sanoma

Sustainability Review 2020

Sustainability Review 2020

Sanoma's Sustainability Review describes our sustainability actions during 2020. It is part of the Sanoma Annual Review. Our sustainability work covers social, environmental, and economic responsibilities throughout the value chain, with human rights integrated into our business. All Sanoma's reports and further information about Sanoma can be found at sanoma.com.

Letter from the President and CEO

When the coronavirus pandemic hit in March 2020, it brought everything to a halt. It made us consider what matters most. For us at Sanoma, this was keeping our people and customers safe, contributing to society through reliable and timely news and agile learning materials and platforms that helped teachers with their needs for effective remote teaching. Sanoma impacts the lives of millions of people every day throughout Europe and in the midst of the pandemic, our purpose as a company was more evident than ever. Our purpose is to support teachers and ensure that all students can reach their potential with the highest-quality learning resources. We exist to generate independent Finnish news and local entertainment together with long-term value for all our stakeholders. Through our products and services, we aim at creating better understanding for people, communities and businesses to evolve and thrive.

Although sustainability is built into our purpose and DNA, we wanted to ask ourselves: 'How do we best create our impact, and is this done in the most responsible way?' This pushed us to invest in clarifying our sustainability efforts during 2020. Firstly, we identified the global issues we have a role in solving and committed further to the UN Sustainable Development Goals through our sustainability efforts. Despite the pandemic, we also wanted to ask our stakeholders what matters most to them, and we really appreciate the enthusiasm and time our employees, customers and suppliers took to identify relevant sustainability topics for Sanoma. Based on this assessment, we updated our Sanoma Sustainability Strategy resulting in a focus on six themes: Inclusive learning, Sustainable media, Trustworthy data, Vital environment, Valued people and Responsible business practices.

In practice, this means that in our learning business we aim to develop the inclusiveness of our learning solutions to make sure all students achieve their potential. In our media business, our goal is to provide trusted Finnish journalism, which is essential in an open and democratic society, and to offer inspiring entertainment now and in the future.

In using the data our customers trust us with, our highest priority is to respect the privacy of our customers and users. At the same time, we believe that through data we can lead the digital transformation of education and develop relevant, inspiring and captivating media content. We also plan to further invest in developing responsible and transparent use of AI. Although we operate in a low-carbon industry, it is a priority to reduce our climate impact and build fact-based awareness of sustainability. Our goal is to have net-zero emissions by 2030.

We are also committed to promoting the equality of our employees by advancing diversity and providing opportunities for continuous personal development. An inspiring workplace calls for people working towards shared goals in a secure and positive environment, and therefore we continue to invest in the health and safety of our employees. At the same time, the foundation for our daily work is responsible business practices. Rigorous ethical standards, supply chain integrity and partnerships are fundamental for us.

This review describes our updated Sustainability Strategy and the actions taken during 2020. Ultimately, sustainability comes down to clear, consistent everyday actions, and our work as a sustainable company will continue on many fronts.

Susan Duinhoven
President and CEO

Highlights 2020

1 Tools for remote teaching

During the rapid shift to remote teaching, our goal was to support teachers and we decided to offer schools free access to our digital learning methods to support remote teaching and learning. According to our Corona Effects on Teaching in Europe -survey 85% of teachers spent more time on their work during their distance learning period than before.

Learn more

2 Fact-based and fast-paced news

Constantly updated corona news and growing readership demonstrate the importance of fast and reliable access to information during exceptional times. The amount of coronavirus pandemic news exceeded the height of the observation tower in Tampere by September, with 7,500 articles published at Ilta-Sanomat, the most read digital news media in Finland.

Learn more

3 Empowering entertainment

In 2020, the Finnish music industry suffered greatly from the pandemic. Our campaign called 'Anna sen soida' supported artists and music professionals by providing financial support and opening a radio channel for stories behind the music.

Learn more

4 Keeping our people safe

Overnight our almost 5,000 employees shifted to working remotely. During the pandemic it has been our priority to keep our staff safe. As a result of our actions to support remote working with modern tools and offer mental and physical wellbeing services, our annual Employee Engagement Survey reached all-time high results.

Learn more

5 Zero emissions by 2030

During 2020 we calculated our emissions according to the Greenhouse Gas Protocol throughout our supply chain for own operations (Scope 1 and 2) and the supply chain (Scope 3). As a result, we set a climate target of net-zero emissions by 2030 thoughout the value chain.

Learn more

6 Protecting privacy

For us, every day is a privacy day. Our Sanoma Privacy Programme is designed to protect the data we use and our Privacy Champions network extends throughout Europe and our businesses. During 2020, 95% of our employees completed our online privacy training.

Learn more

7 Adopting the UN SDGs

The UN Sustainable Development Goals (SDGs) are the blueprint for achieving a more sustainable future for all. We are committed to working towards a more sustainable future for all by implementing nine SDGs into our updated Sustainability Strategy that are relevant to our business.

Learn more

8 New Sanoma Sustainability Strategy

Through extensive stakeholder engagement, we updated our Sanoma Sustainability Strategy which was approved by the Board of Directors in December 2020.

Learn more

Sanoma Sustainability Strategy

Sanoma impacts the lives of millions of people every day. We work hard to provide them with the highest-quality learning resources and Finnish independent media and local entertainment. We aim to create better understanding for people, communities and businesses to evolve and thrive. To improve our sustainability efforts, we conduct regular materiality assessments and stakeholder engagement for our impact and activities. Our most recent assessment was conducted in autumn 2020. As a result, we identified six material themes that provide the framework for our work. The Sanoma Board of Directors approved the strategy in December 2020. The updated Sanoma Sustainability Strategy is designed to maximise our positive impact on society – our 'brain-print' – and to minimise our environmental footprint.
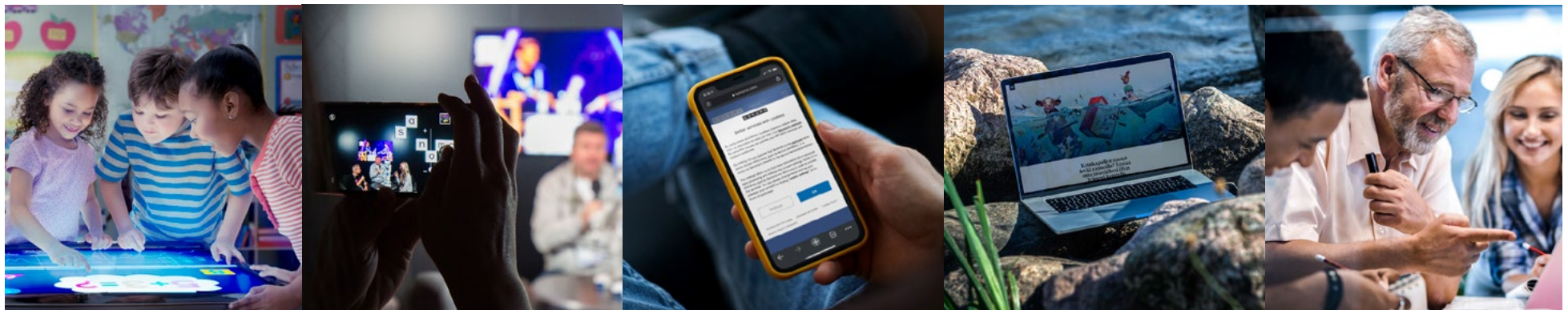
Inclusive learning

We develop inclusive learning solutions that help all students to achieve their potential.

Sustainable media

We provide trusted Finnish journalism and inspiring entertainment, now and in the future.

Trustworthy data

We use the data you trust us with to make learning and media better.

Vital environment

We act to reduce our climate impact and build fact-based awareness of sustainability

Valued people

We promote equality and provide an inspiring workplace with excellent opportunities to develop.

Responsible and ethical business practices and supply chain integrity are fundamental for us.

INCLUSIVE LEARNING

We develop inclusive learning solutions that help all students to achieve their potential

Education is a fundamental right and key to achieving sustainable development. We believe every student deserves equal opportunities in life. It is our mission to help all students to reach their full potential. In a world that's changing faster than ever, students and teachers need learning solutions that can prepare them for this exciting future. Sanoma Learning is the leading European K12 learning company supporting teachers and serving more than 20 million students across Europe. Inclusive learning is one of the six key themes of the Sanoma Sustainability Strategy.

4 QUALITY EDUCATION

17 PARTNERSHIPS FOR THE GOALS

We develop inclusive learning solutions that help all students to achieve their potential

Supporting teachers during the pandemic

Inclusive learning and teaching recognises all students' right to a learning experience that respects diversity, enables participation, removes barriers as well as anticipates and considers a variety of learning needs and preferences. For us this means designing and delivering teaching and learning methods that impact all students to engage them with the curriculum and achieve their full potential.

During 2020, all students' right to learn became more topical than ever. According to Corona Effects on Teaching in Europe -survey during May–June 2020, teachers were struggling to do their basic tasks during the pandemic. Arranging exams and managing the classroom remotely was most challenging; 85% of teachers spent more time on their work during their distance learning period than before. In the beginning of the pandemic, teachers also felt that they had learned new skills and adopted a variety of digital tools. During the exceptional year 2020, supporting teachers and students has been our most important task. To respond to the teachers' needs, we decided to open some of our digital learning services for schools free of charge.

Learning solutions that support diversity and differentiation

To develop inclusive and sustainable learning solutions, we produce and design learning services that help teachers build a positive and effective educational environment, which leads to better learning outcomes. To produce best-in-class learning services, our educational solutions are based on up-to-date scientific knowledge and verified information. Educational publishing is a highly local business and when developing our learning materials, we follow the curriculum requirements set out by each country we operate in.

We engage with local authors and teachers who develop the learning materials together with our editors. The process includes checking of facts, languages and curriculums as well as testing with reference groups. In case a sensitive editorial subject comes up, we have a procedure in place to take related decisions to the Sanoma Learning Leadership Team (SLLT).

We realise that if the children and teachers recognise themselves in our materials and feel acknowledged, they will be more engaged, and will achieve better learning results. Therefore, we put effort on evaluating the diversity aspects of our learning content and platforms and co-create them with authors from diverse backgrounds and experts with insights stimulating diversity. Our learning materials are also enhanced with a wide variety of digital learning assets to further improve learning impact – engagement, learning outcomes, and teacher workflow efficiencies. By combining educational technologies and pedagogical expertise, we can offer learning products and services with the highest learning impact.

The reliability of our digital services is key to us and data is an integral part of our learning solutions. Protecting personal data throughout the entire lifecycle of the data used is at the core of our everyday business. Our trustworthy and fair data protection practices are described on page 13 in more detail.

Our sustainability targets

1 We co-create high-quality and motivating learning materials with teachers fitting the local curriculum

2 We develop inclusive learning solutions that support diversity and differentiation

3 We promote equal access to education

Key performance indicators

- Learning impact (% of teachers who agree that our materials help students reach curriculum objectives)

- Learning efficacy of our services (% of teachers who agree that our materials support efficiency)

- Student engagament (% of teachers who agree that our materials help them motivate students)

To follow up on our impact, we annually conduct a Sanoma Learning Impact Framework survey (SLIF). According to the latest results of 2019, teachers evaluate the impact of our materials as 'high' on a scale of strongly agree to strongly disagree. The survey has been conducted annually since 2015, but in 2020 it was replaced by the Sanoma Corona Effects on Teaching in Europe -survey conducted to support teachers with remote teaching practices during the pandemic.

Promoting equal access to education

To promote learning opportunities for all, we support initiatives to promote equal access to education in our operating countries. Educational systems vary between the countries and therefore we cooperate locally with NGOs, governmental and other organisations to ensure best access for all.

During 2020 our local companies were especially active in ensuring that schools could continue to operate and students could keep on learning despite the pandemic.

Building education and learning solutions in the Nordics

In Scandinavia, our two strong businesses, Sanoma Pro in Finland and Sanoma Utbildning in Sweden provide the highest quality learning materials for schools throughout K12 ie. primary, secondary and vocational education.

Sanoma Pro, founded in 1878, is the leading provider of learning solutions and the forerunner in the development of digital learning solutions in Finland. Almost 50,000 teachers use our products in more than 3,000 schools around Finland. Through the constant development of our digital service, Kampus, we ensure location independent teaching and learning, accessibility and that the needs of different learners are met from the perspective of learning materials.

Tutorhouse Digiclass enables smaller schools to offer more subjects and hire teachers remotely. Each school may not have enough students to hire a teacher for all more minor subjects. Through Tutorhouse Digiclass, students have access to a broader range of classes. Tutorhouse is Sanoma Pro's subsidiary.

Sanoma Utbildning has a strong market position in developing learning materials for math, language, social sciences, history, law and philosophy for students on all levels. Sanoma Utbildning supports access to education for example through Lexia Provia, a digital tool to help students in K12 with reading and writing difficulties or those who have dyslexia. The material is produced with support from The National Agency for Special Needs Education and Schools in Sweden.

Supporting millions of student and teachers in Poland

Nowa Era is a leading learning material provider in Poland with a wide range of educational solutions for all school types and subjects, including foreign languages, publications for exam preparartion and products for children with special educational needs. Education is supported by VULCAN, Nowa Era's subsidiary, through a modern school management software.

We also develop dedicated tools for remote learning and materials to give psychological support for those involved in online studying. By celebrating Children's Week in Poland we turned adults' attention to the needs and problems of children in the online-learning period. Nowa Era annually organises the Education designers competition supported by the Ministry of Education, Ministry of Digital Affairs and leading universities in Poland. Nowa Era also arranges Poland's largest literary 'Kids Got Talent' competition to encourage children in reading and writing.

Providing equal access to education in the Netherlands and Belgium

Malmberg is our leading educational publisher in the Netherlands. Our MAX SE learning solution facilitates both personalised learning and individual practices allowing schools to improve performance through increased insight in personal student results.

92% of teachers say Sanoma's methods support them in reaching curriculum objectives.

83% of teachers feel that our learning materials support them in engaging and motivating students.

87% of teachers say that we are able to support them in teaching and managing their classes efficiently.

85% of teachers spent more time on their work during their distance learning period than before. To support them, we offered schools free access to some of our digital learning methods.

Spring 2020 we supported schools in the rapid shift to remote learning by opening up our digital learning solutions for free to teachers and students.

Educational publisher VAN IN is the market leader in Belgium and plays an important role in enabling the education of tomorrow where differentiated education is increasingly important. Therefore, we focus on personalised learning. Access to education is free in Belgium, but parents pay for learning materials.

Bingel is an adaptive learning environment developed in Belgium and widely used by many Sanoma Learning companies around Europe with local languages. Bingel allows pupils in primary education to learn at their own pace and level and is accompanied with powerful dashboarding that allows teachers to monitor progress on class and individual levels. Also Eduarte and Magister offer digital learning environments, apps and advanced teaching and learning solutions in the Netherlands.

Through a Robin Foundation project VAN IN together with other publishers, NGOs and governmental organisations helps 20,000 vulnerable students with costs of learning materials. VAN IN also supports Bednet, which is an NGO in Belgium ensuring that children and young people temporarily unable to go to school due to illness or accident can take part in the classroom online.

Empowering teachers through an award-winning learning management system

itslearning is Europe's largest provider of learning management systems (LMS). The goal of itslearning is to empower learners by empowering teachers. We believe that technology can help great teachers change lives. That is why our cloud-based learning platform is designed for teachers and how they want to teach.

itslearning platform is serving schools across Europe and has recently been adopted by many German federal states and cities, including Berlin, Bremen, Baden Württemberg and Schleswig-Holstein. Based in Europe, with a strong focus on data security, GDPR, and scalability – itslearning is now the preferred paid European LMS.

SUSTAINABLE MEDIA

We provide trusted Finnish journalism and inspiring entertainment, now and in the future

Independent and trusted media is essential in an open and democratic society. Our sustainability actions focus on safeguarding independent Finnish journalism and engaging entertainment also for generations to come. To succeed, we promote freedom of expression across our media, create public discussion and ensure a safe and sustainable advertising environment for brands. Our mission is to offer Finnish media also for next generations. Promoting sustainable media is one of the six key themes of the Sanoma Sustainability Strategy.
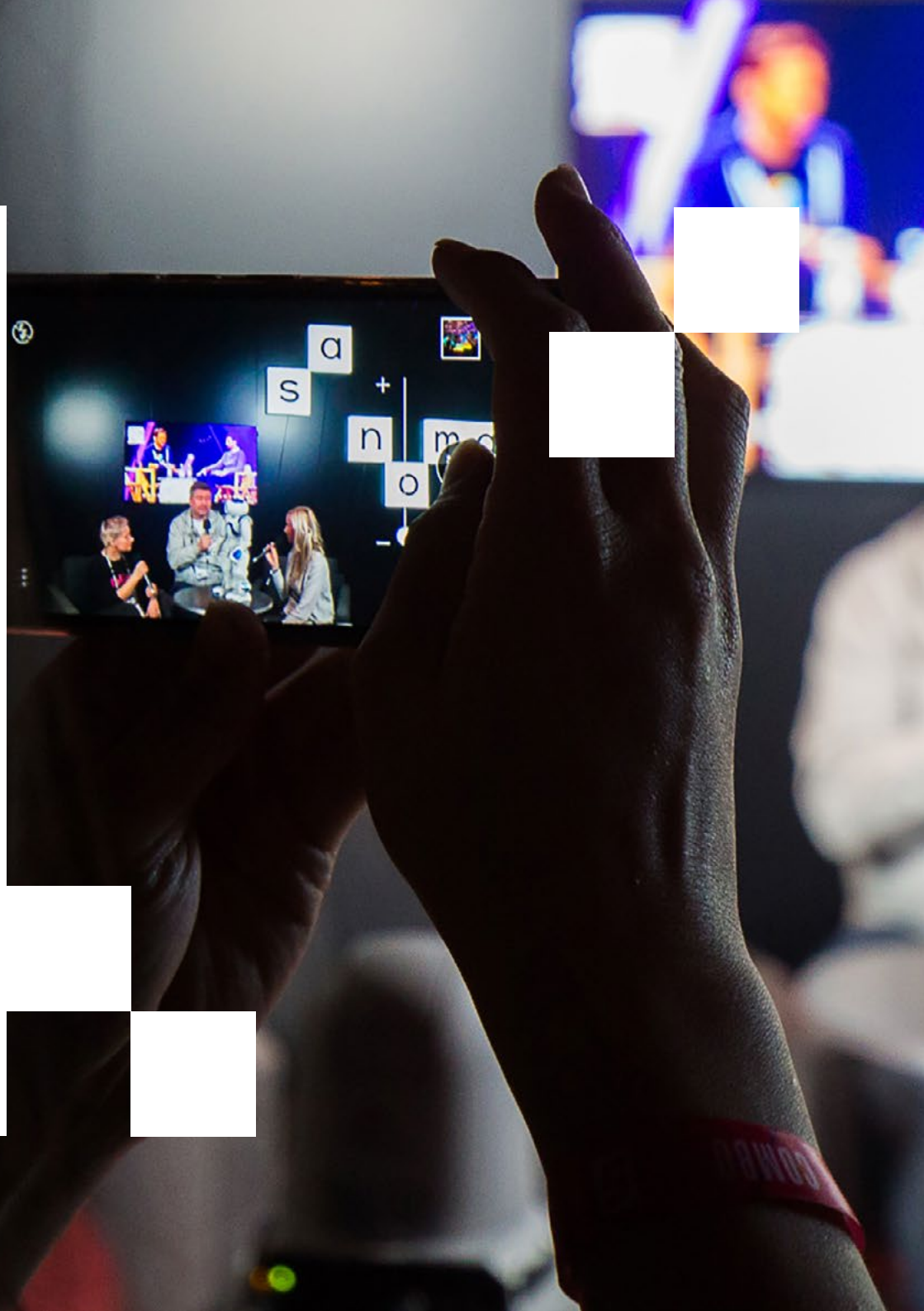
We provide trusted Finnish journalism and inspiring entertainment, now and in the future

Fact-based news during pandemic

In 2020, the corona pandemic increased the need for quality journalism. Demand for digital news reached record-high levels at all our news outlets. To ensure that relevant, fact-based information is available for all, Helsingin Sanomat (HS), the largest daily newspaper in Finland, decided to offer its corona-related news feed free of charge for the public. All other media content was also in high demand: lifestyle content, and entertainment brought joy to people's homes in the middle of the crisis. HS Kids' news started to publish news videos for children on daily basis during lockdown.

Independent and trusted journalism

Finland is known as a land of free press. Public trust towards media remains high and 96% of Finns over 15 years of age read news (Media Audit Finland 2020). Maintaining and building this trust is crucial to us. This means we resist disinformation with fact-based content, commit to Guidelines for Journalists and communicate transparently our general editorial process. Strong readership is essential to independent media and freedom of speech. In Finland, the total readership is measured by Finnish Internet Audience Measurement (FIAM) and Media Audit Finland (KMT).

We have over 40 media brands. Helsingin Sanomat has over 2 million weekly readers in digital and print. Number of subscriptions for Helsingin Sanomat increased for the fourth consecutive year, now already above 400,000 in total. In 2020, we acquired Alma Media's regional news media business to further strengthen our news and feature business and grow our digital subscription base. The acquisition included titles such as Aamulehti and Satakunnan Kansa together with 11 local newspapers. The acquisition expanded our news network and will continue to support the role we have, ensuring the sustainable future of independent domestic journalism in Finland. Editorially, these regional titles will remain fully independent and we will continue to build their local role.

A cornerstone for reliable and fair journalism in Finland is strong cooperation within the media sector. In Finland, the self-regulating and independent committee of the Council for Mass Media (CMM) is responsible for overseeing editorial ethics.

The CMM, established by publishers and journalists, provides guidelines for good professional practices and oversees the methods by which journalists acquire their information in the field of mass communication according to the commonly agreed commitment to the Guidelines for Journalists. These 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. It also gives guidance for correcting possible errors in the media in question and how to separate journalism from advertising. Anyone can submit a complaint concerning a breach of good professional practice to the Council for Mass Media. Complaints are handled without delay, impartially and free of charge.

When publishing content, we comply with the legislation concerning freedom of speech and freedom of expression and the media sector. We are a member of the CMM and committed to the Guidelines for Journalists. These principles guide all

Our sustainability targets

1 We promote open democracy and freedom of speech through our independent media

2 We increase awareness, empathy and tolerance with our journalism

3 We enable companies to thrive through marketing in our curated media

4 We empower shared experiences with entertainment and support the local audio-visual community

Key performance indicators

- Responsible journalism practices as defined in the Guidelines for Journalists by The Council of Mass Media
- Protecting vulnerable audiences as defined by guidance of the National Audiovisual Institute
- Responsible marketing practices as defined by the Advertising and Marketing Communications Code by the International Chamber of Commerce

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

In 2020, the CMM dealt with in total 329 cases in Finland and made 56 decisions of which 24 were violations. We received six notifications of violation concerning aspects of news articles and reported all cases promptly in the publication in question as stated in the Guidelines for Journalists. In addition, we follow all the CMM cases closely to learn, develop and also to encourage discussion on professional ethics.

Additionally, we create public discussion reflecting diverse opinions and lifestyles. As stated in the Guidelines for Journalists we aim for fact-based information and it defines our editorial decisions whether the topic is sustainability awareness in Helsingin Sanomat or a female perspective to society in women's magazine MeNaiset. According to study conducted by Kantar and commissioned by Sanoma Media Finland, magazines have an important role in promoting well-being.

Supporting media literacy

Supporting literacy and media literacy, in particular, to increase active citizenship of all ages is fundamental for us. The need for reliable news has risen over the last years of increasing misinformation (disinformation) through social media. To support media literacy and reading skills throughout society, Helsingin Sanomat launched a new weekly newspaper for children (HS Kids' News) in print and video. In addition, schools receive free copies of our newspapers to use in the classrooms every year. We participate in the annual Read Hour (a charity campaign to promote reading among children and teens) in September and make the campaign visible in our media. In February we participate in Newsweek (Uutisten viikko, previously Sanomale-

htiviikko), which is a week when schools in Finland focus on news and media. In addition, Donald Duck in Finland is known for its work to keep versatile and lively Finnish language alive. Finall, our audio-on-demand service Supla promotes Finnish literature by providing audio books and podcasts.

Shared experiences with sustainable entertainment

Nelonen Media is a leading broadcasting group in Finland focusing on TV and radio. Our brands include Nelonen, Ruutu, Suomipop, Supla and Radio Rock. Nelonen Media Live organises annually more than 10 music festivals such as Tammerfest, Tikkurila Festival and Rockfest.

Especially during the pandemic in 2020 the role of entertainment has been an important part of everyday life of Finns when looking for escape from daily routines. Nelonen entertainment shows and on-demand services have provided shared experiences when people have not been able to meet each other. According to an impact assessment by the Upright Project, by providing entertainment we increase feelings of meaning and joy (see analysis for more information).

Our productions also empower and strengthen the Finnish audio-visual community by providing outlets and creating new channels for Finnish entertainment as well as by working closely together with Finnish artists, music industry and culture sector. Normally, our local festivals with mainly Finnish artists create regional impacts by gathering people together, and support local vitality by bringing customers to local businesses. We have a strong influence on the audio-visual scene by providing jobs and keeping Finnish entertainment competitive and interesting in the global competition.

The shared experiences we provide play an important role in uniting people and creating meaning and joy to their lives. By delivering information, inspiration, entertainment and experiences, we also increase awareness and reflect society with different viewpoints and lifestyles.

In October 2020, Fanny Fröman from HS Kids' News received the award for information disclosure granted by the Ministry of Education and Culture in Finland annually.

World Press Freedom Day in May 2020 was celebrated in the middle of the pandemic to pay attention to freedom of speech despite the limited physical freedom.

Our lifestyle magazines lived-up to their slogan 'Stories do good' by subscription-based donations to the Hope organisation that supported children and families suffering from the pandemic.

In our productions, we protect vulnerable audiences in accordance with National Audiovisual Institute guidelines. The National Audiovisual Institute (KAVI) is a subordinate to the Ministry of Education and Culture. KAVI is a supervisory agency whose task is to preserve the audiovisual cultural products and to promote audiovisual cultural heritage and media education. All audiovisual programmes supplied in Finland must be classified by the Act on Audiovisual Programmes. We are committed to this classification and the KAVI guidance. Materials that could potentially harm vulnerable audiences, such as children and youth, are published by the editorial teams according to the guidelines. We continuously develop our age classification process together with KAVI and related staff is trained by KAVI.

Responsible marketing

Our media reach 97% of Finns every week and a significant part of our offering is made possible by enabling companies to market their products and services efficiently in our curated media. The power of marketing supports sustainable growth and commercial success of our customers as well as our national economy through making businesses thrive. We are committed to the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code and the general marketing profiling process. Our goal is that our media are trustworthy and support the brand safety of our customers by targeting appropriate marketing content to right audiences.

The Ethical Council of Advertising gives statements whether advertising is according to good manner,s, such as discriminating or not suitable for children, and applies the ICC Advertising and Marketing Communications Code. During 2020 Sanoma had two cases of non-compliance with the Advertising and Marketing Communications Code. These two cases were categorised as notifications and did not include any fines. The marketing of these brands in question were not prohibited and we advised the advertisers to use different ad materials. Our advertising and marketing processes are continuously developed further.

Our media separates advertising and journalistic content in the manner required by the Council for Mass Media and implement advertisement restrictions to the types of advertising agreed. We do not provide digital advertising targeting groups which include children, for advertisers. We follow IAB Europe EU Framework for Online Behavioural Advertising as well self-regulatory codes for marketing by Data & Marketing Association of Finland.

To support companies during difficult times we organised a marketing campaign 'Together Forward' which was a series of free-of-charge ads where companies could share their inspiring stories and actions.

In 2020 Finnish music industry suffered greatly from the pandemic. Our campaign 'Anna sen soida' supported artists and musicians by financial support and a new radio channel for stories behind the music.

We use the data you trust us with to make learning and media better

Data, especially personal data, is an essential part of our business putting privacy and customer trust at the core of our daily work. Data empowers teachers to optimise teaching and students to receive personalised learning. With the customer data entrusted to us, we develop high-quality and personalised media. Trustworthy and fair use of data is one of the six key themes of the Sanoma Sustainability Strategy.
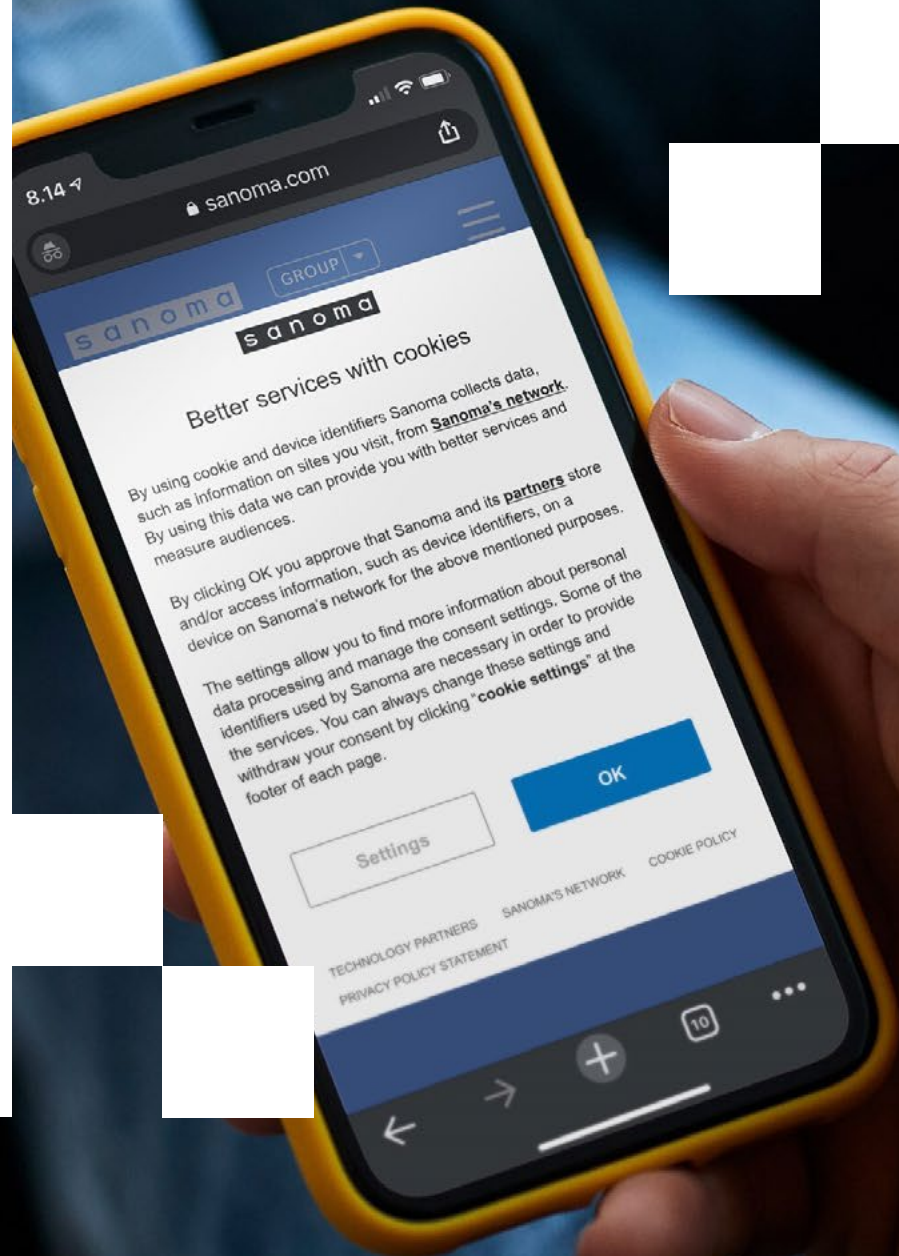
We use the data you trust us with to make learning and media better

Leading digital transformation in education

Educational technology is at a crossroads taking steps from smart to intelligent digital classrooms evolving rapidly. Embracing this evolution with curiosity, Sanoma Learning will lead the digital transformation of education with advanced multi-channel learning solutions. Data is an integral part of our learning products. It helps teachers to teach and supports students to optimise their learning. We process personal data mostly as a data processor on behalf of customers, ie. schools and municipalities. This means that the schools and municipalities decide the purposes and lawful basis for the data processing and instruct us to process the data accordingly. Protecting personal data throughout the entire lifecycle of its use, is at the core of our everyday business.

Independent media enriched with data

Data is important for us when creating fact-based journalism and providing relevant services for our media customers. In Sanoma Media Finland our role is that of a controller when processing personal data of our customers, our readers and viewers. We use data to improve our journalistic content, develop personalised recommendations in media, drive customer-centric marketing, and improve customer experience of our applications. Data helps us to further develop and customise our products. Personal data is also critical in digital advertising, where advertisers value the ability to target customers by segments and viewers who prefer to see relevant advertising only. Recommendations are based on editorial decisions, transparently explained and users may switch off the service if desired.

Safeguarding data with Privacy Programme

Our Group-wide Privacy Programme ensures that we continuously develop responsible use of personal data in compliance with privacy laws. In our privacy work we focus on fair and transparent practices defined in Sanoma's Data Protection and Privacy Policy. It determines main principles and the governance model that guide the implementation of relevant privacy laws into our operations. The policy is reviewed on an annual basis and eventual changes are approved by the Board, the same way as it's done with of all our policies. Below we describe the Privacy Programme process withq a set of examples.

Privacy and Security-by-Design at the core of privacy implementation

Privacy is incorporated into our product and business development through a 'Privacy by Design' process supported by 'Privacy Champions', who are nominated employees with privacy responsibilities in their respective business areas. Privacy Champions are trained to be the first line support of their business in privacy related topics. During 2020, we had in total 34 nominated Privacy Champions across our businesses.

Privacy impact assessments are conducted for new personal data processing purposes. In addition, threat assessments and other information security safeguards are implemented into product development processes.

Our sustainability targets

1 Data supports quality learning and helps sustain independent media

2 Our Privacy programme safeguards data while enabling its transparent and compliant use

3 We use Artificial Intelligence responsible and transparently

Key performance indicators

- Major and minor breaches of privacy and customer data
- Number of nominated Privacy Champions across our businesses
- High employee privacy awareness (e-learning rates for privacy and security)

In order to ensure that employees know how to apply data security and privacy practices in their daily work, various privacy and security training sessions are provided to employees to guide their work in practise. All new employees are expected to complete our privacy and information security e-learning training sessions. In 2020, the completion rate for both the privacy e-learning and the information security training was 95%. In the newly acquired companies, the e-learning takes place within 3–6 months after the acquisition is completed.

Incident and personal data breach management process

To address, manage and notify authorities and data subjects about personal data breaches we have implemented a breach management process and monitor short-term and long-term corrective actions. We follow the annual number of data breaches classified as major and minor. During 2020, Sanoma had zero major and 196 minor data breaches. The minor breaches occurred mainly in the media business B2C sales domain, and typically affected a single customer's data. Sanoma did not receive any formal notices, orders or penalties from the regulatory authorities during 2020.

Data lifecycle management process

All businesses need to record how data is processed and how data retention times are implemented. The implementation of our data lifecycle management process is validated regularly by our Privacy team which reviews the defined retention periods and validates that they are implemented.

Third party companies processing data on Sanoma's behalf are expected contractually to comply with Sanoma's Supplier Code of Conduct and a Data Processing Agreement, which defines and instructs the suppliers on the data protection measures they need to implement on Sanoma's behalf.

Addressing data subject rights

We continuously develop transparent data processing by providing Privacy notices and privacy policy statements about our products to data subjects, meaning our customers, our readers and viewers. Our customers have the right to ask us as a data controller to provide them access and correct their data as well as to delete their data. In 2020, Sanoma Media Finland received 62 consumer requests for data access, deletion and portability. The purposes of data processing and the privacy obligations for processing personal data are described in detail at sanoma.com.

Privacy management

Our dedicated Privacy team in the Group Legal function, headed by the Data Protection Officer, is responsible for the oversight of the implementation of the Privacy Policy across our businesses. In addition, the Privacy team monitors relevant authority and industry guidelines, enforcement of action within the business, and develops guidance and training to help business and technology teams implement legal requirements into practice. Both Sanoma Learning and Sanoma Media Finland have appointed a "privacy owner" who reports directly to the CEO of the business and is responsible for ensuring that privacy requirements are implemented into business operations. Implementation is supported by Privacy Champions nominated into relevant business units. Internal Audit reviews the Privacy Programme implementation on a regular basis. Compliance is reported on a bi-annual basis to the Audit Committee of the Sanoma Board.

Fair and transparent use of AI

Media and learning services are both becoming digital at a fast pace. In this transformation analytics have an increasingly relevant role in helping end users use the services optimally. Although the use of machine learning and artificial analytics is fairly new, it is important to identify the ethical aspects and possible ethical risks that the use of algorithms has. This is why we are committed to developing principles of ethical AI. AI can be used for, among others things, providing journalistic recommendations, personalised features in entertainment in Sanoma Media Finland, and adaptive learning solutions in Sanoma Learning. Already, when using AI, we apply privacy and personal data protection principles and practices defined in Sanoma's Data Protection and Privacy Policy.

EMPLOYEE PRIVACY AWARENESS: PERCENTAGE OF EMPLOYEES COMPLETING E-LEARNINGS

	2019	2020
Privacy policy e-learning	93%	95%
Information security e-learning	93%	95%

Privacy is incorporated into product and business development through a 'Privacy-by-Design' process supported by 'Privacy Champions'.

In our privacy work we focus on fair and transparent practices defined in Sanoma's Data Protection and Privacy Policy.

Data and algorithms make journalistic recommendations possible for frontpages of Ilta-Sanomat and Helsingin Sanomat.

Visualised data dashboards in Bingel, our primary school learning solution, guide teachers by giving insights on the learning progress and experience of students.

We act to protect the climate and build awareness of sustainability issues

Reducing climate change impacts is one of the most critical challenges facing all industries and societies. Although we operate in a low-carbon industry, minimising our environmental impact and raising fact-based climate awareness are important to us. The Sanoma Code of Conduct and the Supplier Code of Conduct set out Sanoma's environmental principles. Protecting the climate and environment is one of the six key themes of the Sanoma Sustainability Strategy
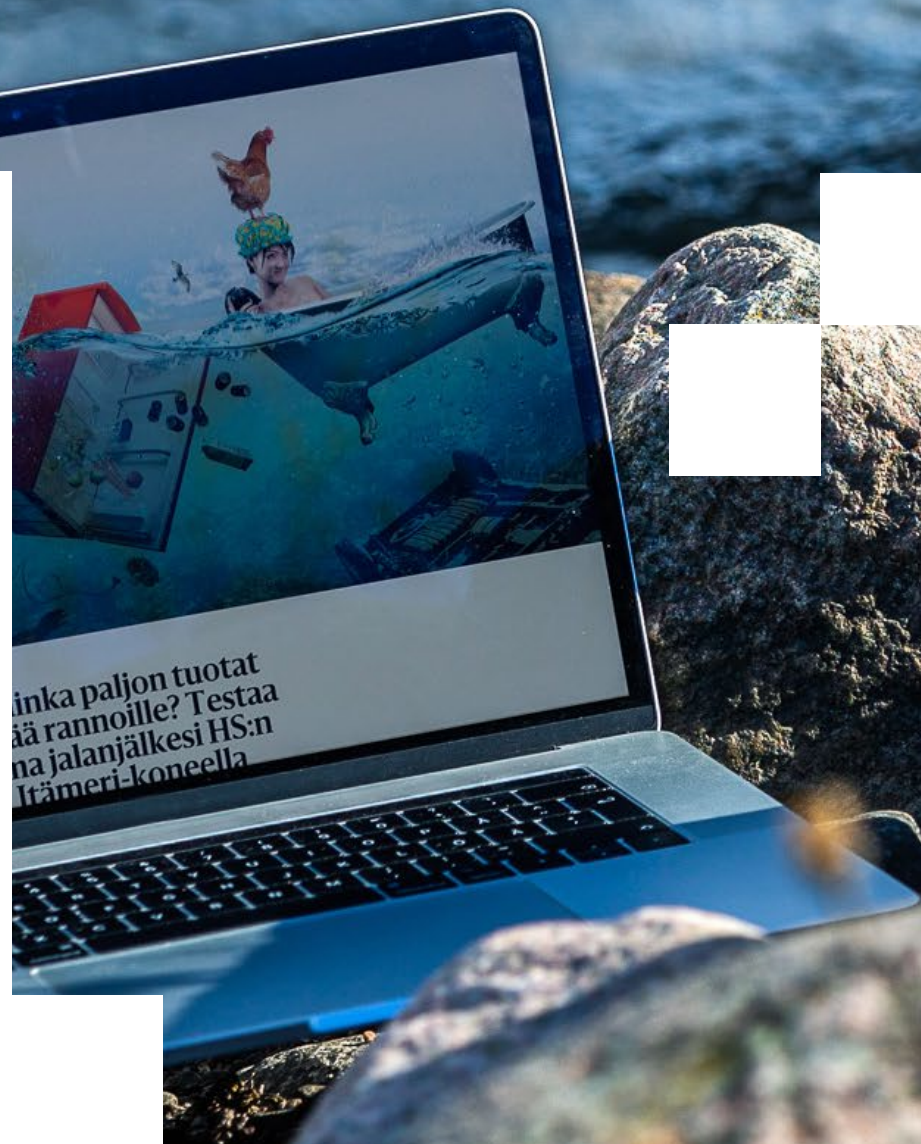
VITAL ENVIRONMENT

We act to protect the climate and build awareness of sustainability issues

Net-zero emissions by 2030

As a leading learning and media company we have a unique position to combat climate change. Through fact-based media and learning content we are able to support society at large to understand climate change and reduce CO_2 emissions. The effects of climate change are wide-ranging, and bring considerable social uncertainty. To identify and control environmental and climate-related risks and opportunities for our business, we evaluate them as part of our annual risk-assessment process. We take the risks associated with climate change into account and therefore have also set a series of concrete targets to have zero emissions in our operations and throughout the value chain by 2030.

Our climate targets encourage us to reduce greenhouse gas emissions arising from both our own operations and throughout the value chain. To ensure our climate action is fact-based, we identify, analyse, and measure the financial effects of climate change for our business and transparently report our emissions on annual basis. During 2020, we calculated our greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG).

Our carbon footprint

Our direct and indirect GHG emissions of both our own operations (Scope 1 and 2) and within our supply chain totalled 99,289 tCO_2e in 2020. According to our recent third-party assured calculations, we estimate our own direct and indirect emissions (Scope 1 and 2) to be about 10% of our total emissions during 2020. Our own operations create emissions from energy and materials used e.g. in printing facilities and offices.

During 2020, the energy consumption of electricity, district heating and district cooling in the properties controlled by us was 46.8 GWh. We use purchased electricity e.g. in printing and office facilities, as well as for digital services and technological solutions. The indirect CO_2 emissions resulting from our electricity use are dependent on the mix of energy sources used in the national energy grids in our operating countries.

Due to the growth of the business by the acquisition of the regional news media business in Finland, including a modern, state-of-the-art printing plant in Tampere as well as new office facilities, our energy use increased during 2020. At the same time, actions have been taken to develop energy efficiency at Sanoma House and Sanomala printing facility in Helsinki area during the past years. Two of our office facilities in the Netherlands and Sweden also transitioned to renewable energy during 2020. We plan to continue investing in energy efficiency and move to renewables throughout our office facilities. Therefore, we estimate to reach carbon neutrality in our own operations earlier than the target set for the whole value chain.

Our most significant environmental impacts derive from the indirect emissions (Scope 3) of our supply chain, mainly resulting from the transportation and distribution of our learning and media products, as well as the energy used for manufacturing of paper and print supplies. Approx. 90% of our emissions result from our supply chain. To achieve our

Our sustainability targets

1 We set science-based emission reduction targets and will have net-zero emissions by 2030

2 We strive to minimise our environmental impacts across the supply chain

3 We increase our fact-based climate and environmental awareness

Key performance indicators

- Zero emissions by 2030 in own operations and supply chain (Scope 1, 2 and 3)
- Energy comsumption within the organisation
- Amount of paper used and paper originating from certified wood fiber
- Key suppliers screened using environmental criteria

climate targets we cooperate and systematically increase our environmental dialogue with our key suppliers and, for example optimize delivery routes together with them. We also follow-up on our key suppliers' climate targets to develop our climate-related scenarios. During 2020, our emissions within the value chain increased due to the acquisition of the regional news media business including new office facilities and a printing facility. The acquisition affected our emissions from purchased goods and services including the material and energy use of printing and also our emissions resulting from the transportation and distribution of our products.

Minimising our environmental impacts

We aim to prevent and minimise our other environmental impacts by efficient operations and use of materials as well as responsible procurement.

In 2020 our paper use increased by 2,000 tonnes, or by 3.7% due to the acquisition of the regional news media business in Finland at the end of April. Overall, driven by the prevailing media trend of consumers moving from printed to hybrid and digital media products, comparable paper usage continued to decline. In the learning business, use of book paper grew in-line with net sales development.

Our Paper Procurement Standard is annexed to all paper procurement agreements. The aim of the standard is to ensure that paper used by us is produced responsibly and originates from traceable and verified sources. Our target is that all wood fibre in paper qualities used by Sanoma will originate from certified sources.

Sanoma owns three printing facilities in Finland: Varkaus, Tampere and Vantaa. In our printing facilities operate according to the environmental guideline approved by the printing facilities management. This guideline combines quality, environmental and safety management together into one integrated management system. The focus is on continuous development of employee expertise, transparent and measurable management of the environmental impacts of the facilities as well as taking into consideration the energy and

material efficiency as a part of their quality management. To support the environmental management, we use the ISO 14001 environmental management system.

We aim to minimise the materials use in our printing plants and follow the amount of paper, printing plates and ink used. Raw materials that are as harmless as possible to employees and the environment are selected as production materials. Through material choices, special attention is paid to post-consumption recyclability and waste management. We also aim to maximise the amount of recycled waste and all waste generated in our printing facilities was reused or recycled during 2020.

Annually, we organise festivals and events around Finland. Due to the pandemic, all events were cancelled in 2020. We have continued to develop the environmental management of our Nelonen Media Live events. All our events will use Ekokompassi, national environmental management system (EMS) certificate in Finland, from 2020 onwards and aim to reduce their environmental impacts continuously.

Increasing awareness

To minimise our environmental impacts, we believe we need to continuously develop our knowledge capital and increase our climate and environmental awareness through facts. Training both our employees and suppliers would support our organization in identifying the effects of climate change throughout our business, develop transparent reporting and comparable monitoring of our actions. In addition, fact-based knowledge provided to employees could support their expertise in creating media and learning content on sustainability and environmental awareness. This is why we plan to develop training and engagement among both our employees as well as key suppliers to raise climate and environmental awareness.

At the same time, all decisions made to publish environmental or climate-related content is made on journalistic basis or according to the country level learning curriculum requirements. For example Helsingin Sanomat has launched several climate initiatives such as collecting all climate-related news

into one place, assigning a climate correspondent for a full year and publishing a Climate Font-campaign, a campaign which draws attention to the pace of the global climate crisis though a font-generator open to all publishers.

Our head office, Sanoma House in Helsinki invested in an energy efficiency project aiming for over 40% reductions in heat and over 10% reductions in electricity use.

Our printing facilities in Varkaus, Tampere and Vantaa recycle or reuse all of their waste generated.

One of the most significant creative design competitions in Finland (Vuoden huiput) rewarded Helsingin Sanomat's Climate Pen campaign. The pen was made out of carbon dioxide and was given to decision makers to encourage members of the Finnish parliament and world leaders to sign policies fighting climate change.

ENERGY CONSUMPTION, MWH

	2019	2020
Energy consumption within the organisation, MWh	34,700	46,800
Energy intensity, MWh/employee	9.7	11.0

Includes energy used in Sanoma's own printing facilities and in office facilities around Europe. Learn more on page 39.

PAPER AND CERTIFIED PAPER USED, TONNES

	2017	2018	2019	2020	Change 2020 vs. 2019	Share of certified paper used in 2020
Newsprint paper	41,300	36,900	32,200	33,700	5%	
Magazine paper	55,200	8,400	7,500	6,900	-8.2%	
Book paper	16,100	15,800	16,000	17,000	6.7%	
TOTAL	112,800	61,100	55,500	57,700	3.7%	85%

Includes paper used in Sanoma's own printing facilities for own and externally sold print products, as well as paper acquired for own products printed by third parties. Book paper is used in Sanoma Learning and newsprint and magazine paper in Sanoma Media Finland. For 2018–2020, paper use includes continuing operations only. Learn more on page 39.

GREENHOUSE GAS EMISSIONS, tCO$_2$ e

	2019	2020
Scope 1. Direct GHG emissions, total	51	70
Scope 2. Energy indirect GHG emissions, market based, total	8,500	10,100
Scope 2. Energy indirect GHG emissions, location based, total	5,500	6,600
Scope 3. Other indirect GHG emissions, total	74,300	89,100
Category 1. Purchased goods and services	64,000	75,100
Category 4. Upstream transportation and distribution	1,900	860
Category 5. Waste generated in own operations	4,000	4,300
Category 6. Business travel	720	240
Category 8. Upstream leased assets	470	490
Category 9. Downstream transportation and distribution	3,100	8,100
Own direct and indirect (Scope 1 + 2) GHG emissions intensity, tCO$_2$e/employee	2,4	2,4
GHG emissions intensity, tCO$_2$e/employee	23,0	23,0
GHG emissions intensity, gCO$_2$e/€ turnover	91	93

Includes Sanoma's emissions according to Greenhouse Gas Protocol. Learn more about the calculation scope in Reporting scope and practices on page 34.

We promote equality and provide an inspiring workplace with excellent opportunities to develop

Great results call for people working towards shared goals in a secure and positive environment. Our motivated employees around Europe are the key factor to our success. Our focus is to develop good work-life balance, create an equal workplace together with our people and offer opportunities to develop. Valuing our people is one of the six key themes of the Sanoma Sustainability Strategy.

| 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS |

We promote equality and provide an inspiring workplace with excellent opportunities to develop

Equal and inclusive workplace

Inequality continues to exist in many ways in our societies and our daily lives. We strive to develop a diverse and inclusive workplace because we are convinced that it supports the wellbeing of our people and success of our business. We are committed to creating a working environment and culture that inspires employees, values their diversity, embraces differences in views, and ensures fair treatment, remuneration and good working conditions.

Our diversity efforts are guided by the Group-wide Diversity and Inclusion policy, approved by the Sanoma Board. We recruit, offer development opportunities and reward employees irrespective of age, gender, ethnic origin, sexual orientation, family status, disability or other personal circumstances (e.g. wealth), or any other form of discrimination. Recruitment, remuneration and career advancement are based on employee competence and performance. In total 59% of our employees were covered by a collective bargaining agreement.

We monitor the diversity of our employees by gender, nationality, role and age on annual basis. Our community of almost 5,000 employees is diverse in many aspects. We operate in 11 different countries, which means our people come from different cultural backgrounds and cultures. More than half, 56%, of our employees are from Finland and the rest from other European countries, with particularly high representation from the Netherlands (17%) and Poland (16%). Many generations work together, with our employees ages ranging from 20 to over 60 years. In 2020, we had 292 employees working on-call for Sanoma. These freelancers support mostly our event and editorial staff especially in Sanoma Media Finland.

We strive to foster an inclusive environment for people of all genders. 45% of our employees are women and 55% men. We strive to have both genders equally represented in our management. To increase the diversity of our senior leadership teams, we track the share of men and women. At the end of 2020, 20% of the Board members were women. In Sanoma's Executive Management Team, two out of four members were women and two men. Among directors and senior management, approximately one third were female. Of our managers with subordinates, about 55% are male and 45% female. It is our objective to enable a gender-neutral experience wherever we can, and we will continue to progress and update our diversity targets going forward.

We have zero tolerance for any form of discrimination, harassment or bullying at the workplace. To ensure that everyone is treated fairly and equally, we focus on equality and inclusiveness in our Code of Conduct. It sets out the general principles of ethical conduct and our responsibilities as an employer. These principles to prevent discrimination and protect human rights are based on, for example, the UN Global Compact and ILO's (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. Our people are also trained through a compulsory Code of Conduct e-learning. We monitor the total number of reported misconduct cases and all cases are investigated thoroughly. Learn more about our action to combatting misconduct on page 25. Information about remuneration at Sanoma can be found in our Remuneration Report 2020.

Our sustainability targets

1 We create an equal and inclusive workplace together

2 Our people create our knowledge capital and together we promote wellbeing, training and safety

3 We are a great workplace and support an inspiring and sustainable company culture

Key performance indicators

- Employee Experience Index results according to the Employee Engagement Survey
- Diversity of governance bodies, management and employees
- Employee training and education
- Employee turnover rate and years of service
- Incidents of discrimination and corrective actions taken

Promoting wellbeing, training and safety

During the pandemic, our first priority has been to ensure the health and safety of our employees and provide support to our customers and business partners. During 2020, our management model became a crucial part of the transparent crisis management. Our corporate culture supports employees' autonomy and together with the recent investments on cloud-based IT tools and systems, the fast transition to remote working was possible, when the pandemic started in spring 2020.

Our human resources management model covering all employees ensures a well-organised management of occupational safety, health and wellbeing of our people. We continuously identify and minimise work-related risks and develop employee wellbeing, work-life balance, early intervention, occupational health care, efforts to promote both physical and mental wellbeing at work, rehabilitation, flexibility and diversity management, among others. Human Resources Committee of the Board is responsible for the evaluation of related policies, practices, development plans and the performance of the key executives, including human resources executives.

As a learning and media company, professional development of employees is important to us, and on-going learning opportunities are offered continuously both online and when possible in live training courses. The main focus is continuous development of employees' skills and motivation. We estimate our employees to use about 10 hours annually on specific skills training through our common online e-learning system in addition to other local training schemes. We also support professional development through regular performance reviews. In 2020, approx. 90% (2019: 90%) of employees had a regular performance review with their manager.
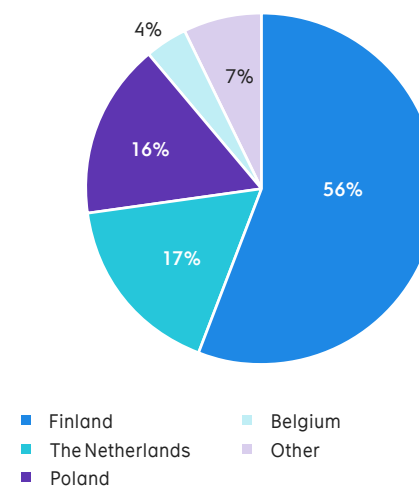
In promoting the wellbeing of our employees, we focus especially on reducing stress factors often related to the mental aspects of work and its demands. Sanoma's overall absenteeism rate was 2.4% in 2020. Among our office workers we also promote work-life balance and reduce the effects of sitting.

During the year 2020, with the high level of remote working, we followed employee wellbeing by frequent and systematic Pulse surveys to ensure that the management has real-time information on employee motivation, work-life balance and other wellbeing for example by frequent and systematic local surveys to ensure that the management has real-time information on employee motivation, work-life balance and other wellbeing issues to support employees. Our local companies also arranged remote events to promote physical and mental wellbeing, for example weekly yoga lessons, walking challenges, exercises, walking coffees and digital Christmas events. In November, 'Share views week' gathered online more than 2,000 employees of Sanoma Learning in inspiration seminars and info sessions for example on sustainability.
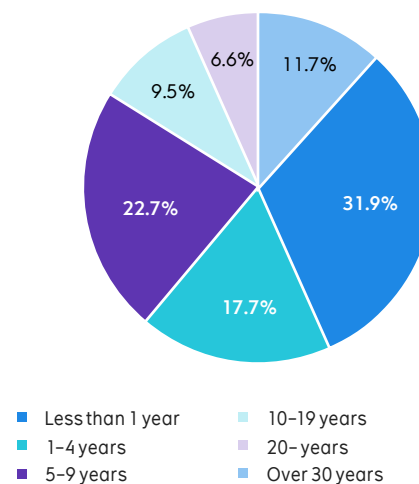
We offer all our employees health services, and also comply with the legal requirements of our operating countries to provide the services. Our employees can access services locally in their native language and during the pandemic the services have been offered also remotely when possible to provide employees safe access to services. Some of our companies have appointed health professionals with recognized qualifications and accreditations to offer health services, and the others use external service providers. Employees can participate in the development, implementation, and evaluation of the occupational health and safety management through both formal and informal methods. Informal methods include open dialogue through internal communications, surveys and direct contacts with the Human resources department. Formal participation includes workers' representation in local joint management–worker health and safety committees, for example.

Sanoma owns three printing facilities, which employ 226 people in Finland. There the work deviates from office work. Therefore we follow and report accidents at work only concerning our printing facilities. All have a safety management system in place and accidents are reported internally to all printing facility workers and communicated on-site daily. Developing employee awareness is the primary means of ensuring safety at work. Likelihood of accidents is reduced by carefully processing

EMPLOYEES BY COUNTRY, PERCENTAGE

- Finland — 56%
- The Netherlands — 17%
- Poland — 16%
- Belgium — 4%
- Other — 7%

YEARS OF SERVICE, PERCENTAGE

- Less than 1 year — 31.9%
- 1–4 years — 17.7%
- 5–9 years — 22.7%
- 10–19 years — 9.5%
- 20– years — 6.6%
- Over 30 years — 11.7%

every observation in our printing facilities and reviewing it with employees to ensure the right precautionary attitude towards incidents. No work-related, serious or fatal accidents took place during 2020. The lost time accident injury rate (LTA) for our own printing facilities was 17.2 in 2020. LTA is the number of lost time injuries that occurs during the reporting period per 1 million hours worked. In general, LTA reflects work-related incidents that result in a worker being unable to return to work. Accidents in the printing facilities usually involve tripping or slipping. In 2020, nine injuries occurred, two of them when commuting to work.

Great workplace: sustainable company culture

Company culture plays a key role in recruiting new employees, keeping our talents and developing a great workplace. In 2020, we recruited 514 new employees despite the pandemic. Our employees are highly committed to Sanoma and almost 40% of them have worked for their local company for longer than 10 years. In total 453 employees left the company resulting in an average employee turnover of 10.6%.

We measures employee experience, engagement, commitment and leadership through an annual Employee Engagement Survey (EES) carried out in the beginning of each calendar year. In 2021, the survey also included Covid-19 crisis management questions. The EES was completed by 88% (2020: 88%) of employees. The scores have been measured by People Power Rating, an inclusive overall metric between 0 and 100. The 2021 EES results improved from the previous year being overall at a good level.

From 2021 onwards Sanoma will follow a new Employee Experience Index (EEI) to report the annual EES survey results. Therefore both results are reported in this report. The Employee Experience Index rating in 2021 was 7.4. 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 employees are to promote their organisation externally. The EEI score can also be compared to similar sectors or geographical locations externally. Compared to peers, Sanoma performs well with the external benchmark for the EEI being 7.2 in 2021.

Overall, according to the EES results, employees show commitment to our company, enjoy their work and find it meaningful, and value the company's leadership culture. Employees also evaluate that Sanoma has managed the coronavirus pandemic very well as an employer. The survey also shows that our employees feel that they have equal opportunities at Sanoma and they are able to speak up about ethics. Development issues include, among other things, work-life balance. Due to the pandemic the rates related to the energising impact of work have declined slightly. Also, more efforts to develop training and individual development opportunities are expected.

EMPLOYEES BY AGE
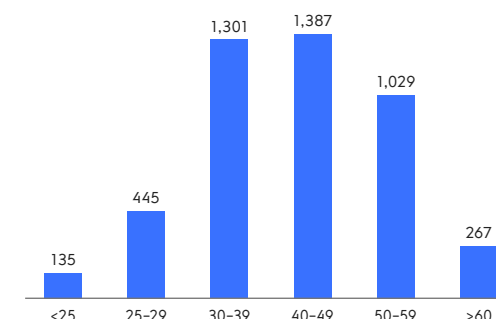
DIVERSITY OF GOVERNANCE BODIES, MANAGEMENT AND EMPLOYEES BY GENDER, PERCENTAGE

	Female	Male
Board of Directors	20%	80%
Executive Management Team	50%	50%
Directors and Senior Management	31%	69%
Managers with Subordinates	55%	45%
All employees	55%	45%

RESULTS OF THE EMPLOYEE ENGAGEMENT SURVEY

	2017	2018	2019	2020	2021
People Power Rating, 0–100	69.9	71.1	68.8	69.8	71.1
Response rate, %	88	92	92	88	88

We are committed to sustainable business practices

Rigorous ethical standards, supply chain integrity and partnerships are fundamental for us. Promoting responsible business practices is one of the six key themes of the Sanoma Sustainability Strategy. Sustainability is an integral part of our values, operating principles and strategy. We promote the UN Sustainable Development Goals and commit to the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

We are committed to sustainable business practices

Sustainability principles and guidelines

Sanoma has defined specific management principles for sustainability and it is guided by Sanoma's Sustainability Programme approved by the Board of Directors, latest updated in December 2020. Sanoma develops sustainability in compliance with the legislation applicable to business activities in the learning and media industry. The company's internal control, risk management and governance support the management of sustainability. In addition to legislation, we follow sustainability principles that are embedded into our policies and development is guided by Sanoma group policies, guidelines and commitments.

Sanoma Code of Conduct outlines our ethical business practices

The Sanoma Code of Conduct (The Code) outlines the shared ethical standards for employees and business partners. The Code acts as an umbrella for all policies and standards within Sanoma. The Code encompasses the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption. With this we also commit to the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN's Convention Against Corruption. All employees are required to apply The Code in full in their day-to-day conduct and business decisions. In addition to the Code and our Corporate Governance Framework, policies on following topics are currently in force:

- Anti-bribery and corruption policy
- Disclosure policy
- Diversity & inclusion policy
- Donations policy
- Enterprise risk management policy
- External travel policy
- Fair competition policy
- Information security policy
- Insider policy
- Internal audit policy
- Internal control policy
- IPR policy
- M&A policy
- Privacy and data protection policy
- Procurement policy
- Related party policy
- Tax policy
- Travel policy
- Treasure policy

The Sanoma Board of Directors approves new policies and amendments to existing policies. Each policy has a specified owner in the organisation. Once a year, or more frequently if needed, the policy owners submit necessary updates or new policies to the Board for approval. The policies are applicable to all employees in the Sanoma Group.

Combatting misconduct

Our employees, including our management, are required to apply the Code and all policies in full in their day-to-day conduct and business decisions. To ensure compliance, our people are

Our sustainability targets

1 We maintain rigorous ethical standards and responsible business practices

2 We constantly develop responsibility in our supply chain

3 Our good financial performance and position support sustainable development

Key performance indicators

- High employee compliance awareness (e-learning rate for Code of Conduct and anti-bribery and corruption)
- Number of misconduct cases and actions taken
- Suppliers committed to the Supplier Code of Conduct
- Economic value generated and distributed

trained through compulsory e-learnings. In the newly acquired companies, the e-learnings take place within 3–6 months after the acquisition is completed.

Sanoma's anti-bribery and corruption policy gives specific rules and monetary limits for received and given gifts (EUR 75), and entertainment and hospitality (EUR 100), and sets out the process to seek further approval through a separate gift and hospitality tool if necessary. When it comes to public officials, receiving and giving gifts is always subject to approval. Sanoma has an anti-bribery and corruption e-learning in use. In 2020, completion rate of the e-learning among targeted employees was 94% (2019: 93%).

EMPLOYEE AWARENESS: PERCENTAGE OF EMPLOYEES COMPLETING E-LEARNING FOR COMPLIANCE

	2019	2020
Code of Conduct	94%	95%
Anti-bribery & anti-corruption policy	93%	94%
Security policy	93%	95%
Privacy policy	93%	95%

Sanoma's externally hosted, independent whistle-blowing hotline enables Sanoma Group employees, customers and business partners to report suspicions of misconduct confidentially and anonymously. Violations of the Code, or any related policy or law, are encouraged to be reported through the Sanoma-WhistleB reporting hotline. With this early warning system we foster high business ethics, maintain customer and public trust, and reduce risks for misconduct. Cases are also reported via other channels (e-mail, top management, HR, internal audit), which indicates trust among the organisations. Sanoma has zero-tolerance policy on discrimination. No cases of discrimination were reported in 2020.

During 2020, in total 16 potential non-compliance cases were reported to the Sanoma Compliance and Ethics working Group

in confidence. All cases were investigated and concluded to the Audit Committee of the Board responsible for oversight. Half of the allegations reported in 2020 were found to hold partially or complete true. The type of misconduct cases that were found to hold true were third-party IPR infringement, supplier payment delay, harassment and disclosure policy related. All proven cases are handled with care and respecting the privacy of the parties. Misconduct leads to disciplinary, legal or other actions. By the end of year 14 out of the 16 incidents have been resolved and cases completed and no further action was required by the organisation.

Sustainability governance model

Sanoma's Board of Directors approves all strategic sustainability guidelines and monitors the Group's sustainability development and performance. Sustainability related issues are reviewed for example when approving annual short-term management incentives for the executive management, the Group's Financial Statements and the report of the Board of Directors' including the non-financial information, and annual sustainability targets and action plans as part of the company's strategy. Audit Committee supports the Board e.g. in reviewing Sanoma's sustainability progress and ensuring regular monitoring of the Sanoma Sustainability Strategy at least twice a year. In addition, the Audit Committee evaluates sustainability related risks as part of the annual risk assessment process.

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

Together with the Strategic business units, the Sanoma Sustainability Team prepares sustainability development measures and actions, coordinates sustainability progress and makes proposals to the EMT. Head of IR and Sustainability, reporting to the CFO & COO, and the Sustainability Manager support the Sanoma Business Units (SBU) in achieving their targets, project implementation and communications. In addition, Sustainability Specialists for Sanoma Learning and Sanoma Media Finland support sustainability development at the SBU-level.

Sanoma has decided to embed sustainability to the incentive program of the senior management. In 2021, sustainability targets will make up 20% of Sanoma's annual short-term management incentives on target level. Half of these sustainability targets are related to the results of the Employee Engagement Survey (EES) and half to achieving certain data and privacy targets. In addition, for example the sustainability team, procurement team and all employees in Sanoma's own printing facilities and facilities' management are incentivised on sustainability related targets.

Supply chain management

To provide products and services to our customers, we cooperate with a vast number of suppliers and vendors every day. Suppliers include transportation and distribution services, raw materials and supplies, royalties, printing and paper. We also use vendors for providing consultants. These suppliers make up approx. 80% of all material and service purchases. We expect ethical and responsible conduct from our suppliers. Ensuring a sustainable supply chain begins from selecting suppliers. Our Know Your Counterparty (KYC) process identifies the risks of doing business with third parties by looking at their ownership, activities and role. Systematic KYC checks covering chosen existing and almost all new vendors are carried out by Group Procurement. The KYC due diligence tool, Navex, is also available for Sanoma employees internally to screen thoroughly not just suppliers, but any third party Sanoma intends to partner or do business with. The tool identifies possible third

party non-compliance and includes human rights, anti-bribery, corruption, sanctions and due diligence checks. In cases of medium or high risk, the tool refers employees to consult Group Legal function.

Sanoma Supplier Code of Conduct (the Supplier Code) sets out the ethical standards and responsible business principles our suppliers are required to comply with and expected to also apply to their employees, affiliates and sub-contractors. All new suppliers go through Sanoma's source-to-contract solution, which incorporates the Supplier Code as a mandatory step for successful selection. The Supplier Code is an integral component of the standard contractual procurement and purchasing framework, including supplier selection, evaluation and performance appraisal. In addition to the Supplier Code, we require all suppliers to comply with the Sanoma General Procurement Terms and Conditions and the Data protection and Information Security requirements. The Supplier Code is available in English, Finnish, Dutch, Polish and Swedish.

We annually follow the number of new Sanoma suppliers committed to the Sanoma Supplier Code aiming to have full coverage. During 2020, 100% of new suppliers committed to the Supplier Code through their Frame Agreement with Sanoma. According to the Finnish Act on Subscriber's Obligations and Liability, we also ensure the terms of legal obligations are observed throughout our supply chain.

In addition, we screen our paper suppliers for using our environmental criteria embedded into our Paper Procurement standard. In 2020 all our direct paper suppliers were covered by the standard. To ensure efficiency and sustainability, we develop our supply chain in cooperation with the suppliers. Analysis of sustainability aspects is an important part of continuous interaction with suppliers. The Sanoma-WhistleB reporting hotline enables Sanoma Group employees, customers and business partners to report suspicions of supply chain misconduct confidentially and anonymously.

Economic value distributed

By contributing to local communities, we improve our positive impact on society. During the past five years, Sanoma has focused its business on its strongholds and divested businesses, in which it did not have a leading position or a sustainable competitive advantage. The Group's business composition has become stable, with learning and B2C media sales contributing approx. 75% of our net sales going forward. Successful strategy execution has also strengthened the Group's financial position, performance and ability to distribute positive economic impact. Our good financial performance and position support sustainable development and the economic added value we have in society.

At the end of 2020, we employed close to 5,000 people around Europe. More than half of our employees are in Finland and the rest in other European countries, with particularly high representation from the Netherlands and Poland. In total we paid almost EUR 295 million of employee wages and benefits and EUR 60 million of direct income taxes, real estate taxes and employer charges during 2020. We also plan to develop our indirect and direct tax reporting to provide a more comprehensive picture of our role as a taxpayer in society.

Annually, we also support carefully selected partners with donations to strengthen our positive impact on society and local communities. Sanoma's Annual General Meeting decides the amount of our non-profit donations and authorises the Board of Directors to decide on the contributions. Consistent with our ethical standards, we are transparent about our contributions and do not make donations to political movements or representatives nor to purposes that are unethical or illegal. We comply with applicable laws and regulations in making donations and ensure that there is no misuse or corrupt purposes. During 2020, we supported for example corona-related initiatives, freedom of speech and media education, youth's social wellbeing and climate efforts with donations. Sanoma supported music industry in pandemic through a

campaign providing financial support and own radio channel for stories behind the music (Anna sen soida- campaign). In total, our donations amounted EUR 788,000 in 2020.

ECONOMIC VALUE DISTRIBUTED, MILLION EUROS

	2020
Revenue	1,062
Operating costs	357
Employee wages and benefits	295
Dividends to shareholders	83
Payments to providers of capital	9
Payments to government: income tax, Real estate tax, Employer charges	60
Community investments: direct donations	0.8

Management approach

Our Sustainability Strategy becomes concrete actions through companywide goals, roadmaps, guidelines and follow-up methods. The following table describes our common goals and performance indicators together with the UN Sustainable Development Goals we contribute to. It also clarifies our internal and external guidelines that guide our daily work.

| UN Sustainable Development Goals	Sustainability theme	Sustainability goals	Material aspects	Key performance indicators	Policies and guidelines
4 QUALITY EDUCATION / 17 PARTNERSHIPS FOR THE GOALS	**INCLUSIVE LEARNING** We develop inclusive learning solutions that help all students to achieve their potential	■ We co-create high-quality and motivating learning materials with teachers fitting the local curriculum ■ We develop inclusive learning solutions that support diversity and differentiation ■ We promote equal access to education	■ High quality learning content ■ Reliable digital learning platforms ■ Diverse learning content ■ The role literacy in society ■ Respecting childrens' right	Own indicators: ■ Learning impact: Percentage of teachers indicating that Sanoma methods support them in realising learning objectives of their class ■ Learning efficacy of our services: Percentage of teachers indicating that Sanoma methods support them in efficiently teaching and managing their classes ■ Student engagement: Percentage of teachers indicating that Sanoma methods support them in engaging and motivating students	■ National level curriculum guidelines ■ Operating companies editorial guidelines ■ Sanoma Code of Conduct ■ Sanoma Supplier Code of Conduct
16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS	**SUSTAINABLE MEDIA** We provide trusted Finnish journalism and inspiring entertainment, now and in the future	■ We promote open democracy and freedom of speech through our independent media ■ We increase awareness, empathy and tolerance with our journalism	■ Independent journalism ■ Freedom of expression ■ Diverse media content ■ Media literacy in society	Own indicators: ■ Compliance with professional practices as defined in the Guidelines for Journalists by The Council for Mass Media (CMM)	■ Sanoma Code of Conduct ■ Professional practices as defined in the Guidelines for journalists set by The Council for Mass Media
		■ We empower shared experiences with entertainment and support the local audio-visual community	■ Role of media in society	Own indicators: ■ Compliance with age-limits and protecting vulnerable audiences as defined by guidance of the National Audiovisual Institute	■ Sanoma Intellectual Property Rights Policy and procedures ■ Sanoma Fair Competition Policy ■ Guidance for age-limits and protecting vulnerable audiences as defined by the National Audiovisual Institute (KAVI)
		■ We enable companies to thrive through marketing in our curated media	■ Responsible entertainment and advertising	■ GRI 417-3: Marketing and Labeling, Incidents of non-compliance concerning marketing communications	■ Sanoma Code of Conduct ■ International Chamber of Commerce Advertising and Marketing Communications Code ■ Data & Marketing Association of Finland's Self-regulatory Code for Marketing ■ IAB Europe EU Framework for Online Behavioural Advertising

UN Sustainable Development Goals	Sustainability theme	Sustainability goals	Material aspects	Key performance indicators	Policies and guidelines
	TRUSTWORTHY DATA We use the data you trust us with to make learning and media better	■ Data supports quality learning and helps sustain independent media ■ Our privacy programme safeguards data while enabling its transparent and compliant use	■ Safe and transparent use of data	■ GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data ■ The number of nominated Privacy Champions across our businesses ■ Employee privacy awareness (e-learning completion rates for privacy and security)	■ Sanoma Code of Conduct ■ Sanoma Supplier Code of Conduct ■ Privacy and Data Protection Policy ■ Information Security Policy ■ IPR Policy
		■ We use Artificial Intelligence responsibly and transparently	■ Ethical use of AI	■ No indicator	■ Sanoma is developing Ethical guidelines for AI
	VITAL ENVIRONMENT We act to reduce our climate impact and build fact-based awareness of sustainability	■ We set science-based emission reduction targets and will have net-zero emissions by 2030 ■ We strive to minimise our environmental impacts across the supply chain ■ We increase our fact-based climate and environmental awareness	■ Environment impacts of printing ■ Energy and emissions	■ GRI 301-1 Materials used by weight or volume in own printing plants ■ GRI 308-1 Supplier Environmental Assessment: Key paper suppliers that were screened using environmental criteria ■ GRI 302-1 Energy: Energy consumption within the organization ■ GRI 302-3 Energy: Energy intensity ■ GRI 305-1 Emissions: Direct (Scope 1) GHG emissions ■ GRI 305-2 Emissions: Energy indirect (Scope 2) GHG emissions ■ GRI 305-3 Emissions: Other indirect (Scope 3) GHG emissions ■ GRI 305-4 Emissions: GHG emissions intensity ■ GRI 306-2 Waste: Waste by type and disposal method	■ Sanoma Code of Conduct ■ Sanoma Supplier Code of Conduct ■ Procurement Policy ■ Paper Procurement Guidelines ■ Paper purchases agreements ■ Environmental guidelines for Sanoma owned printing plants ■ ISO 14001 Standard for Sanomala and Savon Paino printing plants ■ Travel Policy

UN Sustainable Development Goals	Sustainability theme	Sustainability goals	Material aspects	Key performance indicators	Policies and guidelines
		■ We create an equal and inclusive workplace together	■ Diversity, equal opportunities and pay	■ GRI 405-1 Diversity and Equal Opportunity: Diversity of governance bodies and employees ■ GRI 406-1 Non-discrimination: Incidents of discrimination and corrective actions taken	■ Diversity and Inclusion Policy ■ Remuneration Policy ■ Sanoma Code of Conduct ■ Sanoma Supplier Code of Conduct
5 GENDER EQUALITY **8 DECENT WORK AND ECONOMIC GROWTH** **10 REDUCED INEQUALITIES** **17 PARTNERSHIPS FOR THE GOALS**	VALUED PEOPLE We promote equality and provide an inspiring workplace with excellent opportunities to develop	■ Our people create our knowledge capital and together we promote wellbeing, training and safety	■ Wellbeing, training and safety	■ GRI 401-1: Employment: New employee hires and employee turnover ■ GRI 403-1 Occupational health and safety management system ■ GRI 403-2 Hazard identification, risk assessment, and incident investigation ■ GRI 403-3 Occupational health services ■ GRI 403-4 Worker participation, consultation, and communication on occupational health and safety ■ GRI 403-5 Worker training on occupational health and safety ■ GRI 403-6 Promotion of worker health ■ GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships ■ GRI 403-8 Workers covered by an occupational health and safety management system ■ GRI 403-9 Work related injuries ■ GRI 403-10 Work related ill health ■ GRI 404-1 Training and Education: Average hours of training per year per employee ■ GRI 404-3 Training and Education: Percentage of employees receiving regular performance and career development reviews	■ Human resources, equality and non-discrimination plans of operating companies ■ Occupational health and safety management system of Sanoma
		■ We are a great work-place and support an inspiring and sustaina-ble company culture	■ Great place to work	Own indicators: ■ Sanoma Employee Engagament Survey results	■ Sanoma Code of Conduct
8 DECENT WORK AND ECONOMIC GROWTH **17 PARTNERSHIPS FOR THE GOALS**	RESPONSIBLE BUSINESS PRACTICES We are committed to responsible business practices	■ We maintain rigorous ethical standards and responsible business practices ■ Our good financial per-formance and position support sustainable development ■ We constantly develop responsibility in our supply chain	■ Ethical business conduct	■ GRI 201-1 Economic Performance: Direct economic value generated and distributed ■ GRI 201-3 Economic Performance: Defined benefit plan obligations and other retirement plans ■ GRI 205-2 Anti-corruption: Communication and training about anti-corruption policies and procedures	■ Corporate Governance Framework ■ Fair Competition Policy ■ Insider Policy ■ Donations Policy ■ Tax Policy ■ Remuneration policy ■ Sanoma Code of Conduct ■ Sanoma Supplier Code of Conduct ■ Anti-Bribery and Corruption Policy

Stakeholder engagement and materiality review

Our business effects a variety of stakeholders every day. Through active dialogue with our stakeholders, we strive to better understand the challenges and opportunities related to our business environment and sustainability. Therefore, active and open engagement with our stakeholders is of highest importance for us. We regularly review our stakeholders' views of our operations, organize events and meetings, and take part in seminars and events significant for our industry and business operations. Our primary stakeholders are consumers and customers, employees, analysts, shareholders and suppliers.

- **Consumers and customers** include students and teachers in the learning businesses and users, readers, listeners and viewers in our media businesses. These also entail business partners (advertisers), educational establishments and governmental stakeholders. We reach our consumers and customers every day through our products and services, both directly and through our commercial staff and while also developing our services together with them. In addition, customer service and surveys help us reach our customers.
- **Employees** include our own employees and freelancers. We engage with our employees through internal communication (email, intranet), regular Pulse Surveys, the annual Employee Engagement Survey, continuous quarterly local surveys, employee events, internal teams meetings as well as trainings and development sessions.
- **Analysts and shareholders** include our current and potential shareholders as well as credit investors and analysts. We cooperate with our shareholders and investors through quarterly reporting, investor briefings and meetings, the Annual General Meeting and the annual financial and non-financial sustainability reporting. All engagement with financial stakeholders complies with our Disclosure Policy, listed company rules and regulations.

- **Suppliers** deliver transportation and distribution services, raw materials supply, royalties, printing and paper supplies for us. We also use vendors to provide consultants. These suppliers cover over 80 % of all material and service purchases. To provide products and services to our customers, we co-operate with a vast number of material and service suppliers every day through the supplier selection process, 'Know Your Counterparty' analysis and direct cooperation organised by the Group Procurement.

In addition, governmental organisations and regulators are important stakeholders that we engage with when participating in consultation processes and advisory groups. We are members of the following trade associations: European Publishers Council (EPC), Association for Commercial TV (ACT), Finnmedia, News Media Finland, Finnish Periodical Publishers' Association, Graphical Industry in Finland, Radio media in Finland, Finnish Chamber of Commerce Supporters' association for the Council of Mass Media, Media pool in Finland, Association for radio and TV industry in Finland. We are also a member of the Responsible Media Forum (RMF), a partnership between leading media and learning companies to identify and take action on the social and environmental challenges facing the sector. In addition, we are a member of the FIBS, Finland's leading corporate responsibility network, and CLC Climate Leadership Coalition, which is a partnership of Finnish businesses and research organizations to respond to climate change.

Our stakeholder cooperation and engagement covers all our businesses and is part of our daily work and management. This work is primarily managed by the Investor Relations and Sustainability Team under the CFO & COO together with the Public Affairs Officer. The company's business functions are responsible for cooperation with their respective customers.

During 2020, the Sanoma Sustainability Strategy was updated through extensive stakeholder engagement to clarify the priorities of sustainability topics among our customers, consumers, investors, suppliers, employees and management.

Materiality review 2020

Nearly 1,000 employees and 400 external key stakeholders gave us feedback in a survey conducted in September 2020. During 2020 we also arranged employee discussion forums and defined our goals together with internal and external experts. In total over 100 experts took part in online workshops despite the pandemic. The results of the engagement have been summarised in the Materiality matrix.

Throughout our businesses safe and transparent use of data is of highest importance for Sanoma and this priority is shared by our stakeholders. Responsible and fair use of data was ranked as the top prioritised topic in our materiality review. This includes the responsible handling of customer data, customer privacy, cyber security and developing our use of AI ethically. Also, the wellbeing and especially safety of our employees during the pandemic was of high importance to all our stakeholders. Creating a great place to work and focusing on diversity and equal opportunities is important for keeping the talents we have and attracting new employees.

All stakeholders find our businesses in a strong position related to sustainability. In learning the focus is especially on the high-quality of our learning materials, reliable digital learning platforms, diversity and inclusiveness in our learning materials and equal access to education. In our media especially independent journalism is of highest priority. Stakeholders also expect responsible marketing and advertising practices and entertainment. Additionally, our stakeholders asked for better communication on our climate and environmental action. Especially the environmental effects of printing and Sanoma's carbon footprint and handprint were raised in the materiality analysis. To respond to stakeholders' expectations, the updated Sanoma Sustainability Strategy focuses on clarifying what is important for us within sustainability.

MATERIALITY MATRIX
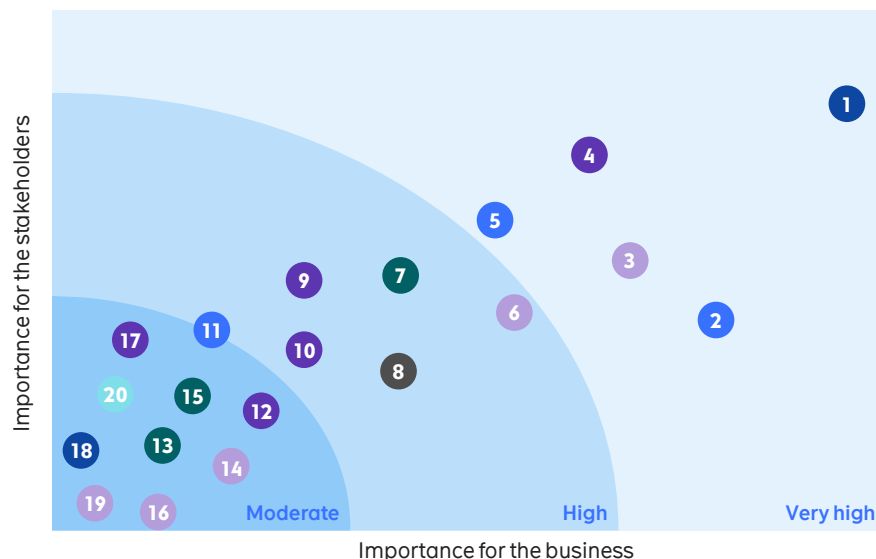
Privacy and data protection
1   Safe, transparent and responsible management of customer data.
18 Ethical use of artificial intelligence AI.

People and culture
2   Great place to work and attract the best talents.
5   Employee wellbeing, training and safety.
11 Employee diversity, equal opportunities and pay.

Media
3   Independent journalism according to journalistic principles.
6   Freedom of expression and the role of media in a free, fair and equal society.
14 Multicultural and diverse media content.

16 Responsible entertainment.
19 Responsible marketing and advertising solutions.

Learning
4   High quality, up-to-date and personalized learning content.
9   Reliable, user-friendly digital learning platforms for students and teachers.
10 Role of learning, reading and media literacy in society.
12 Respecting children's rights in equal and accessible learning products and services.
17 Learning products with multi-cultural and diverse content.

Climate and environment
7   Energy use and emissions.
15 Environmental impacts of logistics and distribution.
13 Environmental impacts of printing.

Compliance
8   Responsible business conduct, corporate governance and Code of Conduct procedures.

Supply chain
20 Responsible purchases and procurement.

Adopting the Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are the blueprint for achieving a more sustainable future for all. They address a number of common, global challenges the world is facing, including those related to inequality, climate, environmental degradation, prosperity and peace and justice. We commit to working towards a more sustainable future for all by implementing the following nine SDGs into our updated Sustainability Strategy that are relevant to our business. To learn more about our contribution to the SDG's in our Management Approach.

17 Partnership for the goals
We engage with our stakeholders and suppliers to meet our sustainability goals. We also annually support carefully selected partners with donations to strengthen our positive impact on society and local communities.

16 Peace, justice and strong institutions
Supporting democratic societies is in our DNA through the independent media and the quality learning content we provide. We continue developing ethical, reliable journalism and providing sustainable media as well as contribute to excellent education to support open strong democracy.

4 Quality education
We support quality education by delivering inclusive learning solutions to over 20 million students around Europe. Our goal is to help all students to achieve their potential.

13 Climate action
Although we operate in a low-carbon industry, minimising our environmental effects and raising climate awareness is important to us. We aim to have net-zero emissions by 2030.

5 Gender equality
We support gender equality by developing diverse workplace together with our people and offering equal opportunities to all genders. Our learning materials empower every student, regardless of gender. Our media increases awareness on different viewpoints.

12 Responsible consumption and production
We support responsible consumption and production by cooperating throughout our value chain to maximise our positive and minimise environmental impact. Our annual sustainability reporting elaborates our actions and performance.

8 Decent work and economic growth
We support sustainable economic growth through our role as employer and tax-payer throughout Europe. Our employees range from diverse backgrounds and we offer young employees opportunities to develop.

10 Reduced inequalities
We reduce inequalities by developing social, economic and political inclusion with our learning materials and media content. We also support various NGOs reducing inequalities.

9 Industry, innovation and infrastructure
We support innovation by developing agile company culture. Through our media we enhance scientific research by reporting on the latest scientific insight. Our learning materials are fact- and curriculum-based.

Data and assurance

Reporting scope and practices

This review is based on the globally approved and widely used Global Reporting Initiative (GRI) Standards Core option covering the material aspects identified in our materiality review. Comparisons to the GRI Standards can be found in the GRI Content Index. The review also includes UN Global Compact disclosure. The GRI Content Index explains which indicators are used to measure our performance in upholding the principles on human rights, labour standards, environmental friendliness and anti-corruption. The numerical data related to the GRI Standards have been third party assured by Mitopro Oy (more information on page 50). Material topics are listed in the description of our management approach, together with the information on our contribution to the UN Sustainable Development Goals.

Reporting mostly follows the same rules as Sanoma's financial reporting for the financial year 2020. Any restrictions and omissions to the rules are reported in the GRI Content Index. This report includes continuing operations only. All of our business units are included in the reporting from Sanoma Learning and Sanoma Media Finland as well as the Sanoma Group functions. All financial data and employee-related data have been collected via Sanoma reporting systems. Employee related data has been provided by our Human resources organisation and we continue to develop our reporting by developing our Human resources data system during the year 2021. The environmental data has been collected through the Greenhouse Gas (GHG) Protocol reporting internally and from Sanoma suppliers. In addition, data has been collected directly from Sanoma owned prints' reporting systems and from Sanoma's procurement.

Greenhouse gas emissions reporting

Sanoma calculates its emissions in accordance with the Greenhouse Gas (GHG) Protocol. Figures are reported as tCO_2 equivalents. Sanoma Group's Greenhouse gas emissions baseline year is 2019 and the calculation model has been developed in cooperation with an external partner Åf Pöyry Ab. All the companies with majority ownership (50% or over) have been taken into account in the calculations. List of the Sanoma owned companies can be found in the Annual Review 2020. Methods of collecting emissions data both from Sanoma's systems and from suppliers are constantly being improved. Our reporting includes:

- Direct Scope 1 emissions from owned vehicles and owned properties with fossil fuels used to power stand-by generators. Road transport emission factors are from VTT's LIPASTO database and fuel emissions factors from Tilastokeskus.

- Indirect Scope 2 emissions from energy used in owned and leased properties with country-specific electricity averages and marked-based electricity emission factors. International heat emission factors are from the Ecoinvent 3.7. database. Location-based figures have been calculated using average country-specific emission factors. Residual mix used only in market-based method.

- Indirect Scope 3 emissions:

  - Category 1: Purchased products and services emissions from materials used in owned prints, as well as the energy consumption of the production of our supply by the suppliers. Also cloud-based data usage is calculated under category 1. Emissions factors from the Ecoinvent 3.7. database.
  - Category 4: Upstream transportation emissions from vehicles and ships distributing our materials to both owned printing facilities and to printing suppliers. Road transport, air and train travel emission factors from VTT's LIPASTO database.

  - Category 5: Waste generated includes emissions of waste generated in our own printing facilities and in owned and leased office properties. Waste treatment emission factors from WWF's climate calculator.
  - Category 6: Business travel include emissions from travelling reported according to travel claims and CWT Travel data. Business travel information only include Sanoma Media Finland as we develop new ways of reporting. Business travel emission factors from VTT's LIPASTO database.
  - Category 8: Upstream leased assets include emissions of cars used in our operations. Road transport emission factors from VTT's LIPASTO database.
  - Category 9: Downstream transportation and distribution include delivering our products in both learning and media businesses. Learning transportation calculation method has changed to more systematic in 2020 resulting in a higher amount of emissions. Learning transportation data from warehouse to customer is missing. Road transport, air and train travel emission factors are from VTT's LIPASTO database.

- Excluded from emission calculation:

  - Employee commuting – estimated to account for less than 1% of the total emissions.
  - Nelonen Media events have not been included in the emission calculation due to the pandemic. We are developing event level calculations for the events organized annually.
  - Non-relevant data such as end-of-life treatment of sold products, capital goods, fuel and energy related activities, processing of sold goods, use of sold goods, leased assets (outbound), franchising and investment.

Sustainability performance indicators

In these sustainability performance indicators we report our metrics according to the Global Reporting Initiative together with our own topic specific indicators.

GRI 102 General Disclosures		2019	2020	Notes
102-8	Persons under employment contract, total	4,283	4,564	
	Average number of employees (FTE)	3,567	4,255	
102-17	Code of Conduct e-learning completion rate, percentage of employees	94%	95%	
102-41	Percentage of total employees covered by collective bargaining agreements, weighted average	-	59%	

102-8 Information on employees and other workers

Sanoma	Employees in total, amount	Employees in total, percentages	Permanent employees	Temporary employees	Fulltime employees	Part-time employees	On-call employees
Total	4,564	100%	4,015	549	3,606	666	292
female	2,506	55%	-	-	1,864	450	192
male	2,056	45%	-	-	1,736	219	101
Finland	2,585	57%	2,237	348	2,071	225	289
The Netherlands	772	17%	683	89	413	357	2
Sweden	93	2%	83	10	88	5	0
Germany	11	0.2%	11	0	10	1	0
France	13	0.3%	13	0	13	0	0
Belgium	184	4%	179	5	134	50	0
Denmark	10	0.2%	10	0	9	0	1
Poland	720	16%	637	83	700	20	0
Spain	91	2%	80	11	83	8	0
United Kingdom	10	0.2%	9	1	10	0	0
Norway	75	2%	73	2	75	0	0
Sanoma Media Finland	2,190	48%	1,854	336	1,686	215	289
Sanoma Learning	2,159	47%	1,946	213	1,707	449	3
Other (Sanoma Corporation, Sanoma B.V.)	215	5%	215	0	213	2	0

GRI METRICS SOCIAL DISCLOSURE	2019	2020	Notes
GRI 401 Employment			
401-1 Total number and rate of new employee hires during the reporting period (New employees started)		514	
Sanoma Media Finland		332	
Sanoma Learning		151	
Others (Sanoma Corporation, Sanoma B.V.)		31	
Total number and rate of employee turnover during the reporting period (Employees left the company)		453	
Sanoma Media Finland		299	
Sanoma Learning		125	
Others (Sanoma group, Sanoma B.V)		29	
Total employee turnover, permanent staff, percentage		11.3%	
Average employee turnover, percentage		10.6%	
GRI 403 Occupational health and safety			
403-9 403-10 Number of occupational accidents resulting in lost days in Sanoma owned printing plants, total		9	
Work-related fatalities		0	
The number high-consequence work-related injuries (excluding fatalities)		0	
Accident at work		7	
Accident while commuting to work		2	
The number of hours worked in Sanoma printing plants		406,800	
Injury rate LTA in Sanoma owned printing plants (Lost time accidents rate per million workhours)		17.2	
Sick absence, days total		25,817	
Percentage of annual working days lost due to sickness absences		2.4%	
GRI 404 Training and education	2019	2020	Notes
404-3 Percentage of employees receiving regular performance and career development reviews	90%	90%	
Years of service, percentage			
Less than 1 year		12%	
1–4 years		32%	
5–9 years		18%	
10–19 years		23%	
20–29 years		9%	
Over 30 years		7%	

GRI METRICS SOCIAL DISCLOSURE	2019	2020	Notes
GRI 405 Diversity and equal opportunity			
405-1 **Human resources by employee category and gender**			
Personnel	4,283	4,562	
female	2,334	2,506	
male	1,949	2,056	
Board of directors	9	10	
female	3	2	
male	6	8	
Executive management team	4	4	
female	2	2	
male	2	2	
Directors and Senior Management	-	98	
female	-	30	
male	-	68	
Managers with Subordinates	-	516	
female	-	233	
male	-	283	
Employees	-	3,950	
female	-	2,223	
male	-	1,727	
Human resources by employee category and gender, percentage			
Directors and Senior Management	-	2%	
Managers with Subordinates	-	11%	
Employees	-	87%	
All personnel			
female	54%	55%	
male	46%	45%	
Board of directors			
female	33%	20%	
male	67%	80%	
Executive management team			
female	50%	50%	
male	50%	50%	

GRI METRICS SOCIAL DISCLOSURE	2019	2020	Notes
Directors and Senior Management			
female	-	31%	
male	-	69%	
Managers with Subordinates			
female	-	45%	
male	-	55%	
Employees			
female	-	55%	
male	-	45%	
Human resources by age			
Less than 25 years	117	135	
25–29 years	417	445	
30–39 years	1,298	1,301	
40–49 years	1,300	1,387	
50–59 years	942	1,029	
More than 60 years	209	267	
Human resources by age, percentage			
Less than 25 years	3%	3%	
25–29 years	10%	11%	
30–39 years	30%	33%	
40–49 years	30%	35%	
50–59 years	22%	26%	
More than 60 years	5%	7%	

405-1 Diversity of govenance bodies: Age distribution of the Sanoma Board		**Male**	**Female**	**Notes**
405-1	Under 30 years old	0%	0%	
	Between 30 and 49 years old	10%	0%	
	Over 49 years old	70%	20%	
	Total	**80%**	**20%**	

GRI METRICS ENVIRONMENTAL DISCLOSURE		2019	2020	Notes
GRI 301 Materials used				
301-1	Paper used by weight, tonnes			
	Newsprint paper	32,126	33,727	
	Magazine paper	7,535	6,915	
	Book paper	15,965	17,028	
	Total	55,626	57,670	
	Paper used by weight, percentage			
	Newsprint paper	-15%	4.98%	
	Magazine paper	-14%	-8.2%	
	Book paper	1%	6.7%	
	Total	-10%	3.7%	
	Certified paper used in Sanoma, percentage	84%	85%	
GRI 301 Materials used				
301-1	**Materials used in Sanoma owned printing facilities**			
	Paper, tonnes	48,008	41,831	Sanoma acquired Manu print 1.5.2020. Figures include information from Manu print 2019 and 2020 for comparability.
	Paperwaste, percent	7.9%	7.9%	
	Ink, tonnes	998.7	784.7	
	Printing plates, tonnes	258.9	247.7	
	Wetting water additive, tonnes	76.1	68.9	
	Water consumption in Sanoma owned printing facilities			
	Amount of water used in Sanoma owned printing facilities, m³	18,524	16,649	Sanoma acquired Manu print 1.5.2020. Figures include information from Manu print 2019 and 2020 for comparability.
GRI 302 Energy				
302-1	Energy consumption within the organization, MWh	34,680	46,834	
	Electricity, MWh	20,875	26,507	
	Heating and cooling, MWh	13,805	20,328	
	Fuels (reserve power), liters	3,060	5,400	
302-3	Energy intensity, kWh/person/year	9.7	11.0	

GRI METRICS ENVIRONMENTAL DISCLOSURE		2019	2020	Notes
GRI 305 Emissions tCO$_2$e				
	Scope 1, 2 and 3: Direct and indirect GHG emissions, total	82,761	99,288	
305-1	Scope 1. Direct GHG emissions, total	51	70	
305-2	Scope 2. Energy indirect GHG emissions, market based, total	8,449	10,116	
	Scope 2. Energy indirect GHG emissions, location based, total	5,497	6,564	
305-3	Scope 3. Other indirect GHG emissions, total	74,261	89,102	
	Category 1. Purchased goods and services	63,963	75,098	
	Category 4. Upstream transportation and distribution	1,924	863	
	Category 5. Waste generated in own operations	4,043	4,348	
	Category 6. Business travel	716	244	
	Category 8. Upstream leased assets	467	490	
	Category 9. Downstream transportation and distribution	3,148	8,059	
305-4	Own direct and indirect (Scope 1 + 2) GHG emissions intensity, tCO$_2$e/employee	2.4	2.4	
	GHG emissions intensity, tCO$_2$e/employee	23.0	23.0	
	GHG emissions intensity, gCO$_2$e/€ turnover	91	93	
306 Effluents and Waste				
306-2	Waste generated by Sanoma, tonnes	4,828	5,077	
	Waste and effluents in Sanoma owned printing facilities			
	All waste, total tonnes	5,130	4,562	Sanoma acquired Manu print 1.5.2020. Figures include information from Manu print 2019 and 2020 for comparability.
	Share of recycled and reused waste, percentage	100%	100%	
	Share of hazardous waste, tonnes	129	136	
	Share of incinerated hazardous waste, tonnes	14	11	

GRI METRICS ECONOMIC DISCLOSURE		2019	2020	Notes
GRI 201 Economic value distributed, EUR million				
201-1	Economic value distributed			
	Revenue	913	1,062	
	Operating costs	283	357	
	Employee wages and benefits	243	295	
	Dividends to shareholders	75	83	
	Payments to providers of capital	22	9	
	Payments to government: income tax, Real estate tax, Employer charges	57	60	
	Community investments: direct donations	0.412	0.788	
205 Anti-corruption				
205-2	Anti-bribery and anti-corruption e-learning completion rate, percentage of employees	93%	94%	

GRI METRICS SOCIAL DISCLOSURE: MARKETING AND LABELING		2019	2020	Notes
417-3	Marketing and labeling			
	Incidents of non-compliance concerning marketing communications, total	-	2	
	Incidents of non-compliance with regulations resulting in a fine or penalty	-	0	
	Incidents of non-compliance with regulations resulting in a warning	-	0	
	Incidents of non-compliance with voluntary codes	-	2	

GRI METRICS SOCIAL DISCLOSURE: PRIVACY AND SECURITY		2019	2020	Notes
418-1	Customer privacy, Substantiated complaints concerning breaches of customer privacy and losses of customer data			
	Annual volume of consumer data access, deletion and portability request	42	62	Reporting scope Sanoma Media Finland.
	Annual number of data breaches classified to major and minor, total	-	196	
	Annual number of data breaches major	-	0	
	Annual number of data breaches minor	-	196	
	E-learning completion rate for privacy training, percentage of employees	93%	95%	
	E-learning completion rate for security training, percentage of employees	93%	95%	

GRI Content Index

Sanoma's Sustainability Review 2020 is prepared in accordance with the Global Reporting Initiative (GRI) Standards Core-version using version 2016 of standards or newer. Our reporting covers all General Disclosures, as well as the Topic-specific Standards identified material in our materiality review. In this GRI Content Index, we list our disclosures with reference to the GRI Standards, and refer to the location of the information in our annual reporting supported by links. In addition, the GRI Content Index includes information on reasons for omission or changes in our reporting scope if necessary. It also explains which indicators are used to measure our performance in upholding the UN Global Compacts Ten Principles on human rights, labour standards, environmental friendliness and anti-corruption.

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
GRI 102: Foundation				
General Disclosures				
GRI 102: General Disclosures	**Organizational profile**			
	102-1 Name of the organization	Sanoma Corporation		
	102-2 Activities, brands, products, and services	Sanoma Annual Review 2020, page 14		
	102-3 Location of headquarters	Töölönlahdenkatu 2, Helsinki, Finland		
	102-4 Location of operations	Finland, Netherlands, Poland, Belgium, Sweden, Spain, Norway, Denmark, France, Germany and UK		
	102-5 Ownership and legal form	Sanoma Annual Review 2020, page 28		
	102-6 Markets served	Sanoma Annual Review 2020, page 14–15		
	102-7 Scale of the organization	Sanoma Annual Review 2020, page 12		
	102-8 Information on employees and other workers	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		6
	102-9 Supply chain	Sanoma Sustainability Review 2020, Supply chain management, page 26		
	102-10 Significant changes to the organization and its supply chain	Sanoma Annual Review 2020, page 20 and Sanoma Sustainability Review 2020, page 24		
	102-11 Precautionary Principle or approach	Sanoma Annual Review 2020, page 21		7
	102-12 External initiatives	Sanoma Sustainability Review 2020, Responsible business practices, page 24		
	102-13 Membership of associations	Sanoma Sustainability Review 2020, Stakeholder engagement and materiality review, page 31		
	Strategy			
	102-14 Statement from senior decision-maker	Sanoma Sustainability Review 2020, Letter from the President and CEO, page 2 and Sanoma Annual Review 2020, page 7		
	102-15 Key impacts, risks, and opportunities	Sanoma Annual Review 2020, Non-financial information, page 16 and Risk review, page 21. Risk management principles reported in the Corporate Governance Statement 2020.		

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
	Ethics and integrity			
	102-16 Values, principles, standards, and norms of behavior	Sanoma Sustainability Review 2020, Responsible business practices, page 24		10
	102-17 Mechanisms for advice and concerns about ethics	Sanoma WhistleB-reporting tool; Sanoma Sustainability Review 2020, Responsible business practices, page 24.		
GRI 102: General Disclosures	**Governance**			
	102-18 Governance structure	Corporate Governance Statement 2020, page 2		
	102-19 Delegating authority	Sanoma Sustainability Review 2020, Responsible business practices, page 24		
	102-20 Executive-level responsibility for economic, environmental, and social topics	Sanoma Sustainability Review 2020, Sustainability governance model, page 26		
	102-32 Highest governance body's role in sustainability reporting	Sanoma Sustainability Review 2020, Responsible business practices, page 24		
	102-35 Remuneration policies	Sanoma Remuneration report		
	102-36 Process for determining remuneration	Sanoma Remuneration report		
	102-37 Stakeholders' involvement in remuneration	Sanoma Remuneration report		
	Stakeholder engagement			
	102-40 List of stakeholder groups	Sanoma Sustainability Review 2020, Stakeholder engagement and materiality review, page 31.		
	102-41 Collective bargaining agreements	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35.		3
	102-42 Identifying and selecting stakeholders	Sanoma Sustainability Review 2020, Stakeholder engagement and materiality review, page 31.		
	102-43 Approach to stakeholder engagement	Sanoma Sustainability Review 2020, Stakeholder engagement and materiality review, page 31.		
	102-44 Key topics and concerns raised	Sanoma Sustainability Review 2020, Stakeholder engagement and materiality review, page 31.		

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
	Reporting practice			
	102-45 Entities included in the consolidated financial statements	Sanoma Annual Review 2020, page 37		
	102-46 Defining report content and topic Boundaries	Sanoma Sustainability Review 2020, Reporting scope and practices, page 34. Reporting continuing operations only.		
	102-47 List of material topics	Sanoma Sustainability Review 2020, Management approach, page 28		
	102-48 Restatements of information	Sanoma Sustainability Review 2020, Reporting scope and practices, page 34		
	102-49 Changes in reporting	Sanoma Sustainability Review 2020, Reporting scope and practices, page 34		
	102-50 Reporting period	1 January – 31 December 2020		
	102-51 Date of most recent report	3 March 2020		
	102-52 Reporting cycle	Annual		
	102-53 Contact point for questions regarding the report	sustainability@sanoma.com		
	102-54 Claims of reporting in accordance with the GRI Standards	GRI Standard, reporting according to Core using 2016 Standards or newer		
	102-55 GRI content index	Sanoma Sustainability Review 2020, GRI content index, page 42		
	102-56 External assurance	Sanoma Sustainability Review 2020, Independent assurance report		
Material Topics Topic specific content is reported regarding aspects identified as material.				
Economic topics				
Economic Performance				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		
	201-3 Defined benefit plan obligations and other retirement plans	Sanoma Annual Review, Note 5. Emplyoee benefit expenses and Note 30. Management compensation, benefits and ownership		
Anti-corruption				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Sanoma Sustainability Review 2020, Responsible business practices, page 24		10

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
Environmental topics				
Materials				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 301: Materials	301-1 Materials used by weight or volume	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35	Reported only from owned printing plants.	
Energy				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 302: Energy	302-1 Energy consumption within the organization	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8
	302-3 Energy intensity	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8
Emissions				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8
	305-2 Energy indirect (Scope 2) GHG emissions	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8
	305-3 Other indirect (Scope 3) GHG emissions	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8
	305-4 GHG emissions intensity	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35		7, 8

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
Effluents and Waste				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35	Reporting only total amount of waste generated and waste generated in Sanoma owned printing facilities by type and disposal method (a-b).	8
Supplier Environmental Assessment				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 308: Supplier Environmental Assessment	308-1 Key paper suppliers screened using environmental criteria	Sanoma Sustainability Review 2020, Vital environment, page 16		8

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
Social topics				
Employment				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 401: Employment	401-1 New employee hires and employee turnover	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35	Reporting only information divided by businesses. Not reported by age group, gender and region.	6
Occupational Health and Safety				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-2 Hazard identification, risk assessment, and incident investigation	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-3 Occupational health services	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-5 Worker training on occupational health and safety	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-6 Promotion of worker health	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-8 Workers covered by an occupational health and safety management system	Sanoma Sustainability Review 2020, Valued people, page 20		
	403-9 Work related injuries	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Valued people, page 20	Sick absence reported as total amount of sick absence days. Occupational accidents reporting scope Sanoma owned printing plants.	
	403-10 Work related ill health	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Valued people, page 20	Reporting scope Sanoma owned printing plants.	

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
Training and Education				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 404: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Valued people, page 20		
Diversity and Equal Opportunity				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Valued people, page 20		6
Non-discrimination				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Sanoma Sustainability Review 2020, Responsible business practices, page 24		
Marketing and Labeling				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 417: Marketing and labeling	417-3 Incidents of non-compliance concerning marketing communications	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Sustainable media, page 9	Reported as number of non-compliance cases occording to the Advertising and Marketing Communications Code.	

GRI Standard	Disclosure number and title	Location of information	Omission	Global Compact Principles
Customer Privacy				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Trustworthy data, page 13		
	The number of nominated Privacy Champions across our businesses	Sanoma Sustainability Review 2020, Trustworthy data, page 13		
	Employee privacy awareness (e-learning completion rates for privacy and security)	Sanoma Sustainability Review 2020, Sustainability performance indicators, page 35 ; Trustworthy data, page 13		
Other own indicators				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-2 The management approach and its components	Sanoma Sustainability Review 2020, Management approach, page 28		
	103-3 Evaluation of the management approach	Sanoma Sustainability Review 2020, Management approach, page 28		
Inclusive learning	Learning impact: Percentage of teachers indicating that Sanoma methods support them in realising learning objectives of their class.	Sanoma Sustainability Review 2020, Inclusive learning, page 5		
	Learning efficacy of our services: Percentage of teachers indicating that Sanoma methods support them in efficiently teaching and managing their classes.	Sanoma Sustainability Review 2020, Inclusive learning, page 5		
	Student engagement: Percentage of teachers indicating that Sanoma methods support them in engaging and motivating pupils.	Sanoma Sustainability Review 2020, Inclusive learning, page 5		
Sustainable media	Compliance with age-limits and protecting vulnerable audiences as defined by guidance of the National Audiovisual Institute	Sanoma Sustainability Review 2020, Sustainable media, page 9		
	Compliance with professional practices as defined in the Guidelines for Journalists by The Council for Mass Media (CMM)	Sanoma Sustainability Review 2020, Sustainable media, page 9		
Valued people	Results of the Employee Engagement Survey	Sanoma Sustainability Review 2020, Valued people, page 20		

Independent Assurance Report

To the Management and Stakeholders of Sanoma Corporation

Scope and Objectives
The Management of Sanoma Corporation ("Sanoma") commissioned us to perform a limited third-party assurance engagement regarding sustainability performance data ("Sustainability information") disclosed in the Sustainability Review of Sanoma Annual Review 2020 for the period of 1st January to 31st December 2020. The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'.

Conclusion
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 Sustainability information is not fairly stated and has not been prepared, in all material respects, in accordance with the Reporting criteria.

Responsibilities
Sanoma is responsible for the collection, calculation, and presentation of the Sustainability information according to the Reporting criteria. The Management of Sanoma has approved the Sustainability information disclosed in the report. Our responsibility as assurance providers is to express an independent conclusion on the Sustainability information subject to the limited assurance engagement. To assess the Sustainability information, which includes an assessment of the risk of material misstatement in the report, we have used Global Reporting Initiative's GRI-standards (2016, 2018) and Sanoma's internal reporting instructions (the "Reporting criteria").

Assurance Provider's Independence and Competence
We have conducted our assessment as independent and impartial from the reporting organisation. We were not committed to any assignments for Sanoma that would conflict with our independence, nor were we involved in the preparation of the report. Our team consists of competent and experienced sustainability reporting experts, who have the necessary skills to perform an assurance process.

Basis of Our Opinion
Assurance providers are obliged to plan and perform the assurance process so as to ensure that they collect adequate evidence for the necessary conclusions to be drawn. The procedures selected depend on the assurance provider's judgement, including their assessment of the risk of material misstatement adhering to the Reporting criteria.

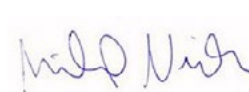Our opinion is based on the following procedures performed:

- Interviews with Sanoma's specialists responsible for data collection and reporting of the Sustainability information.

- Review of systems and procedures to generate, collect and report the Sustainability information for the Group reporting.

- Assessment of calculations and data consolidation procedures and internal controls to ensure the accuracy of the Sustainability information.

- Testing the accuracy and completeness of the Sustainability information from original documents and systems on a sample basis.

- Review of data sources, data generation and reporting procedures at the two Sanoma printing houses in Finland.

Inherent limitations
Our assurance relies on the premise that the data and information provided by Sanoma to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. For instance, greenhouse gas (GHG) emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

Helsinki, Finland, 26th February 2021

Mitopro Oy

Mikael Niskala
Independent
Sustainability Practitioner

Tomi Pajunen
Independent
Sustainability Practitioner

sanoma