



**ESG Report  
2023**



# Table of contents:

Review by the CEO	4
Presentation of Ilkka Group	6
ESG at Ilkka Group	8
ESG management at Ilkka	9
ESG in planning the new strategy	10
ESG and risk management	11
Theme 1 An expert in marketing, information and technology	12
We produce and publish trustworthy information	12
Customer-focused service	14
Basics of data responsibility	16
Theme 2 A meaningful workplace	20
Competence management as the foundation of our success and the cornerstone of our strategy	21
Wellbeing at work and an inclusive culture in our Group	22
Diversity, equality and non-discrimination are the values guiding our operations	24
Theme 3 A reliable partner	26
Transparent reporting and sustainable governance increase reliability	27
We ensure data security and data protection through training and audits	27
We employ shared business principles	28
Economic added value for stakeholders	30
Theme 4 We take environmental impacts into account in all our operations	32
Sustainability reporting and Ilkka's commitment to ESG in 2024	36





# Strategy renewal as a guiding star

## THE ENVIRONMENT IN 2023

was impacted by sustained inflation and rising market interest rates. This was reflected in a slowdown in economic growth, and the autumn brought a recession to the Finnish economy. The uncertain economy kept consumer confidence at a low level. As a result, companies also reduced investments in marketing or pushed marketing efforts and decisions forward. The effects of these were particularly evident in the Group's growth and financial performance in the second half of the year.

The Group's net sales from continuing operations in 2023 increased by 3.1% to EUR 56 091 thousand (EUR 54 386 thousand). The Group's adjusted operating profit from continuing operations decreased to EUR 424 thousand (EUR 1 282 thousand).

The Group's profit for the financial period, EUR 4 808 thousand (EUR 870 thousand), improved clearly from the previous year. This was mainly due to an increase in net financial items to EUR 6 683 thousand (EUR 2 024 thousand). Financial income was boosted by increased dividend income from Alma Media Oyj shares of EUR 3 957 thousand (EUR 3 148 thousand), increased interest income of EUR 584 thousand (EUR 102 thousand) and an improvement in the net result from financial assets held for trading to EUR 2 150 thousand (EUR -1 459 thousand) due to the change in the investment market.

## DURING 2023, NET SALES FROM MEDIA AND MARKETING SERVICES

decreased by 1.0% to EUR 33 944 thousand (EUR 34 289 thousand). Income from marketing and communications services increased by 5.5%. This growth was partly the result of the acquisition of Differo Oy. Content income declined by 1.3% and advertising income declined by 7.2%. The decline in advertising income was the result of a weaker economy, as reflected in the national media advertising trend. In 2023, media advertising in Finland as a whole decreased by 4.1%, advertising in printed newspapers decreased by 12.9%, and advertising in printed city and pick-up newspapers decreased by 6.0% (source: Kantar TNS AD Intelligence).

## DURING 2023, NET SALES FROM MARKETING AND COMMUNICATIONS TECHNOLOGY SERVICES

increased by 10.2% to EUR 22 361 thousand (EUR 20 328 thousand). This growth was mainly organic. The business in question operates with the SaaS business model, with 72% of the net sales accruing from continuous invoicing. External net sales from continuous invoicing increased by 10.0% to EUR 16 112 thousand (EUR 14 645 thousand). Other services' external net sales increased by 10.5% and stood at EUR 6 143 thousand (EUR 5 558 thousand).

In March 2023, in order to curb the rising costs of media services, we made the decision to discontinue

distributing the paper version of our regional newspaper Ilkka-Pohjalainen on Sundays from 1 October 2023. The decision is based on the increased costs of the printed newspaper and the change in consumer behaviour. Paper and distribution account for a significant proportion of the total cost of a printed newspaper. The discontinuation of Sunday distribution had no impact on the number of personnel. After the change, the annual savings in printing and distribution costs are approximately EUR 1 million. These savings started to materialise from Q4/2023.

In line with our strategy, we have grown our Group strongly in recent years. In recent years, we have expanded from a traditional media and print house to marketing and technology services, so we have redefined our strategy for 2024-2026. In line with our renewed vision, we are the most effective partner for marketing and sales and a growing digital media house. Our mission, United by information, remains unchanged.

We will continue to invest in growth. The renewed Ilkka consists of two business areas where we seek growth: the marketing and technology ecosystem (Marketing and Technology Services) and digital media (Media Services). The sale of printing services announced at the end of the financial period on 29 December 2023 is an inherent

part of the implementation of our new strategy.

## ILKKA'S MARKETING AND TECHNOLOGY SERVICES

consist of specialised, fast-growing companies serving growth-oriented business customers. The companies in the Marketing and Technology Services business area are the most effective partners in marketing, and their collaboration to ensure the commercial success of the customer relies heavily on knowing the entire purchasing path and leveraging modern technology, data and artificial intelligence.

In the media business, we want to build a regionally strong and nationally recognised digital media house. Our key objective is to increase the number of subscribers and readers in digital channels and to increase the marketing performance of our media customer by leveraging data.

**THE NEW STRATEGY** gives us a good basis for continuing to develop the renewed Ilkka in the future. Responsible and sustainable business will continue to play a key role in this work.

On behalf of the renewed Ilkka, I would like to wish a good start for the new year and thank the personnel, owners and all partners for their good cooperation.

**Olli Pirhonen**  
CEO

# Ilkka Group

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

## Our Group companies include:

- Parent company [Ilkka Oyj](#)
- Media and marketing service provider and publisher of provincial, city and local media [I-Mediat Oy](#)
- Printing company [I-print Oy](#) \*
- Marketing and communications technology company [Liana Technologies Oy](#)

\*Ilkka divested its printing services through a business transaction on 29 December 2023. PunaMusta Oy acquired the printing business of I-print Oy. The I-print printing business transferred to PunaMusta Oy from 1 January 2024.

Liana Technologies Oy's subsidiary is [Koodiviidakko Oy](#)

## Subsidiaries of I-Media:

- B2B marketing agency [Myynninmaailma Oy](#) \*
- Influencer marketing agency [somessa.com Oy Ab](#)
- Social media agency [MySome Oy](#)

\*Myynninmaailma was formed by a merger of two companies: Digimoguli Oy (10/2022) and Differo Oy (01/2023).

## Subsidiaries of Koodiviidakko Oy:

- [Evermade Oy](#)
- [Ungapped AB](#)
- [Lianatech GmbH](#)
- [Liana Technologies SARL](#)
- [Liana Technologies Asia Limited](#)
- [Liana Technologies AB](#)
- [Lianatech LLC](#)
- [Lianatech OOO](#). After the start of Russia's war of aggression, the operations of Lianatech OOO in Russia were shut down.

## The Group on the map

Finland

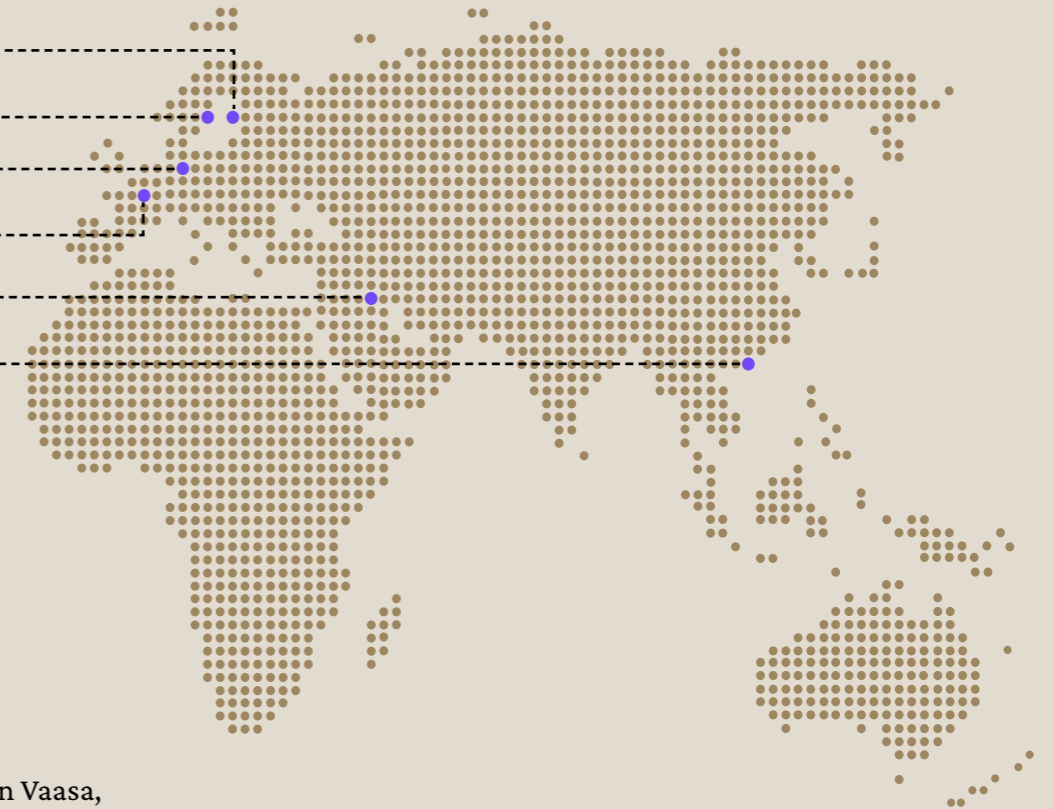
Sweden

Germany

France

Middle East

Hong Kong



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

In 2023, the Group employed a total of around 520 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.

Oulu

Kauhava

Vaasa

Jurva

Kristinestad

Tampere

Turku

Alajärvi

Alavus

Jyväskylä

Seinäjoki

Helsinki



## ESG at Ilkka Group

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

ESG is visible in 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
- the Corporate Governance Code of the Finnish Securities Market Association
- UN Sustainable Development Goals and Human Rights Principles
- principles of the International Labour Organization (ILO).

### Our main ESG themes are:

An expert in marketing, information and technology

A meaningful workplace

A reliable partner

Taking environmental impacts into account in all our activities

## ESG management at Ilkka

The CEO is responsible for overseeing Ilkka's ESG issues with the support of the Group's Executive Management Team. We look at sustainability from a social, governance, economic and environmental (ESG) perspective. Sustainability work takes into account customer and stakeholder expectations. The requirements for non-financial reporting and national applicable laws and regulations are followed in our sustainability work. We have also looked at our activities in the context of the EU Climate and Environmental Goals (EU Taxonomy). We released our first ESG Report with 2022 data when the Group's number of employees exceeded the 500-person limit.

### ESG working group

During 2023, we set up an ESG working group responsible for planning, developing and monitoring ESG targets. In Ilkka, each business is responsible for implementing sustainability-related actions as part of its own operational planning to achieve common goals. In this way, we aim to bring sustainability more strongly into our day-to-day operations in all areas.

The ESG work and working group are led by the Group's CFO. Members of the working group represent various business segments and personnel groups

The ESG working group is responsible for planning and implementing sustainability communication

In March 2023, the ESG Report and corporate responsibility pages were published on the ilkka.com website in both Finnish and English. In addition, we have published a few current posts on our ESG themes. We will continue to write current sustainability-related posts this year as well. The working group has also been responsible for the content design, internal distribution of responsibilities and implementation of this ESG Report.

### Sustainability is reflected in organisations' daily lives

We have been working to keep sustainability issues visible across our businesses through existing meetings and other encounters. Sustainability actions are everyday choices, matters to be managed by contracts, studies and improvements derived from them. We want to continue to raise our employees' awareness about

sustainability and the ESG themes we have chosen, and we will continue to promote these issues more effectively. We also want everyone to be aware that their own actions and choices have an impact on the implementation of sustainability at work. In the coming years, we plan to invest more in ESG management and monitoring our ESG goals.

### Sustainability increases and reporting becomes more structured

During 2023, we have prepared for the EU's sustainability reporting requirements. The Group's Board of Directors and Executive Management Team and the ESG working group have been trained on the new Corporate Sustainability Reporting Directive (CSRD) requirements, responsibilities and oversight in order to make 2024 ESG reporting as smooth and accurate as possible.

### Key points of responsible management at a glance

- Management supports the sustainability work by setting an example.
- A person has been appointed as responsible for the planning and management of sustainability.
- The persons responsible for the various functions drive sustainability forward in their organisations.
- Employee actions and choices have an impact on the implementation of sustainability.
- The aim of our sustainability work is that, in the long term, sustainability measures will enable us to achieve a competitive advantage.

# ESG in planning the new strategy

Ilkka's updated strategy for 2024-2026 considers the thoughts of our customers, stakeholders and employees on sustainability. You can read more about our strategy in the Annual Report and on the ilkka.com website.

One of the cornerstones of the success of our strategy is: We lead a sustainable, digital business with agility. We encourage responsibility and reinforce an agile culture as part of the sustainable business of a responsible listed company. A clear management model enables simpler structures and collaboration.

We value the views of our competent personnel.

We involve our personnel extensively in the planning, development and renewal of the Group, businesses and companies. In 2023, we have redefined the strategies of the Group and businesses, and a significant number of employees have participated in various strategy workshops. Together with personnel, we have defined and committed to the common vision and goal of the businesses and the Group.

We feel that the Group's current values (respecting, caring, innovating and thriving) support our operations and ESG themes. Therefore, they were not changed during the strategy work.

Sustainability is manifested in visible actions in line with our values, for example in:

- keeping our promises and being reliable
- supporting local businesses
- tolerance and equal treatment of personnel
- good governance
- transparency and openness of operations
- minimising environmental impacts and developing sustainable solutions.

Respecting

Caring

Thriving

Innovating



# ESG and risk management

ESG and risk management at Ilkka relates to our ability to identify, assess and manage various risks that can impact our operations, stakeholders, the environment, and our ability to conduct sustainable business and maintain our good reputation. In managing the Group's strategic risks, we consider the ethical conduct of our businesses, as well as environmental, social and economic responsibility.

In risk assessment, we consider the impact and likelihood of risks, and based on this, we derive a value for the identified risks which we use to determine the level of management. We assess environmental risks by means of a scenario-based climate risk assessment. Our risk management policy is part of our management system.

THEME 1 AN EXPERT IN MARKETING, INFORMATION AND TECHNOLOGY

# We produce and publish trustworthy information

We produce and publish trustworthy and responsible journalistic content in multiple channels. 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 as well as on source criticism.

The war in Ukraine has made verified information even more important. Our presentation of issues is truthful, pluralist, fair, equitable and open. 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 practices. AI is used responsibly as an editorial tool.

Ilkka-Pohjalainen and the local and city newspapers have editors-in-chief who are respon-

sible for all published content, including advertising space in both printed and digital format. In addition, Ilkka-Pohjalainen has an editorial policy agreed with the publisher, for which the editor-in-chief is directly responsible to the Board of Directors of Ilkka Oyj.

Commercial content is clearly distinguished from journalistic content on both print and online. The covers of commercial printed enclosures and articles based on commercial cooperation clearly indicate the commercial nature of the content. In print advertorials, we clearly state that it is an advertisement and use a different font and folding style than in the journalistic content of the paper. This makes it easy for the reader to distinguish commercial content from journalistic content. In online native articles, we clearly state at the beginning that it is commercial content.

**In 2023, four complaints against Ilkka-Pohjalainen were submitted to the Council for Mass Media in Finland. The complaints were not taken up for review by the Council.**

# Customer-focused service

Customer focus is one of our Group's most important values and it guides everything we do. To ensure customer satisfaction, we continuously strive to identify our customers' needs and expectations and to provide them with quality products and services that meet them.



Through production-phase testing and ongoing quality control, we strive to ensure that all our services are reliable and usable for our customers. Our employees' professionalism and expertise are also key to ensuring the quality and reliability of our services. We provide our personnel with ongoing training and guidance to provide the best service possible to our customers.

Customer service is also an important part of customer satisfaction and responsible business operations. We offer customer

We are committed to training our customers on how to use our services, even if they do not purchase the service directly from us. This is an important part of our responsibility as we want to ensure that our customers can utilise our services in the most efficient and secure way possible. For example, we provide advice and guidance on how to use our digital services.

One of the most important indicators of our business success is our customer satisfaction. We closely monitor its development and systemati-

**One of the most important indicators of success is the satisfaction of our customers.**

service through a variety of channels, including phone, chat and email, so customers can choose the best contact method for them. We always strive for our services to be understood not as a one-time transaction, but as an entity that takes into account the customer and how the customer integrates the delivered service into their own operations. This requires continuous improvement, which is why we are committed to investing in the resources needed to ensure our customers are satisfied with the service they receive.

cally address the improvement proposals presented – we want to develop our products together with our customers. We use a variety of customer satisfaction metrics, such as the NPS survey. We are proud of our high level of customer satisfaction, but we are also aware that ensuring the best possible customer experience requires continuous development and improvement of our practices.



# Basics of data responsibility

Data responsibility is part of the Ilkka Group's overall strategy and is a particularly strong driver for the Group's subsidiary Liana, which wants to be the industry forerunner in this area. We are actively seeking differentiators in data responsibility and building it into a sustainable competitive advantage.

In our own technologies, we only collect data on a customer need and actively work to minimise the preservation of unnecessary data. We understand the richness of the data we process and strive to guide and train our personnel on data responsibility on a regular basis. We are committed to eliminating unnecessary data to reduce the impact on the climate.

## GDPR

All the companies of the Ilkka Group comply with the EU General Data Protection Regulation through both technical and organisational measures. Data is backed up daily and data transfer is encrypted. The Ilkka Group backups are located in a Microsoft data centre within the EU. At Liana, the backups are located in Finland.

The digital marketing and communication tools from Liana, an Ilkka subsidiary, enable Liana's customers to implement marketing and communications in accordance with the GDPR. The email marketing tool Liana-Mailer makes it easy to manage sending criteria, as consents can be automated. Recipients can download their data or ask to forget all their data. The non-disclosure agreements applicable to all personnel in Liana and Liana's data security practices comply with ISO 27001.

Data security is maintained throughout the Ilkka Group through training, audits and data security technology solutions. Data breaches will be promptly reported to the controller. The controller will then assess the severity and risks of the breach. The controller will also notify the Data Protection Ombudsman if necessary and inform the data subjects of the breach.

## Data life cycle

In the Ilkka Group, data that has become unnecessary or outdated is appropriately and regularly deleted from the systems in use.

At Liana, data is also automatically deleted, for example, from the email marketing tool Liana-Mailer, when unresponsive email addresses are deleted on behalf of the system. Unnecessary or outdated data will also be removed with customer consent from the automation platform LianaAutomation, so that unnecessary and potentially heavy automations do not take up server space.

Liana's marketing tool accounts are actively monitored and unnecessary accounts are appropriately deleted. Accounts to be deleted can be both accounts of expired customers and accounts made available to Liana employees. This practice has been streamlined with LianaAccount.

## Reasonably detailed and understandable terms of service

Data responsibility is also linked to responsible sales practices, which include striving for terms of service that are reasonable in length and easy to understand.

Traditionally, large companies offering software, applications or social media platforms have used long and complex terms of service, and it is not a fair or reasonable requirement to read them. Long terms of service may have caused a situation where a customer has stated that he or she has read and accepted the terms of use without actually being aware of what he or she has agreed to.

Such situations are not a matter of the customer's ignorance or lack of understanding. This is a disproportionate amount of data, for which the customer's consent to the use of his or her personal data is required in return. Many organisations have updated their terms of service to be more understandable.

The Ilkka Group and its companies are committed to keeping the terms of service of reasonable lengths and as clear as possible.

## Environmental impacts of data storage

Data also has significant environmental impacts. According to various estimates, the ICT sector consumes between 4% and 10% of the world's electrical energy. Servers and giant data centres located around the world require continuous cooling. This is why it is very important that the electricity used in data centres is produced in an environmentally friendly way and that the heat energy recovered from cooling is recycled.

The data centres used by Liana in Finland are carbon neutral, energy efficient and environmentally friendly. Renewable energy, such as wind power, is mainly used as an energy source, and any waste heat is delivered to the district heating network. The data centres in Finland have CEEDA and LEED certifications. The data of Liana's Finnish customers is always stored in data centres located in Finland. Customer data from customers in other countries

is stored in data centres in Germany, Ireland, United Arab Emirates, Saudi Arabia, Hong Kong or India, depending on the customer's location. For the rest of the Group, data centre services are primarily sourced from data centres of global actors (Microsoft, Google, Amazon) located in Europe. We rely on the responsibility of large operators in data and environmental matters.

### **LianaAccount supporting data-responsible operations**

On 23 September 2023, Liana Technologies launched LianaAccount, a user-friendly and data-responsible user management for all Liana customers. At the same time, LianaAdmin was launched, which allows Liana to manage Liana's own users and customer product installations.

Defining user roles in LianaAccount is data responsible, as each user in the tool can be assigned the specific rights that the person needs. Customer-specific security improves when the data owner, or customer, can define the user roles of their organisation.

LianaAccount uses two-factor authentication to protect data in the system. LianaAccount can also be connected to a third-party provider's SSO (Single Sign-on), such as Google. This also improves customer-specific security.

### **The value of the data generated by Liana-Monitor**

LianaMonitor, Liana's media monitoring service, is the only domestic service provider in the industry. With LianaMonitor, journalistic and social media can be monitored and reported and the monitoring results analysed. By combining monitoring results, value-added media analyses can be aggregated.

LianaMonitor provides access to a vast amount of data that can be harnessed to address potentially socially important

### **The data of Liana's Finnish customers is always stored in data centres located in Finland.**

topics. The content provided by LianaMonitor is transparent and one-point polarisation does not occur when all media sources are equally available. Our bulletin distribution service LianaPress also creates equal opportunities for different actors to gain visibility in the media, instead of a polarised situation.

In concrete terms, LianaMonitor meets the definition of data-responsible business, which states that a data-responsible company uses data to create value – even for free – not only for its own operations, but also for people, society and the environment.

### **Impact of data responsibility on procurement decisions**

Liana conducted a survey for marketing and communications decision-makers on how data responsibility among digital service providers affects the decision to purchase services. 362 people answered the survey.

The results showed that actors' data responsibility has a very large impact on procurement decisions. Today, data responsibility for purchased services can also have real consequences,

as detected violations are more easily addressed.

The survey asked whether the individual, prior to selecting a supplier, familiarised themselves with the company's way of processing and storage of personal data. 76 per cent of respondents agreed somewhat or fully, i.e. the majority consider the way in which a company processes and stores personal data to be important.

When asked if the supplier's data responsibility directly influences the purchasing decision, 75 per cent of respondents said yes.

### **Using AI and robotics responsibly**

At Ilkka Group, we are actively harnessing artificial intelligence for our use, and we have agreed on sustainable principles for leveraging it.

Liana has AI-based text production contributors in its marketing tools, and we are constantly working to bring innovative and useful AI features to make our and our customers' daily lives easier.

We commit to complying with the upcoming EU AI regulation for AI-based tools and applications.



THEME 2

# A meaningful workplace

The Ilkka Group employs more than 500 marketing, information and technology experts. Our success relies heavily on our ability to grow and motivate competent personnel. Personnel and the competence and wellbeing of personnel are Ilkka's resources, which we want to invest in in our Group. Our objective is for everyone in the Group to feel valued for themselves, their work and their contributions. We want to provide our personnel with meaningful work and opportunities for continued success. Our goal is to be an interesting, meaningful and rewarding work environment for today's and tomorrow's top talent, where it is possible to grow, develop and realise their strengths.



## Competence management as the foundation of our success and the cornerstone of our strategy

Our success relies heavily on our ability to grow and motivate competent personnel. In the Group strategy, meaningful work and competent personnel are stated as the foundation of our success and have been highlighted as a cornerstone of success in order to achieve our vision. Competence management is seen in the Group as a whole, consisting of the company's strategic compe-

tence needs, the identification of personnel competences, and the continuous development of their professional skills.

Competence discussions are conducted between supervisor and employee at least once a year. Based on the discussions, training and development plans are developed for the next year.

Our annual goal is for each employee to attend at least three days of training (18 hours) per year.

To work together towards our goal and ensure that each of our employees has the opportunity to develop and bring valuable expertise to our Group, we take the following measures in daily life:

- In the Group, training is obtained for personnel from outside the Group, if necessary, but information and training is also implemented within the Group through peer-to-peer learning as well as internal training.
- We invest in supervisory work by holding regular supervisor information sessions and training. The role of the supervisor is emphasised in the equal implementation of training needs and opportunities.
- One-to-one discussions are held between supervisor and employee to ensure individual attention and a better focus on what needs to be discussed.
- New and up-to-date content is produced for digital learning platforms.
- Ilkka trainees and other interns working in the Group companies are training with

## Highlights of competence development in 2023

- In the Group strategy published in August 2023, competent personnel were highlighted as the foundation of our success, which makes personnel competence development an important part of the everyday life of our businesses.
- Some Group companies have introduced a renewed competence discussion template. Competence matrices were abandoned to increase interaction and focus discussions from assessing the current competence level to identifying future competence needs.
- The Immediate Supervisor's Toolbox was launched in January 2023 in the eLearning

environment. The aim is to support supervisors in their demanding work and thus help them to cope. The Immediate Supervisor's Toolbox is a training package that provides the supervisor with concrete help and information for everyday challenging situations. The supervisor develops as a leader of the team, his or her self-esteem increases, and he or she is better able to manage him or herself.

- The 1.5-year Immediate Supervisor Training Programme (LEAT) was completed in October 2023. There were 22 supervisors taking the vocational qualification in immediate supervision.

**In 2023, 19% of our employees completed three training days. The average number of training hours per employee was around 10 hours.**

us to become future experts in digital media, content production and marketing services. Trainees also bring new skills with them. Training with us is not coffee making, but our goal is to provide trainees with support for personal development and networking and to provide both valuable business understanding and working-life experience. Our Group's traineeships are paid so that students can focus on the

training period. This way, we also support their coping.

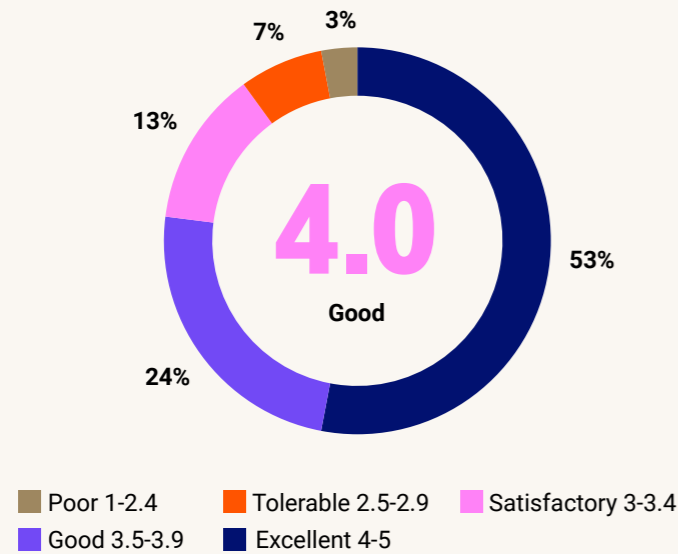
### Wellbeing at work and an inclusive culture in our Group

In our Group, we promote and maintain wellbeing at work through exercise, culture and wellbeing opportunities offered as personnel benefits, extensive occupational health care and flexible working time arrangements. We believe that wellbeing

at work is also promoted and maintained by creating an inclusive and open atmosphere and culture. We ensure that our employees enjoy their work by listening to their opinions on the direction in which the organisation, workplace facilities, personnel competences, workflow and management should be developed.

The Group has an early support model in place, which aims to identify problems with working ability, functional capacity and competences at the earliest possible stage. The purpose is to enable early intervention and to speak up and to plan possible actions.

Työvire survey distribution  
Work flow survey Q4/2023



The statements below had the highest percentage of positive responses and the highest percentage of negative responses.

#### Strengths

- 92%** I have the skills to meet the requirements of my job
- 85%** I know what is expected of me at work
- 81%** Work does not compromise my health or safety

#### Improvement areas

- 28%** I receive sufficient feedback on my work
- 20%** My employer cares about the wellbeing of personnel
- 15%** I am encouraged to develop in my work



In 2023, we also commissioned an internal and external employer image measurement. These surveys and metrics help us gain a deeper understanding of how our employees experience our work community and how we are seen through the eyes of outsiders. An employer image working group has been established in our Group, with the goal of long-term and continuous improvement of our operations to promote employee well-being and improve employee experience. We believe this work also reinforces our positive employer image.

#### Hybrid work

In the Ilkka Group, hybrid work is the main way of working, taking into account the nature of the work. We see hybrid work

as a way to help balance life. However, we also consider it important for our employees to meet at work, and we encourage our employees to agree on common days in the office. Common events, either Group-wide or by company, location or team, are seen as an important way to foster a sense of community and cohesion.

#### Occupational health services

In addition to statutory occupational healthcare, we arrange for our employees voluntary medical care by a GP and, if necessary, specialised medical care, psychologist's services and work counselling. Some of the Group's companies also have insurance-based practices in place, such as medical expense

insurance and leisure accident insurance.

#### Employee benefits

Employees in the Group are encouraged to exercise and take care of their wellbeing through joint physical activity events and getting to know different sports, as well as through employment benefits. The Group companies have wide-ranging benefits for exercise, culture and wellness services. Some companies have a lunch benefit. There are gyms in the Oulu, Seinäjoki and Vaasa locations, which are free for our employees to use. Some employees of the Group companies have the opportunity to rent the Group's leisure homes. Our personnel also have the possibility to obtain a company bicycle.

**Diversity, equality and non-discrimination are the values guiding our operations**

In order to fulfil Ilkka’s employer promise of ‘Meaningful work for meaningful people’, we want to ensure that each of us can succeed and develop with their own strengths, regardless of gender, background or other personal characteristics. Equality, non-discrimination and diversity of our personnel are important values for our Group. Everyone has the right to be themselves at work, and everyone has the right to equal

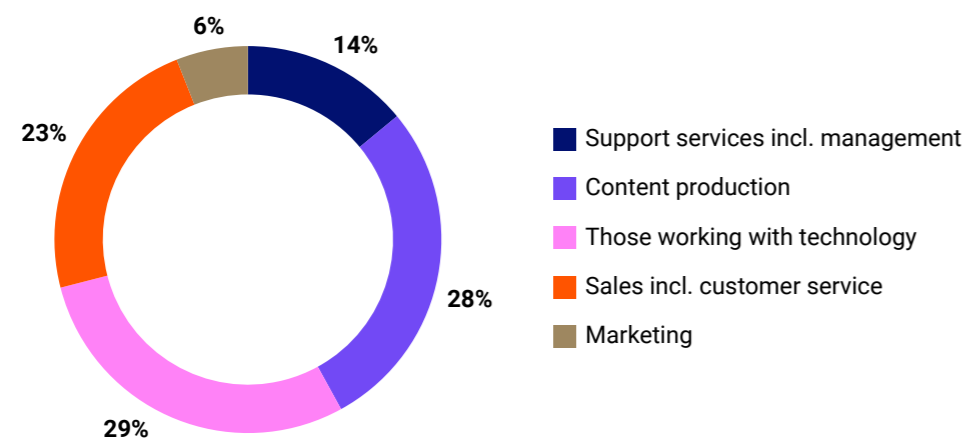
treatment and equal opportunities. We respect equality in all contexts and support the realisation of equality and non-discrimination. Our Group does not tolerate bullying, harassment or discrimination in any form.

In late 2023, we conducted an equality survey, which reached about half of our Group personnel. The purpose of the survey was to hear the views and experiences of our personnel about equality and non-discrimination in our workplace. The aim of the survey was to identify possible factors contributing

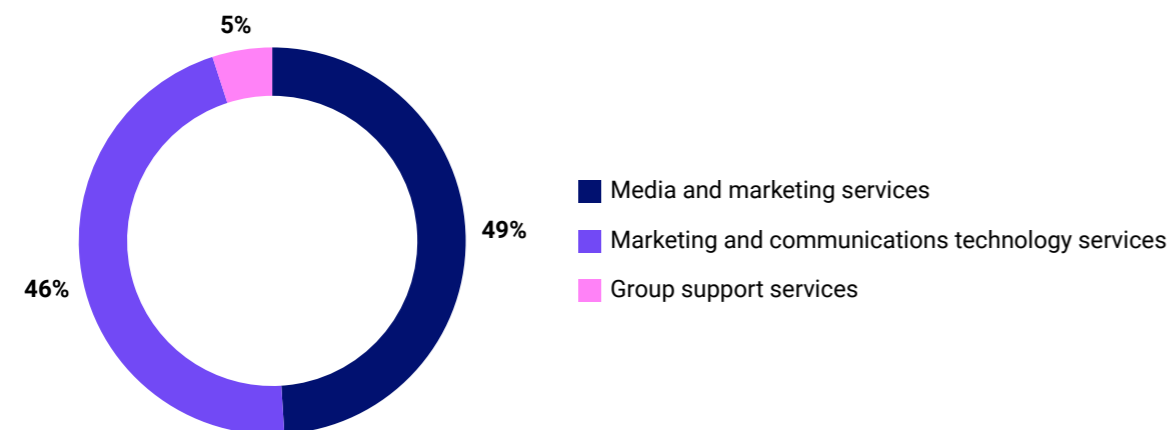
to inequalities and to develop Ilkka's culture of equality. The results serve as the basis for Ilkka’s equality and non-discrimination plan.

The survey covered a wide range of equality-related topics, including gender equal treatment, career advancement opportunities, work-life balance, harassment and bullying, and workplace atmosphere and culture.

**Distribution of personnel by job**



**Distribution of personnel by business segment, 31 December 2023**



**Personnel as employment relationships, 31 December 2023 (Continuing operations)**

the numbers do not include assistants

TYPE OF EMPLOYMENT	Women	%	Men	%	Total
Open-ended	252	53%	227	47%	479
Fixed-term, incl. those subject to framework agreement	22	57%	12	43%	30
<b>Total</b>	<b>274</b>	<b>53%</b>	<b>239</b>	<b>47%</b>	<b>513</b>

NATURE OF EMPLOYMENT	Women	%	Men	%	Total
Full-time	257	52%	233	48%	490
Part-time	17	74%	6	26%	23
, of which hourly workers	10	67%	5	33%	15
<b>Total</b>	<b>274</b>	<b>53%</b>	<b>239</b>	<b>47%</b>	<b>513</b>

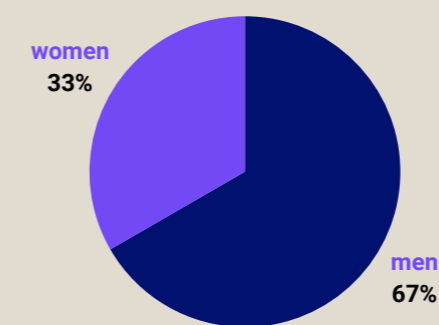
  

AGE GROUP	Women	%	Men	%	Total
Under 30-year-olds	47	56%	37	44%	84
Ages 30-44	144	50%	146	50%	290
Ages 45-55	52	61%	33	39%	85
Over 55-year-olds	32	59%	22	41%	54
<b>Average age</b>	<b>39.8</b>		<b>39.0</b>		<b>39.4</b>

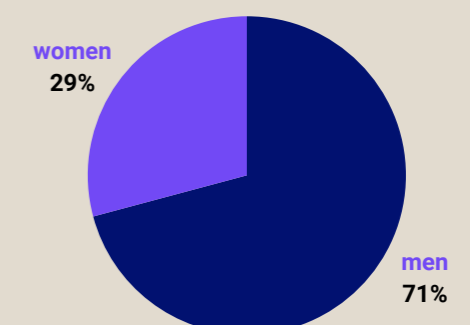
  

DISTRIBUTION OF PERSONNEL BY BUSINESS SEGMENT	Women	%	Men	%	Total
Group support services	13	50%	13	50%	26
Media and marketing services	171	69%	78	31%	249
Marketing and communications technology services	90	38%	148	62%	238
<b>Total</b>	<b>274</b>	<b>53%</b>	<b>239</b>	<b>47%</b>	<b>513</b>

**Gender distribution of the Board of Directors in 31.12.2023**



**Gender distribution of the Group Executive Management Team and business segment management teams in 31.12.2023**





THEME 3

## A reliable partner

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

### Transparent reporting and sustainable governance increase reliability

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.
- The remuneration system supports our strategic goals.
- 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 any serious misconducts and violations of laws and guidelines through our whistleblowing channel. Reports received through the channel will be referred to designated individuals involved in the control process.
- Diversity of governance and broad engagement helps the organisation develop.
- The Board members are skilled – the knowledge and experience of the members complement each other.
- The Board members are independent of the senior management.
- The personnel have two members on Ilkka's Supervisory Board and have the opportunity to participate in the Group's governance, decision-making and development.

### 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.

The software, applications and systems we choose comply with EU GDPR requirements, and we systematically assess customer data protection in system projects and product and service development according to the 'privacy by design' principles. 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.

The security of critical systems in the media business has been improved in 2023 by segmenting the different systems into different networks. We are also harmonising the Group's privacy statements. The harmonisation work applies to about half of the privacy statements of the Group companies.

We use artificial intelligence in our work, taking into account data security and data protection. Within the Group, we have developed a general AI guideline, within which we aim to experiment with the possibilities of AI. The guideline will be updated as needed and reviewed with the personnel. In addition to the general AI guideline, we have separate guidelines for how to apply AI. These guidelines provide more precise and targeted guidance for the application of AI in different contexts. They are regularly updated and reviewed to keep us updated on best practices and security measures related to AI.

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 or EEA, we ensure that personal data is sufficiently safeguarded and processed confidentially in the manner required by law.

### Additional data security investments through an IT audit

In spring 2023, we conducted an IT audit in Ilkka Group,

which mapped the current state of IT in the companies of the growing Group. As a result of the audit, we gained a comprehensive set of observations, comments and improvement areas related to data security, data protection and basic IT services. Our measures based on the audit included unifying the data security products on terminals to improve the security of customer data and establishing Group-wide principles of data security. Currently, we are implementing the principles to the various Group companies.

### We employ shared business principles

The Ilkka Code of Conduct summarises the key principles of our business operations. These principles apply to all Group companies. The principles are of a permanent nature, but we will update them as necessary and review them with the personnel.

The Code of Conduct serves as an umbrella for more detailed guidelines for reliable governance. Acting in accordance with these business principles ensures that the activities of the whole Group meet the mutually agreed

and established requirements. In this way, we want to demonstrate the transparency, sustainability and confidentiality of our operations to our customers, stakeholders and employees.

According to our principles:

- We are a responsible and reliable partner
- We provide meaningful work
- As experts in marketing, information and technology, we create success for our customers
- We recognise and avoid conflicts of interest and attempts to influence
- We do not condone bribery or corruption in any form
- We do not misuse inside information
- We make sustainable purchases
- We collaborate and support communities

everyone, it is only completed by supervisors and persons processing personal data. During 2023, we have intensified our monitoring of training completions.

We continuously train our employees on data protection and data security issues, and personnel are required to renew their data protection and data security training every two years. In 2023, 78% of all personnel had

completed the mandatory data security and data protection training. In 2023, 54% of personnel had completed the GDPR training on data protection and personal data. Data protection training is not mandatory for

In the near future, we will pay even more attention to both customer insight and contractor's liability, so that we can act more sustainably and ethically – and thus build trust with our customers and stakeholders.

A holistic view of the customer helps us provide tailored products or services, improve the customer experience and build long-term customer relationships. Through contractor's liability, we want to ensure that our subcontractors and partners comply with legal obligations such as labour legislation, tax legislation and social security contributions.



### A common approach to responsible sales work

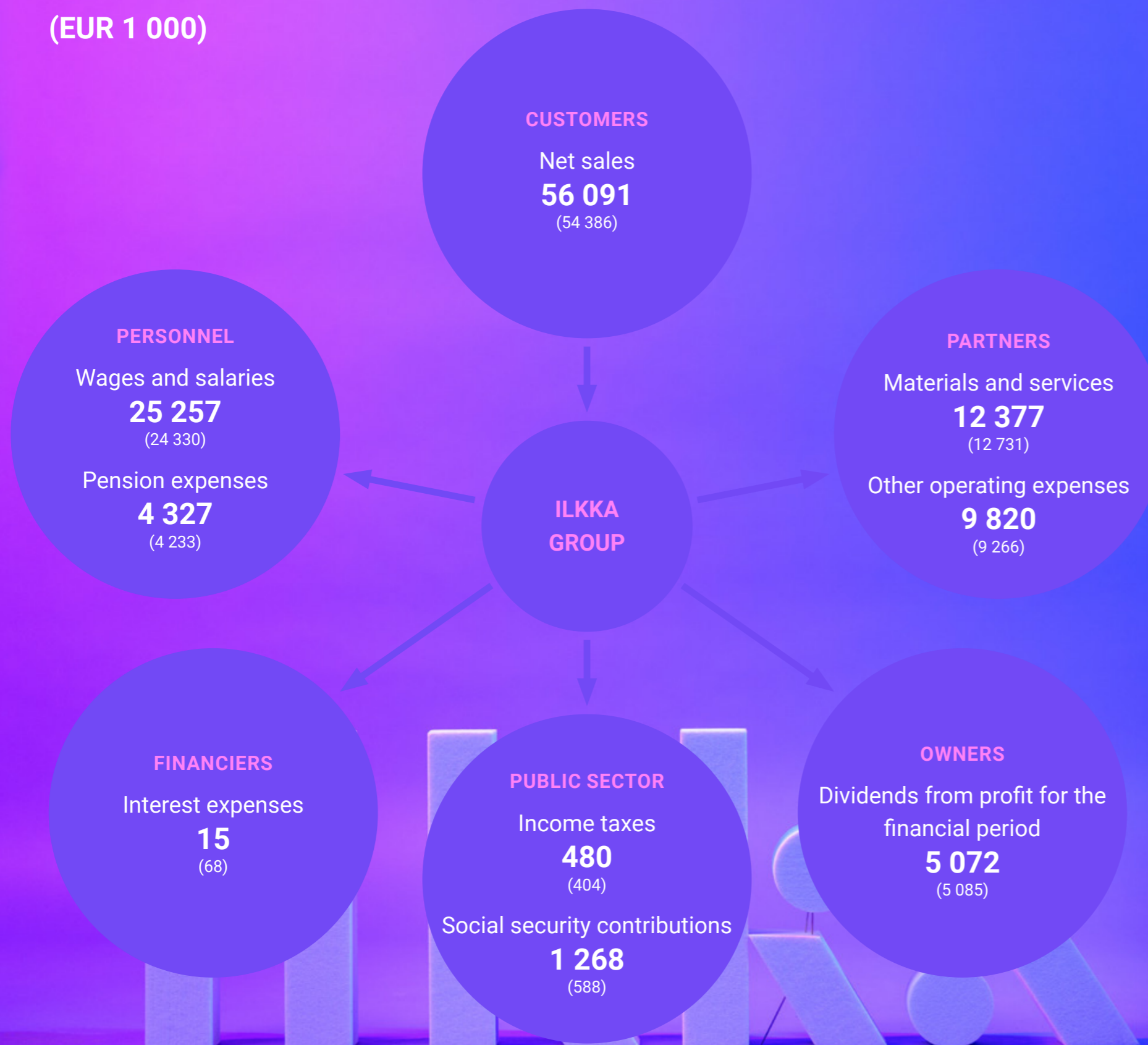
All our employees commit to our guidelines for ethical and responsible sales work that guide our common approach to responsible sales. This approach contains the following principles:

- We are always honest and transparent when communicating with customers or coworkers.
- We treat all customers and coworkers with respect and professionalism.
- We guarantee the confidentiality of customer and business data.
- We avoid conflicts of interest and disclose any conflicts to our supervisor.
- We do not discriminate or harass customers or coworkers. We always treat all customers and coworkers fairly and equally.
- We do not provide misleading information about our services or products.
- We always act in the best interests of the company and its customers.
- We complete training as needed to ensure we always have the necessary information about our products, services, industry and the market.
- We always strive to understand the needs of our customers and provide them with the best possible solutions.
- We maintain a positive attitude and provide the best possible customer service.

These guidelines ensure that we conduct responsible and ethical sales that foster trust among our customers and strengthen our company's reputation.

# Economic added value for stakeholders

(EUR 1 000)



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. In 2017-2022, we have supported

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 2023, we supported universities and higher education institutions with donations, partnership agreements and internships. We cooperate with

**In 2017-2022, we have supported the professorship with EUR 55 000 and for 2023-2027, we have made a decision on a total support of EUR 50 000.**

the professorship with EUR 55 000 and for 2023-2027, we have made a decision on a total support of EUR 50 000.

several sports clubs and cultural events. In the future, we want to take even greater account of the positive impact these partners have on people and the vitality of regions. We strive to act in an equal, ethical and decent way in these collaborative projects, and inappropriate conduct is not acceptable from our partners.

## 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,



THEME 4

# We take environmental impacts into account in all our operations

We are committed to taking environmental impacts into account throughout the Group. 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 monitor and reduce our electricity and energy consumption. During 2023, our properties underwent an energy audit. In collaboration with property maintenance, we plan to reduce the electricity consumption in our facilities, for example, by switching lighting to led lights.
- We have reduced business travel by attending training and meetings remotely. Meeting are held remotely whenever attendance and travel are not necessary.
- We aim to reduce waste and sort waste properly both in offices and in production.
- Our printing partner uses FSC-certified paper in the printing of Ilkka Group's newspapers.
- 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.

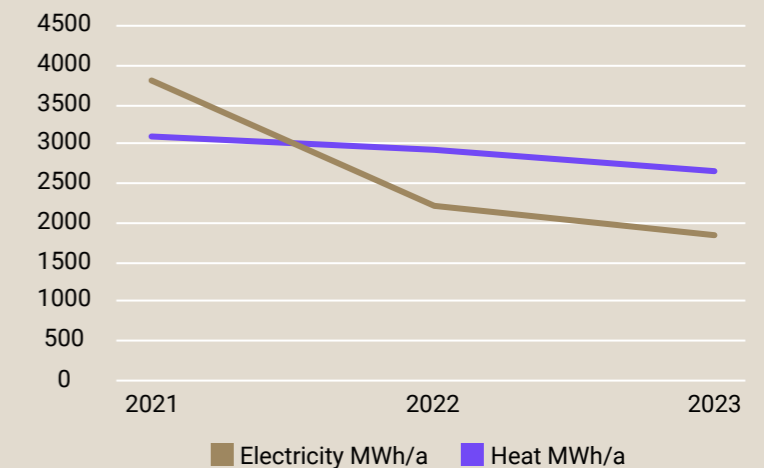
Our biggest emissions load comes from indirect emissions from the media business operations supply chain, including the transport and distribution of newspapers and magazines and energy used in the production

of paper and ink. The growth of our digital business provides us with an excellent opportunity to reduce our carbon footprint.

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

consumption of the discontinued functions (printing). In the future, we will measure the Group's carbon footprint and set targets for reducing it. We have started preparing for the carbon footprint calculation during 2023.

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



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.

## 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 publicly traded companies with more than 500 employees – and therefore also to the Ilkka Group since 2022.

### 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

In 2021, a set of criteria was established in the taxonomy to achieve the objectives of adapting to and mitigating climate change. In 2023, the European Commission released new classification system activ-

ities for the four remaining environmental objectives. 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 and specified the assessment. 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. We will continue to monitor any changes in the taxonomy reporting requirements and carry out the required assessments as new legislation is published.

### Results of the taxonomy eligibility assessment

Based on the assessment, we identified that Ilkka has activities as described in the EU Taxonomy Regulation. Ilkka's operations in line with the description 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 identified taxonomy-described net sales for

activity 8.1. climate change mitigation, but the challenge is that we are unable to distinguish the net sales in euros that fall under the description. For adaptation to climate change, taxonomy-described activities have been identified, but due to clarification by the Commission, activities under categories 8.1 and 8.2 of adaptation to climate change cannot be reported as taxonomy eligible.

For the four new environmental objectives that came into force in 2023, descriptions of the various objectives have been reviewed and it has been found that Ilkka's activities are not taxonomy eligible in line with these descriptions. In addition to the more detailed clarifications, Ilkka has not identified capital expenditure in line with taxonomy eligible activities. Ilkka has no operating costs related to taxonomy eligible net sales.





# Sustainability reporting and Ilkka's commitment to ESG in 2024

The EU Corporate Sustainability Reporting Directive (CSRD) requires Ilkka to report on its operations in 2024 within the framework of statutory and structured sustainability reporting.

Sustainability reporting refers to Ilkka's future way of sharing information on matters related to responsibility and sustainability goals. The report will cover familiar themes such as environmental impacts, social impacts, economic impacts and good governance. With these changes,

sustainability reporting and open assessment play an important role in corporate reporting.

Ilkka's sustainability reporting helps show transparency and responsibility to stakeholders such as customers, employees, investors and communities. With the new regulation, sustainability reporting becomes more regulated and accurate. The information is reported as part of the report of the Board of Directors, and the auditor ensures the quality and reliability of the published information.

In the 2023 ESG Report, Ilkka addresses sustainability themes according to the previous year's plan, but in the future, regulation requires a broader review, development of new operating models and their management. Ilkka will now focus on building the reporting required by the new regulation.