 33% of Sanoma's Scope 3 greenhouse gas (GHG) emissions are calculated using non-primary data. The methodology is described in more detail in section E1-6. Sanoma evaluates the accuracy level of the data to be sufficient. Methods of collecting GHG emission data from suppliers are continuously improved by cooperating with suppliers and developing standardised methods for data collection.

Sources of estimation and outcome uncertainty

No monetary amounts or quantitative metrics in Sanoma's reporting are subject to a high level of measurement uncertainty.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Sanoma uses the GHG Protocol for emissions calculations, and its climate targets are validated by the Science Based Targets initiative (SBTi). Entity-specific metrics are partially based on the 2016 or newer version of the Global Reporting Initiative (GRI) Standards for each material topic standard: E5 Resource inflows (GRI 301-1 Materials) as well as S4 Customers and end-users (GRI 417-3 Marketing and labelling, GRI 418-1 Customer Privacy). For S4 Customers and end-users, the Company has utilised the Sustainability Accounting Standard Board's (SASB) Media & Entertainment, Advertising & Marketing (Media Pluralism, Journalistic Integrity & Sponsorship Identification, Intellectual Property Protection & Media Piracy, Data Privacy, Advertising Integrity) and Education (Data Security, Quality of Education & Gainful Employment) sectors' Sustainability Accounting Standards as inspiration.

Use of phase-in provisions in accordance with Appendix C of ESRS 1

Sanoma applies the phase-in provisions for the following data requirements:

- ESRS 1, 10.3 Transitional provision related to section 7.1 Presenting comparative information
- ESRS 2 SBM-1 40 (b) (breakdown of total revenue by significant ESRS sector) and (c) (list of additional significant ESRS sectors)
- ESRS 2 SBM-3 48 (e) (anticipated financial effects)
- ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- ESRS E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities
- ESRS S1-7 Characteristics of non-employees in the undertaking's own workforce
- ESRS S1-13 Training and skills development metrics
- ESRS S1-14 Health and safety data points on cases of work-related ill health and on number of days lost to injuries, accidents, fatalities and work-related ill health as well as health and safety data related to non-employees.

Minimum disclosure requirement MDR-M 77b

No metrics presented in this report have been validated by an external body other than the assurance provider. The only exception to this is the entity-specific metric related to the Employee Engagement Survey under S1, which is carried out entirely by a third-party service provider. In addition, Sanoma's climate targets have been third-party validated by the Science Based Targets initiative.

Sustainability governance

GOV-1 The role of the administrative, management and supervisory bodies

The composition, diversity and expertise of the administrative, management and supervisory bodies

Information on the composition of the administrative, management and supervisory bodies of the undertaking and the diversity of their members at 31 December 2024:

Table 1. Number of executive and non-executive Board members

	2024	
Executive members	0	0%
Non-executive board members	8	100%
Total	8	100%

The numbers presented above include the Audit Committee as its members are also members of the Board of Directors. Sanoma does not have representation of employees and other workers in its administrative, management and supervisory bodies.

Table 2. Gender distribution of the members of the Board of Directors

	Female		Male		Others		Not Disclosed		Total	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Members of the Board	2	25%	6	75%	0	0%	0	0%	8	100%

Table 3. Other information on the members of the Board of Directors

	2024
Board's gender ratio	0.3
Share of independent Board members	88%

The Board's gender ratio is calculated by dividing the number of female Board members by the number of male Board members.

All Board members were independent of the Company, but one member is non-independent of a major shareholder. For the Audit Committee, the gender ratio was 0 as all four members were male, and the share of independent members 100%.

The competences, experience and knowledge required for the Board composition is set out in the Charter of the Shareholders' Nomination Committee. Together with the Board Charter and the Diversity and Inclusion Policy, it establishes that diversity aspects are taken into account. In addition, the Board of Directors' Human Resources Committee discusses the composition and succession of the Board. The Finnish Corporate Governance Code also has requirements related to Board composition and diversity.

According to Sanoma's Corporate Governance Statement, the Board of Directors must collectively have sufficient knowledge of and competence in:

- the learning and media business with current and potential future geographical reach,
- the management of a public company of corresponding size, good corporate governance, corporate and financial administration and internal control and risk management,
- strategic work as well as mergers and acquisitions,
- technology, including digitalisation and the ethical use of artificial intelligence (AI) in consumer and publishing products, and
- sustainability, including environmental, social and governance aspects.

In order to ensure that the Board has sufficient and versatile competencies, mutually complementing experience and knowledge of the industry for the needs of Sanoma expressed in the strategy at any given time, the Shareholders' Nomination Committee considers a range of diversity aspects, such as business experience, international experience, nationality, age, education and gender, when preparing its proposal of the composition of the Board to the Annual General Meeting (AGM).

Until 17 April 2024, the members of the Board of Directors were Pekka Ala-Pietilä (Chair), Julian Drinkall, Rolf Grisebach, Anna Herlin, Mika Ihamuotila, Nils Ittonen (Vice Chair), Denise Koopmans, Sebastian Langenskiöld and Eugenie van Wiechen.

On 17 April 2024, the AGM elected the following members to the Board of Directors: Pekka Ala-Pietilä (Chair), Klaus Cawén (Vice Chair), Julian Drinkall, Rolf Grisebach, Anna Herlin, Mika Ihamuotila, Sebastian Langenskiöld and Eugenie van Wiechen. In its organisation meeting held after the AGM, the Board of Directors decided to appoint from among its members Rolf Grisebach (Chair), Klaus Cawén, Mika Ihamuotila and Sebastian Langenskiöld to its Audit Committee.

Table 4. Gender distribution of Executive Management Team (EMT)

	Female		Male		Others		Not Disclosed		Total	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Members of the EMT	1	33%	2	67%	0	0 %	0	0%	3	100%

Table 5. Other information on the members of the Executive Management Team

	2024
EMT's gender ratio	0.5

The EMT's gender ratio is calculated by dividing the number of female EMT members by the number of male EMT members.

The Executive Management Team (EMT) remained unchanged during the reporting period and included Rob Kolkman (President and CEO, Chair of the EMT), Alexander Green (CFO) and Pia Kalsta (CEO, Media Finland).

The roles and responsibilities of the administrative, management and supervisory bodies

In its operations and governance, Sanoma follows the laws and regulations applicable in its operating countries, the ethical guidelines set by the Sanoma Code of Conduct as well as the Group's internal policies and standards. Sustainability is embedded to Sanoma's governance, strategy and business model. The sustainability governance and management model is defined in Sanoma's Sustainability and Human Rights Policy. From the sustainability governance perspective, Sanoma's administrative body is the Board of Directors, the management body the President and CEO supported by the EMT, and the supervisory body the Board of Directors' Audit Committee. In addition, the Board of Directors' Human Resources Committee supports the Board is human resources related tasks, such as compensation and performance evaluation of the President and CEO and key executives, Group compensation and human resources policies and practices as well as the target setting for short- (STI) and long-term incentives (LTI).

Board of Directors

Sanoma's Board of Directors is responsible for the management of the Company and its business operations. The Board of Directors of Sanoma Corporation has a Charter to govern its work. The basis for the duties of the Board of Directors is set forth in the Finnish Limited Liability Companies Act. In addition to being the ultimate decision-maker on the long-term goals and business strategy of the Group, Sanoma's Board of Directors is responsible for

- the approval of strategic sustainability guidelines and sustainability management model,
- the appropriate arrangement of the control of the sustainability reporting and its assurance,
- the oversight of sustainability-related impacts, risks and opportunities,
- the approval of the Sustainability and Human Rights Policy, which is supported by internal policies, standards and manuals,
- the approval of the statutory Sustainability Statement, and
- the review of the double materiality assessment process and the approval of its outcomes.

Audit Committee

The Board of Directors' Audit Committee acts as Sanoma's Sustainability Committee and supports the Board in overseeing sustainability-related impacts, risks and opportunities. The Audit Committee reviews Sanoma's sustainability progress and monitors the implementation of the Sustainability Strategy through regular updates it receives from the management.

President and CEO and the Executive Management Team

The President and CEO is responsible for the implementation of strategic sustainability guidelines. The EMT supports the President and CEO in assessing and validating sustainability-related impacts, risks and opportunities and outlining Sanoma's strategic approach to sustainability, managing sustainability development, and monitoring regularly how sustainability is reflected in the business units. The Chief Financial Officer (CFO), who is a member of the EMT, is responsible for sustainability on the management level.

The President and CEO and the Executive Management Team (EMT) are ultimately responsible for ensuring that Sanoma employees are aware of and comply with the Group policies. In addition, the President and CEO approves the Group-level standards.

The EMT supports the President and CEO in duties related to coordinating the Group's management and preparing sustainability-related matters to be discussed at the Audit Committee meetings. The Board receives a summary of the Audit Committee meetings, and can address the topics in its meetings if relevant.

The Board of Directors, the Human Resources Committee and the EMT approve the annual short-term incentive targets and performance outcomes that also include targets related to Sanoma's material impacts, risks and opportunities. The sustainability-related performance in incentive schemes are presented in more detail in section ESRS 2 GOV-3. In addition, the long-term sustainability targets that are part of Sanoma's sustainability scorecard are monitored annually as part of the review of the Annual Report. The sustainability scorecard includes targets related to material impacts, risks and opportunities.

Sanoma monitors sustainability progress both on the Group and strategic business unit (SBU) levels and identifies sustainability related impacts, risks and opportunities as part of the Group-wide double materiality assessment and annual Enterprise Risk Management process. Sanoma hosts internal sustainability-related working groups to support the implementation of the strategic sustainability guidelines, where relevant. The Group Sustainability team supports the Group and SBUs in target achievement, project implementation and communications. Controls and procedures related to the management of impacts, risks and opportunities are defined in relevant functions. Group-level controls and procedures are applied to the Sustainability Statement reporting process.

Sanoma's Board of Directors, including the Audit Committee, has been trained on sustainability matters related to the European Sustainability Reporting Standards (ESRS) directive. In addition, some Board members have experience from sustainability topics for example related to their role in an environmental organisation.

The EMT is responsible for allocating appropriate skills and expertise related to sustainability matters at the Group and SBU levels. The EMT consults internal experts, such as the members of the Sustainability and Ethics Working Group, on material sustainability topics and related impacts, risks and opportunities.

The Sustainability and Ethics Working Group consists of selected members across the Group representing all material sustainability topics. It evaluates sustainability-related impacts, risks and opportunities, monitors the implementation of the Sustainability Strategy and coordinates related development work and actions as well as ethics and compliance.

Disclosure Requirement related to ESRS 2 G1 GOV-1 – The role of the administrative, management and supervisory bodies

The Board of Directors, including the members of the Audit Committee, have approved all of Sanoma's policies related to business conduct. The EMT is responsible for the implementation of these policies. The policies related to business conduct are presented in section G1-1. According to the Charter of the Shareholders' Nomination Committee, the Board of Directors must collectively have sufficient knowledge of, and competence in the management of a public company of corresponding size, good corporate governance, corporate and financial administration and internal control and risk management.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors, the Audit Committee and the EMT regularly discuss matters related to Sanoma's material sustainability topics. The Board of Directors approves Sanoma's double materiality assessment and Sustainability Statement. In 2024, the Audit Committee received five updates on material sustainability impacts, risks and opportunities, and the Board of Directors received eight updates. The Board receives a summary of the Audit Committee meetings, and can address the topics in its meetings if relevant. As sustainability is embedded into Sanoma's operations, it is also included in the operative and business updates to the Board. The updates are given by the CFO or the Head of Investor Relations and Sustainability, who reports to the CFO. In addition, as described in section GOV-1, the Board's Human Resources Committee addressed human resources-related matters in each of their meetings, and these were summarised to the Board.

Sanoma's sustainability performance is regularly discussed with the President and CEO and the EMT, prior to discussions with the Audit Committee and communication to stakeholders. In 2024, the EMT received eight updates on material sustainability impacts, risks and opportunities, mainly from the members of the Sustainability and Ethics Working Group. The Sustainability and Ethics Working Group providers information on material sustainability topics and reviews the policies and standards before they are reviewed and approved by the administrative, management and supervisory bodies.

The effectiveness of the sustainability-related policies, actions, metrics and targets are integrated into the sustainability scorecard that is monitored annually by the Board of Directors, Audit Committee and the EMT as part of the review of the Annual Report. In addition, the Ethics and Compliance Programme that monitors corporate culture, corruption and bribery-related risks is reviewed by the Audit Committee twice a year.

Sanoma aims to identify, prevent and mitigate potential and actual negative impacts on people and environment. These include social and environmental impacts connected with Sanoma's own operations as well as its upstream and downstream value chain through its products, services or business relationships. The due diligence process, included in Sanoma's Sustainability and Human Rights Policy, is defined in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Sanoma's Procurement team regularly conducts due diligence as part of its supplier assessment process.

Sustainability-related impacts, risks and opportunities as well as potential trade-offs are considered by the administrative, management and supervisory bodies when overseeing Sanoma' strategy or related to major transactions. When overseeing the strategy, impacts, risks and opportunities are taken into account in decision-making to ensure that they support the strategy. In major transactions, the due diligence process is led by Sanoma's M&A team, and the EMT and Board consider its outcome, as well as related impacts, risks and opportunities in its decision-making. The frequency of this process is case-dependent. Where there is a gap, an integration plan is initiated so that the matter is aligned with Sanoma's operations.

Sustainability-related risks are assessed in Sanoma's double materiality assessment, and as part of Sanoma's Enterprise Risk Management processes. The EMT reviews the risk map and risk management process, and the Audit Committee approves them. The bodies ensure that the risk map includes relevant sustainability-related impacts, risks and opportunities and that the risk management process supports the mitigation of these risks.

Sanoma's management of sustainability and human rights impacts is based on targeted measures on areas with the highest risks. If Sanoma cannot address the impacts immediately, the due diligence process allows for actions to be prioritised based on the severity and likelihood of the impacts.

In 2024, the administrative, management and supervisory bodies reviewed the progress of the Corporate Sustainability Reporting Directive project at Sanoma, and participated in the double materiality assessment process that included reviewing, validating and approving material impacts, risks and opportunities.

The following sustainability-related topics covering material impacts, risks and opportunities were discussed during the reporting year:

The Board of Directors and Audit Committee:

- Materiality assessment: approval of the double materiality assessment[1)]
- Policy approval: new Sustainability and Human Rights Policy and People Policy[2)] and updated Code of Conduct, IPR Policy, Anti-Bribery and Corruption Policy, Privacy and Data Protection Policy and Procurement Policy
- Performance monitoring: Ethics and Compliance Programme[3)], Privacy Programme[4)] and sustainability-related STIs (people, climate and privacy topics)
- Sustainable finance development: approval of the issuance of the EUR 150 million Social Bond, review of the Social Bond Framework and monitoring of ESG ratings
- Internal audit: sustainability reporting readiness assessment

The President and CEO and the Executive Management Team:

- Materiality assessment: approval of the double materiality assessment[1)]
- Policy review: new Sustainability and Human Rights Policy and People Policy[2)] and updated Code of Conduct, IPR Policy, Anti-Bribery and Corruption Policy, Privacy and Data Protection Policy and Procurement Policy
- Standards review and approval: new Environmental Standard[5)] and Supplier Code of Conduct
- Performance monitoring: Ethics and Compliance Programme[3)], Privacy Programme[4)] and sustainability-related STIs (people, climate and privacy topics)
- Sustainable finance development: Social Bond, Social Bond Framework and ESG ratings monitoring
- Regulatory monitoring related to sustainability reporting, due diligence, deforestation, artificial intelligence, privacy and accessibility regulation
- Internal audit: sustainability reporting readiness assessment

[1)] The double materiality assessment includes sustainability-related impacts, risks and opportunities. The list of IROs are presented in SBM-3.
[2)] The People Policy includes material impacts related to own workforce. The list of IROs are presented in SBM-3 in the Own Workforce section.
[3)] The Ethics and Compliance Programme includes corporate culture and corruption and bribery-related risks.
[4)] The Privacy Programme includes the development of the responsible use of personal data and artificial intelligence. Privacy is incorporated into Sanoma's product and business development through a 'Privacy and Security by Design' process.
[5)] The Environmental Standard covers climate, biodiversity, resource use, energy and waste related topics.

GOV-3 and GOV-3 E1 Integration of sustainability-related performance in incentive schemes

Sanoma has performance-based incentive schemes that cover the Company's management bodies and personnel. Sustainability targets are embedded into the short-term incentives of the executive management. In 2024, alongside financial metrics, sustainability targets constituted 20% of the total annual short-term incentives for the members of the EMT at the target level. 10% out of the overall targets were linked to the Employee Engagement Survey (EES), 5% to internal data and privacy targets and 5% to the climate targets.

The EES is a key component of the sustainability metrics, reflecting Sanoma's focus on employee well-being. Privacy-related metrics covered the standardisation of processes for managing privacy and conducting Privacy Impact Assessments for new products. Climate targets were linked to the Science Based Targets initiative (SBTi), which drives ambitious climate action in the private sector. In practice, the EMT members' incentives were linked to Sanoma's SBTi emissions reduction targets for Scopes 1, 2 and 3. These targets have been described in detail under E1-4. The Board of Directors' Human Resources Committee reviews and approves the incentive schemes, including the sustainability targets, annually. Sanoma's sustainability administrative and supervisory bodies, the Audit Committee and the Board of Directors, do not have performance-based incentives related to sustainability.

GOV-4 Statement on due diligence

Due diligence is the process by which Sanoma identifies, prevents, mitigates and accounts for how it addresses potential and actual negative impacts on the environment and people. This process is also defined in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Sanoma's due diligence process is defined in the Sustainability and Human Rights Policy and included into relevant operating policies.

Table 6. Locations of core elements of due diligence disclosures in the Sustainability Statement

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 GOV-3 E1 ESRS 2 SBM-3 E1 SBM-3 E4 SBM-3 S1 SBM-3 S2 SBM-3 S4 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 S1-SBM-2 S2-SBM-2 S4-SBM-2 ESRS 2 IRO-1 E1-2 E4-2 E5-1 S1-1 S2-1 S4-1 G1-1
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 E1-IRO-1 E2-IRO-1 E3-IRO-1 E4-IRO-1 E5-IRO-1 G1-IRO-1 ESRS 2 SBM-3 E1 SBM-3 E4 SBM-3 S1 SBM-3 S2 SBM-3 S4 SBM-3
d) Taking actions to address those adverse impacts	E1-1, E1-3 E4-1, E4-3 E5-2 S1-4 S2-4 S4-4 G1-1, G1-2, G1-3
e) Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6 E4-4 E5-3, E5-4, E5-5 S1-5, S1-6, S1-8, S1-9, S1-10, S1-11, S1-14, S1-15, S1-16, S1-17 S2-5 S4-5 G1-4

GOV-5 Risk management and internal controls over sustainability reporting

Sanoma has defined the roles and responsibilities related to sustainability reporting and management in its Sustainability and Human Rights Policy. The Board of Directors of Sanoma is responsible for the appropriate arrangement of the risk management and controls of sustainability reporting and its verification, the oversight of sustainability-related impacts, risks and opportunities, the approval of the statutory Sustainability Statement, the review of the double materiality assessment process and the approval of its outcomes. Sustainability-related risks are also reviewed as part of Sanoma's Enterprise Risk Management process, which also contributed to Sanoma's double materiality assessment during 2024. Risks related to sustainability reporting are managed through developing internal controls and processes.

Sanoma's governance, management, processes and operations, including sustainability-related topics, are subject to separate internal audits every year, following the Internal Audit Policy. Internal audit operates independently, reporting directly to the Audit Committee of the Board of Directors. Internal audits are based on an annual plan and the results of the inspections and the follow-up of possible observations are reported to the Audit Committee. Internal audit reports contain a description of the audit, findings and recommendations, and follow the Global Internal Audit Standards. Each auditee, representing relevant internal functions, provides comments, corrective actions and responsible persons for the observations.

During 2024, internal audit performed a readiness assessment for Sanoma's statutory sustainability reporting. The assessment was conducted by e.g. interviewing internal stakeholders involved in the reporting process. The scope of the assessment was the project to prepare for the Corporate Sustainability Reporting Directive (CSRD). According to the findings, Sanoma is well prepared towards compliance with the CSRD requirements. No major risks were identified in either the internal audit or overall risk assessment of the reporting process. Minor risks were related to e.g., Sanoma's ability to retrieve all data in a timely manner. In these cases, estimates and phase-in opportunities for the reporting are used.

Sustainability strategy

SBM-1 Strategy, business model and value chain

Strategy and sustainability-related goals

Sanoma's strategy aims for sustainable, profitable growth through producing printed and digital learning products and services, and journalistic media, entertainment and advertising. Sanoma's ambition is to increase the Group's net sales to over EUR 2 billion by 2030, with at least 75% coming from the learning business.

In the learning business, significant groups of products and services offered include a portfolio of printed and digital learning products and services. Significant markets and customer groups served include primary, secondary and vocational education (K12) i.e., 6–18 year-old students. Primary customers are teachers and schools. Sanoma has learning businesses in the Netherlands, Spain, Poland, Italy, Belgium, Finland, Sweden, Norway, Denmark, Germany and the UK.

In the media business, significant groups of products and services offered include media products in multiple forms: printed and digital domestic journalism including newspapers and magazines, entertainment through TV, audio, radio and events as well as marketing opportunities through Sanoma's reach and consumer insights for advertisers. Significant markets and customer groups served include Finnish consumers, as Sanoma reaches almost all Finns every week according to Kantar

Media Finland's Mind consumer survey. The survey is carried out in the Kantar Forum panel on a continuous basis. In addition to consumers, primary customers of Sanoma's media business include B2B customers.

At the end of 2024, Sanoma employed 5,267 professionals in total. The headcount is presented as a breakdown per country in section S1-6 Characteristics of the undertaking's employees. No significant changes in products and services offered or markets and customer groups served took place during the reporting period.

The elements of Sanoma's strategy, business model and value chain that relate to, or impact sustainability matters, are compiled into Sanoma's Sustainability Strategy, which focuses on environmental, social and governance topics and includes sustainability-related commitments to the UN Sustainable Development Goals and the UN Global Compact Ten Principles, for example. The key elements of Sanoma's business model, strategy and value chain, exposing and enabling Sanoma's sustainability-related impacts, risks and opportunities, are summarised below using the structure of the six key topics of Sanoma's Sustainability Strategy. Sanoma's sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders, including an assessment of current products and services, challenges and critical projects, are also summarised below.

- Inclusive learning: Within its learning business, Sanoma has a positive impact on its customers' and end-users' access to quality learning materials and education through printed and digital learning content, as well as digital learning and teaching platforms for primary, secondary and vocational education. Sanoma aims to co-create high-quality and motivating learning materials with teachers, to develop inclusive learning solutions that support diversity, accessibility and differentiation and to promote equal access to education. Critical projects include continuous development of aspects related to the inclusiveness of its products and to ensuring that all common accessibility components used in Sanoma's core digital learning products are compliant with the AA-level of the Web Content Accessibility Guidelines from 2025 onwards. Sanoma also aims to grow its learning business, and thus impact, organically and through acquisitions. These goals apply to the entire Learning SBU operating across Europe.
- Sustainable media: Within its Media Finland business, Sanoma has a positive impact on freedom of expression by providing independent journalism, which promotes open democratic society. To ensure journalistic ethics, Sanoma's key projects include the monitoring and development of practices concerning aspects of news articles as defined in the Guidelines for Journalists by The Council of Mass Media. Through its cross-media business model, Sanoma offers tailored marketing solutions for business partners, which requires Sanoma to consider advertising-related ethics and impacts carefully. Sanoma aims to ensure compliance with the Advertising and Marketing Communications Code of the International Chamber of Commerce, with key projects and challenges related to the monitoring of the reliability of sustainability and green claims within its platforms containing advertising. These goals apply to the entire Media Finland SBU, which operates in Finland.
- Valued people: Sanoma's success depends on having competent, skilled and engaged management and employees, and on their competencies and skills in developing appealing products and services in accordance with customer needs in a changing environment. This exposes Sanoma's business model and strategy to dependencies related to its own workforce, as recruiting and retaining skilled and motivated personnel may become increasingly difficult as a result of various factors, including shortage of skills in the labour market and intensifying competition for talent. Sanoma aims to promote equality and provide an inspiring workplace with excellent opportunities to develop. Key projects include continuous development of corporate culture, for example through Sanoma's DE&I programme and through monitoring of employee engagement on an annual basis, with results also linked to executive and senior management remuneration. These goals and actions apply to all Sanoma's operations across Europe.
- Trustworthy data: Data is an increasingly essential part of Sanoma's business model, products and services in both businesses. Sanoma holds large volumes of personal data, including the data of its own workforce as well as customers and end-users, such as media consumers, and students and teachers in Learning. This exposes Sanoma to privacy risks and requires it to consider carefully its processes for implementing data subject rights and demonstrating accountability for compliance with the GDPR. Sanoma is also exposed to potential data breaches resulting from unauthorised or accidental loss of, or access to personal data managed by Sanoma or by third parties processing data on Sanoma's behalf. At Sanoma, artificial intelligence (AI) is also used for, among other things, providing journalistic recommendations, personalised features in entertainment, and adaptive learning solutions. Applications of generative AI may bring opportunities related to efficiency, personalisation and support in delivering quality products, with risks including the misuse of the data and content. To mitigate data and privacy risks, Sanoma continuously develops trustworthy use of the learning and media customers' data. Key projects include implementing Sanoma's Privacy Programme and Privacy and Security by Design process to ensure that privacy and data protection is built into Sanoma's products. To mitigate AI-related risks, Sanoma continuously develops its digital and hybrid learning and media products and services with key projects including e.g., up-to-date ethical AI principles and employee instructions as well as having the right technology in place upfront. These goals and actions apply to all Sanoma's operations across Europe.
- Vital environment: Following its business model, Sanoma produces printed and digital learning and media products. Sanoma's printed products are produced either in its own operations, i.e., two newspaper printing houses in Finland, or by upstream printing suppliers used for books and magazines. This exposes Sanoma to environmental impacts though the use of resources. Key environmental impacts include the generation of GHG emissions as well as biodiversity impacts especially through the use of paper. The use of resources, especially paper, also generates dependencies and causes transition risks such as the availability of certified paper, availability of renewable energy and regulatory and customer demand risks. In addition, risks include physical risks related to climate change hazards, such as flooding. Sanoma aims to protect the climate and environment through its climate transition plan and biodiversity actions, with key projects focusing on reducing its impacts and cooperating with suppliers especially in the upstream value chain. These goals and actions apply to all Sanoma's operations across Europe.
- Responsible business practices: Good governance and ethics play a key role in Sanoma's business model and value chain in many ways. Third-party suppliers in Sanoma's value chain include, among others, technology solution and service providers, paper, print and logistics suppliers as well as content providers for both Learning and Media Finland. Sanoma's daily business is dependent on its ability to identify sources of supply that meet its standards, although Sanoma is not dependent on any individual suppliers. Sanoma aims to follow strong business ethics, supply chain integrity and ethical partnerships both within its own operations and throughout the supply chain. Key projects include the Ethics and compliance programme as well as supplier risk management. Suppliers and other third parties are subject to a Know Your Counterparty (KYC) process to identify risks related to anti-bribery, sanctions regulations and other issues. These goals and actions apply to all Sanoma's operations across Europe.

Sanoma has assessed that its products and services as well as significant market and customer groups are aligned with the sustainability-related goals. All impacts, risks and opportunities including Sanoma's exposure, activities and goals to manage them are further described under ESRS 2 IRO-1, ESRS 2 SBM-3 and topic-specific disclosures under E1 Climate change, E4 Biodiversity and ecosystems, E5 Resource use and circular economy, S1 Own workforce, S2 Workers in the value chain, S4 Customers and end-users and G1 Business conduct.

Business model and value chain

Upstream value chain

The actors in Sanoma's upstream value chain include individuals and companies that supply Sanoma with the necessary inputs to produce products and services for consumers and end-users. Sanoma's Procurement team is responsible for the management of the Company's supply chain.

Sanoma's main procurement categories are: content, paper & print, logistics, technology, facilities, HR & professional services, marketing & sales as well as travel. To gather and secure inputs, the Procurement team actively cooperates with suppliers, maintaining sustainable supplier relationships.

Content creation is needed for both learning and media businesses. In addition to in-house content creation, Sanoma buys content creation from external resources, such as freelancers, to generate media and learning content. Content can be text, illustrations or photographs, for example.

In its operations, Sanoma uses resources, particularly paper, for its printed products in both the learning and media businesses. Logistics partners are used to transfer the materials to warehouses. Paper, print and logistics procurement are categories with the most significant environmental impact.

As content use is increasingly moving to digital platforms, Sanoma collaborates with various technology and digital suppliers. Data centres provide the infrastructure needed to support the Company's digital platforms, ensuring the availability, security, and performance of its online services.

To promote its products and services, Sanoma also buys marketing and sales-related inputs from external agencies. In addition, Sanoma buys HR-related services to support the well-being of its employees through, for example, occupational healthcare services.

Own operations

Sanoma employs 5,267 professionals in total. The breakdown by geographical area is presented in the section S1-6. With the support of the inputs from the upstream value chain, Sanoma's employees create and develop products and services for its customers and end-users.

Sanoma's operations use energy, generate greenhouse gas emissions and impact biodiversity through materials use, and the target is to minimise the environmental and climate impact across the value chain.

Downstream value chain

Downstream actors in the value chain acquire products and services from Sanoma. In addition, Sanoma uses distributors to deliver its products to its customers, and third parties to process data on its behalf.

For schools and teachers, Sanoma provides printed and digital learning materials that support learning outcomes and contribute to equal access to education.

For Finnish consumers, Sanoma delivers independent journalism that supports freedom of expression and increases people's awareness. Sanoma offers entertainment through TV and video, radio and audio as well as live events. For B2B customers, Sanoma offers marketing solutions that contribute to economic growth.

For its employees, Sanoma aims to create a working environment and culture that inspires employees, values their diversity, embraces their views and respects their individual rights.

For investors, Sanoma aims to offer opportunities for sustainable equity and debt investments. The issuance of the EUR 150 million Social Bond in 2024, further validated Sanoma's strong impact on the UN Sustainable Development Goals, especially Goal 4 Quality Education.

SBM-2, S1 SBM-2, S2 SBM-2 and S4 SBM-2 Interests and views of stakeholders

At Sanoma, stakeholder engagement is a continuous process both on the strategic and local levels. Understanding the views and expectations of stakeholders is key to the success of the business and the implementation of the Sustainability Strategy. Sanoma's key stakeholders as well as the purpose and methods of the engagement are described in Table 7 Summary of interests and views of stakeholders. Sanoma's stakeholder engagement survey results, including engagement related to respect of employees, workers in the value chain and consumers' and end-users' human rights, have been used as background information in the Sustainability Strategy target setting. The views of its own workforce are reflected in the Valued People theme, the views of workers in the value chain in the Responsible business practices and the views of customers and end-users in the Inclusive learning, Sustainable media, Trustworthy data, Vital environment and Responsible business practices themes. Sanoma's Sustainability Strategy has been created to manage the impacts, risks and opportunities related to environmental, social and governance topics, which arise from the interests and views of the stakeholders. Detailed information on Sanoma's Sustainability Strategy is available in ESRS 2 SBM-1.

During 2024, Sanoma updated the following policies and standards related to material impacts, risks and opportunities: Sustainability and Human Rights Policy, People Policy, Environmental Standard and Supplier Code of Conduct. The interests and views of the stakeholders have an impact also on Sanoma's due diligence process, which is used to assess sustainability and human rights impacts especially on key stakeholders. In Sanoma's double materiality assessment process, stakeholders' interests and views were reviewed when assessing impacts, risks and opportunities related to environmental, social and governance topics. Relevant interests and views have been relayed to Sanoma's administrative, management and supervisory bodies as part of the approval process of the double materiality assessment. The double materiality assessment has been reviewed and approved by the EMT, Audit Committee and the Board, following Sanoma's sustainability management model. Further details of Sanoma's due diligence process related to each impact, risk and opportunity can be found under topic-specific disclosures.

Table 7. Summary of interests and views of stakeholders

Stakeholder category	Purpose and method of stakeholder engagement	Material sustainability topics for stakeholder group
Learning customers and end-users (schools, teachers and students)	Purpose ▪ Co-creation and development of learning materials with teachers and students and providing inclusive learning materials Method ▪ Engaging with teachers through face-to-face and online meetings, newsletters and marketing ▪ Arranging and participating in customer webinars and events ▪ Gathering insight and managing customer satisfaction through surveys	▪ High-quality learning content ▪ Diverse and inclusive learning content and personalisation ▪ Reliable and accessible digital learning platforms ▪ Ethical use of Artificial Intelligence (AI) ▪ Data privacy and security of customer data ▪ Environmental impact of printed books and digital services
Media Finland end-users, consumers and customers	Purpose ▪ Supporting freedom of expression and responsible marketing practices Method Consumers: ▪ Engaging with customers through newsletters and marketing ▪ Gathering insight and managing customer satisfaction through surveys ▪ Receiving proactive feedback from media consumers through different channels ▪ Monitoring of compliance with the Journalistic Guidelines and number of Council for Mass Media cases B2B customers: ▪ Engaging with customers through face-to-face and online meetings, newsletters, marketing and sustainability-related training sessions ▪ Arranging and participating in customer webinars and events ▪ Gathering insight and managing customer satisfaction through surveys ▪ Monitoring of compliance with the Advertising and Marketing Communications Code and number of Ethical Council of Advertising cases	▪ Freedom of expression ▪ Independent journalism ▪ Pluralism and diverse and high-quality media content ▪ Media literacy and literacy in society ▪ Responsible marketing and advertising practices ▪ Respecting children's rights in advertising ▪ Responsible entertainment ▪ Ethical use of Artificial Intelligence (AI) ▪ Data privacy and security of customer data ▪ Environmental impact of printed newspapers and magazines, TV productions and digital services ▪ Accuracy of green and sustainability claims in advertising
Own workforce, employees and non-employees	Purpose ▪ Creating a working environment and culture that inspires employees, values their diversity, embraces their views and respects their individual rights Method ▪ Performance management and people development ▪ Employee engagement through several measures, e.g. employee feedback through Pulse and annual Employee Engagement surveys, team and individual discussions, town hall meetings ▪ Locally organised health and well-being services ▪ Internal events and personnel info sessions in different compositions ▪ Active communication, dialogue and cooperation with internal stakeholders, including employees, line managers, employee representatives	▪ Mental and physical health and safety, well-being, work-life balance, working time ▪ Diversity, inclusion and equal opportunities as well as equal pay ▪ Training and skills development ▪ Business ethics, speak up culture and human rights, e.g., Code of Conduct
Investors	Purpose ▪ Information sharing on ESG, sustainable finance and impact investment opportunities Method ▪ Regular engagement through regulatory financial communications (financial reporting, stock exchange releases) ▪ Conference calls, roadshows, individual and group meetings, investor events ▪ Sustainable Finance-related engagement e.g., Social Bond and Social Bond Framework ▪ Annual General Meeting and Capital Markets Day ▪ Analyst and investor perception studies	▪ Development of ESG ratings and reporting ▪ Sustainable finance opportunities ▪ Positive impact of the learning and media businesses on society ▪ Climate strategy
Supply chain partners and workers in the value chain	Purpose ▪ Collaboration with suppliers to ensure sustainability and quality Method ▪ Evaluating suppliers against the sustainability and human rights criteria of the Supplier Code of Conduct ▪ Evaluating counterparty security and reputation risks through the Know Your Counterparty (KYC) -process alongside sustainability assessments in paper and print procurement category ▪ Engagement with paper and print suppliers in biennial Supplier Day ▪ Collecting climate-related and materials data annually in specific procurement categories ▪ Conducting internal audits on supplier sustainability ▪ Helping partners to perform corrective actions in cases of non-compliance	▪ Business ethics and human rights following the Supplier Code of Conduct requirements ▪ Climate and energy strategy implementation and GHG emissions reductions ▪ Regulation-related compliance cooperation e.g., regulation on deforestation-free product (EUDR)

Stakeholder category	Purpose and method of stakeholder engagement	Material sustainability topics for stakeholder group
Governmental organisations, policymakers and legislators	Purpose ▪ Regulatory and governmental monitoring Method ▪ Sharing views on policies, laws and regulations with officials and legislators through public consultations, meetings, as well as part of a larger stakeholder dialogue with policymakers ▪ Replying to public consultations and providing insights and analysis to government officials and politicians ▪ Participating in the work of industry associations	▪ Policy and legislation topics related to the learning business ▪ Policy and legislation topics related to the media business ▪ Business ethics and human rights
Non-governmental organisations and industry associations	Purpose ▪ Dialogue with NGOs on relevant sustainability topics and cooperation to develop literacy and media literacy ▪ Development of industry practices ▪ Dialogue with stakeholders, such as NGOs, related to the role of media and learning in society as well as the role of literacy and media literacy Method ▪ Cooperation through initiatives and projects to develop media and learning industry practices	▪ Topics related to the learning business (see row Learning customers) ▪ Topics related to the media business (see row Media Finland consumers and customers)
Local communities, universities and research organisations	Purpose ▪ Monitoring of the curriculum changes ▪ Science-based development of sustainability topics Method ▪ Regulatory and governmental monitoring of the curriculum changes ▪ Engaging and meeting with authorities and local city representatives, especially related to the learning business ▪ Cooperation with universities and research organisations to develop sustainability	▪ Topics related to the learning business (see row Learning customers) ▪ Topics related to the media business (see row Media Finland consumers and customers)

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sanoma's material impacts, risks and opportunities originate from its learning and media businesses, its strategy and business model. Its own workforce plays a key role in ensuring Sanoma's ability to deliver its products to customers. Environmental impacts occur due to the production of the physical and digital products. The production of physical and digital products potentially also has an impact on the workers in the value chain. Impacts on the consumers and end-users mainly occur during the use-phase of the products, either via privacy and security or through ensuring the quality, reliability and ethics of the products and solutions.

Sanoma's assets are mostly intangible and in the double materiality assessment, no significant financial effects related to sustainability impacts, risks or opportunities were identified. Sanoma has not identified any material sustainability risks which would pose a significant risk for its financial position, performance, cash flows, or a risk of a material adjustment to the carrying amounts of assets and liabilities reported in the related financial statements within the next annual reporting period.

During its double materiality assessment, Sanoma has qualitatively assessed that its current strategy and business model are in general resilient in regards to its capacity to address the material topics identified. Sanoma has analysed its ability to manage and mitigate identified climate and biodiversity risks in its climate and biodiversity risk assessment. Sanoma's emission reduction plans are aligned with the 1.5-degree scenario and during the SBTi target setting, Sanoma used modelling to ensure its ability to meet the targets. The analysis of resilience in regards to other environmental, social and governance topics is based on assessing the coverage of Sanoma's Sustainability Strategy compared to the identified impacts, risks and opportunities. Sanoma has management measures in place to manage materials impacts, risks and opportunities and all material topics are covered with Sanoma's Sustainability Strategy. Resilience was assessed until 2030, as that is the current time-horizon of Sanoma's strategy. As the management of impacts, risks and opportunities is embedded into the current strategy and business model, Sanoma does not identify significant needs, originating from the identified sustainability-related impacts, risks or opportunities, to adapt its current strategy or business model.

Table 8. Environmental impacts, risks and opportunities

To produce its learning and media products and services, Sanoma and its suppliers use resources, such as materials which cause climate and biodiversity impacts, generate GHG emissions, consume energy and generate waste. The use of resources, especially paper, also generates dependencies and causes transition risks such as the availability of certified paper, availability of renewable energy and regulatory and customer demand risks. In addition, risks include physical risks related to climate change hazards, such as flooding.

The following table describes Sanoma's material impacts, risks and opportunities related to environmental topics as they result from the double materiality assessment, including the location and expected time horizon of them. All environmental IROs are covered with ESRS Disclosure Requirements. Further information of material impacts, risks and opportunities, plans to respond to them, connection to Sanoma's strategy and business model as well as policies, actions and targets are disclosed under the topical ESRS E1, E4 and E5.

				Location in value chain			Expected time horizon		
ESRS Topic	ESRS Sub-topic	Impact, risk or opportunity	Description of material impacts, risks and/or opportunities (IROs)	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E1 Climate change	Climate change adaptation	Risk	▪ Physical risk of flooding related to facilities, warehouses and printing houses		●		●	●	●
		Risk	▪ Transition risk of enhanced reporting and other regulations related to sustainability and climate change	●	●		●	●	●
		Risk	▪ Transition risk of changing customer behaviour related to climate change	●	●		●	●	●
		Opportunity	▪ Opportunities related to sustainable finance		●		●	●	●
		Opportunity	▪ Opportunities related to meeting shifting consumer preferences	●	●		●	●	●
		Opportunity	▪ Reduced energy costs through energy efficiency		●		●	●	●
	Climate change mitigation	Actual negative impact	▪ Impact of GHG emissions, to a large extent through the value chain (95% of emissions)	●	●	●	●	●	●
	Energy	Actual negative impact	▪ Impact of energy use in facilities, warehouses and printing houses as well as through the supply chain in the production of products, which generates GHG emissions	●	●		●	●	●
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Actual negative impact	▪ Impact of paper use on biodiversity and use of certification schemes to manage impacts	●			●	●	
		Risk	▪ Risks through the availability of certified paper	●	●		●	●	
		Risk	▪ Compliance risk through regulatory changes, such as the regulation on deforestation-free products (EUDR)	●	●		●	●	
E5 Circular economy	Resources inflows, including resource use	Actual negative impact	▪ Impacts of resource inflows, such as materials used in the production of newspapers, magazines and books	●	●		●	●	
	Waste	Actual negative impact	▪ Impact of waste generated in facilities, warehouses and printing houses		●		●	●	

Table 9. Social impacts, risks and opportunities

Employees are at the centre of Sanoma's strategy and operations and Sanoma's strategic growth ambition requires excellence and alignment from the employees. Sanoma also impacts consumers and end-users such as teachers and students by delivering high-quality, inclusive and accessible learning products and services. Through its media business, Sanoma promotes freedom of expression by delivering reliable information through multiple media platforms and following journalistic ethics. Sanoma's media business generates potential negative impacts through advertising, which are managed though robust practices. Data, especially personal data, is an essential part of Sanoma's business model and strategy putting privacy and security impacts at the core of its daily work. To manage privacy impact and risks, Sanoma is committed to protecting privacy, advancing data security as well as ensuring the ethical use of artificial intelligence (AI).

The following table describes Sanoma's material impacts, risks and opportunities related to social topic as they result from the double materiality assessment, including the location and expected time horizon of them. All social IROs are covered by ESRS Disclosure Requirements, except for the addition of the entity-specific metric Employee Engagement Survey in S1, and all S4 disclosures that include entity-specific metrics. Further information of material impacts, risks and opportunities, plans to respond to them, connection to Sanoma's strategy and business model as well as policies, actions and targets are disclosed under the topical ESRS S1, S2 and S4.

				Location in value chain			Expected time horizon		
ESRS Topic	ESRS Sub-topic	Impact, risk or opportunity	Description of material impacts, risks and/or opportunities (IROs)	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S1 Own workforce	Working conditions	Actual negative impact	▪ Impacts on working time of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on work-life balance of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on the health and safety of own workforce		●		●		
		Potential positive impact	▪ Potential impacts on employment security (protection of workers against fluctuations) of own workforce		●		●		
		Actual positive impact	▪ Potential impacts on adequate wages of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on social dialogue opportunities of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on freedom of association of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on collective bargaining of own workforce		●		●		
	Equal treatment and opportunities for all	Actual negative impact and potential positive impact	▪ Impacts on gender equality and equal pay of own workforce		●		●		
		Potential negative impact and potential positive impact	▪ Impacts on diversity of own workforce		●		●		
		Actual positive impact	▪ Impacts on training and skills development opportunities of own workforce		●		●		
		Potential negative impact	▪ Potential impacts on anti-harassment of own workforce		●		●		
	Other work-related rights	Potential negative impact	▪ Potential impacts on privacy of own workforce		●		●		

ESRS Topic	ESRS Sub-topic	Impact, risk or opportunity	Description of material impacts, risks and/or opportunities (IROs)	Location in value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S2 Workers in the value chain	Working conditions	Actual negative impact	▪ Impacts on excess working time of printing suppliers' workforce	●			●	●	
		Potential negative impact	▪ Potential impacts on work-life balance of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on health and safety of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on employment security (protection of workers against fluctuations) of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on adequate wages of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on social dialogue opportunities of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on freedom of association opportunities of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on collective bargaining opportunities of suppliers' workforce	●				●	●
	Equal treatment and opportunities for all	Potential negative impact	▪ Potential impacts on gender equality and equal pay of suppliers' workforce	●				●	●
		Potential negative impact	▪ Potential impacts on training and skills development of suppliers' workforce	●			●	●	●
S4 Consumers and end users	Information-related impacts: Privacy	Actual negative impact	▪ Impacts of privacy and info security on media and learning customers	●	●	●	●		
		Risk	▪ Risk of negative privacy impacts and violation of GDPR	●	●	●	●		
	Information-related impacts: Freedom of expression and media ethics	Actual positive impact	▪ Impact of journalistic ethics and operations as a media company on freedom of expression			●	●	●	●
	Information-related impacts: Access to quality information and education	Actual positive impact	▪ Impacts of access to high-quality and inclusive learning products and services			●	●	●	●
	Social inclusion: Accessibility, access to products and services	Potential negative impact	▪ Impacts of digital accessibility on customers, especially students and teachers in the learning business			●	●	●	●
	Social inclusion: Responsible advertising	Potential negative impact	▪ Impact of responsible advertising practices and compliance with green claims regulation			●	●	●	●

Table 10. Governance impacts, risks and opportunities

Throughout its business, Sanoma is committed to responsible business conduct, including managing risks related to corporate culture and clarity of ethical expectations, IPR rights, generative AI, and regulatory landscape. As a part of responsible business conduct, Sanoma ensures protection of whistleblowers, monitors its potential impacts to political engagement and lobbying activities to ensure reliability and monitors risks related to anti-bribery, corruption, gifts and hospitality as well as potential impacts of payment practices on suppliers. As a part of continuous cooperation with key suppliers, Sanoma manages risks of supplier non-compliance with sustainability and human rights requirements as well as aims to identify impacts on workers in the value chain.

The following table describes Sanoma's material impacts, risks and opportunities related to governance topic, as they result from the double materiality assessment, including the location and expected time horizon of them. All governance IROs are covered with ESRS Disclosure Requirements, except G1-1, where additional entity-specific metrics related to the Code of Conduct trainings' completion rate is used. Further information on material impacts, risks and opportunities, plans to respond to them, connection to Sanoma's strategy and business model as well as policies, actions and targets are disclosed under the topical ESRS G1.

				Location in value chain			Expected time horizon		
ESRS Topic	ESRS Sub-topic	Impact, risk or opportunity	Description of material impacts, risks and/or opportunities (IROs)	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
G1 Business conduct	Corporate culture	Risk	▪ Risk related to clarity of ethical expectations		●		●	●	●
		Risk	▪ Risk related to management of IPR rights		●		●	●	●
		Risk	▪ Risk related to Gen AI -assisted works		●		●	●	●
		Risk	▪ Risk related to the regulatory landscape		●		●	●	●
	Protection of whistle-blowers	Potential negative impact	▪ Impacts on whistle-blowers and existence of a channel and speak-up culture		●		●	●	●
	Political engagement and lobbying activities	Potential negative impact	▪ Potential negative impacts of political engagement and lobbying of media and learning businesses		●		●	●	●
	Management of relationships with suppliers including payment practices	Potential negative impact	▪ Impact on suppliers through payment practices	●	●		●	●	●
		Risk	▪ Risk of supplier non-compliance with SCoC and lack of sufficient DD or audits regarding supplier compliance	●			●	●	●
	Corruption and bribery	Risk	▪ Risk related to anti-bribery, corruption, gifts and hospitality		●		●	●	●

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The aim of the double materiality assessment (DMA), is to identify actual and potential sustainability-related impacts, risks and opportunities relevant for the company. Sanoma's material impacts, risks and opportunities have been identified in an assessment conducted during 2023–2024, and covering Sanoma's own operations as well as upstream and downstream value chain. This process follows the European Sustainability Reporting Standards' requirements as well as the principles of Sanoma's Enterprise Risk Management process. The responsibilities of the administrative and supervisory bodies related to the DMA are determined in Sanoma's sustainability management model. The results of the assessment were reviewed by the Executive Management Team and approved by the Board of Directors in 2024. The DMA process was hosted by Sanoma's Sustainability team, in close cooperation with the Compliance team. All members of Sanoma's Sustainability and Ethics Working Group participated in the DMA, in addition to other key internal stakeholders, such as the Managing Directors of all Learning operating companies. The DMA considers Sanoma's impacts through its own operations and as a result of its business relationships. It focuses on Sanoma's business activities related to its learning and media businesses, with the geographies including all Sanoma's operating countries. Business relationships have been especially assessed for tier 1 suppliers, extending the assessment to tier 2 suppliers within categories of higher risk, such as the paper and print suppliers.

Sanoma's DMA included two phases. During the first phase in 2023, Sanoma listed all actual and potential impacts, risks and opportunities by using the ESRS 1 longlist of sustainability topics and complementing the list with company-specific topics, consolidating existing insights within the Company. Insights included the results of the Enterprise Risk Management (ERM) process, compliance risk survey, climate and biodiversity risks assessment, Human Rights Impact Assessment, Employee Engagement Survey, DE&I survey, a previous impact-focused sustainability materiality assessment as well as a review of misconduct cases reported via Sanoma's whistleblowing channel. The views of key internal and external stakeholders were included into the consolidated existing insights and therefore considered in the double materiality assessment: own workforce, value chain workers, customers and end-users as well as investors. Sanoma also used insights and reports from credible proxies and interviewed internal experts to ensure a comprehensive view.

During the second phase in 2024, all actual and potential impacts, risks and opportunities were prioritised by performing impact and financial assessments in workshops together with internal topic owners. Internal topic owners include Procurement, HR, Compliance, Legal, Privacy, Security and Strategy representatives as well as managing directors for key business areas. The topic owners used available sources and their overall expertise and judgement to assess each topic. Several calibration meetings were held to align interpretations of the criteria and scales used. Sanoma's double materiality assessment approach applies the double materiality concept described in ESRS 1. Each impact was assessed for:

- Severity of negative impacts (scale, scope and irremediability) and significance of positive impacts (scale and scope)
- Likelihood of potential impacts on a scale of very unlikely (10%), unlikely (30%), uncertain (50%), likely (70%) or very likely (90%)
- Location of the impact in the value chain (upstream, own operations, downstream)
- Time horizon of the impact: short term (0–1 years), medium term (1–3 years) or long term (3 years and beyond)
- With regard to potential negative human rights impacts, it was noted that the severity of the impact takes precedence over likelihood.

Financial materiality of each sustainability risk and opportunity was assessed as follows:

- Financial significance of risk or opportunity on a scale of not significant (EUR 0–1 million), low (EUR 1–5 million), average (EUR 5–20 million), high (EUR 20–40 million) or very high (EUR 40+ million)
- Likelihood of risk or opportunity on a scale of very unlikely (10%), unlikely (30%), uncertain (50%), likely (70%) or very likely (90%)
- Location of the risk or opportunity in the value chain (upstream, own operations, downstream)
- Time horizon of impact on short term (0–1 years), medium term (1–3 years) or long term (3 years and beyond)
- Financial risks and opportunities assessment followed the same scale as used in Sanoma's ERM process.

After the topic owners had performed their assessments, the results of the assessments were consolidated to a list of impacts, risks and opportunities material to Sanoma. To ensure comparability between topics, the Sustainability and Compliance teams performed a final review of the list of material impacts, risks and opportunities for reporting purposes. This review also included discussions with the Executive Management Team.

The double materiality process determines the impacts, risks and opportunities for the sustainability disclosure and all topics that are impact or financially material, or both, are disclosed in the Sustainability Statement. A sustainability matter was deemed material if at least one impact, risk or opportunity indicated either impact materiality, financial materiality, or both. Non-material sustainability matters were those where no impacts, risks or opportunities were identified or all IROs were found unlikely, financially not significant or not causing impacts. The financial threshold for sustainability-related risks disclosed is the same as in Sanoma's Enterprise Risk Management process. All potential risks identified in Sanoma's double materiality assessment fall into the category of low risk.

During the double materiality assessment, Sanoma assessed risks related to sustainability separately from the ERM process and re-assessed sustainability risks identified within the ERM process. In addition, the preliminary results of the DMA were used to enrich the ERM results during autumn 2024, and to evaluate Sanoma's overall risk profile.

The double materiality process guides the priorities of the sustainability issues. The process to identify, assess and manage impacts and opportunities is integrated into Sanoma's overall management process through Sanoma's sustainability management model, which determines that annually Sanoma identifies and assesses its impacts, risks and opportunities and determines actions to manage the material IROs. In many areas identified as material, Sanoma has defined specific KPIs to measure performance and discloses these metrics and targets in its Sustainability Statement. Sanoma's management of sustainability impacts, risks and opportunities is based on targeting measures at areas where the impact or risks are the highest. Where Sanoma cannot address all impacts or risks at once, the due diligence process allows for actions to be prioritised based on the severity or financial significance and likelihood of impacts.

There is certain inherent uncertainty related to the double materiality assessment as practices of the assessment are evolving. Sanoma will evaluate the need to update its double materiality assessment annually. Going forward, Sanoma plans to analyse the time horizon of impacts, risks and opportunities using longer time horizons. Also, upstream and downstream impacts require continuous assessment, e.g., due to the EU deforestation regulation, which will enhance the traceability of paper-related products and Sanoma's ability to review its biodiversity impacts throughout its upstream value chain. Sanoma has assessed sustainability-related dependencies during both its ERM risk assessment as well as the double materiality assessment process. Identified dependencies include e.g., dependencies related to the availability of key staff, availability of certified paper to produce its printed products and dependency of customer data to develop its digital products. No external consultations were conducted in regards to climate, pollution, water, biodiversity or resource-use impacts.

E1 IRO-1 Climate change

Sanoma assesses its impacts on climate change, in particular on GHG emissions, by annually calculating its actual climate impacts according the GHG Protocol, as described under E1-6. As a part of its annual GHG emission calculations and transition planning, Sanoma also screens and identifies potential future GHG emission sources.

Sanoma evaluates climate- and biodiversity-related physical and transition risks annually and in 2024, they were assessed as part of the double materiality assessment. Physical and transition risks were analysed over short (0–1 years), medium (1–3 years), and long-term (3– years) horizons. These timeframes are used for strategic and financial planning as well as in the ERM process. The assessment covers both own operations as well as the upstream and downstream value chain.

Three climate-related potential risks and opportunities were identified through the assessment and scenario analysis. Sanoma identifies certain climate-related physical risks which may impact the business on a short- to long-term timeframe. Acute physical hazards like flooding, driven by increased severity of extreme weather events, may pose a risk to Sanoma's printing houses, facilities and warehouses. The risk is particularly related to damages to facilities due to floods and heavy rain in high flooding risk locations. To manage and mitigate the risk of damage, Sanoma develops comprehensive response plans and acquires insurances. Some minor increases in the pricing of the insurances can be forecasted.

In addition to physical risks, Sanoma identifies certain transition risks which may impact the business on short- to long-term timeframe. Sanoma identifies a risk of increasing complexity and cost associated with compliance with enhanced emissions reporting obligations and regulations. Regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Deforestation Regulation (EUDR), require extensive data collection, data management, and reporting infrastructure. This can lead to increased operational costs, both directly within Sanoma's operations and indirectly through the supply chain, as suppliers also face stricter emissions regulations. Additionally, non-compliance with these regulations could result in financial penalties and reputational damage, further impacting business operations and financial performance. Sanoma identifies an opportunity to enhance brand value and increase demand by actively promoting and developing robust and transparent climate and biodiversity actions. Contrarily, changing customer behaviour can also be a risk if customer expectations are not met. Sanoma addresses transition risks and opportunities by monitoring and complying with regulations such as the CSRD, CSDDD, and EUDR, managing reputational risks related to stakeholder demands for climate action and working with suppliers to reduce emissions and transition to lower-carbon products.

Sanoma's scenario analysis for transition and physical risks has included assessing the impacts of current and future regulations on operations and supply chains, evaluating changes in customer behaviour and market demand for sustainable products as well as identifying opportunities for adopting new technologies to reduce emissions. In its assessment, Sanoma has used climate scenarios, including scenarios in line with limiting global warming to 1.5°C with no or limited overshoot and high-climate scenarios, such as RCP 1.9, RCP 4.5, RCP 8.5 and IEA SDS to understand potential alternative futures and to develop strategies to mitigate identified risks based on scenario outcomes. These scenarios are based on best available scientific evidence, such as the IPCC assessments. As Sanoma's assets are mostly intangible, no assets or business activities that are sensitive to significant physical hazards or transition risks or incompatible with the transition to a climate-neutral economy have been identified. Sanoma continuously monitors and develops its ability to assess climate-related risks.

E2 IRO-1 Pollution

Sanoma's double materiality assessment process identified pollution as a non-material topic due to the Company's minimal pollution impacts, with no substances of concern found in comparison to the ECHA Candidate List. Consultations confirmed that Media Finland's printing houses report small VOC (volatile organic compounds) emissions and that the Group's plastic use is minor and continuously minimised, with no significant microplastics identified.

E3 IRO-1 Water and marine resources

Sanoma's double materiality assessment deemed water and marine resources as non-material topics due to minimal impacts, with no significant water or marine resource impacts identified.

E4 IRO-1 Biodiversity and ecosystems

Sanoma evaluates climate- and biodiversity-related physical and transition risks annually, and in 2024 as a part of the double materiality assessment, as described above under E1 IRO Climate change. Sanoma identified two transitional risks related to biodiversity and ecosystems in its assessment: the availability of certified paper and regulatory uncertainty from the EU Deforestation Regulation. These risks were assessed as low, with no physical or systemic risks identified. Sanoma continuously monitors and develops its ability to assess these risks.

In relation to biodiversity, no significant impacts were identified in Sanoma's double materiality assessment at own site locations, but upstream value chain impacts were recognised, particularly from paper production and sourcing, which can lead to biodiversity loss, ecosystem disruption, and pollution. Sanoma has assessed its dependencies on biodiversity and ecosystems, particularly related to forest commodities, focusing on the availability of certified paper and the carbon profiles of paper suppliers. Sanoma has not conducted consultations with affected communities on sustainability assessments of shared biological resources and ecosystems. Sanoma does not have sites near biodiversity-sensitive areas and therefore does not need to implement biodiversity mitigation measures in own sites were not identified. Sanoma has not used biodiversity and ecosystems scenario analysis to inform the identification and assessment of material risks and opportunities over short-, medium- and long-term time horizons. Sanoma continuously monitors and develops its ability to assess biodiversity-related risks.

E5 IRO-1 Resource use and circular economy

Sanoma screened its assets, own operations and upstream and downstream value chain activities during the double materiality assessment and ERM process to identify resource use-related impacts, risks, and opportunities. The screening identified actual upstream value chain and own operations impacts related to the use of materials like paper, printing plates, inks, and solvents, but there were no significant risks or opportunities outside those reported under biodiversity related to paper use and availability, and no significant impacts on Sanoma's mostly intangible assets. In addition, the impact of waste generated in facilities, warehouses and printing houses was identified as own operations' impact. Sanoma did not conduct specific consultations with affected communities.

G1 IRO-1 Business conduct

The double materiality process in relation to business conduct matters included sector-specific analysis of business activities, operations, functions, transactions as well as geographical areas where the business operates in relation to risk locations and where its impacts are most significant. As a result, procurement, as well as the sales teams in countries, where the sales happens through agents, such as Spain and Italy, have been identified as functions that are most at risk in respect of corruption and bribery.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement

Sanoma has determined the material information to be disclosed by conducting a comprehensive double materiality assessment process, as outlined in ESRS 1 section 3.2 and described in ESRS 2 IRO-1. The assessment considers both the financial materiality, which focuses on sustainability impacts, risks and opportunities related to the Company's financial performance, and the impact materiality, which addresses Sanoma's impacts on the environment and society. To implement the criteria in ESRS 1 section 3.2, Sanoma has gathered information about the perspectives of its stakeholders on what constitutes material information. The Company has used both qualitative and quantitative thresholds to prioritise the most significant impacts, risks, and opportunities. These thresholds are based on the magnitude of the impact, the likelihood of occurrence, and the relevance to Sanoma's business strategy and stakeholder interests. The results of this assessment have been integrated into Sanoma's sustainability reporting, ensuring that the disclosed information is relevant, reliable, and aligned with stakeholder expectations. This approach not only enhances transparency but also supports Sanoma's commitment to sustainable business practices and long-term value creation.

Table 11. Content index: Disclosure Requirements complied with in preparing the Sustainability Statement

Standard	Disclosure requirement (DR)	Sustainability Statement section
ESRS 2 General disclosures	ESRS 2 BP-1	ESRS 2 General disclosures, Basis of preparation
	ESRS 2 BP-2	ESRS 2 General disclosures, Basis of preparation
	ESRS 2 GOV-1 ESRS 2 G1 GOV-1 ESRS 2 GOV 2 ESRS 2 GOV 3 ESRS 2 E1 GOV-3 ESRS 2 GOV 4 ESRS 2 GOV 5	ESRS 2 General disclosures, Sustainability governance
	ESRS 2 SBM-1 ESRS 3 SBM-2 ESRS 2 S1 SBM-2 ESRS 2 S2 SBM-2 ESRS 2 S4 SBM-2 ESRS 2 SBM-3	ESRS 2 General disclosures, Sustainability strategy
	ESRS 2 IRO-1 ESRS 2 E1 IRO-1 ESRS 2 E4 IRO-1 ESRS 2 E5 IRO-1 ESRS 2 E2 IRO-1 ESRS 2 E3 IRO-1 ESRS 2 G1 IRO-1	ESRS 2 General disclosures, Impact, risk and opportunity management
	ESRS 2 IRO-2	ESRS 2 General disclosures, Impact, risk and opportunity management
E1 Climate change	EU Taxonomy	Environmental information, EU Taxonomy disclosure
	ESRS E1-SBM 3	Environmental disclosure, ESRS E1 Climate change, Strategy
	ESRS E1-1	Environmental disclosure, ESRS E1 Climate change, Strategy
	ESRS E1-2	Environmental disclosure, ESRS E1 Climate change, Impact, risk and opportunity management
	ESRS E1-3	Environmental disclosure, ESRS E1 Climate change, Impact, risk and opportunity management
	ESRS E1-4	Environmental disclosure, ESRS E1 Climate change, Metrics and targets
	ESRS E1-5	Environmental disclosure, ESRS E1 Climate change, Metrics and targets
	ESRS E1-6	Environmental disclosure, ESRS E1 Climate change, Metrics and targets
	ESRS E1-7	Environmental disclosure, ESRS E1 Climate change, Metrics and targets

Standard	Disclosure requirement (DR)	Sustainability Statement section
E4 Biodiversity and ecosystems	ESRS E4-1	Environmental disclosure, ESRS E4 Biodiversity and ecosystems, Strategy
	ESRS E4-SBM 3	Environmental disclosure, ESRS E4 Biodiversity and ecosystems, Strategy
	ESRS E4-2	Environmental disclosure, ESRS E4 Biodiversity and ecosystems, Impact, risk and opportunity management
	ESRS E4-3	Environmental disclosure, ESRS E4 Biodiversity and ecosystems, Impact, risk and opportunity management
	ESRS E4-4	Environmental disclosure, ESRS E4 Biodiversity and ecosystems, Metrics and targets
E5 Resource use and circular economy	ESRS E5-1	Environmental disclosure, ESRS E5 Resource use and circular economy, Impact, risk and opportunity management
	ESRS E5-2	Environmental disclosure, ESRS E5 Resource use and circular economy, Impact, risk and opportunity management
	ESRS E5-3	Environmental disclosure, ESRS E5 Resource use and circular economy, Metrics and targets
	ESRS E5-4	Environmental disclosure, ESRS E5 Resource use and circular economy, Metrics and targets
	ESRS E5-5	Environmental disclosure, ESRS E5 Resource use and circular economy, Metrics and targets

Standard	Disclosure requirement (DR)	Sustainability Statement section
S1 Own workforce	ESRS S1-SBM 3	Social information, ESRS S1 Own workforce, Strategy
	ESRS S1-1	Social information, ESRS S1 Own workforce, Impact, risk and opportunity management
	ESRS S1-2	Social information, ESRS S1 Own workforce, Impact, risk and opportunity management
	ESRS S1-3	Social information, ESRS S1 Own workforce, Impact, risk and opportunity management
	ESRS S1-4	Social information, ESRS S1 Own workforce, Impact, risk and opportunity management
	ESRS S1-5	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-6	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-8	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-9	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-10	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-11	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-14	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-15	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-16	Social information, ESRS S1 Own workforce, Metrics and targets
	ESRS S1-17	Social information, ESRS S1 Own workforce, Metrics and targets
S2 Workers in the value chain	ESRS S2-SBM 3	Social information, ESRS S2 Workers in the value chain, Strategy
	ESRS S2-1	Social information, ESRS S2 Workers in the value chain, Impact, risk and opportunity management
	ESRS S2-2	Social information, ESRS S2 Workers in the value chain, Impact, risk and opportunity management
	ESRS S2-3	Social information, ESRS S2 Workers in the value chain, Impact, risk and opportunity management
	ESRS S2-4	Social information, ESRS S2 Workers in the value chain, Impact, risk and opportunity management
	ESRS S2-5	Social information, ESRS S2 Workers in the value chain, Metrics and targets

Standard	Disclosure requirement (DR)	Sustainability Statement section
S4 Customers and end-users	ESRS S4-SBM 3	Social information, ESRS S4 Customers and end-users, Strategy
	ESRS S4-1	Social information, ESRS S4 Customers and end-users, Impact, risk and opportunity management
	ESRS S4-2	Social information, ESRS S4 Customers and end-users, Impact, risk and opportunity management
	ESRS S4-3	Social information, ESRS S4 Customers and end-users, Impact, risk and opportunity management
	ESRS S4-4	Social information, ESRS S4 Customers and end-users, Impact, risk and opportunity management
	ESRS S4-5	Social information, ESRS S4 Customers and end-users, Metrics and targets
G1 Business conduct	ESRS G1-1	Governance information, ESRS G1 Business conduct, Impact, risk and opportunity management
	ESRS G1-2	Governance information, ESRS G1 Business conduct, Impact, risk and opportunity management
	ESRS G1-3	Governance information, ESRS G1 Business conduct, Impact, risk and opportunity management
	ESRS G1-4	Governance information, ESRS G1 Business conduct, Metrics and targets
	ESRS G1-5	Governance information, ESRS G1 Business conduct, Metrics and targets
	ESRS G1-6	Governance information, ESRS G1 Business conduct, Metrics and targets

Table 12. List of data points in cross-cutting and topical standards that derive from EU legislation

Disclosure Requirements and Data Point complied with in preparing the Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Statement / Not material
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		ESRS 2 GOV-1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				ESRS 2 GOV-4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		ESRS E1-1
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		ESRS E1-4
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				ESRS E1-5
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				ESRS E1-5
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				ESRS E1-5
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		ESRS E1-6
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		ESRS E1-6
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-7
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material

Disclosure Requirements and Data Point complied with in preparing the Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Statement / Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book–Climate change physical risk: Exposures subject to physical risk.			Phase-in used
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				E4-SBM-3
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				E4-SBM-3
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				E4-SBM-3
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				ESRS E4-2
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				ESRS E5-5
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				ESRS E5-5

Disclosure Requirements and Data Point complied with in preparing the Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Statement / Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				ESRS S1-1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-1
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				ESRS S1-1
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				ESRS S1-1
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				ESRS S1-3
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-14
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Phase-in used
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1-16
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				ESRS S1-16
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				ESRS S1-17
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		ESRS S1-17
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				ESRS S2-1
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1				ESRS S2-1
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		ESRS S2-1
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		ESRS S2-1
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				ESRS S2-4
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material

Disclosure Requirements and Data Point complied with in preparing the Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the Sustainability Statement / Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				ESRS S4-1
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		ESRS S4-1
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				ESRS S4-4
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				ESRS G1-1
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				ESRS G1-1
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		ESRS G1-4
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				ESRS G1-4

Environmental information

EU Taxonomy disclosure

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The EU's Sustainable Finance Classification System ('Taxonomy') is a system for defining environmentally sustainable economic activities. According to the Taxonomy, an economic activity is classified as environmentally sustainable if it contributes substantially to one or more of the six environmental objectives, fulfils the 'do no significant harm' (DNSH) criteria to the other environmental objectives (i.e., complies with DNSH technical screening criteria in the delegated acts supplementing the Taxonomy Regulation) and complies with Minimum Safeguards related to the OECD MNE Guidelines, the UNGPs, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The six environmental objectives defined by the EU are:

1. climate change mitigation,
2. climate change adaptation,
3. sustainable use and protection of water and marine resources,
4. transition to a circular economy,
5. pollution prevention and control and
6. protection and restoration of biodiversity and ecosystems.

For 2024, the eligibility of all six environmental objectives, with three KPIs – Turnover, CapEx and OpEx – is reported following Sanoma's Taxonomy Accounting Policy. In addition, alignment is reported for climate change mitigation and adaptation.

The Taxonomy currently focuses on the most carbon-intensive industries, green energy and innovations. Sanoma's environmental footprint is not significant, and as a learning and media company, only a few of its businesses are defined as Taxonomy-eligible activities, while none are Taxonomy-aligned. Sanoma's Taxonomy disclosure is based on an annual assessment of Taxonomy-eligibility and Taxonomy-alignment. The assessment model was developed in internal workshops with representatives from the businesses, sustainability and finance operations.

According to Sanoma's assessment, the following economic activities are identified as eligible under the 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). Economic activities 13.1 Creative, arts and entertainment activities (live events business in Finland) and 13.3 Motion picture, video and television programme production, sound recording and music publishing activities (music publishing business in Finland) were also found to be potentially eligible for Sanoma, but to avoid double counting, Sanoma reports all eligible Turnover, CapEx and OpEx related to Nelonen Media and these activities under economic activity 8.3. 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 Sanoma's Learning 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.

Sanoma's eligible activities only include potential substantial contribution to objective 2) climate change adaptation. 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 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.

Taxonomy accounting policy

In Sanoma's reporting, Taxonomy-eligible and Taxonomy-aligned Turnover, CapEx and OpEx are only accounted once, although some Taxonomy-eligible businesses would be eligible under several economic activities.

Taxonomy-eligible and aligned turnover: Turnover of Taxonomy-eligible economic activities is reported in relation to the Group's total net sales (Consolidated Financial Statements, Note 2.2), which means the Turnover of products and services associated with Taxonomy-eligible economic activities is divided with the Group's consolidated net sales. The Taxonomy-eligible Turnover includes net sales of activity 8.3. Net sales of economic activity 8.2. is not included in the Taxonomy-eligible net sales, because this activity is not an enabling activity. Enabling economic activities are a sub-category of environmentally sustainable economic activities under the Taxonomy Regulation, which do not substantially contribute to climate change mitigation through their own performance. Taxonomy-aligned Turnover would be calculated following the same formula as eligible activities, if the activity-specific substantial contribution criteria would be met.

Taxonomy-eligible and aligned capital expenditure: CapEx of Taxonomy-eligible activities is reported in relation to the Group's total CapEx (Consolidated Financial Statements, Note 3.2 and Note 3.3). The Taxonomy-eligible CapEx deviates from the Group's total CapEx. Total CapEx includes additions in the Group's tangible and intangible assets during the year. The Taxonomy-eligible CapEx includes additions in the tangible and intangible assets of all Taxonomy-eligible activities. According to the Taxonomy Regulation, the total acquisition value of TV programming rights is considered as Taxonomy-eligible CapEx under the activity 8.3 forming a major part of Sanoma's taxonomy-eligible CapEx. In Sanoma's financial reporting, the acquisition of TV programming rights is excluded from the cash-based CapEx. Taxonomy-aligned CapEx would be calculated following the same formula as eligible activities, if the activity-specific substantial contribution criteria would be met.

Taxonomy-eligible and aligned operating expenses: OpEx of Taxonomy-eligible activities is reported in relation to net opex. Net OpEx deviates from the Group's operating expenditure and includes direct non-capitalised costs related to the use of Sanoma's taxonomy-eligible economic activities' assets. The direct non-capitalised costs are related to TV broadcasting, digital production, purchased digital traffic, research and development (incl. related employee benefit expenses), ICT development and short-term leasing payments. OpEx of Taxonomy-eligible activity 8.2 includes non-capitalised R&D costs (incl. employee benefit expenses). OpEx of Taxonomy-eligible activity 8.3 includes distribution expenses and direct employee expenses of broadcasting activities. Taxonomy-aligned OpEx would be calculated following the same formula as eligible activities, if the activity specific substantial contribution criteria would be met.

Table 13. Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation Facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gas fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gas fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gas fuels.	NO

Table 14. Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
Economic Activities (1)	**Code (a) (2)**	**Turnover (3)**	**Proportion of Turnover, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (a.1.) or eligible (A.2.) Turnover, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
8.2. Computer programming, consultancy and related activities	CCA 8.2	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
8.3 Programming and broadcasting activities	CCA 8.3	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which Enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
Of which Transitional		**0**	**0%**	**0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
8.3 Programming and broadcasting activities	CCA 8.3	186.8	14%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								13%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**186.8**	**14%**	**0%**	**14%**	**0%**	**0%**	**0%**	**0%**								**13%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**186.8**	**14%**	**0%**	**14%**	**0%**	**0%**	**0%**	**0%**								**13%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,158.0	86%																
Total		**1,344.8**	**100%**																

Table 15. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
Economic Activities (1)	**Code (a) (2)**	**CapEx (3)**	**Proportion of CapEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (a.1.) or eligible (A.2.) CapEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
8.2. Computer programming, consultancy and related activities	CCA 8.2	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
8.3 Programming and broadcasting activities	CCA 8.3	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which Enabling		**0**	**0%**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
Of which Transitional		**0**	**0%**	**0 %**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
8.2. Computer programming, consultancy and related activities	CCA 8.2	6.6	4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								4%		
8.3 Programming and broadcasting activities	CCA 8.3	53.6	35%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								33%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**60.2**	**39%**	**0 %**	**39 %**	**0 %**	**0 %**	**0 %**	**0 %**								**37%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**60.2**	**39%**	**0 %**	**39 %**	**0 %**	**0 %**	**0 %**	**0 %**								**37%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		94.6	61%																
Total		**154.8**	**100%**																

Table 16. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering the year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
Economic Activities (1)	**Code (a) (2)**	**OpEx (3)**	**Proportion of OpEx, year 2024 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (a.1.) or eligible (A.2.) OpEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		MEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
8.2. Computer programming, consultancy and related activities	CCA 8.2	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
8.3 Programming and broadcasting activities	CCA 8.3	0	0%	N/EL	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which Enabling		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
Of which Transitional		**0**	**0%**	**0%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
8.2. Computer programming, consultancy and related activities	CCA 8.2	19.2	47%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								31%		
8.3 Programming and broadcasting activities	CCA 8.3	10.9	27%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								25%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**30.1**	**74%**	**0%**	**74%**	**0%**	**0%**	**0%**	**0%**								**56%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**30.1**	**74%**	**0%**	**74%**	**0%**	**0%**	**0%**	**0%**								**56%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		10.6	26%																
Total		**40.7**	**100%**																

ESRS E1 Climate change

Strategy

E1-1 Transition plan for climate change mitigation

Sanoma's transition plan related to climate change mitigation focuses on minimising its climate impacts. The Science Based Targets initiative (SBTi) has approved Sanoma's near-term 2030 science-based emission reduction targets for its 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-degrees in line with the Paris Agreement.

Sanoma's validated SBTi target for its own operations is to reduce combined absolute Scope 1 and 2 GHG emissions by 42% by 2030, from the 2021 base year. A majority of Sanoma's greenhouse gas emissions originate from indirect Scope 3 emissions. Sanoma aims to reduce Scope 3 emissions by 38% by 2030, from the 2021 base year. This Scope 3 target applies to Sanoma's GHG emissions under categories 1 Purchased goods and services, 3 Fuel and energy-related activities and 4 Upstream transportation and distribution, which together accounted for over 75% of Sanoma's value chain emissions in 2024. Methodologies and assumptions used for these targets include using the SBTi guidelines as well as the cross-sector (ACA) reduction pathways. Further details are available under E1-4.

Sanoma has not identified significant capital expenditure and operational expenses which would currently be required to implement its climate transition plan. To ensure compatibility with the transition to a sustainable economy and with the limiting of global warming in line with the Paris Agreement, Sanoma aims to adjust its business through decarbonisation levers including GHG emissions reductions through energy efficiency, energy consumption reduction and use of renewable energy in Scope 2 as well as supplier cooperation, material efficiency and energy consumption reduction in Scope 3. Key actions planned to reduce direct own operations' Scope 1 emissions include continuous transition to electricity and hybrid cars where possible, taking into consideration country-specific availability of the electricity charging grid. Key actions planned to reduce own operations' indirect Scope 2 emissions include switching the energy formats to fossil-free and renewable sources as well as the purchase of guarantees of origin for renewable and fossil-free energy use. Sanoma's Scope 3 emissions reduction initiatives focus on cooperating with the suppliers to reduce GHG emissions related to materials production and transport. Sanoma measures the performance of its suppliers by collecting GHG emissions data and encourages suppliers to measure their climate footprint, set science-based targets and transition to renewable energy.

The digitalisation of the media business is expected to reduce GHG emissions related to print media. Sanoma expects the transition from print to digital to continue and as a result, the amount of print-related (paper, materials, logistics) GHG emissions to decline. In its learning business, Sanoma continues to offer digital and blended (combined print and digital) products, with digitalisation gradually gaining ground. The key actions include optimising the GHG emissions related to upcoming curriculum renewals in cooperation with the paper suppliers. Sanoma also monitors GHG emissions related to its digital products and develops methods to ensure the efficient use of data.

Sanoma's climate transition plan is embedded to the Group's overall strategy through linking the targets to funding and executive management's short-term incentives. Sanoma has linked the SBTi climate targets as sustainability KPIs to its EUR 300 million Syndicated Revolving Credit Facility. Sanoma's executive management's short-term incentives for 2024 included metr related to Sanoma's science-based emission reduction targets. These incentives are described in more detail under ESRS 2 GOV-3.

Sanoma's sustainability management approach supports in ensuring the transition plan is taken into account in business decision-making and financial planning. The transition plan was approved in 2021 by Sanoma's Board, AC and EMT. During 2021–2024, Sanoma has made progress in implementing its climate transition plan by reducing its absolute combined Scope 1 and 2 emissions by 44% and Scope 3 emissions in categories 1, 3 and 4 by 38%. Progress and actions in 2024 are described under E1-3.

As the EU Taxonomy's list of potentially eligible activities does not include any learning or news media-related economic activities relevant to Sanoma, Sanoma's core business activities are not currently included into the scope of the EU Taxonomy. Therefore Sanoma does not have plans in place to align its economic activities (revenues, CapEx, OpEx) with the criteria established in the EU Commission Delegated Regulation 2021/2139 (29).

Sanoma is not excluded from the EU Paris-Aligned Benchmarks. Sanoma does not identify any significant locked-in GHG emissions e.g., future GHG emissions that are likely to be caused by key assets or products sold within their operating lifetime.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sanoma's climate strategy is an important part of its 2030 business strategy, ensuring the business meets the requirements of a low-carbon economy, aligned with the Paris Agreement 1.5-degree goal.

To identify and control environmental risks and opportunities, Sanoma evaluates climate- and biodiversity-related physical and transition risks annually. In 2024, this assessment was conducted as part of the double materiality assessment. This resilience analysis includes risk and opportunity identification and assessment, defining risk management activities as well as reporting of risks and opportunities to the EMT, AC and Board, where relevant. The assessment is qualitative and quantitative and performed annually by the Sustainability and Procurement Teams, collecting information also from other relevant functions. Sanoma applies the financial thresholds, the likelihood scale as well as time horizons of its Enterprise Risk Management (ERM) process in its risk, opportunity and resilience analysis. Time horizons for sustainability include short term (0–1 years), medium term (1–3 years), and long term (3 years and beyond). Further details about the EMR process and double materiality assessment are available under ESRS 2 SBM-3 and IRO-1. Time horizons vary from the ones used in setting Sanoma's greenhouse gas emission reduction targets, where the long-term time horizon extends to 2030. Sanoma's resilience analysis covers direct operations as well as the upstream and downstream value chain. Tier 1 suppliers were analysed in particular, but for example to analyse the printing houses' ability to reduce emissions, also tier 2 paper suppliers data was reviewed.

Sanoma uses scenario analysis to identify risks and opportunities and to enrich its resilience analysis and understanding of transition and physical risks. In its assessment, Sanoma has used climate scenarios, including scenarios in line with limiting the global warming to 1.5-degrees with no or limited overshoot and high-climate scenarios, such as RCP 1.9, RCP 4.5, RCP 8.5 and IEA SDS to understand potential alternative futures and to develop strategies to mitigate identified risks based on scenario outcomes. This includes assessing the impacts of current and future regulations on operations and supply chains, evaluating changes in customer behaviour and market demand for sustainable products as well as identifying opportunities for adopting new technologies to reduce emissions. Relevant risks are managed through operational policies and the Sustainability Strategy.

Sanoma identifies certain climate-related physical risks which may impact the business on short-, medium- and long-term timeframes. Acute physical risks like flooding, driven by increased severity of extreme weather events, may pose a risk to Sanoma's printing houses, facilities and warehouses. The risk is particularly related to damages to facilities due to floods and heavy rain in high flooding risk locations. To manage and mitigate the risk of damage, Sanoma develops comprehensive response plans and acquires insurances. During 2024, some of Sanoma's facilities in Spain suffered some damages due to heavy flooding.

Sanoma identifies certain transition risks which may impact the business on short-, medium- and long-term timeframes. Sanoma identifies a risk of increasing complexity and cost associated with compliance with enhanced emissions- and sustainability-reporting obligations and regulations. Regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Deforestation Regulation (EUDR), require extensive data collection, data management and reporting infrastructure. This can lead to increased operational costs, both directly within Sanoma's operations and indirectly through the supply chain, as suppliers also face stricter emissions regulations. Additionally, non-compliance with these regulations could result in financial penalties and reputational damage, impacting business operations and financial performance. Changing customer behaviour can also be a risk if customer expectations are not met. Sanoma addresses transition risks by monitoring and preparing to comply with regulations such as the CSRD, CSDDD, and EUDR, advancing its climate transition plan and working with the suppliers to reduce emissions and transition to lower-carbon products.

Sanoma also identifies certain opportunities which relate to the implementation of its climate transition plan. Transparent climate- and biodiversity action may offer the opportunity to enhance brand value and increase demand. Sanoma also identifies a number of climate-related opportunities through reducing indirect operating costs. By transitioning to renewable energy sources and implementing energy-efficiency projects, Sanoma can lower its energy consumption, emissions and related costs. For example, AI optimisation of heating in facilities and the switch to renewable heating in Finland have already led to energy savings. Sanoma also identifies opportunities linked to sustainable finance, involving leveraging its climate targets to access capital at more favourable rates. By aligning its climate strategy with the Science Based Targets initiative (SBTi) and incorporating these KPIs into its EUR 300 million Syndicated Revolving Credit Facility, Sanoma can benefit from reduced interest costs when meeting its emission reduction targets.

Sanoma has not identified reasons for significant adjustments to its strategy or business model as a result of the climate-related resilience analysis. Sanoma evaluates that adaptation to climate change over the short-, medium- and long-term does not pose a significant threat to securing ongoing access to finance. The shift to digital is expected to continue especially in its media business, which will support its climate transition. The transition towards digital is expected to also increase energy consumption and, through that, demand for fossil-free energy. Sanoma's resilience analysis includes uncertainties, which relate to the length of the time horizons used in the analysis and the severity types of the scenarios used. Sanoma aims to further develop its scenario analysis going forward. Sanoma's ability to adjust or adapt its strategy and business model to climate change depends on and includes transitioning to renewable and fossil-free energy sources, engaging and cooperating with suppliers to reduce GHG emissions, setting and achieving ambitious science-based targets for GHG emissions reductions as well as regular updates to the Sustainability Strategy and risk management processes to address emerging risks and opportunities.

Impact, risk and opportunity management

E1-2 Policies related to climate change mitigation and adaptation

In this section, Sanoma describes the policies and principles adopted to manage environmental impacts. The principles set in Sanoma's policies and standards govern Sanoma and its subsidiaries and apply to all companies, in which Sanoma has financial control. Sanoma's policies are approved by the Board of Directors. Sanoma's internal standards are approved by the President and CEO. The President and CEO and the Executive Management Team (EMT) are ultimately responsible for ensuring that Sanoma personnel is aware of and complies with the policies. Sanoma's Group Sustainability team is responsible for updating, communicating and leading the implementation of the Sustainability and Human Rights Policy as well as the Environmental Standard. Sanoma's Group Procurement team is responsible for updating, communicating and leading the implementation of the Supplier Code of Conduct (SCoC).

Stakeholders' views were taken into consideration in both policy and standard setting by analysing insights received from the suppliers, customers and employees. The SCoC, the Environmental Standard and the Sustainability and Human Rights Policy are made available to stakeholders, for example internally to employees via Sanoma's intranet. In addition, relevant parts from each policy are embedded into Sanoma's annual Code of Conduct refresher training which is mandatory for all employees. Externally, these policies and standards are made available to stakeholders, such as customers and suppliers, on Sanoma's website. Sanoma also engages with its suppliers, such as paper and print suppliers, to ensure the implementation of its climate transition plan.

Supplier Code of Conduct (SCoC)

Sanoma's key standard related to guiding its suppliers is the SCoC, last updated in November 2024. The SCoC outlines Sanoma's environmental principles and requirements towards all Sanoma suppliers and addresses climate change, use of renewable energy, use of plastics, deforestation or forest degradation impacts, waste management, circularity and pollution prevention. The SCoC sets out the ethical standards and responsible business principles key suppliers and service providers are required to comply with. It applies to all Sanoma suppliers in all geographies.

Sustainability and Human Rights Policy

The Sustainability and Human Rights Policy, published in December 2024, outlines Sanoma's sustainability-related principles and summarises its core commitments in own operations. It defines Sanoma's sustainability due diligence process in general, including identification, assessment, management and remediation of sustainability-related impacts. This policy also outlines Sanoma's sustainability management model as well as the responsibilities to identify impact, risks and opportunities though the double materiality assessment process. As a signatory of the UN Global Compact (UNGC), Sanoma commits to the UN Guiding Principles and the Agenda 2030, including UN Sustainable Development Goals (SDGs). In relation to environmental topics, Sanoma commits to the Ten Principles related to fundamental responsibilities, especially environment, as well as the Rio Declaration on Environment and Development. The policy applies to all Sanoma operations across Europe.

Environmental Standard

Sanoma's key standard related to environmental impacts is the Environmental Standard, published in December 2024. Sanoma's Environmental Standard outlines Sanoma's environmental principles and determines how Sanoma manages its environmental impacts. The Environmental Standard addresses climate change adaptation and mitigation, energy efficiency, use of fossil-free energy, use of plastics, biodiversity impacts, waste management, circularity and pollution prevention. It applies to all Sanoma operations across Europe.

As a signatory of the United Nations (UN) Global Compact, Sanoma recognises the importance of the Agenda 2030 and UN Sustainable Development Goals (SDGs) and through the Environmental Standard, advances especially SDGs related to Responsible consumption and production (11), Climate Change (13) and Partnerships for the Goals (17). Sanoma is committed to the UN Ten Principles related to fundamental responsibilities, such as the environment as well as to the Rio Declaration on Environment and Development. Sanoma adheres to relevant local, national, and international environmental laws and regulations. Sanoma is a supporter of the European Climate Pact. Launched by the European Commission, the Climate Pact is part of the European Green Deal and is helping the EU to meet its goal to become climate-neutral by 2050. Third-party standards and initiatives that are respected through the implementation of the policy include FSC and PEFC certification schemes, and the environmental management system, such as the ISO 14001 certification.

E1-3 Actions and resources in relation to climate change policies

Sanoma's climate change mitigation focuses on reducing GHG emissions in both its own operations (Scope 1 and 2) and value chain (Scope 3). Sanoma's targets, approved by the Science Based Targets initiative (SBTi), ensure that the ambition of Sanoma's climate strategy is compatible with limiting of global warming in line with the Paris Agreement. Sanoma's key actions taken in 2024, and planned for the future, are aligned with its SBTi targets and actions related to both climate change mitigation and adaptation are to be completed by 2030. Sanoma has allocated resources to the implementation of its climate transition plan, including e.g., investments in supplier cooperation, renewable and fossil-free energy, energy efficiency, and AI optimisation. Sustainability and Procurement teams cooperate with both own production as well as suppliers' production teams to reduce emissions. Sanoma hosts internal environmental working groups in both SBUs to ensure progress in emission reduction initiatives. Sanoma's financial resources for the implementation of the climate transition plan are integrated into its overall financial plan. In general, investments have been and are expected to be minor. No significant monetary amounts of capital expenditure and operational expenses are currently required to implement the actions taken or planned. Sanoma does not expect that its ability to implement its climate transition plan depends significantly on the availability and allocation of financial and operational resources. In own operations Scope 1 and 2, minor investments are required in renewable and fossil-free energy. In Scope 3, the success of actions is mainly dependent on the cooperation and commitment of suppliers and partners to reduce emissions and transition to a low-carbon economy.

Energy

To reduce the impacts of energy use, Sanoma invests in energy efficiency initiatives, own energy production and the use of fossil-free and renewable energy sources. The scope of these actions is Sanoma's own operations, more specifically printing houses in Finland and facilities and warehouses throughout Europe. During 2024, 2,125 solar panels were planted on the roofs of the Sanoma House in Helsinki and Manu printing house in Tampere, Finland to increase own renewable electricity production. In 2024, all facilities and printing houses in Finland used fossil-free electricity. In addition, office facilities in Sweden, Poland, Netherlands, Belgium, Spain and Italy used fossil-free or renewable electricity. In Finland, facilities and printing houses also transitioned to fully renewable heating during 2023–2024. Renewable heating was also used in the Netherlands, Sweden and Norway. In 2024, Sanoma also carried out office restructuring projects and discontinued unnecessary office facilities in Finland, Sweden, Norway, France and the Netherlands. As a result of these projects, the consumption of electricity, district heating and cooling in both owned and leased properties controlled by Sanoma declined in 2024. As is a continuous action to reduce the heating consumption, Sanoma uses AI optimisation of heating use in Finland in the Sanoma House headquarters in Helsinki and in both printing houses. In Sanoma's printing houses and facilities in Finland, Italy and Norway, international standards, such as ISO 14001 and Breeam-certification, create a foundation for energy management.

Climate change mitigation in Scope 1 and 2 own operations

Sanoma has reduced its combined Scope 1 and 2 emissions by 44% by the end of 2024 from the 2021 baseline. The scope of actions related to Scope 1 and 2 emissions reductions is Sanoma's own operations, more specifically printing houses in Finland and facilities and warehouses throughout Europe. In Scope 2, these reductions are especially a result of Sanoma's renewable and fossil-free electricity and heating initiatives, described above under Energy. In addition, office floorspace restructuring reduced energy consumption both in Media Finland and Learning and resulted in reduced Scope 2 emissions. To reduce its emissions related to company cars in Scope 1, Sanoma renewed its car policies in Italy, the Netherlands and Belgium during 2024 to support the transition to electric and hybrid cars.

Sanoma's key actions to reduce energy-related own operations Scope 2 emissions further involve continuing the transition to renewable energy sources especially in heating and cooling and improving energy efficiency across operations. The intermediate targets included the aim to achieve 100% fossil-free electricity in 2024 – with 97% level achieved – and transitioning to fossil-free energy by 2030. Initiatives also include continuing the restructuring of office spaces for better energy efficiency. In Scope 1, Sanoma continues to shift towards electric and hybrid company cars. The scope of these key actions covers Sanoma's own operations, including car policies as well as printing houses, offices, and warehouses across multiple countries in Europe.

Climate change mitigation in the Scope 3 value chain

Sanoma's most significant climate impacts derive from the indirect emissions of its supply chain. Sanoma has reduced Scope 3 emission by 38% in categories 1, 3 and 4 by the end of 2024 from the 2021 base year, reaching its SBTi target already ahead of 2030. Categories 1, 3 and 4 represented over 75% of Sanoma's Scope 3 emissions in 2024.

To reduce value chain Scope 3 emissions, key actions during 2024 included partnering with suppliers, as the majority of Scope 3 emissions originate from purchases of materials, logistics and production. The scope of actions related to Scope 3 emissions reductions is Sanoma's upstream value chain in all sourcing countries. During 2024, Sanoma continued its cooperation with paper suppliers to use lower-carbon paper. Sanoma also continued to cooperate with its printing suppliers to ensure ambitious target setting and reliable carbon accounting. Annually, Sanoma collects supplier-specific emissions data from paper, printing and logistic suppliers, and follows-up on key suppliers' climate targets. During 2024, a Supplier Day was hosted to enhance cooperation with paper and print suppliers, including e.g., know-how on product-level emission calculations, EUDR, CSRD, CSDDD and other regulatory developments. In addition to supplier cooperation, the transition from print to digital continued in the media business, and as a result, the amount of print-related (paper, materials, logistics) GHG emissions declined. In its learning business, paper consumption also decreased, and following this, the printing-related emissions (energy, materials and logistics) also declined. As other purchased services, such as IT equipment, consulting, marketing, cloud-services and TV productions, also generate a portion of Sanoma's GHG emissions, Sanoma continuously develops its calculation models and cooperation with these suppliers to ensure further reductions.

Sanoma's key actions to reduce value chain Scope 3 emissions further include cooperation with its paper, printing and logistics suppliers. Sanoma aims to continue reducing paper-related emissions through more extensive use of low-carbon paper qualities. In cooperation with logistic suppliers, Sanoma aims to reduce GHG emissions through further use of low-carbon transport options. Some further emissions reductions are expected especially as a result of the digitalisation of media. In the learning business, future curriculum renewals may cause increases in emissions, which Sanoma aims to prevent in advance through, for example, changes in paper carbon profiles to low-carbon options and optimising of paper weights in its products.

Climate change adaptation

Sanoma adapts to transition risks related to its customers and stakeholders expectations through its climate transition plan, which is described under climate change mitigation. To meet the growing reporting and other regulatory requirements, Sanoma invested in 2024 in a new reporting tool. Sanoma will continue to develop compliance by ensuring adequate resources as well as supplier cooperation to ensure data quality and availability.

Sanoma adapts to physical risks related to climate change through its operational policies, contingency planning and insurances. To prepare for and manage potential physical risks, Sanoma has continuity and disaster recovery plans in place for its critical systems and operations. Sanoma's insurance programme provides coverage for insurable hazard risks, subject to insurance terms and conditions. The scope of actions related to physical risks is Sanoma's own operations, more specifically printing houses in Finland and facilities and warehouses throughout Europe.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

Energy

Sanoma aims to transition to fossil-free energy (electricity, heating, cooling and reserve power) by 2030. In addition, Sanoma aims to use only fossil-free or renewable electricity. Both targets were established in 2021. As Sanoma's energy-related targets are continuous, no base-year and values are disclosed. The target has been established with input from internal stakeholders at Sanoma. The target covers all facilities, warehouses and printing houses operated by Sanoma. The target is in line with Sanoma's Environmental Standard and supports in the achievement of Scope 1 and 2 emission reduction targets.

In 2024, 92% of all energy used by Sanoma was already fossil-free. The increase in the share of fossil-free energy followed Sanoma's switch to renewable heating in Finland where all electricity and heating used is fossil-free or renewable at the end of 2024. Sanoma also finalised its transition to fossil-free electricity in Sweden, Norway, Denmark, Netherlands and Spain. The share of fossil-free renewable and nuclear electricity was 97%.

Climate change mitigation

Sanoma measures and evaluates its performance of mitigating its climate and GHG emission impacts through its science-based emission reduction targets described under E1-1. The Science Based Targets initiative (SBTi) has approved Sanoma's near-term science-based emission reduction targets for own operations (Scope 1 and 2) and value chain (Scope 3). This validates that Sanoma's GHG emission reduction targets are compatible with limiting global warming to 1.5-degrees. The SBTi targets are based on IPCC reports and projections. The effectiveness of these metrics is evaluated by analysing Sanoma's performance related to emission reductions.

Sanoma's targets include a commitment to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 38% by 2030, compared to the 2021 baseline. Methodologies and assumptions used for these targets include using the SBTi guidelines as well as the cross-sector (ACA) reduction pathways. Sanoma's GHG emission reduction targets are gross targets, meaning that no GHG removals, carbon credits or avoided emissions as means of achieving the GHG emission reduction targets have been included. Internal stakeholders were involved in Sanoma's climate target setting project through workshops. Customers, employees and suppliers views were considered in target setting through Sanoma's materiality assessment conducted for the Sustainability Strategy in 2021.

Table 17. E1-4-34 and AR 31 Science Based Targets initiative validated GHG emission reduction targets

	Base year 2021, tCO_2-eq	Emissions in reporting year 2024, tCO_2-eq	Share of emissions reduction in reporting year compared to 2021, %	Emission reduction 2030 target, %	1.5 degree-aligned pathway value 2030, tCO_2-eq
Scope 1 and Scope 2 market-based GHG emissions	8,974	5,038	-44%	-42%	5,205
Scope 3 GHG emissions, categories 1, 3 and 4	123,126	76,473	-38%	-38%	76,338

Table 18. E1-4 AR 28 Cross-sector reduction pathway used to model targets

	2030	2050
Cross-sector (ACA) reductions pathway based on the year 2020 as the reference year	-42%	-90%

Source: Based on Pathways to Net-zero –SBTi Technical Summary (Version 1.0, October 2021)

As critical assumptions for setting GHG emission reduction targets, Sanoma has considered future developments, such as changes in paper volumes and print production, shifts in customer demand especially related to the pace of digitalisation in both businesses as well as regulatory changes and the general transition pace towards fossil-free energy formats. All developments considered have the capacity to reduce Sanoma's emissions. Increases in paper volumes and print production following curriculum renewals in particular, may also cause increases in emissions, which Sanoma aims to prevent in advance through, for example, changes in paper carbon profiles to low-carbon options and optimising of paper weights. Sanoma's key decarbonisation levers include GHG emissions reductions through energy efficiency, consumption reduction and use of renewable energy in Scope 2 as well as supplier cooperation, material efficiency and consumption reduction in Scope 3. In addition, following the media business digitalisation, decreasing usage of printed media will reduce Scope 3 emissions. To review opportunities to meet its targets and to identify potential decarbonisation levers, Sanoma has considered climate scenarios. The scenarios used have been described under E1 SBM-3 and E1-1. Sanoma is currently not planning to adopt new technologies to achieve GHG emission reduction targets.

In 2024, Sanoma's own operations' emissions (Scope 1 and 2) declined by 44% compared to the 2021 base year. The Company achieved significant reductions in Scope 2 emissions mainly due to continuing to transition to renewable heating in addition to the use of fossil-free electricity. In 2024, Sanoma's value chain emissions (Scope 3) declined by 38% in categories 1, 3 and 4 compared to the 2021 base year. These categories represented more than 75% of Sanoma's Scope 3 emissions and are covered by Sanoma's SBTi target.

Sanoma's baseline year for emissions reductions is 2021, providing a reference point for measuring progress. It includes all relevant emissions from owned and controlled operations, as well as value chain emissions. The baseline is representative of the Company's activities and considers external factors such as market trends and regulatory changes. Sanoma has, for example, reviewed the baseline calculations for potential anomalities in a certain year by comparing both the data used and emission factors used, to the previous years data and factors. Sanoma evaluates annually the need to restate the previous years emissions figures to ensure comparability based on potential changes in the business. Sanoma's targets are set for 2030, and progress is tracked annually. Sanoma ensures the consistency of GHG emission reduction targets with GHG inventory boundaries by using the GHG Protocol for emissions calculations and including all operations under financial control. Sanoma's emission reduction targets cover all relevant Scope 1, 2, and 3 emissions categories. Inventory boundaries and GHG's included have been further described under E1-6.

Table 19. E1-4 MDR-T 80 Absolute value of GHG emission reductions

Absolute value of Greenhouse gas emissions reduction as of emissions of base year 2021	2024
Total	**-46,627**
Scope 1, own operations direct GHG emissions	259
Scope 2, own operations market-based energy indirect GHG emissions	-4,195
Scope 2, own operations location-based energy indirect GHG emissions	-4,680
Scope 3, other indirect GHG emissions, all categories	-42,690

Table 20. E1-4 MDR-T 80 GHG emission reductions as %

% of Greenhouse gas emissions reduction as of emissions of base year 2021	2024
Total	**-31%**
Scope 1, own operations direct GHG emissions	7%
Scope 2, own operations market-based energy indirect GHG emissions	-79%
Scope 2, own operations location-based energy indirect GHG emissions	-55%
Scope 3, other indirect GHG emissions, all categories	-31%

Climate change adaptation

Sanoma tracks the effectiveness of its climate change adaptation actions related to the physical risks of climate change through for example regular continuity and disaster recovery planning, and insurance coverage reviews in its facilities. To review the effectiveness of its measures related to transition risks, Sanoma conducts internal audits, such as the readiness assessment performed in 2024 in relation to the CSRD reporting requirements. In addition, Sanoma tracks its stakeholders views related to its climate action.

Decarbonisation levers

Sanoma's key decarbonisation levers include transitioning to fossil-free energy on own operations and supply chain, energy efficiency, materials efficiency, optimisation of materials use and supplier cooperation. The transition to fossil-free energy reduces both own operations Scope 2 emissions and Scope 3 value chain emissions. Energy efficiency improvements and the use of AI to optimise energy consumption can lead to further reductions in energy consumption in owned and leased properties. Supplier engagement is also one of Sanoma's decarbonisation levers. Encouraging suppliers to measure and reduce their GHG emissions, particularly in the categories of purchased goods and services and transportation, enhances the ability to reduce Sanoma's Scope 3 emissions. In addition to supplier cooperation, Sanoma minimises material consumption, analyses the carbon profiles of its materials usage and changes materials to reduce its emissions. Digitalisation will also reduce Sanoma's materials-related emissions.

E1-5 Energy consumption and mix

Sanoma's total energy consumption in 2024 was 34,664 MWh. The share of renewable and fossil-free energy in its overall energy mix was 92%. The energy figures cover all owned and leased properties controlled by Sanoma, including printing houses, offices, and warehouses across all Sanoma's operating countries. Sanoma's energy data has been collected from energy management systems and landlords. Less than 1% of Sanoma's energy consumption figures are based on estimates. Sanoma classifies energy as renewable or nuclear-based if the origin of the purchased energy is either defined in the contractual instruments with its suppliers or guarantees of origin are available to prove the source. If the origin is unknown, the source is classified as fossil. Data related to self-generated energy e.g., solar panels, has been collected from energy management systems of Sanoma House in Helsinki and Manu printing house in Tampere with no significant assumptions to disclose which would impact the data coverage.

Table 21. E1-5 AR 34 Energy and fuel consumption

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	40
(3) Fuel consumption from natural gas (MWh)	0
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,626
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**2,666**
Share of fossil sources in total energy consumption (%)	8%
(7) Consumption from nuclear sources (MWh)	18,482
Share of consumption from nuclear sources in total energy consumption (%)	53%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,318
(10) The consumption of self-generated non-fuel renewable energy (MWh)	238
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**13,556**
Share of renewable sources in total energy consumption (%)	39%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**34,664**
E1-5-39 Renewable energy production	238
E1-5-39 Non-renewable energy production	40
Total energy consumption from activities in high climate impact sectors (MWh)[1]	**18,891**
Energy intensity (total energy consumption per net revenue) from activities in high climate impact sectors[1]	75

[1] To determine energy intensity, Sanoma has reviewed the high climate impact sectors list of the EU Commissions Delegated Regulation (EU) 2022/1288. Sanoma has two printing houses in Finland, which are classified under C18.1.1 Printing of newspapers. The net revenue from Sanoma's printing houses is included under the Media Finland net sales category for print, which amounted EUR 251.1 million in 2024. For further details on the net sales reconciliation, see section Report of the Board of Directors, Media Finland.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Sanoma's operations generate greenhouse gas emissions in our own operations (Scope 1 and 2) and value chain (Scope 3). In 2024, Sanoma's total market-based GHG emissions were 101,810 tCO_2e. Sanoma's own operations' Scope 1 and 2 GHG emissions represented 5% of our total GHG emissions in 2024. Value chain (Scope 3) emissions are the most significant source of GHG emissions for Sanoma. In 2024, 95% of Sanoma's total GHG emissions resulted from the value chain. In Scope 1, no GHG emissions originate from regulated emission trading schemes.

Table 22. E1-6 AR 48 Gross GHG emissions by categories

Gross GHG emissions categories	Retrospective[1]				Milestones and target years[2]			
	Base year 2021	2023	2024	Change, %	2025	2030	(2050)	Annual % Target / Base year
Scope 1 GHG Emissions								
Gross Scope 1 GHG emissions (tCO_2-eq)	3,658	n/a	3,917	n/a	2,975	2,122	n/a	4.6 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	n/a	0%	n/a				
Scope 2 GHG Emissions								
Gross location-based Scope 2 GHG emissions (tCO_2-eq)	8,547	n/a	3,867	n/a	n/a	n/a	n/a	n/a
Gross market-based Scope 2 GHG emissions (tCO_2-eq)	5,316.00	n/a	1,121	n/a	4,324	3,083	n/a	4.6 %
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2-eq)	139,463	n/a	96,773	n/a	n/a	n/a	n/a	n/a
1 Purchased goods and services	99,350	n/a	57,953	n/a	82,571	61,597	n/a	4.2 %
2 Capital goods	3,438	n/a	4,539	n/a	n/a	n/a	n/a	n/a
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	2,549	n/a	2,333	n/a	2,119	1,580	n/a	4.2 %
4 Upstream transportation and distribution	21,227	n/a	16,188	n/a	17,642	13,161	n/a	4.2 %
5 Waste generated in operations	183	n/a	317	n/a	n/a	n/a	n/a	n/a
6 Business travel	1,009	n/a	1,266	n/a	n/a	n/a	n/a	n/a
7 Employee commuting	1,287	n/a	3,878	n/a	n/a	n/a	n/a	n/a
11 Use of sold products	3,435	n/a	6,662	n/a	n/a	n/a	n/a	n/a
12 End-of-life treatment of sold products	1,699	n/a	458	n/a	n/a	n/a	n/a	n/a
15 Investments	5,286	n/a	3,180	n/a	n/a	n/a	n/a	n/a
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2-eq)	151,668	n/a	**104,556**	n/a	n/a	n/a	n/a	n/a
Total GHG emissions (market-based) (tCO_2-eq)	148,437	n/a	**101,810**	n/a	n/a	n/a	n/a	n/a

[1] Comparison figures 2023 not disclosed in the first Sustainability Statement.
[2] Milestones and targets have been derived from Sanoma's absolute science-based targets for Scope 1 and 2 combined and Scope 3 categories 1, 3 and 4. The targets have been reported in the table as illustrative absolute emission targets for 2030. Sanoma has not set targets that extend to 2050.

Table 23. E1-6 AR 54 GHG intensity based on net revenue

GHG intensity per net revenue	Baseline year 2021	2024	% Change
Total GHG emissions (location-based) per net revenue (tCO_2-eq/net sales[1])	121	78	-36%
Total GHG emissions (market-based) per net revenue (tCO_2-eq/net sales[1])	119	76	-36%

[1]Sanoma uses net sales as the denominator in the calculation of the GHG intensity.

GHG emissions accounting principles

Sanoma reports greenhouse gas (GHG) emissions according to the Greenhouse Gas Protocol provided by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI). All relevant GHG emissions have been included in Sanoma's calculations. Exclusions to Sanoma's Scope 3 GHG emission categories follow the GHG Protocol guidance and have been estimated using the GHG Protocol Scope 3 Evaluator tool to identify relevant categories for reporting. Following the GHG Protocol requirements, greenhouse gases (GHGs) included into Sanoma's inventory, if relevant, are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Following the GHG Protocol, these gases are required to be reported using their 100-year Global Warming Potential (GWP) values as defined by the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports.

During 2024, no significant changes were made to the scope of Sanoma's GHG emissions reporting, which would impact year-on-year comparability. Figures are reported as tCO_2 equivalents. Sanoma calculates GHG emissions using an organisational control of financial control. This means that Sanoma includes into the GHG inventory all operations that it has the ability to direct via financial and operational policies with a view of gaining economic benefit. All companies in Sanoma Group with majority ownership (over 50%) have been considered in the calculations. In addition, associated companies' and joint ventures' Scope 1 and 2 emissions have been reported under category 15 Investments when relevant. In 2024, Sanoma sold the taxi ordering service Valopilkku, which was acquired in 2023. Valopilkku does not impact Sanoma's comparison figures, as it was not included into Sanoma's GHG emission figures for 2021-2023. The restatement of Valopilkku was planned to be conducted during 2024.

Sanoma's emission calculation model has been developed in cooperation with external partners. Sanoma uses the Workiva tool to calculate its Scope 1, 2 and Scope 3, category 2, 3 and 5 emissions. For other Scope 3 categories, Sanoma uses a tool build using the Excel spreadsheets. Tools, emission factors and methods of collecting data are always chosen to ensure the best available and reliable sources. Methods of collecting GHG emission data both from Sanoma's systems and from suppliers are continuously improved. Sanoma's disclosure or methodology does not include any significant assumptions or limitations. From Sanoma's GHG inventory, an estimated 33% of Scope 3 is calculated using the spend-based screening method. Sanoma aims to improve its data quality continuously in cooperation with suppliers. Sanoma uses FY 2021 as a base year for emission reduction comparisons.

Own operations direct Scope 1 emissions:

- Own operations direct (Scope 1) emissions include the use of owned and leased cars as well as reserve power mainly used in printing houses. Emission sources include fuel consumption from owned and controlled vehicles and generators used for reserve power. Emission factors used include road transport emission factors from Defra GHG Conversion Factors and fuel emission factors from Statistics Finland. All gases are included in the Scope 1 calculation.

Own operations' indirect Scope 2 emissions (location- and market-based):

- Sanoma reports Scope 2 GHG emissions using both the location-based and market-based methods. The location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries. The market-based method quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporting entity contractually purchases electricity bundled with instruments, or unbundled instruments.
- Sanoma's indirect own operations' emissions result from energy used in printing houses, offices and warehouses. Sanoma's energy data has been collected from energy management systems and landlords. Sanoma does not sell energy. The market-based method accounts for the purchase of renewable energy certificates and other contractual instruments that attribute the use of renewable energy to Sanoma's operations. Sanoma uses Energy Attribute Certificates (EACs) to claim the use of renewable or fossil-free energy. Also, in some facilities agreements are made with utility providers to purchase electricity that is bundled with renewable energy attributes. During 2024, Sanoma used contractual instruments for all of the purchase of fossil-free energy.
- Emission factors used for Sanoma's Scope 2 calculations include country-specific electricity averages and market-based electricity emission factors. International heat and cooling emission factors are from country or supplier-specific databases. Residual mix is used only in the market-based method. Sanoma follows the market-based method in its Scope 2 reductions. Location-based figures have been calculated using average country-specific emission factors.

Value chain indirect Scope 3 emissions:

- Category 1: Purchased goods and services includes GHG emissions from materials purchased for owned printing houses and for printing Sanoma's products by print suppliers. The category also includes transportation emissions from forest to the paper mill, as Sanoma uses paper profile data declared by paper suppliers. For magazine and book printing suppliers, data is collected as allocated energy and material consumption related to the production of our supply. Own printing houses' energy consumption is reported under Scope 2. The category 1 also includes emissions related to cloud-based data usage and service providers (consulting, marketing, freelancers, TV production and broadcasting). Emissions from IT equipment covers leased and owned items. Category 1 calculation method is hybrid. Emission factors are supplier-specific factors, Defra GHG Conversion Factors, material-based emission factors from Ecoinvent and spend-based emission factors from Exiobase. To ensure comparability, the impact of inflation is excluded by using the Exiobase emissions factor when calculating emissions based on spend data.

- Category 2: Capital goods includes capital goods bought by the organisation (classified as CapEx in accounting): properties renovations, equipment and new vehicles. Emission factors are spend-based emission factors from Exiobase.
- Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2) include upstream emissions of purchased fuels, purchased electricity and transmission and distribution (T&D) losses. Emission factors for upstream district heating and fuel use are Well-to-tank (WTT) Defra GHG Conversion Factors. T&D losses for electricity is calculated using the European Environmental Agency factors. For T&D losses of heating, EU averages have been used.
- Category 4: Upstream transportation and distribution includes all purchased transportation-related emissions. This category includes emissions from vehicles and ships distributing materials to both owned printing houses and to printing suppliers. This category also includes delivering products to customers in both businesses: in Learning, from printing supplier to warehouse and warehouse to customers, and in Media Finland, newspapers from owned printing houses to customers and magazines from printing supplier to warehouse and from warehouse to customer. The calculation method is a mix of tonne-kilometre and distance-based method. Road and sea transport emission factors are supplier-specific or from Defra GHG Conversion Factors.
- Category 5: Waste generated in operations includes emissions from waste generated in own and controlled operations, referring to Sanoma's printing houses and owned and leased office properties and warehouses. The calculation method is the waste-type specific method. Waste treatment emission factors are from Defra GHG Conversion Factors. For facilities and warehouses with missing data, waste data has been evaluated based on amount of employees of floorspace used. For waste emission calculations all estimated waste categorised as mixed waste. The share of estimated data is 54%.
- Category 6: Business travel includes emissions from travelling reported using data from travel claims and travel agency data. The calculation method is a combination of the distance- and spend-based methods. Distance-based emission factors are from Defra GHG Conversion Factors database and spend-based emission factors from Exiobase. There is a minor below 3% exclusion in business travel emission calculation due to missing data.
- Category 7: Employee commuting includes emissions calculated from employee travel patterns evaluated using headcount data from each operating country. Emissions for working from home have not been included into the calculation, as according to the GHG protocol guidance they are optional to calculate. Employee commuting emission factors are from Defra GHG Conversion Factor.
- Category 8: Upstream leased assets category is not relevant for Sanoma since it does not have relevant leased assets that have not been reported under other categories. All leased facilities' energy use is included in Scope 2 leased vehicles and are calculated in Scope 1.
- Category 9: Downstream transportation and distribution category is not relevant for Sanoma as all purchased transportation emissions have been reported under category 4. Sanoma's products and services do not create transportation and distribution emissions after the point of sales.
- Category 10: Processing of sold products. This category is not relevant since Sanoma does not sell intermediate products that would require processing. Main products sold are books, newspapers, magazines and digital products.
- Category 11: Use of sold products includes emissions from the digital use of Sanoma's products. Emissions are generated from the transmissions of data, network use and consumer device use during the use phase of digital products (TV, radio, websites, software applications). Emissions from data centre use reported under category 1. Emissions from distribution of broadcast television content are excluded from category 11. The total sum of this exclusion is estimated to account for approx. 1% of Scope 3 emissions. Emission factors for upstream network use are from the International Energy Agency (IEA) and estimated data transfer from Traficom.
- Category 12: End-of-life treatment of sold products includes emissions from the waste treatment of sold products: newspapers, magazines, books and purchased packaging. The calculation method is a waste-type specific method. Waste treatment emission factors are from Defra GHG Conversion Factors.
- Category 13: Downstream leased assets category is not relevant since Sanoma does not have downstream leased assets.
- Category 14: Franchises category is not relevant as Sanoma has no franchises.
- Category 15: Investments include Scope 1 and 2 emissions of Sanoma's subsidiaries, associated companies and joint ventures where relevant. These companies have been listed in the Consolidated Financial Statements, Note 6.4. Emission factors are spend-based factors from Exiobase.

Biogenic emissions:

- Scope 1 biogenic emissions include emissions from biofuels. In 2024, biogenic emissions related to Scope 1 were 457 tCO_2-eq.
- Scope 2 biogenic emissions are indirect emissions from the purchase of electricity, steam, heat, or cooling derived from biomass and biofuels. In 2024, biogenic emissions related to Scope 2 were 3,032 tCO_2-eq.
- In Scope 3, categories 3, 4, 5, 6 and 7 include biogenic emissions related to biomass and biofuels. In 2024, biogenic emissions related to Scope 3 were estimated to be 3,309 tCO_2-eq.
- Biogenic emissions have been reported excluding reported CO_2 GHG emissions but including emissions of other types of GHG. Emission factors for biogenic emissions calculations from Defra GHG Conversion Factors, Association of Issuing Bodies (AIB), National Statistic Finland used for the biogenic emissions calculations.

GHG intensity based on net revenue:

- GHG emission intensity has been calculated based on Sanoma's net sales which amounted to EUR 1,344.8 million in 2024, as reconciliated in the Consolidated Financial Statements, Note 2.2.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

In addition to the science-based emission reduction targets, Sanoma aims to be carbon neutral in all operations by 2030. This means that in 2030, Sanoma's aim is to compensate emissions that cannot be avoided or reduced.

ESRS E4 Biodiversity and ecosystems

Strategy

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Sanoma's biodiversity actions focus on three angles: minimising the biodiversity impacts of paper procurement through the certified use of paper, managing biodiversity and paper-related risks, and, as climate change is a significant driver of biodiversity, Sanoma's climate transition plan described under E1-1.

Sanoma evaluates its current business model to be resilient in regards to impacts and risks related to biodiversity. As a sizeable paper purchaser, Sanoma is responsible for protecting biodiversity and promoting the responsible use of forest resources. As paper production can lead to biodiversity loss due to deforestation, Sanoma prefers PEFC or FSC certified paper in its sourcing to guarantee the certified, transparent and legal origin of the paper used. Risks related to biodiversity and paper sourcing include the availability of certified paper and the potential financial impacts resulting from the potentially increasing commodity prices. Sanoma has several measures in place to mitigate the biodiversity risks identified. Sanoma updates its Procurement strategy on an annual basis and evaluates potential market impacts of the costs and availability of paper. Potential risks are also followed and mitigated through annual negotiations with suppliers conducted by the Procurement team. The risk of potentially rising paper prices is mitigated by diversifying paper supply. The risk is closely followed, in particular, for newsprint paper, as Media Finland is dependent on certain suppliers. To mitigate the dependency on paper, Sanoma has invested in the transition to digital and cloud.

Sanoma also identifies a transition risk related to the EU's Deforestation Regulation (EUDR). The EUDR requires verification of the origin of wood fibre used in paper products. Compliance risks are related to especially the availability of the data requested, as Sanoma is dependent on its suppliers to access this information. In practice, the EUDR requires Sanoma to trace the geolocation of all wood used in its wood-based products. The EUDR is part of a broader plan of actions to tackle deforestation and forest degradation. Once in place, the information will enable Sanoma to trace its products in more detail, which improves transparency. Under the regulation, Sanoma must be able to prove that its wood-based products, such as newspapers, magazines and books, do not contribute to forest degradation. As of December 2025, these new rules will be implemented throughout the EU. To mitigate transition and compliance risks related to the EUDR, Sanoma develops its due diligence processes, engages with suppliers, and invests in tools to ensure compliance with the requirements.

Sanoma's analysis of the resilience of its business in relation to biodiversity includes impact, risk and opportunity identification and assessment as well as defining, implementing and monitoring the risk management activities. To identify and control environmental risks and opportunities for its business, Sanoma evaluates climate- and biodiversity impacts, risks and opportunities annually. During 2024, the evaluation was conducted as part of the double materiality assessment. It covered direct operations as well as the upstream and downstream value chain and assumed that Sanoma's business areas and targets remain the same. The evaluation focused on upstream tier 1 suppliers, but when analysing for example the suppliers' ability to reduce emissions, tier 2 suppliers were also reviewed. The evaluation was performed by the Sustainability and Procurement teams and included both qualitative and quantitative aspects, containing also information collected from other internal teams.

In its resilience analysis, Sanoma has applied the same financial thresholds and time horizons as in its ERM process as described under ESRS 2 BP-2. Further details about the double materiality assessment are found under ESRS 2 SBM-3. The reporting of potential risks and opportunities follows Sanoma's sustainability management model described under ESRS 2 GOV-2. Sanoma's resilience analysis did not include systemic or physical biodiversity risks or ecosystem risks. Going forward, Sanoma aims to expand its risks assessment.

During 2024, Sanoma cooperated with several stakeholders in regards to biodiversity topics. These included paper and print suppliers, NGOs, FSC and PEFC certification collaborators as well as local authorities responsible for the implementation of the EUDR.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

No own direct impacts from operative operations or material sites from a biodiversity point of view were identified, and therefore there were no material sites with impacts on threatened species. As a result, there were no significant negative impacts from own operations to land degradation, desertification or soil sealing. Upstream value chain impacts have been identified by analysing typical impacts of paper production and sourcing. These impacts have been disclosed under E5 Resource use and circular economy.

Impact, risk and opportunity management

E4-2 Policies related to biodiversity and ecosystems

In general, Sanoma's environmental commitments and policies are described under E1-2, including the scope of Sanoma's policies and standards such as the Sustainability and Human Rights Policy, Supplier Code of Conduct and Environmental Standard. The description also presents the most senior level in the organisation accountable for the implementation of these policies and a description of consideration given to interests of key stakeholders' views. Resource-use is described in more detail under E5-1. Sanoma's Environmental Standard addresses the contribution to impact drivers on biodiversity loss, such as climate change and pollution. Sanoma does not have own sites near biodiversity sensitive areas or relevant own operations in regards to direct exploitation, land-use change, sea-use change, invasive alien species, freshwater-use, agriculture, sustainable oceans or seas practices. With the exception of land-use change, Sanoma has not adopted policies to manage these topics.

Based on Sanoma's procurement rules embedded into the Supplier Code of Conduct, including commitments to deforestation-free products, the violations or concerns of non-compliance with Sanoma's policies and standards are advised to be reported to Sanoma through grievance channels. Sanoma's whistleblowing channel is available in several languages relevant for Sanoma's operations. Sanoma reserves the right to cancel orders, suspend orders and/or terminate its contract with a supplier in the event of a material breach of the Supplier Code of Conduct and withhold payment for non-confirmatory products or services.

Sanoma has identified certain dependencies, which relate to the availability of paper and certified paper, posing a risk to Sanoma's operations. Sanoma's Environmental Standard and Paper Procurement Standard prefer the use of certified paper, impacting this dependency. At the same time, these policies support in reducing biodiversity-related impacts and risks, such as weakening customer demand due to non-sustainable products or non-compliance with the EUDR.

Environmental Standard

The Environmental Standard addresses climate change through science-based emission reduction pathways and minimising pollution with high environmental management standards, such as ISO 14001. It mitigates land-use change by promoting sustainable material use and responsible procurement. Additionally, the policy supports biodiversity and protects species populations by reducing environmental impacts. Following the standard, Sanoma supports ecosystem conditions through the efficient use of materials and responsible procurement, acknowledging dependencies on ecosystem services and aiming to mitigate negative impacts.

Through its Environmental Standard, Sanoma commits to protecting biodiversity, promoting the responsible use of forest resources, and aims to ensure its products are deforestation-free and do not cause forest degradation, aligned with relevant EU regulation. Based on the Environmental Standard, Sanoma's aim is to use only paper produced responsibly and originating from traceable, legal and verified sources. Paper certification schemes, such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), provide standards and guidelines for sustainable forest management. These certifications encourage responsible practices that prioritise biodiversity conservation, ecosystem preservation, and the rights of indigenous communities. Paper certification involves audits and assessments to ensure compliance with sustainable management practices. Certification schemes promote traceability and help verify that the wood used in paper production comes from certified and legal sources, reducing the risk of illegal logging and associated deforestation.

Paper Procurement Standard

The Paper Procurement Standard is a standard part of Sanoma's paper supplier agreements and supports Sanoma in managing biodiversity-related impacts and risks. Sanoma sets requirements towards paper suppliers on the use of certified paper. In-line with the standard, forest-related risks are evaluated and mitigated as part of annual negotiations with the suppliers by the Procurement team. In this evaluation, short-, medium- and long-term forest-related risks are evaluated, and suppliers report on their FSC or PEFC certifications and other sustainability efforts. Information on the origin of the paper is evaluated as a part of these negotiations. Views of suppliers, customers and employees were taken into consideration when establishing the Paper Procurement Standard. The Procurement team is responsible for updating, communicating and leading the implementation of the standard. It is made available to potentially affected stakeholders, such as suppliers, through their contracts.

E4-3 – Actions and resources in relation to biodiversity and ecosystems

Sanoma's key actions to mitigate its biodiversity impacts related to the use of paper are continuous and include implementation of sourcing requirements, data collection and traceability improvements related to paper sourcing and cooperation with the suppliers. In its newspapers, magazines and books, Sanoma prefers to use paper originating from certified and sustainably managed forests, i.e., from traceable, verified and legal sources. As part of the annual negotiations with the suppliers, information on the origin of the paper is evaluated. Sanoma also collects information on the origin of paper from its suppliers via its purchase order system. Sanoma also checks supplier information via national tools and databases, research institutes and the FSC and PEFC registries. Sanoma currently traces and monitors the origin of the purchased paper from its tier 1 and 2 suppliers. All described actions related to paper sourcing increase traceability, and with the EUDR, traceability is expected to expand beyond tier 1 and 2 suppliers.

Sanoma's key actions to mitigate risks related to paper use and biodiversity are also continuous. Sanoma updates its Procurement strategy on an annual basis and evaluates potential market risks related to the costs and availability of paper. Potential risks are followed and mitigated through the negotiations with suppliers. The risk of potentially rising paper prices is mitigated by diversifying paper supply. The risk is closely followed, in particular, for newsprint paper, as Media Finland is dependent on certain suppliers. To mitigate the dependency on paper, Sanoma has invested in the transition to digital. Sanoma continuously develops its due diligence systems to ensure tracing of the origin of the paper-fibre used in its products and to manage compliance risks related to EUDR. In 2024, Sanoma acquired a PEFC Chain of Custody certification for Media Finland. Sanoma's learning business in the Netherlands, Malmberg, has acquired a FSC Chain of Custody certification.

The scope of actions related to biodiversity covers Sanoma's own operations and upstream value chain, with the actions applying to all paper and print suppliers in all sourcing countries. As actions are considered to be continuous, there are no time horizons to disclose. Sanoma does not use offsets or compensation in relation to its biodiversity impacts. PEFC and FSC paper use includes ensuring that local and indigenous knowledge is respected and taken into consideration, but no direct engagement or knowledge integration has taken place. No nature-based solutions are incorporated into Sanoma's actions.

Metrics and targets

E4-4 Targets related to biodiversity and ecosystems

Sanoma has not set measurable time-bound outcome-oriented biodiversity-related targets, and therefore targets are not aligned with the Kunming-Montreal Global Biodiversity Framework and EU biodiversity strategy for 2030. Sanoma aims to further develop its biodiversity targets going forward. Sanoma tracks the effectiveness of its biodiversity-related policy implementation through monitoring of paper-related GHG emissions, as disclosed under E1-4, and of paper usage and share of paper certification, as disclosed under E5-3 and E5-4. These can be allocated to the layers of avoidance and minimisation in the biodiversity mitigation hierarchy. As Sanoma's impacts occur through the upstream value chain, no ecological thresholds and allocation of impacts to the undertaking have been applied in the monitoring of the effectiveness of the policy implementation. Biodiversity offsets were not used in the target setting. External stakeholders were not involved in the target setting.

ESRS E5 Resource use and circular economy

Impact, risk and opportunity management

E5-1 Policies related to resource use and circular economy

Sanoma's environmental commitments and policies in general are described under E1-2, including the scope of the Environmental Standard. The description includes the scope of these policies and standards, the most senior level in the organisation accountable for implementation of them and a description of consideration given to interests of key stakeholders' views and how the policies are made available to stakeholders.

Environmental Standard

Through its Environmental Standard, Sanoma is committed to using natural resources efficiently. The Environmental Standard addresses the transitioning away from the use of virgin resources, sustainable sourcing by promoting the use of recycled materials and renewable sources and taking environmental aspects into consideration throughout the life-cycle of the product. The objectives of the Standard are achieved through responsible procurement practices, efficient operations and product development. Through the Standard, Sanoma commits to optimising the consumption of materials, such as paper, printing inks and printing plates, to recycling the materials used and to measuring and minimising waste generated in its printing houses, facilities and warehouses. According to the Standard, Sanoma aims to minimise the use of plastics in its products. In products, where plastics are used, Sanoma aims to use recyclable plastics, which do not originate from virgin sources. Sanoma also commits to pollution prevention and identifying and managing chemicals and other materials posing a hazard if released to the environment by ensuring their safe handling, movement, storage, recycling or reuse, and disposal. In addition to Sanoma's Supplier Code of Conduct, also the Environmental Standard sets requirements for sustainable sourcing, such as the use of certified paper. The Environmental Standard is implemented locally across Sanoma businesses. The Group Sustainability and Procurement teams are responsible for supporting the implementation of the Standard. The Group Sustainability team is responsible for updating and communicating it.

E5-2 Actions and resources related to resource use and circular economy

Resource inflows

Sanoma's key actions to manage resource use-related impacts relate to the use of paper in Sanoma's products. The scope of these actions is Sanoma's upstream value chain and most of the actions are continuous. Sanoma engages with its paper and print suppliers to ensure the use of certified paper. These actions are described under E4-3, as paper certification is closely connected to the management of Sanoma's biodiversity impacts. In addition to the management of impacts related to the use of certified materials, Sanoma is committed to using natural resources efficiently and aims to optimise resource use, for example by minimising paper weights in its products. This is done by systematic monitoring and forecasting of paper consumption in magazines and books printed by printing suppliers to avoid unnecessary paper consumption. During the printing process in its own operations at two newspaper printing houses, Sanoma optimises the consumption of materials, such as paper, printing inks and printing plates, and recycles the materials used. The share of paper waste during the printing process is monitored closely and it is a short-term incentive for the printing house employees.

Resource outflows

Key actions to manage waste-related impacts in Sanoma's printing houses, facilities and warehouses include continuous actions related to minimising of the waste generated through monitoring of waste generation, ensuring with waste treatment partners that waste is recycled or reused as well as the training of employees on waste treatment topics. In Sanoma's facilities and warehouses, waste minimisation is part of the ongoing environmental work and several of the facilities Sanoma leases have a certification for environmental management systems. In Sanoma's printing houses, environmental management is certified with the ISO 14001 management system. Sanoma House, the headquarters in Finland, and the office in Norway are Breeam-certified. Facilities used in the Netherlands (Iddink) and Italy (Sanoma Italy) also hold ISO 14001 certifications.

Metrics and targets

E5-3 Targets related to resource use and circular economy

Sanoma tracks the effectiveness of the policy implementation and measures taken related to resource use, paper certification and waste management as described below under Resource inflows and Resource outflows. Sanoma does not have time-bound or outcome-oriented targets related to resource use.

Resource inflows

To measure especially the effectiveness of its policies and action plans to manage biodiversity impacts, Sanoma monitors and measures the share of certified paper used in its newspapers, magazines and books. Sanoma's aim is to use only wood fibre that is produced responsibly and originating from traceable, legal and verified FSC and PEFC sources. In 2024, the share of certified paper used in Sanoma's products was 98%. Sanoma measures the effectiveness of its policies and action plans to manage both biodiversity impacts as well as resource use impacts by monitoring the amount of materials, such as paper bought and used. Sanoma is committed to using natural resources efficiently and thus minimises the use of primary raw materials.

Resource outflows

With efficient waste management, Sanoma aims to minimise waste generated in its printing houses, facilities and warehouses.

E5-4 Resource inflows

Sanoma's resource inflows cover its printed products, such as newspapers, magazines and books. The key materials are the materials used in the production of these products, such as paper, printing inks, printing plates, wetting additives and washing solvents, which Sanoma reports for its own operations, i.e. two printing houses it owns in Finland. For its own operations, more specifically two owned newspaper printing houses in Finland, Sanoma reports the materials bought and used, such as paper, printing inks, printing plates, wetting additives and washing solvents. In addition, Sanoma purchases paper, which is delivered to upstream value chain printing partners, who then produce Sanoma's books and magazines. In 2024, Sanoma purchased 43,430 tonnes of paper for its newspapers, magazines and books. Monitoring of the volume of paper helps to decrease not only the resource use impacts, but also biodiversity and climate-related impacts associated with paper consumption. Throughout its own operations and the upstream value chain, Sanoma aims to use paper fibre which originates from trusted, PEFC or FSC certified sources. Sanoma monitors the share of certified paper used in its own operations for newspapers and bought for magazines and books printed by printing suppliers. During 2024, the share of certified paper was 98%.

Table 24: E5-4-30 Paper bought and used for products and share of certification

Metric used to evaluate progress	2024
Overall total weight of paper used by Sanoma for own printing houses (newspapers) and for printed products production (magazines and books), tonnes	43,430
Share of certified paper fibre in paper bought %	98%

The reporting follows Sanoma's financial accounting rules and includes paper bought by Sanoma and used to manufacture its products. Data for paper bought originates from paper suppliers' direct measurement and does not include any significant assumptions. Data for certified fibre originates from paper suppliers. 8% of the certification data is estimated by calculating the weighted average of the primary data. The denominator for the share of certified paper used is the overall total weight of paper used during the reporting period.

Table 25. E5-4-31 Materials used in own operations

Metric used to evaluate progress	2024
Overall total weight of materials used by Sanoma in own operations	
Paper, tonnes	24,644
Printing plates, tonnes	148
Printing inks, tonnes	557
Wetting additive, tonnes	50
Washing solvents, tonnes	28
Percentage of biological materials used that are sustainably sourced by Sanoma in own operations	
Share of certified paper used in own operations %	100%
Recycled and reused materials used by Sanoma in own operations	
Total weight of recycled and reused materials used, tonnes	0
Share of recycled and reused materials used %	0%

The reporting follows Sanoma's financial accounting rules. Materials consumption data originates from Sanoma's newspaper printing houses' production systems. Certification data originates from paper suppliers as part of invoicing. The denominator for the share of certified paper used is the overall total weight of paper used in own printing houses during the reporting period. Paper is the only biological material used by Sanoma. No technical materials are used in Sanoma's own operations. No significant assumptions are used for the metric.

E5-5 Resource outflows

Waste

Sanoma's printing houses, facilities and warehouses generated 6,579 tonnes of waste in 2024. Recycled and reused waste accounts for 72% of Sanoma's waste. Sanoma's two own printing houses in Finland produce newspapers. Relevant waste streams and materials presented in waste include paper waste generated from the production of newspapers, metal waste from printing plates (used in the printing process and reused by partners after use), inks and solvents as residuals from the printing process as well as general office and warehouse waste. Sanoma monitors closely the amount of waste types in its printing houses, which are the biggest source of waste. Sanoma's printing houses use the ISO 14001 for environmental management, including waste management. In addition to printing houses, Sanoma leases facilities and warehouses, in which mainly general office and packaging waste is generated. Waste management is part of each facility's environmental management system. In Finland, headquarters Sanoma House is Breeam-certified. Facilities in the Netherlands (Iddink) and Italy (Sanoma Italy) hold ISO 14001 certifications.

Sanoma evaluates waste impacts by reporting waste generated in its facilities, warehouses, and two owned printing houses in Finland, with no material identified risks or opportunities related to waste. Sanoma uses a combination of direct measurement and estimation methods (54% of data) to calculate waste data. This includes weighing waste in printing houses, using data provided by waste management suppliers and estimating waste quantities based on floorspace and the number of employees using the facility. Waste data estimations include estimating the amount of waste by using Statistics Finland data and estimations on waste treatment type as based on Eurostat Waste Statistics. No radioactive waste is generated in Sanoma's printing houses, facilities or warehouses.

Table 26. E5-5 37 a–d Waste by type and disposal method

Waste by type and disposal method, tonnes	2024
Total amount of waste generated	**6,579**
Total amount of waste directed to disposal	1,460
Total amount of waste diverted from disposal	5,119
Non-hazardous waste, Directed to disposal	**1,377**
by incineration	17
by landfilling	1,084
by other disposal operations	276
Non-hazardous waste, Diverted from disposal	**4,901**
due to preparation for reuse	220
due to recycling	4,655
due to other recovery operations	84
Total - Non-hazardous waste	**6,278**
Hazardous waste, Directed to disposal	**83**
by incineration	9
by landfilling	34
by other disposal operations	39
Hazardous waste, Diverted from disposal	**218**
due to preparation for reuse	24
due to recycling	110
due to other recovery operations	84
Total - Hazardous waste	**301**
Non-recycled waste	**1,815**
Percentage of non-recycled waste %	**28%**

Social Information

ESRS S1 Own workforce

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

Sanoma's actual and potential impacts to its own workforce originate from the Company's business model and strategy. In its double materiality assessment, Sanoma identified actual or potential positive impacts on its employees through providing secure employment, paying adequate wages, providing trainings and skills development and promoting gender equality and diversity. Sanoma acknowledges that the successful implementation of its strategy and business model depends on having and retaining skilled and engaged management and employees, and on their competencies in developing appealing products and services in accordance with customer needs. Through actions that focus on fostering an inclusive and people-centric culture, Sanoma aims to ensure continuous improvement in employee engagement and satisfaction.

In addition, Sanoma identified actual or potential negative impacts related to work-life balance, working time, health and safety, social dialogue, freedom of association, collective bargaining, gender equality and equal pay, diversity, anti-harassment and privacy and security of employee data. Impacts are not considered to be systemic, but rather individual matters. Sanoma continuously develops the working conditions as well as equal treatment and opportunities of its employees, and ensures employee data privacy.

These impacts apply to Sanoma's own operations, and cover all employees and employment arrangements in all operating countries. The actual and potential impacts related to own workforce are taken into account in Sanoma's strategic development. Sanoma utilises the annual Employee Engagement Survey and other surveys to identify trends and issues impacting its own workforce, and the results serve as the base for action planning. Sanoma gains insight into the perspectives of potentially vulnerable or marginalised groups within its workforce particularly through the Diversity and Inclusion Survey.

Impact, risk and opportunity management

S1-1 Policies related to own workforce

In this section, Sanoma describes the policies and principles adopted to manage its impacts related to its own workforce. All of these policies and standards apply to Sanoma's own operations, and cover all employees and employment arrangements in all operating countries. Sanoma's policies are approved by the Board of Directors. Sanoma's standards are approved by the President and CEO. The President and CEO and the EMT are ultimately responsible for ensuring that Sanoma's employees are aware of and comply with policies.

These policies and standards are made available via internal channels, and the Code of Conduct, the Sustainability and Human Rights Policy, the People Policy and the Diversity and Inclusion Policy are also available on Sanoma's website.

Code of Conduct

The Sanoma Code of Conduct outlines the shared ethical standards for employees and business partners and applies to all impacts presented in this section. The Code acts as an umbrella for all policies and standards within Sanoma. The Sanoma Code of Conduct encompasses the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

Sustainability and Human Rights Policy

Sanoma's Sustainability and Human Rights Policy, published in December 2024, outlines its sustainability-related principles and summarises the core commitments and sustainability due diligence process. The Group Sustainability function is responsible for updating, communicating and leading the implementation of the Sustainability and Human Rights Policy. The policy covers all S1 related IROs presented in the table in section ESRS 2 SBM-3, except for training and skills development.

As a signatory of the UN Global Compact (UNGC), Sanoma recognises the importance of the Agenda 2030 and UN Sustainable Development Goals (SDGs), and adheres to the UN Guiding Principles. In relation to impacts on its own workforce, Sanoma commits to the Ten Principles related to fundamental responsibilities in human rights, labour, environment and anti-corruption. The Sustainability and Human Rights Policy is aligned with internationally recognised instruments, such as the Universal Declaration of Human Rights (UDHR), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Human trafficking, forced labour, compulsory labour and child labour are addressed in these commitments.

Sanoma aims to identify, prevent and mitigate potential and actual negative impacts on people. These include social impacts connected with Sanoma's own operations as well as its upstream and downstream value chain through its products, services or business relationships. The due diligence process is defined in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The right to effective remedy is a fundamental element of the international human rights system. Following its human rights commitments, Sanoma implements a remediation process to address adverse human rights impacts its operations cause or contribute to. Further details are available under S1-3.

People Policy

Sanoma's key policy related to impacts on its own workforce is the People Policy, published in December 2024, and covering all S1-related IROs presented in the table in section ESRS 2 SBM-3. The impacts on employment security, social dialogue and privacy of own workforce are covered indirectly through the human rights-related commitments of the policy. The policy encompasses the guidelines that serve as the basis for people management at Sanoma, in alignment with the Code of Conduct, the Sustainability and Human Rights Policy commitments and corporate values. The Group HR team is responsible for updating, communicating and leading the implementation of the People Policy.

Sanoma is committed to creating a working environment and culture that inspires employees, values their diversity, embraces their views and respects their individual rights. Sanoma's People Policy aims to provide a common understanding of people guiding principles. However, there may be country-specific rules based on applicable country legislation, collective agreements and practices. In addition, Sanoma has local Occupational Health & Safety (OH&S) management systems that help identify and mitigate workplace risks. The policy covers people priorities, human rights, diversity and inclusion, occupational health and safety and well-being, rewards and recognition, recruitment and career opportunities, professional development, performance management, employee engagement as well as disciplinary practices.

Sanoma is committed in investing in the development of people's talent and skills, cultivating a collaborative culture, and keeping Sanoma values as an integral part of the way-of-working. The People Policy sets the framework for a well-organised management of occupational health and safety, equal treatment, non-discrimination and mental and physical well-being of its own employees.

The policy considers, among others, sustainability, legal and HR perspectives. The perspective of employees is considered via the channels established for engagement with its own workforce and described in S1-2.

Diversity and Inclusion Policy

The Diversity and Inclusion Policy sets the ambition for a diverse and inclusive workplace with fair treatment and equal opportunities, non-discrimination, equal pay for equal roles, and gender-neutral experience. As of December 2024, the content of the policy has been embedded into the People Policy. The Group HR team is responsible for leading the implementation of the Diversity and Inclusion Policy, whereas the responsibility of updating and communicating the policy is shared with the Group Sustainability team.

Anti-Harassment Standard

In addition to the policies, the IRO related to anti-harassment is managed through the internal Anti-Harassment Standard that describes the process of handling the potential harassment cases in detail. The Group HR team is responsible for updating, communicating and leading the implementation of the Anti-Harassment Standard.

Elimination of discrimination and promoting equal opportunities

All policies related to its own workforce are aimed at preventing discrimination, promoting diversity, and fostering an inclusive workplace.

In its People Policy, Sanoma outlines that the Company has zero tolerance for any form of discrimination, harassment (including sexual harassment) or bullying in the workplace. Sanoma is committed to ensure equal opportunities for all, valuing diversity and creating a culture of inclusion. Diversity is found in any social identity, such as gender identity, sex, age, national extraction, race, ethnicity, colour, physical and mental abilities or disabilities, religion, political opinions, sexual orientation, social origin and other attributes covered by the EU and national regulations. Sanoma does not tolerate discrimination based on any attributes. In its Diversity and Inclusion Policy, and People Policy, Sanoma outlines that it aims to recognise people from groups at particular risk of vulnerability in its own workforce, and take positive action to enhance the inclusion of these groups. Equal treatment of all individuals and the promotion of equity in working life is an integral part of sustainability at Sanoma.

In addition to the policies being included in the annual trainings and made available through internal channels, Sanoma monitors the implementation of its policies through a regular Employee Engagement Survey, and Diversity and Inclusion Survey. Sanoma has also updated its recruitment process to ensure diversity, equity and inclusion. In internal communications, employees are reminded of the policies in the relevant context, such as zero tolerance regarding harassment and reporting channels.

Sanoma has clear procedures for addressing grievances. Employees are encouraged to report incidents through multiple channels, including a whistleblowing channel, hosted by a third party ensuring a confidential process and protection against retaliation. All reported incidents are documented, investigated, and overseen by the Audit Committee to ensure accountability. In addition, Sanoma monitors the incidents and addresses potential trends proactively to maintain a safe and supportive work culture.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Sanoma is committed to creating an environment where its employees feel valued, motivated and committed to contributing towards shared goals. Sanoma seeks feedback from its employees regularly to understand their needs and preferences, using this information to manage the impacts related to its own workforce.

In general, Sanoma's due diligence process follows the definitions in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and is described in the Sustainability and Human Rights Policy. From the own workforce point of view, due diligence is embedded into governance, strategy and the business model through the policies described in S1-1.

To engage with its own workforce, Sanoma has regular and structured communications channels in place, such as internal communications channels and quarterly updates. In addition, both SBUs have their own established channels for direct engagement with employees. Engagement types are diverse and vary in frequency, ranging from continuous communications to annual or quarterly organised events. This structured, multifaceted approach allows Sanoma to maintain a dynamic and responsive engagement framework. Annual performance and development reviews are also utilised for engagement with employees.

In Learning, the annual Share Views Week provides employees an opportunity to connect and exchange ideas in interactive sessions across the SBU. In addition, monthly SL Connects online events are organised for managers. Working groups focusing on specific topics are formed if needed.

In Media Finland, an annual strategy communications session is organised to all employees with the opportunity to ask questions and comment. Employees can also ask questions from the CEO of Media Finland in "Three questions" interviews that are regularly broadcast to the entire personnel. In addition, a monthly communications package is offered to managers to help them engage with their teams, and weekly newsletters are sent to all employees.

Regular Employee Engagement (EES) and Diversity and Inclusion Surveys are key tools to identify and assess potential and actual impacts, risks and opportunities as well as to evaluate the effectiveness of engagement related to Sanoma's own workforce. The survey results are analysed on unit and company levels. In addition, Sanoma utilises unit or topic-specific pulse surveys to gain more detailed insights and trends. Sanoma also has targets related to gender balance and progress against those targets is also monitored annually. The results of these surveys are used to plan actions to address actual and potential negative impacts. Actions are described in S1-4, and the latest EES survey results can be found in the S1-Entity specific metric.

The effectiveness of actions are tracked through the above mentioned surveys as well as through regular performance and development reviews. Sanoma has implemented procedures to ensure that complaints and grievances are handled in a neutral way. Employees are encouraged to report their concerns in confidence through Sanoma's reporting channels such as directly to their managers, Human Resources, or through the anonymous whistleblowing hotline. Incidents are reported internally quarterly, and externally annually.

Sanoma respects its employees' right to join trade unions. Freedom of association and the effective recognition of the right to collective bargaining are included in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, which Sanoma commits to. Both SBUs conduct regular, quarterly meetings with the personnel representatives. Personnel representatives are informed in advance of any relevant change initiatives and negotiated with, if needed. In addition, there are established forums to ensure personnel representation: Media Finland's employee advisory board, European Working Council for the whole of Sanoma and administrative representation in unit management teams.

The most senior role that has operational responsibility of the engagement with Sanoma's own workforce is the Chief Human Resources Officer, and the functions with operational responsibility are Human Resources and Communications in both SBUs.

Gaining insights into perspectives of people in its own workforce who may be particularly vulnerable to impacts and/ or marginalised

Sanoma has established practices to gain insights into the perspectives of potentially vulnerable or marginalised groups within its workforce. In 2024, Sanoma implemented a Group-wide DE&I survey to understand minority group perspectives. In addition, sexual and gender minorities' experiences were separately asked to highlight the International Day Against Homophobia, Transphobia and Biphobia (IDAHOT). Sanoma has encouraged personnel to establish minority personnel representative groups. In Media Finland, non-Finnish speakers have established a group. In Learning, the work around the five pillars of DE&I, Culture & Heritage, Disability & Neurodiversity, Gender, Generations, and LGBTQ+, continued.

In addition, Sanoma utilises the EES survey to identify trends and issues impacting specific vulnerable or marginalised groups. Other practices that may provide insights are exit interviews that may reveal unique challenges or barriers faced by employees and thus help to understand what aspects of the work environment may disproportionately impact marginalised employees and where further support or improvements are needed.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Aligned with Sanoma's Sustainability and Human Rights Policy, the right to effective remedy is a fundamental element of the international human rights system. Sanoma has a remediation process to address adverse human rights impacts its operations cause or contribute to. Sanoma's whistleblowing channel enables employees, customers and business partners to report suspicions of misconduct related to sustainability or human rights issues confidentially and anonymously. In addition, Sanoma's People Policy states alignment with the Group's guidelines (including ILO commitment on collective bargaining), and commits to collective bargaining agreements. In addition to having processes and channels in place to remediate negative impacts, Sanoma has not separately assessed the effectiveness of the provided remedy of a potential case.

Sanoma's whistleblowing channel is available in several languages relevant for Sanoma's operations. The channel is established by third-party mechanisms, and it is available on Sanoma's internal channels and website. In addition, internal communication campaigns about raising concerns are rolled out annually.

Sanoma has implemented procedures to ensure that complaints and grievances are dealt with in a neutral way. Employees are encouraged to report their concerns in confidence through Sanoma's reporting channels such as directly to their managers, Human Resources, or through the anonymous whistleblowing channel.

Cases reported through the channel are processed in a manner that ensures impartiality. According to its Code of Conduct, Sanoma does not tolerate retaliation against individuals who make reports in good faith, or against any third persons, facilitators or legal entities connected to the reporting individual. Sanoma investigates reported cases, reviews incidents, leverages learnings to influence both internal and external processes and reports the number and types of these cases annually. Internal Audit investigates misconduct cases separately from the chain of management involved, and it informs the Audit Committee about all identified and investigated misconduct cases.

To increase awareness, raising concerns is part of the annual mandatory Code of Conduct e-learnings. Completion rates of these courses are reported in G1-1. Additionally, Sanoma runs an annual awareness campaign on speaking up, and tracks the number of reports submitted and investigated through different channels. Trust on the available channels is difficult to measure, since an increase in the number of reports may indicate growing trust, though it could also reflect an increase in identified issues.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

As described in section S1-2, the actions needed to manage material impacts on Sanoma's own workforce are identified during engagement with personnel. Analysis of the annual EES, DE&I and other surveys act as valuable input for planning the actions to a particular actual or potential negative impact. If needed, there are dedicated focus groups established to define the actions needed. Topic and unit specific surveys often take place several times a year. The scope of the actions is Sanoma's own workforce in its own operations. Most of the development is continuous or reactive. All of these actions also support the objectives of the People Policy.

Actions to prevent, mitigate and remediate negative impacts

Work-life balance and working time

Sanoma has several continuous actions to mitigate the negative impacts on work-life balance and working time. To help employees manage their personal and professional responsibilities, Sanoma provides, where possible, flexible working arrangements, including flexible hours, hybrid work and leave policies. The annual EES survey that is targeted to all Sanoma employees and was carried out also in 2024, is used in both SBUs to track employee experience on work load and to plan actions targeted to improve the work-life balance. In addition, the regular 1:1 discussions that managers have with employees are used to plan actions to balance employees' workload. Work-life balance is also improved through monitoring working time. In 2024, Media Finland also implemented one working time system to all its employees so that managers can monitor the working hours of their subordinates. The system provides notifications to managers if working hours exceed the agreed limits.

Health and safety

In order to ensure a safe workplace and to promote health and well-being, both SBUs provide several mental and physical health initiatives to all employees on a continuous basis. In Media Finland, communication about low-threshold mental health care is targeted to employees, and managers are continuously trained on the available health and safety services. In addition, trainings on self-leadership, change skills and resilience elements are included in managers' trainings and offered also to employees.

Gender equality, equal pay and diversity

In 2024, Sanoma implemented a Group-wide DE&I survey to improve, for example, its understanding of minority groups perspectives. In addition, sexual and gender minorities' experiences were separately asked to highlight the IDAHOT day in May. Sanoma has also encouraged personnel to establish minority personnel representative groups. In Media Finland, the non-Finnish speakers have already established a group. In Learning, the work built around five pillars of DE&I, Culture & Heritage, Disability & Neurodiversity, Gender, Generations and LGBTQ+, continued. These pillars represent the DE&I focus areas for Learning. Senior leaders are sponsors of these pillars. Through these actions Sanoma improves the understanding of the obstacles and challenges faced by people identifying themselves as any minority.

Sanoma actively recruits from diverse employees to foster an inclusive and varied workforce. Media Finland updated its recruitment process from the DE&I perspective in 2024, and managers were trained accordingly. In addition, to ensure equal pay, Media Finland's remuneration guidelines were updated in accordance with the job architecture work conducted for the implementation of the new Human Resources tool that will be taken into use in 2025. The same tool is already in use in Learning.

In addition, gender equality and diversity were part of the annual Code of Conduct e-learning in 2024. The training is mandatory for all Sanoma employees and more information about the training can be found in G1-1. Sanoma runs an annual awareness campaign to all employees on speaking up and tracks the number of cases submitted and investigated through different channels.

Anti-harassment

On the Group level, Sanoma has implemented procedures to ensure that complaints and grievances are dealt with in a neutral way. The Anti-Harassment Standard describes the process of handling the potential harassment cases. Employees are encouraged to report their concerns in confidence through one of Sanoma's reporting channels such as directly to their managers, Human Resources, or through the anonymous whistleblowing channel. For harassment cases, HR is responsible for the investigation, and each case is investigated as promptly as possible, in a fair and objective manner. In 2024, in those operating countries where local legislation requires processes to be in place (Spain, Netherlands and Poland), Sanoma took action to establish separate subsidiary-specific channels that will be included in the Group's whistleblowing tool in early 2025.

Privacy and security of employee data

Sanoma has continuous Group-level processes in place to manage the potential negative impact on privacy and security of employee data. Data privacy and security practices were part of the annual Code of Conduct training also in 2024. In addition, Sanoma has Privacy and Security Champions in HR teams, who follow up and support initiatives regarding the use of employee data. There is also a process in place to review and fix all reported data breaches. All reports related to inappropriate behaviour are reviewed and actions agreed on, based on the process in place. Regarding the privacy and security of employee data, there is a process in place to review data breach reports and agree on the required actions.

No specific actions targeted to adequate wages, social dialogue, freedom of association and collective bargaining were conducted in 2024. The commitments to these impacts are stated in the policies and no further need for action was identified in 2024.

Sanoma did not take actions to provide or enable remedy in relation to actual material impacts as there were no actual cases.

Additional actions or initiatives with the primary purpose of delivering positive impacts for its workforce

Sanoma has in place and plans actions and initiatives with the primary purpose of delivering positive impacts for its workforce. Below are the key actions carried out in 2024.

Health and safety

To support the health and well-being of all employees, both SBUs promote topics related to physical and mental health in their internal channels on a continuous basis. Sanoma focuses on improving recreation and sense of community throughout the organisation on a continuous basis. In Media Finland, employees are brought together through Sanomain Kerho (Sanoma Club) with both sports and culture-related activities. In addition, Sanoma arranges activities, like walking challenges or charity work, to improve engagement and increase meaningfulness.

Gender equality and diversity

Sanoma carried out actions to promote gender equality and diversity in both SBUs to create a culture of inclusion, involving, accepting, and valuing all people in the workplace regardless of their differences and social identity.

In Learning, a SBU-wide campaign to foster LGBTQIA+ inclusion was launched during the Pride month, including several sessions to highlight the commitment to maintaining an inclusive workplace where all individuals feel empowered to share their unique perspectives and ideas. In addition, a Menopause Awareness training, aimed both for those going through this important change in life as well as the ones not transitioning through menopause, was launched in 2024.

In Media Finland, DE&I awareness was increased throughout the organisation through internal communications by, for example, interviewing minority group members in internal news stories, and asking and sharing their experiences in topic-specific surveys.

Training and skills development

Learning and development is part of Sanoma's culture and continuous actions to ensure that Sanoma's employees can develop professionally and gain the skills that are critical for the future growth and execution of Sanoma's strategy. Learning happens mostly on-the-job, but is complemented with formal training and learning from/with others. Annual performance and development discussions are utilised in both SBUs to create individual development plans and to encourage continuous learning at work. In both SBUs, leadership competency framework is defined based on the Sanoma business strategy and values. This framework serves as the basis for different development programmes aiming to help with critical capabilities enhancement.

In Learning, the HR system Workday provides an online training platform that covers topics such as DE&I, leadership, well-being and self-development. In addition, in 2024, a Leadership for growth - leadership essentials training targeted for middle managers was launched in Belgium and the Netherlands. In Media Finland, trainings are provided through Sanoma Academy and they cover topics such as leadership skills, coaching, self-leadership, journalistic skills and mentoring. In addition, there are unit or competence based trainings to more targeted groups. In 2024, all managers in Media Finland were trained on change management as well as skills and career development as part of a larger trainings plan that continues in 2025.

No specific actions targeted to employment security were conducted as no specific need for them was identified in 2024.

Tracking and assessing the effectiveness of actions related to own workforce

In addition to monitoring the completion level of the actions, Sanoma utilises the annual EES results to track and assess the effectiveness of actions. The EES includes questions related to, for example, engagement, enablement, inclusion, equality, work-life balance and trainings, and the previous year's survey is set as the baseline to be improved.

The HR team is responsible for monitoring actions related to its own workforce. The insight and trends from surveys are followed up by HR as well as SBU and unit management. The Group Compliance team together with HR arranges mandatory trainings to all. The HR team is responsible for the documentation of guidelines and practices and training them to managers.

Sanoma aims to ensure that no material negative impacts arise from practices through the implementation of the Code of Conduct, and related annual mandatory trainings to all employees. In addition, guidelines and practices are documented and trained to managers, and insight and trends from pulse surveys regularly followed up.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sanoma has not set any measurable time-bound outcome-oriented targets related to its own workforce, and does not have plans to implement such targets. Given the nature of Sanoma's business, material issues do not change annually, and therefore the Sustainability Strategy and targets are set for the long term. Sanoma assesses the effectiveness of its own workforce-related policies and actions through targets related to the Employee Engagement Survey and by monitoring the gender distributions at managerial levels. These targets originate from the Sustainability Strategy.

Stakeholders were involved when the targets were set in 2021, when launching the Sustainability Strategy, by participating in surveys and workshops. The progress of the targets is tracked annually, and the scope is the entire Group. Sanoma's targets related to its own workforce are the following:

- Annually, Sanoma's Employee Experience Index is on a favourable level ≥7.5
- People feel that Sanoma provides equal opportunities, and the Equal opportunities rating is on a favourable level, ≥7.6
- Sanoma continuously seeks to develop the Company as a great place to work, and by 2025, aims to reach an Employee Net Promoter Score (eNPS) >10
- Sanoma promotes diversity and gender neutrality throughout the business and aims for a 50/50 gender balance in managerial positions by 2030
- The objective is that both genders are represented at the Board of Directors with the share of under-represented gender being at least 40%

The EES survey results are analysed and action plans created in teams as well as on unit, SBU and Group levels. Plans serve as input to unit and SBU-specific people plans as well as to a statutory development plan for the work community that is being created together with personnel representatives.

Team-specific plans are followed up in the teams. Sustainability targets and performance are communicated internally and externally. The performance against set targets in 2024 for the gender distribution in managerial positions can be found in section S1-9 and the results of the EES survey in S1 Entity-specific metric: Employee engagement survey.

In 2024, the Employee Experience Index (EEI) was 7.4, (scale 1-10) Equal opportunities rating 8.0 (scale 1-10) and the eNPS -5 (scale -100 - +100). Sanoma continues to score relatively well on the EEI index and also receive a strong score on Equal opportunities. This demonstrates that Sanoma's workforce perceives fairness in topics concerning career development, opportunities and inclusivity. This reflects the company's commitment to DE&I initiatives and a culture that supports all employees, regardless of background.

Sanoma's eNPS score presents an opportunity for growth. Within Learning, there were variations across countries, particularly in those experiencing significant changes. Sanoma has developed a HR Strategy has a strong focus on fostering an inclusive and people-centric culture, ensuring continuous improvement in employee engagement and satisfaction, which is expected to lead also to an increased eNPS score.

Sanoma progressed well in achieving its gender diversity targets for managerial positions in 2024. Women now represent 48% of Directors and Senior managers and 50% of Managers with subordinates demonstrating the impact of Sanoma's ongoing commitment to diversity and inclusion.

This success reflects Sanoma's dedicated focus on gender balance, and the company remains committed to strengthening its talent strategies to drive further progress.

S1-6 Characteristics of the undertaking's employees

The number of employees are reported as headcount at the end of the reporting period. All employees are included in the total number of employees. Due to the nature of the business, Sanoma's number of employees does not fluctuate significantly during the year. In its Financial Statements, Sanoma reports the number of employees at the end of the period utilising the full-time equivalent metric instead of headcount. In 2024, the number of employees (FTE) at the end of 2024 was 4,648.

Table 27. S1-6 AR 55 I Gender distribution of employees

Gender	Number of employees (head count)
Male	2,292
Female	2,965
Other	2
Not reported	8
Total employees	**5,267**

Table 28. S1-6 AR 55 II Number of employees in countries representing at least 10% of employees

Country	Number of employees (head count)
Finland	2,854
Spain	586
Poland	644
Netherlands	640

Table 29. S1-6 AR 55 III Employees by contract type broken down by gender

	Female	Male	Other	Not disclosed	Total
Number of employees (headcount)	2,965	2,292	2	8	5,267
Number of permanent employees (headcount)	2,642	2,124	2	4	4,772
Number of temporary employees (headcount)	323	168	0	4	495
Number of non-guaranteed hours employees (headcount)	285	134	0	1	420
Number of full-time employees (headcount)	2,257	1,970	0	7	4,234
Number of part-time employees (headcount)	423	188	2	0	613

Table 30. S1-6 AR 55 IV Employees by contract type broken down by country

	Finland	Netherlands	Belgium	Poland	Sweden	Spain	Norway	Germany	Denmark	United Kingdom	Italy	Total
Number of employees (headcount)	2,854	640	185	644	96	586	67	12	6	9	168	5,267
Number of permanent employees (headcount)	2,474	568	176	623	92	583	63	10	6	9	168	4,772
Number of temporary employees (headcount)	380	72	9	21	4	3	4	2	0	0	0	495
Number of non-guaranteed hours employees (headcount)	420	0	0	0	0	0	0	0	0	0	0	420
Number of full-time employees (headcount)	2,210	356	139	633	93	561	64	11	5	9	153	4,234
Number of part-time employees (headcount)	224	284	46	11	3	25	3	1	1	0	15	613

Table 31. S1-6-50 c Employee turnover

Employee turnover	2024
Number of employees who have left	852
Turnover %	16%

The number of employees who left the Company is reported for January–December 2024. The number of employees who left the Company includes the impact of certain restructuring actions, including Program Solar, across the Group, as well as small divestments. The turnover has been calculated by dividing the number of employees who left the Company voluntarily or due to dismissal, retirement or death in service by the total number of employees at the end of the period.

S1-8 Collective bargaining coverage and social dialogue

Number of employees are reported as headcount at the end of the reporting period.

Table 32. S1-8 AR 70 Collective bargaining coverage

	Collective Bargaining Coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%	Poland		Finland, Spain, Netherlands, Poland
20–39%			
40–59%			
60–79%	Finland, Netherlands		
80–100%	Spain		

Sanoma has more than one collective bargaining agreement in place in the EEA. The information regarding collective bargaining agreements is available from Sanoma's HR systems. Sanoma has an agreement with its employees for representation by the European Works Council (EWC).

Table 33. S1-8 Collective bargaining coverage

	%
Percentage of total employees covered by collective bargaining agreements	69%

The working conditions and terms of employment for employees not covered by collective bargaining agreements are on par or partly determined based on collective bargaining agreements that cover other employees.

S1-9 Diversity metrics

Number of employees are reported as headcount at the end of the reporting period.

Table 34. S1-9-66 a Gender distribution of top management

	Female		Male		Others		Not Disclosed	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Executive Management Team	1	33%	2	67%	0	0%	0	0%
Management teams	10	53%	9	47%	0	0%	0	0%
Top management, total	**11**	**50%**	**11**	**50%**	**0**	**0%**	**0**	**0%**

The Executive Management Team includes the members of Sanoma Group's EMT. Management teams include the SBUs' management teams, excluding the EMT members.

Table 35. S1-9-66 b Age distribution

Age distribution of employees	Headcount	%
Under 30 years old	488	9%
Between 30 and 50 years old	3,170	60%
Over 50 years old	1,609	31%

Age distribution is compiled by utilising the employees' birth year as the base for the calculations.

Table 36. S1-9 Entity-specific disclosure: Gender distribution of management

	Female		Male		Others		Not Disclosed	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Directors and Senior managers	73	48%	79	52%	0	0%	0	0%
Managers with subordinates	314	50%	309	50%	0	0%	0	0%

The Directors and Senior managers include subordinates to the EMT and management team members. Managers with subordinates include all managers that are not part of the Directors and Senior managers or top management definitions.

S1-10 Adequate wages

All Sanoma employees are paid an adequate wage applicable to benchmarks.

S1-11 Social protection

All Sanoma employees are covered by social protection.

S1-14 Health and safety metrics

Table 37. S1-14-88 a Coverage of health and safety management system

All Sanoma employees are covered by local health and safety management systems.

	%
Percentage of workforce covered by health and safety management system	100%

Table 38. S1-14-88 b Work-related fatalities

	Own workforce	Other workers working on the undertaking's sites
Number of fatalities as result of work-related injuries	0	0
Number of fatalities as result of work-related ill health	0	0
Total	**0**	**0**

Table 39. S1-14-88 c Work-related accidents

Number of recordable work-related accidents	27
Rate of recordable work-related accidents	3.1

The number of work-related fatalities and accidents has been collected from all operating countries.

The rate of recordable work-related accidents has been calculated by using the following formula: (total number of accidents / total working hours) x 1,000,000. In countries, where the actual working hours have not been available from a system, they have been estimated using the following formula: (number of weekly working hours defined in agreements or legislation x number of working weeks excl. annual leave defined in agreements or legislation) x FTE. The share of estimates represented 34% of the working hours.

S1-15 Work-life balance metrics

All Sanoma employees are entitled to take family-related leave. The percentage of employees who took family-related leave was partially collected manually, as the same classification of absences is not used in all operating countries.

Table 40. S1-15-93 b Family-related leaves

	Female	Male	Other	Not Reported	Total
Percentage of Sanoma's employees entitled to family-related leave					100%
% of employees entitled to family-related leave, who took leave during reporting year	9%	6%	0%	13%	8%

S1-16 Remuneration metrics (pay gap and total remuneration)

The remuneration metrics are calculated from actual data and includes all employees unless otherwise stated.

The gender pay gap is defined as the difference of average pay gross hourly pay between female and male employees. Estimates are used for working hours using the following formula: (number of weekly working hours defined in agreements or legislation x number working weeks) x FTE.

The annual total remuneration is defined as the ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Due to the data collection process development, calculations do not include salaries for non-guaranteed hours employees in Learning. Sanoma's plan is to improve the scope of reporting and to include these in the calculations going forward.

Table 41. S1-16 Gender pay gap and remuneration ratio

Compensation indicators	2024
Gender pay gap	17%
Annual total remuneration ratio	25

S1-17 Incidents, complaints and severe human rights impacts

Table 42. S1-17-103 a Incidents of discrimination

	2024
Number of incidents of discrimination, including harassment	7
Number of complaints filed through channels for people in own workforce to raise concerns	15
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed, EUR	0

The number of incidents are reported through Sanoma's internal channels and the whistleblowing channel that allows anonymous reporting. The number of incidents is collected by the Internal Audit. None of the investigated incidents of discrimination, including harassment, were found true during the investigation. For some cases, no investigation was initiated due to insufficient information and a lack of whistleblower's response to additional information request.

No severe human rights issues or incidents connected to Sanoma's own workforce occurred during the reporting period.

S1 Entity-specific metric: Employee engagement survey

Table 43. Employee Engagement Survey results

	Score 2024
Employee Experience Index	7.4
Equal opportunities in my company rating	8.0
Employee Net Promoter Score	-5.0

The scope of the Employee Engagement Survey includes all employees that are present during the time of the survey.

The EEI is a 10-item index that measures how employees feel about the work environment, how engaged they are, how committed they are to the organisation, and how likely they are to promote Sanoma's organisation externally.

The equal opportunities rating in the EES measures whether employees feel that they have equal opportunities in the company regardless of job, age, ethnicity, gender, disability, beliefs or socio-economic background.

The Employee Net Promoter Score (eNPS) signals how likely employees would recommend Sanoma as an employer. The Employee Engagement Survey is conducted and results validated by Culture Amp.

The questions were answered on a 5-point scale, ranging from "strongly agree" to "strongly disagree". To align the scale with Sanoma's target levels, the responses were then extrapolated manually. For the EEI that comprises of ten questions, the results were calculated as average by employee and by organisation.

ESRS S2 Workers in the value chain

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sanoma's suppliers range from small local content providers to large, global corporations. Actual and potential impacts related to suppliers' workforce originate from Sanoma's business model and strategy, with suppliers and their workers in the value chain supporting Sanoma in producing and delivering its printed and digital products and services in both the learning and media businesses. The impacts have not led to adaptations in the business model or strategy. Sanoma continuously identifies and assesses potential and actual adverse impacts related to human rights and defines preventive and mitigating actions accordingly.

Sanoma's disclosure under ESRS 2 covers value chain workers who are likely to be materially impacted by Sanoma. The types of value chain workers who could be impacted include especially workers working for entities in Sanoma's upstream value chain. Sanoma identifies some inherent risk of actual impacts occurring especially with its global supplier network, particularly in paper and print product manufacturing, various types of hiring of personnel for content creation, event and TV productions as well as suppliers for business technology services. Generally, the risk of actual human rights impacts occurring is also related to countries, where the legislation or ratification of international human rights agreements and their implementation and monitoring are insufficient. Workers in downstream value chain and own operations are own employees, both of which reported under the S1 standard where relevant. In addition, Sanoma's joint ventures with majority ownership (over 50%) are included in the scope of disclosure under S1, while joint ventures with minority ownership are not included in the scope of this report.

Sanoma's actual and potential indirect negative impacts on workers in the value chain include impacts related to working conditions as well as equal treatment of workers. Some actual negative impacts related to exceeding working time labour standards among Sanoma's printing suppliers have been identified. Potential impacts include compromised occupational health and safety as well as the potential for violations of freedom of association, ability to excise collective bargaining, employment security (protection of workers against fluctuations), adequate wages and social dialogue. Also, Sanoma identifies potential impacts on training and skills development opportunities and equal treatment, more specifically gender equality of the suppliers' employees. Sanoma does not identify impacts to be of a systemic or widespread nature, and monitors the implementation of corrective actions taken and required from suppliers.

No material risks or opportunities related to workers in the value chain were identified in the double materiality assessment, described under ESRS 2. Sanoma has not identified any geographies, at country or other levels, or commodities for which there is a significant risk of child, forced or compulsory labour among workers in the value chain. Based on Sanoma's Human Rights Impact Assessment, conducted in 2023, Sanoma has not identified particularly vulnerable groups of workers in the value chain, who would have a higher risk for negative impacts due to their inherent characteristics. No significant changes to Sanoma's procurement or business model have taken place after the assessment.

Impact, risk and opportunity management

S2-1 Policies related to value chain workers

In this section, Sanoma describes the policies and principles adopted to manage its impacts on value chain workers. The principles set in the policies govern Sanoma Corporation and its subsidiaries and apply to all companies, in which Sanoma has financial control. Sanoma's policies are approved by the Board of Directors. Sanoma's standards are approved by the President and CEO. The President and CEO and the EMT are ultimately responsible for ensuring that Sanoma employees are aware of and comply with the policies. Sanoma's Group Sustainability team is responsible for updating, communicating and leading the implementation of the Sustainability and Human Rights Policy. Sanoma's Group Procurement function is responsible for updating, communicating and leading the implementation of the Supplier Code of Conduct (SCoC).

Stakeholders' views were taken into consideration in the SCoC standard setting by analysing views of the suppliers' workforce. Sanoma's policies and standards are made available via internal channels, and public policies and standards are available on Sanoma's website.

Sustainability and Human Rights Policy

The Sustainability and Human Rights Policy, published in December 2024, outlines Sanoma's sustainability-related principles and summarises its core commitments in its own operations. The Sustainability and Human Rights Policy does not directly cover Sanoma's actual and potential impacts on workers in the value chain, but it defines Sanoma's sustainability due diligence process in general, including identification, assessment, management and remediation of sustainability-related impacts. The policy also outlines Sanoma's sustainability management model as well as the responsibilities to identify impact, risks and opportunities though the double materiality assessment process. In relation to impacts on the workers in the value chain, the Sustainability and Human Rights Policy is aligned with internationally recognised instruments, such as the Universal Declaration of Human Rights (UDHR), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (ILO declaration) and the OECD Guidelines for Multinational Enterprises. As a signatory of the UN Global Compact (UNGC), Sanoma commits to the Ten Principles of the UN Global Compact (the Ten Principles), the UN Guiding Principles on Business and Human Rights (UNGPS) as well as Agenda 2030, including the UN Sustainable Development Goals (SDGs).

Supplier Code of Conduct (SCoC)

Sanoma's key standard related to material actual and potential impacts o workers in the value chain is the SCoC, last updated in November 2024. The SCoC sets out the ethical standards and responsible business principles, which Sanoma's upstream suppliers are required to comply with. Suppliers shall apply these standards and principles to their employees, which means this policy is aimed at covering all upstream value chain workers. The SCoC is aligned with internationally recognised instruments relevant to value chain workers. Through the SCoC, Sanoma's suppliers and service providers are expected to commit to and respect the Ten Principles, the UDHR, the International Bill of Rights, the UNGPS, the ILO declaration and supporting ILO standards. Provisions are aligned with the ILO standards.

The SCoC includes provisions addressing working time, work-life balance, occupational health and safety, freedom of association, collective bargaining, employment security, adequate wages and social dialogue. The impacts related to the precarious work of workers in the value chain are covered indirectly through the ILO commitments of the standard. The SCoC also requires the suppliers to eliminate any harassment or discrimination related to gender, to ensure equal pay and to offer training and skills development opportunities to their workers. In addition, it requires suppliers to respect the ILO standards in relation to human trafficking and forced, compulsory and child labour. In the 2024 update, the SCoC requirements were extended throughout the supply chain, beyond tier 1 suppliers. In addition, requirements related to training and skills development opportunities, whistleblowing channel availability and working time were clarified.

Based on the SCoC, the suppliers are required to implement a systematic process to identify, monitor and control health and safety, labour and other impacts associated with their operations. The suppliers are required to offer mechanisms to raise complaints or concerns, monitor complaints, protect individuals from retaliation, engage with relevant stakeholders and implement remediation processes to address any adverse human rights impacts, maintain on site all documentation that may be needed to demonstrate compliance, implement improvements to achieve compliance in the event of any infringement and submit to Sanoma a report specifying the actions taken and progress made in achieving compliance. Sanoma or a third party is also permitted to audit the suppliers' compliance with the SCoC.

By the end of 2024, Sanoma had not become aware of any severe cases of human rights incidents related to the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers. Sanoma monitors cases through internal audits, grievance mechanisms and third-party supplier audits, which include aspects such as labour rights and occupational health and safety. Following its human rights commitments, Sanoma is committed to remediation if its activities have caused or contributed to adverse human rights impacts and requires its suppliers to implement remediation as well. If remediation needs occur, engagement with relevant stakeholders and details of the case determine the appropriate remediation measures. Sanoma has identified actual negative impacts concerning labour standards related to working time, fair remuneration and health and safety. During 2024, Sanoma has engaged with its suppliers requesting to deliver plans for preventive and corrective actions to enable effective remedy. Progress of these action plans to ensure preventive and corrective measures is ongoing. For example, suppliers have recruited more employees to reduce the overtime of their workers. Further details are available under S2-4.

S2-2 Processes for engaging with value chain workers about impacts

Sanoma seeks to identify and prevent human rights impacts in its supply chain through the Know Your Counterparty (KYC) process and by collecting certifications and audit reports from external information sources as described under S2-4. In addition, Sanoma uses information from credible proxies to assess and identify potential impacts related to its procurement categories. Sanoma does not directly engage with value chain workers or their legitimate representatives outside visits to the suppliers' premises and collection of third-party audit reports.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Sanoma continuously identifies and assesses potential and actual adverse human rights impacts and defines preventive and mitigation actions. Sanoma is committed to remediation if its activities have caused or contributed to adverse human rights impacts. The approach to remediation is case-specific, taking into account the context and details of the impact. The evaluation of effectiveness is therefore also per case, implementing corrective actions with the aim to prevent similar cases from arising in the future.

Sanoma's third-party hosted anonymous whistleblowing channel enables employees, customers, business partners and suppliers' workforce to report suspicions of misconduct related to sustainability or human rights issues, confidentially and anonymously. Sanoma does not tolerate retaliation against anyone who raises a concern or participates in an investigation. Sanoma investigates reported cases, reviews incidents, leverages learnings to influence both internal and external processes and reports the number and types of these cases annually. Material issues are reported to the Audit Committee , EMT as well as the Sustainability and Ethics Working Group. The effectiveness of the grievance channel is assessed by monitoring the number of cases reported as well as tracking the cases investigated and solved annually. Sanoma is subject to the requirements of the EU Whistleblowing Directive as well as national whistleblowing legislation in its operating countries. Sanoma's whistleblowing channel is available in several languages relevant for Sanoma's operations and value chain. Sanoma's Code of Conduct and SCoC include the protection against retaliation of individuals using grievance channels.

All new suppliers go through Sanoma's source-to-contract solution, which aims to incorporate the Supplier Code as a mandatory step for successful selection. Following the SCoC, Sanoma's suppliers are required to ensure that a grievance mechanism is available for workers to raise complaints. In case deficiencies are identified, Sanoma requires the suppliers to rectify impacts without undue delay and report back to Sanoma on a regular basis on the actions taken. In case the deficiencies are not rectified within a reasonable time period or the deficiencies are determined to be material or irreparable, or another material breach of the SCoC is detected, the contract or order can be terminated.

The effectiveness of corrective actions and remedy is currently evaluated case-by-case by analysing whether corrective actions rectify the impact. Sanoma lacks a systematic monitoring process to assess the effectiveness of the grievance channels and is unable to evaluate whether value chain workers are aware of and trust the structures or processes to raise concerns.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

To prevent, mitigate and remediate actual and potential negative material impacts on value chain workers, Sanoma takes action to avoid causing or contributing to material negative impacts on value chain workers through its purchasing practices. Sanoma's Procurement team is responsible for the management of material impacts, including setting supplier requirements, identifying and monitoring impacts as well as tracking preventive and corrective measures. Sanoma's Procurement function identifies in its annual planning what actions are needed and appropriate in response to a particular actual or potential negative impact. As most of Sanoma's impacts on workers in the value chain are potential, Sanoma's approach to taking action in relation to all material negative impacts on upstream value chain workers includes a focus on mitigating the risk of impacts actually occurring. No severe human rights issues or incidents connected to Sanoma's upstream value chain occurred during the reporting period.

The following actions are linked to all Sanoma's actual and potential impacts on workers in the value chain. Firstly, Sanoma's Know Your Counterparty (KYC) process identifies possible risks of impacts and non-compliance of doing business with third parties. This is a continuous action. The KYC tool is used to screen Sanoma's suppliers and it identifies possible third-party non-compliance, including human rights, anti-bribery, corruption, sanctions regulations and due diligence checks. Based on the screening, Sanoma may restrict or discontinue business activity involving, directly or indirectly, countries or persons subject to selective or targeted sanctions programmes and other higher risk matters of concern. In cases of medium or high risk, the tool refers the employees to consult the Procurement and Legal teams.

Secondly, Sanoma updated its Supplier Code of Conduct during 2024, clarifying, for example, its requirements related to working hours and remediation. The supplier selection for new suppliers follows Sanoma's strategic sourcing process, which incorporates the Supplier Code of Conduct as a mandatory requirement. Sanoma aims that all new suppliers agree on the Supplier Code of Conduct. To evaluate the effectiveness of this measure, Sanoma follows the number of new key suppliers that have agreed on the SCoC. As Sanoma aims to prevent impacts from actually occurring through its procurement practices, no topic-specific actions were targeted to manage potential working conditions impacts (occupational health and safety, freedom of association, collective bargaining, employment security, adequate wages, social dialogue) or equal treatment (training and skills development and gender equality) in 2024.

Thirdly, Sanoma engages with especially its paper and print suppliers, as this procurement category has been identified as a higher risk procurement category due to its nature of producing actual products. Sanoma annually performs a supplier assessment on all of its print suppliers, collecting SEDEX, BSCI or SMETA third-party audit reports from its suppliers in addition to environmental details. In relation to capacity-building and engagement with entities in the value chain, Sanoma organised a Supplier Day for its paper and print suppliers in 2024. The day focused on supplier requirements and current and future regulation, such as the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD) and the Regulation on Deforestation-free Products (EUDR). All of these regulations impose requirements towards suppliers that are related to Sanoma's actual and potential impacts on workers in the value chain.

Fourthly, in relation to the identified impacts on print suppliers' workers related to actual working time (exceeding working time agreements), fair remuneration and health and safety, Sanoma has during 2024 engaged with the suppliers requesting them to deliver plans for preventive and corrective actions to enable effective remedy. The process of these action plans to ensure preventive and corrective measures is ongoing. Sanoma tracks and assesses the effectiveness of these actions in cooperation with its suppliers as well as through the annual collection of audit reports, where these cases are expected to be resolved. Processes to provide or enable remedy in the event of material negative impacts are available and assessed to be effective, as described under S2-3.

Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sanoma does not have time-bound targets for managing workers in the value chain-related impacts, as most impacts are potential and actual impacts are always handled in a topic-specific manner. Sanoma nevertheless tracks the effectiveness of its policies and actions in relation to the material actual and potential impacts as described under S2-3 and S2-4. Sanoma aims that all suppliers agree on its Supplier Code of Conduct. All new suppliers go through Sanoma's source-to-contract solution, which aims to incorporate the Supplier Code as a mandatory step for successful selection. To evaluate the effectiveness of its measures, Sanoma internally follows the share of new suppliers that have agreed on the SCoC annually.

ESRS S4 Consumers and end-users

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

Sanoma's actual and potential impacts on consumers and end-users originate from its strategy and business model. Through its learning and media businesses, Sanoma impacts the lives of millions of people every day. The impacts on consumers and end-users inform and contribute to Sanoma's strategy and business model.

Through its learning business, Sanoma advances access to education by co-creating – with teachers – learning materials that follow the local curriculum. Impacts of access to high-quality and inclusive learning products and services as well as impacts of digital accessibility on customers, especially students and teachers, are taken into account in Learning's method creation process and included in its inclusive learning strategy. Sanoma impacts consumers and end-users, such as teachers and students, by delivering learning products and services. Sanoma's learning methods support diversity, differentiation and equal access to education. Inclusion is an umbrella term also encompassing accessibility. Sanoma offers schools learning materials that include a variety of digital learning assets 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. In order to develop its understanding of students' needs regarding accessibility of learning materials, and thus to mitigate the potential negative impact on end-users, Sanoma organises local meetings and peer review groups with teachers as well as discussions with third-party experts in the field of disabilities. The potential negative impacts related to accessibility are not considered to be systemic, but rather related to individual products.

Through its media business, Sanoma promotes freedom of expression by delivering reliable information through multiple media platforms and following journalistic ethics. Consumers have access to independent and reliable journalism and are free to form their own opinions and participate in public discussion. As a media company, the impact of journalistic ethics and operations on freedom of expression are always considered when developing Sanoma's news media.

For its B2B customers, Sanoma offers marketing opportunities to reach Finnish consumers. The Finnish National Audiovisual Institute (KAVI) gives guidance for age-limits and protection of vulnerable audiences. Sanoma's editorial teams follow these instructions when posting material that may harm vulnerable audiences, such as children and young people. The impact of responsible advertising practices and compliance with green claims regulation are embedded into the B2B processes to ensure alignment with advertising ethics. The potential negative impacts related to sustainable marketing practices are not considered to be systemic, but rather related to individual cases.

Data, especially personal data, is an essential part of Sanoma's business. The impacts of privacy and information security on media and learning customers are taken into account in product development. In Learning, data helps teachers enhance learning outcomes, engagement and workflows, and supports students in optimising their individual learning paths. In Learning, Sanoma processes personal data mostly as a 'data processor' on behalf of customers, i.e., schools and municipalities. In Media Finland, Sanoma uses data to improve its journalistic content, develop personalised recommendations in media, drive customer-centric marketing, and improve customer experience of digital applications. In Media Finland, Sanoma's role is mostly as a 'data controller' when handling the personal data of customers and end-users. Journalistic content recommendations are based on editorial decisions and algorithms. Personal data is also used in digital advertising, offering the ability to target the customers by segments. Media Finland communicates transparently about its advertising practices and third parties involved, leveraging EU level advertisement-related standards that aim to continuously improve market practices.

Sanoma is committed to protecting privacy, implementing security as well as ensuring the ethical use of artificial intelligence (AI). Privacy impacts to data subjects can be, for example, identity theft, damage to reputation, or loss of sense of trust. This pertains especially to some of the learning businesses, which process sensitive personal data of children. In addition, the accelerating use of AI can increase risk of how personal data is used to automate digital platforms and make decisions affecting individuals. Privacy risks are related to potential non-compliance with GDPR, especially personal data breaches, which could occur in systems built by Sanoma or delivered by third parties. A breach of security could impact customer privacy materially. The potential negative impacts related to data and privacy are not considered to be systemic, but rather related to individual incidents.

Impact, risk and opportunity management

S4-1 Policies related to consumers and end-users

In this section, Sanoma describes the policies and principles adopted to manage impacts on consumers and end-users. In addition to the Code of Conduct and Sustainability and Human Rights Policy, Sanoma has topic-specific policies related to the impacts and risks associated with consumers and end-users. These policies are presented in separate paragraphs.

General policies related to consumers and end-users

The principles set in these policies govern Sanoma Corporation and its subsidiaries and apply to all companies, in which Sanoma has financial control. Sanoma's policies are approved by the Board of Directors. The President and CEO and the EMT are ultimately responsible for ensuring that Sanoma's employees are aware of and comply with the policies. The Code of Conduct and Sustainability and Human Rights Policy are available for all employees via internal channels and publicly on Sanoma's website.

Code of Conduct

The Sanoma Code of Conduct outlines the shared ethical standards for employees and business partners and applies to all impacts and risks presented in this section. The Code acts as an umbrella for all policies and standards within Sanoma. The Sanoma Code of Conduct encompasses the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

Sustainability and Human Rights Policy

The Sustainability and Human Rights Policy, published in December 2024, outlines Sanoma's sustainability-related principles and summarises its core commitments in its own operations. It defines Sanoma's sustainability due diligence process, including identification, assessment, management and remediation of sustainability-related impacts. This policy also outlines Sanoma's sustainability management model as well as the responsibilities to identify impacts, risks and opportunities though the double materiality assessment process. As a signatory of the UN Global Compact (UNGC), Sanoma recognises the importance of the Agenda 2030 and UN Sustainable Development Goals (SDGs), and adheres to the UN Guiding Principles.

In relation to impacts on consumers and end-users, Sanoma commits to the Ten Principles related to fundamental responsibilities in human rights, labour, environment and anti-corruption. The Sustainability and Human Rights Policy is aligned with internationally recognised instruments, such as the Universal Declaration of Human Rights (UDHR), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

Privacy

Sanoma is committed to protecting privacy, advancing data security as well as ensuring the ethical use of artificial intelligence (AI). Sanoma has adopted several policies to manage and prevent any negative impact or realisation of a risk related to privacy and information security regarding its media and learning customers. The policies cover the IROs related to impacts of privacy and info security on media and learning customers and risk of negative privacy impacts and violation of GDPR.

The principles set in these policies govern Sanoma Corporation and its subsidiaries and apply to all companies, in which Sanoma has financial control. Sanoma's policies are approved by the Board of Directors. Sanoma's internal standards, including the Supplier Code of Conduct, are approved by the President and CEO. The President and CEO and the EMT are ultimately responsible for ensuring that Sanoma's employees are aware of and comply with the policies.

Sanoma's policies are available for all employees via internal channels. The Information Security Policy as well as the Supplier Code and General Procurement Terms are also publicly available on Sanoma's website and the latter are referred to during the negotiation process with the suppliers. Privacy, security and responsible buying are included in the mandatory Code of Conduct trainings for all employees. In addition, there are specific guidelines in place on how to implement privacy and security into operations. Sanoma communicates to its customers about privacy in its Privacy Policy statements provided through the digital interfaces where its digital products are available.

Sanoma's policies are aligned with the Universal Declaration of Human Rights, Article 12 related to Privacy. In addition, security controls are selected and implemented based on the industry's leading standards (ISO/IEC 27001, ISO/IEC 27701) and their code of practices (ISO/IEC 27002, ISO/IEC 27018). Some of the learning businesses are also ISO certified (Clickedu, itslearning, Bureau Ice, and Iddink Digital).

Privacy and Data Protection Policy

Privacy and Data Protection Policy describes the ten principles that guide the implementation of privacy laws into Sanoma's operations. Sanoma's Chief Legal Officer is accountable for ensuring that the principles, guidelines and processes comply with the relevant privacy laws. The Data Protection Officer (DPO) owns the policy, and leads a Privacy Programme to provide privacy advice, monitor compliance of processes for privacy implementation and report on privacy compliance. The Privacy Programme undergoes internal audits to verify adherence to the Privacy and Data Protection Policy. DPO reports on compliance to the management and Audit Committee.

Safeguards for processing children's data is one of the ten principles in Sanoma's Data Protection and Privacy Policy, as children are users of the products and services of Sanoma's media, and especially learning business.

Principles of Ethical Use of AI

When using AI, Sanoma applies privacy and personal data protection principles and practices defined in its Privacy and Data Protection Policy and in the Principles of Ethical Use of AI. The Principles include Fairness with an aim for positive impact, Accountability by humans, Explainability, Transparency, Risk and impact assessment and Oversight to monitor the implementation of AI. The Group Legal and Compliance team owns the Principles.

Information Security Policy

Information Security Policy determines the organisational, people, technical and physical controls in ensuring the confidentiality, integrity and availability of Sanoma's business operations and how to deal with cyber security risks. The Chief Information Security Officer (CISO) is the owner of the Information Security Policy and responsible for delivering standards and guidelines and for facilitating the delivery of high-quality security services. The CISO reports on compliance and security incidents to the management and Audit Committee.

Supplier Code of Conduct and General Procurement Terms

The Supplier Code of Conduct and General Procurement Terms, owned by the Chief Procurement Officer, set the privacy and security requirements for suppliers that process personal data of consumers, customers or employees, on Sanoma's behalf. The Procurement team is responsible for updating, communicating and leading the implementation of the Supplier Code.

Access to quality information and education

Sanoma has Learning-wide practices to manage the impact its learning materials have on teachers and students. The policies cover the IRO related to impacts of access to high-quality and inclusive learning products and services.

Editorial guidelines

Sanoma Learning's editorial guidelines state Sanoma's commitment and approach to editorial ethics and inclusive content. The three guiding principles are: "We create high-quality learning materials", "We support diversity and inclusiveness" and "We ensure equal access". In addition to the SBU-wide process, each operating company has its own defined editorial process, respecting the local legal and ethical regulations and norms. In addition, Sanoma follows local curriculum requirements in its content creation.

The local editorial guidelines are available for employees in internal channels. In addition, the Learning-wide editorial guidelines are externally available on Sanoma's website.

Sanoma develops its learning materials together with teachers at different stages of the content creation. Sanoma also conducts external audits on the inclusion of learning materials on a regular basis.

Inclusive learning strategy

Sanoma's Inclusive learning strategy was updated in 2024. The Inclusive learning strategy states that Sanoma provides students access to quality information through blended methods, i.e., print and digital, to guarantee overall availability. This approach supports diversity, differentiation and equal access to education. Sanoma offers personalised learning pathways to ensure students can follow information tailored to their needs. In addition, the aim is that students feel represented in the content regardless of their gender, religion or cultural background. All new or renewed learning materials follow a common method creation process and local curriculum requirements. To ensure that the Inclusive learning strategy is adopted by the entire Learning organisation, it is available and regularly communicated through internal channels.

To develop its guidelines according to teachers' and students' needs, Sanoma utilises the feedback from the stakeholders gained through, for example, the annually conducted European Teacher Survey and focus groups. Once the guidelines are implemented, Sanoma also uses the feedback processes to evaluate and ensure the effectiveness of the policies.

The Learning-wide editorial guidelines are reviewed annually by the editorial working group and approved by the President and CEO. The Learning Strategy team is responsible for the development of the inclusive learning strategy and updating the editorial guidelines. The local editorial guidelines are approved by the local Managing Directors and implemented by the local operating companies.

Accessibility: Access to products and services

Sanoma has Learning-wide practices to manage the impact its learning materials have on teachers and students. The policies cover the IROs related to impacts of digital accessibility on customers, especially students and teachers in Sanoma's learning business.

Editorial guidelines

Accessibility is one of the three guiding principles of the Learning-wide editorial guidelines presented in the previous chapter. The guidelines include Sanoma's commitment to developing accessibility, and this commitment is also embedded into Sustainability and Human Rights Policy, applying to all Sanoma's operations and presented earlier in this section. The approval process and responsibilities related to the Editorial Guidelines are described in the previous section.

Freedom of expression and media ethics

When publishing content, Sanoma complies with the legislation on freedom of speech and expression, and the legislation concerning media. In addition, Media Finland follows journalists' guidelines set by a third party or the media itself. The policies cover the IRO related to the impact of journalistic ethics and operations as a media company on freedom of expression.

Sanoma's commitment to freedom of speech and the Council of Mass Media's (CMM) Journalist's Guidelines are stated in the Code of Conduct and in the Sustainability and Human Rights Policy. The self-regulating and independent committee of the CMM interprets good journalistic practices and oversees the methods by which journalists acquire their information in the field of mass communication according to its Journalist's Guidelines.

Sanoma is a member of the CMM, and the Journalist's Guidelines are the main guiding principles of the journalistic work at Media Finland. The Guidelines include the principles of professional status, obtaining and publishing information, the rights of interviewer and interviewees, right to reply and the definition of private and public. They also give guidance for correcting possible errors in the media in question and how to separate journalism from advertising. The Journalist's Guidelines were renewed in October 2024. They now include four new factors, which concern external funding, changes made to a published story, dangerous news situations and removal of editorial content from the web. The aim of the Journalist's Guidelines is to support the responsible use of freedom of speech and define good journalistic practice in Finland. The Journalist's Guidelines are publicly available on CMM's website.

Some of Sanoma's media have their own journalists' instructions that complement the CMM's Journalist's Guidelines and guide ethical news work. They are part of the journalists' daily work in the specific media. Helsingin Sanomat, Satakunnan Kansa and Aamulehti have published their instructions online.

According to the Freedom of Speech Act, the task of the Editor-in-Chief (responsible editor) is to lead and supervise the editorial work, decide on the content and take care of, for example, the realisation of the right to rectification and compensation.

Sanoma's Editors-in-Chief and supervisors of the editorial teams are responsible for ensuring that all journalists working for Sanoma understand their professional responsibilities. The Editors-in-Chief and Sanoma's Forum for the Editors-in-Chief develop the editorial culture at Sanoma, provide guidance, follow reader surveys and customer feedback and take part in public discussion on editorial independence, ethics and journalism.

Sanoma's Board of Directors appoints and dismisses the respective Editors-in-Chiefs of Helsingin Sanomat, Ilta-Sanomat, Aamulehti and Satakunnan Kansa. Annually, the Board receives reporting on the general conditions of editorial freedom and how each of the news brands performs against the key metrics presented in their respective strategic plans.

The above mentioned policies apply to all Media Finland's journalistic work and thus consumers and end-users, and the CEO of Media Finland, who is a member of the EMT, is ultimately responsible for the implementation of the policies.

Responsible marketing practices

Sanoma's commitment to maintain high ethical standards and truthfulness of advertising practices, protect vulnerable audiences, and follow the International Chamber of Commerce Advertising and Marketing Communications Code, is included in the Sustainability and Human Rights Policy.

In its advertising practices, Sanoma complies with the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code, the EU Framework for Online Behavioural Advertising self-regulation principles issued by IAB Europe and the marketing self-regulation guidelines of the Data & Marketing Association of Finland. Sanoma reviews the advertisements it publishes to ensure compliance with the good practice referred to in the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code.

In addition, Sanoma follows guidelines on advertising ethics set by Finnish institutions such as the Council of Mass Media, National Audiovisual Institute (KAVI) and the Council of Ethics in Advertising. Sanoma keeps advertising and journalistic content separate, and does not provide advertisers with digital advertising target groups including children. When it comes to television, materials that could potentially harm vulnerable audiences, such as children and youth, are published by the editorial teams according to the KAVI guidelines.

In Finland, ethics in advertising is supervised by The Council of Ethics in Advertising. The Council issues statements on whether an advertisement or advertising practice is ethically acceptable. The Council deals with issues like discrimination, decency and social responsibility. Sanoma tracks and responds to the notifications received through The Council of Ethics in Advertising, and reports the number of notifications annually.

Sanoma regularly updates the expertise of the team responsible for monitoring the advertising traffic regarding advertising ethics. This includes both changes in regulations as well as Sanoma's own guidelines. For example, Sanoma continuously develops the age classification process and related staff are trained by KAVI. Sanoma has clear practices and processes in place to ensure that advertising is ethically acceptable as part of the everyday work. In unclear cases, advertisements are discussed with Editors-in-Chiefs to align views.

The policies cover the IROs related to the impact of responsible advertising practices and compliance with green claims regulation. The policies apply to all Media Finland's advertising business and thus consumers and end-users, and the CEO of Media Finland, who is a member of the EMT, is ultimately responsible for the implementation of the policies.

S4-2 Processes for engaging with consumers and end-users about impacts

Sanoma engages, as part of its ongoing due diligence process, with consumers and end-users directly or through credible proxies, about material actual and potential positive and/or negative impacts that do or are likely to affect them.

Sanoma gains insight into the perspectives of consumers and/or end-users that may be particularly vulnerable to impacts, such as children, through guidelines provided by data protection authorities authorised to enforce the protection of data subject rights, guidelines set by third parties as presented in section S4-1 or when regarding education, through engagement with teachers.

Privacy

GDPR outlines Sanoma's obligations in fulfilling data subject rights. Sanoma engages with consumers and end-users to meet these rights. Sanoma does not engage with customers and end-users to gain their perspectives on privacy-related matters so that they would be considered in Sanoma's decision-making in a manner that is aligned with the ESRS reporting requirements. However, Sanoma communicates about its data processing through Privacy Policy Statements available on its websites and digital products. These Privacy Policy Statements include instructions for data subjects to make requests for data access, deletion and portability, and the means to reach out to Sanoma's Data Protection Officer for privacy related inquiries. Consumer and end-user privacy inquiries are addressed internally on a case-by-case basis. When in the role of data processor, Sanoma supports the data controllers in fulfilling these obligations. The data subjects can also contact the local data protection authority to express their privacy concerns.

In the event of a personal data breach that negatively impacts the data subjects' privacy, Sanoma evaluates the incident on a case-by-case basis according to its personal data breach management process. As required by GDPR, Sanoma will inform affected individuals at high risk about the breach, how their data was affected and what measures they can take to protect their privacy. Sanoma assesses the effectiveness of its engagement with consumers and end-users related to privacy through tracking that all data subjects are responded to and within the time required by the law. Sanoma's Data Protection Officer is responsible for engagement with consumers and end-users regarding privacy related inquiries and data breaches.

Access to quality information and education

On a continuing basis, Sanoma engages directly with teachers when co-creating and developing the learning materials. To follow up on Sanoma's impact and to better understand the use of various learning materials and tools in each operating country, Sanoma annually conducts a European Teacher Survey (ETS). In addition, feedback from teachers is gained through working groups during the process of reviewing the survey results. Sanoma does not directly engage with students, as their perspective is gained in the engagement with teachers.

Learning's Strategy team is responsible for the ETS. Local operating companies have the operational responsibility for engagement with teachers. The ETS is also used to assess the effectiveness of the engagement with teachers.

Accessibility: Access to products and services

Sanoma regularly organises local meetings and peer review groups with teachers, and the topic of accessibility of Sanoma's products and related development needs is also discussed in these forums. In addition, in some countries discussions with third-party experts in the field of disabilities are organised. Accessibility is also addressed in the ETS described in the previous section, and thus also used to assess the effectiveness of the engagement.

Local operating companies have the operational responsibility for engagement with teachers.

Freedom of expression and media ethics

Consumers and end-users can send feedback directly to Sanoma's media through publicly available contact information or through leaving comments to the articles available online. Feedback is read by the editorial teams, and can be used to develop the decision-making in the journalistic process. If the feedback is related to incorrect information, the Journalist's Guidelines require that it must be corrected as soon as possible after it comes to the attention of the editorial staff and in such a way that it will reach the public as widely as possible. Sanoma's news media each have their own ways to inform the public how to report errors or how to contact the Editor-in-Chief.

In addition to sending feedback directly to Sanoma, consumers can submit a complaint concerning a breach of good journalistic practice to the CMM. The matter does not need to concern the complainant personally, but the consent of the injured party must be included in order for the case to be processed. In the event that the Council considers that any Media Finland's media has violated the Journalist's Guidelines, Sanoma is committed to publishing the Council's condemnatory decision within a short time span. If the media that has received the notice does not publish it, the notice will be otherwise made public. Sanoma closely follows the decisions of the CMM, and engages in discussion about the decisions that guide journalistic work. All Media Finland's news media have published their own editorial principles. Sanoma tracks and reports the CMM cases related to its operations externally on an annual basis to further develop professional ethics.

Sanoma assesses the effectiveness of the engagement with consumers and end-users through product-specific surveys targeted to readers as well as by conducting surveys to people ending their subscriptions. The Editors-in-Chief in each media are responsible for the engagement with the consumers and end-users.

Responsible marketing practices

Sanoma does not directly engage with consumers regarding advertising. A consumer can request a statement from the Council of Ethics in Advertising on whether an advertisement or other procedure in commercial marketing is contrary to good practice or recognisable as marketing, taking into account the ICC marketing rules. There is no time limit for requesting the statement. Sanoma is not responsible for the content published by the Council, but it tracks and responds to the notifications received through the Council. The statements from the Council of Ethics in Advertising are reviewed by the Media Finland Legal team, and the internal guidelines are updated accordingly if needed. Sanoma reports the number of notifications externally on an annual basis. Sanoma does not assess the effectiveness of its engagement with consumers and end-users related to responsible marketing practices.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Sanoma implements a remediation process to prevent and address material impacts related to consumers and end-users. Sanoma has identified both actual and potential negative impacts related to privacy, access to products and services as well as responsible marketing practices. These impacts have been described under S4 SBM-3.

General processes

Sanoma's third-party hosted anonymous whistleblowing channel enables anyone, including customers and end-users, to report suspicions of misconduct related to sustainability or human rights issues confidentially and anonymously. According to its Code of Conduct, Sanoma does not tolerate retaliation against anyone who raises a concern or participates in an investigation. Sanoma investigates reported cases, reviews incidents, leverages learnings to influence both internal and external processes and reports the number and types of these cases annually. Material issues are reported to the Audit Committee as well as the Sustainability and Ethics Working Group.

The effectiveness of this grievance channel is assessed by monitoring the number of cases reported as well as tracking the cases investigated and solved annually. Sanoma is subject to the requirements of the EU Whistleblowing Directive as well as national whistleblowing legislation in its operating countries. Sanoma's whistleblowing channel is available in several languages relevant for Sanoma's operations and value chain. Sanoma is unable to evaluate whether customers and end-users are aware of and trust the structures or processes to raise their concerns.

Additional privacy-specific processes

More specifically for privacy, Sanoma addresses the negative impacts of security incidents affecting personal data on a case-by- case basis through its data breach management process.

According to Sanoma's personal data breach management process, each personal data breach case is evaluated separately, taking into account the potential impacts to data subjects. As required by GDPR, Sanoma informs affected individuals, who are likely to be at high risk, about the data breach, how their data has been affected and what measures they can take to protect their privacy. These measures may vary, depending on the nature of the case.

Consumers and end-users can reach out to Sanoma's Data Protection Officer for any privacy inquiries and to raise privacy-related concerns.

To monitor the effectiveness of addressing personal data breaches, the number of actual and potential personal data breach cases is reviewed on a quarterly basis in both Media Finland and Learning. Sanoma reviews the main causes and reasons behind personal data breaches annually, and plans additional measures to prevent them from happening. In 2024, Sanoma addressed all personal data breaches in accordance with its personal data breach management process.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The chapters below describe the key actions that are implemented and planned to prevent and mitigate negative impacts related to privacy, access to products and services and responsible marketing practices. In addition, actions with the purpose of positively contributing to improved social outcomes for consumers and/or end-users related to access to quality information and freedom of expression are described below.

As described in section S4-2, the actions needed to manage actual or potential negative impacts on consumers and end-users either come from authorities or third parties and/or are identified during engagement. Sanoma prevents and mitigates potential negative impacts to its customers and end-users mainly through continuous processes.

The processes to provide remedy have been reported in section S4-3. In 2024, Sanoma did not take actions to provide or enable remedy in relation to actual material impacts as no need for such actions were identified. There were no severe human rights issues or incidents connected to Sanoma's customers or end-users during the reporting period.

Privacy

Sanoma's Privacy and Security by Design process is a continuous process Sanoma has in place that helps identify actions to prevent potential material privacy impacts to customers and end-users. Through this process, Sanoma's product development, sales, marketing, and advertising teams conduct privacy impact assessments (PIAs) and security reviews when planning new ways to process personal data.

In the event of a personal data breach that negatively impacts the privacy of data subjects, the incident is evaluated and actions taken to address potential impacts on a case-by-case basis according to Sanoma's personal data breach management process. Affected individuals likely to be at high risk will be informed by Sanoma about how their data has been affected and what measures they can take to protect their privacy. Individuals affected are provided with means for further inquiry towards Sanoma.

Potential and actual data breaches are reviewed quarterly to evaluate process effectiveness and identify the need for additional controls.

Sanoma sets annual targets to enhance the management of material privacy risks, aligning plans with the company strategy and regulatory trends. The key actions in 2024 related to Privacy were:

<u>Trainings to product managers and developers</u>

In 2024, Sanoma offered training to product managers and developers in both SBUs to help them follow and implement the Privacy and Security by Design process.

<u>New data mapping tool</u>

In 2024, Sanoma also introduced a Group-wide new data mapping tool to manage the records of processing activities, improving the efficiency of assessing privacy impacts and risks and data lifecycle management. In 2024, the ransomware attack on the Dutch learning distribution business, Iddink, also led to actions to improve data lifecycle management.

AI Governance measures

In 2024, to support AI use and prepare for the EU AI Act, Sanoma defined Group-wide AI Governance measures. These included creating an inventory of AI use cases and incorporating Ethical AI Principles and the EU AI Act requirements into the Privacy and Security by Design process. In 2025, Sanoma will train product teams on AI and assess potential risks that AI use will bring to customers and end-users.

Sanoma measures the effectiveness of privacy risk management processes by monitoring the completion of privacy assessments before launching new products or features. The maturity of product teams in implementing secure development standards is also measured. Trends in data subject requests are monitored to provide an indication of potential issues. In 2024, the volume of data subject requests were in line with what is seen as standard volumes.

The number of authority information requests and enforcement actions is also an indication of the effectiveness of managing potential negative privacy impacts and risks. There was one substantiated authority complaint for Learning about a cookie banner on a commercial website, which was rectified. In 2024, Sanoma Media Finland appealed to the Supreme Administrative court regarding a decision from the Finnish Transport and Communications Agency (Traficom) made in 2023, which found Media Finland's cookie practices non-compliant, particularly in classifying cookies for journalistic content as strictly necessary and in cookie rejection. Resolution to the case is still pending.

Access to quality information and education

To positively contribute to improved outcomes for students, Sanoma continuously evaluates development needs and actions to improve the inclusiveness of its learning methods. The engagement with teachers is continuous as described in the section S4-2.

Method creation process

To ensure high quality methods, all learning material publishing processes follow a Learning-wide method creation process. The method creation process sets the requirements that all learning materials must meet. The process is regularly updated. Sanoma has planned to update the method creation process in 2025 to include, for example, the review of the materials from the DE&I and accessibility perspectives.

Updated Inclusive learning strategy

In 2024, Sanoma updated its inclusive learning strategy. In the update, the main goal to develop inclusive learning solutions that help all students achieve their potential remained unchanged, but two new focus area were included: accessibility, and learning methods to support the UN Sustainable Development Goals. The update was undertaken in experts sessions, with management participating from all Learning operating companies.

The effectiveness of Sanoma's method creation and inclusive learning strategy is tracked through the European Teacher Survey, as well as together with teachers when reviewing the results of the ETS in working groups.

Accessibility: Access to products and services

The actions Sanoma is taking on accessibility are targeted to prevent potential negative impacts on end-users. The goal of the actions is to promote accessibility for the users in speech, hearing, visual, motor and cognitive communication. Developing accessibility is an ongoing process, which is continuously monitored and updated in line with the WCAG guidelines.

Preparations for the WCAG Guidelines

As part of Sanoma's ongoing, multi-year learning platform harmonisation project, Sanoma will increase the accessibility features of its digital products to respond to customer needs, but also to prepare for the EU Directive on the accessibility requirements for products and services, which will be implemented by all EU member states by June 2025.

In 2024, Learning worked on creating its Accessibility guidelines, that are planned to be published in 2025. The guidelines will be aligned with the WCAG Guidelines AA-level requirements, representing the views of relevant stakeholders. The Learning Strategy team is responsible for content accessibility and the Learning product organisation for digital accessibility.

In addition, Sanoma organised experts sessions on accessibility amongst publishers/publishing managers to create awareness and common ground for the process of making methods more accessible. An accessibility checklist for content was also created. The document will serve as a guideline for the operating companies, and can be edited according to local curriculum requirements and legislation.

Audits of digital products

Sanoma regularly conducts audits of its digital products with the help of third parties. In 2024, the target was to conduct an audit to the Sanoma Learning Design System which includes the components that will be used in Sanoma's core digital products. The audit was successfully completed. In addition, a minor part of the pricing of Sanoma's EUR 300 million Syndicated Revolving Credit Facility is linked to developing inclusive learning solutions, more specifically the accessibility of digital learning content and platforms, and this progress is monitored regularly.

The effectiveness of all Sanoma's accessibility-related actions is tracked through monitoring the completion of accessibility-related development plans and by performing audits.

Freedom of expression and media ethics

Sanoma carries out actions to positively contribute to freedom of expression and media ethics throughout society.

Updated media-specific guidelines

Journalism is an essential part of Sanoma's business, and maintaining and building trust is crucial to the Company. Sanoma is committed to the CMM's Journalistic Guidelines, and to transparently communicate the general editorial processes. Out of Sanoma's newspapers, Helsingin Sanomat has its own ethical guidelines, which complement the Journalistic Guidelines that it uses in daily work. In early 2024, Helsingin Sanomat published the main principles guiding its work and everyday journalistic practices. The principles explain why the work is done and, for example, how the published information is verified. The principles are available in Finnish on the website.

Aamulehti and Satakunnan Kansa have also published their guidelines. Aamulehti has an online article with 35 questions and answers about journalism, as well as ethical issues. The article was updated in 2024. In the questions, issues raised by readers were also taken into account. Satakunnan Kansa continuously updates an online article to explain their guidelines. Ilta-Sanomat also has its own internal ethical guidelines, which are more detailed than the Journalist's Guidelines.

The effectiveness of actions is assessed by collecting feedback through product-specific reader surveys.

Supporting media literacy and reading skills

One of the most significant ways to strengthen media literacy is to support the relationship of children and young people with media and reading. In October 2024, Media Finland supported this, for example, by being one of the partners of the Lukuboost campaign. The goal of the Lukuboost campaign is to stimulate reading enthusiasm, especially among 13–25-year-olds. According to the Lukuboost campaign survey results, in just three months, more than 6,000 young people had participated in the campaign with more than 50,000 reading sessions.

In addition, Sanoma participated in February 2024 in News Week, a joint media education theme week for schools and news media. Its aim is to encourage children and young people in particular to engage with news media and to raise the importance of critical media literacy. In early 2024, Sanoma's HS Kids' News TV programme won its second Kultainen Venla award, awarding the best TV programmes of the year, in the category of programmes for children and young people.

Responsible marketing practices

To prevent negative impact, Sanoma continuously updates the know-how of its B2B teams related to good marketing practices. Sanoma has established processes as part of daily operations to identify any potential non-compliance with the ICC marketing rules. If there is uncertainty whether the advertisement follows good marketing practices, cases are reviewed together with the Editors-in-chief of the respective newspapers and magazines. The B2B organisation is responsible for the updating and maintaining processes.

The effectiveness of actions is assessed through tracking the notifications received from the Council of Ethics in Advertising. Internal guidelines are updated based on the notifications if needed.

Metrics and targets

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sanoma has not set any measurable time-bound outcome-oriented targets related to consumers and end-users, and does not have plans to implement such targets. Given the nature of Sanoma's business, material issues do not change annually, and therefore the Sustainability Strategy and targets are set for the long term. Sanoma tracks the effectiveness of consumers and end-users related policies and actions through entity-specific metrics described below.

Privacy

Sanoma's target is to ensure an effective Privacy- and Security-by-Design process, which helps identify actions to prevent and manage negative impacts and material risks.

The controls that are implemented for potential threats identified during the Privacy- and Security-by-Design process aim to prevent negative impacts related to personal data breaches. Monitoring the number and type of data breaches helps evaluate the effectiveness of the measures taken to prevent these breaches. Also, the way in which each potential or actual personal data breach is handled can impact the consequences for data subjects. The causes for personal data breaches can also reveal potential gaps in compliance for handling personal data, lead to increased data subjects requesting to exercise their rights, and can lead to authority information requests and enforcement actions.

During 2024, there was one major data breach due to its scope (volume of data affected), regarding a ransomware attack for Iddink Learning Materials in the Netherlands and Iddink Spain. The incident was handled according to Sanoma's personal data breach management process. Sanoma has collaborated closely with the authorities, who have indicated that the case has been closed. Most of the other data breach cases occurred mainly in the media business' B2C sales domain, and typically were related to a single customer's data.

Consumers and end-users not engaged directly in setting targets or tracking performance against targets. However, Sanoma's Legal Compliance and Privacy Team (including the Data Protection Officer) and Sanoma's CISO have established the targets based on the continuous improvement of maturity and on monitoring operational metrics for privacy and information security.

Consumers were not engaged directly in identifying lessons or improvements as a result of Sanoma's performance. However, the Legal Compliance and Privacy Team (including the Data Protection Officer) and CISO team evaluate outcomes of actions on an annual basis, as input for annual planning for the following year. Sanoma's internal Privacy champion network, as a first line of support, are also included in this discussion.

The KPIs to track the effectiveness of its policies are reviewed on a quarterly basis in Sanoma's privacy board in respective business units. In addition, data-related sustainability targets are set annually to increase the maturity of the implementation of privacy in Sanoma, and have been also part of the Executive Management Team's short-term incentives.

Table 44. S4-5 Entity-specific disclosure: Customer privacy

Metric used to evaluate progress	2024
Total number of identified personal data breaches (leaks, thefts, or losses of customer data)	178
Substantiated complaints from regulatory bodies concerning breaches of customer privacy and losses of customer data	1

Access to quality information and education

Sanoma's targets are to co-create high-quality and motivating learning materials with teachers, fitting the local curriculum, to develop inclusive learning solutions that support diversity, accessibility and differentiation and to promote equal access to education.

The effectiveness of Sanoma's development work in relation to high-quality, motivating and inclusive materials is tracked via Sanoma's annual European Teacher Survey (ETS). The survey is conducted by asking teachers opinions on several matters of which 'Use of methods' and thus access to quality information, is the main subject. In the survey, the impacts of learning materials are evaluated by teachers from three aspects: student engagement, learning outcomes, and teacher efficiency. Sanoma has not set any quantitative targets for the metrics. The survey results are reviewed throughout the Learning organisation as well as together with teachers, and used to identify areas for improvement for learning materials.

Accessibility: Access to products and services

Sanoma's target is that common accessibility components used in Learning's core digital products are compliant with the AA-level of the WCAG Guidelines (Web Content Accessibility Guidelines) from 2025 onwards. In addition, more specific targets are set annually. In 2024, the target was to conduct an audit on the Sanoma Learning Design System, which was successfully completed.

The effectiveness of the accessibility-related actions is tracked through monitoring the completion of accessibility-related development plans, also linked to Sanoma's loan agreement, and by performing audits. The outcomes of the audits are taken to the technical teams. Depending on the outcomes, recommendations or deficiencies are put on roadmaps and addressed or resolved. Accessibility is also addressed in the European Teacher Survey described in the previous section.

Local meetings and peer review groups with teachers are organised regularly, and the intended actions and set targets are also discussed in these forums. In addition, in some countries discussions with third-party experts in the field of disabilities are utilised when setting the targets.

Freedom of expression and media ethics

Sanoma's target is to promote an open democratic society and freedom of speech through its independent media, and to increase awareness, empathy and tolerance with its journalism. Consumers and end-users do not participate in setting or tracking performance against the targets, nor are they engaged in identifying lessons or improvements as result of Sanoma's performance.

Sanoma continuously monitors the number of notifications of violations concerning aspects of news articles as defined in the Journalist's Guidelines by The Council of Mass Media, but does not have any target level for the number of notifications as it cannot impact the number of complaints. If, in the Council's opinion, a media outlet has violated good journalistic practice, the media in question will be given a warning which must be published within a short period of time.

Sanoma closely follows the decisions of the CMM and the interpretation of the instructions. In 2024, Sanoma received 17 liberating and 5 condemnatory decisions from the CMM. The media learns from the complaints and develops its processes accordingly.

Table 45. S4-5 Entity-specific disclosure: Resolutions concerning responsible journalism practices as defined in the Journalist's Guidelines by the Council of Mass Media, number of resolutions

Metric used to evaluate progress	2024
Liberating decisions	17
Condemnatory decisions	5

Responsible marketing practices

Sanoma's target is to enable companies to thrive through its sustainable marketing solutions that are aligned with responsible marketing practices. Consumers and end-users do not participate in setting or tracking performance against the targets, nor are they engaged in identifying lessons or improvements as a result of Sanoma's performance.

Sanoma continuously monitors the cases of non-compliance against the Advertising and Marketing Communications Code of the International Chamber of Commerce, but does not have any target level for the number of incidents as it cannot impact the number of statement requests to the Council of Ethics in Advertising. The Council of Ethics in Advertising delivers its response to the statement request directly to the consumer who requested it. The statements from the Council of Ethics in Advertising are also public.

All statement requests regarding advertising in Sanoma's media are forwarded to Media Finland's B2B business management. Sanoma's legal affairs ensure that the response to the statement request refers to the principles of good marketing practices.

In 2024, Sanoma had two incidents of non-compliance with voluntary codes according to the Council of Ethics in Advertising.

Table 46. S4-5 Entity-specific disclosure: Incidents of non-compliance concerning marketing communications, number of cases

Metric used to evaluate progress	2024
Incidents of non-compliance with voluntary codes (the Advertising and Marketing Communications Code)	2

Governance information

ESRS G1 Business conduct

Impact, risk and opportunity management

G1-1 Business conduct policies and corporate culture

Policies related to business conduct

Sanoma has several policies in place to manage the impacts and risks related to business conduct. All of these policies apply to all of Sanoma employees and throughout its own operations, and they have been approved by the Board of Directors. Sanoma's standards, including the Anti-Harassment Standard, are approved by the President and CEO. The President and CEO and the Executive Management Team (EMT) are ultimately responsible for ensuring that Sanoma personnel are aware of, and comply with policies. Group Legal team owns the business conduct-related policies, excluding the Procurement Policy which is owned by the Group Procurement team and the Anti-Harassment Standard which is owned by the Group HR team. Policy owners are directly responsible for a particular policy's implementation, communication, and ongoing maintenance. All of the policies are available internally, whereas the Code of Conduct is also available on Sanoma's website.

Code of Conduct

The Code of Conduct sets out Sanoma's compliance standards and ethical values, and the principles of business conduct. The Code of Conduct establishes Sanoma's commitment to respecting the international standards on human rights, freedom of speech, labour conditions, the environment and anti-corruption as defined in the Ten principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the OECD Guidelines on Multinational Enterprises. It also establishes other relevant commitments, such as to respecting the ILO's Declaration on Fundamental Principles and Rights at Work by respecting freedom of association, right to collective bargaining, rights not to be subject to forced labour, child labour or discrimination in respect of employment and occupation and respect the working hours as well as the health and safety of our employees, and commitment to rights of freedom of expression and opinion.

Every year, all employees are required to complete a mandatory Code of Conduct refresher training. In addition, new employees must take a Code of Conduct e-learning as part of their induction process. Completion rates of the Code of Conduct trainings are tracked to ensure full coverage.

The Code of Conduct is an overarching policy that covers several IROs such as the risk related to clarity of ethical expectations, risk related to anti-bribery, corruption, gift and hospitality, impacts on whistleblowers and the existence of a channel and a speak-up culture as well as social IRO's related to S1 and S2 listed in the table in section SBM-3.

Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy establishes Sanoma's zero tolerance to bribery and corruption of any kind, whether involving public officials or private sector entities, and commitment to acting with integrity in all Sanoma's business dealings and relationships. In addition to the prohibition of corruption and bribery, the policy covers topics such as the facilitation of payments, rules for gifts and entertainment, rules on travel and accommodation, barter and exchange agreements, donations, conflicts of interest, record keeping provisions, and money laundering. Sanoma's Anti-Bribery and Corruption Policy is consistent with the UN Convention against Corruption.

The policy covers the following IRO: risk related to anti-bribery, corruption, gifts and hospitality.

Donations and Sponsorships Policy

The Donations and Sponsorships Policy defines Sanoma's principles, decision-making process and criteria that are applied to donations and sponsorships.

The policy covers the following IRO: impacts of political engagement and lobbying of Media and Learning businesses.

Intellectual Property Rights (IPR) Policy

The Intellectual Property Rights (IPR) Policy defines the principles of creation, acquisition, protection, maintenance, defence and licensing of IPR at Sanoma. This policy applies to IPR in digital formats including IPR online, in social media and artificial intelligence (AI) applications, as well as in print and other physical word formats. More specifically regarding AI, the policy advises on performing risk assessments in using third-party generative AI solutions to avoid leakage or infringements of Sanoma's IPR, and to ensure there is no risk of infringement of third-party rights.

The policy covers the following IROs: Risk related to management of IPR rights and risk related to Gen AI -assisted works.

Anti-Harassment Standard

In addition to the policies, the IRO related to anti-harassment is managed through the internal Anti-Harassment Standard that describes the process of handling cases in detail. The Group HR function is responsible for updating, communicating and leading the implementation of the Anti-Harassment Standard. The People Policy, described in section S1-1, also covers anti-harassment.

Supplier Code of Conduct (SCoC)

Sanoma's key standard related to the management of suppliers is the SCoC, last updated in November 2024. The SCOC sets out the ethical standards and responsible business principles which Sanoma's upstream suppliers are required to comply with. The SCoC is aligned with internationally recognised instruments relevant to value chain workers. The Policy is described in more detail in section S2-1.

In the 2024 update, the SCoC requirements were extended throughout the supply chain, beyond tier 1 suppliers. In addition, requirements related to training and skills development opportunities, whistleblowing channel availability and working time were clarified. The suppliers are required to offer mechanisms to raise complaints or concerns, monitor complaints, protect individuals from retaliation, engage with relevant stakeholders and implement remediation processes to address any adverse human rights impacts, maintain on site all documentation that may be needed to demonstrate compliance, implement improvements to achieve compliance in the event of any infringement and submit to Sanoma a report specifying the actions taken and progress made in achieving compliance. Sanoma or a third party is also permitted to audit the suppliers' compliance with the SCoC.

The policy covers the following IRO: risk of supplier non-compliance with SCoC and lack of sufficient DD or audits regarding supplier compliance.

Procurement Policy and General Procurement Terms and Conditions

The Procurement Policy outlines the roles and responsibilities related to procurement as well as define key processes related to supplier selection and purchasing. The goals of the policy are to provide clarity about roles and responsibilities, apply consistency in procurement activities, select the right suppliers to support Sanoma's businesses objectives, manage Sanoma's supply base as well as to ensure visibility and control on Sanoma's third-party spend. Unless specifically agreed otherwise, Sanoma's General Procurement Terms, available on Sanoma's website, apply to all purchase orders. Adherence to the policy is validated through a defined set of Procurement Control Points and internal audits on the procurement processes and guidelines.

The policy covers the IRO related to the impact on the suppliers through payment practices.

Corporate culture

Sanoma's President and CEO, in accordance with the Finnish Companies Act, manages Sanoma's daily operations in line with the long-term goals and business strategy of the Group approved by the Board of Directors, and in accordance with the general policies adopted by the Board of Directors as well as other applicable guidelines and decisions. Sanoma establishes its corporate culture through training and awareness-building efforts of its policies.

Code of Conduct and related trainings

All Sanoma employees are required to apply the Code of Conduct in their day-to-day conduct and business decisions. Sanoma provides trainings and e-learning, and uses different control mechanisms to ensure compliance with the Code of Conduct and other policies. Sanoma has a mandatory Code of Conduct training which is an annually updated Code of Conduct refresher e-learning for all employees. It includes dedicated sections on general ethics, anti-bribery and corruption rules, competition law, privacy, security, AI, and compliance with supplier relationship management. In addition, new employees must take a Code of Conduct e-learning as part of their induction process. The Code of Conduct and the corresponding mandatory trainings were available in English, Finnish, Dutch, Spanish, Italian, Polish and French in 2024.

Sanoma has also identified business areas where employee groups need to be trained regarding specific policies. Therefore, to complement the Code of Conduct training, various role-based compliance trainings are implemented within the areas of privacy, information security, competition law and anti-bribery and corruption.

Procurement, as well as the sales teams in countries where the sales happens through agents, such as Spain and Italy, have been identified as functions that are most at risk in respect of corruption and bribery. A more in-depth training on anti-bribery and corruption targeted to new sales organisation employees is planned for 2025 in Spain and Italy.

Awareness building campaigns

Sanoma runs annual awareness building campaigns in internal channels to promote relevant areas of business conduct, such as speaking up about misconduct, diversity and inclusion, gifts and hospitality rules as well as privacy, AI and security. The awareness building campaigns are targeted to all Sanoma employees. In 2024, Sanoma carried out awareness campaigns related to gifts and hospitality, privacy and security.

Reporting channels for misconduct

Sanoma aims to build a culture where people feel at ease to identify and bring up any form of misconduct. Violations of the Code of Conduct, or any related policy or law, are encouraged to be reported through various reporting channels, such as Human Resources, managers, local Compliance Officers or local compliance committees e.g., Controlling Board in Italy, Group Compliance team, local trade union representatives, Internal Audit or the whistleblowing channel that allows for anonymous reporting and is available also for external parties.

The whistleblowing tool is an externally hosted channel that enables Sanoma employees, customers and business partners to report suspicions of misconduct confidentially and anonymously. With this early warning system, Sanoma fosters high business ethics, maintains customer and public trust, and reduces risks for misconduct. The whistleblowing tool and other reporting channels are promoted on Sanoma's intranet channels and the whistleblowing tool is also available on Sanoma's website. Only Sanoma's Chief Legal Officer and Head of Internal Audit are able to access the reports under strict confidentiality obligations. Sanoma's Code of Conduct states a zero tolerance policy for retaliation against whistleblowers. The zero tolerance policy for retaliation against whistleblowers is also communicated through speak-up awareness campaigns. It is also addressed in Sanoma's internal Workplace Anti-Harassment Standard, which highlights to employees the types of behaviour that are deemed unacceptable, and promotes how to address such unwarranted behaviour without fear of retaliation. No specific training is provided for those handling the reports internally.

All misconduct cases pertaining to business conduct, including incidents of corruption and bribery, regardless of the channel through which they are reported, are promptly and independently investigated by Internal Audit in collaboration with policy owners. For harassment cases, HR is responsible for the investigation. If found true, the case leads to disciplinary, legal, or other actions. Internal Audit report to the Audit Committee about all identified and investigated misconduct cases.

Sanoma is subject to the requirements of the EU Whistleblowing Directive as well as national whistleblowing legislation in its operating countries. In operating countries where local legislation sets requirements (Spain, Netherlands and Poland), Sanoma has in 2024 carried out actions to establish separate subsidiary-specific channels. These channels are planned to be included in the Group's whistleblowing tool in early 2025. Specific training will be provided to people receiving the reports.

Tracking effectiveness

To track the effectiveness of policy implementation and measures taken to enhance and promote its corporate culture, Sanoma, for example, asks about employees' ability to speak up about ethics and compliance concerns in the annual Employee Engagement Survey. In addition, the Code of Conduct trainings' completion rate is monitored annually and the number of gifts and hospitality requests are reported to the Sustainability and Ethics Working Group. The number of investigated misconduct cases is reported to the Sustainability and Ethics Working Group and Board of Directors' Audit Committee. Trends detected in the types of misconducts reported help Sanoma evaluate the effectiveness of measures taken to raise awareness about the topics that have been raised.

In addition, compliance risks are assessed as part of Sanoma's double materiality assessment. Regular evaluation of compliance risks, in addition to monitoring trends in types of misconducts reported, helps Sanoma evaluate the need to further develop its compliance culture. For example, in 2024, Sanoma defined measures to implement AI Governance in preparation for the AI Act and to mitigate potential AI risks. AI trainings, inventory management and risk assessments will continue to be executed in 2025 across both businesses.

Minimum Disclosure Requirement MDR-T

Sanoma has not set any measurable time-bound outcome-oriented targets related to business conduct, and does not have plans to implement such targets. However, it tracks the effectiveness of business conduct-related policies and actions through monitoring the completion rate of the Code of Conduct trainings.

Table 47. Entity-specific metric: Completion of Code of Conduct trainings

Metric used to evaluate progress	2024
Annual Code of Conduct reminder e-learning completion rate, percentage of employees	97%
New employee introduction to Code of Conduct e-learning completion rate, percentage of new employees during the year	78%

The scope of the Annual Code of Conduct reminder training include all employees present during the period of the training. All Sanoma employees who had started employment before August 2024, needed to take the Code of Conduct reminder e-learning course in 2024.

G1-2 Management of relationships with suppliers

Approach to relationship with suppliers

Sanoma is committed to responsible business practices and ethics throughout its supply chain. Sanoma's key standard related to relationships with suppliers is the Supplier Code of Conduct (SCoC) described in G1-1 and in S2-1 in more detail. The SCoC sets out the ethical standards and responsible business principles, which the suppliers are required to comply with. The standard also includes sustainability-related requirements. The SCoC is aligned with internationally recognised instruments relevant to value chain workers. The suppliers shall apply these standards and principles throughout the supply chain, including their affiliates and sub-contractors.

In addition to the SCoC, Sanoma requires suppliers using data on Sanoma's behalf to comply with the data protection and information security requirements. The paper and print supplier agreements include Sanoma's Paper Procurement standard that sets environmental criteria related to the use of certified paper as well as recommendations to apply environmental and quality management systems. The Paper Procurement standard is further described under E4-2.

As the majority of Sanoma's supply chain emissions is generated in paper and print production, Sanoma focuses its emission reduction initiatives on these categories. Thus, when selecting paper suppliers, emissions are taken into account in decision-making. In the print category, Sanoma is currently building an analysis of the suppliers' sustainability approach, which will be implemented in the supplier evaluation process. Sanoma also cooperates and engages closely with these suppliers, for example through a Supplier Day hosted in 2024 for paper and print suppliers.

Sanoma utilises a Know Your Counterparty (KYC) process to identify risks of doing business with third parties by looking at their ownership, activities and role. KYC background checks are performed on new suppliers as part of the supplier selection process. The tool identifies possible third-party non-compliance and includes human rights, anti-bribery, corruption, and sanctions checks. In cases of medium or high risk, the escalation principles and process to consult Group Legal is established.

In addition, Sanoma carries out monitoring and risk assessments during supplier cooperation within the risk categories/areas. In key categories, such as paper and print production, Sanoma collects more detailed info about the suppliers' maturity in sustainability topics through, for example, audit reports, certificates and energy and material usage data.

Policy to prevent late payments

Goods and services are purchased in accordance with Sanoma's General Procurement Terms and Conditions as well as the internal Procurement Policy. They include Sanoma's payment terms and apply to all supplier categories, including SMEs, unless separately agreed otherwise together with the supplier. Sanoma's standard payment term is 45 days. However, payment terms can be negotiated depending on category-specific requirements. For example, Sanoma uses a 14-day payment term for self-employed suppliers and natural persons. Sanoma provides internal trainings on invoice handling, communicates about payment practices to suppliers and has a ticketing system for any exceptions in invoices to ensure fair practices. Sanoma's Accounting Services controls the invoice flow, and sends reminders in case invoices are not handled close to due dates.

G1-3 Prevention and detection of corruption and bribery

Sanoma has established procedures to prevent, detect, and address allegations or incidents of corruption and bribery.

Training and awareness building are seen as a key preventive measure. Sanoma's Code of Conduct trainings, as described in G1-1, cover the topics of anti-corruption and bribery as well as raising concerns. The completion rate of the trainings is monitored. The trainings are mandatory for all Sanoma employees, including the Executive Management Team. The Board of Directors or the Audit Committee are not in the scope of the trainings.

Sanoma also carries out separate awareness campaigns on the gifts and hospitality reporting practices annually. The reporting of gifts and hospitality fosters an ethical culture by helping employees understand the importance of integrity and accountability, and helps monitor that they remain within acceptable limits and do not influence business decision-making. The gift & hospitality tool is available for employees in internal channels. The Supplier KYC process identifies flags related to suspected, investigated and confirmed instances of bribery and corruption among potential and actual suppliers. In Italy, criminal records for specific roles, such as agents used for promotional purposes, may be checked.

Employees are actively encouraged to speak-up if they detect any form of misconduct, including incidents of anti-corruption and bribery. Sanoma runs an annual awareness campaign for all employees to increase awareness about different types of misconduct and encourage speaking up. All the same channels that Sanoma has in place to report about misconduct in business conduct can also be used for incidents concerning corruption and bribery, as reported in G1. Sanoma tracks the number of cases submitted and investigated through different channels.

All misconduct cases pertaining to incidents of corruption and bribery, regardless of the channel through which they are reported, are promptly and independently investigated by Internal Audit separately from the chain of management involved. Italy also has in place an independent local compliance committee called "Controlling Board" for investigation purposes, which includes an external member of the Controlling Board to ensure independence of the body. Internal Audit informs the Audit Committee about all identified and investigated misconduct cases. Sanoma's Code of Conduct states a zero tolerance for retaliation against whistleblowers.

0% of the functions-at-risk, as described in G1-1, were specifically trained for anti-corruption and bribery in 2024. However, these topics are covered in the mandatory Code of Conduct trainings. More in-depth trainings targeted to new sales organisation employees are planned for 2025 in Spain and Italy.

Metrics and targets

G1-4 Incidents of corruption or bribery

Table 48. G1-4 Confirmed incidents of corruption or bribery

Confirmed incidents of corruption or bribery	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws, EUR	0
Number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0

No actions were taken to address breaches in procedures and standards of anti-corruption and anti-bribery as there were zero reported incidents. Sanoma did not have any public legal cases regarding corruption or bribery brought against it or its own workers during the reporting period.

G1-5 Political influence and lobbying activities

Sanoma's President and CEO is responsible for the oversight of political influence and lobbying activities. Sanoma's Donations and Sponsorship Policy prohibits Sanoma from making any donations for political purposes. In 2024, Sanoma did not have any financial or in-kind political contributions.

Sanoma's key topics for lobbying activities and its main positions are:

- Improving learning outcomes (related to IRO Impact of access to high-quality and inclusive learning products and services): Sanoma promotes using (only) professionally produced education materials in education, increasing education investments per student as well as having strong copyright protection for using education materials in training AI.
- Supporting the media's operating conditions (related to IRO Impact of journalistic ethics and operations as a media company to freedom of expression): Sanoma promotes levelling the playing field with global platform giants, protecting its content with strong copyright, preventing unfair competition by national public service broadcaster and maintaining a lowered tax rate for media.
- Copyright (related to IRO Risk related to management of IPR rights): Sanoma promotes strong copyright protection for its content, fair terms for using (Audiovisual) content and direct licensing as a primary form of copyright licensing.
- Reforming the Finnish gambling legislation (related to IRO Impact of responsible advertising practices and compliance with green claims regulation): Sanoma promotes responsible advertising related to the opening up of gambling advertising in Finnish media.

Sanoma Media Finland Ltd (440600622097-82) is registered in the EU Transparency Register. Sanoma Corporation (712395115155-72) is not directly registered in the EU Transparency Register.

No members of Sanoma's administrative, management and supervisory bodies have held a comparable position in public administration in the two years preceding such appointment in the reporting period.

G1-6 Payment practices

Sanoma's standard payment term in general procurement terms is 45 days. However, payment term can be negotiated depending on category/supplier-specific requirements. In addition, Sanoma uses 14 days for self-employed suppliers and natural persons.

Payment practices are tracked annually, and the data is available from a centrally used tool. Calculations are made from the invoice date to the payment date. If there are clear errors in the dates (for example, payment date being before invoice date), they are excluded from the calculations.

Table 49. G1-6 Metrics related to payment practices

	2024
Average number of days to pay an invoice from the invoice date	27
Share of on time payment to suppliers, percentage of payments aligned with standard payment terms	91%
Legal proceedings related to late payments	0

Data from operating companies that are not in Sanoma's centralised invoice processing system has been estimated to have the same average number of days to pay invoice. The share of estimated data represents 20% of the data.

Key indicators and share indicators

Key indicators

EUR million	2024	2023	2022	2021	2020
Net sales[1]	1,344.8	1,392.9	1,298.3	1,251.6	1,061.7
Operational EBITDA[1]	360.8	358.3	355.4	361.0	309.9
% of net sales[1]	26.8	25.7	27.4	28.8	29.2
Operational EBIT excl. PPA[1]	180.0	175.4	189.3	197.2	156.5
% of net sales[1]	13.4	12.6	14.6	15.8	14.7
Items affecting comparability in EBIT[1]	-61.5	-82.3	-37.9	-15.8	135.9
Purchase price allocation adjustments and amortisations (PPAs)[1]	36.7	41.3	39.3	39.0	22.3
EBIT[1]	81.8	51.7	112.0	142.4	270.1
% of net sales[1]	6.1	3.7	8.6	11.4	25.4
Result before taxes[1]	48.4	20.6	99.2	133.8	261.0
% of net sales[1]	3.6	1.5	7.6	10.7	24.6
Result for the period from continuing operations[1]	40.6	4.1	77.0	101.4	237.8
% of net sales[1]	3.0	0.3	5.9	8.1	22.4
Result for the period	40.6	4.1	77.0	101.2	247.1
% of net sales	3.0	0.3	5.9	8.1	23.3
Balance sheet total	1,879.1	2,036.6	2,103.6	1,932.5	2,048.3
Capital expenditure	37.7	43.1	52.9	41.7	42.5
% of net sales	2.8	3.1	4.1	3.3	3.7
Free cash flow	145.3	105.1	111.7	139.7	94.8
Return on equity (ROE), %	5.3	0.5	11.2	14.7	40.7
Return on investment (ROI), %	5.8	3.5	7.7	10.2	24.0
Equity ratio, %	45.0	42.5	35.8	40.6	37.4
Net gearing, %	73.7	80.0	117.3	85.5	93.1
Interest-bearing liabilities	589.6	705.6	864.4	668.8	775.3
Non-interest-bearing liabilities	517.8	531.6	537.1	542.8	560.4
Net debt	568.5	639.7	823.4	616.4	660.7
Net debt / Adj. EBITDA	2.2	2.8	3.2	2.4	2.6
Average number of employees (FTE)[1]	4,820	5,119	5,018	4,885	4,255
Number of employees at the end of the period (FTE)[1]	4,648	5,017	5,079	4,822	4,806

[1] Figures contain only continuing operations.
[2] Advances received included in the formula of equity ratio were EUR 162.5 million in 2024 (2023: 153.8).

Share indicators

EUR	2024	2023	2022	2021	2020
Earnings/share, continuing operations[1]	0.19	-0.03	0.47	0.62	1.46
Earnings/share	0.19	-0.03	0.47	0.61	1.51
Earnings/share, diluted, continuing operations[1]	0.19	-0.03	0.47	0.61	1.45
Earnings/share, diluted	0.19	-0.03	0.47	0.61	1.51
Operational earnings/share, continuing operations[1]	0.46	0.39	0.65	0.69	0.58
Operational earnings/share	0.46	0.39	0.65	0.69	0.67
Free cash flow per share	0.89	0.64	0.68	0.86	0.58
Equity/share	4.72	4.88	4.26	4.38	4.23
Dividend/share[2]	0.39	0.37	0.37	0.54	0.52
Dividend payout ratio, %[2]	206.5	neg.	79.2	87.9	34.4
Operational dividend payout ratio, %[2]	84.1	93.8	56.8	77.9	77.9
Market capitalisation, EUR million[3]	1,251.9	1,134.7	1,602.4	2,218.5	2,240.1
Effective dividend yield, %[2]	5.1	5.3	3.8	4.0	3.8
P/E ratio	40.6	neg.	21.0	22.2	9.1
Adjusted number of shares at the end of the period[3]	163,215,973	163,267,618	163,177,768	162,886,049	163,036,686
Adjusted average number of shares[3]	163,413,155	163,253,094	163,130,613	163,165,194	163,041,596
Lowest share price	6.27	5.91	9.48	12.80	6.84
Highest share price	7.80	10.30	14.78	17.12	14.00
Average share price	6.90	7.58	12.56	14.54	10.15
Share price at the end of the period	7.67	6.95	9.82	13.62	13.74
Trading volumes, shares	11,643,942	21,898,627	12,404,976	16,289,472	29,310,738
% of shares	7.1	13.4	7.6	10.0	18.0

[1] Figures contain only continuing operations.
[2] Year 2024 proposal of the Board of Directors.
[3] The number of shares does not include treasury shares.

Definitions of key indicators

KPI		Definition		Reason to use
Comparable (or organic) net sales (growth)	=	Net sales (growth) adjusted for the impact of acquisitions and divestments		Complements reported net sales by reflecting the underlying business performance and enhancing comparability between reporting periods
Items affecting comparability (IACs)	=	Gains/losses on sale, restructuring incl. transaction and integration costs of acquisitions or efficiency program expenses and impairments that exceed EUR 1 million		Used to reflect the underlying business performance and enhance comparability between reporting periods
Operational EBITDA	=	EBIT + depreciation, amortisation and impairments - IACs		Measures the profitability before non-cash-based depreciation and amortisation, reflects the underlying business performance and enhances comparability between reporting periods
Purchase price allocation adjustments and amortisations (PPAs)	=	Purchase price allocation amortisations and cost impact of the inventory fair value adjustments		A component used in the calculation of KPIs (incl. operational EBIT excl. PPA)
Operational EBIT excl. PPA	=	EBIT - IACs - Purchase price allocation adjustments and amortisations (PPAs)		Measures the profitability excl. acquisition-related PPA adjustments and amortisations, reflects the underlying business performance and enhances comparability between reporting periods
Equity ratio, %	=	Equity total / Balance sheet total - advances received	x 100	One of Sanoma's long-term financial targets, measures the relative proportion of equity to total assets
Free cash flow	=	Cash flow from operations - capital expenditure		Basis for Sanoma's dividend policy
Free cash flow / share	=	Free cash flow / Weighted average number of shares on the market		Basis for Sanoma's dividend policy
Net debt	=	Interest-bearing liabilities (short or long-term liabilities which have separately determined interest cost) - cash and cash equivalents		Measures Sanoma's net debt position
Net debt / Adj. EBITDA	=	The adjusted EBITDA used in this ratio is the 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on the basis of cash flow		One of Sanoma's long-term financial targets, provides investors information on Sanoma's ability to service its debt
Net financial items	=	Financial income - financial expenses		Measures Sanoma's net financing cost
EPS	=	Result for the period attributable to the equity holders of the Parent Company - tax adjusted interest on hybrid loan / Weighted average number of shares on the market		Measures Sanoma's result for the period per share

KPI		Definition		Reason to use
Operational EPS	=	Result for the period attributable to the equity holders of the Parent Company - tax adjusted interest on hybrid loan - IACs - tax effect of IACs - non-controlling interests' share of IACs / Weighted average number of shares on the market		In addition to EPS, reflects the underlying business performance and enhances comparability between reporting periods
Net gearing, %	=	Interest-bearing liabilities (short- or long-term liabilities which have separately determined interest cost) - cash and cash equivalents / Equity total	x 100	Measures how much debt in relation to equity Sanoma is using to finance its assets
Return on equity (ROE), %	=	Result for the period / Equity total (average of monthly balances)	x 100	Measures the company's relative profitability, i.e., the profit received for the equity employed
Return on investment (ROI), %	=	Result before taxes + interest and other financial expenses / Balance sheet total - non-interest-bearing liabilities (average of monthly balances)	x 100	Measures the company's relative profitability, i.e., the profit and interest received for net assets employed
Non-interest-bearing liabilities	=	Non-interest-bearing liabilities include trade and other payables, contract liabilities, deferred and income tax liabilities, provisions and pension liabilities		
Equity/share	=	Equity attributable to the equity holders of the Parent Company / Adjusted number of shares on the market at the balance sheet date		
Dividend payout ratio, %	=	Dividend/share / Result/share	x 100	
Operational dividend payout ratio,%	=	Dividend/share / Operational EPS	x 100	
Effective dividend yield, %	=	Dividend/share / Share price on the last trading day of the year	x 100	
P/E ratio	=	Share price on the last trading day of the year / Result/share	x 100	
Market capitalisation	=	Number of shares on the market at the balance sheet date x share price on the last trading day of the year		

Reconciliation of certain key figures

Reconciliation of operational EBIT excl. PPA

EUR million	2024	2023
EBIT	**81.8**	51.7
Items affecting comparability (IACs) and PPA adjustments and amortisations[1]		
Learning		
Impairments	-28.6	-10.1
Capital gains/losses	-0.4	
Restructuring expenses	-28.3	-33.3
PPA adjustments and amortisations	-30.4	-34.5
Media Finland		
Impairments		-3.2
Capital gains/losses	5.6	1.6
Restructuring expenses	-8.6	-3.8
VAT claims for years 2015–2018 and 2019–2021		-35.9
PPA adjustments and amortisations	-6.3	-6.8
Other operations		
Impairments	-0.4	
Capital gains/losses		2.9
Restructuring expenses	-0.7	-0.6
Items affecting comparability (IACs) and PPA adjustments and amortisations total	**-98.2**	-123.7
Operational EBIT excl PPA	**180.0**	175.4
Depreciations of buildings and structures	-26.4	-27.9
Depreciation of rental books	-3.9	-7.4
Amortisation of film and TV broadcasting rights	-55.2	-58.9
Amortisation of prepublication rights	-46.4	-42.5
Other depreciations, amortisations and impairments	-79.0	-57.8
Items affecting comparability in depreciation, amortisation and impairments	30.1	11.6
Operational EBITDA	**360.8**	358.3

Items affecting comparability (IACs) in results of associated companies

EUR million	2024	2023
Media Finland		
Fair value remeasurement of previously held equity interest		-1.0
Total		-1.0

[1] Items affecting comparability and PPA adjustments and amortisations are unaudited.

Reconciliation of operational EPS

EUR million	2024	2023
Result for the period attributable to the equity holders of the Parent Company	**40.5**	3.3
Current year interest on the hybrid bond net of tax	-9.6	-7.6
Items affecting comparability	61.5	83.3
Tax effect of items affecting comparability	-16.5	-14.6
Non-controlling interests' share of items affecting comparability	-0.1	
Operational result for the period attributable to the equity holders of the Parent Company	**75.8**	64.4
Weighted average number of shares on the market	163,413,155	163,253,094
Operational EPS	**0.46**	0.39

Reconciliation of net debt

EUR million	31 Dec 2024	31 Dec 2023
Non-current financial liabilities	367.8	249.4
Current financial liabilities	88.0	301.4
Non-current lease liabilities	104.1	124.8
Current lease liabilities	29.7	30.0
Cash and cash equivalents	-21.1	-65.9
Net debt	**568.5**	639.7

Reconciliation of adjusted EBITDA

EUR million	2024	2023
12-month rolling operational EBITDA	360.8	358.3
Impact of acquired and divested operations	0.0	0.1
Impact of programming rights	-53.2	-64.9
Impact of prepublication rights	-46.1	-55.3
Impact of rental books	-3.7	-8.7
Adjusted EBITDA	**257.9**	229.5

Reconciliation of comparable net sales growth

EUR million	2024	2023
Group		
Net sales	1,344.8	1,392.9
Impact of acquired and divested operations	-3.0	-27.3
Comparable net sales	**1,341.9**	1,365.5
Comparable net sales growth, %	-2	2
Learning		
Net sales	764.2	795.2
Impact of acquired and divested operations		-14.1
Comparable net sales	**764.2**	781.1
Comparable net sales growth, %	-2	6
Media Finland		
Net sales	580.9	597.8
Impact of acquired and divested operations	-3.0	-13.3
Comparable net sales	**577.9**	584.6
Comparable net sales growth, %	-1	-3

Reconciliation of return on equity (ROE), %

EUR million	2024	2023
Result for the period	40.6	4.1
Equity total (average of monthly balances)	771.7	766.1
Return on equity, %	**5.3**	0.5

Reconciliation of return on investments (ROI), %

EUR million	2024	2023
Result before taxes	48.4	20.6
Interest and other financial items	37.7	35.3
Result before taxes excl. interests and other financial items	86.1	55.9
Balance sheet total (average of monthly balances)	2,059.4	2,170.6
Non-interest-bearing liabilities (average of monthly balances)	-581.7	-591.2
Balance sheet total - non-interest-bearing liabilities (average of monthly balances)	1,477.8	1,579.4
Return on investment, %	**5.8**	3.5

Consolidated Financial Statements

Consolidated income statement

EUR million	Note	2024	2023
NET SALES	2.1, 2.2	**1,344.8**	1,392.9
Other operating income	2.3	28.3	25.6
Materials and services	2.5	-434.3	-487.0
Employee benefit expenses	2.4, 6.2, 6.3	-395.0	-405.4
Other operating expenses	2.5	-215.4	-239.0
Share of results in joint ventures	4.7	0.9	0.7
Depreciation, amortisation and impairment losses	2.6, 3.2, 3.3, 4.6	-247.6	-235.9
EBIT		**81.8**	51.7
Share of results in associated companies	4.7	0.0	-0.6
Financial income	2.7	6.8	8.6
Financial expenses	2.7	-40.3	-39.1
RESULT BEFORE TAXES		**48.4**	20.6
Income taxes	2.8	-7.8	-16.5
RESULT FOR THE PERIOD		**40.6**	4.1
Result attributable to:			
Equity holders of the Parent Company		40.5	3.3
Non-controlling interests		0.1	0.8
Earnings per share for result attributable to the equity holders of the Parent Company:	2.9		
Earnings per share, EUR		0.19	-0.03
Diluted earnings per share, EUR		0.19	-0.03

Statement of comprehensive income

EUR million	2024	2023
Result for the period	**40.6**	4.1
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Change in translation differences	-0.4	1.7
Items that will not be reclassified to profit or loss		
Defined benefit plans	4.8	15.7
Income tax related to defined benefit plans	-1.0	-3.2
Other comprehensive income for the period, net of tax	**3.5**	14.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**44.1**	18.3
Total comprehensive income attributable to:		
Equity holders of the Parent Company	44.0	17.5
Non-controlling interests	0.1	0.8

Consolidated balance sheet

EUR million	Note	31 Dec 2024	31 Dec 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2.3, 2.5, 3.3	37.4	40.3
Right-of-use assets	3.3	123.1	144.2
Investment property	2.3, 2.5, 4.6	2.9	2.9
Goodwill	3.2	809.8	812.2
Other intangible assets	3.2	646.1	720.5
Equity-accounted investees	4.7	3.5	3.6
Other investments	4.8	2.9	2.8
Deferred tax receivables	2.8	3.8	5.5
Non-current receivables	4.2, 4.9	32.6	31.4
NON-CURRENT ASSETS, TOTAL		**1,662.2**	1,763.4
CURRENT ASSETS			
Inventories	4.1	45.0	53.5
Income tax receivables		8.2	13.9
Contract assets	2.2	0.9	0.5
Trade and other receivables	4.3	141.7	139.4
Cash and cash equivalents	5.3	21.1	65.9
CURRENT ASSETS, TOTAL		**216.9**	273.2
ASSETS, TOTAL		**1,879.1**	2,036.6

EUR million	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
EQUITY	5.4, 6.2		
Share capital		71.3	71.3
Treasury shares		-3.0	-4.1
Fund for invested unrestricted equity		209.8	209.8
Translation differences		-16.0	-15.7
Retained earnings		359.4	386.5
Total equity attributable to the equity holders of the Parent Company		**621.4**	647.7
Hybrid bond		149.1	149.1
Non-controlling interests		1.1	2.6
EQUITY, TOTAL		**771.7**	799.4
NON-CURRENT LIABILITIES			
Deferred tax liabilities	2.8	100.1	116.0
Pension obligations	4.9	2.7	3.4
Provisions	4.4	4.5	2.0
Financial liabilities	5.1	367.8	249.4
Lease liabilities	5.1	104.1	124.8
Contract liabilities	2.2	1.1	0.8
Trade and other payables	4.5	2.7	2.5
NON-CURRENT LIABILITIES, TOTAL		**583.0**	498.9
CURRENT LIABILITIES			
Provisions	4.4	5.7	12.3
Financial liabilities	5.1	88.0	301.4
Lease liabilities	5.1	29.7	30.0
Income tax liabilities		1.2	0.6
Contract liabilities	2.2	160.4	151.9
Trade and other payables	4.5	239.4	242.1
CURRENT LIABILITIES, TOTAL		**524.4**	738.3
LIABILITIES, TOTAL		**1,107.4**	1,237.2
EQUITY AND LIABILITIES, TOTAL		**1,879.1**	2,036.6

Changes in consolidated equity

		Equity attributable to the equity holders of the Parent Company								
EUR million	**Note**	**Share capital**	**Treasury shares**	**Fund for invested unrestricted equity**	**Translation differences**	**Retained earnings**	**Total**	**Hybrid bond**	**Non-controlling interests**	**Total**
Equity at 1 Jan 2023	5.4	**71.3**	**-5.2**	**209.8**	**-17.3**	**436.5**	**695.1**		**7.0**	**702.1**
Result for the period						3.3	3.3		0.8	4.1
Other comprehensive income					1.7	12.5	14.2			14.2
Total comprehensive income					**1.7**	**15.8**	**17.5**		**0.8**	**18.3**
Share-based compensation	6.2					3.4	3.4			3.4
Shares delivered	6.2		1.1			-1.1				
Dividends paid						-60.4	-60.4		-0.7	-61.1
Total transactions with owners of the Company			**1.1**			**-58.1**	**-57.0**		**-0.7**	**-57.7**
Acquisitions and other changes in non-controlling interest						1.7	1.7		-4.5	-2.8
Total change in ownership interest						**1.7**	**1.7**		**-4.5**	**-2.8**
Issuance of hybrid bond (net of issuance costs)								149.1		149.1
Interest on hybrid bond						-9.6	-9.6			-9.6
Equity at 31 Dec 2023		**71.3**	**-4.1**	**209.8**	**-15.7**	**386.5**	**647.7**	**149.1**	**2.6**	**799.4**
Equity at 1 Jan 2024	5.4	**71.3**	**-4.1**	**209.8**	**-15.7**	**386.5**	**647.7**	**149.1**	**2.6**	**799.4**
Result for the period						40.5	40.5		0.1	40.6
Other comprehensive income					-0.4	3.9	3.5			3.5
Total comprehensive income					**-0.4**	**44.3**	**44.0**		**0.1**	**44.1**
Purchase of treasury shares			-1.9				-1.9			-1.9
Share-based compensation	6.2					1.7	1.7			1.7
Shares delivered	6.2		3.0			-3.0				
Dividends paid						-60.5	-60.5			-60.5
Total transactions with owners of the Company			**1.1**			**-61.8**	**-60.7**			**-60.7**
Acquisitions and other changes in non-controlling interest									-1.5	-1.5
Total change in ownership interest									**-1.5**	**-1.5**
Interest on hybrid bond						-9.6	-9.6			-9.6
Equity at 31 Dec 2024		**71.3**	**-3.0**	**209.8**	**-16.0**	**359.4**	**621.4**	**149.1**	**1.1**	**771.7**

Consolidated cash flow statement

EUR million	Note	2024	2023
OPERATIONS			
Result for the period		40.6	4.1
Adjustments			
Income taxes	2.8	7.8	16.5
Financial expenses	2.7	40.3	39.1
Financial income	2.7	-6.8	-8.6
Share of results in equity-accounted investees	4.7	-0.9	-0.1
Depreciation, amortisation and impairment losses		247.6	235.9
Gains/losses on sales of non-current assets		-6.6	-6.0
Other adjustments		6.0	7.3
Adjustments total		287.3	284.1
Change in working capital			
Change in trade and other receivables		-6.8	38.6
Change in inventories		7.5	14.0
Change in trade and other payables, and provisions		7.5	-4.2
Acquisitions of broadcasting rights, prepublication costs and rental books		-102.9	-128.9
Dividends received		1.0	0.6
Interest paid		-35.0	-30.1
Other financial items		-2.1	3.7
Taxes paid		-14.1	-33.6
CASH FLOW FROM OPERATIONS		**183.0**	148.2
INVESTMENTS			
Capital expenditure		-37.7	-43.1
Operations acquired	3.1	-0.8	-0.4
Acquisition of other investments			-0.1
Proceeds from sale of tangible and intangible assets		3.0	9.3
Operations sold	3.1	5.6	3.5
Sales of other investments		0.0	
Loans granted		0.0	0.0
Interest received		2.1	2.2
CASH FLOW FROM INVESTMENTS		**-27.8**	-28.5
CASH FLOW BEFORE FINANCING		**155.2**	119.6
FINANCING			
Proceeds from issue of hybrid bond (net of issuance costs)			148.9
Purchase of treasury shares		-1.9	
Change in loans with short maturity	5.1	37.4	-69.7
Drawings of other loans	5.1	249.2	0.6
Repayments of other loans	5.1	-380.3	-76.2
Payment of lease liabilities	5.1	-31.9	-31.1
Acquisitions of non-controlling interests	3.1		-7.1
Interest paid on hybrid bond		-12.0	
Dividends paid		-60.5	-61.1
CASH FLOW FROM FINANCING		**-199.9**	-95.8
Change in cash and cash equivalents according to cash flow statement		**-44.7**	23.9
Effect of exchange rate differences on cash and cash equivalents		0.0	0.3
Net increase(+)/decrease(-) in cash and cash equivalents		**-44.7**	24.1
Cash and cash equivalents at 1 Jan		65.1	41.0
Cash and cash equivalents at 31 Dec	5.3	**20.5**	65.1

Notes to the Consolidated Financial Statements

1. Accounting policies for Consolidated Financial Statements

1.1 Corporate information

Sanoma is a learning and media company. In 2024, Sanoma Group included two operating segments which are its two strategic business units (SBU), Sanoma Learning and Sanoma Media Finland. This is aligned with the way Sanoma manages the businesses. Sanoma Learning is one of the global leaders in K12 education serving about 25 million students in 12 countries. Its learning products and services enable teachers to develop the talents of every child to reach their potential. Sanoma Learning offers printed and digital learning materials as well as digital learning and teaching platforms for K12, i.e., primary, secondary and vocational education, and it aims to grow the business. Sanoma Learning develops its methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining educational technologies and pedagogical expertise, Sanoma Learning creates learning products and services with the highest learning impact. Sanoma Media Finland is the leading cross-media company in Finland, reaching 96% of all Finns weekly. It provides information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. Sanoma Media Finland has leading brands and services, like Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, it is a trusted partner with insight, impact and reach.

Sanoma Corporation, the Parent of Sanoma Group, is a public limited company and its share is listed on the Nasdaq Helsinki. The Parent Company is domiciled in Helsinki, Finland and its registered office is Töölönlahdenkatu 2, 00100 Helsinki, Finland.

On 25 March 2025, Sanoma's Board of Directors approved these financial statements to be disclosed.

Copies of the Consolidated Financial Statements are available on Sanoma's website or from the Parent Company's head office.

1.2 Basis of preparation of financial statements

Sanoma has prepared its Consolidated Financial Statements in accordance with the IFRS Accounting Standards as adopted by the European Union while adhering to related IAS and IFRS standards, effective at 31 December 2024, as well as SIC and IFRIC interpretations. IFRS refers to the approved standards and their interpretations applicable within the EU under the Finnish Accounting Act and its regulations in accordance with European Union Regulation No. 1606/2002. The notes to the consolidated financial statements are in accordance with Finnish Accounting Standards and the Finnish Limited Liability Companies Act.

Financial statements are presented in millions of euros, based on historical cost conventions unless otherwise stated in the accounting policies. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

1.3 Accounting policies

Management judgement in applying the most significant accounting policies and other key sources of estimation uncertainty

Preparing the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. During the preparation of the financial statements, such estimates were used when making calculations for impairment testing of goodwill, allocating the acquisition cost of acquired businesses and determining the estimated useful lives and depreciation methods for property, plant and equipment and amortisation methods for broadcasting rights, prepublication rights and other intangible assets. In addition, management judgement is used when determining the valuation of deferred taxes, defined benefit pension assets and pension obligations and provisions. The assumptions are derived from external sources wherever available. In case of high dependency on assumptions, sensitivity analyses are performed to determine the impact on carrying amounts. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

Impairment testing is discussed later in the accounting policies and notes to the financial statements. Other uncertainties related to management judgement are presented, as applicable, in the relevant notes.

Consolidation principles

The Consolidated Financial Statements are prepared by consolidating the Parent Company's and its subsidiaries' income statements, comprehensive income statements, balance sheets, cash flow statements and notes to the financial statements. Prior to consolidation, the Group companies' financial statements are adjusted, if necessary, to ensure consistency with the Group's accounting policies.

The Consolidated Financial Statements include the Parent Company Sanoma Corporation and companies in which the Parent Company has control. Control means that the Group is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Intra-group shareholdings are eliminated using the acquisition method. In cases where the Group has an obligation to increase ownership in a subsidiary and the risks and rewards of ownership have transferred to the Group due to this obligation, the consolidation has taken the ownership into account in accordance with the obligation.

Companies acquired during the financial year are included in the consolidated financial statements from the date on which control was transferred to the Group, and divested subsidiaries are consolidated until the date on which said control ceased. Intra-group transactions, receivables and liabilities, intra-group margins and distribution of profits within the Group are eliminated in the consolidated financial statements.

Sanoma uses the acquisition method when accounting for business combinations.

On the date of acquisition, the cost is allocated to the assets and liabilities of the acquired business by recognising them at their fair value. In business combinations achieved in stages, the interest in the acquired company that was held by the acquirer before the control was acquired shall be measured at fair value at the date of acquiring control. This value has an impact on calculating the goodwill from this acquisition and it is presented as a loss or gain in the income statement.

The consideration transferred and the identifiable assets and the liabilities assumed in the business combination are measured at fair value on the date of acquisition. The acquisition-related costs are expensed excluding the costs to issue debt or equity securities. The potential contingent purchase price is the consideration paid to the seller after the original consolidation of the acquired business or the share of paid consideration that the previous owners return to the buyers. Whether any consideration shall be paid or returned is usually dependent on the performance of the acquired business after the acquisition. The contingent consideration shall be classified as a liability or as equity. The contingent consideration classified as a liability is measured at fair value on the acquisition date and subsequently on each balance sheet date. Changes in the fair value are presented in income statement.

Sanoma Group's equity-accounted investees include joint ventures and associated companies, which are accounted for using the equity method. The Group's share of the strategically important joint ventures' and associated companies' result is disclosed separately in the Group's operating profit. The Group's share of the result of other equity-accounted investees is reported below operating profit. The carrying amount of equity-accounted investees is presented on one line in the balance sheet and it includes the goodwill originating from those acquisitions. The investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Joint ventures are entities that are controlled jointly based on a contractual agreement by the Group and one or several other owners.

Associated companies are entities in which the Group has significant influence. Significant influence is assumed to exist when the Group holds over 20% of the voting rights or when the Group has otherwise obtained significant influence but not control or joint control over the entity. If Sanoma's share of the losses from an associated company exceeds the carrying value of the investment, the investment in the associated company will be recognised at zero value on the balance sheet. Losses exceeding the carrying amount of investments will not be consolidated unless the Group has been committed to fulfil the obligations of the associated company.

Profit or loss for the period attributable to equity holders of the Parent Company and to the holders of non-controlling interests is presented in the income statement. The statement of comprehensive income shows the total comprehensive income attributable to the equity holders of the Parent Company and to the holders of non-controlling interests. The amount of equity attributable to holders of non-controlling interests is presented as a separate item on the balance sheet within equity.

Foreign currency items

Items reported in the financial statements of each Group company are recognised using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that company (the functional currency). The Consolidated Financial Statements are presented in euros, which is the Parent Company's functional and presentation currency.

Foreign currency transactions of the Group entities are translated to the functional currency at the exchange rate quoted on the transaction date. The monetary assets and liabilities denominated in foreign currencies on the balance sheet are translated into the functional currency at the exchange rate prevailing on the balance sheet date.

The gains and losses resulting from the foreign currency transactions and translating the monetary items are recognised in income statement. The exchange rate gains and losses are reported in financial income and expenses.

The income and expense items in the income statement and in the statement of comprehensive income of the non-euro Group entities (subsidiaries, associated companies and joint ventures) are translated into euros using the monthly average exchange rates and balance sheets using the exchange rate quoted on the balance sheet date. The profit for the period being translated into euros by different currency rates in the comprehensive income statement and balance sheet results in a translation difference in equity. The change in translation difference is recognised in other comprehensive income.

Exchange rate differences resulting from the translation of foreign subsidiaries' and equity accounted investees' balance sheets are recognised under shareholders' equity. When a foreign entity is disposed of, in whole or in part, cumulative translation differences are recognised in the income statement as part of the gain or loss on disposal.

During the reporting year or preceding financial year, the Group did not have subsidiaries in hyperinflationary countries.

Government grants

Grants from the government or other similar public entities that become receivable as compensation for expenses already incurred are recognised in the income statement on the period on which the Company complies with the attached conditions. These government grants are reported in other operating income in income statement. Government grants related to the purchase of property, plant and equipment or intangible assets are recognised as a reduction of the asset's book value and credited to the income statement over the asset's useful life.

Assets held for sale and discontinued operations

Assets are classified as held for sale if their carrying amount is recovered principally through a sale rather than through continuing use and a sale is considered highly probable. Such assets are stated at the lower of carrying amount and fair value less cost of disposal. Non-current assets held for sale are no longer depreciated. When equity-accounted investees meet the criteria to be classified as held for sale, equity accounting ceases at the time of reclassification.

Operations are classified as discontinued operations in case a component of an entity has either been disposed of, or is classified as held for sale, and:

- it represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

A component of an entity is defined as operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.

The result for the period of discontinued operations is presented as a separate item in the consolidated income statement.

Goodwill and other intangible assets

Acquired subsidiaries are consolidated using the acquisition method, whereby the cost is allocated to the acquired assets and liabilities assumed at their fair value on the date of acquisition. Goodwill represents the excess of the cost over the fair value of the acquired company's net assets. Goodwill reflects e.g., expected future synergies resulting from acquisitions.

Goodwill is not amortised but it is tested for impairment annually or if there are some triggering events.

The identifiable intangible assets are recognised separately from goodwill if the assets fulfil the related recognition criteria – i.e., they are identifiable, or based on contractual or other legal rights- and if their fair value can be reliably measured. Intangible assets are initially measured at cost and amortised over their expected useful lives. In Sanoma, expected useful lives can be determined for intangible rights. With regard to the acquisition of new assets, the Group assesses the expected useful life of the intangible right, for example, in light of historical data and market position, and determines the useful life on the basis of the best knowledge available on the assessment date.

The Group recognises the cost of broadcasting rights to TV programmes under intangible assets and their cost is amortised based on broadcasting runs. The prepublication costs of learning materials and solutions are recognised in intangible assets and amortised over the useful lives. In cash flow, acquisitions of broadcasting rights and prepublication costs are part of cash flow from operations.

The known or estimated amortisation periods for intangible assets with finite useful lives are:

- Publishing rights 2–20 years
- Software licenses 2–10 years
- Copy- and trademark rights 2–20 years
- Customer relationships 3–20 years
- Software projects 3–10 years
- Online sites 3–10 years
- Prepublication costs 3–8 years

Amortisation is calculated using the straight-line method. Recognising amortisation is discontinued when an intangible asset is classified as held for sale.

Goodwill and other intangible assets are described in more detail in Note 3.2.

Impairment testing

The carrying amounts of assets are reviewed whenever there is any indication of impairment. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. Those CGUs for which goodwill has been allocated are tested for impairment at least once a year. Intangible assets with indefinite useful lives are also tested at least annually.

The test assesses the asset's recoverable amount, which is the higher of either the asset's fair value less cost of disposal or value in use based on future cash flows. In Sanoma Group, impairment tests are principally carried out on a cash flow basis by determining the present value of estimated future cash flows of each CGU. If the carrying amount of the CGU exceeds its recoverable amount, an impairment loss is recorded in the income statement. Primarily, the impairment loss is deducted from the goodwill of the cash-generating unit and after that it is deducted proportionally from other non-current assets of the cash-generating unit. The useful life of the asset is re-estimated when an impairment loss is recognised.

If the recoverable amount of an intangible asset has changed due to a change in the key expectations, previously recognised impairment losses are reversed. However, impairment losses are not reversed beyond the amount the asset had before recognising impairment losses. Impairment losses recognised for goodwill are not reversed under any circumstances.

Impairment testing is described in more detail in Note 3.2.

Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any impairment losses. The cost includes any costs directly attributable to acquiring the item of PPE. Any subsequent costs are included in the carrying value of the item of PPE only if it is probable that it will generate future benefits for the Group and that the cost of the asset can be measured reliably. Lease premises' renovation expenses are treated as other tangible assets in the consolidated balance sheet. Ordinary repairs and maintenance costs are expensed as incurred.

The depreciation periods of PPE are based on the estimated useful lives and are:

- Buildings and structures 5–50 years
- Machinery and equipment 2–20 years
- Rental books 2–5 years
- Other tangible assets 3–10 years

Depreciation is calculated using the straight-line method. Land areas are not depreciated. Recognising depreciation is discontinued when the PPE is classified as held for sale.

The residual value and the useful life of an asset are reviewed at least at the end of each financial year and if necessary, they are adjusted to reflect the changes in expectations of financial benefits.

Gains and losses from disposing or selling items of PPE are recognised in the income statement and they are reported in other operating income or expenses.

Investment property

A property is classified as investment property if the Group mainly holds the property to earn rental yields or for capital appreciation. Investment property is initially measured at cost and presented as a separate item on the balance sheet. Investment properties include buildings, land and investments in shares of property and housing companies not in Sanoma's own use. Based on their nature, such shareholdings are divided into land or buildings.

The fair value of investment properties is presented in the notes to the consolidated financial statements. Fair values are determined by using the yield value method or using the information on equal real estate business transactions in the market. Also, an outside surveyor has been used when determining the fair value. The risk of the yield value method takes into account, among others, the term of the lease period, other conditions of the lease, the location of the premises and the nature of releasability as well as the development of environment and area planning.

Leases

At inception of a contract, an entity assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of property, plant and equipment, where the Group is the lessee, are recognised as assets and liabilities for the lease term. The cost of right-of-use asset comprises the amount of initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee. The asset is depreciated during the lease term or, if shorter, during its useful life.

In leases of premises there are extension and termination options. The entity considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. A lease term is reassessed if there's a significant event or change in circumstances that is within the control of the lessee and affects whether the lessee is reasonably certain to exercise the option not previously included in the lease term or not to exercise an option previously included in the lease term.

The lease liability is valued at the present value of the unpaid rents at the valuation date (commencement date of the lease). Rental costs include fixed rents and variable rents that depend on changes in the index or price level specified in the agreement. Sanoma applies the practical expedient and will not separate non-lease components from lease components and will instead account for each lease component and any associated non-lease components as a single lease component. Other variable rents included in the lease are treated as an expense for the period. Rents are discounted at the internal rate of the lease. If the internal rate is not readily determinable, the company's additional credit interest rate is used.

In income statement, leasing costs are classified as depreciation and interest. Lease payments are apportioned between the interest expenses and the repayment of lease liabilities. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In cash flow statement, the cash payments for the interest portion of the lease liability are presented in cash flow from operations. Cash payments for the principal portion of the lease liability are shown in cash flow from financing. The right-of-use assets and lease liabilities are presented separately in the balance sheet. The cash payments for the principal portion of the lease liability, which are paid in the next 12 months, are shown in current lease liabilities in balance sheet.

Sanoma applies the exemption for short-term leases (lease term 12 months or shorter than 12 months) and for leases for which the underlying asset is of low value and continues to recognise those leases on a straight-line basis as an expense. In cash flow statement, short-term lease payments and payments for leases of low-value assets are included in cash flow from operations.

The lease payments received for operating leases are shown under other operating income. The Group has no leases classified as finance leases in which it is a lessor.

Inventories

Inventories are stated at the lower of cost and net realisable value, using the average cost method. The cost of finished goods and work in progress includes the purchase price, direct production wages, other direct production costs and fixed production overheads to their substantial extent. Net realisable value is the estimated selling price, received as part of the normal course of business, less estimated costs necessary to complete the product and make the sale.

Financial assets

The Group's financial assets are classified as subsequently measured at amortised cost and at fair value through profit or loss.

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Sanoma has only one business model for debt instruments which is a business model whose objective is to hold assets in order to collect contractual cash flows. Financial assets are not reclassified subsequently to their initial recognition unless the Group changes its business model for managing financial assets. All equity instruments are measured at fair value.

Transaction costs are included in the initial carrying value of the financial assets if the item is not classified as a financial asset at fair value through profit or loss. Derecognition of financial assets takes place when Sanoma has lost the contractual right to the cash flows from the asset or it has transferred the essential risks and benefits to third parties.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. In Sanoma Group, financial assets measured at amortised cost include loan receivables, trade receivables and cash. According to IFRS 9, an entity shall recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. Sanoma has adopted the general expected credit loss model for debt instruments carried at amortised cost. For trade receivables, Sanoma applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivable. Sanoma uses a provision matrix as a practical expedient for measuring expected credit losses for trade receivables. Loss rates are defined separately for different geographic regions, type of business and types of customers (B2B and B2C). Loss rates are based on past information on actual credit loss experience, adjusted by current information and future expectations on economic conditions where deemed necessary.

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on an investment that is subsequently measured at fair value through profit or loss is recognised in the financial items in the income statement. In Sanoma Group financial assets measured at fair value through profit or loss include other equity investments and derivatives.

Cash and cash equivalents

Cash and cash equivalents include bank accounts and short-term deposits with a maturity of less than three months. Bank overdrafts are shown under current financial liabilities on the balance sheet.

Financial liabilities

Sanoma's financial liabilities are classified either as financial liabilities at amortised cost or as financial liabilities at fair value through profit or loss. Financial liabilities are classified as short-term liabilities unless the Group has an unconditional right to postpone the settling of the liability at least with 12 months from the end of the reporting period. The right to postpone the settlement must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. If the Group is required to comply with covenants on or before the end of the reporting period, these covenants will affect whether such a right exists at the end of the reporting period. Such a covenant affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period.

The financial liability or a part of it can be derecognised only when the liability has ceased to exist, meaning that the obligations identified by the agreement have been fulfilled, abolished or expired. If the Group issues a new debt instrument and uses the received reserves to repurchase an earlier issued debt instrument (whole or part) with not substantially different terms, any costs or fees incurred adjust the carrying amount of the new liability and are amortised over the remaining term of the issued instrument. A gain or loss arising from the difference in contractual cash flows is recognised in the income statement at the time of the modification.

The financial debt of Sanoma Group is classified as financial liabilities at amortised cost which are initially recognised at fair value including the transaction costs directly attributable to the acquisition of the financial liability. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method.

In Sanoma Group, financial liabilities at fair value through profit or loss include derivatives that do not comply with the conditions for hedge accounting. Both the unrealised and realised gains and losses arising from the changes in fair values of the derivatives are recognised in the financial items in the income statement on the period the changes arise.

Hybrid bond

A hybrid bond is a bond that is subordinated to the Group's other debt obligations and treated as equity in Sanoma's Consolidated Financial Statements prepared in accordance with the IFRS. Paying the interest on the hybrid bond is at the discretion of the Company, however an obligation to pay the interest arises if the Company decides to distribute dividends. Unpaid interest accumulates. A hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders.

Derivatives

Sanoma Group may use derivative instruments, such as forward foreign exchange contracts and interest rate swaps, in order to hedge against fluctuations in foreign exchange or interest rates. The Group does not apply hedge accounting.

Derivatives are initially recognised at fair value on the date of entering to a hedging agreement and they are subsequently measured at their fair value on each balance sheet date. The fair value of foreign exchange contracts is based on the contract forward rates in effect on the balance sheet date. Derivative contracts are shown in other current receivables and liabilities on the balance sheet. Both the unrealised and realised gains and losses arising from changes in fair values of the derivatives are recognised in the financial items in the income statement on the period the changes arise.

Risk management principles of financial risks are presented in more detail in Note 5.2.

Fair value hierarchy

Financial assets and liabilities measured at fair value are divided into three levels in the fair value hierarchy. In level 1, fair values are based on quoted prices in active markets. In level 2, fair values are based on valuation models for which all inputs are observable, either directly or indirectly. For assets and liabilities in level 3, the fair values are based on input data that is not based on observable market data.

Income taxes and other taxes

The income tax charge presented in the income statement is based on taxable profit for the financial period, adjustments for taxes from previous periods and changes in deferred taxes. Tax on taxable profit for the period is based on the tax rate and legislation effective in each country. Income taxes related to transactions impacting the profit or loss for the period are recognised in the income statement. Tax related to transactions or other items recognised in other comprehensive income or directly in equity, are recognised accordingly in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are recorded principally on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, using tax rates effective on the balance sheet date. Changes in the applicable tax rate are recorded as changes in deferred tax in the income statement. Deferred tax assets are recognised to the extent that it appears probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

No deferred tax liability on undistributed retained earnings of subsidiaries has been recognised in that respect, as such distribution is not probable within the foreseeable future. The most significant temporary differences relate to depreciation differences, defined benefit pension plans, subsidiaries' tax losses carried forward and the fair value measurement of assets acquired in business combinations.

The amount of current and deferred tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The recorded receivable and payable amounts are adjusted where it is not considered probable that a tax authority will accept an uncertain tax treatment used by the Group in an income tax filing. The amounts recorded are based on the most likely amount or the expected value, depending on which method the Group expects to better predict the resolution of the uncertainty.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if there is a legal right to set off current tax assets against liabilities and they relate to the same tax authority.

If Sanoma has been the subject of tax adjustment claims which it considers unjustified, it considers a possible payment relating to claims to be deposits with the tax authority if they give the Company a right to obtain future economic benefits, either by receiving a cash refund or by using the payment to settle the tax liability. Consequently, items paid in relation to these claims are reported as receivables in the balance sheet during the period when the legal proceedings are ongoing and the case has not been finally settled.

Sanoma applies the temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the GloBE (Global Anti-Base Erosion)-rules. For this reason, the entity does not recognise or disclose deferred taxes arising from Pillar Two rules. The Group's exposure to Pillar Two regulations and income taxes arising from that legislation are however presented on the Group's financial statements.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of this obligation can be made.

A restructuring provision is recognised when the Group has prepared a detailed restructuring plan and started to implement that plan or announced the matter.

Share-based payments

The share-based incentive plans introduced at Sanoma offer the Group's management an opportunity to receive Sanoma shares after a vesting period of two to three years, provided that the conditions set for receiving the shares are met. Shares in the Restricted Share Plans are delivered to the participants provided that their employment with Sanoma continues uninterrupted throughout the duration of the plan until the shares are delivered. In addition to the continuous employment condition, vesting of the Performance Shares is subject to meeting (partially or fully) the Group's performance targets set by the Board for annually commencing new plans.

The possible reward is paid as a combination of shares and cash. The cash component is dedicated to cover reward-related taxes and tax-related costs.

Share-based payments that are settled net in shares after withholding taxes are accounted for in full as equity-settled arrangements despite the fact that the employer pays in cash the taxes related to the rewards on behalf of the participants.

The fair value for the equity settled portion has been determined at grant using the fair value of Sanoma share as of the grant date less the expected dividends paid before possible share delivery. The fair value for the cash settled portion is remeasured at each reporting date until the possible reward payment. The fair value of the liability will thus change in accordance with Sanoma's share price. Liabilities arising from share-based payments represent an estimate of the employers' social costs relating to the payable rewards. The fair value is charged to personnel expenses until vesting.

A more detailed description of the share-based payments is provided in Note 6.2.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes the amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Revenue recognition is described in more detail in Note 2.2.

Research and development expenditure

Research expenditure is expensed as incurred.

Development expenditure refers to costs that an entity incurs with the aim of developing new products or services for sale, or fundamentally improving the features of its existing products or services, as well as extending its business. Development expenses are mainly incurred before the entity begins to make use of the new product/service for commercial or profitable purposes. Development expenditure is either expensed as incurred or recorded as other intangible asset if it meets the recognition criteria.

Pensions

The Group's pension schemes in different countries are arranged in accordance with local requirements and legislation. Pension schemes are classified into two categories: defined contribution plans and defined benefit plans. The Group has both defined contribution and defined benefit plans and the related pension cover is managed by both pension funds and insurance companies.

Contributions under defined contribution plans are expensed as incurred, and once they are paid to insurance companies the Group has no obligation to pay further contributions. All other post-employment benefit plans are regarded as defined benefit plans.

The present value of Sanoma Group's obligation of defined benefit plans is determined separately for each scheme using the projected unit credit method. Within the defined benefit plan, pension obligations or pension assets represent the present value of future pension payments less the fair value of the plan assets and potential past service cost. The present value of the defined benefit obligation is determined by using discount interest rates that are based on high-quality corporate bonds or government bonds whose duration essentially corresponds with the duration of the pension obligation. Pension expenses under the defined benefit plan are recognised as expenses for the remaining working lives of the employees within the plan based on the calculations of authorised actuaries.

Remeasurements of the net defined benefit liability are recognised immediately in other comprehensive income.

1.4 Adoption of new and amended IFRS standards and IFRIC interpretations

The Group has applied the same accounting policies as in the Financial Statements 2023, except for the effect of changes required by the adoption of the following new standards, interpretations and amendments to standards and interpretations as of 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants. The amendments specify requirements related to the classification of liabilities as current or non-current items and require additional disclosure on loans which contain covenants. The amendments have no material impact on the Group's financial statements.

IASB and IFRIC have issued certain new standards and interpretations, which are not yet effective, and the Group has not applied these requirements before the effective date:

- IFRS 18 Presentation and Disclosure in Financial Statements: the Group is currently working to identify all impacts the standard will have on the Group's financial statements and notes to the financial statements.

2. Financial performance

2.1 Operating segments

In 2024, Sanoma Group included two operating segments which are its two strategic business units Sanoma Learning and Sanoma Media Finland. This is aligned with the way Sanoma manages the businesses.

Learning

Sanoma Learning is one of the global leaders in K12 education, serving about 25 million students in 12 European countries. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning materials as well as digital learning and teaching platforms for K12. i.e., primary, secondary and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Media Finland

Sanoma Media Finland is the leading cross-media company in Finland, reaching 96% of all Finns weekly. We provide information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact and reach.

Other operations/eliminations

In addition to the Group eliminations, the column other operations/eliminations includes non-core operations, head office functions and items not allocated to segments.

Segments 2024

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
External net sales	764.2	580.7		1,344.8
Internal net sales		0.2	-0.2	
NET SALES	**764.2**	**580.9**	**-0.2**	**1,344.8**
Depreciation, amortisation and impairment losses	-154.7	-91.3	-1.5	-247.6
EBIT	**59.1**	**38.2**	**-15.4**	**81.8**
OPERATIONAL EBIT EXCL PPA[1]	**146.9**	**47.5**	**-14.4**	**180.0**
Share of results in associated companies		0.0		0.0
Financial income			6.8	6.8
Financial expenses			-40.3	-40.3
RESULT BEFORE TAXES				**48.4**
Income taxes				-7.8
RESULT FOR THE PERIOD				**40.6**
Capital expenditure	30.3	7.2	0.2	37.7
Goodwill[2]	868.2	109.3	-167.7	809.8
Equity-accounted investees		3.5		3.5
Segment assets	1,659.7	338.9	-152.5	1,846.0
Other assets				33.1
TOTAL ASSETS				**1,879.1**
Segment liabilities	257.1	177.6	-18.2	416.5
Other liabilities				690.9
TOTAL LIABILITIES				**1,107.4**
Free cash flow[1]	67.4	71.0	7.0	145.3
Average number of employees (full-time equivalents)	2,612	2,109	100	4,820

[1] Non-audited.
[2] Other operations/eliminations column includes adjustment of goodwill related to legal restructuring of Learning.

Operational EBIT excl. PPA is adjusted by items affecting comparability.

Segments 2023

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
External net sales	795.2	597.7		1,392.9
Internal net sales	0.0	0.2	-0.2	
NET SALES	**795.2**	**597.8**	**-0.2**	**1,392.9**
Depreciation, amortisation and impairment losses	-132.1	-102.6	-1.2	-235.9
EBIT	**70.6**	**-8.4**	**-10.5**	**51.7**
OPERATIONAL EBIT EXCL PPA[1]	**148.4**	**39.8**	**-12.9**	**175.4**
Share of results in associated companies		-0.6		-0.6
Financial income			8.6	8.6
Financial expenses			-39.1	-39.1
RESULT BEFORE TAXES				**20.6**
Income taxes				-16.5
RESULT FOR THE PERIOD				**4.1**
Capital expenditure	33.8	8.6	0.7	43.1
Goodwill[2]	868.3	111.7	-167.7	812.2
Equity-accounted investees		3.6		3.6
Segment assets	1,745.2	376.5	-170.5	1,951.3
Other assets				85.3
TOTAL ASSETS				**2,036.6**
Segment liabilities	267.2	183.9	-36.1	415.0
Other liabilities				822.2
TOTAL LIABILITIES				**1,237.2**
Free cash flow[1]	46.3	37.7	21.1	105.1
Average number of employees (full-time equivalents)	2,849	2,144	125	5,119

[1] Non-audited.
[2] Other operations/eliminations column includes adjustment of goodwill related to legal restructuring of Learning.

Operational EBIT excl. PPA is adjusted by items affecting comparability.

The accounting policies for segment reporting do not differ from the accounting policies for the Consolidated Financial Statements. The decisions concerning assessing the performance of operating segments and allocating resources to the segments are based on segments' EBIT and operational EBIT excl. PPA. Sanoma's President and CEO acts as the chief operating decision-maker. Segment assets do not include cash and cash equivalents, interest-bearing receivables, tax

receivables and deferred tax receivables. Segment liabilities do not include financial liabilities, tax liabilities and deferred tax liabilities. Capital expenditure includes investments in tangible and intangible assets. Transactions between segments are based on market prices.

Information about geographical areas 2024

EUR million	Finland	The Netherlands	Other EU countries	Other countries	Total
External net sales	639.8	220.8	472.2	12.0	1,344.8
Non-current assets	432.3	484.4	698.0	11.9	1,626.6

Information about geographical areas 2023

EUR million	Finland	The Netherlands	Other EU countries	Other countries	Total
External net sales	658.4	218.7	502.1	13.7	1,392.9
Non-current assets	465.5	530.5	718.2	14.2	1,728.3

External net sales and non-current assets are reported based on where the company is domiciled. Non-current assets do not include financial instruments, deferred tax receivables and assets related to defined benefit plans.

The Group's revenues from transactions with any single external customer do not amount to 10% or more of the Group's net sales.

2.2 Net sales

Nature of goods and services

The following is a description of principal activities, separated by operating segments, from which the Group generates its revenue. Sanoma Group includes two operating segments, which are its strategic business units Sanoma Learning and Sanoma Media Finland. For more detailed information about operating segments, see Note 2.1.

Learning segment

Sanoma Learning is one of the global leaders in K12 education, serving about 25 million students in 12 European countries. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning content as well as digital learning and teaching platforms for K12, i.e., primary, secondary and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Sales are primarily generated through the sale of educational books and granting access to online learning platforms. In most cases, customer contracts include a combination of books, CDs and access to platforms. In these cases, educational books and the access to the online platform are considered distinct and therefore identified as separate performance obligations. The consideration is allocated between the separate performance obligations based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the identifiable products and services. For items that are not sold separately by the Group, the stand-alone selling prices are either estimated using the adjusted market assessment approach or by using an expected cost plus a margin approach.

Products and services	Nature of products and services, timing of satisfaction of performance obligations and significant payment terms
Educational books	Educational books include revenue from publishing books for primary, secondary and vocational education. Revenue is recognised when the books are delivered to the customer (point-in-time). Revenue from books with a right of return is presented after deducting the estimated returns. Books are usually billed upon delivery and paid according to the payment terms on the invoices.
Access to online learning platforms	Access to online learning platforms can either be sold separately or in combination with educational books. Revenue of access to online learning platforms is recognised over the period (over-time) the customer has access to the platform (usually during a school year). Access services are usually paid in advance in monthly, quarterly or annual instalments.
Access to online teacher solutions and school management systems	Access to online teacher solutions and school management systems includes revenue of access to online platforms and applications for which revenue is recognised over the period (over-time) that the customer has access to the platform.
Other	Other sales mainly include the physical distribution of learning materials. For learning materials sold, the revenue is recognised when they are delivered to the customer. For rental learning books, revenue is recognised over the period (over-time) that the customer rents the book. Other sales also include consultancy services in testing and assessment activities. This is considered a separate performance obligation which is recognised in revenue over time when the service is delivered. Testing and assessment services are billed and paid on a monthly basis.

Media Finland segment

Sanoma Media Finland is the leading cross-media company in Finland, reaching 96% of all Finns weekly. We provide information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact and reach.

Sanoma Media Finland principally generates consumer revenue from providing consumer magazines, newspapers, events, online services and SVOD (Subscription video on demand) and AOD (Audio on demand). Through combining media content and customer data, advertising revenue is generated by providing successful marketing solutions for our clients. The typical length of customer contracts is 12 months or less.

Print sales are generated primarily from circulation sales, both subscriptions and single copy sales. In addition, print sales include advertising sales. Non-print sales are generated from subscriptions for online news, SVOD and AOD as well as advertising sales generated through TV, VOD, radio, online and mobile channels. Also revenue generated from events (both consumer income and other B2B revenue) is included in non-print sales.

For each customer contract, the Group accounts for individual performance obligations separately if they are distinct. A product or service is considered distinct if it is separately identifiable from other promises in the contract and if a customer can benefit from it on its own. The consideration is allocated between separate performance obligations based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the identifiable products and services. For items that are not sold separately by the Group, the stand-alone selling prices are estimated using the adjusted market assessment approach.

Products and services	Nature of products and services, timing of satisfaction of performance obligations and significant payment terms
Advertising	Print advertising is generated through classical pages, classified ads (small advertisements categorised by topic) or plus propositions and inserts (flyers, cards, etc.). Revenue recognition is at issue date (point-in-time) of the magazine/newspaper. Revenue is the net price; discounts are subtracted. Discounts can be agency discounts, generic discounts or volume discounts. Advertising services are usually billed and paid on a weekly or monthly basis.
	TV and radio advertising mainly relates to spot advertising for both free-to-air (FTA) channels and video-on-demand (VOD) generated from contracts with media agencies. Revenue is recognised when the commercial is broadcasted (point-in-time). Advertising services are usually billed and paid on a weekly or monthly basis.
	Online and mobile advertising is generated through display sales (e.g., banners and buttons) and non-display sales, which is primarily branded content. Both display and non-display sales are recognised over-time, during the running time of the advertising campaign. Performance-based revenue is generated based on number of clicks and/or fee for leads generated through the Group's websites (affiliate sales). Performance-based revenue is recognised at a point-in-time. Advertising services are usually billed and paid on a weekly or monthly basis.
Subscription	Magazine and newspaper subscriptions include subscriptions to magazine and newspaper content in print, digital and bundle format. The subscription terms vary from a few months up to more than 12 months. A part of the subscriptions are continuous, and end only when the customer ends them. Revenue is recognised based on publication dates over the contract term (over-time). Contracts are ended after the contract term and renewals are agreed at regular prices, therefore treated as new contracts. New subscriptions are offered at full price or at a discount. Revenue is presented net of the granted discount. When a new subscription is made, the customer may be offered a free premium article. The article is considered a separate performance obligation for which the stand-alone selling price is recognised when the control of the product is transferred to the customer (point-in-time). For subscription bundles (combination of print, online and/or event), the separate products are identified as separate performance obligations. Revenue is recognised based on the issue dates of respective products during the contract term (over-time). Print subscriptions are usually paid in advance in monthly, quarterly or annual instalments.
	Video and audio subscriptions include consumer subscriptions to video-on-demand and audio-on-demand. Revenue is recognised over the length of the subscription term (over-time). Video and audio subscriptions are usually paid in advance in monthly, quarterly or annual instalments.
Single copy	Single copy sales relate to magazines and newspapers sold in kiosks, supermarkets and other retail channels. Retailers have a right of return for unsold copies. Revenue is recognised at the moment the products are delivered to the retailer (point-in-time), taking into account a provision for estimated returns. Single copy sales are usually billed and paid on a weekly or monthly basis.
Other B2C sales	Other B2C sales consist of product sales, income from events (consumer part), newspaper consumer announcements and other consumer income. Revenue is recognised at a point-in-time. Other B2C sales are usually billed and paid on a monthly basis.
Other B2B sales	Other B2B sales include printing sales, income from events (B2B part), licensing, gift cards, service sales, commission sales and distribution sales. Based on the nature of the performance obligations, other B2B sales are recognised both at a point-in-time and over-time. Other B2B are usually billed and paid on a monthly basis.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue by the Group's two operating segments. Information on operating segments is presented in Note 2.1.

Disaggregation of revenue 2024

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	59.4	580.9	-0.2	640.1
The Netherlands	220.8			220.8
Poland	139.2			139.2
Spain	135.6			135.6
Italy	105.5			105.5
Belgium	64.1			64.1
Other companies and eliminations	39.6			39.6
Primary geographical markets	**764.2**	**580.9**	**-0.2**	**1,344.8**
Learning solutions	634.2			634.2
Advertising		214.8	-0.2	214.6
Subscription		254.3	0.0	254.3
Single copy		37.0		37.0
Other	130.0	74.8	-0.1	204.7
Major product lines/services	**764.2**	**580.9**	**-0.2**	**1,344.8**
Recognition at a point-in-time	608.3	149.9	-0.2	758.0
Recognition over-time	155.8	431.0		586.8
Timing of revenue recognition	**764.2**	**580.9**	**-0.2**	**1,344.8**

Disaggregation of revenue 2023

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	60.9	597.8	-0.2	658.5
The Netherlands	218.7			218.7
Poland	125.7			125.7
Spain	152.4			152.4
Italy	104.7			104.7
Belgium	82.1			82.1
Other companies and eliminations	50.8			50.8
Primary geographical markets	**795.2**	**597.8**	**-0.2**	**1,392.9**
Learning solutions	660.4		0.0	660.4
Advertising		219.2	-0.1	219.1
Subscription		246.0	0.0	246.0
Single copy		38.3		38.3
Other	134.7	94.3	0.0	229.0
Major product lines/services	**795.2**	**597.8**	**-0.2**	**1,392.9**
Recognition at a point-in-time	655.5	178.9	-0.2	834.2
Recognition over-time	139.7	419.0		558.7
Timing of revenue recognition	**795.2**	**597.8**	**-0.2**	**1,392.9**

The revenue per country is based on the location of the entity that generates the revenue.

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2024		2023	
EUR million	**Contract assets**	**Contract liabilities**	**Contract assets**	**Contract liabilities**
1 Jan	**0.5**	**152.7**	0.6	141.9
Revenue recognised that was included in the contract liability at the beginning of the period		-151.9		-139.3
Increases due to cash received, excluding amounts recognised as revenue during the period		160.6		150.2
Transfers from contract assets recognised at the beginning of the period to receivables	-0.5		-0.6	
Increase in contract assets due to fulfilled performance obligations not yet invoiced	0.9		0.5	
31 Dec	**0.9**	**161.5**	0.5	152.7

The contract assets primarily relate to performance obligations that have been fulfilled, but for which invoicing has not yet taken place. The contract assets are transferred to receivables upon invoicing and therefore becoming unconditional. The contract liabilities primarily relate to advance considerations received from customers and for which revenue is recognised at the moment of fulfilling the performance obligation. Contract assets and liabilities relate to customer contracts that are generally settled within 12 months after inception of the contract, with the exception of customer contracts for digital products in Sanoma Learning, which are settled between six months to maximum eight years after inception of the contract.

Information on trade receivables is further disclosed in Notes 4.2 and 4.3, and Note 5.2.

Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

Unsatisfied performance obligations

EUR million	2025	> 2025	Total
Learning	93.8	1.1	94.8
Media Finland	66.6		66.6
Total	**160.4**	**1.1**	**161.5**

Distribution of net sales between goods and services

EUR million	2024	2023
Sale of goods	787.2	834.0
Rendering of services	557.7	558.9
Total	**1,344.8**	1,392.9

The sale of goods includes sales of magazines, newspapers and books as well as the sale of other physical items.

Rendering of services consists of advertising sales in magazines, newspapers, TV, radio and online as well as the sales of online marketplaces. In addition, sales of services include income from renting learning books as well as user fees for e-learning solutions and databases.

2.3 Other operating income

Other operating income

EUR million	2024	2023
Gains on sale of property, plant and equipment	1.1	1.5
Gains on sale of Group companies and operations	5.6	1.6
Gains on sale of investment property		2.9
Rental income from investment property	0.1	0.1
Other rental income	5.0	5.3
Government grants	0.3	0.1
Other	16.3	13.8
Total	**28.3**	25.6

The Group's other rental income is mostly related to sub-leases.

Other operating income includes EUR 3.7 million (2023: 4.3) reprography fee income and EUR 2.5 million (2023: 2.8) income related to alternative payment methods.

More information on investment property can be found in Note 4.6.

2.4 Employee benefit expenses

Employee benefit expenses

EUR million	2024	2023
Wages, salaries and fees	-323.7	-328.5
Equity-settled share-based payments	-2.5	-4.4
Pension costs, defined contribution plans	-38.8	-37.6
Pension costs, defined benefit plans	-0.8	-1.8
Other social expenses	-29.2	-33.2
Total	**-395.0**	-405.4

Wages, salaries and other compensations for key management are presented in Note 6.3 and share-based payments are described in Note 6.2. Post employment benefits are described in Note 4.9.

2.5 Materials and services and other operating expenses

Materials and services

EUR million	2024	2023
Paper costs	-35.4	-54.2
Raw materials and supplies	-92.2	-112.7
Purchased transport and distribution service	-91.8	-98.2
Purchased printing	-61.4	-72.7
Sales and commission costs	-18.4	-13.8
Editorial subcontracting	-11.8	-11.9
Royalties	-46.0	-48.8
Other purchased services	-45.9	-48.1
Other	-31.5	-26.7
Total	**-434.3**	-487.0

Other operating expenses

EUR million	2024	2023
Losses on sales of Group companies and operations	-0.4	
Operating costs of premises	-10.3	-9.7
Rents	-3.8	-4.8
Advertising and marketing	-55.4	-56.9
Office and ICT expenses	-116.6	-98.5
Professional fees	-30.1	-28.9
Travel expenses	-7.2	-6.8
Other	8.4	-33.5
Total	**-215.4**	-239.0

The Group had no material research and development expenditure recognised as an expense during the financial year or during the comparative year.

In 2023, other operating expenses include EUR -35.9 million VAT claims for years 2015–2018 and 2019–2021. Other operating expenses include also cost adjustments related to the capitalisation in PPE and intangible assets.

Other operating expenses include the following expenses related to lease contracts.

EUR million	2024	2023
Expense relating to short-term leases	-4.0	-4.3
Expense relating to leases of low-value assets	0.0	0.0
Expense relating to variable lease payments not included in lease liabilities	-1.1	-1.2

Audit fees

EUR million	2024	2023
Statutory audit	-1.2	-1.3
Audit-related services	-0.1	0.0
Tax services	0.0	0.0
Other non-audit services	-0.4	-0.2
Total	**-1.7**	-1.6

In 2024, PricewaterhouseCoopers Oy, a firm of Authorised Public Accountants, acted as Sanoma's auditor.

PricewaterhouseCoopers Oy has provided non-audit services to entities of Sanoma Group in total EUR 0.4 million (2023: 0.2) during the financial year 2024. The services for the year 2024 included auditor's statements, sustainability reporting assurance, tax services and other services.

2.6 Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses

EUR million	2024	2023
Amortisation of intangible assets		
Purchase price allocation amortisation	-36.7	-41.3
Other amortisation of intangible assets		
Prepublication rights of learning materials	-46.4	-42.5
Film and TV broadcasting rights	-55.2	-58.9
Other intangible assets	-32.2	-26.8
Total	**-170.6**	-169.6
Depreciation of property, plant and equipment		
Rental books	-3.9	-7.4
Other depreciation	-6.4	-7.9
Total	**-10.3**	-15.3
Depreciation of right of use assets		
Buildings	-26.3	-27.9
Machinery and vehicles	-5.6	-5.4
Total	**-31.9**	-33.3
Impairment losses	**-34.8**	-17.7
Total	**-247.6**	-235.9

2.7 Financial items

Financial items

EUR million	2024	2023
Dividend income	0.2	0.1
Interest income from financial assets measured at amortised cost	2.1	2.2
Forward currency exchange contracts, change in fair value		0.0
Exchange rate gains	3.9	5.7
Other financial income	0.7	0.7
Financial income total	**6.8**	8.6
Interest expenses from financial liabilities measured at amortised cost	-28.4	-25.0
Interest expenses on leases	-6.0	-6.4
Forward currency exchange contracts, no hedge accounting, change in fair value	0.0	0.0
Fair value losses	0.0	-1.0
Exchange rate losses	-3.7	-3.8
Other financial expenses	-2.2	-3.0
Financial expenses total	**-40.3**	-39.1
Total	**-33.4**	-30.5

2.8 Income taxes and deferred taxes

Income taxes

EUR million	2024	2023
Income taxes on operational income	-23.1	-26.3
Income taxes from previous periods	0.2	6.2
Withholding tax on dividends	0.0	
Change in deferred tax	15.0	3.5
Tax expense in the income statement	**-7.8**	-16.5

Income tax reconciliation against local tax rate

EUR million	2024	2023
Result before taxes	48.4	20.6
Tax calculated at (Finnish) statutory rate 20%	-9.7	-4.1
Effect of different tax rates in the operating countries	0.4	-0.3
Non-taxable income	3.7	0.8
Non-deductible expenses	-1.6	-10.8
Tax relating to previous accounting periods	-0.8	6.2
Effect of joint ventures and associated companies	0.2	0.4
Write down or non-recognition of deferred tax assets from losses	0.5	-8.7
Dispute regarding VAT treatment of certain magazines		-2.0
Other items	-0.4	2.0
Income taxes in the income statement	**-7.8**	-16.5
Effective tax rate, %	**16.1**	80.3

Deferred tax receivables and liabilities 2024

EUR million	At 1 Jan	Recorded in the income statement	Recorded in the equity	Operations acquired/ sold	Recorded in other comprehensive income	Translation differences and reclassifications	At 31 Dec
Deferred tax receivables							
Tax losses carried forward and unused credits	2.1	-1.5		0.0		0.2	0.7
PPE and intangible assets	47.4	-4.5		0.0		-0.1	42.7
Inventories	0.2	0.2				0.2	0.6
Trade and other receivables	0.2	0.3				0.0	0.5
Provisions	5.0	1.6				0.0	6.7
Pension obligations, defined benefit plans	1.2	0.0			-0.4	-0.5	0.3
Other items	2.5	0.2				-0.2	2.6
Total	**58.5**	**-3.6**		**0.0**	**-0.4**	**-0.4**	**54.1**
Offsetting of deferred tax assets and liabilities	-53.0						-50.4
Total	**5.5**						**3.8**
Deferred tax liabilities							
PPE and intangible assets	161.0	-17.4		0.0		-1.9	141.7
Inventories	0.0	0.0				0.2	0.2
Pension assets, defined benefit plans	6.0	0.5			0.6	-0.5	6.7
Other items	1.9	-1.6				1.6	1.9
Total	**169.0**	**-18.6**		**0.0**	**0.6**	**-0.5**	**150.5**
Offsetting of deferred tax assets and liabilities	-53.0						-50.4
Total	**116.0**						**100.1**

Deferred tax receivables and liabilities 2023

EUR million	At 1 Jan	Recorded in the income statement	Recorded in the equity	Operations acquired/ sold	Recorded in other comprehensive income	Translation differences and reclassifications	At 31 Dec
Deferred tax receivables							
Tax losses carried forward and unused credits	10.2	-7.4				-0.8	2.1
PPE and intangible assets	51.4	-1.2				-2.8	47.4
Inventories	0.1	0.1				0.0	0.2
Trade and other receivables	0.1	0.1					0.2
Provisions	3.4	1.4				0.3	5.0
Pension obligations, defined benefit plans	1.0	-0.2			0.3	0.0	1.2
Other items	0.9	0.9	0.5			0.2	2.5
Total	**67.1**	**-6.3**			**0.3**	**-2.6**	**58.5**
Offsetting of deferred tax assets and liabilities	-56.4						-53.0
Total	**10.7**						**5.5**
Deferred tax liabilities							
PPE and intangible assets	172.4	-8.9		0.3		-2.8	161.0
Inventories	0.0	0.0				0.0	0.0
Pension assets, defined benefit plans	3.1	-0.6			3.5	0.0	6.0
Other items	2.2	-0.3				0.0	1.9
Total	**177.8**	**-9.8**		**0.3**	**3.5**	**-2.8**	**169.0**
Offsetting of deferred tax assets and liabilities	-56.4						-53.0
Total	**121.4**						**116.0**

Tax losses

	Tax losses carried forward		Recognised deferred tax asset		Unrecognised deferred tax asset	
EUR million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Expiry within five years	0.5	1.2		0.0	0.1	0.0
Expiry after five years	1.5	9.3	0.0	0.2	0.3	2.0
No expiry	33.9	58.9	0.6	1.8	6.9	11.8
Total	**36.0**	69.5	**0.6**	2.0	**7.3**	13.8

The recognition of the deferred tax assets is supported by offsetting deferred tax liabilities and where applicable by the Group's estimations of future taxable profits based on the approved business plans and budgets of the subsidiary. The Group continually evaluates the assessments in respect of the utilisation of the deferred tax assets.

Due to the unlikely use of tax benefits in the coming years, deferred tax receivables of EUR 7.3 million (2023: 13.8) have not been recorded in the consolidated balance sheet based on the management's judgement. These unrecognised receivables relate mainly to tax losses carried forward of subsidiaries.

Pillar 2

Sanoma is within the scope of the OECD Pillar 2 global minimum tax model rules. The rules are effective for Sanoma's financial year beginning 1 January 2024.

Under the Pillar 2 legislation, Sanoma might be liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction calculated using Global Anti-Base Erosion (GloBE) rules and the 15% minimum rate. Based on our analysis of the 2024 financial data, we have determined that the transitional Pillar 2 safe harbours apply to us. Consequently, we are not expecting additional tax exposure under Pillar 2 in 2024. The assessment is based on the most recent country-by-country reporting and IFRS financial data of the jurisdictions.

2.9 Earnings per share

Undiluted earnings per share is calculated by dividing the result for the period attributable to the equity holders of the Parent Company, adjusted by the tax-adjusted interest on the hybrid bond, by the weighted average number of shares outstanding.

Earnings per share

	2024	2023
Result attributable to the equity holders of the Parent Company, EUR million	40.5	3.3
Accrued interest on the hybrid bond	-12.0	-9.5
Tax effect	2.4	1.9
Net effect	**-9.6**	-7.6
Weighted average number of shares on the market, thousands	163,413	163,253
Earnings per share, EUR	**0.19**	-0.03

Diluted earnings per share is calculated by adjusting the weighted average number of shares so that share plans are taken into account.

Diluted earnings per share

	2024	2023
Profit used to determine diluted earnings per share, EUR million	40.5	3.3
Accrued interest on the hybrid bond	-12.0	-9.5
Tax effect	2.4	1.9
Net effect	**-9.6**	-7.6
Weighted average number of shares on the market, thousands	163,413	163,253
Effect of share plans, thousands	227	236
Diluted average number of shares, thousands	163,641	163,489
Diluted earnings per share, EUR	**0.19**	-0.03

Information on share plans is presented in Note 6.2. For more information on shares and shareholders, see Report of the Board of Directors section Ownership structure and shareholders.

3. Acquisitions and capital expenditure

3.1 Acquisitions and divestments

Acquisitions in 2024

No acquisitions were conducted during 2024.

Impact of business acquisitions on Group's assets and liabilities

EUR million	2024	2023
Property, plant and equipment		0.0
Right-of-use assets		0.1
Intangible assets		2.0
Other non-current assets		0.0
Other current assets		3.3
Assets, total		5.4
Non-current liabilities		-2.3
Current liabilities		-2.5
Liabilities, total		-4.8
Fair value of acquired net assets		0.6
Acquisition cost		1.6
Fair value of previously held interest		0.2
Fair value of acquired net assets		-0.6
Goodwill from the acquisitions		1.2

Acquisitions of non-controlling interests

EUR million	2024	2023
Acquisition cost		2.8
Book value of the acquired interest		1.1
Impact on consolidated equity		-1.7

Cash paid to obtain control, net of cash acquired

EUR million	2024	2023
Acquisition cost		1.6
Cash and cash equivalents of acquired operations		-1.5
Decrease (+) / increase (-) in acquisition liabilities	0.8	0.2
Cash paid to obtain control, net of cash acquired	**0.8**	0.4
Acquisition cost		2.8
Decrease (+) / increase (-) in acquisition liabilities		4.3
Cash paid on acquisitions of non-controlling interests		7.1

Acquisitions in 2023

In 2023, Sanoma invested EUR 4.4 million in business acquisitions.

On 30 August 2023, Sanoma Media Finland acquired 100% of the shares of Marva Media Oy and Rauman Suorajakelu Oy. Marva Media publishes the newspaper Länsi-Suomi and the city paper Raumalainen. The transaction strengthens the reach of Sanoma's regional newsmedia and the customer base in the Satakunta area.

On 3 April 2023, Sanoma Learning acquired the rest of the shares of Tutorhouse Oy and increased its ownership from 80% to 100%.

On 31 March 2023, Sanoma Learning acquired the rest of the shares of Clickedu and increased its ownership from 67% to 100%.

On 17 February 2023, Sanoma Media Finland acquired the rest of the shares of Valopilkku and increased its ownership to 100%.

On 10 February 2023, Sanoma Media Finland increased its ownership in Kaiku Entertainment Oy from 60% to 100%.

On 31 August 2022, Sanoma acquired Pearson's local K12 learning content business in Italy and its small exam preparation business in Germany. Acquisition accounting for Sanoma Italy was disclosed in the 2022 financial statements as provisional. The purchase price allocation was finalised during Q3 2023, resulting in EUR 0.5 million decrease in goodwill. The purchase price has been allocated to identified net assets which include trademarks, customer relationships, ELT (English language teaching) distribution agreement and inventory.

Net sales of Sanoma Group would have totalled approx. EUR 1,397 million, if acquisitions had taken place at the beginning of the year 2023. The effect of the acquisitions on the Group's 2023 result before taxes was minor.

Divestments in 2024

On 2 April 2024, Sanoma divested Valopilkku to Fonecta Group. Valopilkku is one of Finland's best-known taxi booking applications with users all over Finland.

On 31 January 2024, Sanoma divested its majority holding in Netwheels Oy to Alma Media. Netwheels Oy offers car sales software as a service (SaaS) to a large corporate customer base in the automotive industry in Finland. Sanoma Media Finland Oy held a total of 55.8% in Netwheels. In 2023, net sales of Netwheels Oy were approx. EUR 8 million and it employed 29 people, who were transferred to the buyer with the divestment.

On 2 January 2024, Sanoma divested Stark, an exam preparation business in Germany, which it acquired with the Italian K12 learning content business from Pearson in August 2022. The buyer was the original founder of the business, Mr. Stark. In 2023, Stark's net sales were approx. EUR 14 million and the company employed 56 people, who were transferred to the buyer with the divestment.

Impact of divestments on Group's assets and liabilities

EUR million	2024	2023
Property, plant and equipment	0.0	
Goodwill	2.3	
Other intangible assets	0.9	
Inventories	0.2	
Trade and other receivables	2.7	
Cash and cash equivalents	6.6	
Assets, total	**12.8**	
Deferred tax liabilities	0.0	
Financial liabilities	-0.4	
Trade and other payables	-4.5	
Liabilities, total	**-5.0**	
Derecognised non-controlling interest	-1.5	
Net assets	6.3	
Sales price	12.2	1.6
Transaction fees paid	-0.7	
Net result from sale of operations	**5.2**	1.6

Cash flow from sale of operations

EUR million	2024	2023
Sales price	12.2	1.6
Cash and cash equivalents of divested operations	-6.6	
Decrease (+) / increase (-) in receivables from divestment		1.9
Cash flow from sale of operations	**5.6**	3.5

Divestments in 2023

On 1 November 2023, Sanoma Media Finland sold Earlybird distribution business to distribution company PPP Finland Oy.

On 22 February 2023, Sanoma Media Finland sold audio service Supla's audiobook operations to BookBeat.

3.2 Intangible assets

Intangible assets 2024

EUR million	Goodwill	Immaterial rights	Prepublication rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan	860.0	529.4	541.2	682.7	45.4	2,658.6
Increases		53.9	46.1	23.9	6.2	130.0
Decreases		-46.5	-16.1	-2.9		-65.6
Disposal of operations	-48.0	-1.9	-0.6	-3.0		-53.5
Reclassifications		8.5		8.2	-16.7	0.0
Exchange rate differences	-0.1	0.1	-0.2	-0.3	0.0	-0.4
Acquisition cost at 31 Dec	**811.9**	**543.4**	**570.4**	**708.5**	**34.9**	**2,669.1**
Accumulated amortisation and impairment losses at 1 Jan	-47.8	-360.0	-402.8	-315.3		-1,125.8
Decreases, disposals and acquisitions	45.6	48.5	16.6	5.1		115.9
Amortisation for the period		-70.4	-46.4	-53.7		-170.6
Impairment losses for the period		-2.5	-1.6	-28.8		-32.9
Reclassifications				0.1	-0.1	0.0
Exchange rate differences		0.0	0.1	0.1		0.2
Accumulated amortisation and impairment losses at 31 Dec	**-2.1**	**-384.4**	**-434.1**	**-392.5**	**-0.1**	**-1,213.2**
Carrying amount at 31 Dec	**809.8**	**159.0**	**136.2**	**316.0**	**34.8**	**1,455.9**

Intangible assets 2023

EUR million	Goodwill	Immaterial rights	Prepublication rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan	869.7	542.0	508.5	655.0	33.4	2,608.6
Increases		65.2	55.3	24.5	11.0	156.1
Acquisitions of operations	3.5	1.2		0.7		5.4
Decreases		-71.7	-29.2	-5.9	-0.1	-106.9
Reclassifications	-12.2	-8.1	4.4	7.4	0.9	-7.6
Exchange rate differences	-1.1	0.8	2.2	1.0	0.1	3.0
Acquisition cost at 31 Dec	**860.0**	**529.4**	**541.2**	**682.7**	**45.4**	**2,658.6**
Accumulated amortisation and impairment losses at 1 Jan	-57.7	-353.1	-380.6	-266.1		-1,057.5
Decreases, disposals and acquisitions		71.7	29.2	5.9		106.8
Amortisation for the period		-74.3	-42.5	-52.8		-169.6
Impairment losses for the period	-2.3	-4.1	-3.1	-1.2		-10.7
Reclassifications	12.2	0.1	-4.4	-0.4	0.0	7.4
Exchange rate differences		-0.3	-1.4	-0.7	0.0	-2.3
Accumulated amortisation and impairment losses at 31 Dec	**-47.8**	**-360.0**	**-402.8**	**-315.3**		**-1,125.8**
Carrying amount at 31 Dec	**812.2**	**169.4**	**138.4**	**367.4**	**45.4**	**1,532.7**

Immaterial rights include purchase price allocations total 143.5 million (2023: 155.4) e.g., allocations to trade marks. The prepublication rights of learning materials and solutions are internally generated intangible assets. Other intangible assets include mainly assets identified in acquisition accounting total 241.6 million (2023: 290.8), e.g., purchase price allocated to customer relationships.

Excluding goodwill the Group has no intangible assets with indefinite useful lives at the end of the financial year.

Impairment losses recognised from immaterial rights and other intangibles assets

Intangible assets with definite useful lives are amortised using the straight-line method, except for the immaterial rights where the diminishing method is used for broadcasting rights and the straight-line method for other immaterial rights. At each reporting date it is assessed whether there is any indication that these intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated by determining the present value of future cash flows of the asset.

Impairment losses totalling EUR 32.9 million (2023: 8.4) were recognised from intangible assets with definite useful lives, of which EUR 30.0 million related to Sanoma Learning strategic business unit (SBU) (2023: 3.6), EUR 2.5 million related to the Sanoma Media Finland SBU (2023: 4.8) and EUR 0.4 million related to corporate intangible assets (2023: 0.0).

In Sanoma Media Finland SBU, the impairment related mainly to TV programme rights. The impairments in the Sanoma Learning SBU largely related to to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium, and some minor impairments related to learning solutions and ICT systems.

Allocation of goodwill and intangible assets with indefinite useful life

For the purpose of impairment testing, goodwill has been allocated to two CGUs which are operating segments/SBUs. The allocation of goodwill is as presented in the following table.

Carrying amounts of goodwill in the CGUs

EUR million	2024	2023
Sanoma Learning	700.4	700.5
Sanoma Media Finland	109.3	111.7
CGUs, total	**809.8**	812.2

Impairment losses recognised from goodwill

There were no impairment losses recognised from goodwill in the financial year (2023: 2.3).

Methodology and assumptions used in impairment testing

Impairment testing of assets is principally carried out on a cash flow basis whereby the Value in Use is used as the recoverable amount. The recoverable amount is determined based on the present value of future cash flows of the Group's CGUs, using a post-tax WACC. Deferred and current income tax assets and liabilities (including deferred tax liabilities related to previous purchase price allocations) have been included in the carrying amount.

Calculations of the recoverable amount are based on a five-year forecast period. Cash flow estimates are based on management approved strategic plans at the time of testing, including assumptions on the development of the business environment. Actual cash flows may differ from estimated cash flows if the key assumptions do not realise as estimated.

The key assumptions in the calculations include profitability level, discount rate, long-term growth rate, as well as market positions. Assumptions are based on medium-term strategic plans and forecasts made annually in each business unit and approved by the Sanoma Executive Management Team (EMT) and the Board in a separate process. Market position and profitability level assumptions are based on past experience, the assessment of the SBU and Group management of the development of the competitive environment and competitive position of each CGU, as well as the impact of Sanoma's transformation strategy and cost savings initiatives.

The terminal growth rate used in the calculations is based on management's assessment of long-term growth. The growth rate is estimated by taking into account growth projections by market that are available from external sources of information, as well as the characteristics of each CGU. The terminal growth rates used for the CGUs in the reporting and comparable period were as follows:

The average terminal growth rate used in calculation of the recoverable amount, %	2024	2023
Sanoma Learning	2.5	3.0
Sanoma Media Finland	-1.1	-1.1

Following the Finnish market changes in combination with the changes in the Sanoma Media Finland CGU portfolio (the transformation of traditional media to digital), the terminal growth rate is expected to be at the same level as last year. The terminal growth rate for the Sanoma Learning CGU is somewhat lower than last year based on review and projections of the various curriculum cycles across its footprint markets and due to inflation development. Management has also estimated the expected effects of new reforms and potential industry developments.

The average discount rate used in calculation of the recoverable amount, %	2024 Post-tax	2023 Post-tax
Sanoma Learning	7.4	8.6
Sanoma Media Finland	8.5	10.3

The CGU-specific discount rates represent the blended average cost of capital of each CGU. On an annual basis Sanoma re-assesses the WACC calculation based on updated market parameters and updates the WACC accordingly. In impairment test calculations, capital expenditure is assumed to comprise normal replacement investments, and foreign exchange rates are based on euro rates at the time of testing.

The recoverable amounts of Sanoma Learning and Sanoma Media Finland clearly exceed their carrying amounts. Any reasonably expected changes in key assumptions would not result in impairment.

3.3 Property, plant and equipment and right-of-use assets

Property, plant and equipment 2024

EUR million	Land and water	Buildings and structures	Machinery and equipment	Rental books	Other tangible assets	Advance payments	Total
Acquisition cost at 1 Jan	0.4	6.6	141.4	54.5	28.8	0.3	232.0
Increases			3.0	3.7	0.8	3.2	10.6
Decreases			-3.9	-3.7	-0.3		-7.9
Disposal of operations			-1.6		-0.1		-1.7
Reclassifications			0.3		0.2	-0.4	0.1
Exchange rate differences	0.0	0.0	0.0		0.0	0.0	0.1
Acquisition cost at 31 Dec	**0.4**	**6.6**	**139.2**	**54.4**	**29.4**	**3.1**	**233.2**
Accumulated depreciation and impairment losses at 1 Jan	-0.1	-1.3	-131.1	-42.6	-16.5		-191.7
Decreases, disposals and acquisitions			5.0	1.9	0.3		7.2
Depreciation for the period		0.0	-4.0	-3.9	-2.4		-10.3
Impairment losses for the period			0.0	-0.9			-0.9
Reclassifications			0.0		0.0		-0.1
Exchange rate differences	0.0	0.0	0.0		0.0		-0.1
Accumulated depreciation and impairment losses at 31 Dec	**-0.1**	**-1.4**	**-130.1**	**-45.4**	**-18.7**		**-195.8**
Carrying amount at 31 Dec 2024	**0.3**	**5.2**	**9.1**	**9.0**	**10.7**	**3.1**	**37.4**

Property, plant and equipment 2023

EUR million	Land and water	Buildings and structures	Machinery and equipment	Rental books	Other tangible assets	Advance payments	Total
Acquisition cost at 1 Jan	0.4	8.2	147.5	65.2	27.1	0.2	248.5
Increases			4.0	8.7	2.1	0.4	15.2
Acquisition of operations			0.0		0.0	0.0	0.0
Decreases		-1.4	-9.7	-19.4	-0.8		-31.2
Reclassifications		-0.3	-0.6		0.3	-0.3	-0.8
Exchange rate differences	0.0	0.1	0.2		0.0	0.0	0.3
Acquisition cost at 31 Dec	**0.4**	**6.6**	**141.4**	**54.5**	**28.8**	**0.3**	**232.0**
Accumulated depreciation and impairment losses at 1 Jan	-0.1	-2.6	-135.7	-46.3	-14.6		-199.3
Decreases, disposals and acquisitions		1.4	9.3	17.3	0.8		28.8
Depreciation for the period		0.0	-5.2	-7.4	-2.7		-15.3
Impairment losses for the period		-0.4	-0.1	-6.1	0.0		-6.6
Reclassifications		0.3	0.7		0.1		1.1
Exchange rate differences	0.0	-0.1	-0.2		0.0		-0.3
Accumulated depreciation and impairment losses at 31 Dec	**-0.1**	**-1.3**	**-131.1**	**-42.6**	**-16.5**		**-191.7**
Carrying amount at 31 Dec 2023	**0.3**	**5.2**	**10.2**	**11.9**	**12.3**	**0.3**	**40.3**

Right-of-use assets

Depreciation of right-of-use assets

EUR million	2024	2023
Depreciation for the period		
Buildings	-26.3	-27.9
Machinery	-2.2	-2.4
Vehicles	-3.4	-3.0
Total	**-31.9**	-33.3

Carrying amount of right-of-use assets

EUR million	2024	2023
Carrying amount		
Buildings	98.3	118.0
Machinery	17.3	19.3
Vehicles	7.5	6.8
Total	**123.1**	144.2

Additions to the right-of-use assets during the 2024 financial year were EUR 14.1 million (2023: 23.9).

Carrying amount of right-of-use assets has increased by EUR 0.0 million (2023: 0.1) due to acquisitions.

The Group's leasing activities

The Group leases buildings for its office space. Rental contracts are typically made for fixed periods of 5–15 years. Some leases include an option to extend the lease for an additional period after the end of the contract term or terminate the contract during the lease term. The Group assesses at the lease commencement whether it is reasonably certain to exercise the extension option or termination option. During the lease term the Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control. The most significant lease contracts are related to properties of Sanomala and Sanoma House.

The Group leases also cars which have lease terms of 3–5 years. Machinery includes a printing press and some IT equipment. Most leased IT equipment and machinery are leases of low-value items and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Also, short-term leases are reported as expense in income statement.

Lease liabilities are presented in Note 5.1.

4. Working capital and other balance sheet items

4.1 Inventories

EUR million	2024	2023
Materials and supplies	5.9	8.4
Work in progress	0.1	0.1
Finished products/goods	37.1	43.5
Other	1.9	1.5
Total	**45.0**	53.5

EUR 1.4 million (2023: 3.5) was recognised as impairment in the financial year. The carrying amount of inventories was written down to reflect their net realisable value.

4.2 Other receivables, non-current

EUR million	2024	2023
Financial assets at amortised cost		
Other receivables	1.1	1.2
Advance payments	0.8	1.8
Net defined benefit pension assets[1]	30.6	28.4
Total	**32.6**	31.4

[1] Net defined benefit pension assets, see Note 4.9

The fair values of receivables do not significantly differ from the carrying amounts of receivables.

4.3 Trade and other receivables, current

EUR million	2024	2023
Financial assets at amortised cost		
Trade receivables[1]	108.5	98.5
Other receivables	2.9	2.7
Financial assets at fair value		
Derivatives[2]	0.1	0.0
Accrued income	13.3	17.3
Advance payments	9.2	10.3
Other receivables	7.8	10.5
Total	**141.7**	139.4

[1] Trade receivables, see Note 5.2
[2] Derivatives, see Note 5.2

The Group has recognised a total of EUR 1.4 million (2023: 3.7) in credit losses and change in impairment allowances on trade receivables. Information on how impairment allowance for trade receivables has been defined and the impact of the Ukraine war on the expected credit losses are included in Note 5.2.

The fair values of receivables do not significantly differ from the carrying amounts of receivables.

Accrued income

The most significant items under accrued income relate to normal business activities and include e.g., accruals for delivered newspapers and magazines.

4.4 Provisions

Changes in provisions

EUR million	Restructuring provisions	Other provisions	Total
At 1 Jan 2024	12.9	1.4	14.3
Exchange rate differences	0.0	0.0	0.0
Increases	4.9	2.2	7.1
Amounts used	-10.8	-0.3	-11.1
Unused amounts reversed	0.0	0.0	0.0
At 31 Dec 2024	**6.9**	**3.3**	**10.2**

Carrying amounts of provisions

EUR million	2024	2023
Non-current	4.5	2.0
Current	5.7	12.3
Total	**10.2**	14.3

Provisions are based on best estimates on the balance sheet date. Restructuring provisions mainly relate to Program Solar. Other provisions include provisions related to contracts with customers and other smaller provisions.

4.5 Trade and other payables

EUR million	2024	2023
Non-current		
Accrued expenses	0.4	0.8
Advances received	0.5	0.6
Other financial liabilities at amortised cost	1.8	1.2
Total	**2.7**	2.5
Current		
Trade payables	57.3	50.9
Other liabilities	39.6	44.0
Derivatives[1]		0.0
Accrued expenses	142.0	146.6
Advances received	0.6	0.5
Total	**239.4**	242.1
Total	**242.1**	244.6

[1] Derivatives, see Note 5.2

Accrued expenses

Accrued expenses mainly consisted of accrued personnel expenses, royalty liabilities and accruals related to common business activities.

4.6 Investment property

Investment property 2024

EUR million	Land and water	Buildings and structures	Total
Acquisition cost at 1 Jan	2.8	0.2	3.0
Acquisition cost at 31 Dec	2.8	0.2	3.0
Accumulated depreciation and impairment losses at 1 Jan		0.0	0.0
Accumulated depreciation and impairment losses at 31 Dec		0.0	0.0
Carrying amount at 31 Dec 2024	**2.8**	**0.2**	**2.9**
Fair values at 31 Dec 2024	**8.5**	**0.2**	**8.8**

Investment property 2023

EUR million	Land and water	Buildings and structures	Total
Acquisition cost at 1 Jan	5.0	0.2	5.2
Decreases	-2.3		-2.3
Acquisition cost at 31 Dec	2.8	0.2	3.0
Accumulated depreciation and impairment losses at 1 Jan		0.0	0.0
Accumulated depreciation and impairment losses at 31 Dec		0.0	0.0
Carrying amount at 31 Dec 2023	**2.8**	**0.2**	**2.9**
Fair values at 31 Dec 2023	**8.5**	**0.2**	**8.8**

The fair values of investment property have been determined by using either the yield value method or using the information on equal real estate business transactions in the market. Also, an outside surveyor has been used when determining the fair value. In yield method calculations, investor's return requirement range is 5–30%. Investment properties are classified at fair value hierarchy level 3.

The investment property includes land areas in the City of Vantaa, village of Keimola (Finland).

The investment property also includes land areas in the City of Vantaa, village of Vantaankoski, which are partly unplanned raw land and partly lots and parcels of land.

Operating expenses of investment property

EUR million	2024	2023
Investment property, no rental income	0.0	0.0

Rental income of investment property

EUR million	2024	2023
Rental income of investment property	0.1	0.1

4.7 Equity-accounted investees

Interests in joint ventures and associated companies

EUR million	2024	2023
Interests in joint ventures	1.9	1.8
Interests in associated companies	1.7	1.8
Total	**3.5**	3.6

Joint ventures

The Group had no material joint ventures in the financial year or previous year. The information on the Group's joint ventures has been presented as aggregated in the table below.

Interests in joint ventures

EUR million	2024	2023
Carrying amount at 1 Jan	1.8	1.5
Share of total comprehensive income	0.9	0.7
Dividends received	-0.8	-0.5
Other changes		0.1
Carrying amount at 31 Dec	**1.9**	1.8

Associated companies

The Group had no material associated companies in the financial year or previous year. The information on the Group's associated companies has been presented as aggregated in the table below.

Interests in associated companies

EUR million	2024	2023
Carrying amount at 1 Jan	1.8	2.6
Share of total comprehensive income	0.0	-0.6
Increases		0.0
Other changes	-0.1	-0.2
Carrying amount at 31 Dec	**1.7**	1.8

List of associated companies and joint ventures, see Note 6.4.

4.8 Other investments

EUR million	2024	2023
Other investments, non-current	2.9	2.8

Other investments mainly include investments in shares, and the Group does not intend to sell these assets. Other investments are measured at fair value and are classified at fair value hierarchy level 3.

4.9 Post-employment benefits

Sanoma Group has various schemes for its personnel's pension cover that comprise both defined contribution and defined benefit pension plans. Pension schemes are arranged in accordance with local requirements and legislation. The majority of the pension plans are of a defined contribution structure, where the employer contribution and resulting income charge is fixed at a set level or is set at a percentage of employee's pay. Contributions made to defined contribution pension plans and charged to the income statement totalled EUR 38.8 million (2023: 37.6).

Defined benefit pension plans in Sanoma are mainly related to Finland.

In Finland, the Group has a pension fund responsible for the statutory pension cover for certain Group company, as well as for supplementary pension schemes. The pension schemes arranged by a pension fund are classified as defined benefit plans. In addition to the pension fund in Finland, the Group also has other supplementary defined benefit pension schemes which are managed by insurance companies.

The supplementary pension schemes are final average pay plans, and the benefits comprise old-age, disability and surviving dependent pensions. The supplementary pension schemes entitle a retired employee to receive a monthly pension payment based on the employee's final average salary.

The Finnish defined benefit plans are administered by a pension fund that is legally separated from the Group. The pension fund is governed by a board, which is composed of employee and employer representatives. The board appoints the managing director for the pension fund, who is also a member of the board.

The board of the Finnish pension fund sets out on an annual basis the strategic investment policy and plan. The Investment Committee of Sanoma Group assists the board and managing director of the pension fund. The pension fund is entitled to use an external asset manager who is authorised to do investments in accordance with the investment policy. The investments are allocated mainly to instruments, which have quoted prices in active markets, like listed shares, bonds and investment funds.

Finnish voluntary defined benefit pension plans are fully and statutory pension plans partially funded.

The risks in Finnish pension plans are mainly related to the adequacy of the pension liability and investment operations. The pension liability may prove insufficient if the related insurance portfolio essentially differs from that of other pension institutions, the returns of investments remain below the average return of the pension system or the average lifetime exceeds the calculated assumption. A pension expense development forecast has been prepared for the pension fund in aid of risk management. The actuary of the pension fund is responsible for the solvency of the pension liability. The extremely favourable structure of the pension fund's insurance portfolio and good solvency give the pension fund the possibility to consider taking more deviation risk in its investment strategy by investing its assets in deviation from the average allocation of occupational pension companies.The pension fund's key risks in investment operations include the interest rate risk, stock market risk, credit risk, currency risk and liquidity risk. Risks related to various asset classes are managed through the effective distribution of investments between asset classes. Liquidity risks are managed by making investments that can be converted into cash very rapidly.

The actuarial calculations for the Group's defined benefit pension plans have been prepared by external actuaries. In addition to pension plans, Sanoma Group has no other defined benefit plans.

Sanoma Group recognised total defined benefit costs related to all pension plans as follows:

Pension costs recognised in the income statement

EUR million	2024	2023
Current service costs	-1.5	-1.7
Net interest	0.8	0.4
Effect of settlements		-0.2
Administration costs	-0.2	-0.2
Total	**-0.8**	-1.8

Per year-end the net pension liability can be specified as follows:

Net defined benefit pension liabilities (assets) in the balance sheet

EUR million	2024	2023
Net defined benefit pension liabilities	2.7	3.4
Net defined benefit pension assets	30.6	28.4
Net defined benefit pension liability (asset) total	**-27.9**	-25.1

The reconciliation from the opening balances to the closing balances for the net defined benefit pension liability (asset) and its components is presented in the following table.

EUR million	Defined benefit obligation	Fair value of plan assets	Total
1 Jan 2023	**144.4**	**-155.9**	**-11.6**
Current year service cost	1.7		1.7
Interest cost/income	5.0	-5.3	-0.4
Effect of settlements	0.1	0.1	0.2
Administration cost		0.2	0.2
Total recognised in the result for the period	**6.8**	**-5.0**	**1.8**
Remeasurement of the net defined benefit liability:			
Gains/losses arising from financial assumptions	-5.5		-5.5
Experience adjustments	-1.9		-1.9
Return on plan assets excluding interest income		-8.4	-8.4
Total recognised in other comprehensive income	**-7.3**	**-8.4**	**-15.7**
Contributions by the employer		0.4	0.4
Contributions by plan participants	0.3	-0.3	
Benefits paid from funds	-9.7	9.7	
Other changes	2.3	-2.3	
31 Dec 2023	**136.7**	**-161.7**	**-25.1**

EUR million	Defined benefit obligation	Fair value of plan assets	Total
1 Jan 2024	**136.7**	**-161.7**	**-25.1**
Current year service cost	1.5		1.5
Interest cost/income	4.4	-5.3	-0.8
Effect of settlements	-0.1	0.1	
Administration cost		0.2	0.2
Total recognised in the result for the period	5.8	-5.0	0.8
Remeasurement of the net defined benefit liability:			
Gains/losses arising from financial assumptions	7.8		7.8
Experience adjustments	-2.7		-2.7
Return on plan assets excluding interest income		-10.0	-10.0
Total recognised in other comprehensive income	5.2	-10.0	-4.8
Contributions by the employer		1.1	1.1
Contributions by plan participants	0.3	-0.3	
Benefits paid from funds	-9.2	9.2	
31 Dec 2024	**138.8**	**-166.7**	**-27.9**

A breakdown of net defined benefit liability and the split between countries is shown below.

Net defined benefit pension liabilities (assets) in the balance sheet 2024

EUR million	Finland	Belgium	Total
Present value of funded obligations	128.8	10.0	138.8
Fair value of plan assets	-159.4	-7.4	-166.7
Total	**-30.6**	**2.6**	**-27.9**

Net defined benefit pension liabilities (assets) in the balance sheet 2023

EUR million	Finland	Belgium	Total
Present value of funded obligations	126.3	10.4	136.7
Fair value of plan assets	-154.3	-7.4	-161.7
Total	**-28.0**	**3.0**	**-25.1**

The Sanoma Group's estimated contributions to the defined benefit plans for 2025 are about EUR -1.7 million.

Plan assets by major categories

%	2024	2023
Equity instruments	52.3	48.5
Bonds and debentures	32.3	39.0
Other items	14.3	11.7
Cash	1.0	0.7
Total	**100.0**	100.0

The fair value of plan assets included investments in Sanoma shares totalling EUR 2.2 million (2023: 2.0).

Equity instruments consist mainly of investment funds and have quoted prices in active markets.

Principal actuarial assumptions at 31 Dec[1]

%	2024	2023
Discount rate	3.3	3.4
Expected future salary increase	3.0	3.0
Expected future pension increases	2.5	2.2

[1] Expressed as weighted averages.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligations at the reporting date were as follows:

Longevities at 31 Dec

Year	2024	2023
Longevity at age 65 for current pensioners		
Males	21.4	21.4
Females	25.4	25.4
Longevity at age 65 for current members aged 45		
Males	23.7	23.7
Females	28.1	28.1

The weighted average duration of the defined benefit obligation at 31 December 2024 was 12.8 years (2023: 12.0).

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the percentages shown below.

Sensitivity analysis at 31 Dec

	2024		2023	
%	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-5.6	6.3	-5.3	5.8
Expected future salary increase (0.5% movement)	0.6	-0.5	0.7	-0.5
Expected future pension increases (0.5% movement)	6.0	-5.6	5.5	-5.3
Future mortality (1 year movement)	3.8	-3.7	3.7	-3.5

5. Capital structure and financial items

5.1 Financial liabilities and lease liabilities

EUR million	2024	2023
Non-current financial liabilities at amortised cost		
Loans from financial institutions	218.5	248.7
Bonds	149.2	
Lease liabilities	104.1	124.8
Non-current financial liabilities at fair value through profit or loss		
Other liabilities	0.0	0.7
Total	**471.9**	374.2
Current financial liabilities at amortised cost		
Loans from financial institutions	50.6	100.8
Commercial papers	37.4	
Lease liabilities	29.7	30.0
Bonds		199.9
Current financial liabilities at fair value through profit or loss		
Other liabilities	0.0	0.8
Total	**117.7**	331.4
Total	**589.6**	705.6

Fair values of loans from financial institutions and other liabilities are close to their carrying values. The fair value of the bond was EUR 149.2 million on 31 December 2024 (2023: 198.67).

Reconciliation of movement of liabilities to cash flow arising from financial activities

EUR million	Non-current financial liabilities	Current financial liabilities	Lease liabilities	Total	Non-current other liabilities	Total
1 Jan 2023	599.4	100.1	164.9	864.4	5.3	869.7
Cash flows	-75.8	-69.6	-31.1	-176.5	0.1	-176.4
Acquisition of operations			0.1	0.1		0.1
Exchange rate differences			0.8	0.8	0.0	0.8
Other non-cash movements[1]	-274.3	270.9	20.1	16.8	-2.1	14.7
At 31 Dec 2023	**249.4**	**301.4**	**154.9**	**705.6**	**3.3**	**709.0**
1 Jan 2024	249.4	301.4	154.9	705.6	3.3	709.0
Cash flows	169.0	-263.2	-31.9	-126.1	0.6	-125.6
Disposal of operations			-0.4	-0.4		-0.4
Exchange rate differences			0.1	0.1	0.0	0.1
Other non-cash movements[1]	-50.6	49.8	11.3	10.5	-0.1	10.3
At 31 Dec 2024	**367.8**	**88.0**	**133.9**	**589.6**	**3.7**	**593.4**

[1] Other non-cash movements mainly include classifications between non-current and current financial liabilities.

Total cash flow for leases was EUR -43.0 million in 2024 (2023: -43.1). For more information on the Group's lease activities, see Note 3.3.

Loans from financial institutions

In 2024, the Group's loans from financial institutions consisted of two term loans: EUR 100 million term loan, which is booked in non-current liabilities, and EUR 250 million term loan. The latter loan has been partly prepaid by EUR 81.1 million in 2024. Out of the remaining amount of EUR 168.5 million, EUR 118.5 million is booked in non-current liabilities and EUR 50 million in current liabilities. Loans are valued at amortised cost. For more information, see Note 5.2.

The average interest rate for loans (including bonds and excluding leases) during the financial year was 4.8% (2023: 3.6%, excluding leases). The interest rates of all loans are tied to Euribor.

Bonds

In March 2021, the Group issued a EUR 200 million three-year Senior Unsecured bond for institutional investors. The bond paid a fixed coupon of 0.625% and had an issue price of 99.625%. The bond was fully repaid on the maturity date of 18 March 2024.

In September 2024, the Group issued a EUR 150 million three-year Senior Unsecured Social bond for institutional investors. The bond pays a fixed coupon of 4.000% and had an issue price of 99.872%. The arrangement fees and expenses relating to the issue were capitalised and will be amortised over the life of the bond, thus raising the effective interest rate to 4.2%. The maturity date of the bond is 13 September 2027. The net proceeds of the notes shall be used in accordance with Sanoma's Social Bond Framework which are available on Sanoma's website.

Commercial papers

Sanoma Corporation has domestic and foreign commercial paper programmes which are used for short-term liquidity needs. Commercial papers are valued at amortised cost, and transaction costs are recognised directly as expenses due to their immaterial value. In accordance with Group Treasury Policy, outstanding commercial papers are fully backed up with a committed syndicated credit facility of EUR 300 million with banks in case of possible market disruptions. There were EUR 37.4 million commercial papers outstanding at the end of 2024 (2023: 0).

5.2 Financial risk management

Sanoma's treasury operations are managed centrally by the Group Treasury. Operating as a counterparty to the Group's operational units, Group Treasury is responsible for managing external financing, liquidity and external hedging operations. Centralised treasury operations focus on ensuring financing on flexible and competitive terms, optimised liquidity management, cost-efficiency of operations and efficient management of financial risks. Sanoma is exposed to interest rate, currency, liquidity and credit risks. Its risk management aims to hedge the Group against material risks. The Sanoma Board of Directors has approved the guidelines in the Group Treasury Policy.

In the long term, to ensure financial flexibility and access to various forms of funding, Sanoma's goal is to have a capital structure where net debt/adjusted EBITDA ratio is below 3.0, and equity ratio is between 35% and 45%.

Financial risks can be mitigated with various financial instruments and derivatives whose use, effects and fair values are clearly verifiable. The Group used currency forward contracts to hedge against FX risks during the year. The Group does not apply hedge accounting.

Interest rate risks

The Group's interest rate risk is mainly related to changes in the reference rates and loan margins of floating rate loans in the Group's loan portfolio. In 2024, all loans were denominated in euros. The Group manages its exposure to interest rate risk by ensuring that the interest duration of the gross debt of the Group is within a certain time range approved by the Sanoma Board of Directors as part of the Treasury Policy. According to the Treasury Policy, interest rate derivatives may also be utilised.

Loan portfolio by interest rate as at year end

EUR million	2024	2023
Floating-rate loans	306.5	349.5
Fixed-rate loans	149.2	199.9
Total	**455.7**	549.4
Average duration, years	1.0	0.2
Average interest rate, %	4.3	4.1
Interest sensitivity, EUR million[1]	2.6	3.1

[1] Interest rate sensitivity is calculated by assuming a one percentage point increase in interest rates. The sensitivity represents the effect on profit before taxes.

Currency risks

The majority of the Group cash flow from operations is denominated in euros. However, the Group is exposed to some transaction risk resulting from cash flows related to revenue and expenditure in different currencies. Group companies are responsible for monitoring and hedging material transaction risks related to their business operations in accordance with the Group Treasury Policy. The majority of the transaction risk in 2024 was related to the procurement of IT services for the Group and programming rights for Nelonen Media, both denominated in US dollars. The Group has adopted forward contracts as means of hedging against most significant currency exposures. Internal funding transactions within the Group are mainly carried out in the functional currency of the subsidiary. Group Treasury is responsible for monitoring and hedging the currency risks related to intra-group loans.

The hedged currencies were USD, NOK and SEK. All other transactions in foreign currencies were not material. If the hedged currencies weakened by 10% against the euro at the year-end date, the change in the value of forward contracts would decrease financial expenses by EUR 1.7 million (2023: 1.0 decrease). If the currencies strengthened by 10% against the euro, financial expense would increase by EUR 1.7 million (2023: 1.0 increase). Derivative instruments are used to hedge future cash flows, hence changes in their value will offset changes in the value of cash flows.

The Group is also exposed to translation risk resulting from converting the income statement and balance sheet items of foreign subsidiaries into euros. Business operations outside the euro area (countries in which the currency is not pegged to the euro) account for about 13.1% (2023: 11.7%) of consolidated net sales and mainly consist of revenues in Polish złoty, Norwegian krone and Swedish krona. If all reporting currencies had been 10% weaker against the euro during the year, the Group net sales would have decreased by EUR 16.1 million (2023: 14.8). If all reporting currencies had been 10% stronger against the euro, the Group net sales would have increased by EUR 19.6 million (2023: 18.1). A significant change in exchange rates may also have an effect on the value of the businesses in Poland, Norway and Sweden. The Group did not hedge against translation risk in 2024, in accordance with the Treasury Policy approved by the Board.

Derivatives

Nominal values of derivative instruments

The nominal value of derivative instruments is EUR 16.6 million (2023: 9.7). The nominal value includes gross nominal values of all active agreements. The outstanding nominal value is not necessarily a measure or indicator of market risks.

Fair values of derivative instruments

EUR million	2024	2023
Forward currency exchange contracts		
Positive fair values	0.1	0.0
Negative fair values		0.0
Total	**0.1**	0.0

Derivative instruments have been classified in level 2 of the IFRS fair value hierarchy. This means that fair values are based on valuation models for which all inputs are observable, either directly or indirectly.

Sanoma has entered into netting agreements with all of its derivative instrument counterparties. Including netting agreements, financial receivable to banks amount to EUR 0.1 million (2023: 0.04 liability).

Liquidity risks

Liquidity risk relates to servicing debt, financing investments and retaining adequate working capital. Sanoma aims to minimise its liquidity risk by ensuring sufficient revenues, maintaining adequate committed credit limits, using several financing institutions and forms of financing, and spreading loan repayments over a number of calendar years. The Group's committed funding must be sufficient to cover all of the obligations and funding needed for the normal business operations during the following 12 months, and any outstanding commercial paper commitments. The undrawn committed credit facility was EUR 300 million at year end. Liquidity risk is monitored daily based on a two-week forecast, and longer term based on the calendar year. In addition, the Sanoma Group Treasury Policy sets minimum requirements for liquidity reserves. The geopolitical situation like the war in Ukraine and high inflation did not have any material impact on the funding sources or general availability of liquid funds for Sanoma in 2024.

The Group's financing facilities in 2024

EUR million	Amount of limits	Unused credit lines
Syndicated RCF	300.0	300.0
Syndicated and bilateral term loans	268.9	
Bond	150.0	
Commercial paper programmes	1,100.0	1,062.5
Current account limits	42.8	42.2

Sanoma signed a EUR 200 million syndicated term loan in December 2020 for the acquisition of Santillana Spain. After two amortisations and one voluntary prepayment in earlier years, the loan amount was EUR 100 million at the end of 2023. The loan was fully prepaid in September 2024. Otherwise it would have expired in December 2024. In March 2021, Sanoma issued a EUR 200 million senior bond. The bond expired in March 2024.

In 2022, Sanoma signed a EUR 250 million syndicated term loan. The term loan was used mainly for the acquisition of Pearson Italy and Germany. The closing of the acquisition was in August 2022. In 2024, Sanoma prepaid the loan partially by EUR 81.1 million. As a result, the outstanding amount of the loan was EUR 168.9 million at the end of 2024. It will have a EUR 50 million amortisation in September 2025 and the final maturity date in August 2026.

Simultaneously with the term loan, Sanoma refinanced the EUR 300 million Revolving Credit Facility by inviting the banks to participate in a new EUR 300 million Revolving Credit Facility. The RCF was signed in November 2022 and has a maturity of three years with two one-year extension options. Sanoma has requested the first extension option in 2023 and the second extension option in 2024. The maturity of the RCF is in 2027. The amount of the RCF reduces to EUR 268.5 million in the last year, as one bank declined the second extension option. The RCF was fully unused at the end of 2024. In February 2023, Sanoma signed a Sustainability Side Letter to add sustainability-linked KPIs to the EUR 300 million Revolving Credit Facility. With the addition, a minor part of the pricing of the loan will be linked to Sanoma's sustainability performance in reducing greenhouse gas (GHG) emissions in line with Sanoma's commitment to Science Based Targets and developing inclusive learning solutions, more specifically accessibility of digital learning content and platforms. The KPIs will be measured annually and the progress will be reported in Sanoma's annual Sustainability Statement and also directly to the lenders.

In 2023, Sanoma also signed a bilateral loan of EUR 100 million with OP. The loan was drawn in March 2024. It was used for the repayment of the old EUR 200 million bond. The rest of the bond was refinanced with the cash flow and existing facilities. The loan had initially a maturity of 12 months from the drawdown and one extension option at the discretion of Sanoma. Sanoma signed an amendment agreement with OP during 2024. In the agreement the maturity was extended to three years. The loan expires in September 2027. Sanoma's existing financing facilities and forecasted operating cash flows are sufficient to cover funding needs in the coming year.

The Group's loans from financial institutions include customary covenants related to factors such as the use of pledges and mortgages, disposals of assets and key financial ratios. In all long-term loans from financial institutions, Sanoma has financial covenants relating to the following ratios: consolidated equity to consolidated total assets and consolidated total net debt to consolidated EBITDA. Ratios are measured quarterly. The Group has complied with the financial covenants throughout the reporting period. In March 2025, Sanoma amended the equity ratio covenant limit in the loan agreements to better reflect the seasonality of the business within a year, bringing it in line with the approach for the leverage ratio covenant.

There are no indications that the Group may have difficulties complying with the financial covenants during the next 12 months at interim reporting dates. If Sanoma's performance and profitability would develop unfavourably, it might increase the risk of breaching the financial covenants. This could lead to an early expiry of the loans and make the refinancing difficult in a situation where an agreement with the banks would not have been achieved. The covenants could also be impacted by material changes in capital structure due to possible acquisitions or disposals. In that case, covenant levels would be re-negotiated before the closing of any such transaction. The carrying amount of the loans, which include financial covenants, was EUR 269.1 million at the end of 2024. Sanoma's senior and hybrid bonds do not include any financial covenants.

Financial liabilities

	2024				2023			
EUR million	**Carrying amount**	**Cash flow[1]**	**Undrawn from limits**	**Total**	**Carrying amount**	**Cash flow[1]**	**Undrawn from limits**	**Total**
Loans from financial institutions	269.1	291.1	300.0	591,1	349.5	392.8	400.0	792.8
Bonds	149.2	168.0		168.0	199.9	201.3		201.3
Commercial paper programmes	37.4	37.5		37.5	0.0	0.0		
Lease liabilities	133.9	133.9		133.9	154.9	154.9		154.9
Other interest-bearing liabilities	0.0	0.0		0.0	1.4	1.4		1.4
Trade payables and other liabilities[2]	99.6	99.6		99.6	96.1	96.1		96.1
Derivatives								
Inflow (-)	0.0	-16.7		-16.7	0.0	-9.7		-9.7
Outflow (+)	0.0	16.6		16.6	0.0	9.7		9.7
Total	**689.2**	**730.0**	**300.0**	**1,030.0**	**801.8**	**846.5**	**400.0**	**1,246.5**

[1] The estimate of the interest liability is based on the interest level at the balance sheet date.
[2] Trade payables and other liabilities do not include accrued expenses and advances received.

Maturity of financial liabilities 2024

EUR million	2025	2026	2027	2028	2029	2030–	Total
Loans from financial institutions	60.9	126.9	103.2				291.1
Bonds	6.0	6.0	156.0				168.0
Commercial paper programmes	37.5						37.5
Lease liabilities	28.7	26.8	26.2	35.8	6.6	9.8	133.9
Other interest-bearing liabilities	0.0						0.0
Trade payables and other liabilities[1]	99.6						99.6
Derivatives							
Inflow (-)	-16.7						-16.7
Outflow (+)	16.6						16.6
Total	**232.6**	**159.7**	**285.4**	**35.8**	**6.6**	**9.8**	**730.0**

[1] Trade payables and other liabilities do not include accrued expenses and advances received.

Maturity of financial liabilities 2023

EUR million	2024	2025	2026	2027	2028	2029–	Total
Loans from financial institutions	120.6	63.6	208.7				392.8
Bonds	201.3						201.3
Commercial paper programmes	0.0						0.0
Lease liabilities	26.3	26.6	24.8	25.1	36.0	16.2	154.9
Other interest-bearing liabilities	1.4						1.4
Trade payables and other liabilities[1]	96.1						96.1
Derivatives							
Inflow (-)	-9.7						-9.7
Outflow (+)	9.7						9.7
Total	**445.6**	**90.2**	**233.4**	**25.1**	**36.0**	**16.2**	**846.5**

[1] Trade payables and other liabilities do not include accrued expenses and advances received.

Credit risks

Sanoma's credit risks are related to its business operations. Sanoma Group's diversified operations significantly mitigate credit risk concentration, and no individual customer or group of customers is material to the Group. The Group's operational units are responsible for managing credit risks related to their businesses.

Sanoma applies the simplified approach permitted by IFRS 9 Financial Instruments for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Sanoma uses a provision matrix to measure expected credit losses of trade receivables. Loss rates are defined separately for different geographic regions, type of business and types of customers (B2B and B2C). Loss rates are based on past information on actual credit loss experience. These rates are adjusted by current information and future expectations on economic conditions where deemed necessary.

As Sanoma has no business in Ukraine or Russia, the war launched by Russia against Ukraine in February 2022 has a very limited direct impact on Sanoma's business.

Sanoma's other receivables include small items and risk involved to individual items is not considered material. Thus, no impairment allowance has been recognised for these receivables.

The carrying amounts of trade receivables and other receivables best indicate the amount that will be collected. The aging of trade receivables is presented in the following table.

Aging of trade receivables

	2024				2023			
EUR million	**Gross**	**Weighted average loss rate (%)**	**Impairment**	**Net**	**Gross**	**Weighted average loss rate (%)**	**Impairment**	**Net**
Not due	77.7	0.6	-0.5	77.2	77.9	0.7	-0.5	77.4
Past due 1–30 days	12.4	0.5	-0.1	12.4	11.4	0.6	-0.1	11.3
Past due 31–120 days	18.3	2.7	-0.5	17.8	9.6	1.8	-0.2	9.4
Past due 121–180 days	1.4	31.0	-0.4	1.0	0.9	45.5	-0.4	0.5
Past due 181–360 days	0.7	37.1	-0.3	0.5	0.5	68.8	-0.3	0.1
Past due more than 1 year	2.9	110.2	-3.2	-0.3	3.8	105.8	-4.0	-0.2
Total	**113.5**		**-5.0**	**108.5**	**104.0**		**-5.5**	**98.5**

Trade receivables and other receivables are presented in Notes 4.2 and 4.3.

The credit risk relating to financing transactions is low. The Group's Treasury Policy specifies that financing and derivative transactions are carried out with counterparties of good credit standing, and divided between a sufficient number of counterparties in order to protect financial assets. The Group has spread its credit risks efficiently by dealing with several financing institutions.

Capital risk management

The Group has set the long-term financial targets that consist of an equity ratio between 35% and 45% and a net debt/adjusted EBITDA ratio below 3.0 in order to maintain solid credit standing. The target ratios have been communicated publicly and are monitored and reported quarterly.

When calculating the net debt/adjusted EBITDA ratio, the following adjustments are made to the reported EBITDA: items affecting comparability are removed, the effects of acquisitions are added and the effects of divestments are deducted, and the effects of the investments in programming and prepublication rights are deducted for the reporting period.

To strengthen the capital structure, the Group issued a hybrid bond of EUR 150 million in March 2023. The hybrid bond is subordinated to the Group's other debt obligations, but has priority over other equity items. The hybrid bonds bears a fixed coupon interest of 8.000 per cent per annum until 16 March 2026, which is payable annually if decided so by the management, and, thereafter a floating interest rate as defined in the terms and conditions of the hybrid bond. The hybrid bond does not have a specified maturity date, but Sanoma is entitled to redeem the hybrid bond at their nominal amount on 16 March 2026, and subsequently, on each interest payment date thereafter. The interest from the hybrid bond must be paid to the investors if the Group pays dividends. If dividends are not paid, the Group will make a separate decision regarding interest payment on the hybrid bond. Unpaid interest is accrued and paid if dividend is decided to be distributed or management makes a decision on interest payment. The holders of the hybrid bond do not have the right to exercise control or vote at Annual General Meetings.

In 2024, the Group's equity ratio was 45.0% (2023: 42.5%) and net debt/adjusted EBITDA ratio was 2.2 (2023: 2.8).

Net debt

EUR million	2024	2023
Interest-bearing liabilities	589.6	705.6
Cash and cash equivalents	21.1	65.9
Total	**568.5**	639.7

Items that are regarded as interest-bearing liabilities are such short- or long-term liabilities which have separately determined interest cost.

Sanoma Group does not have an official credit rating.

5.3 Cash and cash equivalents

Cash and cash equivalents in the balance sheet

EUR million	2024	2023
Cash in hand and at bank	12.3	30.9
Deposits	8.8	35.0
Total	**21.1**	65.9

Deposits may include overnight deposits and money market deposits with maturities less than three months. These are cash equivalents which are held to meet short-term payment obligations. Average maturity is very short and the fair values do not differ significantly from the carrying amounts.

Cash and cash equivalents in the cash flow statement

EUR million	2024	2023
Cash and cash equivalents in the balance sheet	21.1	65.9
Bank overdrafts	-0.6	-0.8
Total	**20.5**	65.1

Cash and cash equivalents in the cash flow statement include cash and cash equivalents less bank overdrafts.

5.4 Equity

	Number of shares			Share capital and funds, EUR million				
	All shares	Treasury shares	Total	Share capital	Treasury shares	Fund for invested unrestricted equity	Hybrid bond	Total
At 1 Jan 2023	163,565,663	-387,895	163,177,768	71.3	-5.2	209.8		275.9
Issuing of hybrid bond							149.1	149.1
Shares delivered		89,850	89,850		1.1			1.1
At 31 Dec 2023	**163,565,663**	**-298,045**	**163,267,618**	**71.3**	**-4.1**	**209.8**	**149.1**	**426.1**
Purchase of treasury shares		-266,199	-266,199		-1.9			-1.9
Shares delivered		214,554	214,554		3.0			3.0
At 31 Dec 2024	**163,565,663**	**-349,690**	**163,215,973**	**71.3**	**-3.0**	**209.8**	**149.1**	**427.2**

The maximum amount of share capital cannot exceed EUR 300.0 million (2023: 300.0). The share has no nominal value and no accountable par is in use. The shares have been fully paid.

Treasury shares

In 2024, the Group purchased 266,199 (2023: 0) shares from the stock exchange. The cost of the purchased treasury shares was EUR 1.9 million and it was recognised as a deduction from equity.

In 2024, Sanoma delivered a total of 214,554 own shares (without consideration and after taxes) to 184 employees of the Group based on the Performance Share Plan 2021–2023 and Restricted Share Plan 2021–2023. In 2023, Sanoma delivered a total of 89,850 own shares (without consideration and after taxes) to 154 employees of the Group based on the Performance Share Plan 2020–2022 and Restricted Share Plan 2020–2022. At the end of the financial year, the Company held a total of 349,690 (2023: 298,045) own shares.

Fund for invested unrestricted equity

The fund for invested unrestricted equity includes other equity-related investments and that part of the share subscription price which is not recognised in share capital according to a specific decision.

Hybrid loan

To strenghten the capital structure, the Group issued a hybrid bond of EUR 150 million in March 2023. The hybrid bond is subordinated to the Group’s other debt obligations, but has priority over other equity items. The hybrid bonds bears a fixed coupon interest of 8.000 per cent per annum until 16 March 2026, which is payable annually if decided so by the management, and, thereafter a floating interest rate as defined in the terms and conditions of the hybrid bond. The hybrid bond does not have a specified maturity date, but Sanoma is entitled to redeem the hybrid bond at their nominal amount on 16 March 2026, and subsequently, on each interest payment date thereafter. The interest from the hybrid bond must be paid to the investors if the Group pays dividends. If dividends are not paid, the Group will make a separate decision regarding interest payment on the hybrid bond. Unpaid interest is accrued and paid if dividend is distributed or management makes a decision on interest payment. The holders of the hybrid bond do not have the right to exercise control or vote at Annual General Meetings. The transaction costs have been deducted from the capital.

The current interest period of EUR 12 million has been booked as a liability as of 31 December 2024, as the obligation to pay the interest for the full interest cycle (12 months) arose when the AGM on 17 April 2024 decided to distribute dividends.

Translation differences

Translation differences include those items that have arisen in converting the financial statements of foreign group companies from their operational currencies into euros.

Information on the capital risk management is presented in Note 5.2.

Dividends

The dividends paid in 2024 were EUR 0.37 per share, amounting to a total of EUR 60.5 million (2023: EUR 0.37 per share, amounting to a total of EUR 60.4 million). The Board of Directors proposes to the Annual General meeting that a dividend of EUR 0.39 per share, amounting approximately to EUR 63.7 million, is paid for the financial year 2024.

5.5 Contingent liabilities

EUR million	2024	2023
Contingencies for own commitments		
Pledges	0.8	0.9
Other items	24.3	24.3
Total	**25.1**	25.2
Other commitments		
Royalties	0.5	0.5
Commitments for acquisitions of intangible assets (film and TV broadcasting rights included)	46.0	40.7
Other items	97.5	90.6
Total	**143.9**	131.8
Total	**169.0**	157.0

Non-cancellable minimum lease payments to be received by maturity

EUR million	2024	2023
Not later than 1 year	3.5	4.5
1–5 years	3.3	5.2
Total	**6.8**	9.6

Most of the non-cancellable minimum lease payments to be received are related to subleases. The Group sub-leases parts of its office buildings. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the head lease.

Disputes and litigations

Sanoma has had a tax dispute concerning the treatment of value added tax (VAT) of certain magazines that were printed in multiple locations in Europe, and processed in and distributed through a centralised logistics centre in Norway. The case concerns tax years 2015–2018 and 2019–2021.

Based on the 2015–2018 decision from the Tax Adjustment Board on 29 April 2021, Sanoma paid EUR 25 million of VAT, penalties and interests in July 2021. In August 2021, the tax authorities made an ex officio decision on a corporate income tax (CIT) adjustment as a consequence of VAT adjustment and refunded EUR 3 million of CIT to Sanoma. On 16 December 2022, Sanoma announced that it had received similar payment decisions based on the tax audits for the years 2019–2021. Based on these, Sanoma paid EUR 11 million of VAT, penalties and interests in December 2022. In March 2023, the tax authorities made an ex officio decision on a CIT adjustment and refunded EUR 2 million of CIT to Sanoma.

Sanoma considered the payments to be deposits with the tax authority, and reported the amounts paid as a receivable. Similarly, the CIT refunds were considered to be a liability towards the tax authority, and reported the amounts received as a liability.

On 8 June 2023, Sanoma announced that the Administrative Court has rejected its appeal for 2015–2018. Based on this decision, the VAT claims for years 2015–2018 and 2019–2021 amounting to EUR 36 million were booked in Sanoma's results in Q2 2023. This was partially offset by a positive EUR 5 million adjustment to the income taxes.

In August 2024, the Supreme Administrative Court has rejected Sanoma's application for a permission to appeal the Administrative Court's decision regarding the 2015–2018 VAT payment decisions. Thus, the Supreme Administrative Court will not give a resolution to the Company's appeal. Based on the decision the Administrative Court's negative decision will hold.

Sanoma has appealed the 2019–2021 VAT decisions to the Tax Adjustment Board, where the process is still ongoing.

The VAT regulations have changed as of 1 July 2021, and thus further tax audits related to the matter are not expected.

6. Other notes

6.1 Related party transactions

Sanoma Group's related parties include subsidiaries, associated companies, joint ventures, members of the Board, President and CEO and persons closely associated with them as well as entities controlled by management personnel. Remuneration for key management is presented in Note 6.3. Transactions with joint ventures, associated companies and entities controlled by management personnel are presented below. Transactions with subsidiaries are not presented as related party transactions because they are eliminated in the consolidated figures. The transactions of the other shareholders of joint ventures are not presented as related party transactions because those shareholders are not considered to be related parties on the basis of the joint control agreement. Subsidiaries are presented in Note 6.4. In addition, the Sanoma Group's related parties include pension fund and employees' profit-sharing funds. Besides pension fund, transactions with those parties are not material.

Pension funds are described in more detail in accounting policies and pension calculations in Note 4.9.

The Sanoma Group had no other significant related parties, which indicate related party definitions or with which significant related party transactions exist during the financial year.

Transactions and outstanding balances with associated companies, joint ventures and entities controlled by management personnel are presented in the following table.

Transactions with related parties

	Transaction values for the year		Balance as at 31 December	
EUR million	**2024**	**2023**	**2024**	**2023**
Sale of goods and services				
Entities controlled by management personnel	0.0	0.0		
Joint ventures	0.1	0.1	0.0	0.0
Associates	0.8	2.1	0.0	0.3
Total	**0.9**	2.2	**0.0**	0.3
Purchase of goods and services				
Entities controlled by management personnel	0.0			
Associates	0.1	0.3	0.0	0.0
Total	**0.1**	0.3	**0.0**	0.0

The sale of goods and services to related parties are based on the Group's effective market prices.

6.2 Share-based payments

Performance share plan and restricted share plan

The Performance Share Plan and the Restricted Share Plan form the long-term part of the remuneration and commitment programme for the executives and other selected key employees of Sanoma and its subsidiaries. The purpose of the Performance Share Plan and the Restricted Share Plan is to encourage the executives and the selected key employees to work on a long-term basis to increase shareholder value and to commit to the Company.

Performance Share Plan

The Board of Directors of Sanoma Corporation has on 7 February 2013, approved a share-based long-term incentive programme (Performance Share Plan, PSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Performance Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. In general, Performance Shares vest over 3-year period and vesting is subject to meeting Group performance targets set by the Board of Directors for annually commencing new plans. The possible reward is paid as a combination of shares and cash. The reward's cash component is dedicated to cover taxes and tax-related costs.

Shares conditionally granted to the President and CEO and EMT members under the Performance Share Plan are subject to a share ownership requirement that is determined by the Board of Directors in accordance with the Human Resources Committee's proposal. Until the required share holding is achieved, the President and the CEO and EMT members are required to hold (and not sell) at least 50% of performance shares received.

- The performance measures for the performance period 2020–2022 are based on adjusted earnings per share and adjusted free cash flow targets in 2020.
- The performance measures for the performance period 2021–2023 are based on adjusted earnings per share and adjusted free cash flow targets in 2021.
- The performance measures for the performance period 2022–2024 are based on adjusted earnings per share and adjusted free cash flow targets in 2022–2023.
- The performance measures for the performance period 2023–2025 are based on adjusted earnings per share and adjusted free cash flow targets in 2023.
- The performance measures for the performance period 2024–2026 are based on adjusted earnings per share and adjusted free cash flow targets in 2024.

The President and CEO and EMT members are part of Sanoma's Performance Share Plan.

In 2024, Sanoma delivered 201,775 Sanoma shares held by the Company to 183 employees based on the Performance Share Plan 2021–2023 (without consideration and after taxes).

Restricted Share Plan

The Board of Directors of Sanoma Corporation has on 6 February 2020, approved a share-based long-term incentive programme 2020–2022 (Restricted Share Plan, RSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. Restricted Shares vest over 3-year period in 2020–2022 and vesting is subject to meeting service condition.

The Board of Directors of Sanoma Corporation has on 9 February 2021, approved a share-based long-term incentive programme 2021–2023 (Restricted Share Plan, RSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. Restricted Shares vest over 3-year period in 2021–2023 and vesting is subject to meeting service condition.

The Board of Directors of Sanoma Corporation has on 10 February 2022, approved a share-based long-term incentive programme 2022–2024 (Restricted Share Plan, RSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. Restricted Shares vest over 3-year period in 2022–2024 and vesting is subject to meeting service condition.

The Board of Directors of Sanoma Corporation has on 10 February 2023, approved a share-based long-term incentive programme 2023–2025 (Restricted Share Plan, RSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. Restricted Shares vest over 3-year period in 2023–2025 and vesting is subject to meeting service condition.

The Board of Directors of Sanoma Corporation has on 7 February 2024, approved a share-based long-term incentive programme 2024–2026 (Restricted Share Plan, RSP) to be offered to executives and managers of Sanoma Corporation and its subsidiaries. The conditions and the issuance of the Restricted Shares are decided on by the Sanoma Board of Directors in accordance with the Human Resources Committee's proposal. Restricted Shares vest over 3-year period in 2024–2026 and vesting is subject to meeting service condition.

The possible rewards are paid net in shares.

Shares conditionally granted to the President and CEO and EMT members under the Restricted Share Plan are subject to share ownership requirement that is determined by the Board of Directors in accordance with the Human Resources Committee's proposal. Until the required share holding is achieved, the President and the CEO and EMT members are required to hold (and not sell) at least 50% of performance shares received.

In 2024, Sanoma delivered 12,779 Sanoma shares held by the Company to two employees based on the Restricted Share Plan 2021–2023 (without consideration and after taxes).

More specific information on the performance and restricted share plan grants are presented in the following tables. Information on the management ownership is presented in Note 6.3.

Basic information

Plan	Performance Share Plan					Restricted Share Plan					
Instrument	Performance Share Plan 2020–2022	Performance Share Plan 2021–2023	Performance Share Plan 2022–2024	Performance Share Plan 2023–2025	Performance Share Plan 2024–2026	Restricted Share Plan 2020–2022	Restricted Share Plan 2021–2023	Restricted Share Plan 2022–2024	Restricted Share Plan 2023–2025	Restricted Share Plan 2024–2026	Total / Average
Initial amount, gross pcs (includes share and cash portions)	525,000	495,000	540,000	750,000	964,500	30,000	25,000	20,000	41,000	40,000	3,430,500
Initial allocation date	6.2.2020	9.2.2021	13.4.2022	19.4.2023	18.4.2024	1.3.2022	9.2.2021	13.4.2022	19.4.2023	18.4.2024	
Vesting date / reward payment at the latest	30.4.2023	30.4.2024	30.4.2025	30.4.2026	30.4.2027	30.4.2023	30.4.2024	30.4.2025	30.4.2026	30.4.2027	
Maximum contractual life, yrs	3.2	3.2	3.0	3.0	3.0	1.3	3.2	3.0	3.0	3.0	3.0
Remaining contractual life, yrs	Expired	Expired	0.3	1.3	2.3	Expired	Expired	0.3	1.3	2.3	1.9
Number of persons at the end of the reporting year			0	228	227			4	5	3	
Payment method	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	

Changes	Performance Share Plan					Restricted Share Plan					
	Performance Share Plan 2020–2022	Performance Share Plan 2021–2023	Performance Share Plan 2022–2024	Performance Share Plan 2023–2025	Performance Share Plan 2024–2026	Restricted Share Plan 2020–2022	Restricted Share Plan 2021–2023	Restricted Share Plan 2022–2024	Restricted Share Plan 2023–2025	Restricted Share Plan 2024–2026	Total
1 Jan 2023											
Outstanding at the beginning of the reporting period	**143,018**	**401,055**	**540,000**			**10,000**	**21,900**	**12,000**			**1,127,973**
Changes during the period											
Granted				704,655		10,000		4,500	41,000		760,155
Forfeited		13,778	25,656	7,791			5,900	5,625			58,750
Exercised	143,018					20,000					163,018
31 Dec 2023											
Outstanding at the end of the period	**0**	**387,277**	**514,344**	**696,864**	**0**	**0**	**16,000**	**10,875**	**41,000**	**0**	**1,666,360**
1 Jan 2024											
Outstanding at the beginning of the reporting period	**0**	**387,277**	**514,344**	**696,864**	**0**	**0**	**16,000**	**10,875**	**41,000**	**0**	**1,666,360**
Changes during the period											
Granted					940,800			9,000		32,500	982,300
Forfeited		5,093	514,344	99,201	3,412						622,050
Exercised		382,184					16,000				398,184
31 Dec 2024											
Outstanding at the end of the period	**0**	**0**	**0**	**597,663**	**937,388**	**0**	**0**	**19,875**	**41,000**	**32,500**	**1,628,426**

Fair value determination

Assumptions made in determining the fair value of share rewards in the performance and restricted share plan:

- Liabilities arising from share-based payments at the end of the period represent the amount booked until the end of the reporting period of the employers social costs relating to the payable rewards. The fair value of the liability is remeasured at each reporting date until the possible reward payment. The fair value of the liability will thus change in accordance with the Sanoma share price.
- The fair value for the equity settled portion has been determined at grant using the fair value of Sanoma share as of the grant date less the expected dividends paid before possible share delivery.
- The fair value is expensed until vesting.

Valuation parameters for instruments granted during period

EUR	2024	2023
Share price at grant	6.94	8.24
Share price at the end of the reporting period	7.67	6.95
Expected dividends pa.	0.34	0.38
Fair value of the equity-settled portion at grant	5.58	6.74

Effect of share-based incentives on the result and financial position during the period

EUR million	2024	2023
Expenses for the financial year	3.1	4.1
of which equity-settled	2.9	4.0
Liabilities arising from share-based payments at the end of the period	0.2	0.1

At the end of the period the estimated future cash payment to be paid to the tax authorities from share-based payments is EUR 4.9 million (2023: 3.4).

6.3 Management compensation, benefits and ownership

Management remuneration and ownership, 2024

				Number of performance shares and restricted shares				
	Remuneration (EUR 1,000)	Number of shares on 31 December 2024	Performance and restricted share plan costs (EUR 1,000)	Performance Share Plan 2022–2024[1]	Performance Share Plan 2023–2025[1]	Performance Share Plan 2024–2026[1]	Restricted Share Plan 2023–2025[1]	Restricted Share Plan 2024–2026[1]
Board of Directors								
Pekka Ala-Pietilä, Chair	150	15,000						
Klaus Cawén, Vice Chair (as of 17 April 2024)	64	6,200						
Julian Drinkall	92							
Rolf Grisebach	98							
Anna Herlin	78	1,000						
Mika Ihamuotila	80	150,000						
Sebastian Langenskiöld	89	645,963						
Eugenie van Wiechen	77							
Nils Ittonen, Vice Chair (until 17 April 2024)	33							
Denise Koopmans (until 17 April 2024)	33							
Total	**792**	**818,163**						
President and CEO								
Rob Kolkman	1,227	87,059	454		78,000	123,000		
Total	**1,227**	**87,059**	**454**		**78,000**	**123,000**		
Executive Management Team								
Alexander Green		19,696			75,010	91,100	10,000	20,000
Pia Kalsta		47,410			20,020	39,500		
Total	**1,492**	**67,106**	**521**		**95,030**	**130,600**	**10,000**	**20,000**

[1] Sanoma Performance Share Plan was adopted in 2013. Sanoma Restricted Share Plan was adopted in 2014. Number of Sanoma performance shares in the Performance Share Plan 2024–2026 to the President and CEO and EMT members is presented on target level. Should the maximum level of performance measures be reached the earned share reward is 150% of the shares at target level. Performance period for PSP 2022–2024 is a two-year period (2022–2023); for Performance Share Plan 2023–2025 is a one-year period (2023), and for Performance Share Plan 2024–2026, a one-year period (2024). Shares conditionally granted to the President and CEO and EMT members under the Performance Share and Restricted Share Plan are subject to share ownership requirement that is determined by the Board of Directors in accordance with the Human Resources Committee's proposal. Until the required shareholding is achieved, the President and the CEO and EMT members are required to hold (and not sell) at least 50% of performance and restricted shares received.

Figures include the remuneration (meeting fees, base salaries, fringe benefits, short- and long-term incentives) that has been paid for assignments handled by those persons during the period. EMT members do not receive separate remuneration for their Board memberships in the Group companies. Performance and restricted share plan costs include costs during membership. The Group has no outstanding receivables or loans from the management. Remuneration does not include pension costs. The pension cost of the President and CEO and EMT is presented in paragraph 'Other benefits of the management'.

Management remuneration and ownership, 2023

	Remuneration (EUR 1,000)	Number of shares on 31 December 2023	Performance and restricted share plan costs (EUR 1,000)	Number of performance shares and restricted shares				
				Performance Share Plan 2021–2023[1]	Performance Share Plan 2022–2024[1]	Performance Share Plan 2023–2025[1]	Restricted Share Plan 2021–2023[1]	Restricted Share Plan 2023–2025[1]
Board of Directors								
Pekka Ala-Pietilä, Chair	150	15,000						
Nils Ittonen, Vice Chair	101	59,000						
Julian Drinkall	93							
Rolf Grisebach	87							
Anna Herlin	78	1,000						
Mika Ihamuotila	77	150,000						
Denise Koopmans	92							
Sebastian Langenskiöld	84	645,963						
Eugenie van Wiechen (as of 19 April 2023)	52							
Rafaela Seppälä (until 19 April 2023)	32							
Total	**845**	**870,963**						
President and CEO								
Susan Duinhoven	1,275	601,010	1,791	130,600	100,000	100,000		
Total	**1,275**	**601,010**	**1,791**	**130,600**	**100,000**	**100,000**		
Executive Management Team								
Alexander Green		9,843			46,450	57,700	10,000	10,000
Pia Kalsta		36,650		16,064	12,400	15,400	6,000	
Rob Kolkman		44,675		40,875	32,688	60,000		
Total	**1,880**	**91,168**	**723**	**56,939**	**91,538**	**133,100**	**16,000**	**10,000**

[1] Sanoma Performance Share Plan was adopted in 2013. Sanoma Restricted Share Plan was adopted in 2014. Number of Sanoma performance shares granted in the Performance Share Plan 2022−2024 and Performance Share Plan 2023−2025 to the President and CEO and EMT members is presented on target level. Should the maximum level of performance measures be reached the earned share reward is 150% of the shares at target level. Performance period for the PSP 2022−2024 is a two-year period (2022–2023) and for Performance Share Plan 2023−2025 a one-year period (2023). Shares conditionally granted to the President and CEO and EMT members under the Performance Share and Restricted Share Plan are subject to share ownership requirement that is determined by the Board of Directors in accordance with the Human Resources Committee's proposal. Until the required shareholding is achieved, the President and the CEO and EMT members are required to hold (and not sell) at least 50% of performance and restricted shares received.

Figures include the remuneration (meeting fees, base salaries, fringe benefits, short- and long-term incentives) that has been paid for assignments handled by those persons during the period. EMT members do not receive separate remuneration for their Board memberships in the Group companies. Performance and restricted share plan costs include costs during membership. The Group has no outstanding receivables or loans from the management. Remuneration does not include pension costs. The pension cost of the President and CEO and EMT is presented in paragraph 'Other benefits of the management'.

All remuneration decisions for the President and CEO were made within the framework of the Remuneration Policy presented to Sanoma Corporation's Annual General Meeting 2023, held on 19 April 2023, in Helsinki. The remuneration and benefits payable to the President and CEO and Executive Management Team (EMT) members are approved by the Board of Directors of Sanoma, in accordance with the Human Resources Committee's proposal. In addition, the President and CEO and EMT members receive bonuses according to the short-term incentive plan approved each year by the Board of Directors. The performance criteria set at the beginning of the year in the 2024 short-term incentive plan of EMT members were based on achieving financial targets of operational EBIT, free cash flow and net sales as well as sustainability targets linked to Employee Engagement Survey results and certain climate, data, privacy and AI targets. For the year 2024, the short-term incentive earning opportunity for the President and CEO was set at 66.7% of his annual salary at target level and 100% at maximum level. For other EMT members, the short-term incentive earning opportunity set at the beginning of the year 2024, is 50% of salary at target level and 75% at maximum level.

The President and CEO and EMT members are part of Sanoma's long-term incentive schemes. The long-term incentives are part of the Group's incentive and commitment programme and are distributed by the Sanoma Board of Directors, in accordance with the Human Resources Committee's proposal.

Notifications of the President and CEO's transactions are announced on Sanoma's website as of 3 July 2016. More details on remuneration is available in the **Remuneration Report** 2024 and on Sanoma's website.

Other benefits of the management

The President and CEO Rob Kolkman's period of notice is six months either from the President and CEO's or the Company's part. If the executive contract is terminated by the Company, a severance payment equalling to six month's salary in addition to the salary for the notice period will be paid to the President and CEO. The severance pay is accompanied by a fixed-term non-competition clause.

The additional pension benefits of the President and CEO and other EMT members are based on defined contribution. The President and CEO is entitled to an additional pension benefit contribution, which amounts to 15% of his salary (excl. holiday allowance). The President and CEO's and the EMT members' retirement age is the usual retirement age in their home country.

For the President and CEO Rob Kolkman, the additional pension contribution cost was EUR 90,038 for the year 2024, and the statutory pension cost for the year 2024 was EUR 137,553. The pension costs of EMT members were EUR 222,543 in 2024 (Including both statutory and voluntary) (2023: 248,569).

6.4 Subsidiaries, associated companies and joint ventures

Subsidiaries at 31 Dec 2024

	Parent Company holding, %	Sub-group’s Parent Company holding, %	Group holding, %	Book value in Parent Company, EUR million
Subsidiaries of Parent Company				
Sanoma Trade Oy, Finland	100.0		100.0	0.7
Sanoma Media Finland Ltd, Finland[1]	100.0		100.0	131.4
Sanoma Pro Ltd, Finland[1]	100.0		100.0	670.5
Subsidiaries of Sanoma Learning B.V.				
Bureau ICE B.V., The Netherlands			100.0	
L.C.G. Malmberg B.V., The Netherlands			100.0	
Uitgeverij Van In N.V., Belgium			100.0	
Iddink Group B.V., The Netherlands			100.0	
Gelukskoffer Scholen B.V., The Netherlands			100.0	
Subsidiary of Sanoma Trade Oy				
Forum Cinemas Ltd, Ukraine			100.0	
Subsidiaries of Sanoma Media Finland Ltd				
Sanomala Oy, Finland		100.0	100.0	
Sanoma Kids Finland Oy, Finland		100.0	100.0	
Sanoma Tekniikkajulkaisut Oy, Finland		60.0	60.0	
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab, Finland		75.4	75.4	
Kaiku Entertainment Oy, Finland		100.0	100.0	
Sanoma Manu Oy, Finland		100.0	100.0	
Rauman Suorajakelu Oy, Finland		100.0	100.0	
Subsidiaries of Sanoma Pro Ltd				
Nowa Era Sp. z.o.o., Poland		100.0	100.0	
Sanoma Learning B.V., The Netherlands		100.0	100.0	
Sanoma Utbildning AB, Sweden		100.0	100.0	
Tutorhouse Oy, Finland		100.0	100.0	
itslearning AS, Norway		100.0	100.0	
Sanoma Educación, S.L., Spain		100.0	100.0	
Ítaca, S.L., Spain		100.0	100.0	
ITSL KeyMgmt AS, Norway		100.0	100.0	
Sanoma Italia S.p.A, Italy		100.0	100.0	
Subsidiaries of Sanoma Educación S.L.				
Grup Promotor D´Ensenyement i Difusió en Catalá, S.L., Spain			100.0	
Edicions Voramar, S.A., Spain			100.0	
Ediciones Grazalema, S.L., Spain			100.0	
Edicions Obradoiro, S.L., Spain			100.0	
Zubia Editoriala, S.L., Spain			100.0	
Sanoma Infantil y Juvenil, S.L., Spain			100.0	
Clickart, Taller De Comunicacio, S.L., Spain			100.0	
Subsidiaries of itslearning AS				
itslearning UK Ltd, United Kingdom			100.0	
itslearning AB, Sweden			100.0	
itslearning GmbH, Germany			100.0	
itslearning A/S, Denmark			100.0	
itslearning München GmbH, Germany			100.0	
Subsidiary of Nowa Era Sp. z.o.o.				
Vulcan Sp. z.o.o., Poland			100.0	
Subsidiaries of Iddink Group B.V.				
Iddink Digital B.V., The Netherlands			100.0	
Iddink Learning Materials B.V., The Netherlands			100.0	
Iddink Spain S.L.U, Spain			100.0	
The Implementation Group B.V., The Netherlands			100.0	
				802.6

[1] Parent Company of sub-group

In 2024, Sanoma did not have subsidiaries with material non-controlling interests. Total non-controlling interest reported in the balance sheet 31 Dec 2024 is EUR 1.1 million (2023: 2.6).

Associated companies and joint ventures at 31 Dec 2024

	Parent Company holding, %	Sub-group's Parent Company holding, %	Group holding, %	Book value in Parent Company, EUR million
Sanoma Corporation				
Valkeakosken Yhteistalo Oy, Finland	21.9		21.9	0.2
Sanoma Media Finland Ltd				
Story House Egmont Oy Ab, Finland		50.0	50.0	
Platco Oy, Finland		33.3	33.3	
Beely Oy, Finland		30.6	30.6	
Suomen Nettikirpputorit Oy, Finland		0.0	0.0	
Oy Suomen Tietotoimisto - Finska Notisbyrån Ab				
Retriever Suomi Oy, Finland			49.0	
L.C.G. Malmberg B.V.				
Methodeonderzoek V.O.F., The Netherlands			25.0	
A.S.S.U. Adressenbestand Samenwerkende Schoolboeken Uitgevers V.O.F, The Netherlands			50.0	
				0.2

6.5 Events after the balance sheet date

On 20 January 2025, Sanoma announced that it had acquired a portfolio of learning materials for secondary and vocational education from Finnish publisher Edita Oppiminen Oy, who had made a decision to discontinue its learning material publishing business. The acquired product offering complements Sanoma's current product portfolio for secondary and vocational education in Finland. In 2024, pro forma net sales of the acquired portfolio amounted to approx. EUR 4 million. No employees transferred from the seller to Sanoma with the transaction.

Parent Company Financial Statements

Parent Company income statement, FAS

EUR million	Note	2024	2023
Net sales	2	63.9	63.4
Other operating income	3	0.3	3.4
Personnel expenses	4	-16.3	-19.2
Depreciation, amortisation and impairment losses	8–10	-1.5	-1.2
Other operating expenses	5	-60.3	-57.4
OPERATING PROFIT (LOSS)		**-13.9**	-11.0
Financial income and expenses	6	-5.9	2.2
RESULT BEFORE APPROPRIATIONS AND TAXES		**-19.8**	-8.8
Appropriations	13	19.2	9.5
Income taxes	7	-0.1	0.2
RESULT FOR THE YEAR		**-0.7**	0.9

Parent Company balance sheet, FAS

Assets

EUR million	Note	31 Dec 2024	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets	8	2.8	3.4
Tangible assets	9	4.7	4.7
Investments	10	1,383.3	1,438.9
Long-term receivables	11	0.8	1.8
NON-CURRENT ASSETS, TOTAL		**1,391.6**	1,448.8
CURRENT ASSETS			
Income Tax receivables		0.1	
Short-term receivables	11	71.1	71.9
Cash and cash equivalents		11.8	44.5
CURRENT ASSETS, TOTAL		**82.9**	116.4
ASSETS, TOTAL		**1,474.5**	1,565.2

Equity and liabilities

EUR million	Note	31 Dec 2024	31 Dec 2023
SHAREHOLDERS' EQUITY	12		
Share capital		71.3	71.3
Treasury shares		-3.0	-4.1
Fund for invested unrestricted equity		209.8	209.8
Retained earnings		341.9	401.9
Result for the year		-0.7	0.9
SHAREHOLDERS' EQUITY, TOTAL		**619.3**	679.7
APPROPRIATIONS		**0.9**	0.9
LIABILITIES			
Non-current liabilities	14	518.3	399.7
Current liabilities	15	336.0	484.9
LIABILITIES, TOTAL		**854.3**	884.6
EQUITY AND LIABILITIES, TOTAL		**1,474.5**	1,565.2

Parent Company cash flow statement, FAS

EUR million	2024	2023
OPERATIONS		
Result for the period	-0.7	0.9
Adjustments		
Income taxes	0.1	-0.2
Appropriations	-19.2	-9.5
Financial income and expenses	5.9	-2.2
Depreciation, amortisation and impairment losses	1.5	1.2
Gains / losses on sale of non-current assets	0.0	-3.0
Other adjustments	3.6	3.2
Change in working capital		
Change in trade and other receivables	2.7	24.0
Change in trade and other payables, and provisions	5.1	-4.5
Dividends received		1.9
Interest paid	-47.2	-28.6
Other financial items	-3.0	2.8
Taxes paid	-0.3	0.2
CASH FLOW FROM OPERATIONS	**-51.6**	-13.7

EUR million	2024	2023
INVESTMENTS		
Acquisition of tangible and intangible assets	-0.9	-0.7
Investments in group companies	-180.0	
Sales of tangible and intangible assets	0.1	5.4
Loans granted	-17.2	-9.7
Repayments of loan receivables	260.2	79.4
Interest received	43.6	35.2
CASH FLOW FROM INVESTMENTS	**105.7**	109.6
CASH FLOW BEFORE FINANCING	**54.2**	95.9
FINANCING		
Purchase of treasury shares	-1.9	
Change in loans with short maturity	37.2	-68.9
Drawings of other loans	325.8	189.3
Repayments of other loans	-397.4	-179.1
Dividends paid	-60.5	-60.4
Group contributions	9.8	48.6
CASH FLOW FROM FINANCING	**-86.9**	-70.5
Change in cash and cash equivalents according to cash flow statement	**-32.8**	25.4
Net increase (+) / decrease (-) in cash and cash equivalents	**-32.8**	25.4
Cash and cash equivalents at 1 Jan	44.5	19.2
Cash and cash equivalents at 31 Dec	**11.8**	44.5

Notes to the Parent Company Financial Statements

1. Parent Company's accounting policies for Financial Statements

Sanoma Corporation is a public limited-liability company, which is domiciled in Helsinki. Sanoma Corporation was founded on 1 May 1999 as the result of a combination merger. Sanoma Corporation's financial statements have been prepared according to Finnish Accounting Standards (FAS). Sanoma Corporation is the Parent Company of Sanoma Group. Sanoma has prepared its Consolidated Financial Statements in accordance with most recent IFRS Accounting Standards as adopted by the European Union. The Finnish accounting practices applied by Sanoma Corporation and accounting principles of IFRS standards are mainly consistent thus the main accounting principles are available in accounting policies of Consolidated Financial Statements.

The most significant differences between the accounting policies of the Parent Company and Sanoma Group are the following:

Pensions

Statutory pension cover of Sanoma Corporation's employees is managed by pension insurance companies. Supplementary pension benefits are managed by Sanoma Pension Fund and by insurance companies. Pension settlements and pension costs are recognised during the period in which they are incurred. The potential deficit of pension fund's pension liability has been recognised as an obligatory provision under the balance sheet of Sanoma Corporation.

Interest in Group companies

Interest in Group companies is measured at cost less any impairment losses. Interest in Group companies is tested for impairment annually. Impairment testing also includes net receivables from subsidiaries.

The fair value of the subsidiary shares has been assessed based on income approach, in which the fair value of investment is calculated based on the discounted cash flow model (DCF) or the dividend discount model. Impairment need is assessed by comparing the fair value of the subsidiary shares to the book value in the Parent Company's balance sheet and possible write-down is booked through profit or loss.

Real estate investments and housing property investments

In accordance with the Finnish Accounting Act, investments in real estates and housing property are presented as investments of non-current assets.

2. Net sales

EUR million	2024	2023
Net sales by business		
Management and service fees	63.9	63.4
Total	**63.9**	63.4
Net sales by market areas		
Finland	25.4	28.1
Other EU countries	35.5	32.2
Other countries	3.0	3.1
Total	**63.9**	63.4

3. Other operating income

EUR million	2024	2023
Rental income	0.1	0.1
Capital gains	0.0	3.0
Other	0.2	0.3
Total	**0.3**	3.4

4. Personnel expenses

EUR million	2024	2023
Wages, salaries and fees	-14.3	-16.7
Pension costs	-1.7	-1.6
Other social expenses	-0.3	-0.9
Total	**-16.3**	-19.2
Average number of employees (full-time equivalents)	**100**	125

The remuneration to the President and CEO and Board of Directors is presented separately, divided by persons, in the Consolidated Financial Statements, Note 6.3.

5. Other operating expenses

EUR million	2024	2023
Office and ICT expenses	-49.2	-45.8
Professional fees	-2.0	-3.0
Rents	-1.0	-1.0
Other	-8.2	-7.6
Total	**-60.3**	-57.4

Principal Audit fees

EUR million	2024	2023
Statutory audit	-0.4	-0.3
Total	**-0.4**	-0.3

6. Financial income and expenses

EUR million	2024	2023
Dividend income		
From Group companies		1.9
Total		1.9
Interest income from investments under non-current assets		
From Group companies	39.1	37.9
Total	**39.1**	37.9
Other interest and financial income		
From Group companies	2.1	2.5
From other companies	1.8	1.8
Exchange rate gains	3.3	5.1
Total	**7.2**	9.4
Interest and other financial expenses		
To Group companies	-6.1	-5.1
To other companies	-42.9	-37.7
Exchange rate losses	-3.2	-4.3
Total	**-52.2**	-47.1
Total	**-5.9**	2.2

7. Income taxes

EUR million	2024	2023
Income tax on operational income	0.0	-0.1
Income taxes from previous periods	-0.1	0.4
Total	**-0.1**	0.2

8. Intangible assets

Intangible assets 2024

EUR million	Immaterial rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan	0.0	9.8	0.0	9.8
Increases		0.1	0.8	0.8
Reclassifications		0.0	0.0	
Acquisition cost at 31 Dec	0.0	9.8	0.8	10.6
Accumulated amortisation and impairment losses at 1 Jan		-6.4		-6.4
Amortisation for the period		-1.0		-1.0
Impairment losses for the period		-0.4		-0.4
Accumulated amortisation and impairment losses at 31 Dec	0.0	-7.8		-7.8
Book value at 31 Dec 2024		**2.1**	**0.8**	**2.8**

Intangible assets 2023

EUR million	Immaterial rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan	0.0	10.2	1.0	11.2
Increases		0.4		0.4
Decreases		-1.7	-0.1	-1.8
Reclassifications		0.9	-0.9	
Acquisition cost at 31 Dec	0.0	9.8	0.0	9.8
Accumulated amortisation and impairment losses at 1 Jan		-7.0		-7.0
Decreases		1.7		1.7
Amortisation for the period		-1.0		-1.0
Accumulated amortisation and impairment losses at 31 Dec		-6.4		-6.4
Book value at 31 Dec 2023	**0.0**	**3.4**	**0.0**	**3.4**

9. Tangible assets

Tangible assets 2024

EUR million	Land and water	Machinery and equipment	Other	Total
Acquisition cost at 1 Jan	4.2	0.7	0.3	5.2
Increases		0.1		0.1
Decreases		0.0	-0.1	-0.1
Acquisition cost at 31 Dec	4.2	0.8	0.3	5.2
Accumulated depreciation and impairment losses at 1 Jan		-0.5		-0.5
Decreases		0.0		0.0
Depreciation for the period		-0.1		-0.1
Accumulated depreciation and impairment losses at 31 Dec		-0.6		-0.6
Book value at 31 Dec 2024	**4.2**	**0.2**	**0.3**	**4.7**

Tangible assets 2023

EUR million	Land and water	Machinery and equipment	Other	Total
Acquisition cost at 1 Jan	6.4	0.9	0.3	7.6
Increases		0.1	0.0	0.1
Decreases	-2.3	-0.2		-2.5
Acquisition cost at 31 Dec	4.2	0.7	0.3	5.2
Accumulated depreciation and impairment losses at 1 Jan		-0.5		-0.5
Decreases		0.2		0.2
Depreciation for the period		-0.2		-0.2
Accumulated depreciation and impairment losses at 31 Dec		-0.5		-0.5
Book value at 31 Dec 2023	**4.2**	**0.3**	**0.3**	**4.7**

10. Investments

Investments 2024

EUR million	Interest in Group companies	Receivables from Group companies	Interest in associated companies	Other shares and holdings	Total
Acquisition cost at 1 Jan	635.5	811.7	0.2	5.2	1,452.6
Increases	180.0	110.0			290.0
Decreases		-345.6			-345.6
Acquisition cost at 31 Dec	815.5	576.1	0.2	5.2	1,397.0
Accumulated impairment losses at 1 Jan	-12.9			-0.8	-13.7
Accumulated impairment losses at 31 Dec	-12.9			-0.8	-13.7
Book value at 31 Dec 2024	**802.6**	**576.1**	**0.2**	**4.4**	**1,383.3**

Investments 2023

EUR million	Interest in Group companies	Receivables from Group companies	Interest in associated companies	Other shares and holdings	Total
Acquisition cost at 1 Jan	1,352.8	886.2	0.2	5.2	2,244.4
Increases		4.8			4.8
Decreases	-717.3	-79.3			-796.6
Acquisition cost at 31 Dec	635.5	811.7	0.2	5.2	1,452.6
Accumulated impairment losses at 1 Jan	-730.2			-0.8	-731.0
Decreases	717.3				717.3
Accumulated impairment losses at 31 Dec	-12.9			-0.8	-13.7
Book value at 31 Dec 2023	**622.6**	**811.7**	**0.2**	**4.4**	**1,438.9**

11. Receivables

Long-term receivables

EUR million	2024	2023
Accrued income[1]	0.8	1.8

Short-term receivables

EUR million	2024	2023
Trade receivables	0.8	2.0
Loan receivables	32.3	39.1
Accrued income[1]	38.0	30.7
Total	**71.1**	71.9
Receivables from Group companies		
Trade receivables	0.8	1.9
Loan receivables	32.3	39.1
Accrued income	31.7	22.9
Total	**64.8**	63.9

[1] Most significant items under accrued items are the Group contributions and interest income accruals.

12. Shareholders' equity

EUR million	2024	2023
Restricted equity		
Share capital at 1 Jan	71.3	71.3
Share capital at 31 Dec	71.3	71.3
Restricted equity 31 Dec	**71.3**	71.3
Unrestricted equity		
Treasury shares at 1 Jan	-4.1	-5.2
Purchase of treasury shares	-1.9	
Shares delivered	3.0	1.1
Treasury shares at 31 Dec	-3.0	-4.1
Fund for invested unrestricted equity at 1 Jan	209.8	209.8
Fund for invested unrestricted equity at 31 Dec	209.8	209.8
Retained earnings at 1 Jan	402.8	460.8
Dividends paid	-60.5	-60.4
Share based payments	1.8	2.2
Shares delivered	-2.1	-0.7
Retained earnings at 31 Dec	341.9	401.9
Result for the year	-0.7	0.9
Unrestricted equity 31 Dec	**548.0**	608.5
Total	**619.3**	679.7

Further information on share capital is presented in the Consolidated Financial Statements, Note 5.4.

Distributable earnings

EUR million	2024	2023
Treasury shares	-3.0	-4.1
Fund for invested unrestricted equity	209.8	209.8
Retained earnings	341.9	401.9
Result for the year	-0.7	0.9
Total	**548.0**	608.5

13. Appropriations

EUR million	2024	2023
Group contributions	19.2	9.8
Cumulative depreciation differences	0.0	-0.3
Total	**19.2**	9.5

14. Non-current liabilities

EUR million	2024	2023
Debentures	299.8	150.0
Loans from financial institutions	218.9	250.0
Accrued expenses	-0.4	-0.3
Total	**518.3**	399.7

15. Current liabilities

EUR million	2024	2023
Debentures		199.9
Loans from financial institutions	50.6	100.8
Commercial papers	37.4	
Trade payables	6.4	1.8
Accrued expenses[1]	20.4	20.2
Advances received	0.3	0.3
Other liabilities	220.8	161.8
Total	**336.0**	484.8
Liabilities to Group companies		
Trade payables	0.6	0.4
Accrued expenses	0.0	0.0
Other liabilities[2]	220.4	161.4
Total	**221.0**	161.8

[1] Most significant items under accrued items are related to expense accruals and accrued personnel expenses.
[2] Other liabilities to Group companies include balances in IHC account.

16. Contingent liabilities

EUR million	2024	2023
Contingencies for own commitments		
Other contingent liability for own commitments	15.0	15.0
Total	**15.0**	15.0
Contingencies incurred on behalf of Group companies		
Guarantees	92.2	118.4
Total	**92.2**	118.4
Other liabilities[1]	63.6	54.6
Total	**63.6**	54.6
Total	**170.8**	188.0

[1] Other liabilities include commitments of contracts.

Nominal values of derivatives

EUR million	2024	2023
Currency derivatives		
Forward exchange contracts, external	16.6	9.7
Forward exchange contracts, internal	0.1	0.0
Total	**16.7**	9.8

Fair values of derivatives

EUR million	2024	2023
Currency derivatives		
Forward exchange contracts, external	0.1	0.0

Board's proposal for distribution of profits

The retained earnings of the Parent Company Sanoma Corporation, according to the balance sheet as at 31 December 2024, were EUR 338,224,130.24 of which the profit for the financial year 2024 was EUR -746,275.17. Including the fund for invested unrestricted equity of EUR 209,767,212.33 the distributable funds amounted to EUR 547,991,342.57 at 31 December 2024. The Board of Directors will propose to the Annual General Meeting that

- a dividend of EUR 0.39 per share shall be paid EUR 63,654,229.47*
- shareholders' equity shall be set at EUR 484,337,113.10

No essential changes have taken place in the financial status of the Company after the financial year. The Company's liquidity is good and according to the Board of Directors the proposed dividend will not compromise the Company's liquidity.

* The dividend will be paid in three instalments. The first instalment of EUR 0.13 per share shall be paid to a shareholder who is registered in the shareholder register of the Company maintained by Euroclear Finland Ltd on the dividend record date 2 May 2025. The payment date proposed by the Board of Directors for this instalment is 9 May 2025.

The second instalment of EUR 0.13 per share shall be paid in September 2025. The second instalment shall be paid to a shareholder who is registered in the shareholder register of the Company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the dividend payment date, shall be decided by the Board of Directors in its meeting scheduled for 9 September 2025.

The third instalment of EUR 0.13 per share shall be paid in November 2025. The third instalment shall be paid to a shareholder who is registered in the shareholder register of the Company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the dividend payment date, shall be decided by the Board of Directors in its meeting scheduled for 29 October 2025.

Signatures to the Financial Statements and the Report of the Board of Directors

The financial statements prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the companies included in its consolidated financial statements.

The Report by the Board of Directors contains a truthful description of the development and result of the business operations of the company and the group, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability statement included in the Report by the Board of Directors has been prepared in accordance with Chapter 7 of the accounting act and Article 8 of the taxonomy regulation.

Helsinki, 25 March 2025

Pekka Ala-Pietilä
Chair

Klaus Cawén
Vice Chair

Julian Drinkall

Rolf Grisebach

Anna Herlin

Mika Ihamuotila

Sebastian Langenskiöld

Eugenie van Wiechen

Rob Kolkman
President and CEO

Auditor's note

A report on the audit performed has been issued today.

Helsinki, 28 March 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Tiina Puukkoniemi
APA

Auditor's Report (Translation of the Finnish original)

To the Annual General Meeting of Sanoma Corporation

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Sanoma Corporation (business identity code 1524361-1) for the year ended 31 December 2024. The financial statements comprise:

- the consolidated income statement, statement of comprehensive income, consolidated balance sheet, changes in consolidated equity, consolidated cash flow statement and notes to the consolidated financial statements, which include material accounting policy information and other explanatory information
- the parent company balance sheet, parent company income statement, parent company cash flow statement and notes to the parent company financial statements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

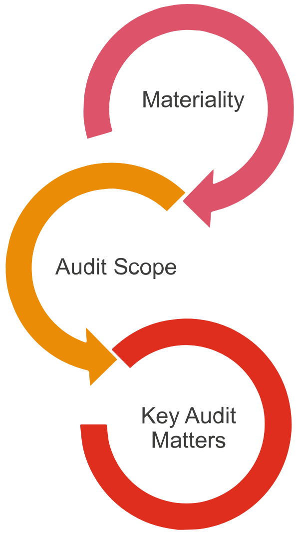
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.5 to the Consolidated Financial Statements.

Our Audit Approach



Overview

- We have applied an overall group materiality of 8,800,000 euros
- The group audit scope encompassed the most significant group companies and covers the vast majority of group's revenues, assets and liabilities.
- Valuation of goodwill and other intangible assets identified in connection with business combinations
- Valuation of prepublication rights included in intangible assets
- Revenue recognition
- Valuation of interests in group companies and receivables from group companies in the Parent Company's financial statements

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	8,800,000 euros
How we determined it	We used a combination of net sales and result before taxes as benchmarks to determine overall group materiality.
Rationale for the materiality benchmark applied	We determined that net sales and result before taxes as a combination provide a suitable representation of the volume of Sanoma's operations and profitability.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Sanoma Group, the accounting processes and controls, and the industry in which the group operates.

At the end of 2024 Sanoma Group includes two reportable segments: Sanoma Learning and Sanoma Media Finland. Sanoma Learning's main markets are the Netherlands, Spain, Poland, Italy, Belgium and Finland. We have scoped our audit to obtain sufficient audit coverage of Sanoma Group consolidated financial statements. The group audit scope encompassed the most significant group companies and covers the vast majority of group's revenues, assets and liabilities.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of goodwill and other intangible assets identified in business combinations *Refer to Accounting policies for consolidated financial statements and Note 3.2.* As of December 2024, Goodwill amounted to EUR 810 million. Other intangible assets and immaterial rights amounted to EUR 475 million including other intangible assets identified in business combinations. Goodwill is not amortised but tested at least once a year for possible impairment. Other intangible assets are amortised using the straight-line method over their useful lives. For the purpose of impairment testing, goodwill has been allocated to two cash flow generating units (CGU): ▪ Sanoma Learning, goodwill of EUR 700 million ▪ Sanoma Media Finland, goodwill of EUR 109 million. The goodwill impairment testing is carried out by determining the present value of future cash flows of the CGUs. This assessment involves considerable management judgment with respect to assumptions used in the cash flow projections specifically relating to the long-term growth rate, profitability level and discount rate. The valuation of goodwill and other intangible assets identified in business combinations are considered a key audit matter due to their financial significance as well as due to the management judgement involved in the valuation.	Our audit procedures included, for example, the following: ▪ We obtained an understanding of the methodology used in the goodwill impairment testing. ▪ We tested the mathematical accuracy of the calculations. ▪ We assessed the reasonableness of the estimated future profitability levels and their consistency with the approved budgets and forecasts. ▪ We tested the reasonableness of the discount rates, the long-term growth rates, and other assumptions by e.g., comparing the inputs to observable market data. ▪ We tested management's sensitivity analysis to ascertain the extent of change in key assumptions that either individually or collectively could result in an impairment of goodwill. ▪ We evaluated the management's estimate of the amortisation period used for intangible assets, including those identified in business combinations. ▪ We assessed the adequacy of the disclosures.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of prepublication rights included in intangible assets *Refer to Accounting policies for consolidated financial statements and Note 3.2.* As of December 31, 2024, prepublication rights amount to EUR 136 million. The prepublication rights of learning materials and solutions are mostly internally generated intangible assets that are amortised using the straight-line method over their useful lives. The group reviews the carrying values of these intangible assets to determine that they do not exceed the estimated future economic benefits. Valuation of these intangible assets is considered a key audit matter due to management judgement involved in determining the amortisation period and in assessing the recoverability of these assets.	Our audit procedures included, for example, the following: ▪ We obtained an understanding of the accounting and valuation principles of the prepublication rights. ▪ We evaluated the management's estimate of the amortisation period used for the prepublication rights. ▪ We evaluated management's estimate of the future economic benefits of these assets. ▪ We tested, on a sample basis, additions to the prepublication rights.
Revenue recognition *Refer to Note 2.2. in the consolidated financial statements* The group's net sales from continued operations amount to EUR 1 345 million. Revenue from the Learning segment is primarily generated through sale of educational books and granting access to online learning platforms as well as physical distribution of learning materials. The Media Finland segment principally generates revenue through magazine and newspaper publishing (circulation sales and advertising sales), TV and Radio operations, online and subscription video on demand services as well as events. Revenue recognition principles vary depending on the nature of the revenue stream. Revenue recognition is considered a key audit matter due to the significance of revenue to the financial statements and due to management judgement involved in selecting the appropriate revenue recognition method for the different revenue streams.	Our audit procedures included, for example, the following: ▪ We obtained an understanding of the company's revenue recognition policies and compared these to the respective standards on revenue recognition. ▪ We tested the internal controls that the company uses to assess the completeness, accuracy and timing of revenue recognized. ▪ We tested revenue contracts and transactions on a sample basis. ▪ We tested, on a sample basis, revenue related balances in the balance sheet, such as provision for returns and advances received.

Key audit matter in the audit of the parent company	How our audit addressed the key audit matter
Valuation of interests in group companies and receivables from group companies in the Parent Company's financial statements *Refer to the Parent Company's accounting policies and Note 10* The investments in group companies' shares amounts to EUR 803 million. The Parent Company's investments also include EUR 576 million of loan receivables from group companies. Interest in group companies is tested for impairment annually using the income approach. In applying this approach, the fair value of an investment is calculated based on the discounted cash flow model or the discounted dividend model. Valuation of interests in group companies and receivables from group companies is considered a key audit matter in the audit of the Parent Company due to the significance of these investments to the financial statements and due to management judgement involved in the income approach used to test the valuation of these investments.	Our audit procedures included, for example, the following: ▪ We assessed the reasonableness of management assumptions relating to the estimated future results by e.g., checking their consistency with the approved budgets and forecasts. ▪ We assessed the inputs and methodology in determining the discount rates, and in evaluating the long-term growth rates by e.g., comparing the inputs to observable market data. ▪ We reviewed the Parent Company's disclosures in respect of the impairment testing.
There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.	

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the President and CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ and the President and CEO’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 21 March 2017. Our appointment represents a total period of uninterrupted engagement of 8 years.

Other Information

The Board of Directors and the President and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Other statements

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet (and the distribution of other unrestricted equity) is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the President and CEO should be discharged from liability for the financial period audited by us.

Helsinki

PricewaterhouseCoopers Oy
Authorised Public Accountants

Tiina Puukkoniemi
Authorised Public Accountant (KHT)

Assurance Report on the Sustainability Statement

(Translation of the Finnish original)

To the Annual General Meeting of Sanoma Corporation

We have performed a limited assurance engagement on the group sustainability statement of Sanoma Corporation (business identity code 1524361-1) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Sanoma Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Sanoma Corporation are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability statement about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. 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 included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability statement at the group level, as well as at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable and assessed whether they support the information contained in the group sustainability statement.
- We performed a site visit at the company's printing house in Tampere, Finland.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability statement complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki

PricewaterhouseCoopers Oy
Authorised Sustainability Auditors

Tiina Puukkoniemi
Authorised Sustainability Auditor

Governance

Sanoma follows responsible business practices and complies with the Finnish Corporate Governance Code 2025.

Corporate Governance Statement

Sanoma Corporation complies with the Finnish Corporate Governance Code 2025, issued by the Securities Market Association in December 2024. This Corporate Governance Statement has been prepared in accordance with the Code, which is available on the Securities Market Association's website.

The statement has been reviewed by Sanoma's Audit Committee. The statutory auditors of Sanoma have checked that the statement has been issued and that its description of the main features of internal control and risk management systems related to the financial reporting process complies with the financial statements of the Company. This statement is presented as a separate report from the Report of the Board of Directors.

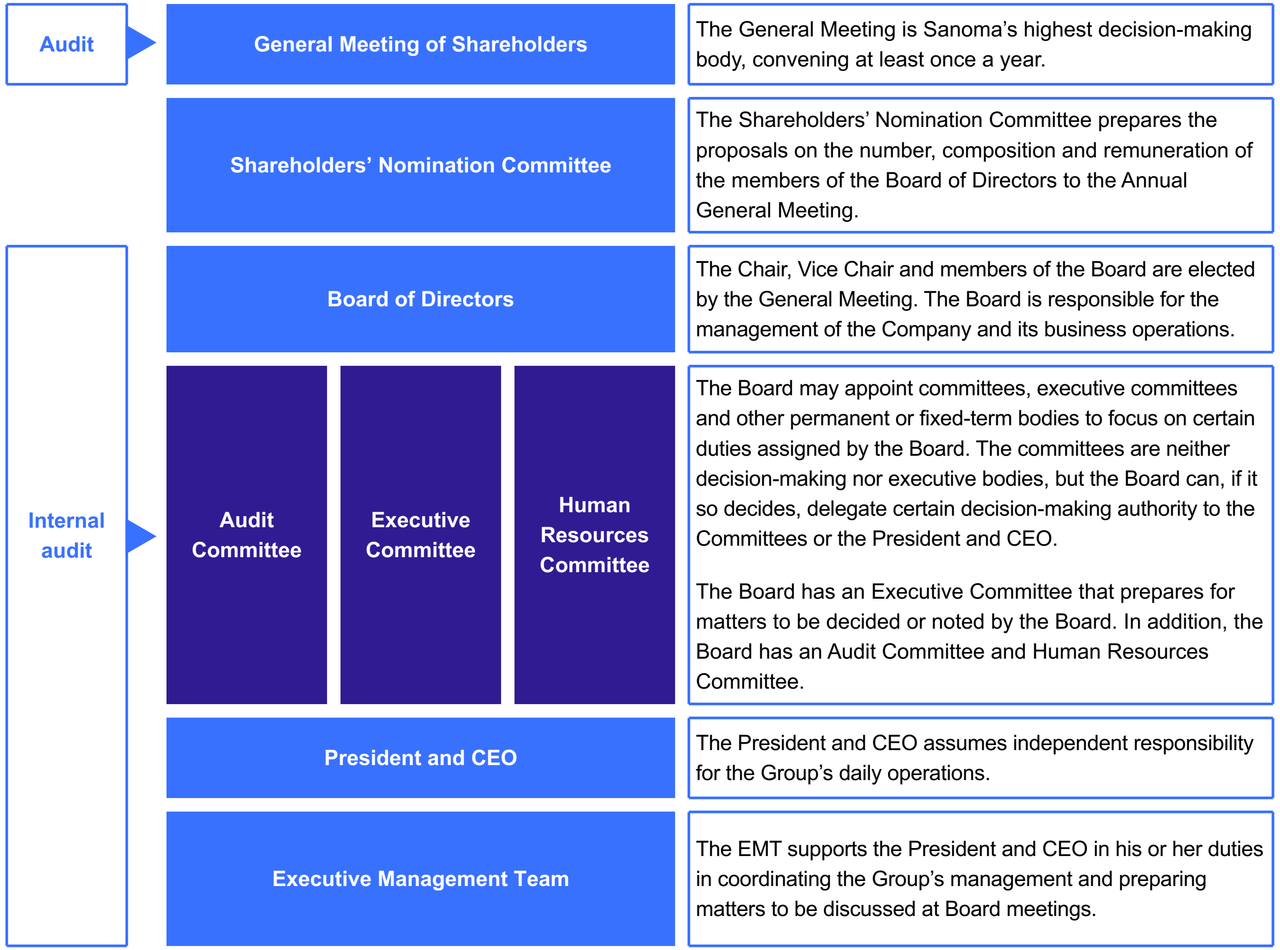
More information on the remuneration principles of the Board of Directors, the President and CEO and the Executive Management Team is available in a separate Remuneration Report, prepared in accordance with the Code.

During the course of the year, information on Sanoma's governance is updated on Sanoma's website.

Corporate governance structure

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

Sanoma's administrative bodies are the General Meeting of Shareholders, the Shareholders' Nomination Committee, the Board of Directors and its committees, the President and CEO and the Executive Management Team (EMT).



Shareholders' Nomination Committee

The purpose of the Shareholders' Nomination Committee of Sanoma Corporation is to prepare the proposals on the number, composition and remuneration of the members of the Board of Directors to the Annual General Meeting (AGM). However, any shareholder of the Company may also make a proposal directly to the AGM in accordance with the Finnish Companies Act.

The Shareholders' Nomination Committee consists of up to four members who represent Sanoma's four largest shareholders on 31 May preceding the next year's AGM. The Chair of the Company's Board of Directors may be invited to serve as an expert in the Nomination Committee without being a member and without having a vote or being counted in the quorum of the Nomination Committee. The Nomination Committee shall elect a Chair from among its members at the first meeting. The term of office of the members of the Nomination Committee starts after the AGM following the appointment, and expires annually upon the appointment of the next Shareholders' Nomination Committee.

Remuneration

The remuneration for the members of the Shareholders' Nomination Committee for their duties on the Nomination Committee was resolved by the AGM 2024. The meeting fees of the members of the Nomination Committee during this term are:

- for the Chair of the Nomination Committee: EUR 3,500 / Committee meeting participated,
- for members of the Nomination Committee who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated, and
- for members of the Nomination Committee who reside in Finland: EUR 1,500 / Committee meeting where the member was present.

The Company shall bear all reasonable costs of the Nomination Committee. The travel expenses of the members of the Nomination Committee will be compensated against receipt according to the Sanoma Travel Policy.

Tasks and duties

The tasks and duties of the Nomination Committee are defined in its Charter that is available on Sanoma's website.

In accordance with its Charter, the duties of the Nomination Committee include, among other responsibilities:

- preparing and presenting to the AGM the proposals for:
  - the remuneration of the members of the Board of Directors as well as Board Committees,
  - the number of the members of the Board of Directors,
  - the election of the Board of Directors, the Chair and Vice Chair,
- seeking prospective successors for the members of the Board of Directors, and
- participating in the development of the principles concerning the diversity of the Board of Directors and reporting on the diversity objectives.

Procedures applied in the preparation of the proposal on the Board composition

In accordance with the Nomination Committee Charter, the Board of Directors of Sanoma shall have a sufficient level of versatile competencies, mutually complementing experience, and knowledge of the industry for the needs of the Company expressed in its strategy at any given time.

For example, the Board of Directors shall collectively have sufficient knowledge of and competence in:

- the learning and media business with current and potential future geographical reach,
- the management of a public company of corresponding size, good corporate governance, corporate and financial administration and internal control and risk management,
- strategic work as well as mergers and acquisitions,
- technology, including digitalisation and the ethical use of artificial intelligence (AI) in consumer and publishing products, and
- sustainability, including environmental, social and governance aspects.

Among other preparatory activities in 2024, the Nomination Committee defined the skill needs at individual candidate and Board composition levels, conducted a broad screening of candidates and assessed the background, skills and merits of the various candidates towards the skill needs defined.

In addition to competency, experience and knowledge, the most important nomination criteria for the Board candidates individually, are personal qualities and integrity. Equally, the Nomination Committee shall take into account the specific diversity aspects, such as age, education and gender, when preparing its proposal.

Additionally, the independence and other requirements under applicable laws and regulations (including the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code), as well as the results of the annual performance evaluation of the Company's Board of Directors, conducted in accordance with the Finnish Corporate Governance Code, are taken into consideration.

The Nomination Committee employs services of outside consultants in the quest for suitable candidates.

Composition

The Shareholders' Nomination Committee appointed in 2024, comprised Juhani Mäkinen (Vice Chair of the Board, Jane and Aatos Erkko Foundation), Antti Herlin (Chair of the Board, Holding Manutas), Robin Langenskiöld (3rd largest shareholder in Sanoma) and Rafaela Seppälä (4th largest shareholder in Sanoma). In its meeting on 19 June 2024, the Committee elected

Juhani Mäkinen as Chair of the Committee and invited Pekka Ala-Pietilä, Chair of Sanoma's Board of Directors, to serve as an expert in the Committee.

In 2024, the Shareholders' Nomination Committee appointed in 2024, convened four times and the Shareholders' Nomination Committee appointed in 2023, convened once. The attendance rate was 95%. 25% of the Committee members appointed in 2024 were women, and 75% were men.

Board of Directors

The Board of Directors of Sanoma Corporation has a Charter to govern its work. In addition to the Charter, the Board complies with the Articles of Association of the Company, Sanoma Corporate Governance Framework and the related charters and policies, as well as laws and regulations applicable at any given time. The basis for the duties of the Board of Directors is set forth in the Finnish Companies Act.

Election and term

The Shareholders' Nomination Committee shall prepare a proposal concerning the composition of the Board to be presented to the AGM. In accordance with the Articles of Association of Sanoma, the Board shall be composed of five to eleven members elected by the General Meeting. The General Meeting also elects the Chair and the Vice Chair of the Board.

The term of a member of the Board begins at the end of the AGM in which he or she has been elected and expires at the end of the AGM following the election.

Composition, diversity and independence

The members of the Board shall have the qualifications and experience necessary to perform their duties, as well as the possibility to devote sufficient time for the Board work. They shall also meet the independence and other requirements applicable to publicly listed companies in Finland and both genders shall be represented on the Board.

Matters related to the diversity of the Board are defined in the Charter of the Shareholders' Nomination Committee and referred to on a general level in the Group's Diversity and Inclusion Policy and People Policy. In order to ensure that the Board has sufficient and versatile competencies, mutually complementing experience and knowledge of the industry for the needs of Sanoma expressed in the strategy at any given time, the Shareholders' Nomination Committee considers, according to its Charter, a range of diversity aspects, such as industry, business, finance and sustainability experience, international experience, nationality, age, education and gender, when preparing its proposal of the composition of the Board to the AGM. It shall also take into account the results of the annual performance assessment of the Board. Elements related to the knowledge and competence of the Board considered by the Nomination Committee are described on the previous page.

With regards to other factors relevant to Board diversity, the Board has set a measurable objective regarding the representation of both genders on the Board. The objective is that the representation of both genders on the Board is balanced, with the share of under-represented gender being at least 40%. Where two candidates are equally qualified, priority will be given to the candidate of the under-represented gender.

The Shareholders' Nomination Committee annually evaluates the progress of the specific diversity objectives set for the Board.

At the end of 2024, 25% (2023: 33%) of the Board members were women and 75% (2023: 67%) were men. During 2013–2023, the share of women on the Board has varied between 20–50%. Sanoma has Board members with versatile business experience and backgrounds in several of the Company's operating countries. The ages of the Board members vary between 42 and 67, the average age being 57.

Seven members were re-elected to the Board of Directors at the 2024 AGM: Pekka Ala-Pietilä, Julian Drinkall, Rolf Grisebach, Anna Herlin, Mika Ihamuotila, Sebastian Langenskiöld and Eugenie van Wiechen. Klaus Cawén was elected as a new member of the Board of Directors. Term of all elected Board members ends at the 2025 AGM. Nils Ittonen and Denise Koopmans had informed that they were not available for re-election to the Board.

According to the Board's annual evaluation, all members of the Board are non-executive and independent of the Company. Seven out of eight members are also independent of major shareholders. One member, Anna Herlin is non-independent of major shareholders as she is in an employment relationship and board membership in a company, Security Trading Oy, that exercises indirect control in a significant shareholder (Holding Manutas Oy).

Diversity of the Board and its Committees

Board member	Position	Committee membership	Age	Gender	Nationality	Education
Pekka Ala-Pietilä	Chair	Exec	67	male	Finnish	M.Sc. (Econ.), D.Sc. (Tech.) h.c., D.Sc. (Econ.) h.c.
Klaus Cawén	Vice Chair	Exec, Audit	67	male	Finnish	LL.M.
Julian Drinkall	member	HR	60	male	British	Master (Public Administration), MBA and M.A. (PPE)
Rolf Grisebach	member	Audit	63	male	German	Ph.D. (Business Law), Master (Business and Law)
Anna Herlin	member	HR	42	female	Finnish	Master (Social Sciences) and M.A.
Mika Ihamuotila	member	Audit	60	male	Finnish	Ph.D. (Econ.)
Sebastian Langenskiöld	member	Audit, HR	42	male	Finnish	M.Sc. (International Business), Master (International Management)
Eugenie van Wiechen	member	-	55	female	Dutch	MBA, M.Sc. (drs. Chemical Engineering)

Sanoma shares owned by the members of the Board

	Shareholding[1]	
Board member	31 Dec 2024	31 Dec 2023
Pekka Ala-Pietilä, Chair	15,000	15,000
Klaus Cawén, Vice Chair (as of 17 April 2024)	6,200	
Julian Drinkall	0	0
Rolf Grisebach	0	0
Anna Herlin	1,000	1,000
Mika Ihamuotila	150,000	150,000
Sebastian Langenskiöld	645,963	645,963
Eugenie van Wiechen	0	0
Nils Ittonen (Vice Chair until 17 April 2024)		59,000
Denise Koopmans (member until 17 April 2024)		0

[1]Shares owned by the Board members and the corporations over which the member exercises control.

Members of the Board of Directors

Pekka Ala-Pietilä (Chair)

- Born 1957, Finnish citizen
- Independent of the Company and major shareholders
- Chair of the Board since 2016
- Board member since 2014
- Chair of the Executive Committee
- **Education:** M.Sc. (Econ.), D.Sc. (Tech.) h.c., D.Sc. (Econ.) h.c.
- **Main occupation:** Chair of the Board at Sanoma
- **Primary work experience:** Blyk Services Oy, co-founder and CEO 2006–2012; Nokia Corporation, various positions 1984–2005, e.g. President 1999–2005, Nokia Mobile Phones, President, 1992–1998 and Group Executive Board Member 1992–2005
- **Key board memberships:** SAP (Chair, Supervisory Board), Here Technologies (HERE Global B.V.) (Chair, Supervisory Board)

Klaus Cawén (Vice Chair)

- Born 1957, Finnish citizen
- Independent of the Company and major shareholders
- Vice Chair of the Board since 2024
- Board member since 2024
- Member of the Audit Committee and Executive Committee
- **Education:** LL.M.
- **Main occupation:** Kone Corporation, Executive Advisor
- **Primary work experience:** Kone Corporation, various positions 1983– e.g. EVP and Executive Board Member 1991–2021; EVP, Mergers and Acquisitions, Strategic Alliances, Russia and Legal 2006–2021; EVP, Legal, Acquisitions & Toshiba Alliance 2000–2005; EVP, General Counsel and Acquisitions, 1991–2000
- **Key board memberships:** Metso Corporation (Vice Chair), A. Ahlström Corporation (Vice Chair), Toshiba Elevator & Building Systems Corporation
- **Other positions of trust:** DevCo Partners Ltd, Senior Advisor

Julian Drinkall

- Born 1964, British citizen
- Independent of the Company and major shareholders
- Board member since 2020
- Chair of the Human Resources Committee
- Education: Master (Public Administration), Master (Business Administration) and M.A. (PPE)
- **Main occupation:** GLF Schools, CEO
- **Primary work experience:** Aga Khan Schools, General Manager 2021–2022, Academies Enterprise Trust (AET), CEO 2016–2021; Alpha Plus Holding, CEO 2014–2016; Cengage Learning, President and CEO of EMEA and India 2012–2014; OC&C Strategy Consultants, Operating Partner 2010–2012; Macmillan Education, CEO 2007–2010 and Chief Operating Officer 2006–2007; Boots Company, Director of Strategy and Mergers & Acquisitions 2003–2005; IPC Media, Group Strategy Director 2001–2003; BBC, Head of Financial and Commercial Strategy 1998– 2001; previous employers also include Arthur D. Little, Island International (Island Records) and the LEK Partnership

Rolf Grisebach

- Born 1961, German citizen
- Independent of the Company and major shareholders
- Board member since 2020
- Chair of the Audit Committee
- Education: Ph.D. (Business Law), Master (Business and Law)
- **Main occupation:** Future Group, CEO (DACH); Stella Partners, Partner
- **Primary work experience:** Thames & Hudson Ltd (London), CEO 2013–2019; Pearson, President of German, Swiss and Austrian operations 2010–2013; Deutscher Fachverlag (DFV), CEO 2005– 2010; Holtzbrinck Group, Member of the Executive Board 2001–2004, Business CEO for Education, STM and digital division (New York) 1998–2001, Vice President Corporate Development 1995–1998; Boston Consulting Group (Munich and London), Manager 1988–1995
- **Key board memberships:** DeutschAkademie Weiterbildungs GmbH (Chair)

Anna Herlin

- Born 1982, Finnish citizen
- Independent of the Company, non-independent of major shareholders: an employment relationship and board membership in a company, Security Trading Oy, that exercises indirect control in a significant shareholder (Holding Manutas Oy)
- Board member since 2021
- Member of the Human Resources Committee
- **Education:** Master (Social Sciences) and M.A.
- **Main occupation:** Tiina and Antti Herlin Foundation, Head of Development
- **Primary work experience:** John Nurminen Foundation, Project Manager 2013–2018; Finnish Academy of Fine Arts, Planning Officer 2008–2009
- **Key board memberships:** Tiina and Antti Herlin Foundation; Security Trading Oy (Vice Chair)

Mika Ihamuotila

- Born 1964, Finnish citizen
- Independent of the Company and major shareholders
- Board member since 2013
- Member of the Audit Committee
- **Education:** Ph.D. (Econ.)
- **Main occupation:** Marimekko Corporation, Executive Chair of the Board
- **Primary work experience:** Marimekko Corporation, Chair of the Board and CEO 2015–2016, President and CEO and Vice Chair of the Board 2008–2015; Sampo Bank Plc, President and CEO 2001–2007; Mandatum Bank Plc, President and CEO 2000–2001, Executive Director 1998–2000; Mandatum & Co Ltd, Partner 1994–1998, Yale University, Visiting scholar 1992–1993
- **Key board memberships:** Marimekko Corporation (Executive Chair), Mannerheim Foundation (Chair), Musopia Oy (Chair)

Sebastian Langenskiöld

- Born 1982, Finnish citizen
- Independent of the Company and major shareholders
- Board member since 2019
- Member of the Audit Committee and Human Resources Committee
- **Education:** M.Sc. (International Business), Master (International Management)
- **Main occupation:** In Parallel Oy, Head of Partnerships (as of 1 March 2025)
- **Primary work experience:** Salesforce, EMEA ISV GTM Principal Partner Account Manager 2017–2023; Fingertip Ltd., Founding Partner 2012–2017; Cargotec Corporation, M&A Coordinator 2011; Hansaprint Ltd., Key Account Manager 2006–2009

Eugenie van Wiechen

- Born 1969, Dutch citizen
- Independent of the Company and major shareholders
- Board member since 2023
- **Education:** MBA, M.Sc. (drs. Chemical Engineering)
- **Main occupation:** FD Mediagroep, CEO and Publishing Director
- **Primary work experience:** LinkedIn Corporation, Managing Director, the Netherlands 2009–2011; eBay, Managing Director, Marktplaats, 2008–2009; Sanoma Uitgevers B.V. various positions 2003–2008, e.g. Publisher 2003–2008; McKinsey & Company, various positions 1995–2003, e.g. Engagement Manager 1999–2003
- **Key board memberships:** Artis, Supervisory Board

Duties of the Board of Directors

The duties of the Board are set forth in the Finnish Companies Act and other applicable legislation. The Board is responsible for the management of the Company and its business operations. In addition, the Board is responsible for the appropriate arrangement of the control of the Company's bookkeeping and financial administration.

The operating principles and main duties of the Board have been defined in the Charter of the Board of Directors. The Board, amongst other duties:

- decides on the long-term goals and business strategy of the Group for achieving those long-term goals,
- approves the Group's reporting structure,
- decides on acquisitions and divestments, financial matters and investments, which have a value exceeding EUR 5.0 million, or are otherwise strategically significant, or involve significant risks, or relate to divestment, lay-off or termination of employment of 100 employees or more (currently, the Board has delegated its decision-making authority to the President and CEO on acquisitions and divestments, financial matters and investments which have a value amounting to less than EUR 5.0 million),
- ensures the adequacy of planning, internal control and risk management systems and reporting procedures;
- reviews and monitors the operations and performance of the Group companies,
- approves the Interim Reports, the Half-Year Report, the Financial Statements and the Report of the Board of Directors as well as the Corporate Governance Statement and the Remuneration Report of the Company,
- appoints, dismisses and decides on the remuneration of
  - the President and CEO,
  - his or her deputy,
  - the CEO's of the Strategic Business Units (SBUs), members of the EMT and certain executive positions as determined by the Board,
- confirms the Group's values, and
- approves the Group's key policies.

On 1 January 2024, Rob Kolkman officially began his tenure as the President and CEO of Sanoma Corporation, following his appointment by the Board in November 2023. Throughout 2024, the Board provided support to Mr. Kolkman in his new role as President and CEO, ensuring a smooth transition and continuity of leadership.

In 2024, the Board also observed the preparations and measures to enable the reporting of Sanoma's environmental, social and governance (ESG) impacts under the Corporate Sustainability Reporting Directive (CSRD) and the alignment of the results with Sanoma's Sustainability Strategy. The Board reviewed and approved Sanoma's double materiality assessment results following from the two-phased assessment process conducted in accordance with the European Sustainability Reporting Standard (ESRS). Additionally, the Board approved Sanoma's Sustainability and Human Rights Policy.

Following the initiation of a three-year process and efficiency improvement program Solar for Learning in 2023, the Board in 2024 closely oversaw measures relating to organisational and other optimisations at country and functional levels, publishing process improvements and measures aimed at harmonising the provision of digital learning platforms and to benefit from the scale advantages of the European-wide primary and secondary education business portfolio. Additionally, the Board tracked the realisation rate of the Solar initiatives through the year 2024.

The Board closely monitored Media Finland's progress in digitalisation and efficiency improvements aimed at enhancing the value of digital offerings to customers, particularly by strengthening digital offering in journalism and entertainment in Finland. Sanoma's Ethical Artificial Intelligence (AI) Principles were released in February 2024, and the Board scrutinised the potential benefits of AI solutions for both the Learning and Media businesses and their operational processes.

In September 2024, Sanoma launched a social bond framework and the Board decided to issue a EUR 150 million social bond in order to finance or refinance expenditures aimed at improving access to essential education services. Maturity of the EUR 300 million Revolving Credit Facility was extended to November 2027 by utilising the second extension option. On the basis of the authorisation given by the 2024 AGM, the Board decided to start repurchasing the Company's own shares to be used for Sanoma's incentive programme in October.

In addition to its regular duties and supervision of the Company's daily operations, including the review of strategic business plans for Learning and Media Finland, the Board also examined the Employee Engagement Survey results. The Board addressed the HR Strategy, hybrid working practices, and leadership development programs. The Board approved Sanoma's People Policy and reviewed updates on privacy, compliance and ethics as reported by the Compliance function.

In order to develop its performance, the Board conducts an evaluation of its operations and working methods on an annual basis. The purpose of the evaluation is also to assess the composition of the Board and define qualifications for possible new Board members. The evaluation may be done as an internal self-assessment or by using an external evaluator. In 2024, the Board conducted an internal self-evaluation using an assessment tool provided by an external evaluator to ensure consistency and to enable both internal comparison and external benchmarking.

Board meetings

During 2024, the Board convened 12 times with an attendance rate of 96%.

Members' attendance at Board meetings

Board member	Number of meetings attended	Attendance rate, %
Pekka Ala-Pietilä (Chair)	12/12	100
Klaus Cawén (Vice Chair as of 17 April 2024)	8/10	80
Julian Drinkall	12/12	100
Rolf Grisebach	12/12	100
Anna Herlin	12/12	100
Mika Ihamuotila	11/12	92
Sebastian Langenskiöld	12/12	100
Eugenie van Wiechen	11/12	92
Nils Ittonen (Vice Chair until 17 April 2024)	2/2	100
Denise Koopmans (member until 17 April 2024)	2/2	100

Board's committees

The Board may appoint committees, executive committees and other permanent or fixed-term bodies to focus on certain duties assigned by the Board. The Board confirms the Charter of these committees and provides the policies given to other bodies appointed by the Board. The committees report regularly to the Board.

The Board has an Executive Committee that prepares proposals for matters to be decided or noted by the Board. In addition, the Board has an Audit Committee and a Human Resources Committee.

The members of the committees are appointed among the members of the Board in accordance with the Charter of the respective committee. The committees are neither decision-making nor executive bodies, but the Board can, if it so decides, delegate certain decision-making authority to the Committees or the President and CEO.

Executive Committee

The Executive Committee prepares matters to be considered at the Board meetings. The Executive Committee consists of the Chair and Vice Chair of the Board, the President and CEO and, at the Chair's invitation, one or several members of the Board.

From the date of the 2024 AGM, the Executive Committee comprised Pekka Ala-Pietilä (Chair), Klaus Cawén and Rob Kolkman. The Executive Committee convened once in 2024, before the AGM 2024, with an attendance rate of 100%.

Members' attendance at Executive Committee meetings

Member	Number of meetings attended	Attendance rate, %
Pekka Ala-Pietilä (Chair)	1/1	100
Klaus Cawén (member as of 17 April 2024)	0/0	—
Rob Kolkman	1/1	100
Nils Ittonen (member until 17 April 2024)	1/1	100

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities for matters pertaining to financial and sustainability reporting and control, risk management, external audit and internal audit, in accordance with the Charter approved by the Board, the Finnish Corporate Governance Code as well as applicable laws and regulations.

The Audit Committee, for example, reviews the Interim Reports and Half-Year Report, discusses enterprise risk analyses including identified risks and mitigation plans, monitors the principles concerning the monitoring and assessment of related party transactions, prepares the appointment, monitors and evaluates the independence of the Company's auditor, and approves the internal audit plan including a follow up of its progress. The Audit Committee also reviews the Group's Sustainability Statement and Corporate Governance Statement.

In 2024, the Audit Committee placed a strong focus on CSRD (Corporate Social Responsibility Directive) matters, in addition to its regular duties and repeating agenda items. This included the introduction of a new Sustainability Policy. The Committee also reviewed the results of the CSRD double materiality assessment (DMA) and received regular general updates on CSRD. Additionally, a deep dive session into the CSRD double materiality was conducted.

In addition to members of the Audit Committee, the Group's President and CEO, CFO and people responsible for topics on the Audit Committee's agenda, participate in meetings presenting their corresponding agenda items to the Committee. Also, the Internal Auditor participates in the Audit Committee meetings. The Auditor in Charge and Sustainability Auditor is also present at the meetings and gives updates on auditing work conducted in between the meetings.

In accordance with its Charter, the Audit Committee consists of the Chair of the Committee and at least two, and at most four members, appointed annually by the Board among its members. Members of the Committee shall be independent of the Company, and at least one member shall also be independent of significant shareholders. As required by law, at least one member of the Audit Committee must have expertise in accounting or auditing. The Committee meets at least four times a year.

From the date of the 2024 AGM, the Audit Committee comprised Rolf Grisebach (Chair), Klaus Cawén, Mika Ihamuotila and Sebastian Langenskiöld. All members of the Committee are independent of the Company and of significant shareholders of the Company. Majority of the members are financial experts based on their educational or occupational backgrounds. In addition, there is sustainability competence represented in the Committee. The Audit Committee convened seven times in 2024, with an average attendance rate of 93%.

Members' attendance at Audit Committee meetings

Member	Number of meetings attended	Attendance rate, %
Rolf Grisebach (Chair as of 17 April 2024)	5/5	100
Klaus Cawén (member as of 17 April 2024)	5/5	100
Mika Ihamuotila	5/7	71
Sebastian Langenskiöld	7/7	100
Nils Ittonen (member until 17 April 2024)	2/2	100
Denise Koopmans (Chair until 17 April 2024)	2/2	100

Human Resources Committee

The Human Resources Committee is responsible for preparing human resources matters related to the compensation of the President and CEO and key executives, evaluation of the performance of the President and CEO and key executives, Group compensation policies, Human Resources policies and practices, development and succession plans for the President and CEO, as well as key executives and other preparatory tasks as may be assigned to it from time to time by the Board and/or the Chair of the Board. In addition, the Committee discusses the composition and succession of the Board as well as prepares the Remuneration Policy and Remuneration Report.

In 2024, in addition to key remuneration aspects, the Human Resources Committee discussed relevant topics like employer branding and the hybrid work approach, and recommended to the Board of Directors the approval of the new People Policy, aiming to provide a common understanding of Sanoma's people guiding principles. The Committee participated actively in the development of Sanoma's HR Strategy, based on both relevant external trends impacting the businesses and guided by the Sanoma business strategy. Sanoma's strategic people priorities shall build capabilities for the future, foster a people-centric culture and transform the organisation and ways of working that are fit for purpose, aiming to invest in the development of talent and skills, upgrade tools and technology for automation and efficiency, optimise the HR operating model to continuously improve employee and leader experience, and enable a collaborative culture across Sanoma that leverages its scale and common purpose.

In addition to members of the Human Resources Committee, the Company's President and CEO, CHRO, HRO of Media Finland and other people responsible for HR participated in the meetings, presenting respective agenda items to the Committee.

The Human Resources Committee comprises at least three and at most five members, who are appointed annually by the Board. The majority of the members shall be independent of the Company. The Committee meets at least twice a year.

From the date of the 2024 AGM, the Human Resources Committee comprised Julian Drinkall (Chair), Anna Herlin and Sebastian Langenskiöld. All members of the Committee are independent of the Company and two members (Julian Drinkall and Sebastian Langenskiöld) are independent of significant shareholders of the Company. There is sustainability competence represented in the Committee. The Human Resources Committee convened four times with an attendance rate of 100%.

Members' attendance at Human Resources Committee meetings

Member	Number of meetings attended	Attendance rate, %
Julian Drinkall (Chair)	4/4	100
Anna Herlin	3/3	100
Sebastian Langenskiöld	4/4	100
Rolf Grisebach (member until 17 April 2024)	3/3	100

President and CEO

The duties of the President and CEO of Sanoma are governed primarily by the Finnish Companies Act. The President and CEO assumes independent responsibility for the Group's daily operations, in line with the following duties, for example:

- ensuring the Company's accounts comply with the law and its financial affairs have been arranged in a reliable manner,
- managing the Group's daily operations in line with the long-term goals and business strategy of the Group approved by the Board and in accordance with the general policies adopted by the Board and other applicable guidelines and decisions,
- deciding on acquisitions and divestments, as well as financial matters and investments, which have a value amounting to less than EUR 5.0 million, or relate to the divestment, lay-off or termination of employment of more than 50 but fewer than 100 employees,
- preparing decision proposals and matters for information for the meetings of the Board (together with the Chair of the Board and/or the Executive Committee) and presenting these matters and the agenda to the Board and its Committees,
- approving Group-level standards, and
- chairing the EMT.

The President and CEO may take extraordinary or wide-ranging actions only under separate authorisation from the Board, or when the time delay involved in waiting for a decision from the Board would cause substantial losses to Sanoma.

Rob Kolkman has acted as the President and CEO of Sanoma Corporation as of 1 January 2024.

Executive Management Team (EMT)

The EMT supports the President and CEO in their duties in coordinating the Group's management and preparing matters to be discussed at Board meetings. The matters include, for example:

- the long-term goals of the Group and its business strategy for achieving them,
- acquisitions and divestments,
- organisational and management issues,
- development projects,
- internal control, and
- risk management systems.

The EMT is chaired by the President and CEO. In 2024, in addition to the Chair, the EMT comprised the Chief Financial Officer of Sanoma Group and the CEO of Media Finland. 33% (2023: 50%) of the EMT members were women, and 67% (2023: 50%) were men.

Sanoma shares owned by the President and CEO and the members of EMT

	Shareholding	
EMT member	31 December 2024	31 December 2023
Rob Kolkman (Chair)	87,059	44,675
Alex Green	19,696	9,843
Pia Kalsta	47,410	36,650

Susan Duinhoven, the President & CEO until 31 December 2023, held 601,010 Sanoma shares at the end of 2023.

Diversity of the EMT

EMT member	Position	Age	Gender	Nationality	Education
Rob Kolkman	President & CEO	52	male	Dutch	MBA, Master (Econ., Accountancy)
Alex Green	CFO	54	male	British	B.Sc. (Hons) Mathematics, Chartered Accountant (ACA)
Pia Kalsta	CEO, Media Finland	54	female	Finnish	M.Sc. (Econ.)

Members of the Executive Management Team

Rob Kolkman, President and CEO

- Born 1972, Dutch citizen
- Chair of the EMT since 2024, member of the EMT since 2019
- Member of the Board's Executive Committee since 2024
- **Education:** MBA, Master (Econ., Accountancy)
- **Work experience:** Sanoma Group, CEO Sanoma Learning 2020–2023, CEO Sanoma Media Netherlands 2019; Reed Business Information (part of RELX Group), Group Managing Director 2017–2018, Managing Director of ICIS 2016–2017, CEO Netherlands 2014–2016; Elsevier (part of RELX Group), Managing Director Australia and New Zealand 2008–2014; Reed Business Netherlands (part of RELX Group), Associate Director 2006–2008, Publishing Director (Finance and tax) 2004–2006, Director of Elsevier Baard 2003–2004; BPP Professional Education (Netherlands), various positions 1992–2003

Alex Green, CFO

- Born 1970, British citizen
- Member of the EMT since 2022
- **Education:** B.Sc. (Hons) Mathematics, Chartered Accountant (ACA)
- **Work experience:** eBay Classifieds Group (eCG), CFO 2013–2022; eBay Group, several managerial and leadership positions 2006–2013; Factiva (a Dow Jones/ Reuters company at the time), European Head of Finance 2001–2005; ExxonMobil, various finance positions 1996–2001; Coopers & Lybrand (nowadays part of PwC), various positions 1992–1996

Pia Kalsta, CEO, Media Finland

- Born 1970, Finnish citizen
- Member of the EMT since 2015
- **Education:** M.Sc. (Econ.)
- **Work experience:** Nelonen Media (part of Sanoma Group), e.g. President 2014–2015, President, acting 2013–2014, Senior Vice President, Head of Consumer Business, Marketing & Business Development 2012–2013, Senior Vice President, Sales and Marketing 2008–2012, Vice President, Sales 2006–2008, Marketing Manager 2001– 2006; SCA Hygiene Products (Finland) 1996–2001, various positions e.g. Key Account Manager, Product Manager and Marketing Manager

Susan Duinhoven was the President and CEO of Sanoma Corporation and Chair of the Executive Management Team until 31 December 2023.

Risk management and internal control

The management of Sanoma Group and its businesses is based on a clear organisational structure, well-defined areas of authority and responsibility, common planning, and reporting systems as well as policies and guidelines. The roles and responsibilities of different administrative bodies in risk management and internal control are explained in the table below.

	Risk management	Internal control
Board of Directors	▪ Approval of Risk Management Policy ▪ Overseeing the effectiveness of risk management ▪ Aligning the strategic objectives and risk appetite of the Company	▪ Approval of Internal Controls Policy
Audit Committee	▪ Reviews and monitors the implementation of the policy and the risk management process	▪ Reviews the reliability, effectiveness and compliance with Sanoma's Corporate Governance Framework of internal control systems ▪ Monitors matters related to statutory audit and internal audit
President and CEO	▪ Defining risk management strategies and procedures ▪ Setting priorities for risk management	▪ Sets the ground for the internal control environment by executing policies and standards ▪ The EMT supports the President and CEO in their oversight role and in assuring compliance
Audit and Assurance function	▪ Coordinates the risk management process ▪ Produces risk reports ▪ Evaluates and provides recommendations for improvement on risk management	▪ Supports the President and CEO in ensuring the compliance of financial reporting with Group requirements by, for example, evaluating and providing recommendations for improvement on internal control
Finance and control function		▪ Compiles reports on internal control to the Board of Directors, Audit Committee and/or the President and CEO and the EMT
Strategic Business Units (SBU)	▪ Aligning the risk management guidelines, procedures and strategies with the Group ▪ Identifying, measuring, reporting and managing risk	▪ Ensuring that Sanoma policies and standards are implemented and followed in their business ▪ Reflecting possible local requirements in the implementation

Risk management

The main objective of the risk management of Sanoma is to identify and manage essential risks related to the execution of the Group's strategy and operations. The Risk Management Policy defines Group-wide risk management principles, objectives and responsibilities.

Risk management is integrated in Sanoma's management, strategic planning and internal control system, and covers all risk categories at Group, Strategic Business Units (SBU) and entity levels. The risk management process includes the following phases:

1. Setting strategic, operational, reporting and compliance objectives on the Group, SBU and business levels
2. Identification and assessment of risks affecting the achievement of objectives by using a risk framework
3. Defining risk management activities for key risks
4. Implementation of risk management activities (e.g. asset allocation, control activities, insuring, hedging or divestitures)
5. Monitoring the performance and efficiency of the risk management
6. Continuous improvement of the risk management processes, performance, and capabilities
7. Reporting of updated risk assessment results with related ongoing or planned mitigation actions to the Audit Committee and further to the Board of Directors twice a year. The reporting includes identification and assessment of key risks and summary of risk management activities for each SBU, business, and selected subsidiaries. The reporting shall be linked as much as possible to the quarterly reporting and strategic planning processes. The results of the risk assessment are also utilised in the double materiality assessment.

More information on the most significant risks that could have a negative impact on Sanoma's business, performance, or financial status is described in the Report of the Board of Directors.

Internal controls

Sanoma's Internal Control Policy defines the internal control process applied in the Group. Internal controls are in line with the Corporate Governance Framework and aim to assure that all Group policies and standards are up to date, communicated and implemented.

Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

The process includes objective setting, control design and implementation, operating effectiveness testing, monitoring and continuous improvement, and reporting.

Internal controls consist of entity-level, process-level and IT controls. Entity-level controls are applied on all levels of Sanoma (i.e. Group, SBU and entity) and can relate to more than one process. The Code of Conduct, Group policies and guidelines and their active implementation are examples of entity-level control activities.

Process-level control activities are designed to mitigate risks relating to certain key processes. Purchase-to-pay and payroll processes are examples of process-level controls. Automated or manual reconciliations and approvals of transactions are typical process-level controls.

IT controls are embedded within IT processes that provide a reliable operating environment and support the effective operation of application controls. Controls that prevent inappropriate and unauthorised use of the system and controls over the effective acquisition are examples of IT controls.

The operation of controls is monitored to ensure that they are implemented as designed, and that they operate effectively. The monitoring is performed as a management self-assessment, assessment of an independent party or internal audit, or a combination of these.

Monitoring of financial reporting process

The financial reporting process is based on the Group Reporting Manual. Combined with the other Group reporting guidelines and additional instructions, it defines Sanoma Group's accounting principles and policies.

The Group Finance and Control function is part of the Parent Company and prepares control point guidelines for transactions and periodic controls for the SBUs. The guidelines are approved by the President and CEO. Periodic controls are linked to monthly and annual reporting processes and include reconciliations and analyses to ensure the accuracy of financial reporting. The control activities seek to ensure that potential deviations and errors are prevented, discovered and corrected, both at the Parent Company and the SBU level. Internal control systems cover the whole financial reporting process.

The Group's financial performance is monitored on a monthly basis, using a Group-wide financial planning and reporting system, which includes actualised income statements, balance sheets, cash flow statements and key performance indicators, as well as estimates for the current financial year.

Furthermore, business reviews between Group and SBU management are held at least quarterly. In addition to the SBUs' financial performance, e.g. the operating environment, future expectations, and business development are discussed in the reviews. The business reviews also have a role in the process of ensuring the functioning of the continuous risk assessment and internal control systems.

Other information

Internal audit

Sanoma's internal audit is steered by the Corporate Governance Framework as well as Group Policies on Internal Audit, Internal Control and Enterprise Risk Management. The Audit and Assurance function, reporting to the CFO and directly to the Audit Committee, is responsible for the internal audit at Sanoma.

The scope of Audit and Assurance covers examination and evaluation of internal control systems, risk management processes, compliance processes, information security and governance framework as well as monitoring of Internal Control process on all organisational levels and businesses. The Audit and Assurance function supports the development of the organisation and provides additional assurance with a risk-based approach.

Related party transactions

Sanoma has a Related Party Policy, under which members of the management defined by the policy are under obligation to submit planned related party transactions for prior approval. More information on related party transactions in 2024 is available in the Consolidated Financial Statements, Note 6.1.

Insider administration

Sanoma's Insider Policy complies with the Guidelines for Insiders issued by Nasdaq Helsinki Ltd. and other relevant legislation, such as Market Abuse Regulation.

According to the Insider Policy, a person who has gained inside information may not use the information by acquiring or disposing of Sanoma's financial instruments (either on his own or on a third-party's behalf, directly or indirectly), or give either direct or indirect advice on trading.

Sanoma has a standardised process for assessing inside information, delaying disclosure and establishing of insider lists.

- People who have access to all inside information, due to the nature of their position at Sanoma, are listed as permanent insiders. Currently, there are no permanent insiders at Sanoma.
- Deal-specific or event-based insider lists are established based on a case-by-case evaluation when inside information related to an event or deal is identified and a decision on delayed disclosure is made. Those who have been entered onto a deal-specific (or event-based) insider list are not allowed to trade Sanoma's financial instruments until the project has been publicly disclosed or otherwise terminated.

Sanoma applies a closed period, which is a thirty (30) calendar day period, before the announcement of the Financial Statements Release, the Half-Year Report and the Interim Reports. During the closed period, the members of the Board and the President and CEO shall not conduct any transactions in Sanoma's financial instruments on their own account, or on the account of a third party, whether they possess inside information or not. Additionally, transactions are not allowed during the entire publication day. Sanoma also recommends that the EMT members and persons engaged in financial reporting do not trade in Sanoma's financial instruments during the closed period or the publication day.

Members of the Board and EMT shall always check beforehand the appropriateness of trading with the Company secretary. Members of the Board and EMT may also issue an explicit, documented trading programme, which must comply with Nasdaq Helsinki Ltd. rules and regulations on trading programmes. Sanoma may publish such trading programmes on its website. There were no trading programmes in place on 31 December 2024.

The Board members, the President and CEO and persons closely associated with them, must notify Sanoma and the Finnish Financial Supervisory Authority of their transactions with Sanoma's financial instruments (the so-called Manager's Transactions). The notification must be done within two days of the transaction. Sanoma shall publish such a notification as a stock exchange release within two days after receiving the notification.

Audit

The main function of the statutory audit is to verify that the financial statements provide a true and fair view of the Group's financial performance and financial position for the financial year. Sanoma's financial year is the calendar year.

The auditor's responsibility is to audit the Group's and the Parent Company's financial statements and administration in the respective financial year and to provide an auditors' opinion to the AGM. The auditor reports to the Board at least once a year. The Auditor shall be an auditing firm approved by the Patent and Registration Office. The term of office of the auditor expires at the end of the next AGM following the election.

The 2024 AGM elected the Authorised Public Accounting firm PricewaterhouseCoopers Oy as the Auditor and the Sustainability Auditor of the Company with Tiina Puukkoniemi, Authorised Public Accountant, Authorised Sustainability Auditor (ASA), as the Auditor with principal responsibility and responsible Sustainability Auditor.

PricewaterhouseCoopers Oy has acted as the statutory auditor of the Company since the 2017 AGM. Tiina Puukkoniemi is acting as the Auditor with principal responsibility and responsible Sustainability Auditor of the Company since the 2024 AGM. The Auditor and Sustainability Auditor shall be reimbursed against an invoice approved by the Company.

Fees paid to the Company's auditors

	Group		Parent Company	
EUR million	**2024**	**2023**	**2024**	**2023**
Fees paid for audit services	1.3	1.4	0.3	0.3
Fees paid for non-audit services	0.4	0.2	0.3	0.2

Remuneration report

This Remuneration Report sets out how Sanoma Corporation has implemented its Remuneration Policy in 2024, as adopted by the Annual General Meeting (AGM) on 19 April 2023. The report includes information concerning the remuneration of the Board of Directors and the paid and earned remuneration of the President and CEO during the period 1 January−31 December 2024. Rob Kolkman has acted as the President and CEO of Sanoma since 1 January 2024.

This Remuneration Report has been reviewed by Sanoma's Human Resources Committee and approved by the Board. The shareholders will make an advisory decision on the adoption of the Remuneration Report at the Company's AGM on 29 April 2025. This report is based on the recommendation of the Finnish Corporate Governance Code 2025, as well as the provisions of the Finnish Securities Market Act and Limited Liability Companies Act.

Sanoma's Remuneration Policy and key remuneration principles are available on Sanoma's website.

Letter from the Chair of the HR Committee

Dear shareholders,

I am pleased to present Sanoma's Remuneration Report 2024, on behalf of the HR Committee and the Board of Directors.

In 2024, Sanoma made good progress on its strategic focus areas of increasing the profitability of Learning and Media Finland and deleveraging the balance sheet. As a result, our operational EBIT excl. PPA increased and our free cash flow improved strongly – by EUR 40 million or 38% – from the previous year. We continued building on the long-term strengths of both businesses and enhanced Sanoma's position in key areas, including digitalisation and the use of AI. Our sustainability initiatives are aimed at maximising our positive impact on society and minimising the environmental footprint.

In line with the Remuneration Policy, remuneration in 2024 supported the Group's business strategy, with a focus on creating long-term sustainable growth and shareholder value, while also maintaining a strong focus on short-term financial results and cash flow. Compensation was performance-based and designed to encourage the achievement of short and long-term targets, being balanced between achieving long-term results and avoiding possible undesired short-term risk-taking.

Rob Kolkman has acted as the President and CEO of Sanoma since 1 January 2024. The total compensation paid to him in 2024 amounted to EUR 1,317,326. For the short-term incentives (STI), it reflects Sanoma's performance for the financial year 2023, and for the long-term incentives (LTI) that of the financial year 2021. As regards the earned remuneration in 2024, the performance outcome in the STI was 124% with the outcome of both financial and sustainability targets being in-line with or above the target level. The remuneration will be paid in cash in spring 2025. The performance outcome for the Performance Share Plan (PSP) 2024−2026 was 140% and after vesting, the earned shares will be delivered in spring 2027.

To encourage share ownership in Sanoma, shareholding guidelines for the CEO have been in place, and these also support and align shareholder and top-executive interests. The Board is very pleased that in early 2024, Rob Kolkman made a voluntary investment in Sanoma shares to fulfil the ownership requirement of 75,000 shares. At the end of December 2024, he held 87,059 (2023: 44,675) Sanoma shares.

According to Sanoma's Remuneration Policy, presented at the AGM 2023, the performance period of long-term, share-based management incentives (LTI) can vary from one to three years. To support long-term value creation and align interests of shareholders and management, and in alignment with market practice and proxy advisors' recommendations, the PSP 2025–2027, launched to approx. 220 employees in February 2025, measures performance over three years. This compares to one-year performance plus a two-year vesting period in the previous performance share plan. With separately set targets for each year, the three-year performance period is seen to optimise the long-term commitment of the key employees and Sanoma's continuing transformation. The KPIs used to measure the performance remained the same as in the earlier plans i.e. adjusted free cash flow and operational EPS.

In 2024, in addition to key remuneration aspects, the HR Committee discussed relevant topics, like employer branding and the hybrid work approach, and recommended to the Board of Directors the approval of the new People Policy, aiming to provide a common understanding of Sanoma's people guiding principles. The Committee participated actively in the development of Sanoma's HR Strategy, based on relevant external trends impacting the businesses and guided by the Sanoma business strategy. Sanoma's strategic people priorities shall build capabilities for the future, foster a people-centric culture, and transform the organisation and ways of working to fit Sanoma's purpose. This is achieved by investing in the development of talent and skills, upgrading the tools and technology for increasing automation and efficiency, optimising the HR operating model to continuously improve employee and leader experience, and enabling a collaborative culture that leverages the scale and common purpose across the Group.

Sustainability is at the core of Sanoma's businesses and both learning and media have a positive impact on the lives of millions of people every day. In 2024 and 2025, sustainability continues to be emphasised in Sanoma's STI target setting, including targets related to data, privacy & AI as well as climate and employee engagement. During 2024, we made good progress in enhancing the data security and privacy across our operations, with specific focus on the ethical and secure use of AI. Our greenhouse gas emissions decreased across the value chain. In our own operations (Scope 1 and 2), we have already reached the SBTi emission reduction targets set for 2030, and in the coming years, our focus – also through incentives – will be mainly in further reducing the value chain (Scope 3) emissions, representing 95% of Sanoma's total GHG emissions.

Sanoma is committed to fostering an environment where the employees feel valued, supported, encouraged to learn and empowered to succeed. With Sanoma's continuing transformation and the current challenging operating environment, the Employee Experience Index for 2024 stood relatively stable at 7.4, compared to 7.5 in 2023. We are proud that the score remains at a consistently high level, reflecting the strength of our workplace culture and the continued engagement of the employees. Over the past year, Sanoma has implemented several initiatives aimed at enhancing employee well-being, professional development opportunities and change management-related communications. These efforts have been well-received and Sanoma remains focused on listening to employees and addressing their feedback to ensure the Company continues to meet the evolving needs of the workforce, and ultimately the customers.

On behalf of the HR Committee, I want to thank our teams and our shareholders for their continued support.

Julian Drinkall
Chair of the HR Committee

Remuneration aligned with long-term business performance

Remuneration of Sanoma's executives is designed around the following five principles as stated in the Remuneration Policy:

- support the business strategy,
- pay-for-performance,
- pay competitively,
- encourage share ownership, and
- be fair, transparent, and simple in design.

More information on the remuneration principles is available on Sanoma's website.

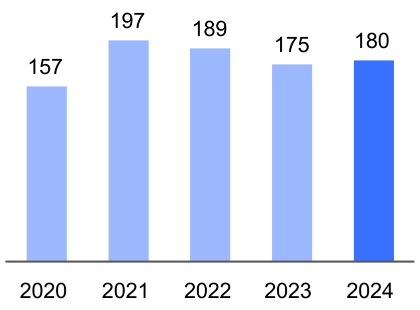
Sanoma is one of the global leaders in K12 education and a leading cross-media company in Finland. In 2024−2026, Sanoma's strategic aims are to deliver increasing profitability and prepare for future growth through three strategic focus areas: 1) Increasing profitability of Learning and Media Finland, 2) Growing organically and through smaller in-market acquisitions in Learning, and 3) Deleveraging the balance sheet.

Sanoma's long-term financial and sustainability targets are unchanged. The financial targets relate to the Group's leverage, equity ratio and dividend, and the SBUs' organic growth and profitability. The sustainability targets are linked to the key themes in Sanoma's sustainability strategy and are available under **Our business in brief** in this Annual Report. In the longer term, Sanoma's strategic growth ambition is to increase the Group net sales to over EUR 2 billion by 2030, with at least 75% coming from the learning business. In 2024, the share of the learning business of the Group's net sales was 57% and of the SBUs' operational EBIT excl. PPA 76%.

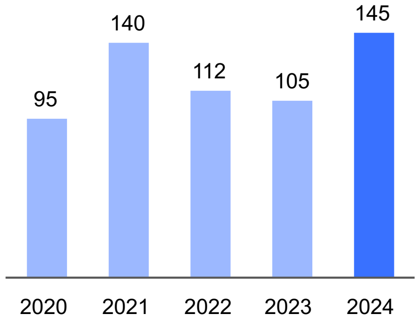
Long-term business performance

Key metrics of Sanoma's financial performance in the past five years are presented in the graphs below.

Operational EBIT excl. PPA, EUR million

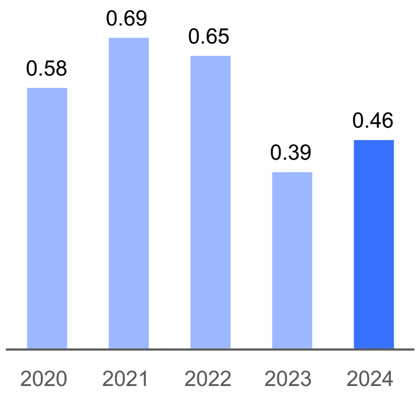


Free cash flow, EUR million[1]



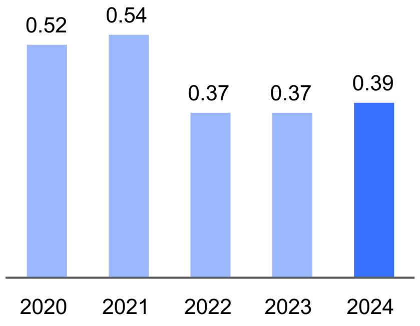
[1]Free cash flow = Cash flow from operations less capital expenditure

Operational EPS, EUR[1]



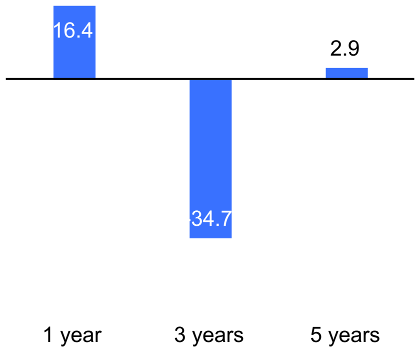
[1]Continuing operations

Dividend per share, EUR[1]



[1]Dividend for 2024 is Board's proposal to the AGM 2025

Total return, %



Development of compensation

Compensation of Sanoma's Board of Directors, President and CEO and average employee during the past five years is presented below.

5-year development of remuneration (paid remuneration per year), EUR

	2020	2021	2022	2023	2024
Chair of the Board[1]	133,500	144,000	144,000	144,000	144,000
Change y-o-y	31%	8%	0%	0%	0%
Vice Chair of the Board[1]	82,500	84,000	84,000	84,000	84,000
Change y-o-y	6%	2%	0%	0%	0%
Member of the Board[1]	70,500	72,000	72,000	72,000	72,000
Change y-o-y	7%	2%	0%	0%	0%
President and CEO[2]	3,632,689	3,889,411	3,735,202	1,363,032	1,317,326
Change y-o-y	3%	7%	-4%	-64%	-3%
Sanoma employee[3]	58,000	59,000	58,000	65,000	53,200
Change y-o-y	4%	2%	-2%	12%	-18%
Annual compensation ratio (President and CEO to employee)[4]	64	67	65	21	25
Change y-o-y[5]	-2%	5%	-3%	-68%	19%

[1] Fixed fee
[2] Rob Kolkman has acted as the President and CEO since 1 January 2024. Susan Duinhoven acted as the President and CEO in 2015–2023. Detailed information on the remuneration paid to the CEO in 2020–2024 is available on the next page.
[3] For 2024, Sanoma employee remuneration is based on the median, following the ESRS standards, while in 2020–2023 it was based on the average.
[4] For 2024, annual total compensation for President and CEO / Median annual total compensation for all employees excluding President and CEO. For 2020–2023, the average was used.
[5] Percentage change in annual total compensation of the President and CEO / Average percentage change in annual total compensation of all employees excluding President and CEO.

Remuneration of the Board in 2024

In 2024, Board remuneration was based on the below resolution of the monthly and meeting fees by the shareholders at the AGM 2024. Both the monthly fees and the meeting fees were unchanged compared to the previous year. Board remuneration was paid in cash and totalled EUR 792,000 (2023: 844,500).

Monthly fees

- EUR 12,000 to Chair,
- EUR 7,000 to Vice Chair and
- EUR 6,000 to members.

Meeting fees

- for Board members who reside outside Finland: EUR 1,000 / Board meeting where the member was present,
- for members of the Board of Directors who reside in Finland: No separate fee is paid for attending Board meetings,
- for the Chairs of Board's Committees: EUR 3,500 / Committee meeting participated,
- for Committee members who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated, and
- for Committee members who reside in Finland: EUR 1,500 / Committee meeting participated.

Remuneration paid to the members of the Board in 2024, EUR

Member	Fixed fees	Meeting fees from Board meetings	Meeting fees from Committee meetings	Total
Pekka Ala-Pietilä (Chair)	144,000	0	6,000	150,000
Klaus Cawén (Vice Chair as of 17 April 2024)	56,000	0	7,500	63,500
Julian Drinkall	72,000	6,000	14,000	92,000
Rolf Grisebach	72,000	6,000	20,000	98,000
Anna Herlin	72,000	0	6,000	78,000
Mika Ihamuotila	72,000	0	7,500	79,500
Sebastian Langenskiöld	72,000	0	16,500	88,500
Eugenie van Wiechen	72,000	5,000	0	77,000
Nils Ittonen (Vice Chair until 17 April 2024)	28,000	0	4,500	32,500
Denise Koopmans (member until 17 April 2024)	24,000	2,000	7,000	33,000

Remuneration of the CEO in 2024

Rob Kolkman has acted as the President and CEO of Sanoma since 1 January 2024. This report describes his paid and earned remuneration in 2024. Key principles of the remuneration of the President and CEO are available on Sanoma's website.

Paid remuneration in 2024

In 2024, the CEO's base salary (incl. holiday allowance, fringes and additional pension payment) equalled 54% of the total compensation, while variable, performance-based compensation equalled 46%.

Structure of the remuneration paid to the CEO, EUR

Year	Base salary	Annual short-term incentives	Long-term incentive	Additional pension payment	Total compensation paid
2020	586,424	497,520	2,461,725	87,020	3,632,689
2021	588,496	180,000	3,033,867	87,048	3,889,411
2022	590,041	456,480	2,601,633	87,048	3,735,202
2023	591,041	259,330	424,711	87,951	1,363,033
2024	617,380	342,512	267,396	90,038	1,317,326
Share of total remuneration paid in 2024	**47%**	**26%**	**20%**	**7%**	**100%**

Rob Kolkman has acted as the President and CEO since 1 January 2024. Susan Duinhoven acted as the President and CEO in 2015–2023. Paid annual STIs are based on previous year's performance. Paid LTIs are earned in earlier years and paid as gross shares. The corresponding amount in euros is calculated with the closing share price of the payment date.

Earned remuneration in 2024

In 2024, the CEO was offered two performance-based incentive plans: a short-term incentive (STI) and a share-based long-term incentive (LTI, Performance Share Plan 2024−2026). The purpose of the short-term incentive is to incentivise for achieving stretched financial and non-financial short-term targets aligned with business strategy. The purpose of the LTI is to incentivise and support the development and execution of business strategies linked to long-term performance and shareholder value creation, and to serve as a retention tool.

The STI performance criteria for the one-year performance period of 2024 were set by the Board at the beginning of the financial year. The CEO's STI earning opportunity for 2024 was set at 66.7% of annual base salary at target level and 100% at maximum level. The performance outcome in the STI was 124%, resulting from the financial and sustainability performance of the Company in 2024. The earned STI reward will be paid in spring 2025.

The LTI performance criteria (PSP 2024−2026) for the one-year performance period of 2024 were set by the Board at the beginning of the financial year. The CEO's earning opportunity in the PSP 2024−2026 was 123,000 shares (gross) at target level and 184,500 shares (gross) at maximum level. The performance outcome in the LTI was 140%, resulting from the financial performance of the Company in 2024. The earned share-based LTI reward related to PSP 2024−2026 will be paid in spring 2027.

Remuneration earned by the CEO in 2024

STI 2024 criteria	Weight	Performance outcome	Earned reward, EUR
Operational EBIT excl. PPA	40%	112%	
Adjusted free cash flow	40%	150%	
Employee engagement survey	10%	75%	
Data, privacy and AI	5%	121%	
Climate	5%	113%	
Total	**100%**	**124%**	**473,126**

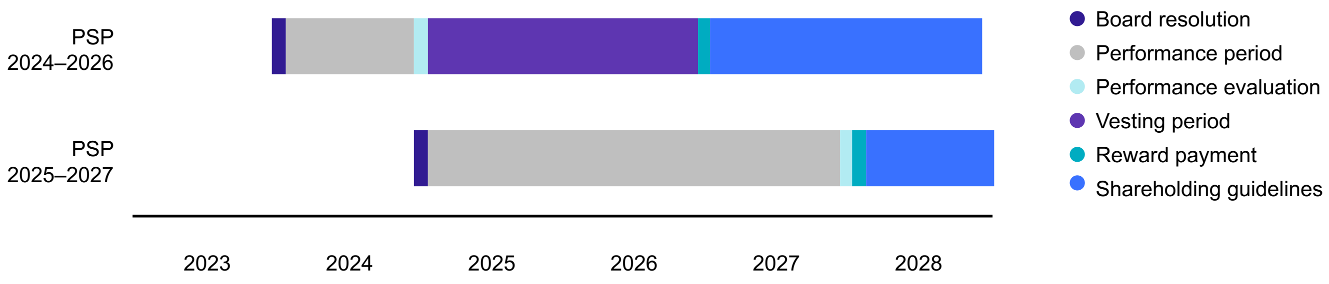
LTI, PSP 2024−2026 criteria	Weight	Performance outcome	Earned reward, gross shares
Adjusted free cash flow in 2024	60 %	150 %	
Operational EPS in 2024	40 %	124 %	
Total	**100 %**	**140 %**	**171,622**

Share-based incentives of the CEO

Sanoma's long-term remuneration framework is built on share-based incentive plans, Performance Share Plans and Restricted Share Plans, which offer the Group's management an opportunity to earn Sanoma shares as long-term incentives. The Performance Share Plan (PSP) offers an opportunity to earn a predetermined number of Sanoma shares as a reward for achieving performance targets set by the Board, and the Restricted Share Plan (RSP) offers an opportunity to earn a predetermined number of Sanoma shares as reward for continuous service and retention. More information on Sanoma's long-term share-based incentives available on Sanoma's website.

Shares conditionally granted to the CEO and members of the Executive Management Team (EMT) under the PSP and RSP are subject to a share ownership requirement that is determined by the Board in accordance with the HR Committee's proposal. Until their required shareholding is achieved, the CEO and the members of the EMT are required to hold, and not to sell, at least 50% of the shares received as a reward. At the end of 2024, President and CEO Rob Kolkman held 87,059 Sanoma shares, thus fulfilling his ownership requirement of 75,000 shares.

Share-based incentives of the CEO



Summary of granted, earned and paid share-based incentives to the CEO

Plan	Granted	Share price at grant date	Performance criteria	Performance period	Granted reward shares at target	Achieved reward vs. target (100%)	Gross shares earned	Net shares paid	Delivery time (payment)
PSP 2024−2026	7 February 2024	EUR 6.35	Adjusted free cash flow and operational EPS in 2024	2024	123,000	140%	171,622		Spring 2027
PSP 2025−2027	11 February 2025	EUR 8.41	Adjusted free cash flow and operational EPS in 2025, 2026 and 2027	2025−2027	117,600	To be determined on 31 Dec 2027	To be determined on 31 Dec 2027		Spring 2028

Based on his previous role as CEO of Sanoma Learning, President and CEO Rob Kolkman is also entitled to share plans PSP 2021–2023 (vested in 2024), PSP 2022–2024 (no share reward to be paid) and PSP 2023-2025 (vesting in 2026).

Adjustments when calculating the performance outcome

The decision-making process on remuneration, as defined in the Remuneration Policy, has been followed in 2024. No circumstances or activities that would have resulted in the need to apply clawback clauses applicable to the CEO's or any other executive's variable remuneration were observed.

According to the key principles of the Remuneration Policy, the STI and LTI performance criteria are set by the Board at the beginning of the following performance periods:

- for STIs, the corresponding financial year,
- for Performance Share Plan 2024–2026, the corresponding financial year 2024, and
- for Performance Share Plan 2025–2027, performance period has been extended to three years with yearly target setting for each financial year.

The financial criteria are typically linked to the ambitious Group budget and plans approved by the Board, whereas the sustainability criteria are linked to a clear performance improvement compared to the previous year. However, the financial performance criteria may be adjusted during the year for the following items that were not included in the original budget and plans, subject to the Board approval at the recommendation of the HR Committee:

- acquisitions and divestments taking place during the course of the year,
- unforeseen items affecting comparability (IACs) for their impact on free cash flow,
- changes in accounting policies or practices, and
- changes in budgeted and actual foreign exchange rates.

In 2024, some positive and negative adjustments in the performance criteria of adjusted free cash flow, operational EBIT excl. PPA and operational EPS were made, the net impact being minor. The main adjustments were related to the small divestments completed in January 2024 and changes in foreign exchange rates.

Information for investors

Annual General Meeting 2025

The Annual General Meeting 2025 will be held on Tuesday, 29 April 2025 at 10:00 EET. The registration and advance voting will begin on 26 March 2025 at 10:00 EET.

More information can be found on Sanoma's website.

Dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.39 per share shall be paid in three equal instalments.

First instalment of EUR 0.13 per share

- Record date 2 May 2025
- Payment date 9 May 2025

Second instalment of EUR 0.13 per share

- The record date for the second instalment will be decided by the Board of Directors in September, and the estimated payment date will be in September 2025.

Third instalment of EUR 0.13 per share

- The record date for the third instalment will be decided by the Board of Directors in October, and the estimated payment date will be in November 2025.

Financial reporting in 2025

Sanoma will publish the following financial reports during 2025:

- Interim Report 1 January–31 March 2025 Tuesday, 29 April 2025
- Half-Year Report 1 January–30 June 2025 Wednesday, 30 July 2025
- Interim Report 1 January–30 September 2025 Thursday, 30 October 2025

The reports are published in English and Finnish and can be downloaded from Sanoma's website.

Changes in contact information

Euroclear Finland Ltd maintains a list of the Company's shares and shareholders. Shareholders who wish to change their personal or contact information are kindly asked to directly contact their own securities account operator.

Investor Relations

The main task of Sanoma Investor Relations is to ensure that the capital markets have correct and sufficient information in order to determine the value of Sanoma share. Sanoma has a centralised Investor Relations function that serves analysts and investors, and coordinates investor meetings and activities.

Contact information

Kaisa Uurasmaa
Head of Investor Relations and Sustainability

Mobile: +358 40 560 5601
kaisa.uurasmaa@sanoma.com

Meeting requests and inquiries

ir@sanoma.com

sanoma.com/en/investors

Sanoma Corporation
Visiting address:
Töölönlahdenkatu 2
00100 Helsinki
Finland

tel. +358 105 1999
sanoma.com