



Non Financial Information Report 2017
ALMA MEDIA CORPORATION

Alma Media's purpose is to accelerate the sustainable growth of individuals, companies and society. Alma Media plays a significant role in increasing people's competence, awareness and understanding. We build contacts between companies and their customers. We create new growth opportunities for companies. Through our news content, we participate in building society, solving problems and creating a foundation for sustainable economic growth and individual freedom.

We create value for all of our stakeholders: consumers, readers, service users, corporate customers, employees, shareholders, partners and society at large.

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Alma Media's value creation model

RESOURCES AND INPUTS

Employees and expertise

- 3,150* (in 2017) Alma employees – strong expertise in journalism, marketing and technology.

Intellectual property

- The Alma brand and over 50 product brands.
- Customer data.

Financial

- Invested capital MEUR 218 (2017).
- Investments MEUR 170 in 2013–2017.

Partner network

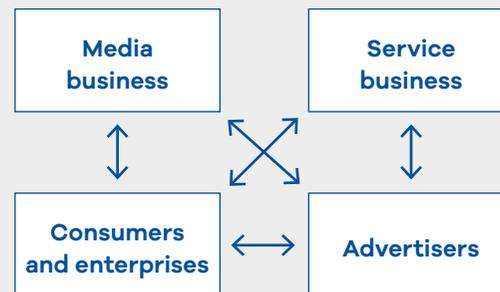
- Partnerships in content and service development, production, marketing and sales.
- Corporate relations.

Production inputs, Raw materials

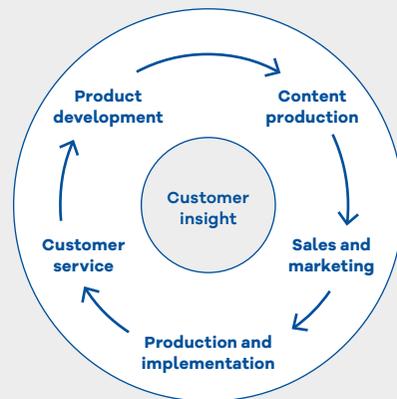
- Operations in 10 countries.
- Multi-channel digital service channels.
- Printing facility and regional distribution network.
- District heating, district cooling and electricity consumption in 2017: 69,395 GJ GJ/ 19,276 MWh, paper consumption 26 tonnes.

* Including delivery staff

BUSINESS MODEL



BUSINESS PROCESS



ALMA MARKETS	ALMA TALENT	ALMA NEWS & LIFE	ALMA REGIONS
Shared operations <ul style="list-style-type: none"> • Centralised media sales and media sales development • IT and production technology • Finance, HR management and HRD • Legal affairs, M&A, Corporate Development • Communications, IR, Brand, Corporate Responsibility • Facilities management 			

OUTPUTS

Products and services

- Alma's print and digital publications reach approximately 74% of Finns (in 2017, the 15–74 age group, Kantar TNS).
- Digital services for businesses.
- Events and training: 540 pcs (2017).
- Printed books and e-books: 134 pcs (2017).
- Printing and distribution services: 10,066,020,160 tabloid-size pages (2017).



RESULTS AND IMPACTS

Customers

- Consumers: individual growth through the production of information, service and experiences.
- Advertisers: promoting business growth.

Employees

- Increasing employee well-being and competence.
- Income: total annual wages MEUR 117 (2017).

Shareholders

- Operating result MEUR 47 (2017).
- Profit distribution MEUR 19.8 (2017), increasing shareholder value.

Society

- Supporting social development and dialogue through journalism and by promoting digitisation.
- Developing the vitality of communities and regions.
- Taxes and employment: taxes MEUR 77.9 (2017).

Partner network

- Purchases from partners.

Environment

- Carbon dioxide emissions in 2017: District heating, district cooling and electricity consumption 4,720 tCO₂, business travel 248 tCO₂.

Corporate responsibility management principles and methods to ensure adequate cautiousness

The table below summarises the principles governing the management of corporate responsibility at Alma Media and the most significant results achieved in 2017 with respect to adherence to these principles. The information in the table only covers non-financial reporting obligations. A more comprehensive description of Alma Media's management of corporate responsibility is provided in the corporate responsibility report in Alma Media's annual GRI report.

In reporting the information, Alma Media adheres to the Global Reporting Initiative (GRI) guidelines where applicable, except in the area of responsible journalism.

The Global Reporting Initiative has not yet updated the aspects specific to the media sector to keep them in line with the GRI reporting guidelines. For the time being, Alma Media is reporting on the responsible journalism aspect mainly in accordance with the GRI G4 reporting framework, which preceded the GRI guidelines.

SUSTAINABLE MEDIA

Area of corporate responsibility	Management approach	Principles	Policies, commitments and regulation	Most significant results achieved in 2017
Responsible journalism	The responsibility for the journalistic content of Alma Media's media lies with the Editors-in-Chief, assisted by editorial supervisors.	<p>Alma Media's media brands are politically independent.</p> <p>In their role as a source of information, Alma Media journalists and editorial offices act transparently and responsibly under all circumstances.</p> <p>Alma Media's media outlets provide reliable and high-quality content.</p>	Alma Media's Code of Conduct, Guidelines for Journalists issued by the Council for Mass Media, Council for Mass Media decisions, the editorial offices' own style books and guidelines, legislation.	<p>Aamulehti, Lapin Kansa and Alma Media's local papers were not subject to any condemnatory Council for Mass Media decisions during the year. Kauppalehti and Satakunnan Kansa were subject to one condemnatory decision each.</p> <p>Aamulehti political journalist Lauri Nurmi won a journalism prize from Suomen Kuvalehti.</p> <p>IL-TV's Päivärinta Uncensored talk show was the only online-only talk show among the finalists in the talk show category in the Golden Venla Awards.</p>
Responsible marketing	Alma Media's media sales and marketing organisation is in charge of the development of responsible marketing communication practices.	<p>Alma Media operates responsibly and ethically in the rapidly digitising field of marketing communications.</p> <p>Alma Media provides a safe and reliable media environment for advertisers.</p> <p>Alma Media engages in active dialogue to spread responsible marketing communication practices among industry operators.</p>	IAB guidelines, International Chamber of Commerce Code of Advertising and Marketing Communication Practice, Europe-wide self-regulation of targeted online advertising (OBA self-regulation), Council for Mass Media content marketing guidelines and precedents, Contractual terms and terms of sale concerning the advertising customers of Alma Media's media sales, legislation.	In 2017, Alma Media's online and mobile services did not publish any advertisements that violated the International Chamber of Commerce Code of Advertising and Marketing Communication Practice.

RESPONSIBILITY FOR EMPLOYEES

Area of corporate responsibility	Management approach	Principles	Policies, commitments and regulation	Most significant results achieved in 2017
Developing employee competence and well-being	Alma Media's HR function defines and manages the processes and functions related to the development of employee competence and management, compensation, benefits and HR reporting.	<p>Alma Media offers employees a wealth of opportunities for increasing their individual competencies.</p> <p>Alma Media engages in the long-term development of management and leadership.</p> <p>Alma Media increasingly invests resources in the recruitment of talented professionals and their commitment to the company, as well as in developing its employer image.</p>	Alma Media's Code of Conduct, Alma Media's equality and non-discrimination principles and unit-level non-discrimination, equality and diversity plans, Alma Media's training policy, Alma Media's remuneration policy, legislation.	<p>Employee satisfaction with Alma Media as a workplace improved from the previous year according to the Quality of Work Life (QWL) index. Employee satisfaction is now substantially above the average level of Finnish companies.</p> <p>Alma Media was one of the biggest gainers in a ranking of Finnish employers based on an extensive national employer image survey of students and professionals.</p>
Equal and diverse work community	Ensuring that HR policies are non-discriminatory is the responsibility of the units' managers in charge of recruitment as well as Alma Media's HR function.	<p>All Alma Media employees are treated equally and fairly.</p> <p>Alma Media recruits employees based on their abilities and aptitude, irrespective of their gender, age, religious beliefs, nationality, sexual orientation or disabilities.</p>	Alma Media's unit-level equality, non-discrimination and diversity plans, the diversity policy of Alma Media's Board of Directors, Alma Media's Code of Conduct, commitment to the UN Sustainable Development Goals (SDG) and to the UN Global Compact (UNGC), legislation, the FIBS diversity network undertaking.	<p>Employee satisfaction with Alma Media as a workplace improved from the previous year according to the Quality of Work Life (QWL) index. Employee satisfaction is now substantially above the average level of Finnish companies.</p> <p>Alma Media was one of the biggest gainers in a ranking of Finnish employers based on an extensive national employer image survey of students and professionals.</p> <p>Alma Media was not informed of any violations related to the inappropriate treatment of employees, either by the authorities or via the whistleblowing channel available to the Group's employees.</p>

RESPONSIBLE CORPORATE CULTURE

Area of corporate responsibility	Management approach	Principles	Policies, commitments and regulation	Most significant results achieved in 2017
Transparency and ethics in business	The Group's executive management is responsible for the ethicality and transparency of Alma Media's business operations.	<p>Alma Media has a zero tolerance policy with respect to discrimination, corruption, bribery and other unethical business practices.</p> <p>Alma Media operates openly and transparently with respect to taxation and pays taxes in the country where the result is generated.</p>	Alma Media's Code of Conduct, Alma Media's tax policy (updated in 2017), commitment to the UN Sustainable Development Goals (SDG) and to the UN Global Compact (UNGC), commitment to IFRS accounting standards approved for application in the EU, legislation.	Alma Media was not informed of any incidents of discrimination, bribery, corruption or other unethical business practices in 2017.
Responsibility throughout the supply chain	<p>The development of a responsible procurement policy at Alma Media is the responsibility of the Chief Procurement Officer.</p> <p>Alma Media's Chief Digital Officer and Chief Information Officer are responsible for ICT procurement at the Group level. In Alma Media's printing operations, the responsibility for procurement lies with the Logistics Manager and the Quality Manager.</p>	<p>Subcontractors familiarise themselves with Alma Media's corporate responsibility principles and Code of Conduct and agree to comply with them, where applicable, in addition to complying with the law.</p> <p>Alma Media encourages its key subcontractors to draft their own long-term climate targets.</p>	Alma Media's Code of Conduct, Alma Media's procurement policy (drafted in 2017), commitment to the UN Sustainable Development Goals (SDG) and to the UN Global Compact (UNGC), legislation.	Alma Media was not informed of any incidents of Alma Media's subcontractors being guilty of discrimination, bribery, corruption or other unethical business practices in 2017.

ENVIRONMENTAL RESPONSIBILITY

Area of corporate responsibility	Management approach	Principles	Policies, commitments and regulation	Most significant results achieved in 2017
Environmental impacts of operations	The management of Alma Media's business units is responsible for developing more environmentally friendly products and services and helping Alma Media achieve its long-term environmental targets.	<p>Alma Media takes a systematic and long-term approach to reducing the carbon dioxide emissions caused by its operations.</p> <p>Alma Media improves the energy efficiency of its properties and the material efficiency of its printing press.</p> <p>Alma Media will shift to zero-emission electricity in its Finnish operations by 2020.</p>	Alma Media's Code of Conduct, commitment to the UN Sustainable Development Goals (SDG) and to the UN Global Compact (UNGC), legislation.	<p>Alma Media's carbon dioxide emissions decreased by 3.6 per cent compared to 2016.</p> <p>Alma Media's printing press reduced its material waste by 11 per cent compared to 2016.</p> <p>The energy efficiency of Alma Media's properties in Finland improved by 3.7 per cent compared to 2016.</p>

Most significant corporate responsibility risks and their prevention

The chart on the next page illustrates the trends affecting certain areas of Alma Media's corporate responsibility as well as related risks and ways to prevent them.

In managing corporate responsibility risks, Alma Media applies the materiality principle and focuses its risk prevention measures on the areas of corporate responsibility that are considered to be the most important.

The chart only includes the risks that are related to the areas of corporate responsibility reported in the statement of non-financial information. For this reason, the way the areas of Alma Media's corporate responsibility are grouped and the terminology used are not entirely in line with the practices applied in Alma Media's other corporate responsibility reporting.

A more comprehensive description of the risks related to the various areas of Alma Media's corporate responsibility is provided in Alma Media's Corporate Governance Statement. The corporate responsibility risks are discussed as part of the risks related to the Group's business operations on pages 16–19 of the statement.

RESPONSIBLE MEDIA

Responsible journalism
Responsible marketing

TREND:

Increasing global distrust towards media
Digitalisation of advertising and news content
Decline of media literacy

RISKS:

Direct and indirect attempts at deception and influence over media and citizens are increasing
Erosion of customer loyalty towards traditional media
Monitoring content and services in the digital environment is more challenging

RISK PREVENTION:

Developing Alma Media's operating practices and employee competence
Long-term development of services and content
Technology acquisition
Reader satisfaction surveys, customer contacts and feedback
Participation in industry events and organisations

RESPONSIBILITY FOR EMPLOYEES

Developing employee competence and well-being
Equal and diverse work community

TREND:

Changing job descriptions as a result of the digital transformation
The significance of corporate responsibility is highlighted among various stakeholders

RISKS:

Shortage of skilled employees
Failure to create commitment among employees
Weakening of the employer brand

RISK PREVENTION:

Development of human resources and competencies
Long-term development of management and leadership
Employee surveys and follow-up, developing cooperation, one-to-one discussions
Unit-level equality, diversity and non-discrimination plans
Systematically building the employer brand and targeted Trainee programmes

RESPONSIBLE CORPORATE CULTURE

Transparency and ethics in business
Responsibility throughout the supply chain

TREND:

The significance of corporate responsibility is highlighted among various stakeholders

RISKS:

Negligence related to ethical and responsible business constitutes a business risk and a brand risk

RISK PREVENTION:

Developing Alma Media's operating practices and employee competence
Developing tax footprint reporting
Active responsibility dialogue and communication with subcontractors

ENVIRONMENTAL RESPONSIBILITY

Environmental impacts of operations

TREND:

Climate change
The significance of environmental responsibility is highlighted among various stakeholders

RISKS:

Negligence related to environmental responsibility constitutes a business risk and a brand risk
Introduction of stricter emissions reduction requirements on businesses

RISK PREVENTION:

Developing Alma Media's operating practices and employee competence
The Group's long-term environmental targets
Long-term development of the energy efficiency of properties and the material efficiency of the printing press

Key indicators of corporate responsibility

The information below consists of Alma Media's corporate responsibility targets for 2017 and the results achieved. The list only includes the targets that are related to the areas of corporate responsibility reported in the statement of non-financial information. A more comprehensive description of Alma Media's targets in different areas of corporate responsibility is provided in the corporate responsibility report in Alma Media's Annual Review.

● GOAL ACHIEVED
 ● IN PROGRESS
 ● GOAL NOT ACHIEVED

RESPONSIBLE JOURNALISM

● **Goal:** Alma Media's media outlets' combined share of all condemnatory decisions issued by the Council for Mass Media must not exceed 20% in any given year. **Outcome:** The share of condemnatory decisions was 32% in 2017.
● **Goal:** By 2019, all of Alma Media's major media outlets will have content responsibility objectives, the achievement of which will be measured by reader surveys. **Outcome:** The project will begin in 2018.

RESPONSIBLE MARKETING

● **Goal:** Alma Media's websites will not publish any advertisements that violate the ICC Code of Advertising and Marketing Communication Practice. **Outcome:** The Group was not informed of any infringements.
● **Goal:** By 2020, Alma Media's media sales organisation will be ranked among the leaders of its industry in Finland in the annual national survey of the customer experience of media sales organisations (index average). **Outcome:** Monitoring will begin in 2018.

DEVELOPING EMPLOYEE COMPETENCE AND WELL-BEING

● **Goal:** Alma Media will achieve a score of at least 70% in the QWL (Quality of Work Life) index each year. **Outcome:** The index was 76% in 2017.
● **Goal:** At least 10% of new Alma Media employees stay with the company for at least two years after being hired. **Outcome:** In 2017, the employee turnover rate among the employees who had started working for the maximum of 2 years ago, was 12.9%.
● **Goal:** Alma Media receives a score of at least 7 in its annual employer image survey of the Group's employees. **Outcome:** In 2017, Alma Media's score was 7.98 (average of all responses, scale 1–10).
● **Goal:** Occupational accidents will be reduced by 50% in Alma Media's delivery operations by 2022. **Outcome:** Progressing on schedule. In 2017, the total number of occupational accidents in the delivery operations was 104 (2016: 148).

EQUAL AND DIVERSE WORK COMMUNITY

● **Goal:** No informed infringements related to employee discrimination or other inappropriate treatment of employees via Alma Media's whistleblowing channel or from the authorities. **Outcome:** The Group was not informed of any infringements.

TRANSPARENCY AND ETHICS IN BUSINESS

● **Goal:** No reported incidents of corruption, bribery or other unethical business practices. **Outcome:** The Group was not informed of any infringements.

RESPONSIBILITY IN THE SUPPLY CHAIN

● **Goal:** Alma Media will engage in active dialogue on climate targets with its key subcontractors with the aim of having all key subcontractors in Finland establish their own long-term climate targets by 2025. **Outcome:** The project will begin in 2018.

ENVIRONMENTAL IMPACTS OF OPERATIONS

● **Goal:** The CO₂ emissions caused by Alma Media's operations (including Scope 1 and Scope 2 emissions) will be reduced by 21% by 2025 (benchmark: 2016). **Outcome:** Progressing on schedule. CO₂ emissions were reduced by 3.6% in 2017.
● **Goal:** Alma Media will improve the energy efficiency of its properties in Finland by 5% by 2020 (benchmark: 2016). **Outcome:** Progressing ahead of schedule. In 2017, the energy efficiency improved by 3.7% from the previous year.
● **Goal:** Alma Media will shift to zero-emission electricity in its Finnish operations by 2020. **Outcome:** The project will begin in 2018.
● **Goal:** Alma Media's printing press will improve its material efficiency by 2% annually until 2025 (benchmark: 2016). **Outcome:** Progressing on schedule. In 2017, material efficiency of the printing press improved by 11% from the previous year.

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