



ESG Report  
2022





Welcome to Ilkka's first Environmental, Social and Governance (ESG) Report!

In the report, we describe how our Group takes care of economic, social and environmental sustainability. We explain what our ESG work is based on, what its main themes are and how sustainability is included in the process to review the Group's overall strategy.

The report presents the main themes of our ESG work in 2022 and outlooks for the future.

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# Review by the CEO

## Values



At Ilkka, ESG has been one of the mainstays of our operations for a long time. This year, we are publishing a separate ESG Report for the first time.

In line with our strategy, we have grown as a Group in recent years. For the first time, we are presenting our ESG activities in concrete terms. We believe that this report will facilitate and increase the understanding of ESG among both our employees and stakeholders.

We employ shared business principles as well as detailed company-specific guidelines and policies in areas such as metrics, reporting and employee benefits. Our values, mission and

## Mission



vision are strongly embedded in our responsible way in which we operate and encounter customers, employees and other stakeholders. Although our companies' values differ slightly from one another, they do not contradict each other.

For us, ESG is not separate from other activities but an integral part of day-to-day operations, management, planning and implementation.

We have considered our ESG themes extensively within the Group so that the various emphases that are important for our operations are taken into account as well as possible. We have also listened to the views of

## Vision



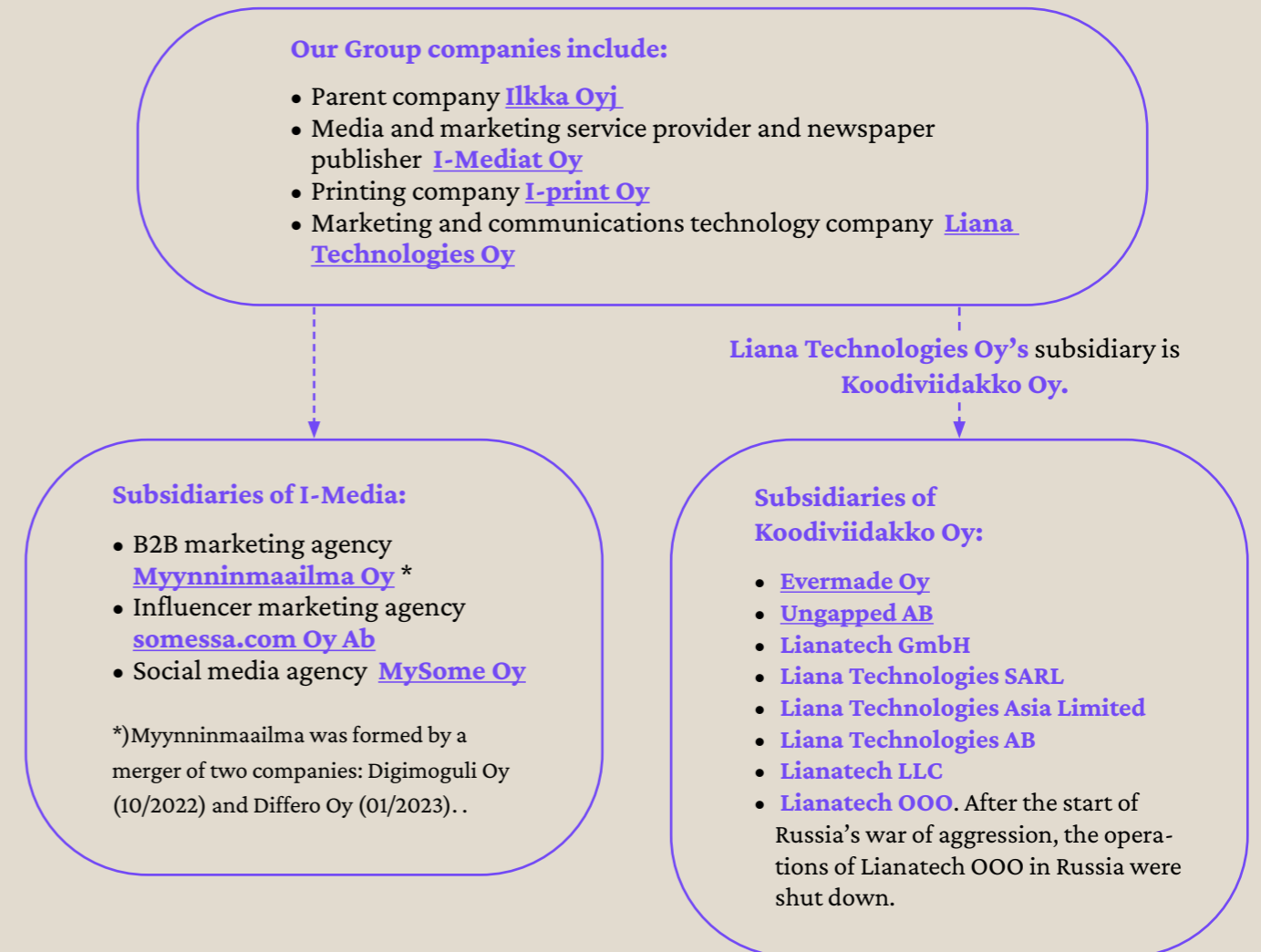
our employees and customers. The themes and the report itself have been drafted in cooperation with the Group's companies.

The main themes of ESG boil down to four areas: expert in marketing, information and technology, a meaningful workplace and a reliable partner, and consideration of environmental impacts in all our operations. We look at ESG as a whole through these themes.

Olli Pirhonen  
CEO  
Ilkka Oyj

# Presentation of Ilkka Group

Ilkka is an expert in marketing, information and technology. Ilkka consists of 17 companies.

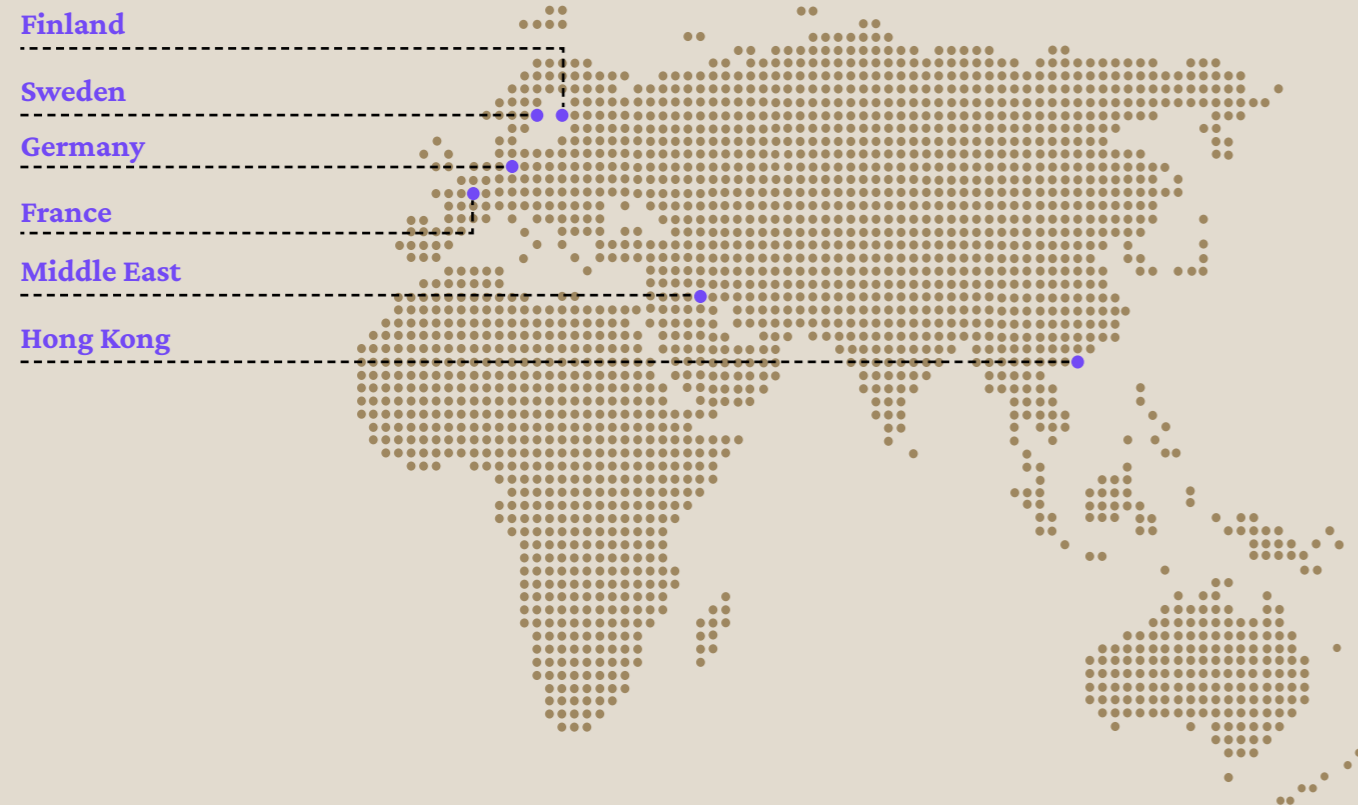


Ilkka Group	2022	2021
LNet sales, EUR million	57,8	49,7
Operating profit/ loss, EUR million	-0,9	2,7
Adjusted profit from own operations, EUR million	1,2	1,4
Profit/ loss for the period, EUR million	0,7	6,6
Earnings per share (EPS), EUR	0,03	0,26
Dividend per share, EUR	0,20 *)	0,30
Interest-bearing liabilities, EUR million	0,6	1,1
Equity ratio, %	85,9	87,4
Equity per share, EUR	6,09	6,87
Average number of personnel	525	447

\*) Proposal of the Board of Directors

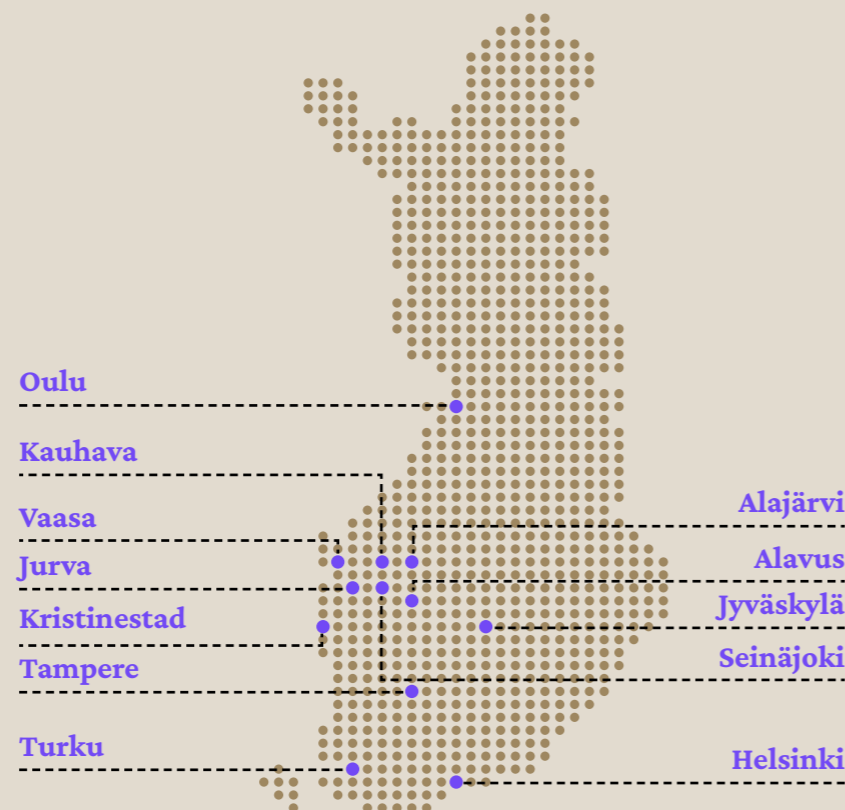


# Ilkka Group's locations on the map



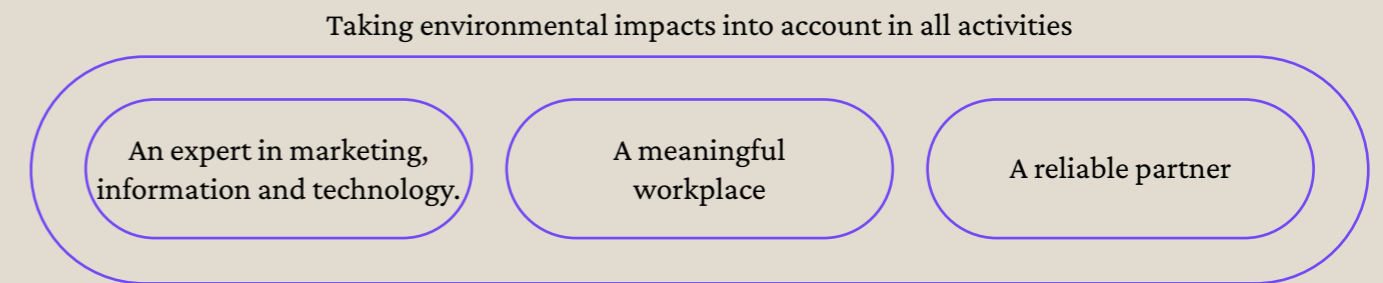
The Group's various businesses have offices in Finland in Vaasa, Seinäjoki, Oulu, Tampere, Helsinki, Jyväskylä, Turku, Alajärvi, Alavus, Jurva, Kauhava and Kristinestad. Liana Technologies also has offices abroad in Sweden, Germany, France, the Middle East and Hong Kong.

In 2022, the Group employed a total of around 570 content production, marketing, information and technology experts. Together with our experts and the products and services of our companies, we want to be able to create success for our customers and stakeholders with bold and clear expert views and solutions.



# ESG at Ilkka Group 2022

Our ESG work is based on values, commonly agreed operating principles, a positive employer brand and trustworthy and transparent reporting and governance. Our main ESG themes are:



## ESG management at Ilkka

ESG is part of our Group's daily work and management.

### Ilkka's operations, governance and decision-making are based on

- the Group's common business principles
- the Finnish Limited Liability Companies Act
- regulations governing listed companies
- the Articles of Association
- [Nasdaq Helsinki rules and guidelines](#)
- [Corporate Governance Code](#) of the Finnish Securities Market Association
- UN [Sustainable Development Goals](#) and [Human Rights Principles](#)
- principles of the International Labour Organization (ILO).

The CEO is responsible for overseeing ESG issues with the support of the Group's Executive Management Team. Each business segment is responsible for ESG measures as part of operational planning.

As Ilkka's number of personnel has exceeded 500 employees in 2022, we are also obligated to report non-financial information. That is why in 2022, we carried out stakeholder and relevance analyses of areas subject to reporting and began drafting our ESG management framework.

**During 2023, we will set up an ESG working group** responsible for planning, developing and monitoring ESG targets. The ESG working group is chaired by the Group's CFO, and members of the group represent various business segments and personnel groups.

The vision of our ESG strategy will be clarified as a result of the activities of the ESG working group. Our goal is to bring ESG and sustainability more strongly into our day-to-day operations in all areas. We discuss sustainable

practices with our stakeholders and take ESG and sustainability into account in our choices and purchases. We want to be an active promoter and developer

of ESG and sustainability in the value chain, which also helps our customers succeed. We increase our employees' awareness of

sustainability and the ESG themes we have chosen.

### Our employees participate in the Group's governance and development

A significant number of our personnel are involved in the innovation, development and planning of the Group and its companies and operations. This way, the expert views of our employees contribute to the promotion of a wide range of issues within the Group.

Ilkka has a Supervisory Board that is elected by the Annual General Meeting

for a term of four years at a time. The Supervisory Board consists of eighteen members, including two employee representatives from fully owned Group companies. Employee representatives play an important role in the Group's decision-making.

#### The duties of the Supervisory Board include:

- overseeing the company's executive team and the management of the company's businesses
- appoint and dismiss members of the Board of Directors, and
- decide on their remuneration
- appoint the members of the Remuneration and Nomination Committee.

#### Subsidiaries have their own boards of directors and a management team led by the CEO or CBO. The boards of directors of subsidiaries are responsible for:

- the appropriate organisation of the company's governance and operations
- planning based on the Group strategy, and
- implementation of set targets.

The companies' key employees and persons of authority participate in the work of management teams.

The core purpose of the Group EMT is to support the CEO in guiding and devel-

oping the Group's operations so that the strategic goals presented by the EMT and approved by the Board of Directors are achieved. The Group EMT consists of representatives of business segments and the Group's support services.

### Diversity of governance and broad engagement helps the organisation develop

In a diverse Board of Directors, the expertise and experience of members complement each other, which is why at Ilkka, we pay special attention to diversity. Members of the Board of Directors must represent diverse expertise. Different educational and professional backgrounds, a broad age and gender distribution, among others, support the company's business and development. Persons elected to the Board of Directors must be qualified for the position and have sufficient time to perform their duties.

### ESG in planning the new strategy

The process of updating Ilkka's strategy for the period

2023–2026 began in 2022. In connection with the strategy process, we have asked our customers and employees what their expectations are of Ilkka's ESG work.

Based on the responses, our commitment to ESG and sustainability forms the basis for cooperation with us: ESG must be in line with values and manifested as visible actions, not just words.

### ESG and sustainability can be seen, for example, in:

- keeping promises and dependability
- supporting local businesses
- tolerance and equal treatment of personnel
- good governance

- transparency and openness of operations
- minimising environmental impacts and developing sustainable solutions.

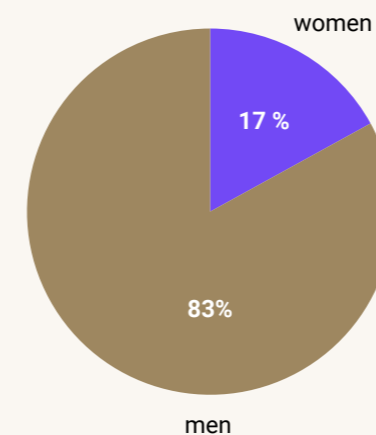
All these principles will also be taken into account in the upcoming strategy period.

### ESG and risk management

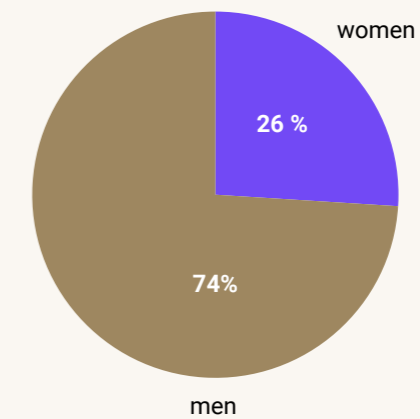
We also take ESG and sustainability risks into account in our risk management. Environmental risks are assessed by means of a scenario-based climate risk assessment. Identified risks are related to distributions, data security and the availability of labour, among other areas.

Our risk management policy is part of our management system. With the policy, we ensure the continuation of operations and identify and manage opportunities, threats and risks.

Gender distribution of the Board of Directors in 2022



Gender distribution of the Group Executive Management Team and business segment management teams in 2022



All genders are represented on the Board of Directors. At the moment, we are only able to report the percentages of men and women of personnel.



THEME 1

# An expert in marketing, information and technology

Our first ESG theme ensures that we provide our customers with trustworthy information and high-quality services. We listen to and engage our customers and help them develop their own business. We follow good marketing practices, invest in customer-oriented technologies and ensure that our customers are treated equally.

## We produce and publish trustworthy information

We produce and publish trustworthy and responsible journalistic and commercial content. We offer our readers big and small perspectives and topics of conversation from near and far.

Our journalistic content production is based on conveying accurate and balanced information and source criticism. We bring things out truthfully, fairly, evenly and openly. We support the development of a democratic society. Our media are unaffiliated and independent. On controversial social issues, we strive to give voice to different opinions.

We make sure that our journalistic content creation is not affected by conflicts of interest. Journalistic content is decided on journalistic grounds, and under no circumstances is decision-making power handed over to non-editorial staff.

We adhere to the Journalistic Guidelines of the [Council for Mass Media in Finland](#), Finnish law and good conduct.

## We offer customer-focused services

We build success for business customers. We offer a wide range of marketing and communication services for businesses and technology platforms, both digital and traditional printing services. Through these, we support our customer companies' growth and profitability.

We measure the results of our marketing activities, report to customers on the impact of marketing and take further steps together to help customers achieve their goals. We also self-evaluate our ability to create high-quality marketing content for customers.

We share weighed, researched and data-driven information about our services. We know what our products and services

can achieve and how to offer the best solutions for our customers' needs. Our data, communication and marketing are relevant and presented in an easily understandable format. In autumn 2022, we designed the new [Ilkka.com](#) website, which offers a clear overview of the Group's wide range of marketing, media, sales and communications services.

We want to be an easily understandable, trustworthy partner and expert for our customers. The main goal of our business is to form long-term customer relationships.

We offer our customers the chance to increase their knowledge of marketing and communication methods. We organise public webinars where our experts share their knowledge and best practices. In 2022, we hosted 19 webinars on topics ranging from impactful marketing to website accessibility, trustworthy advertising environments and search engine optimisation.

## Good customer experience behind our partnerships

Our mission is to develop digital solutions that make our customers' business simpler and more efficient. As marketing experts, we design and create inspiring and innovative solutions together with our customers. Our products and services are tailored to each customer's needs.

**In 2021–2022, seven complaints against Ilkka-Pohjalainen were submitted to the Council for Mass Media in Finland. Two of these have been taken up by the Council for review. In both cases, the newspaper was acquitted. In addition, in 2022, one complaint was filed against Komiat magazine, which also resulted in an acquittal.**



Together, we design measurable, profitable marketing content for our customers and help them manage marketing with data. For example, through data analytics, we can help our customers choose the right solutions to reach their target audience.

Digital products and services know no territorial boundaries. We can offer our content to readers and customers anytime, anywhere. Our marketing, advertising and technology solutions are available locally, nationally and internationally.

A high-quality and balanced customer experience is created by embracing the diversity of our customers. We ensure that our customers receive equal treatment when purchasing our products and services. We achieve this by providing accessible services and by scaling our services so that organisations of different sizes can benefit from them.

Our goal is to provide excellent service to all customers, whether they reach us face-to-face, by phone, email or chat.

**Ilkka is developing a shared method for measuring the Group's net promoter score (NPS) in a consistent and comparable manner. For the time being, the Group's various business segments measure NPS independently. For example, in 2022, Liana Technologies measured customer satisfaction with regular NPS surveys. Liana's solutions had an NPS of over 40, and the NPS of product training services was as high as over 70.**

#### We develop and grow with the customer in focus

- Regular customer surveys and feedback ensure that we understand our customers' needs and expectations. We also use customer feedback in product development. In 2022, for example, we carried out a supplier survey on the transformation in communication culture.
- We work closely with our customers and the media.
- We are constantly updating and optimising our solutions.
- We put the user first when designing our solutions and invest in user experience and friendliness.
- We test the effectiveness of our solutions with pilot projects. In 2022, we carried out a *proof of concept* project in the test environment of a media monitoring service.
- We process feedback and complaints without delay, actively and as personally as possible.

#### THEME 2

## A meaningful workplace

Our employer promise is "Meaningful work for meaningful people." We have developed the promise in cooperation with our entire staff. To fulfill the promise, Ilkka invests in the competence of employees, wellbeing at work and employer brand image. By building a meaningful workplace, we invest directly in social responsibility.



Our Group is growing and developing – in 2022, we employed around 570 people. Our goal is to make it easier to find and retain the best employees and take care of our employees' wellbeing and professional development.

### Skilled and adaptive employees behind all work

We believe in lifelong learning. At Ilkka, our employees get to develop as professionals and, where possible, transition between roles within the Group to pursue interesting duties.

In 2022, we systematically invested in the development of employee competence. Our goal

is for each employee to attend at least three days of training per year.

We want our employer brand image to tell a clear story about Ilkka as a company, who our employees are what kind of work they do. That's why in 2022, we've invested in our website for job applicants. On the website, we explain what Ilkka is like as an employer and internship company.

On [Ilkka's career](#) pages, applicants can network with our companies and express their interest in working with us.

Besides supporting the training and learning of employees, Ilkka's competence capital has also grown through acquisitions. In 2022, Myynninmaailma Oy strengthened its content strategy expertise by acquiring Differo Oy and Liana Technologies, meanwhile, Evermade Oy to strengthen its expertise in Wordpress technologies.

### Ilkka's new Trainee programme offers opportunities for learning and development

We work closely with educational institutions. Every year, [Ilkka offers internships](#) to students who want to grow into experts in marketing, information and technology.

In 2022, we launched Ilkka's new Trainee programme. Tasks covered by the programme are selected based on the type of skills needed by our teams. Eight trainees from higher education institutions were admitted to the Trainee programme. During the programme, we supported the trainees' personal development and networking and increasing their business understanding – and also learned a great deal from the trainees.

In addition to the Trainee programme, Ilkka Group's units had more than 20 interns in 2022.

The Trainee programme starts once a year and lasts for five months. Our goal is that after the programme, trainees can progress to summer jobs or hourly paid work and on to

a permanent employment relationship.

Two of the trainees continued working at Ilkka in summer jobs, and one stayed to work on their thesis in the same team. For example, all of MySome's four interns continued to work for the company after the internship. Many of Liana's interns have also become permanent employees of the company after the internship.

### Healthy and wellbeing employees are a core pillar of meaningful work

We invest in employee benefits because we want to support the wellbeing of our personnel. We offer comprehensive occupational health care, monitor employees' work flow, offer opportunities for working from home when possible, and host enjoyable employee events.

In addition, we organise annual campaigns and events for our

personnel. In 2022, for example, we hosted our traditional annual party and elected Ilkka's employee of the year. In selecting the employee of the year for 2022, special emphasis was given on our value reforms and chose a person who was innovative and enthusiastic about new things.

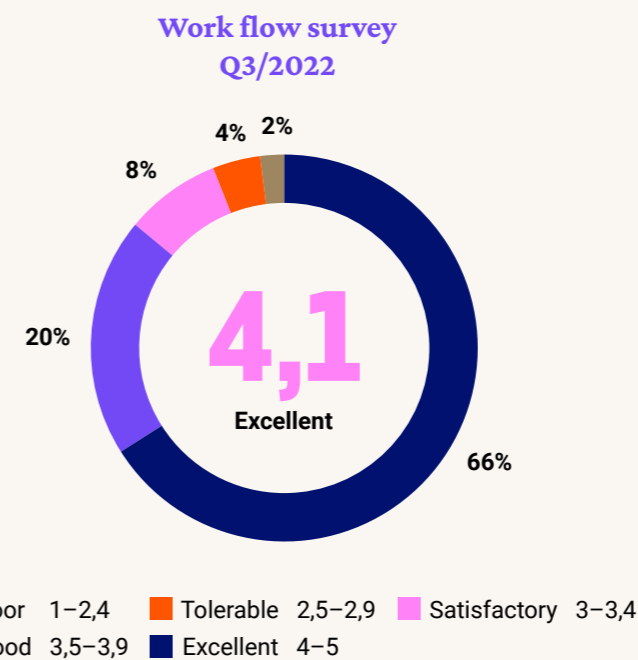
### The work flow survey gives an overall picture of employees wellbeing

We monitor the wellbeing of our employees with the Pulse Työviire work flow survey conducted every autumn. Each spring, the Group also carries out a broader survey on the work efficiency of work communities, which gives a more comprehensive view of the strengths and areas for development of the work community. Both surveys are anonymous.

The results of the surveys offer insight on employees' wellbeing at work. Based on the results, we can quickly address factors that impair work ability. In addition, the surveys help engage employees in the development of wellbeing at work and encourage an open workplace culture.

### Highlights of competence development in 2022

- Our employees' competence was evaluated through competence matrices and performance reviews. Based on these, a training and development plan is being prepared in each company.
- We have introduced digital learning platforms where employees can attend mandatory course and optional extra training. The learning platforms are also used for employee and supervisor onboarding. With the help of learning platforms, employees receive extensive onboarding and training on the company's areas of expertise and products.
- A total of 22 of our supervisors are attending a degree programme in direct supervisor work (LEAT). The training supports the skills of supervisors to act as coaching leaders. Participants in the training will receive tools for managing positive change in work communities, building trust between people and solving challenging interpersonal situations. The training programme started in spring 2022 and will continue until October 2023.



#### Strengths

- 4,7** My work environment is safe
- 4,5** My health will allow me to work in my current position in two years' time
- 4,3** The company's work is meaningful

Rating 4-5 excellent

#### Areas for development

- 3,5** I receive regular feedback on my work
- 3,7** My employer is genuinely interested in my wellbeing
- 3,9** I am encouraged to develop in my work

Rating 3.5-3.9 good



**Working from home and flexible hours help reconcile work and free time**

We support employees' comfort and coping at work with flexible hours and the possibility to work remotely. Working from home and flexible hours make it easier to reconcile work, family and free time and reduce time and money spent on commuting.

In addition to statutory leave such as study and family leaves, our employees can take advantage of flexible hours, job alternation leave and holiday bonus leave.

The pandemic also pushed us almost entirely to work from home in the spring of 2020. Although such extensive remote work was new to us, we made the change work even beyond expectations. Today, our employees come in to the office 1–2 days a week according to the needs of the team.

**We also monitor the company's employee net promoter score (eNPS). In autumn 2022, our eNPS figure was 16. An eNPS above zero can be considered a good result. Our goal is to increase the eNPS rating annually until we reach an excellent level.**

**Occupational healthcare also includes visits to a GP**

Ilkka wants to take care of its personnel and offers employees extensive occupational healthcare services. In addition to statutory occupational healthcare, our employees have access to medical care by a GP and, if necessary, specialised medical care, psychologist's services and work counselling. Some of the Group's companies employ insurance-based practices.

**The focus areas of the occupational healthcare action plan for 2020–2025 include:**

1. Early intervention in sickness absences by improving cooperation and early support between the employer and occupational healthcare.
2. Managing psychosocial workload by providing tools for coping with work-related stress and demanding interpersonal situations as well as self-management.
3. Prevention of issues related to sedentary work and age-related health problems.

**Employee benefits to support wellbeing and mobility**

- The EPassi Flex benefit can be used for sports, culture and wellness services. In 2022, a total of 441 employees took advantage of the benefit, spending an average of 215 euros per person.
- Employees can opt for a company bike that they can use freely for commuting and on free time. In 2022, 21 new bikes were purchased, bringing the total number of bikes in use to 46. As company bikes, employees can choose between gravel bikes, mountain bikes and e-bikes

Employee benefits may vary slightly between Group companies.

**Equality and diversity in the work community – a valuable focus area of our work**

Equality, non-discrimination and diversity of personnel are important values for our Group. Enforcing equality and non-discrimination is the responsibility of members of the Change Advisory Board and Occupational

Safety and Health Committee, as well as of supervisors in their own organisations. We adhere to gender equality in all contexts, including recruitment, career goals, training, remuneration and management.

We support the equality and non-discrimination in Group companies and units with a

unified management system and operating methods. With good supervisor work, we ensure that workload and tasks are distributed evenly and that our working conditions are suitable for everyone. We do not tolerate bullying, harassment or discrimination in any form.



**Ilkka invests in equality**

- Our hiring decisions are always made based on applicants' experience, education and suitability. Equality targets are taken into account where possible.
- Everyone has an equal opportunity and duty to develop themselves and their work.
- Remuneration is based on either a collective or local agreement as well as the employee's skills and performance.
- The realisation of equal pay is monitored through pay surveys. The next pay survey will be carried out in 2023.
- The Group maintains an atmosphere and operating methods that support the equal use of family leave.
- Gender and sexual harassment and bullying are strictly prohibited in the workplace. The Group has guidelines for addressing inappropriate behaviour and harassment.

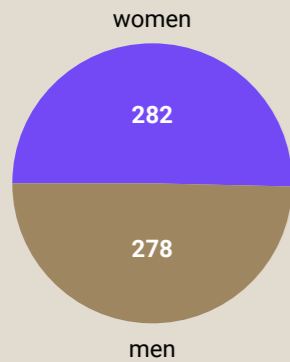


Gender distribution of Ilkka personnel 31.12.2022 as employment relationships

AGE GROUP	Woman	%	Men	%	Total
Under 30-year-olds	78	55	64	45	142
Ages 30-44	124	44	156	56	280
Ages 45-55	48	63	28	37	76
Over 55-year-olds	32	52	30	48	62
Average age	39.5		38.9		39.2

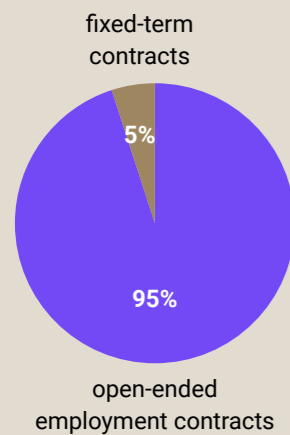
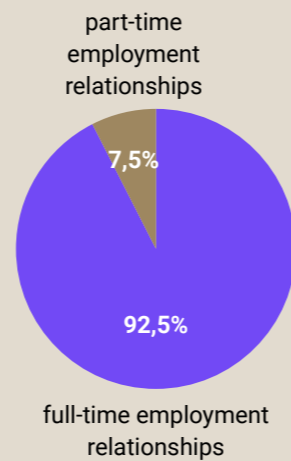
  

DISTRIBUTION OF PERSONNEL BY BUSINESS SEGMENT	Woman	%	Men	%	Total
Group support services	14	52	13	48	27
Media and marketing	168	66	87	34	255
Advertising and communication technology	87	35	162	65	249
Printing	13	45	16	55	29



Ilkka employs all genders. At the moment, however, we are only able to report the percentages of men and women, not the percentage of non-binary persons, for example.

Part-time arrangements can be used when justified for the organisation of the work. Employees' wishes for part-time employment are fulfilled if possible in terms of the organisation of the work. Ilkka has a positive attitude towards part-time childcare leave, part-time sickness allowance, partial disability pension and partial early old-age pension.



We use fixed-term employment relationships only for justified reasons, such as due to temporary substitutes or seasonal work or at the employee's own request.

THEME 3

# A reliable partner

We comply with laws, regulations, good corporate governance and our Code of Conduct in all our companies and governance. This way, we ensure that we are a reliable and open partner whose operations implement social, economic and environmental responsibility.





## Transparency in reporting increases trust

We report on our operations and finances reliably, comprehensively and transparently.

- In addition to reports by the Board of Directors and financial statements, we publish reports on our corporate governance and the remunerations of the Board of Directors, Supervisory Board and CEO. They are available as part of our annual report.
- We make sure that conflicts of interest do not affect our decisions and journalistic content. We have guidelines for identifying and preventing conflicts of interest.
- The misuse of inside information is strictly prohibited in the Group.
- We do not condone bribery or corruption in any form.
- Our employees, customers and other stakeholders can confidentially report possible serious misconducts and violations of laws and guidelines through our [whistleblowing channel](#). Reports received in the channel are transferred to the supervisory authorities.

**Our whistleblowing channel has not received any reports of serious misconduct.**



In 2022, 80% of employees had completed our mandatory data security training. 64% had completed data protection training, which is mandatory for many employees.

## We ensure data security and data protection through training and audits

Secure processing of personal data is central to our operations. We comply with data protection legislation and good data management and processing practice. The technologies we use and offer are highly secure, as demonstrated by the necessary audits and certificates.

We process data only to the extent necessary for the performance of work duties. Data is used and stored appropriately throughout its life cycle. The data we collect about our customers helps us provide better customer service.

We train all employees on data protection and data security issues annually. Data protection

and security trainings are updated every two years.

As a rule, we do not transfer data outside the EU or EEA. In individual cases where it is necessary to transfer data outside the EU and EEA, we ensure that personal data is sufficiently safeguarded and processed confidentially in the manner required by law.

## A common approach to responsible sales work

All our employees are bound by our guidelines for ethical and responsible sales work.

- Always be honest and transparent when communicating with customers or coworkers.
- Do not discriminate or harass customers or coworkers.
- Always try to understand the customer's needs and offer solutions that serve them in the best possible way.
- Treat all customers and coworkers with respect and professionalism.
- Do not provide misleading information about our services or products.
- Maintain a positive attitude and strive to provide the best possible customer service.
- Handle customer and company data confidentially.
- Always act in the best interests of the company and its customers.
- Always treat all customers and coworkers fairly and equally.
- Avoid conflicts of interest. Always tell your supervisor about any conflicts.
- Complete the necessary training so that you always know what is needed about our products, services, industry and the market.



# We take environmental impacts into account in all our operations

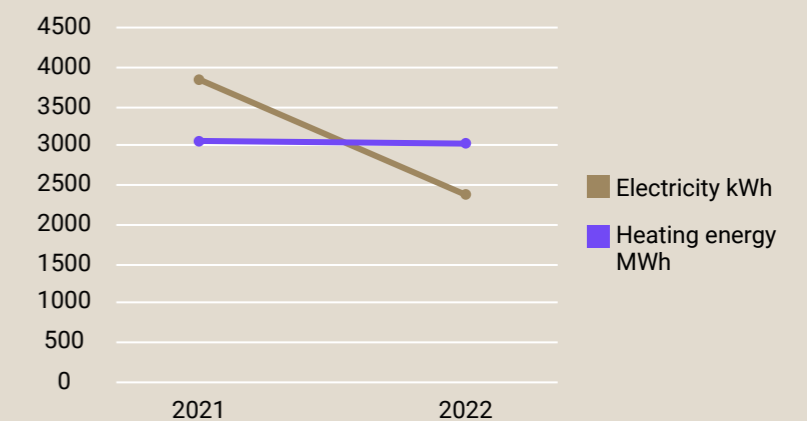
In addition to our own operations, we want to influence the climate awareness and environmental sustainability of consumers and companies. We ensure that climate change and efforts to stop it receive the media coverage they need.

## Ilkka's environmental responsibility in a nutshell

- We take environmental impacts into account in all our operations and decision-making.
- We monitor and reduce our electricity and energy consumption.
- We have reduced business travel by attending training and meetings remotely. Meetings are held remotely whenever attendance and travel are not necessary.
- We strive to reduce waste and improve correct waste sorting both at our offices and production: for example, waste paper and printing plates generated in the printing process are recycled and reused.
- I-print favours paper products with an EU Ecolabel. Paper and cardboard we purchase are PEFC and/or FSC certified. Our printing partner also uses FSC-certified paper in the printing of Ilkka Group's magazines.
- I-print has been awarded the Nordic Swan Ecolabel as an indication of environmentally friendly materials and logistics solutions. In 2022, the Group launched the certification of the EcoCompass environmental management system.
- We use energy from renewable sources in Liana's data centre in Finland. Our waste heat is delivered for use in the local district heating network. The data centre has CEEDA and LEED certifications.
- We support green transport by offering electric commuter bicycles for our employees and by favouring trains and buses over air travel and private cars.
- We started the process for defining the principles for calculating our carbon footprint in 2022. Our goal is to determine the Group's carbon footprint in 2023 and set targets for environmental sustainability.
- In accordance with the EU taxonomy, we reviewed and defined scenario-based climate risks in 2022. Risks that apply to us include the price and availability of energy, power outages and the availability of paper.

Our biggest emissions load comes from indirect emissions from the media business operations supply chain, including the transport and distribution of newspapers and magazines and energy used in the production of paper and ink. The growth of our digital business provides us with an excellent opportunity to reduce our carbon footprint.

Consumption of electricity and district heating in the Group's own properties



The Group's own rotary printing operations ended on 31 December 2021, resulting in a significant decrease in electricity consumption from the previous year.

In the future, we will measure the Group's carbon footprint and set targets for reducing it.



# Taxonomy-eligible activities under the EU Taxonomy Regulation

The EU taxonomy is the European Union’s sustainable finance regulation designed to support the EU’s climate and environmental goals. The EU taxonomy sets criteria for projects that can be used to identify climate-friendly and environmentally sustainable targets for financing and investment. The taxonomy applies to all listed companies with more than 500 employees and therefore also to Ilkka from 2022 onwards.

## In the EU taxonomy, companies’ operations are assessed through six environmental objectives

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

At the moment, a set of criteria has been established for the first two objectives of the taxonomy. The criteria for the other objec-

tives will be published by the EU at a later date.

A company meets the criteria of the taxonomy when its activities contribute to the realisation of at least one objective and do not cause significant harm to the realisation of other objectives.

We assessed Ilkka’s taxonomy eligibility separately for each business segment and subsidiary in 2022. We identified businesses that meet the taxonomy criteria and gathered evidence of the significance of the impact of activities. In addition, we assessed the minimum social safeguards for human rights, corruption and bribery, fair competition and taxation.

**Some of our businesses are taxonomy-eligible and fall within the scope of the EU taxonomy.** Ilkka’s taxonomy-eligible activities can relate to either climate change mitigation (activity 8.1 Data processing, hosting and related activities and 8.2 Data-driven solutions for GHG emissions reductions) or adaptation (activity 8.1 Data processing, hosting and related activities and 8.2 Software, consulting and related activities). Ilkka’s taxonomy-eligible operations include, among others, domestic software for marketing

automation, newsletter subscriptions, website and online store administration, as well as for the distribution of press releases and media monitoring.

We have investigated the taxonomy-eligibility of our activities using the technical screening criteria for climate change mitigation and adaptation (TSC). Ilkka will continue to assess the criteria in terms of climate change mitigation and adaptation. Ilkka is not reporting on taxonomy-eligible net sales for 2022. In terms of net sales, in accordance with the draft notice by the European Commission on 19 December 2022, the net sales from activities contributing to climate change adaptation in categories 8.1 and 8.2 cannot be reported in accordance with the taxonomy unless the technical screening criteria for climate change mitigation in the corresponding categories are met.

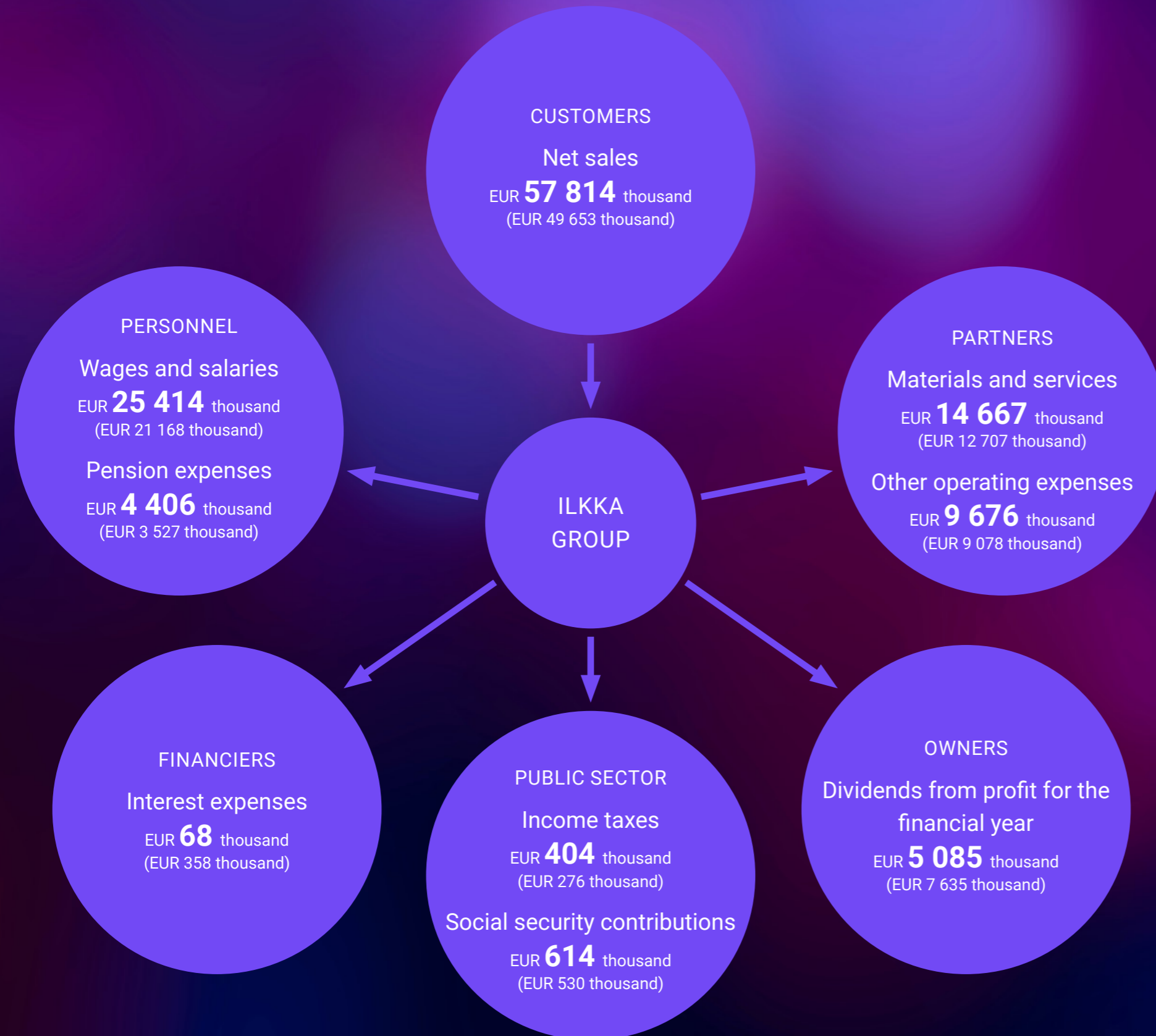
## Ilkka’s taxonomy eligible and taxonomy aligned economic activities

Key Performance Indicator	1000 eur	Share of taxonomy eligible activities, %	Share of taxonomy non-eligible economic activities, %	Share of taxonomy aligned activities, %	Share of taxonomy non-aligned activities, %
Turnover	57 814	0	100	0	100
Capital expenditure (CapEx) as per definition of the EU Taxonomy	2605	69	31	0	100
Operating expenditure (OpEx) as per definition of the EU Taxonomy	412	0	100	0	100

We will continue to develop our taxonomy assessment and reporting in 2023.



# Economic added value for stakeholders



We have supported education, research and entrepreneurship for several years through Etelä-Pohjanmaan Korkeakouluyhdistys, the association of higher education institutions in South Ostrobothnia. We are involved in funding the professorship project on the business development of small and medium-sized enterprises. The project develops the business of SMEs with a research-oriented approach. The goal of the project is to

produce new data to support the business development of SMEs to benefit companies in the region. Between 2017 and 2022, we supported the professorship with 55,000 euros in donations.

In 2022, the research group's key projects and research themes included the development of digital competence and future-oriented strategy work in SMEs in the South Ostrobothnia region.

We donate annually to charity. In 2022, our donations included 20,000 euros to victims of the war in Ukraine through the Finnish Red Cross.

## Our work creates value to stakeholders

Part of our social and economic responsibility is to improve the wellbeing of communities, both regionally and nationally. We are a long-term supporter of culture, sports and education in communities. Our responsible business benefits and rewards customers, employees, partners, owners, financiers and the public sector. In addition, we

help develop the economy together with regional chambers of commerce and communities of business owners.

Economic added value comes from our business result. This result is transferred to stakeholders in the form of both wages and dividends as well as through the taxes we pay.

In 2022, we supported universities and higher education institutions with donations, partnership agreements and internships.



# Key measures of Ilkka's ESG work in 2023

