



Alma Media Corporation
Annual Review 2015



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Interview with the President and CEO

How would you describe Alma Media's year 2015?

Considering the operating environment, I am satisfied with Alma Media's development in 2015. The overall economic climate in Finland remained bleak, and the hoped-for improvement in media advertising volume, for example, still did not materialise. Nevertheless, we progressed as planned in the development of multi-channel media and services. In our international operations, we have found the path of profitable growth in our recruitment business.

What were Alma Media's most important development steps in 2015?

Operationally, Alma Media is in better shape than ever. The company's businesses are growing, and our growth is profitable. The strong growth of our recruitment business in Central Europe played a key role in the improvement of our operating profit excluding non-recurring items. The share of international operations of Alma Media's result has increased significantly, with nearly half of our operating profit now coming from markets other than Finland. Our developing service business also plays a significant role in improving our operating profit excluding non-recurring items.

Our efforts to improve profitability in 2015 also included restructuring measures in our publishing operations: in particular in the Regional Media segment, we implemented efficiency improvement measures and even divested certain newspapers, but we also restructured operations in IL-Media.

Alma Media has been on the path of digital business development for two decades. It began in the mid-1990s with the launch of the online editions of *Iltalehti* and *Kauppalehti*. We reached a significant milestone last year with our revenue from digital products and services exceeding MEUR 100.

The most significant business transaction we made in 2015 was the acquisition of Talentum. The business operations of Alma Media and Talentum complement each other very well, which means that the combination creates a significant player in professional media and business services in both the Finnish and Swedish market. The integration of operations has got off to a good start.

To what extent did Alma Media achieve its financial targets in 2015?

Alma Media's operating profit excluding non-recurring items improved in spite of the difficult economic climate. Much of the credit belongs to our recruitment business in Eastern Europe, which achieved strong growth. We have set new ambitious targets for ourselves, particularly with regard to the long-term growth of digital business and our return on investment (ROI). We fell short of our target of 15 per cent annual growth in digital business due to a sluggish start in digital advertising sales, especially in IL-Media. The improvement in our result was not yet sufficient to reach our long-term target for our return on investment (ROI), 15 per cent, particularly due to non-recurring items related primarily to cost adaptation measures in domestic publishing operations, especially in Regional Media, as well as impairment recognised in conjunction with impairment testing.

How has Alma Media responded to the forces of change in its operating environment?

The focus of media consumption is continuing to shift to digital channels, mobile in particular. The changes in media consumption saw marketers further reduce their investments in newspaper advertising. Digitalisation has also created a global advertising market. Foreign players already account for more than half of the Finnish digital advertising market.

Marketing communication and related technologies are changing at an accelerating rate. The past year saw significant growth in programmatic buying in Finland. We were able to tap this growing market, particularly in the second half of the year. The coverage of Alma Media's mobile advertising network is already one of the most extensive in Finland, and the combination of Alma's services with Talentum's offering will expand it even further. We will focus on the programmatic buying of mobile advertising in addition to traditional direct sales solutions. We offer new and effective digital multimedia solutions to our customers. With Alma's tools, advertisers can utilise data, analytics and user profile data from mobile sites and applications and target their campaigns effectively.

Our capacity to respond to changes in the operating environment is also strengthened by the fact that our strategic decisions have allowed us to diversify the geographical risk of our operations. While economic growth in Finland has declined to the point where it is one of the lowest in the EU, we have market presence in the countries that have been Europe's fastest-growing national economies in recent years. Our extensive portfolio of brands also provides stability in our operations.

Alma Media has not remained a bystander in its rapidly changing operating environment. We have been an early mover in the digital transformation, which is why we now have a strong and active role in taking advantage of the ongoing changes.

What aspects of corporate responsibility development were most significant in 2015?

Last year, we continued our activities and co-operation to mitigate our environmental impacts, develop the competence of our employees and reduce youth unemployment. Corporate responsibility activities particularly highlighted the effects of journalism on society, responsible management of consumer data, the development of diversity and the local social responsibility of journalism.

The general instability of the economy is undermining Finnish media companies and, in the worst case, it will deplete our diverse media landscape. Without a functional, wide-ranging, pluralistic high-quality media, democracy cannot exist. Alma Media wants to combat this threat by improving our publications and services to respond to consumers' needs even better – without compromising on the quality of content. In addition, responsible collection, use and storage of consumer data is always essentially important for Alma Media's business. In 2015, we updated and redefined the key responsibility priorities of our operations in co-operation with external and internal stakeholders. The results of the materiality analysis guide us towards even stronger development of corporate responsibility in 2016. In addition, in 2015 we moved on reporting our sustainability themes based on GRI G4-reporting where applicable.

In 2015, we paid taxes amounting to approximately MEUR 50 in Finland.

What are Alma Media's sources of growth in the future?

Alma Media has deep roots in Finnish society, with operations that can be traced back to the mid-1800s. We have been part of village communities and growing cities. We know Finland and its people. Internationalisation has also seen us become integrated into the Czech, Slovakian and Estonian societies and economies, to mention just a few. This puts us in a better position to produce more attractive and meaningful publications and services than many of our global competitors.

In product development and innovation, we must significantly increase our clock frequency. We must be agile in producing new services: planning and implementation must respond to current needs in a timely and flexible manner.

Alma Media will continue to move forward on the path of sustainable growth. Our strategy is to leverage the opportunities presented by digitalisation to actively develop and grow our existing products and services, while strengthening our existing business areas through acquisitions. We seek to increase our net sales and market shares, particularly in digital media and services in Finland, and to expand our international business operations. We will take advantage of our strong financial position and seek new business initiatives with a focus on digital business.

Operating environment

The weak economic climate and the digitisation of media were reflected in Alma Media's operations in the Finnish market. The focus of media consumption is shifting to digital channels, and mobile channels in particular. The changes in media consumption saw marketers reduce their investments in newspaper advertising and shift to digital channels.

The difficult economic climate complicated Alma Media's business operations in Finland in 2015. Economic growth has been subdued for several consecutive years. GDP growth was close to zero in 2015. Consumer confidence as well as confidence in the business sector was at a low level throughout the year. The general economic climate was reflected strongly in the retail sector, where the economic situation and outlook were weak all through the year.

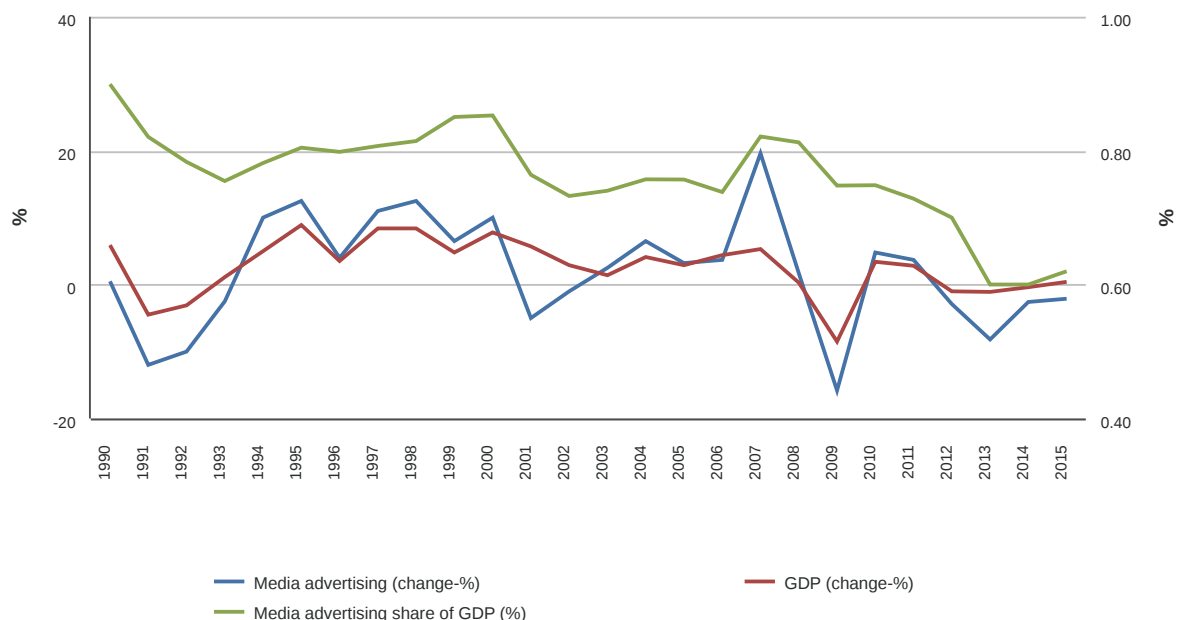
In Alma Media's international operating countries in Eastern Europe, the national economies showed good growth in 2015. Positive economic growth in the region contributed to the strong performance and result of Alma Media's recruitment portals. The growth prospects for the national economies in Eastern Europe remain positive in 2016.

The outlook for 2016 in Finland continues to deviate from the outlook of the rest of Europe. Economic forecasts predict that growth in Finland will remain slow in the coming years. The long-term outlook continues to be weakened by structural problems in the economy and a decline in productivity.

Media advertising volume continued to decline

According to TNS Media Intelligence, media advertising volume, which is closely linked to GDP growth, decreased in Finland by 2.1 percent in 2015 compared to the previous year, totalling MEUR 1,155.1. The media advertising share of GDP was at a historical low.

Ad volumes and GDP development



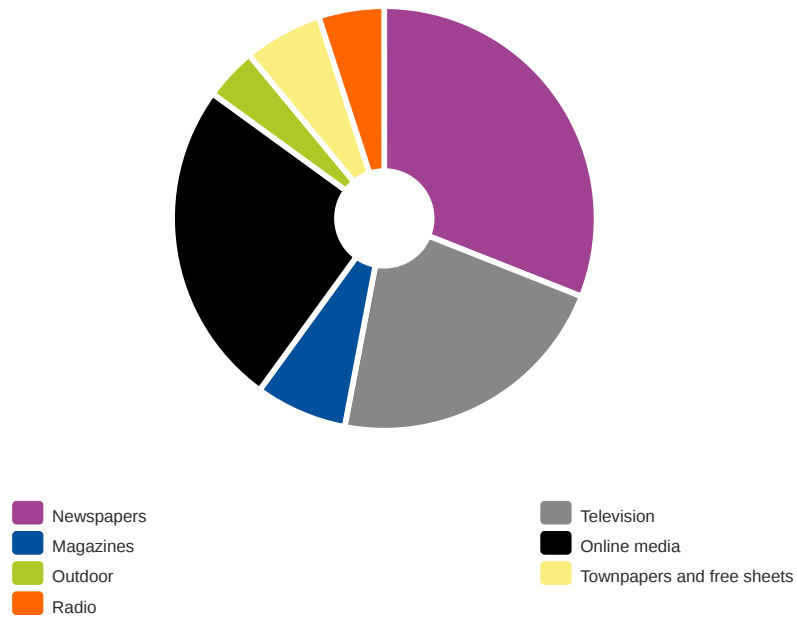
Source: TNS Gallup/Ad Media Intelligence, year 2015 estimate of Alma Media

The digitisation of advertising continued

The digitisation of advertising continued in 2015. Driven by the shift in consumer behaviour, advertising investments in online advertising - mobile advertising in particular - and video advertising increased.

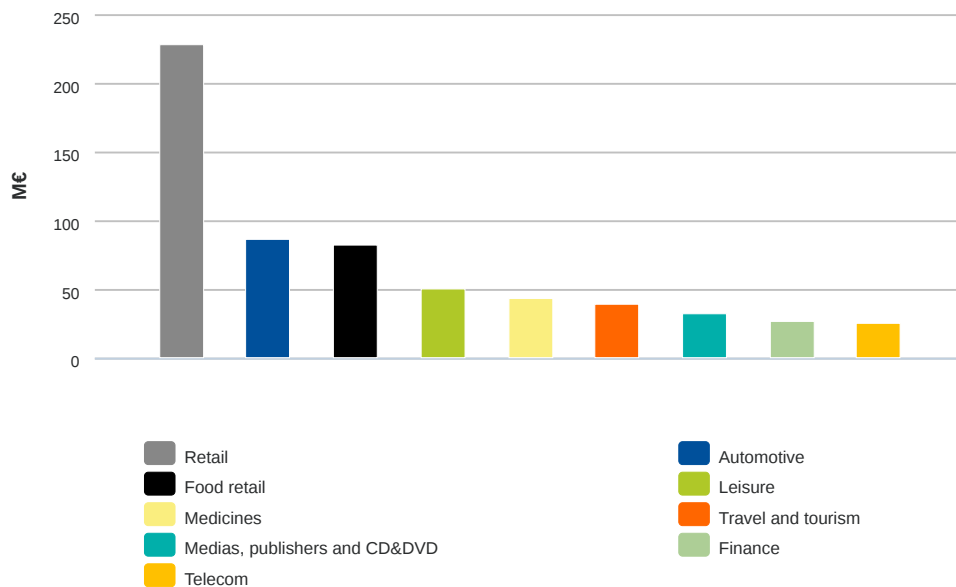
Factors such as the difficult economic climate, changes in marketing and advertising and the weak situation of the retail trade contributed to a decline of 6.2 percent in advertising in town papers and newspapers. Alma Media estimates that its market share is approximately 20 percent of all newspaper advertising in Finland.

Media advertising by channel 2015



Source: TNS Gallup Ad Intelligence

Largest advertising categories in 2015



Source: TNS Gallup / Ad Intelligence

Digital advertising spending in Finland amounted to MEUR 286.1 in 2015, up 6.8 percent from the previous year. Online advertising now constitutes nearly one quarter of the total investment in media advertising. The volume of online advertising exceeded television advertising in 2014, and it is approaching the volume of newspaper advertising.

All areas of digital advertising grew, with the exception of directory advertising. Growth was fastest in Facebook advertising (+26.2%), instream video advertising (+15.9%) and mobile advertising (+35.5%). (IAB Finland).

The rapid development of mobile devices has shifted consumer behaviour towards mobile. According to IAB Finland, mobile advertising spending reached MEUR 18.7 in 2015, up 35.4 percent from the previous year. Compared to consumers, the shift to mobile has been slightly delayed among advertisers, as mobile marketing requires new development resources and competencies.

The increased popularity of mobile devices has led to growth in the use of video, particularly on social media, as consumers have become active in sharing video content. Advertisers are also increasingly utilising video in advertising, both in connection with video content and as part of ordinary advertising material.

Instream advertising spending amounted to MEUR 15.3 in 2015, up 15.7 percent from the previous year.

Alma Media's share of the Finnish market for classified and display advertising online is approximately 23 percent.

Significant development in the digital advertising market

In the digital world, more and more information is becoming available regarding consumer behaviour. The role of data and analytics in business development is growing in content production, service development and advertising. Advertisers seek efficiency in advertising and analytical tools are used in measuring the impact of advertising. Data is utilised in the targeting of advertising. In line with this development, Alma Media introduced even better data-driven advertising analytics to advertisers in 2015, as well as more versatile targeted advertising solutions. The increased utilisation of audience data in all services supports the design of marketing and advertising. Alma Media's advertisers have access to analyses on all campaigns, including information on factors such as online visitors' age, gender, household income, education, housing type, occupation and areas of interest. Specific analysis data regarding untargeted campaigns allows the advertiser to better analyse the audience a media package has reached and the results of the campaign, which later helps in tailoring and implementing targeted campaigns more efficiently.

Technology is playing an increasingly significant role in advertising buying processes. Media buying and selling processes are becoming digitised, and the programmatic buying of advertising is set to grow substantially in future. Based on a survey of media agencies and programmatic buying agencies, IAB Finland estimates that programmatic buying accounted for 15.0 percent of display advertising in Finland in 2015. The growth in programmatic buying has been rapid, as its share of display advertising was estimated to be 6–7 percent in 2014 and only 1.5 percent in 2013. The share of programmatic buying has also increased rapidly at Alma Media, and developing programmatic buying is one of the company's focus areas for 2016.

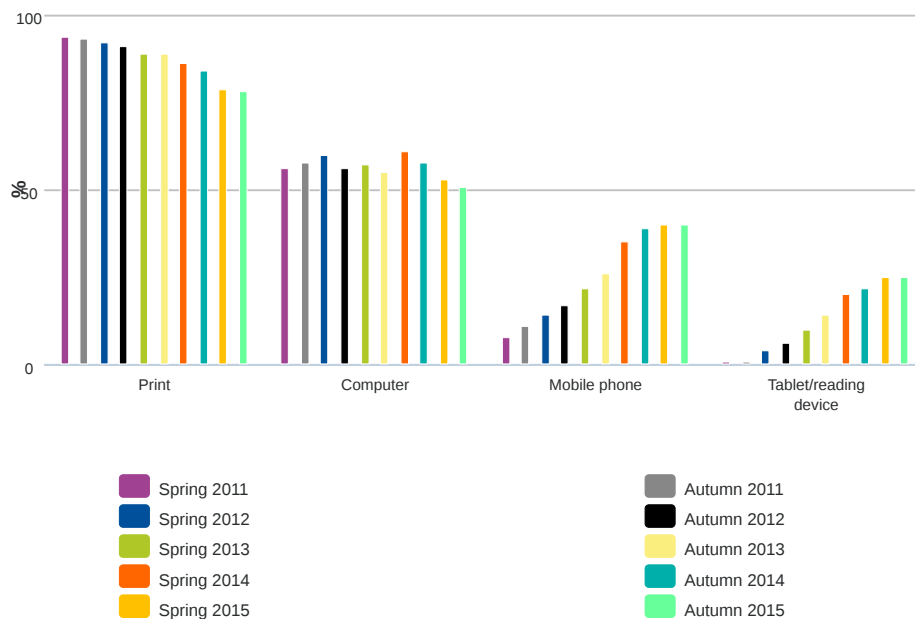
The competitive landscape in the advertising market has become internationalised as international players have made a strong push into the Finnish market. The use of social media services is growing, which makes the advertising solutions provided by social media platforms increasingly attractive to advertisers. In Finland, advertising growth was fastest in Facebook advertising at 26.2 percent, with the volume for the year reaching MEUR 31.8. The increased use of social media services also leads to fragmentation, as new services see rapid growth and consumers quickly switch from one social media platform to another.

The increased use of adblocking software was also a topic of discussion in the advertising market in 2015. According to a report by Adobe and Pagefair some 200 million people used adblockers in 2015. Adblockers allow users to prevent websites from showing advertisements. Media companies and industry organisations have responded to the emergence of the adblocking phenomenon. In Finland, Alma Media has joined other industry operators and IAB Finland to draft guidelines and quality standards as well as evaluate the impact of advertisements on page loading speeds as well as the impact of data collection on the use of adblockers.

Consumers are increasingly shifting to mobile

The media industry is moving towards digitality due to a change in consumer habits. In spite of digitisation, the printed format remains by far the most popular choice for reading newspaper content. Some 83 percent of Finns read printed newspapers on a weekly basis. Slightly more than half of all Finns read newspapers on the computer. Reading newspaper content on mobile devices, however, is seeing rapid growth. The number of people who read newspaper content on mobile devices has grown more than fivefold in four years, particularly among the 15–24 age group. Among this group, the mobile phone is a more popular interface for reading newspapers and magazines than the printed publication. Some 74 percent of the members of this age group read newspapers and magazines on a mobile phone on a weekly basis. The use of tablet devices for reading newspaper and magazine content is highest in the 35–39 age group (41%), and the growth rate of tablet use was the highest among all reading devices in spring 2015. (KMT spring 2015, TNS Gallup Oy).

Reading a newspaper as a print edition or on a computer, mobile or tablet



Source: KMT spring 2015, TNS Gallup Oy

Consumers in Finland have increasingly shifted to using TV services via a broadband connection. According to a report by the Finnish Communications Regulatory Authority, over 60 percent of Finns watch online videos. For many Internet users, television has been partly or entirely replaced by online videos. Young people, in particular, are major consumers of online content. Among Alma Media's services, Aamulehti's video service Klippi was launched in summer 2015 and received a good response in the second half of the year. Meanwhile, IL-TV was one of Finland's first online video services when it was launched in 2007. In 2015, the online video service received more than three million video views per week on average.

Domestic media remains important to Finns

According to a survey conducted by the Federation of the Finnish Media Industry in 2015, domestic media production has become increasingly highly valued among young age groups. Among the survey's respondents in the 15–24 age group, 78 percent indicated they value Finnish media content. This represents a five-percentage-point increase from the previous year.

Among the young people who participated in the survey, 29 percent indicated they value Finnish media content very highly, while the corresponding figure in the previous year was 16 percent. Furthermore, nine out of ten Finns considered it very important that Finland continues to have a strong and diverse offering of Finnish media content. The survey assessed the views of Finns regarding newspapers, magazines, books, TV channels and learning materials.

Not all news is equally true, say Finns

In summer 2015, Alma Media surveyed the attitudes and opinions of Finnish media consumers on the reliability of media channels and the credibility of the news. Nine out of ten Finns do not believe all the news they read. Media literacy learnt at school makes Finns critical but, according to the survey, the greatest reason for distrust is the growing concern over the quality of the news. Less than six per cent of respondents say that they trust all the news.

In addition to healthy criticism, worrying themes were highlighted in the answers of those respondents with a negative attitude. The themes include, for instance, the increase of entertainment in the media, the lack of objectivity, possible factual errors resulting from the ever-accelerating speed of publishing, and the tightening of competition for readers. Most respondents felt that one factor increasing distrust was that the competition between different media has led to so-called clickbait and click journalism, in which the importance and success of the news is measured by the number of clicks. Even though most news is offered in electronic channels through the Internet, all age groups regard TV news and newspapers as the most credible sources of news. The least credible is news content shared in social media.

[Read more on Alma Media's survey here.](#)

Two working groups studying the Finnish media sector

Finnish Minister of Transport and Communications Anne Berner appointed a working group in 2015 to examine and assess the operating conditions and competitive positioning of the Finnish media market and any obstacles to the market. In the working group's report published in December 2015, the statements most relevant to Alma Media included a proposal to achieve technologically neutral competition by dismantling device-specific marketing regulations and applying the same value-added tax to digital and physical media. With regard to the Finnish National Broadcasting Company, the working group proposed that its tasks and duties be specified so that its operations would better promote the functioning of Finland's overall media market. The working group's proposal for Finland's national postal service Posti was to promote innovative postal delivery models. The working group would also invest in centralised digital news services, which could specifically support the digital journalism of regional and local newspapers. The working group also proposed a cut to media sector schooling and the remodelling of some starting places to further education places. The sector's education should also meet with the requirements of a world that is becoming increasingly digital. The working group's report is available in full on the Finnish Ministry of Transport and Communications website.

The term of the separate parliamentary working group tasked with reviewing the position of the Finnish Broadcasting Company will end in May 2016.

Sound economic growth in Eastern Central Europe

Recruitment business operations constitute a major part of Alma Media's international operations. Most of the Group's companies focusing on recruitment business operations are market leaders in online recruitment in their respective areas. Alma Media is involved in recruitment business operations in nine countries.

In its most rapidly growing market areas in Eastern Central Europe, the economic development in Germany and its engine-like effect on nearby countries have played a highly significant role in recent years. There is a large number of subcontracting industries in the area that serve the German electronics and automotive industries. In addition, international companies have established service centres in Eastern Central Europe. Of the countries in which Alma Media operates, the Czech Republic has one of the most rapidly growing economies in Europe. Its GDP increased by 4.3% in 2015. Slovakia also recorded a strong growth rate: 2.6%. Economic development was favourable in Poland and Croatia as well.

In 2015, recruitment advertising was stronger in Eastern Central Europe than it was in Finland, Alma Media's home market. In Finland, the recruitment advertising market decreased by 4%, and its value is estimated nearly at EUR 29 million. In the Czech Republic, supported by strong economic development, the recruitment advertising market grew by 24% in 2015, and its total value is estimated at EUR 32.8 million.

Strategy

Alma Media's strategy is to build its publishing brands into multi-channel media solutions and increase the share of digital consumer and business services of its total revenue.

Alma Media's business operations in Finland include national, regional and local publishing operations, digital consumer and business services, as well as the printing and distribution business. The company's international business operations are focused on recruitment services and business premises marketplaces in Eastern Central Europe and Sweden. The acquisition of Talentum sees Alma Media's business expand to Denmark and strengthen in Sweden, Estonia and Latvia.

Alma Media's strategy is to respond to consumers' changing media consumption and build its publishing brands into multi-channel media solutions and increase the share of digital consumer and business services of its total revenue. The objective of the implementation of the strategy is to increase shareholder value through revenue growth and improved profitability. In addition to organic growth, the company will accelerate its growth and the improvement of profitability through acquisitions.

In order to achieve its objective, Alma Media will increase its digital offering by launching new products and services, also outside publishing operations. In publishing operations, the company will focus on the transformation of the media business and the move from print media to digital media, and the company will ensure that its media are highly valued as the leading brands in their respective regions and communities. The objective of international business operations is the growth of the recruitment business.

Alma Media's key strengths

Strong brands

The company has several well-known brands, such as Kauppalehti, Talouselämä, Iltalehti, Aamulehti, Etuovi.com, Monster and Affärsvärlden, which can be utilised when introducing new products and services to the market. Strong brands have facilitated - and will continue to facilitate - Alma Media's expansion into new geographic markets outside Finland and new services in Finland.

Position as one of the leading players in the provision of decision-maker media

Alma Media is one of the leading suppliers of financial media in Finland, and Kauppalehti and Talouselämä have an established position as a source of financial information for companies and entrepreneurs. The company also targets corporate customers with services that support print and digital media, such as Kauppalehti Information Services, which provides up-to-date business information to its customers.

A strong position in selected operating areas

Online business accounted for 35.3 per cent of Alma Media's revenue in 2015, and the company's print media has extensive coverage in Finland. In addition to the national brands Kauppalehti, Talouselämä and Iltalehti, the company has approximately 20 local and regional newspapers such as Aamulehti and Satakunnan Kansan. The company has good local expertise, which helps maintain customers' interest in local and regional media in either print or digital format.

In Finland and Central and Eastern Europe, Alma Media's online recruitment business under its own brands and the Monster brand has achieved a strong market position and in many of the company's operating countries it is one of only a few online recruitment services.

Comprehensive customer relationships support advertising

Alma Media has a broad customer base that comprises various media and users. This facilitates the marketing of Alma Media's own products to its own customers. Customer relationships and local expertise also support the company's advertising sales by making it possible to provide advertising customers with comprehensive national or local marketing channels that suit their products.

Implementation of strategy at Alma Media in 2015

In 2015, Alma Media promoted the implementation of its strategy by several acquisitions and divestments. The cost competitiveness of the Regional Media segment was improved by selling the business operations of Kainuun Sanomat to SLP Kustannus and by merging the production model of Lapin Kansa and Pohjolan Sanomat. Smaller transactions were also carried out with respect to local papers and town papers. In the area of Digital Consumer Services, Alma Media strengthened its automotive retail software offering by acquiring the internet-based systems provider Autosofta. Two major transactions were carried out in the Financial Media and Business Services segment: the customer media and content marketing service provider Alma360 was sold to Otavamedia, and Alma Media and Talentum announced the combination of the two companies. The first planning phase concerning the integration of Talentum into Alma Media started in November. More detailed planning and implementation began after the turn of the year.

Alma Media implemented several changes related to its internal organisation with the aim of promoting the company's renewal and accelerating the implementation of its strategy. The most significant change involved turning Alma Media Solutions, which had operated as a pilot project for one year, into a permanent unit. The goal of the change is to accelerate advertising sales. Alma Media Solutions is focused on key customer relationships in media sales and it is in charge of centralised digital advertising services. The centralised digital business development unit Alma Diverso was discontinued in conjunction with establishing Alma Media Solutions as a permanent unit.

The strategic development areas of Alma Media's business are **Multi-channel content**, **Marketing solutions**, **Service business**, and **Resources and expertise**. In 2015, the following progress was made with regard to the strategic development areas across all business units and centralised Group functions:

Multi-channel content

- The websites of Alma Media's media brands were redesigned and developed; for example, the Kauppalehti.fi website was redesigned.
- New video content was developed for digital services, including the launch of AL Klippi and the expansion of IL-TV's content.
- Mobile services were increased and developed, including the launch of Aamulehti's new mobile service.

Marketing solutions

- Advertising sales were boosted by establishing the Alma Media Solutions unit.
- New digital advertising solutions were productised for online and mobile advertising.
- Targeted advertising solutions were developed.
- Programmatic buying was focused on in response to the growth of the digital advertising market.

Service business

- New services were launched: Balance's analyser service, Pippuri.fi, Gofinland.fi.
- Existing digital services were actively renewed and developed.

Resources and expertise

- Digital business expertise was boosted by several training projects and by reorganising business operations.
- Cooperation was continued both internally and with outside partners, namely Lännen Media and Jakeluyhtiö Suomi.
- Alma Media's visual brand was renewed.
- The use of data and analytics in advertising sales, content production and business development was strengthened.

Financial Development

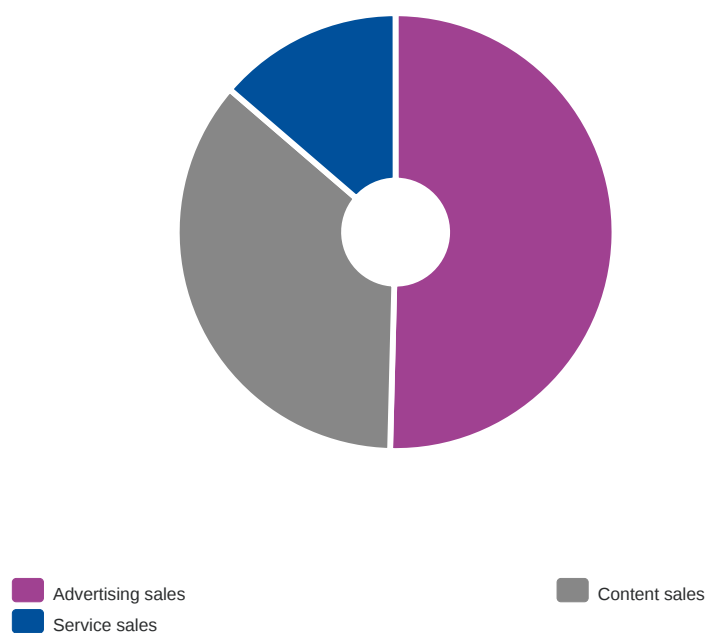
For Alma Media, 2015 was a good year, taking the operating environment into consideration. The development of foreign operations was excellent due to strong economic growth in Eastern Central Europe, but the Finnish market did not see the hoped-for recovery that would have supported a significant improvement in Alma Media's result.

Group revenue

Revenue declined by 1.3% to MEUR 291.5 (295.4) in 2015. Talentum Corporation, acquired in November, represented an increase in revenue of MEUR 5.8, while JM Tieto, acquired in January, represented an increase in revenue of MEUR 3.4. The effect of the Alma360 business, divested in September, on revenue was MEUR -3.6, while the effect of the Regional Media segment's newspapers divested in 2015 on the Group's revenue was MEUR -9.8.

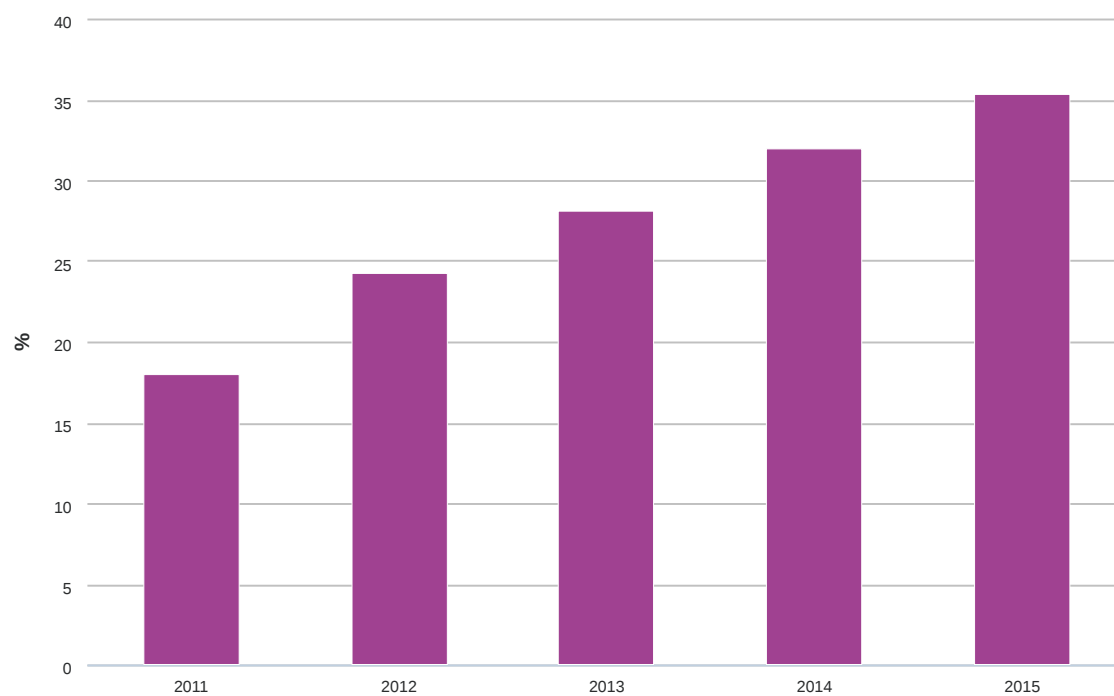


Revenue by category 2015



Alma Media has made a concerted effort to move its business operations and employees from the world of print media towards digital multimedia services. The Group's revenue from digital products and services exceeded the MEUR 100 milestone with year-on-year growth of 8.7 per cent. Digital products and services accounted for 35.3 (32.0) per cent of Group revenue.

Share of the digital business in revenue



Content revenue decreased by 4.9% to MEUR 104.7 (110.1). Content revenue declined due to the decline of print subscriptions and single-copy sales. Talentum's effect on the increase in content revenue was MEUR 4.1.

Revenue from advertising sales increased by 0.3% to MEUR 146.9 (146.4). Advertising sales for print media decreased by 10.2% from the comparison period, to MEUR 66.2 (73.7). Online advertising sales increased by 11.0% to MEUR 80.7 (72.7).

Service revenue totalled MEUR 39.9 (38.8). Service revenue includes items such as Kauppalehti Business Information Services, the operations of the custom publishing house Alma 360 divested in October, as well as the operations of E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu. The increased revenues of Kauppalehti Business Information Services and Alma Manu were major contributors to the increase in service revenue.

Operating profit and profit for the financial year

Operating profit excluding non-recurring items was MEUR 23.4 (21.4), or 8.0% (7.2%) of revenue. Operating profit was MEUR 17.7 (20.7), or 6.1% (7.0%) of revenue. The operating profit includes net non-recurring items in the amount of MEUR -5.7 (-0.7).



Balance sheet and financial position

At the end of December 2015, the consolidated balance sheet stood at MEUR 328.2 (256.1). The Group's equity ratio at the end of December was 42.5% (42.6%) and equity per share was EUR 1.35 (1.17).

The consolidated cash flow from operations in January–December was MEUR 33.2 (26.5). The increase in cash flow from operations was particularly attributable to a lower level of working capital as well as lower interest and taxes paid. Cash flow before financing activities in 2015 declined to MEUR 11.1 (34.9), which was attributable to significant acquisitions carried out in 2015.

At the end of December, the Group's interest-bearing debt amounted to MEUR 90.6 (83.0). The total interest-bearing debt at the end of December comprised MEUR 65.0 in finance leasing debt and MEUR 25.6 in loans from financial institutions. The Group's interest-bearing net debt at the end of December stood at MEUR 76.2 (71.1).

Alma Media has two MEUR 20.0 committed financing limits at its disposal, of which MEUR 15 was in use on 31 December 2015. In addition, the company has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused on 31 December 2015.

Alma Media did not have financial assets or liabilities created in conjunction with business combinations measured at fair value and recognised through profit or loss on 31 December 2015. Financial liabilities measured at fair value and recognised through profit or loss amounted to MEUR 0.3 (0.0).



The Alma Media share

In 2015, altogether 9,668,430 Alma Media shares were traded on the NASDAQ Helsinki Stock Exchange, representing 12.7% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the reporting period, 30 December 2015, was EUR 3.00. The lowest quotation in 2015 was EUR 2.51 and the highest EUR 3.25.

Alma Media Corporation's market capitalisation at the end of the review period was MEUR 247.1.

See real-time share price information [here](#).

Dividend proposal to the Annual General Meeting

On 31 December 2015, the Group's parent company had distributable funds totalling EUR 120,642,934 (179,932,379). Alma Media's Board of Directors proposes to the Annual General Meeting that a capital repayment of EUR 0.12 (2014: EUR 0.12) per share be paid from the reserve for invested non-restricted equity for the financial year 2015. Based on the number of shares on the closing date 31 December 2015, the capital repayment totals EUR 9,885,982 (2014: EUR 9,058,422).

No essential changes have taken place after the end of the financial year with respect to the company's financial standing. The proposed distribution of profit does not, in the view of the Board of Directors, compromise the company's liquidity.

Long-term financial targets

Alma Media's long term financial targets are:

| Alma Media's financial targets | 2011 | 2012 | 2013 | 2014 | 2015 | Target |
|--------------------------------|-------|-------|-------|-------|-------|--------|
| Digital business growth | 16.3% | 36.8% | 8.4% | 11.9% | 8.7% | > 15% |
| Return on Investment (ROI), % | 25.7% | 13.8% | 10.0% | 9.8% | 6.9% | > 15% |
| Dividend payout ratio* | 103% | 45% | 50% | 63% | 92%** | > 50% |

* Includes capital repayment to shareholders.

** Based on the Board of Directors' proposal to the Annual General Meeting.

Financial targets reflect the priorities of Alma Media's strategy and business development. The long-term targets are reached by developing digital media and service business and improving the quality and cost efficiency of publishing activity in an optimal manner, both from the perspective of the company and investors.

Business Segments

Alma Media's reportable segments are Digital Consumer Services, Financial Media and Business Services, National Consumer Media and Regional Media.

The **Digital Consumer Services** segment includes Alma Media's Marketplaces, which are digital classified advertising services. The services are related to sectors such as housing (Etuovi.com and Vuokraovi.com), recruitment (Monster.fi, Jobs.cz, Prace.cz, Topjobs.sk, CV Online, Profesia.sk, MojPosao.net, Monster.hu, Monsterpolska.pl, Monster.cz and Jobote.com) and cars (Autotalli.com and Autosofta.fi). Other digital consumer services include Gofinland.fi, Kotikokki.net and E-kontakti.fi.

The Alma Diverso unit, which produced digital services for consumers, was closed down in 2015 and its employees were transferred to other business units. Diverso's financial performance is still reported under Digital Consumer Services for the year 2015.

At the beginning of 2016, Alma Media Marketplaces acquired a controlling interest in NettiKoti, a software company for ERP systems in new construction and renovation, and a minority interest in www.autojerry.fi, a marketplace for car maintenance services.

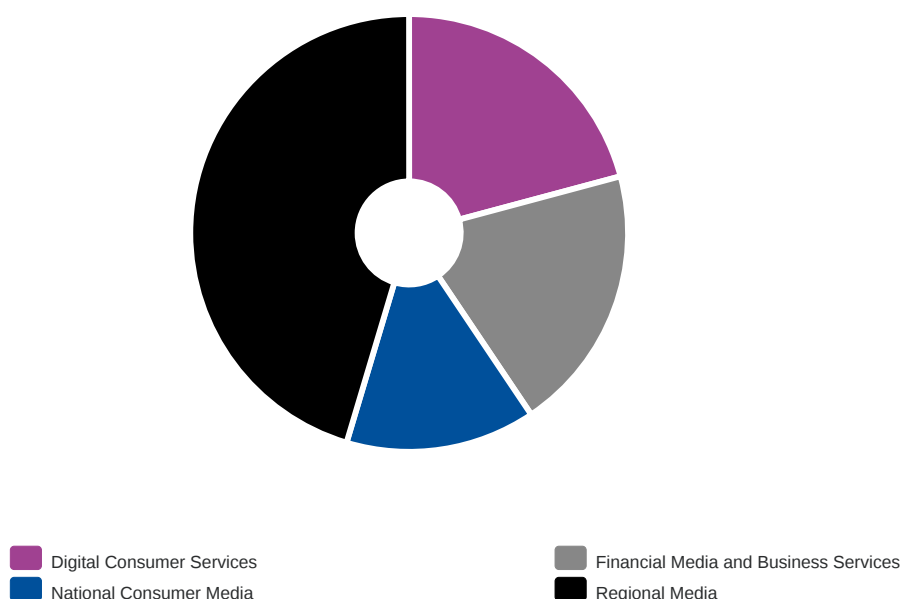
The **Financial Media and Business Services** segment is focused on the production of financial information, business information and marketing solutions. Its best-known product is Finland's leading business paper, Kauppalehti. The segment also includes Kauppalehti Information Services and the business premises service provider Objektvision.se.

In 2015, Alma Media sold the custom media house Alma360, which was previously reported under the Financial Media and Business Services segment. Talentum's business operations will be integrated into the Financial Media and Business Services segment in 2016.

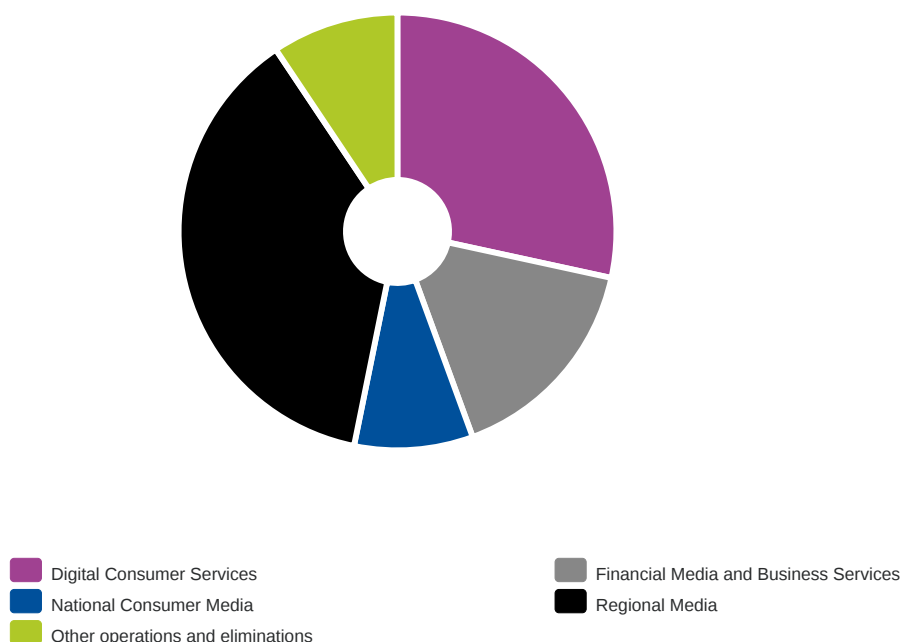
The **National Consumer Media** segment reports the various publishing services of IL-Media.

The **Regional Media** segment includes the publishing activities of the approximately 20 newspapers of Alma Regional Media and the Group's printing and distribution company Alma Manu. The segment's best-known title is Aamulehti.

Revenue by segment 2015



Division of employees 2015



Online advertising sales up

Content revenue decreased by 4.9% to MEUR 104.7 (110.1). Content revenue declined due to the decline of print subscriptions and single-copy sales. Talentum's effect on the increase in content revenue was MEUR 4.1.

Revenue from advertising sales increased by 0.3% to MEUR 146.9 (146.4). Advertising sales for print media decreased by 10.2% from the comparison period, to MEUR 66.2 (73.7). Online advertising sales increased by 11.0% to MEUR 80.7 (72.7).

Service revenue totalled MEUR 39.9 (38.8). Service revenue includes items such as Kauppalehti Business Information Services, the operations of the custom publishing house Alma 360 divested in October, as well as the operations of E-kontakti and the printing and distribution services sold to customers outside the Group by Alma Manu. The increased revenues of Kauppalehti Business Information Services and Alma Manu were major contributors to the increase in service revenue.

More flexible and convenient services for advertisers

Alma Media restructured its national media sales organisation in 2015 in order to provide better service to advertisers. The Alma Media Solutions unit has strengthened Alma Media's competitiveness and increased its advertising market share.

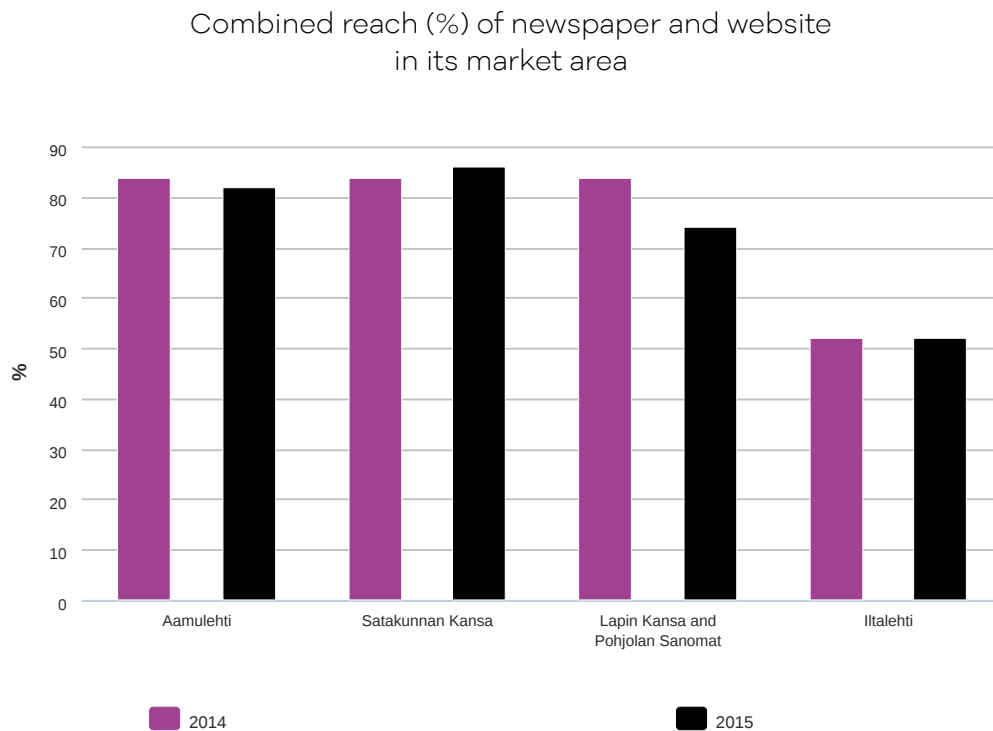
The Alma Media Solutions unit serves advertisers in the development, marketing and sales of media sales products at the Alma level. Its task is to apply itself to customers' marketing communications challenges and also offer comprehensive solutions outside the boundaries of traditional media advertising. Alma's products can be bought programmatically or under the traditional buying model.

Alma Media's advertising and marketing solutions are designed to create growth for the customer's business. Alma Media provides influential audiences as recipients for a company's marketing, which allows the company to grow its customer base, accelerate sales, strengthen its brand and create a strong interactive relationship with the Finnish audience. Alma Media's news media and digital services reach nearly 80% of all Finns in the 15–74 age bracket each week. Alma's mobile websites, mobile applications and desktop give advertisers access to nearly 8 million browsers weekly (Mads, 2015).

For national marketers, Alma's offering comprises national media such as Iltalehti and Kauppalehti, as well as websites that provide digital services in various areas of consumers' lives, such as Etuovi.com, Autotalli.com, Kotikokki.net, Telkku.com and Monster.fi. Alma Regional Media comprises the printed newspapers Aamulehti, Satakunnan Kansa, Pohjolan Sanomat and Lapin Kansa as well as their comprehensive websites, along with approximately 15 local papers and their websites. As the first choice of consumers in their respective areas, our media give marketers the opportunity to have a strong presence in the daily life of the consumer.

Focus on the relationship with the reader

In publishing, which includes regional, local and city newspapers, the daily tabloid *Ilta-lehti* and the financial media *Kauppalehti* with their respective online services, business is based on a relationship with readers built through good journalistic content. As media develops, the reader relationship becomes a multidimensional customer relationship with a media brand. The strength of this relationship can vary from an occasional website visit to an ongoing newspaper subscription and the use of online services as a paid and registered user.



Source: KMT AL+ Total spring 2015, TNS Gallup

The reader relationship and the resulting reach in the desired target audience are the foundation of advertising sales. The total reach of Alma Media's brands has showed strong growth in recent years as website visitor numbers have increased. Media brands' reader relationships and their strong regional visibility also enable the extension of brands to new areas such as digital services.

In a media world that is undergoing a dramatic process of digitalisation, the newspaper continues to offer a unique media environment, emotional bond and reader experience. Local media continue to play a role alongside international and national media through strong insight into the local people as well as their product and media behaviour. Alma Media's regional media closely monitor consumer behaviour and changes thereto, media consumption, trends and the effectiveness of advertising. They also maintain a continuous dialogue with readers.

In an increasingly complex world of content providers of various standards, there is a need for well-organised news put together by professionals. Local journalism and the social significance of journalism are important anchors for readers.

In order to offer better service for readers and advertisers, it is important to measure the reader relationship. Alma Media is developing a common audience measurement system through Media Metrics Finland, a joint venture established with Sanoma Media Finland, Yleisradio and MTV. The aim of the development venture is to better understand media consumption in Finland and to develop multi-channel audience measurement systems and industry-standard measurement practices to better meet the needs of advertisers, media companies, media agencies and advertising agencies. The aim of Media Metrics Finland is to create a common methodology and terminology for measurement and to promote the development of new media planning tools.

Alma Media's printed products are read by 1.4 million people each week, while its online services are used by 2.5 million consumers weekly. Combined, Alma Media's various services reach nearly three million different consumers each week, or nearly 80% of the Finnish population. TNS Atlas 1–6/2010, TNS Gallup Oy.

The revenue of Alma Media's digital services (such as *Etuovi.com*, *Autotalli.com*, *Monster.fi*, *Prace.cz*, *Telkku.com* and *E-kontakti.fi*) is based on fees charged for classified advertising, display advertising, service sales as well as revenue streams from service content and/or advertising targeted at the users of the service. The customers of digital services include both businesses and consumers.



In the competition for market share, brand appeal is of crucial importance. Alma Media's digital services are the best-known brands in their segments in Finland, the Baltic States, the Czech Republic, Slovakia and other countries the Group operates in. The popularity of these services among users is based on a high level of usability, unique content and, in many cases, the importance of the social or communal dimension. For advertisers, this opens up valuable opportunities to specifically target the businesses or consumers in a particular category.

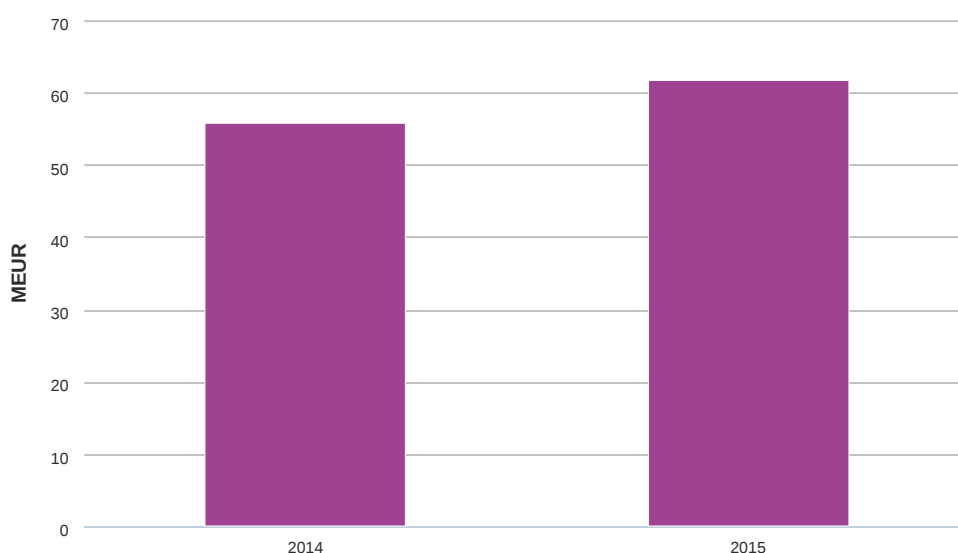
Read more on Alma Media's business model of publishing operations and digital services [here](#)

Digital Consumer Services

In the Digital Consumer Services strong growth continued the international recruitment business. In Finland, Alma Media's digital services maintained their profit level. In 2015, Digital Consumer Services focused on operational efficiency and profitable growth.

In 2015, the Digital Consumer Services segment's revenue was MEUR 61.7 (55.8), up 10.5 percent. Revenue from the recruitment business increased by 20.5 percent and accounted for 73.6 percent (67.5 percent) of the segment's revenue in 2015. In the segment, revenue growth was highly profitable as operating profit excluding non-recurring items grew by 47 per cent from the previous year. The most significant factor in the improved result was the strong development of the recruitment business outside of Finland. Revenue for operations outside Finland increased by 18 percent to MEUR 39.9. Marketplace business operations in Finland remained approximately at the previous year's level at MEUR 22.

Digital Consumer Services segment's revenue



Digital Consumer Services segment's operating profit excluding non-recurring items



Recruitment business operations constitute a major part of Alma Media's international operations. Most of Alma Media's recruitment business operations companies are market leaders in online recruitment in their respective areas. Economic growth and a thriving labour market in Eastern Central Europe supported the development of Alma Media's digital recruitment business operations in 2015. In its international operations, Alma Media invested in the future by hiring new employees, particularly in sales, and by making additional investments in marketing. Alma Media ran image campaigns to make its subsidiaries in Poland and Hungary more recognisable. Jobseeker activity was encouraged by marketing operations in the Czech Republic and Slovakia. Of the countries in which Alma Media operates, the Czech Republic and Slovakia have recorded the highest economic growth rates within the EU in recent years. It has become evident that strong economic growth and a vibrant labour market have reduced jobseeker activity and the number of job applications.

In 2015, the segment improved the usability of its digital services, made many of its marketplace websites responsive and introduced websites designed for mobile and tablet devices. The reforms were well received among users and advertisers alike.

Adding service into media business

For a long time, the Digital Consumer Services segment has been providing clients with business management tools and services, in addition to offering media advertising opportunities. Real-estate agents have access to a brokering system and information services. Recruitment business operations have invested in HR consulting and recruitment systems, amongst other things. Through acquisitions, the selection has been expanded to cover ERP systems for the automotive trade. Our purpose is to further expand our selection.

In 2015, Alma Mediapartners, a subsidiary of Alma Media, enhanced its offering for the automotive trade by acquiring Autosofta, a supplier of web-based systems. This made Alma Mediapartners one of the largest system suppliers for Finland's automotive trade and the largest supplier of web-based systems in the country. At the beginning of 2016, Alma Mediapartners acquired a minority stake in AutoJerry, a company providing quoting services for the cost of car maintenance.

Business operations related to housing and living were expanded to cover housing information services in addition to a residential housing marketplace. At the beginning of 2016, AlmaMediapartners acquired a controlling interest in Raksa ja Kotikauppa Oy. The company provides ERP systems for construction and renovation. Its Nettikoti service will be integrated into Etuovi.com service. Several upgrades to the Etuovi.com residential housing marketplace were completed during 2015.

The Marketplaces business unit introduced an entirely new service called Gofinland.fi, a compilation of services and experiences aimed at people looking for holiday cottages to rent. In addition to holiday rentals, the site helps visitors search for holiday activities. Its future goals include attracting foreign travellers to Finland.

The Alma Diverso unit was closed in 2015. It was previously reported in the Digital Consumer Services segment. Its operations have now been integrated into Alma Media's other operational segments.

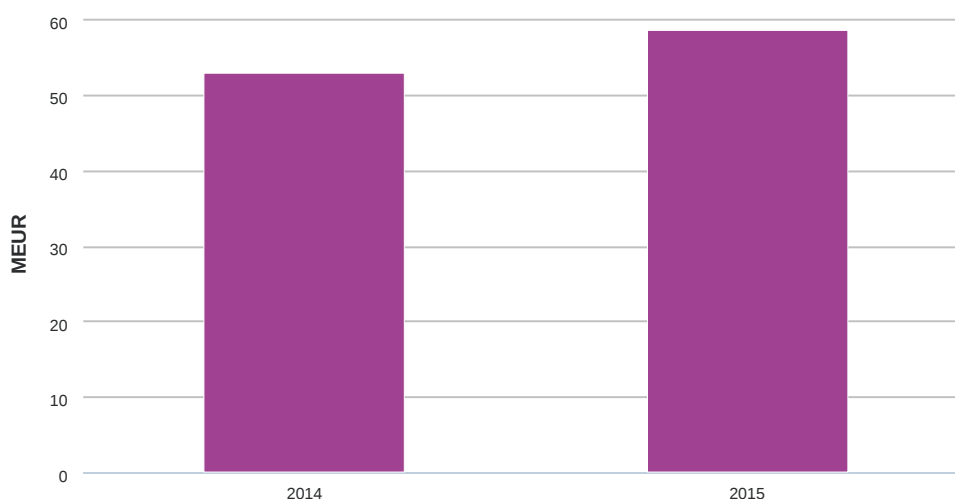
Financial Media and Business Services

The year 2015 was a period of strong digital growth and significant restructuring for the Financial Media and Business Services segment.

Revenue for the Financial Media and Business Services segment increased by 10.3% to MEUR 58.5 (53.0). Online business accounted for 41.7% (43.0%) of the segment's revenue. Talentum Corporation, acquired in November, represented an increase in revenue of MEUR 5.8, while JM Tieto, acquired in January, represented an increase in revenue of MEUR 3.4. The divestment of Alma 360 in September had an effect of MEUR -3.6 on revenue.

Content revenue for the Financial Media and Business Services segment increased by 24.8% to MEUR 20.3 (16.2). Kauppalehti's content revenue was on a par with the previous year. For the first time, the number of subscribers of Kauppalehti's digital products exceeded print (53 percent of subscribers). Advertising sales in 2015 amounted to MEUR 17.2 (15.6). Online advertising sales increased by 16.3% year-on-year.

Financial Media and Business Services
segment's revenue



Financial Media and Business Services segment's operating profit excluding non-recurring items



New and better digital services

In 2015, the Financial Media and Business Services segment put in place many development measures to better serve audiences and advertisers.

The revamped Kauppalehti website was launched in January 2015. It was completely redesigned in response to changing usage habits and needs of audiences and advertisers, paying particular attention to mobile users. The website content was optimised to meet the information needs Finnish decision-makers have during the day, including short, frequently updated news items and in-depth articles about economic events. The site enables advertisers to target their messages more accurately than before, and it also provides new solutions for corporate communications. In addition, Kauppalehti now offers a wider selection of video productions, including two online talk shows that discuss topical issues related to the economy, society and sports. As a result of the redesign, the content of the Kauppalehti site has been expanded and visitor numbers increased rapidly during 2015. The site also features the articles published in the print editions of *Kauppalehti* and *Kauppalehti Optio*, as well as articles on new themes, such as the digital economy.

In January 2015, Alma Media expanded its range of digital services for companies by acquiring JM Tieto. JM Tieto specialises in creating marketing and sales concepts for corporate clients and in customer acquisition and customer relationship management services and technologies. JM Tieto was integrated into Kauppalehti Business Information Services. During 2015, Kauppalehti Business Information Services expanded its product development operations and introduced a service that offers real-time information about and analyses of Finnish companies' payment behaviour.

The Financial Media and Business Services segment continued to strengthen its focus on financial media and digital services designed for companies. Alma Media sold Alma360 to Otavamedia in October 2015. Alma360 was previously reported in the Financial Media and Business Services segment.

Media news story of the year: Alma and Talentum to combine

- Talentum's business operations will be integrated into the Financial Media and Business Services segment.

The key news story for 2015 in the Finnish media sector was the combination of Alma Media and Talentum. The combination required approval from Talentum's shareholders. It was approved by shareholders representing approximately 95% of Talentum's shares during autumn 2015. Integration planning began at both companies in late 2015, and implementation began in early 2016.



In accordance with the combination plan, Talentum's business operations and the business operations of Alma Media's Financial Media and Business Services segment will be combined to create a new business unit in 2016. The new name of the business unit was launched in February 2016 and its is Alma Talent. The new business unit will be one of Alma Media's largest business operations.

The Alma Talent business unit created as a result of the combination will operate in the field of financial and professional media and different information and business services in Finland and in the other Nordic Countries. The strategy of the business unit is to:

- utilise the unit's strong brand portfolio (including Kauppalehti, Talouselämä, Arvopaperi, and Tekniikka ja Talous in Finland and Affärsvärlden, Ny Teknik, and Objektvision.se in Sweden) in the development of its media business services and in expanding its operation particularly into new paid digital services;
- to produce high-quality journalism with the help of a high-level and versatile editorial personnel
- to maintain and develop long-standing and strong customer relationships with high-quality target groups among the professionals and business leaders of different fields;
- to cross-sell products and services efficiently by utilising the business unit's existing broad customer bases and its own marketing and sales channels; and
- to strengthen the unit's competitiveness in the advertising market by combining the business unit's high-quality target groups with the digital network and know-how of the Alma Group.

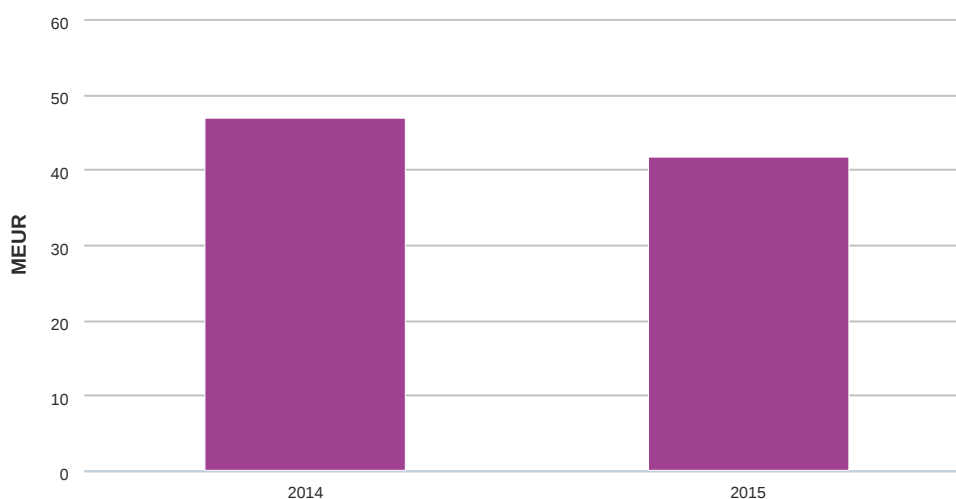
The new business unit is looking to grow its business operations through providing services that support and benefit media business operations, such as digital information services, both organically and through possible acquisitions. The combination will enable the business unit to offer a broader range of services and customise new types of service packages to clients' individual needs.

National Consumer Media

The development of programmatically bought advertising characterised the National Consumer Media segment. The segment's market share in digital advertising decreased early in the year, but grew substantially in the fourth quarter.

Revenue for the National Consumer Media segment declined by 11.3% to MEUR 41.6 (46.9) in January–December. Online business accounted for 29.8% (27.0%) of the segment's revenue. The segment's content revenue declined by 13.2% to MEUR 24.7 (28.5) in January–December, mainly due to the decrease in Iltalehti's circulation. The segment's advertising sales declined by 8.6% to MEUR 16.8 (18.4). Advertising sales for print media decreased by 22.6%. The segment's online advertising sales for the full year declined by 2.1% to MEUR 12.3 (12.5). The growth in online advertising in the fourth quarter was not sufficient to compensate for the decline in online advertising in the early part of the year. There was a positive turn in digital advertising towards the end of the year. The increase in online advertising sales in the latter part of the year was particularly supported by mobile sales as well as new programmatic buying and targeted advertising solutions.

National Consumer Media
segment's revenue



National Consumer Media segment's operating profit excluding non-recurring items



Focus on mobile development, lifestyle media and programmatic advertising

Iltalehti launched its new mobile services for consumers at the start of the year. The native applications developed for different operating systems (iOS, Android, Windows) received excellent reviews from users and significantly increased the visitor loyalty of Iltalehti's content. The popularity of mobile services in general continued to see strong growth among both consumers and advertisers in 2015. On the busiest news days, the mobile application reached more than one million Finns.

The National Consumer Media segment restructured its content production organisation during the year. Lifestyle media was introduced alongside Iltalehti's news media. IL Health became Finland's largest health online content service by visitors counts, while the Pippuri.fi food service launched at the start of the year also established a good position for itself. Also by visitors counts, the women's publication Ilona became the largest digital content service targeted at women. Lifestyle media also expanded its range of special supplements: The publication frequency of the women's wellness supplement Ilona Hyvä Olo was increased, and the barbecue-oriented food publication Grillaus was launched as a new title. Another new content area was Careers, which involves a partnership with Alma Media's recruitment service Monster. The decline in the demand for printed magazines has created new demand and audiences for IL's lifestyle media.

Consumers' media consumption is increasingly spanning across multiple channels, and various mobile solutions are emerging as alternatives to desktop and traditional television.

Iltalehti also launched live Periscope broadcasts on Independence Day 2015, and they proved to be very popular.

In addition to strong development on the mobile front, 2015 was a year of growth in programmatic advertising in Finland. In the autumn, Alma Media brought its programmatic buying specialists and technologies together in the new Alma Media Solutions unit. Programmatic advertising sales saw strong growth in the fourth quarter following the launch of redesigned websites for Iltalehti's digital media. The restructured advertising sales organisation also developed new targeting solutions that leverage the data produced by several Alma Media services in new ways. Combined with Iltalehti's large reach, the new solutions create a new competitive advantage in the intensely competitive field of digital advertising.

The demand of Iltalehti's print edition continued to decline. The newspaper's network of sales locations also thinned out. The publication of the newspaper's printed Ilona supplement was discontinued, which reduced production costs substantially. The demand for the newspaper's print edition nevertheless remained good for weekend editions.

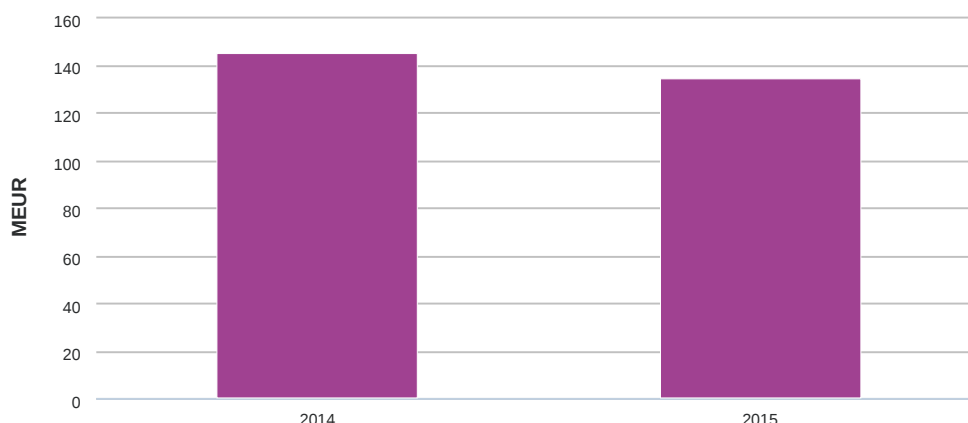
Regional Media

The Regional Media made several divestments and implemented operational restructuring and efficiency improvement measures to secure the profitability of the publishing business during 2015. Also a gradual shift towards paid digital content began.

The Regional Media segment's revenue declined by 7.5% to MEUR 134.4 (145.2) in January–December. Online business accounted for 3.5% (2.6%) of the segment's revenue. The effect of the Regional Media segment's newspapers divested in 2015 on revenue was MEUR -9.8. The segment's content revenue declined by 8.7% to MEUR 59.8 (65.5) in January–December. The effect of divested newspapers on the decrease in the segment's content revenue was MEUR 4.7. The segment's advertising sales declined by 9.9% to MEUR 56.3 (62.5). Advertising sales for print media decreased by 11.1%. The segment's online advertising sales increased by 23.2% to MEUR 2.5 (2.1). The decline in national advertising has been the fastest in print media advertising sales. The effect of divested newspapers on the decrease in the segment's advertising sales was MEUR 4.8.

The response to the decline in the profitability of print media involved cost savings, efficiency improvements and digital development.

Regional Media
segment's revenue



Regional Media segment's operating profit excluding non-recurring items



Paid digital content, strong product development and securing profitability

The Regional Media segment made a significant move towards paid digital content. The subscriber gains access to the printed newspaper and all digital products in exchange for a single monthly fee. The segment's newspapers in Lapland adopted the new payment structure in the summer, followed by other regional papers later in the year. For local papers, the same change will be implemented in the first half of 2016.

The responsive online publications of all Regional Media newspapers will use a new platform by spring 2016. Their mobile services will also be renewed on the same schedule. Aamulehti launched its digital afternoon edition Hetki ("Moment") at the beginning of 2015. In addition, Aamulehti's video service Klippi was well received during the second half of the year. Clear social media guidelines were issued for the editorial offices of Regional Media's newspapers, and a style book was published regarding the online publication of local papers.

The Regional Media segment continued to implement the Etukeno development project, which started in 2014. The purpose of the project is to engage employees in the planning of new digital business. The Etukeno project is primarily about having a forward-moving attitude, and the Regional Media has been successful at implementing this attitudinal change.

The segment's efforts in the area of content marketing have created new revenue. Digital advertising revenue growth has outpaced the market growth rate, with Alma Media's network products particularly supporting new sales. The Alma network is comprised of Alma Media's diverse online services.

In spring 2015, the Regional Media segment divested its newspaper business in Kainuu (Kainuun Sanomat and local papers). In addition to the newspapers in Kainuu, the segment also divested Koti-Lappi, Kuriiri and Hervannan Sanomat during the year. The divestment of these newspaper businesses was due to their weak profitability and low synergies with the newspaper portfolio.

The most significant structural change during the year took place in Lapland, where the operations of Lapin Kansa and Pohjolan Sanomat were merged. The combination saw Pohjolan Sanomat become a second edition of Lapin Kansa, enriched with local content. The newspapers were also shifted to a six-day publishing schedule in conjunction with the restructuring.

The profitability of Regional Media was improved not only by divestments and the restructuring in Lapland, but also by reorganising operations. Regional Media held statutory personnel negotiations in the autumn, resulting in personnel reductions amounting to approximately 70 man-years. Most of the segment's functions were reorganised. In addition, the publication frequency of certain local papers was reduced in 2015.



Alma Manu's printing press increased its external revenue and improved its internal efficiency. Alma Manu's delivery operations were adjusted to market conditions, and a large number of potential new business ventures were developed, ranging from shopping bag services to parcel deliveries. Alma Manu also played an active role in the development of Jakeluyhtiö Suomi Oy, a sales and marketing company operated jointly by publishers and delivery operators.

Sustainable Media

Changes in media consumption and consumer behaviour create a need for renewal in the media sector. Alma Media's response to these challenges is sustainable media that cultivates traditional journalistic values while integrating broader corporate responsibility in all operations.

Over the past few years, Alma Media has actively developed the sustainable media perspective, both in its own operations and by introducing the theme in public discussion. Thanks to its active participation, Alma Media has established a strong position as a pioneer of corporate responsibility in the media business in the Nordic countries.

Goals and achievements in 2015

In 2015, Alma Media continued its own activities and co-operation to mitigate the environmental impacts of the media sector, develop the competence of its employees and reduce youth unemployment. In addition, corporate responsibility activities in 2015 highlighted the effects of journalism on society and the local social responsibility.

A media company's most significant impact is created through the content it produces. Each of Alma Media's media outlets bears responsibility for its journalistic content. Alma Media's role is to promote discussion on the responsibility associated with freedom of speech and to increase awareness of the brainprint media leaves on audiences and society.

One of the focus areas of Alma Media's social responsibility in 2015 was the assessment and measurement of the environmental impacts of media and related partnerships. Alma Media participates in the annual Carbon Disclosure Project (CDP) climate reporting directed at investors. Alma Media achieved the highest ranking among Nordic media companies in the CDP 2015 climate report. In December 2015, Alma Media committed to the Paris Pledge for Action to reach the COP21 targets. A further goal of Alma Media is to reduce the environmental impact of construction and the use of buildings. The company's Töölönlahti office building in Helsinki and printing facility in Tampere have previously been awarded LEED environmental certificates.

Preventing youth unemployment was another area of focus for Alma Media's social responsibility in 2015. For the fifth consecutive year, Alma Media and its Monster online service were involved as main partners in supporting and implementing the Finnish Children and Youth Foundation's Responsible Summer Job project led by the Finnish Economic Information Office TAT. The 2015 campaign attracted a record number of 262 responsible employers, who offered a total of more than 40,000 summer and seasonal jobs.

As in previous years, Alma Media was again actively involved in brainprint-related research and discussion in 2015, both in Finland and internationally. In addition to the impacts of journalism, the research and discussion extended to the impacts of advertising and how advertising can promote not only consumption, but also sustainable development.

The Sustainable Media programme is also implemented at Alma Media in its employees' way of working and through the choices employees make on a daily basis. Alma Media's corporate responsibility objectives are incorporated in the daily work of each employee and business unit. Various social responsibility projects of local communities are examples of how each employee can influence matters and it is Alma Media's role to provide opportunities for such activities. Nevertheless, Alma Media has set certain specific corporate responsibility objectives to support responsible actions in daily work. In addition to the objectives described below, goals related to corporate responsibility are also described in the sections on the environment and employees.

The development areas and objectives of corporate responsibility and the Sustainable Media programme for 2016 and beyond will be covered in the corporate responsibility strategy, which will be updated by the end of June 2016.

| Objectives 2013–2016 | Implementation in 2015 | Description of activities in 2015 | Description of activities in 2016–2017 |
|--|------------------------|---|--|
| Management and co-ordination of corporate responsibility | | | |
| Development of responsible supply chain management | ** | The development of the supply chain has been continued, but the responsible purchasing supplement has not yet been launched. | Responsible purchasing supplement, development of supply chain reporting. |
| Corporate responsibility's increasingly strong integration into risk management; the best among the Nordic media corporations in the CDP report. | ** | Comprehensive revision of risk management still ongoing; the best Nordic media agency in the CDP report (96p.). | The continuous development of risk management. |
| Developing internal corporate responsibility communications; launching the Sustainable Media theme workshops. | *** | Sustainable Media materiality workshops. | The development of digital content and active internal corporate responsibility dialogue and communications. |
| Developing the Sustainable Media perspective of the business strategy and launching solutions. | ** | The materiality analysis of corporate responsibility at the beginning of 2015–2016. | The development and implementation of the corporate responsibility approach on the basis of the materiality analysis performed in 2015–2016. |
| Stakeholder interaction | | | |
| Active involvement as the main partner in the Responsible Summer Job 2015 campaign and its development. | *** | Participation in the development of the Responsible Summer Job 2015 campaign of the Finnish Economic Information Office TAT and T-Media for the fifth time as the main partner. The number of participating companies increased from the previous year. | Active partnership in the Responsible Summer Job 2016 campaign. |
| Media CSR Forum | *** | Sustainable Media programme developed through co-operation; development of themes related to the privacy of data and journalistic ethics. | The development of Alma Media's Sustainable Media programme with the help of co-operation. |
| Active participation in the City of Helsinki Climate Partnership Network. | *** | Involved in the provision of content for the network's annual seminar. Joint seminar between climate partners and Alma Media. | Active participation in the Climate Partnership Network continues. |
| Active participation in FIBS's corporate responsibility and diversity network. | ** | Joint seminar of FIBS and Alma Media on diversity communications. | Active participation in the network's activities continues. The increasingly active utilisation of the network's tools. |

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|---|-----|--|---|
| Preparation of Alma Media's diversity survey. Diversity network tools' inclusion in HR operations. | ** | Diversity Undertaking signed in January 2015. Alma Media becomes a member of Finnish Business & Society's diversity network. | Diversity stories, internal and external communications. |
| Developing opportunities for volunteer work for Alma Media employees. | * | Some volunteer campaigns were organised, but no systematic programme. | Increasing opportunities for volunteering, linking volunteering opportunities to Alma Media's social responsibility initiative. |
| Local-level social responsibility projects and initiatives. | ** | Various social responsibility projects to improve the daily life of the local community in the Tampere region as well as in Alma Career's local communities abroad. | Expanding local social responsibility projects to other localities and to Alma Media units on the basis of the corporate responsibility materiality analysis. |
| Responsible journalism | | | |
| Continuing dialogue on brainprint and the Brainprint project through Alma Media's various media. | *** | Active international participation in the brainprint debate, maintaining discussion related to the Brainprint theme. | Maintaining active internal and external brainprint discussions. |
| Initiating dialogue related to responsible and free journalism. | ** | Continuing the internal brainprint discussion and extending it beyond Alma Media. | Continuing the internal brainprint discussion and extending it beyond Alma Media. |
| Responsible advertising and marketing | | | |
| Analysing the environmental impacts of the advertising lifecycle and communicating the findings to the co-operation partners. | ** | Media CSR network's dialogue on the international level and the sharing of best practices. Mapping the possibilities to develop the environmental impact of digital advertising. | Developing the analysis of the environmental impact of the advertising lifecycle. |
| Raising discussion on sustainable advertising, marketing and business development. | ** | Goodvertising and future sustainable business themes for advertisers at Alma Media's Creation2015 seminar in November 2014 and in own content. | Continuation of Alma Media's customer seminars, the themes of which are linked to the current responsible development of business and marketing. |
| Environmental responsibility | | | |
| Continuing broad-based communication of the environmental survey and planning potential follow-up projects. | *** | Communication of Alma's survey was continued; use of Shape Media's survey results, published in 2014, in Alma Media's own environmental responsibility development. | Use of surveys for further development. |
| Environmental matters in Alma Media's new office | *** | LEED Gold certificate granted to the head office. Motivating employees in environmental work through everyday | Employees' continuous activation in environmental work. |

| | | | |
|--|----|---|---|
| building in Töölönlahti. | | environmental activities enabled by the building. | |
| Environmental matters in Alma Media's printing facility in Tampere. | ** | LEED certificate granted to the printing facility. | Preparation of the environmental certification of Alma Manu's printing facility. |
| Setting more detailed environmental targets as new facilities are commissioned. | ** | Specifying the environmental targets through an analysis of the current situation and development opportunities. | Deployment of environmental targets in the 2015–2016 reporting. |
| Environmental certification of Alma Manu's printing facility. | * | Corporate responsibility materiality development. | Preparation of the environmental certification. |
| Development of corporate responsibility reporting. | | | |
| Monitoring the development of reporting and revising company processes accordingly. | ** | GRI Media Sector Supplement in use, GRI G4 used in 2015 reporting where applicable | Preparation for in accordance/ core level GRI G4 reporting |
| Improving data collection on environmental and human resource matters. | ** | Renewing the collection process concerning environmental and HR data. | Verification of the collected corporate responsibility data. |
| New target 2016 | | | |
| The renewal of Alma Media's corporate responsibility materiality analysis and corporate responsibility strategy. | * | Completion of the corporate responsibility materiality analysis in November 2015. | Publishing the results of the corporate responsibility materiality analysis. Updating Alma Media's corporate responsibility programme; corporate responsibility development and implementation plan. |
| Development of Alma Media's Group-level social responsibility initiative. | ** | Corporate responsibility materiality analysis in early 2015 and 2016 and the development of a theme based on the analysis. | Preparation and launching of the Group-level social responsibility initiative in 2016. |
| * measures have been initiated | | | |
| ** significant progress towards the objective, but further developments are planned | | | |
| *** objective has been achieved | | | |

Employees

Collaboration and networking across organisational boundaries, the development of managerial work and the enhancement of digital competencies characterised the work of Alma Media's employees in 2015.

The Yammer conversation platform was widely implemented among employees in 2014. The platform improves internal company communication and participation across the Group. The goals of implementing the Yammer application include enabling and activating internal dialogue, facilitating internal collaboration across organisational boundaries, promoting ideas and innovation and creating a stronger, uniform corporate culture and identity for Alma Media.

In 2015, the office premises in Helsinki and the printing facility in Tampere further improved the working conditions and employee well-being for those working on these premises. The buildings were completed in 2012–2013. The Töölönlahti office building, which brings Helsinki-based Alma Media employees together under one roof, has particularly facilitated collaboration, the sharing of expertise and networking between units. In addition, the employee co-operation networks established a few years ago continued to be active in 2015; they included the Young Alma Medians network for the young and young at heart, and a software developers' network.

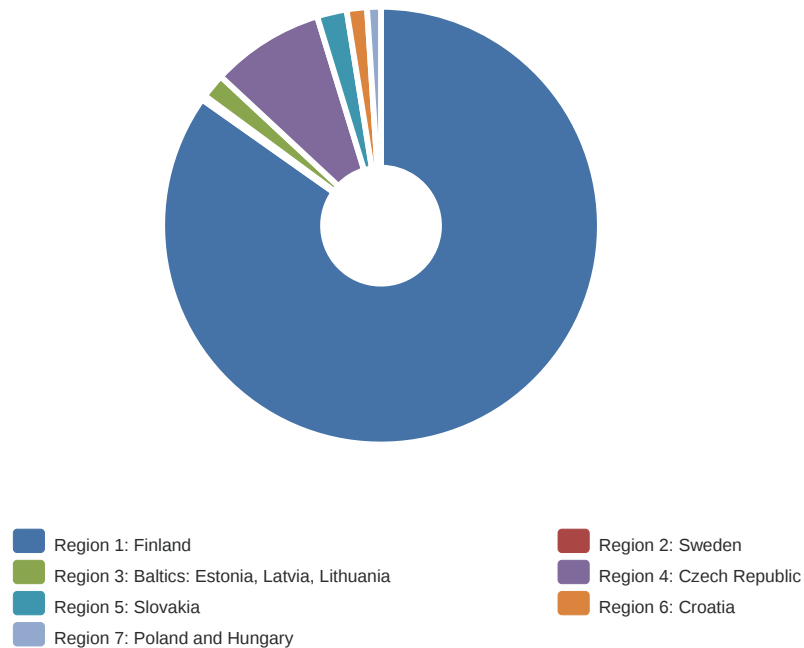
Alma Media's biennial employee survey was conducted in early 2016, with responses received from nearly 1,500 employees (78 percent of the employees). The respondents indicated that managerial work, in particular, has stayed on good level and also strong commitment to work was highlighted. The most significant areas of improvement relate to listening and feedback in supervisor work, change management and even more thorough customer perspective in development work. New kind of supervisor- employee discussion culture activation (so called one-to-one's) are one development area, where the target is to activate the communications and to guarantee continuous and adequate feedback and the development of new ways of working. In Alma Regional media the results concentrate on finding the new "normal" and ways of working after the big changes happening in the business unit. In Alma Talent the commitment of the employees is strong and integrative issue and the development area is to bring in the table a new kind of customer perspective. In national consumer media business unit the development concentrates on supervisor and management development and change management. In Marketplaces business unit year 2016 will be the year of supervisor theme.

The results of the survey will be reviewed in each business unit and during winter and spring 2016, led by their respective managers, and these discussions will be used to prepare concrete development plans with measurable targets and responsible persons. The next comprehensive employee survey will be conducted in early 2018.

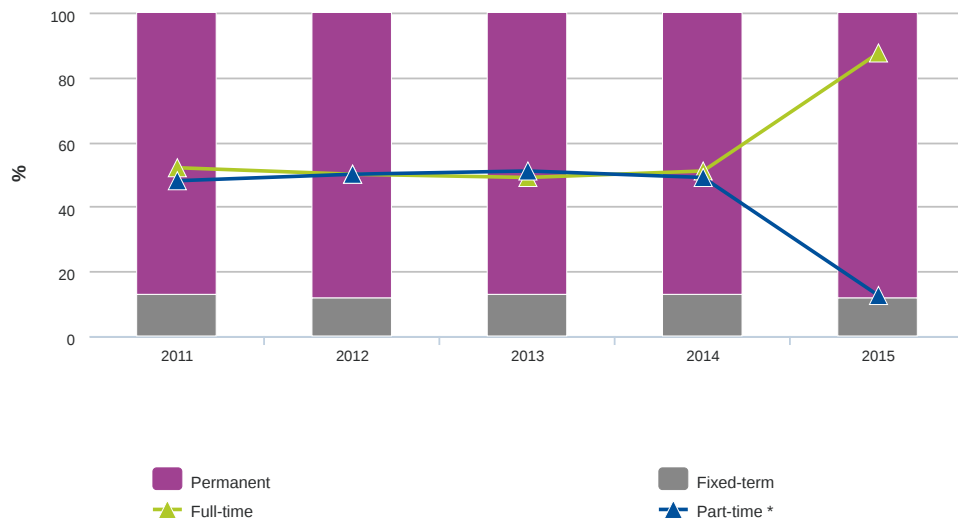
Digital coaching, organisational restructuring, international acquisitions and recruitment for digital business operations brought new competence to Alma Media and improved the Group's capacity for sharing know-how. The proportion of employees working on digital services continued to increase in 2015.

In 2015, the company employed an average of 1,732 professionals, excluding deliverers. Approximately one third of Alma Media's employees work outside Finland.

The proportion of employees in different regions (12/2015)



Employees by contract type



* Large proportion of employees represented by newspaper deliverers explains the high share of part-timers.

** Year 2015 onwards the figures without delivery personnel

Diverse competence development

The digitalization of the media field creates a need for new competence. Employee competence is developed through coaching and new, dynamic organisational models. Collaboration across organisational boundaries is seen as a starting point for operations. In 2015, training activities focused on digital competence and change management.

Alma Regional Media's implementation of the Etukeno project, launched in 2014 to support the development of digitality, continued in 2015. Alma Regional Media publishes Alma Media's regional, local and city newspapers. Employees play a central role in this development project, as they are challenged to take part in the planning of digital business. The needs of active media consumers are the basis for the development of renewed business models, operating culture and expertise. This development project of Alma Regional Media will run for several years, and it has received funding from the Liideri programme of Tekes - the Finnish Funding Agency for Innovation.

Digital competence has also expanded through specific training courses, the recruitment of new employees and international acquisitions of companies in the field of digital recruitment services. The shared premises and the Yammer conversation platform that enables the internal engagement of employees provide a natural setting for bringing different skills together and enabling effective teamwork.

Alma Media continued to organise Alma Flow information events for managers during the year to support the development of managerial work and increase motivation. The Alma Flow managerial development programme will continue in 2016 to respond to the changing challenges in the industry through methods including the creation of a new performance discussion culture.

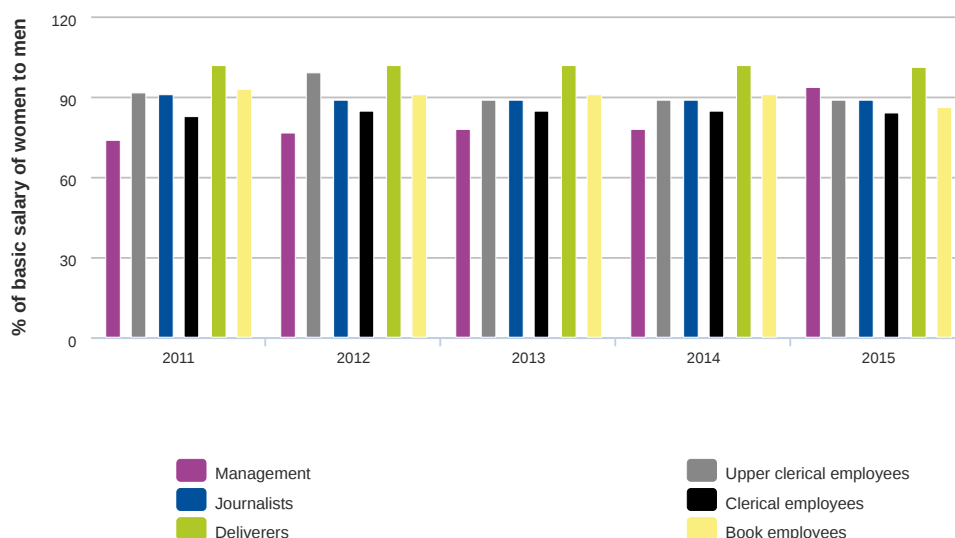
Alma Media organised approximately 1,420 training days for its employees in 2015. This figure includes internal and external training and coaching. In addition to open training days organised by the company, employees complemented their professional development through training provided by external partners. This training is included in the reported figure for total training days. In 2016, the development of digitality and projects, such as Alma Regional Media's Etukeno project, will increase the annual investment in coaching. This enables the employees to develop in the centre of digital change.

Promotion of equality and non-discrimination

Alma Media's unit-specific equality plans include objectives, actions, schedules, responsible persons and metrics. Equality plans are part of human resource and training planning, and they are updated annually. In 2015, the equality plans had a particular focus on themes related to non-discrimination.

Although the differences in salaries between men and women at Alma Media have been in line with the average Finnish pay structure, improving gender equality in pay has been highlighted as an important area to be monitored and it has been successfully improved in almost all employee groups.

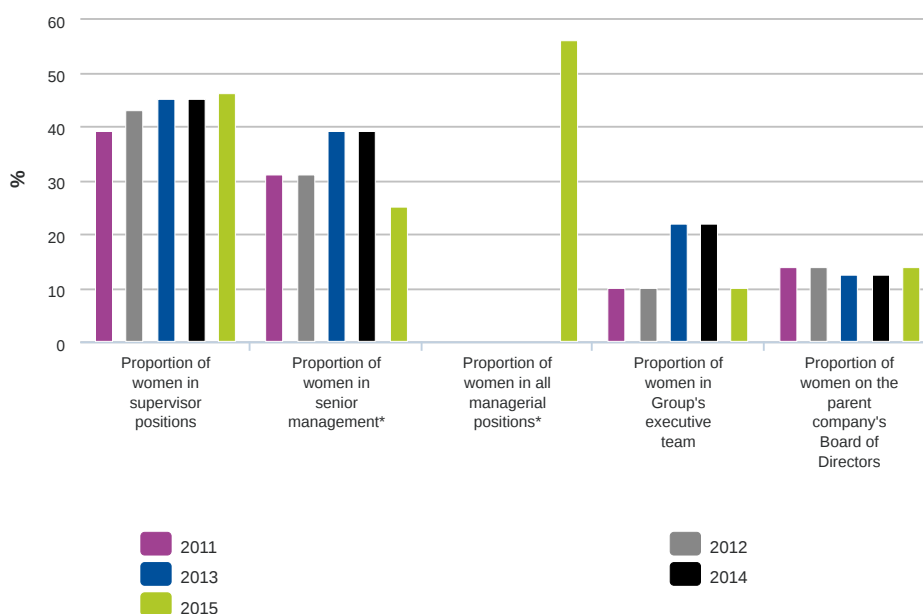
Pay structure by gender



*The ratio of basic salary cannot be calculated as there are no women amongst technical officers.

In 2015, the share of women of all managers and the Group's management team was on a par with the numbers from the previous year. At the end of December 2015, 46 per cent of those in supervisor positions were women. Women constituted 56 per cent of those in managerial positions, 25 per cent of those in experienced managerial positions, 10 per cent of the Group's executive team and 13 per cent of the parent company's Board of Directors.

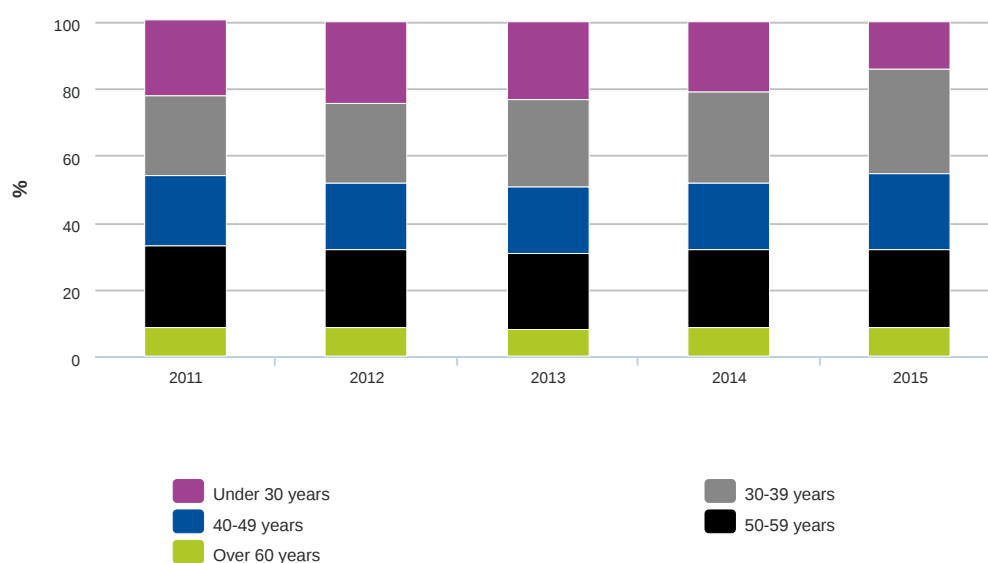
Proportion of women among supervisors and senior management



* Year 2015 onwards new way of reporting the proportion of women in the management

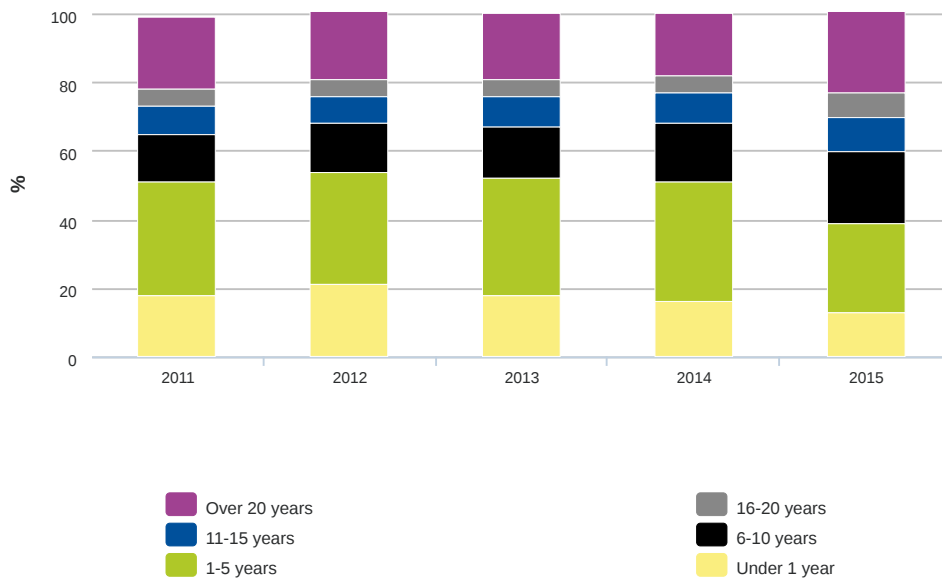
In January 2015, Alma Media signed the Diversity Undertaking and subsequently drafted an action plan for the development of diversity in the company. Alma Media is committed to providing equal opportunities for employees, identifying and using individual skills and needs and managing its employees and customers in a fair manner.

Employees by age*



* Total percentage may not be equal to 100 due to the figures being rounded separately.

Duration of employment, at year-end*



* Total percentage may not be equal to 100 due to the figures being rounded separately.

Increasing multiculturalism and diversity at Alma Media

The diversity of employees is an asset for Alma Media in building the future of media. The significance of employee diversity has increased in the ageing and increasingly international society.

At Alma Media, distribution operations, in particular, offer employment opportunities for qualified candidates who have moved to Finland from abroad. Immigrants represent slightly over 17 per cent of all distribution employees; in the Pirkanmaa region this figure is as high as approximately 26 per cent. The Group's printing and distribution unit Alma Manu focused on the challenges and opportunities presented by employee diversity in 2014: taking multiculturalism into account was specified as one of the objectives of the action plan for 2015–2016.

The employee survey also highlighted the significance of people of different ages in the work community. Instead of age management, we focus on identifying and utilising diversity as an asset for the company. The employees working in Alma Manu's delivery operations include people of very different ages and educational backgrounds, whose commonalities may include studying, having another job or being a caregiver for a family member, even if their age or other demographic attributes would place them in different employee groups.

Alma Media has adopted the average retirement age as a metric for monitoring employee well-being and diversity as well as social responsibility. In 2015, the average retirement age was 64.5 years (2014: 63).

While the increasing internationality of employees will present new management challenges in the coming years, it will also provide significant opportunities in the form of diverse expertise, new working practices and fresh perspectives.

New business premises boost occupational health

Alma Media employees in Helsinki moved under one roof at the turn of the year 2012–2013 as the Group's new office building was completed in Töölönlahti. Employees were involved in the design of the new building from the start. The shared office building has contributed to progress on a variety of matters that are central to the development of corporate responsibility and operations, such as the sharing of know-how, employee well-being and collaboration across organisational boundaries.

The design of the Töölönlahti office building involved a special focus on occupational health. The many health-related aspects of the working environment that were taken into consideration include indoor air quality, ergonomic workstations and lighting. Employees are encouraged to stay physically active by means such as providing loan bicycles and supporting leisure-time physical exercise. Several business units are long-standing participants as individuals and teams in "the Kilometre Race", which is a campaign that promotes cycling and raises funds for charity. In September 2015, Alma Media launched the AlmaSport programme to support sporting activities among employees. The programme, which will continue in 2016, involves

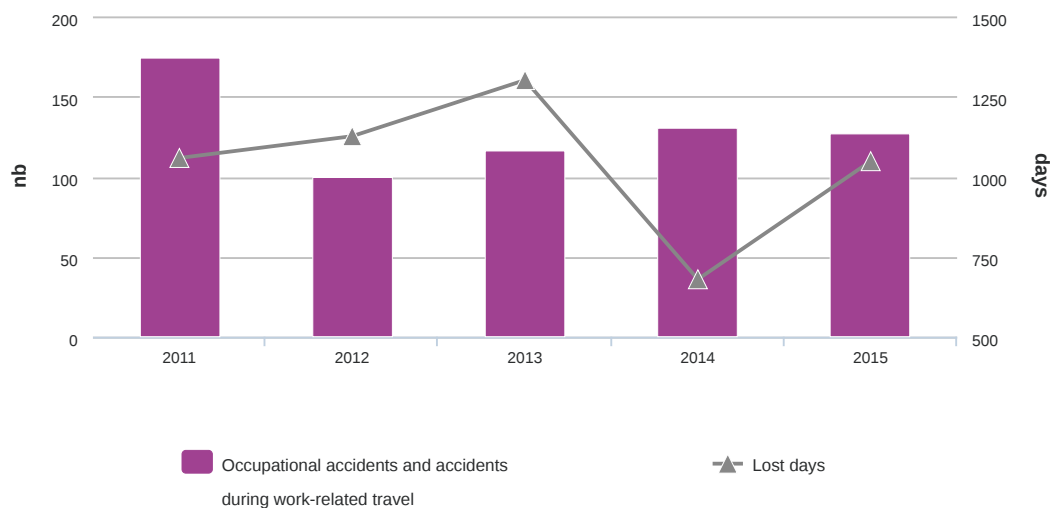
accumulating points for sporting activities as teams and individuals. Sporting activities also supported charitable causes, with Alma Media donating the proceeds earned from sports and exercise to the Finnish Children and Youth Foundation's MYRSKY project at the conclusion of the AlmaSport campaign. AlmaSport activated nearly 40 per cent of the employees of Alma Media's Group functions to consider and follow a healthier and more active lifestyle. The menu of the Alma Media building's cafeteria also promotes healthy eating. Occupational health was a prominent element at all of Alma Media's operating locations in 2015.

A total of 127 occupational accidents were reported in 2015 (2014: 131). The number of days absent due to occupational accidents increased somewhat in 2015, totalling 1048 days (2014: 679 days). The majority of occupational accidents and accidents during work-related travel at Alma Media occur in distribution operations, as they are affected by weather conditions. The occupational safety of delivery personnel has been highlighted as a key area of focus in distribution operations. It was specified as a particular target in the unit's action plan for 2014. The objective of providing a foundation for continuous improvement of occupational safety was achieved in 2014. Changes were implemented in occupational safety and health in 2015, with the separate occupational safety and health organisations of Alma Media Kustannus Oy and Alma Manu Oy combined and local occupational safety and health groups commencing operations. The Group aims to further reduce the number of accidents in early morning delivery operations, and in 2015 the occupational safety and health organisation cooperated with management to improve safety. These measures included an evaluation of induction training in distribution operations as well as starting the planning of a new online induction training model. The new model will be implemented in May 2016.

Responsibility and occupational safety issues, such as appropriate clothing, anti-slip solutions and safe walking, continued to be integral aspects of the training provided for delivery personnel. The structure of Alma Manu's occupational safety and health organisation was modernised in 2014. Going forward, the focus will be on the identification of hazardous situations and operational prevention of accidents by improving the analysis of accidents and hazardous situations. Occupational safety and employee well-being were given a great deal of consideration in the design of Alma Media's printing facility in Tampere, which began operations in 2013. The aim is to minimise accidents during printing and distribution.

An extensive risk assessment was conducted in the newspaper printing facility in 2015, and the risks identified in the assessment have mostly been eliminated. The identification and assessment of hazardous situations has become established as a part of the day-to-day operations of the printing facility.

Occupational accidents, accidents during work-related travel and resulting lost days*



*The data from 2012 has been corrected.

Brainprint and communities

It is essential for a responsible media company to observe how the content it produces affects society and to bear responsibility for those effects.

At Alma Media, responsible content production is called brainprint. The term was launched by the WWF in 2005. In recent years, Alma Media has worked to introduce the Finnish equivalent of the term ('ajatusjälki') in the Finnish language and in the debate on the responsibility of the media industry. Several times in recent years, Alma Media has participated in the Mirrors or Movers seminar held in London. The main themes of the seminar include questions related to measuring the brainprint of media; equality issues; media's ability to influence people's environmental attitudes; and the data security of users of media content.

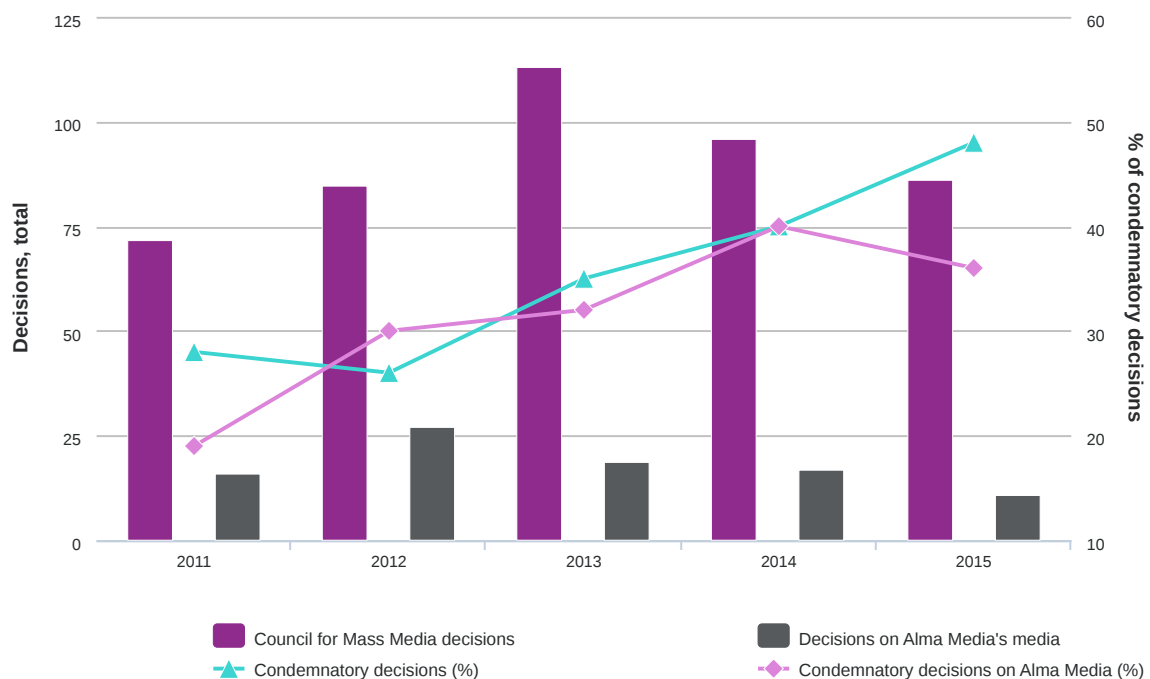
Alma Media as a responsible influencer in society

Taking the brainprint of media into account in content production and journalism each day constitutes an important part of Alma Media's responsible business. One way to evaluate the success of Alma Media's papers is to monitor changes in the number of Council for Mass Media (CMM) decisions concerning Alma Media. Council for Mass Media (CMM) decisions, reader feedback, reader panels and requests for corrections are all metrics for reliability and responsible journalism.

Alma Media papers discuss CMM decisions at newspaper level, led by the Editor-in-Chief, and develop their operations accordingly.

In 2015, the Council for Mass Media issued a total of 86 decisions on matters such as corrections and surreptitious advertising. Of these decisions, 11 pertained to Alma Media's various media. Of the decisions pertaining to Alma Media, 36 per cent were condemnatory. The overall rate for condemnatory decisions by the Council last year was 48 per cent.

Council for mass media decisions in Finland 2011-2015



Read more at: Sustainable media and brainprint.

Another way to evaluate how well Alma Media's newspapers succeed as creators of a responsible brainprint are recognitions granted to Alma Media by external parties.

In 2015, the Finnish Newspapers Association selected Raahen Seutu as the best local newspaper in the small editorial team (1-9 people) category. The jury noted that the newspaper offered a comprehensive analysis of the result of the Finnish



parliamentary elections from the local perspective. Raahen Seutu is a professionally produced newspaper that communicates various topics in an incisive and accurate manner. The Association of Editors-in-Chief of Finnish Local Papers selected Tiina Nousiainen of the Lounais-Lappi town paper as Editor-in-Chief of the Year at an event organised by the Finnish Newspapers Association in November 2015.

Tabloids have been criticised for misleading headlines and clickbaiting. In 2015, Iltalehti launched an initiative to develop its headline writing based on cooperation with a reader panel as well as internal feedback from the editorial team. The Klikinsäästäjä ('Click Saver') community on Facebook is also a key contributor. The effort has produced a concrete improvement in Iltalehti's headlines, making them clearer and expressing the gist of the matter to the reader instead of relying on circumlocution.

Communities and Alma Media

Alma Media has various direct and indirect cultural, economic and social impacts on the communities in which it operates. Communities range from small municipalities in which Alma Media publishes a local paper to online communities formed around Alma Media's services.

ALMA MEDIA'S INFLUENCE AMONGST ITS INTEREST GROUPS

Added value for society

| Direct effect | | Indirect effect |
|---|--|---|
| READERS AND ONLINE USERS Each week, Alma Media's newspapers and digital services provide almost three million Finns with information, service and experiences.* MEDIA CUSTOMERS Alma Media provides media for customer encounters. | CUSTOMERS Revenue 2015 MEUR 291.5 | READERS AND ONLINE USERS Alma Media's various media feed social dialogue, encourage consumers to make sustainable choices and help them analyse what is going on in the surrounding society and understand the challenges of sustainable development. MEDIA CUSTOMERS Alma Media's newspapers and digital services are effective and responsibly produced, high-quality advertising media that indirectly support economic vitality. |
| Alma Media has approximately 2,650 paid employees. | EMPLOYEES Personnel costs: Wages, salaries, social expenses Wages and salaries 2015 MEUR 124.1 | Alma Media offers its employees challenges through which they can achieve genuine self-actualisation and act in a socially responsible manner. By developing their competence, Alma Media helps its employees maintain their value on the labour market as the industry faces a period of changes. |
| Alma Media purchases materials, products and services from local, domestic and international suppliers. | BUSINESS PARTNERS Purchases 2015 MEUR 69.6 | In addition to the obvious employment and business effects, Alma Media offers its partners the opportunity to meet the challenges of sustainable development together. |
| Alma Media is a significant taxpayer (value added tax, corporate tax, property tax and social security contributions) in Finland and through its international subsidiaries. | SOCIETY Taxes in Finland 2015 MEUR 49.4 Payments to government (corporate & property taxes) MEUR 4,8 | Alma Media's various media are proponents of their communities, maintainers of public dialogue and promoters of social vitality and well-being. |
| In March 2015 a dividend of EUR 0.12 per share was paid for the 2014 financial year. Dividends of MEUR 9.06 | SHARE-HOLDERS Dividends 2014 MEUR 9.06 | Alma Media is a responsible company to invest in. An investment in Alma Media promotes sustainable development and freedom of speech in society. |

* TNS Atlas 1-6/2015, TNS Gallup

Driver of change at the grass-root level

As a strong regional and local Finnish media company, Alma Media also has the unique opportunity to participate in many local grass root-level projects that implement Alma Media's objectives of responsible and reliable journalism and social development and highlight regionally important themes.

In 2015, a few of these larger projects were the Tampere car boot fair, arranged twice a year jointly by Aamulehti's Moro supplement and the local parish, and broad regional campaigns by Kainuun Sanomat and Pohjolan Sanomat, aiming to increase the vitality of their respective regions. The Kannata Kainuuta ('Support Kainuu') campaign launched by Kainuun Sanomat in 2014 and the Merilappilainen jalanjälki ('Footprint of Sea Lapland') campaign launched soon thereafter were designed and carried out in co-operation with local entrepreneurs and other partners. Their objective is to help locals to understand that they can influence the employment rate and availability of services in their region through very small changes to their consuming habits: by buying just a little more local products and services. Both newspapers have a visible role in the projects, having developed an entire product and event family around the campaigns. The campaigns continue and expand in both regions at least throughout 2015. In Kainuu, the local Centre for Economic Development, Transport and the Environment joined the campaign at the beginning of 2015. Yle Perämeri, a local radio station of the Finnish Broadcasting Company, is involved in the collaboration in the Kemi and Tornio region.

In 2015, Lapin Kansa partnered with Pohjolan Osuuspankki, the Lapland Hospital District and the Centre of Expertise on Social Welfare in Northern Finland to hire a project manager tasked with working together with the parties involved to promote and facilitate the use of multidisciplinary digital services in sparsely populated areas.

The Tampere car boot fair is a popular event and a project that provides an opportunity for local social influence through the promotion of recycling. The event also supports local charity work: the pitch fees and income from the boot fair café are all directed to the soup kitchen that is run by the parishes of Tampere. Each year, the car boot fair produces approximately EUR 25,000 for the soup kitchen. In addition, external partners are often involved in the boot fair project, and additional aid projects are carried out with them.

Each autumn at the start of the new school year, Aamulehti implements the traditional Älä aja päälle ('Do Not Run Over') traffic safety campaign. The campaign puts up roadside posters near schools in the Pirkanmaa region during the autumn to urge drivers to drive cautiously and be mindful of pupils travelling to and from school. Aamulehti supplies schools with posters which faculty members and parents associations put up along roads in the vicinity of schools. The campaign is aimed at increasing the safety of pupils travelling to and from schools, particularly younger children.

Alma Media and hopefuls of the future

In addition to the direct and indirect impacts of its business operations, Alma Media supports economically and socially sustainable development through partnerships. One example of this is the youth employment (permanent and summer jobs) campaign organised in partnership with the Economic Information Office and T-Media, carried out for the fifth time in 2015. The Responsible Summer Job 2015 campaign challenged companies to create good summer jobs for young people. The goal of the campaign is to take an action-oriented approach to youth employment. In 2015, a total of 262 employers joined the campaign to offer over 40,000 responsible summer jobs. The campaign will continue in 2016 with the aim of having even more employers participate.

Aamulehti engages in long-term co-operation with the Pirkanmaa Me & MyCity. Me & MyCity is a learning programme for sixth-graders focused on social studies, working life and entrepreneurship. The Me & MyCity learning environment is a miniature city in which students work in a given profession while also acting as consumers and citizens as members of society. The Pirkanmaa Me & MyCity miniature city includes an Aamulehti editorial office in which students work in various newspaper jobs. Each school year, a total of 5,000 sixth graders visit the Pirkanmaa Me & MyCity to learn about the business and operations of the partner. They are future employees, consumers and citizens.

Aamulehti also sponsors junior sports teams in the Pirkanmaa region and organises an annual student sporting event in September in partnership with the Tampereen Pyrintö sports club. In 2015, some 2,000 runners filled the Pyylikki stadium to celebrate the 50th anniversary of the event.

Aamulehti also hosts student visits by upper comprehensive school and upper secondary school students. The basic content of the visits includes an introduction to the company and Newsday, a multimedia game that gives young people the chance to try their hand at producing a newspaper.

Environment

In spring 2012, the Global Reporting Initiative (GRI) published a Media Sector Supplement as guidance for the media industry. In 2013, Alma Media became the first Finnish media company to start publishing an annual corporate responsibility report in compliance with the GRI Media Sector Supplement guidelines.

Alma Media's environmental study, completed in 2013 and conducted in co-operation with VTT Technical Research Centre in Finland and the Swedish Center for Sustainable Communications, has played an important role in the development of Alma Media's environmental responsibility. The environmental study focused on the effects of printed and digital media.

In 2015, Alma Media again participated in the Carbon Disclosure Project (CDP), a global initiative on climate impacts, and was ranked as the top Nordic media company in the CDP 2015 climate report. In December 2015, Alma Media committed to the Paris Pledge for Action to reach the COP21 targets. Alma Media has been a signatory of the UN Global Compact initiative since 2011.

Environmental responsibility as a strength of buildings

The most significant environmental impacts of the operations of Alma Media and its business units are related to printing and distribution, buildings, purchasing and travel. Alma Media's office in Helsinki's Töölölahti district, completed in December 2012, and the printing facility built in Tampere in 2013 reduce the highest direct environmental impacts. Environmental impacts during construction and use were minimised in both projects. Both of the buildings received LEED environmental certification in 2013. The Töölölahti office building achieved LEED Gold certification in recognition of excellent consideration of environmental matters. As far as is known, the Tampere printing facility is the world's first LEED-certified printing facility.

During the design process of the Töölölahti building, including the choice of location, environmental aspects were taken into account as follows:

- energy-efficient building technology
- underground parking with charging stations for electric cars
- waste management during construction and use, with extensive recycling
- excellent public transport links

Focus on material and energy efficiency in printing

Alma Media develops its environmental responsibility by improving its material and energy efficiency. The environmental study carried out in 2012 provided information on potential opportunities for improving efficiency. The new printing facility and office building significantly improve the energy efficiency of Alma Media's properties. For instance, the printing facility in Tampere has a heat recovery system that captures over 80 per cent of exhaust air. The production efficiency of the new printing press is higher than before, and the use of solvent-based detergents and water has decreased.

The new printing press has led to a substantial decrease in the amount of materials wasted; in 2015, the amount of maculature* decreased by 11 per cent from the previous year in 2015 (2014: -11%).

Another key aspect of material efficiency is the recovery of waste: almost all waste created by the printing facility is used as a raw material by other businesses. In 2015, all waste generated at the printing facility was recovered for recycling or reuse, and no waste ended up at landfill sites.

Harmful VOC emissions (volatile organic compounds) from printing operations were kept very low in 2015, with the level of emissions declining slightly from the previous year to 4,471 kg (2014: 4,488 kg). The chemicals used for cleaning the printing machine have been VOC-free for some time, and since 2012 the company has also minimised the VOC content of the dampening solution used in the printing process. Alma Media's printing facility in Tampere was one of the first printing facilities internationally to begin using a dampening solution that is almost entirely free of VOC emissions.

**The maculature percentage expresses the proportion of waste material to total material used in printing operations*

Development of environmentally sustainable operating methods and purchasing

Alma Media can influence its environmental impact through its purchasing policy in particular. Environmental considerations are now particularly taken into account in newsprint purchases. Paper manufacture has wide-ranging impacts on climate change and resource depletion, as well as biodiversity. In 2015, 86 per cent of the newsprint used by Alma Media contained recycled fibre (2014: 75%). The share of recycled fibre in all newsprint pulp used by Alma Media was 43 per cent (2014: 38%). Environmental issues are also a key factor in purchasing chemicals and printing plates.

In addition, Alma Media can efficiently decrease its ecological footprint by changing its own operating methods. Over the past five years, the company has implemented new videoconference systems and other tools to facilitate remote work. This has reduced travelling and, consequently, the environmental footprint.

Alma Media's units have a total of 23 videoconference systems installed. In addition, the Skype for Business communication tool is frequently used for Alma Media's internal video and telephone conferences. According to statistics, some 600 internal meetings were arranged year 2015 using the videoconference system or Skype for Business, which equates to approximately 7,000 hours of meetings during the year. The actual figure was considerably higher, because not all meetings were included in the statistics, such as smaller online meetings with only two participants.

In recent years, Alma Media has also significantly reduced the number of pages printed. This, too, resulted from changed operating methods: the number of printing devices in the different units was reduced from slightly under 500 printers to 140 devices currently. At the same time, Alma Media employees have begun to permanently switch to documents provided in digital format only. Therefore, the number of pages printed has decreased by 40 per cent to 3.2 million pages per year currently.

The Sustainable Media corporate responsibility programme aims to increasingly integrate ecological considerations into ICT purchases. The environmental study indicated that ICT equipment and infrastructure have significant environmental impacts. Careful analysis and mitigation of these impacts is of great importance as digital media consumption increases.

The average carbon dioxide emissions of the Group's leased car fleet are also monitored on a regular basis. The target, which was to reduce average emissions by eight per cent from 2013 to 2016, was already achieved in 2014. In 2015, the average CO₂ emissions of the Group's motor vehicles were 136 g of CO₂ equivalent per kilometer (2014: 135 g). Alma Media will set a new target in spring 2016 for the reduction of average emissions from the company's car fleet.

Increased awareness through open communication about environmental responsibility

Alma Media is actively involved in industry-wide environmental initiatives, such as the Shape study of the Federation of the Finnish Media Industry and VTT Technical Research Centre, which investigates media consumption from the perspective of its environmental impacts. On the international stage, Alma Media promoted the handling of environmental matters related to print and digital media by commissioning research activities and communicating about them.

Since 2012, Alma Media has participated in the City of Helsinki Climate Partners network aimed at promoting co-operation to reduce climate emissions and boost the competitiveness of the participating companies. Alma Media continued its active participation in the network in 2015.

Climate change mitigation targets

Climate change mitigation targets

| Target | Target relative to base year | Base year | Base year figure | Target year | Elapsed time (%) | Target achievement (%) | Additional information |
|--|------------------------------|-----------|-----------------------|-------------|------------------|------------------------|------------------------|
| Reduction of CO ₂ emissions of electricity consumed in own operations | 20% | 2011 | 3240t CO ₂ | 2017 | 65% | 75% | |

Climate change mitigation targets

| | | | | | | | |
|--|-------------------|------|--------------|------|-----|----------------------------|-----------------|
| Reduction of CO2 emissions caused by operations in Helsinki | 10% | 2011 | 270t CO2 | 2017 | 65% | 100% (emissions 93t CO2) | Target achieved |
| Reduction of CO2 emissions of the Tampere (and Pori) printing facility | 10% | 2011 | 2400t CO2 | 2017 | 65% | 100% (emissions 1160t CO2) | Target achieved |
| Reduction of the average CO2 emissions of the Group's car fleet | 8% (130g CO2e/km) | 2013 | 141g CO2e/km | 2017 | 50% | 55% (136g CO2e/km) | |

Environmental key indicators

Environmental key indicators

Materials used for printing, consumption

| Material | Unit | 2011 | 2012 | 2013 | 2014 | 2015 | Comments |
|---------------------------------|-------------------|---------|---------|--------|---------|--------|--|
| Paper | tonnes | 32,000 | 26,400 | 24,900 | 23,665 | 25,321 | |
| Certified paper, tons | tonnes | n/a | n/a | 24,900 | 23,665 | 25,321 | Added to reporting in 2015 |
| Virgin paper, tons | tonnes | n/a | n/a | n/a | n/a | 14,389 | Added to reporting in 2015 |
| Recycled paper | tonnes | n/a | n/a | n/a | n/a | 10,932 | Added to reporting in 2015 |
| Paper, recycled | percent | n/a | n/a | n/a | 38 | 43 | Added to reporting in 2015 |
| CO2 intensity of the paper used | CO2e/paper kg | n/a | n/a | n/a | n/a | 140 | Added to reporting in 2015 |
| Inks | tonnes | 570 | 480 | 420 | 445 | 442 | |
| Printing techniques | Coldset Offset | n/a | n/a | n/a | n/a | 442 | Added to reporting in 2015 |
| Printing plates | m2 | 119,000 | 120,000 | 97,600 | 135,000 | n/a | Will not be reported in this unit since 2015 |
| Printing plates | tonnes | n/a | n/a | n/a | 101 | 114 | Reporting unit changed in 2015 |

Energy consumption

| Direct | Unit | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------|--------|---------|---------|---------|---------|--------|
| Petrol | GJ | 4,900 | 4,370 | 4,143 | 3,850 | 3,130 |
| | litres | 152,500 | 135,310 | 128,470 | 119,393 | 96,788 |
| Diesel | GJ | 3,800 | 3,430 | 2,792 | 2,501 | 2,405 |
| | litres | 105,120 | 94,130 | 79,620 | 91,308 | 68,588 |

Environmental key indicators

| | | | | | | | | |
|-----------------------------|-----------------------------------|-------------------------|--------|--------|--------|--------|--------|---|
| Fuels total | GJ | | 8,700 | 7,800 | 6,935 | 6,351 | 5,535 | |
| Indirect | Electricity | | | | | | | |
| | GJ | | 64,040 | 60,100 | 58,800 | 47,870 | 46,590 | |
| | kWh | | 17,790 | 16,696 | 16,333 | 13,298 | 12,943 | |
| *Figures not available | | | | | | | | |
| Emissions | | | | | | | | |
| | | | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Direct | Fuels | tCO ₂ eq.* | 640 | 540 | 610 | 440 | 365 | |
| Indirect | Electricity consumption | tCO ₂ | 3,240 | 2,150 | 2,700 | 1850 | 2948 | Includes all operation countries since 2015 |
| Other indirect sources | Air travel | tCO ₂ eq.** | 355 | 415 | 290 | 234 | n/a | |
| | Hotel stays (Finland) | tCO ₂ eq.*** | n/a | n/a | 11 | 9 | n/a | |
| | Airtravel & hotel stays (Finland) | tCO ₂ | | | | | 217 | Air travel and hotels stays as one figure 2015 onwards |
| Waste | | | | | | | | |
| | | | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Hazardous | | | | | | | | |
| | Incineration (mass burn) | tonnes | n/a | n/a | n/a | n/a | 134 | Added to reporting in 2015. Includes only the printhouse of Tampere operations. |
| Non-hazardous | | | | | | | | |
| | Recycling | tonnes | n/a | n/a | n/a | n/a | 2,991 | Added to reporting in 2015. Includes only the printhouse of Tampere operations. |
| Other significant emissions | | | | | | | | |
| | VOC emissions | kg | 12,350 | 5,500 | 4,200 | 4,488 | 4,471 | |

Environmental key indicators

*For fuels, total greenhouse gas emissions are reported converted to carbon dioxide

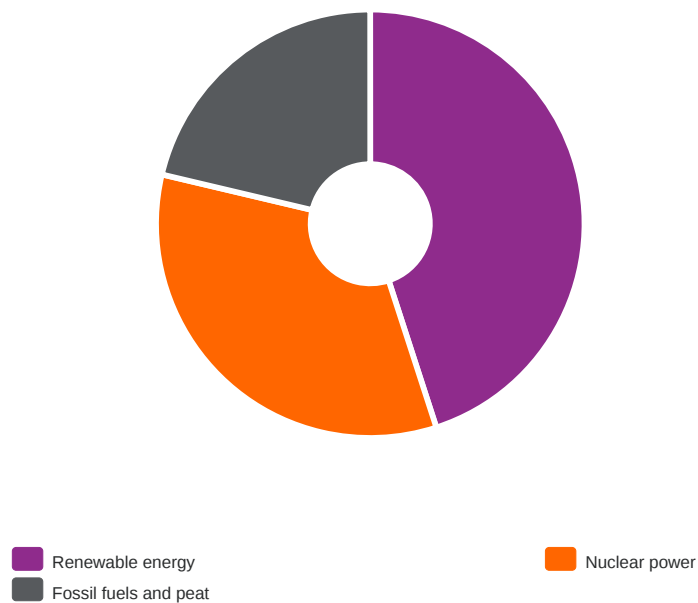
**From 2011 on, air travel emissions are reported in carbon dioxide equivalent. For 2010 and 2009, only carbon dioxide emissions are reported.

***A new reporting category in 2013: hotels stays in Finland

**** The data from 2013 has been corrected.

**Carbon dioxide equivalent is a measure used to compare the total climate effect, or Global Warming Potential, of emissions from greenhouses gases produced by human activity. The carbon dioxide equivalent is calculated by converting the global warming potential of other greenhouse gases to that of carbon dioxide.*

Production profile of the electricity used at Alma Media



Source: Finnish Energy

Business operations

In the Sustainable Media programme, responsible business operations refer to ethical choices in operations, as well as responsibility as part of Alma Media's products and services. The significance of privacy protection as a key issue in business operations is increasingly highlighted in Alma Media's social responsibility. Alma Media also continued its work to develop responsible marketing and advertising in 2015, both in its own organisation and in the industry as a whole.

Code of Conduct as a guideline for operations

The ethical principles that govern Alma Media's operations are described in the Code of Conduct, which contains the company's key policies and principles for responsible management. The Code of Conduct will be updated in spring 2016. Alma Media is a signatory of the UN Global Compact initiative, and its Code of Conduct is in line with the ten Global Compact principles. The Code of Conduct describes how responsibility is reflected in the day-to-day activity of everyone at Alma Media. Alma Media's Annual Review 2015 also serves as the company's Global Compact Communication on Progress report.

Privacy protection developed as part of responsible business

As business moves increasingly towards digital channels, ensuring the reliability and security of services is very important. Alma Media strives to provide a safe and secure user experience for the users of its digital services. The significance of privacy protection, in particular, has increased in recent years, and this trend is expected to continue in the future. The new EU Data Protection Regulation, approved in late 2015, will further strengthen the position of consumers.

Alma Media strives to understand the needs of the users of its services and to create content that interests them. To this end, information on the users of its services will be collected from a growing number of sources in the manner permitted by privacy protection regulations. The collection and processing of data enables the creation of added value to the users of the services as well as advertisers. Alma Media's privacy protection process is described in more detail on the Privacy Protection page.

Demand for sustainably produced media space

Alma Media's advertisers are increasingly interested in how Alma Media supports their sustainable development measures or messages through its own responsibility. Alma Media has taken an active approach to responsibility in advertising. In 2013, it collaborated with an international media company to study the environmental effects of the advertising value chain as a whole. Particular focus was placed on new ways of integrating corporate responsibility into media sales. This theme was developed further in internal dialogue within Alma Media in 2014, and the work continued in 2015 with an assessment of the environmental impacts of the advertising value chain.

The goal was to not only provide new information on the ecological footprint of advertising, but also to evoke discussion on responsible business and advertising. In 2014, Alma Media arranged a seminar on the development of responsible marketing and business for its largest advertiser and media agency customers and evoked active discussion on the subject on various forums. The same theme will be discussed at a new seminar in spring 2016. The main theme in responsible advertising in 2013–2015 was goodvertising, which refers to advertising and business operations that contain messages on sustainable development. Goodvertising is aimed at promoting sustainable development via the brainprint of advertising.

Responsibility is an integral part of product and service development

Strengthening the Sustainable Media perspective is a key consideration in business development and the creation of new business. Journalism in itself already supports this objective, but there are also interesting perspectives in the context of the development of digital services. The Sustainable Media perspective is also part of the monitoring of the operating environment, which is a key aspect of research and development.

Alma Media's digital online services in Finland and elsewhere in Europe have already integrated responsibility into their services. One example of this is the Monster.fi guide designed to support young people in seeking employment. LMC, a



recruitment service provider under Alma Career Oy, has a dedicated recruitment service for people who are offering and searching for volunteer work opportunities. Monster was also active in promoting youth employment through the Responsible Summer Job project in 2015.

In Slovakia, Alma Media's Profesia.sk service continued the active implementation of its own social responsibility development project focused on supporting schools in Slovakia and the high-quality recruitment of teachers.

Reliable and safe services are the cornerstone of our operations

As a Group, Alma Media has also committed to protect the privacy of the users of its services. For instance, privacy protection legislation and Alma Media's own information security policy, which was updated in 2014 to respond to the current operational methods and environment, guide the use of all newspaper and service-specific registers. Alma Media's privacy protection process is described in more detail on the Privacy Protection page.

Alma Media also aims to promote the development of the self-regulation of the industry itself. The Group participates as a publisher in the self-regulation programme of IAB Finland, an organisation promoting digital advertising. The programme develops the industry's internal rules regarding the targeting of online advertising based on consumers' browser behaviour.

Awards and recognition in 2015

Alma Media's printing and distribution company Alma Manu Oy was awarded an extension of its membership in the Wan-Ifra Color Quality Club for the period 2014–2016. The Tampere printing press was awarded an extension of its membership based on the Satakunnan Kansa newspaper. Previous memberships were achieved with Aamulehti (2012) and Kauppalehti (2010). Membership of the WAN-IFRA Quality Club is the internationally most prestigious acknowledgment of a newspaper printer's production quality.

GRI Index

| | GRI Indicator | Reporting | Comments |
|--|---|--|--|
| Strategy and analysis | | | |
| G4-1 | CEO's statement | From the President and CEO | |
| G4-2 | Risks and opportunities | Website: Sustainable Alma Media | |
| | | Website: Investors/ Corporate Governance | |
| Organisational profile | | | |
| G4-3 | Name of the organisation | Front page | |
| G4-4 | Primary products, services and brands | Business segments | |
| G4-5 | Location of headquarters | Website: Contacts | |
| G4-6 | Number of countries and location of operations | Website: Employees | |
| G4-7 | Nature of ownership and legal form | Financial statements | |
| G4-8 | Markets served | Financial statements | |
| G4-9 | Scale of the reporting organisation | Financial statements | |
| G4-10 | Total workforce by employment type, contract, region and gender | Sustainable Media in 2015: Employees | |
| G4-11 | Percentage of total employees covered by collective bargaining agreements | | Information not available, not reported. |
| G4-12 | Describe the organisation's supply chain | | Not reported |
| G4-13 | Significant changes regarding size, structure or ownership | Financial statements | |
| Commitments to external initiatives | | | |
| G4-14 | Addressing precautionary approach | Website: Investors/ Corporate Governance | |
| G4-15 | Voluntary charters and other initiatives | Website: Sustainable Alma Media | |
| G4-16 | Memberships in associations | Website: Sustainable Alma Media | |
| Identified Material Aspects and Boundaries | | | |
| G4-17 | List all entities included in the organizations consolidated financial statements or equivalent documents | Financial statements | |

| | GRI Indicator | Reporting | Comments |
|-------|---|--|---|
| G4-18 | Process for defining reporting content | Principles of reporting on CR | |
| G4-19 | Material Aspects identified | Principles of reporting on CR | |
| G4-20 | Aspect Boundary within the organization | | Not reported. |
| G4-21 | Aspect Boundary outside the organization | | Not reported. |
| G4-22 | Restatements | Principles of reporting on CR | Possible restatements reported together with the relevant indicator |
| G4-23 | Significant changes from previous reporting periods in the scope, boundary or measurement technique | Principles of reporting on CR | Possible changes reported together with the relevant indicator |
| | Stakeholder engagement | | |
| G4-24 | List of stakeholder groups engaged by the organization. | Sustainable Media in 2015: Communities | |
| G4-25 | Basis for identification and selection of stakeholders with whom to engage. | Sustainable Media in 2015: Communities | |
| G4-26 | Report the organization's approach to stakeholder engagement | Sustainable Media in 2015: Communities | |
| G4-27 | Report key topics and concerns that have been raised through stakeholder engagement | Sustainable Media in 2015: Communities | |
| | Report profile | | |
| G4-28 | Reporting period | Principles of reporting on CR | |
| G4-29 | Date of the most recent period | Principles of reporting on CR | |
| G4-30 | Reporting cycle | Principles of reporting on CR | |
| G4-31 | Contact point for questions regarding the report | Website: Media contacts | |
| | GRI content index | | |
| G4-32 | GRI content index | GRI content index | |
| | Assurance | | |
| G4-33 | External assurance | Principles of reporting on CR | |
| | Governance | | |
| G4-34 | Governance structure | Website: Investors/ Corporate Governance | |
| G4-37 | Mechanisms for stakeholders and employees to have an influence | Website: Investors/ | |

| GRI Indicator | | Reporting | Comments |
|---|---|--|--|
| | | Corporate Governance | |
| G4-38 | Governance bodies and independent members | Website: Investors/ Corporate Governance | |
| G4-39 | Independence of the Chairman of the Board | Website: Investors/ Corporate Governance | The self-assessment process does not comprise a separate evaluation of economic, social or environmental responsibility. |
| G4-40 | Qualifications and expertise required from members of the Board | Website: Investors/ Corporate Governance | |
| G4-41 | Process in place for the Board to ensure conflicts of interest are avoided | Website: Investors/ Corporate Governance | |
| Highest governance body's competencies and performance evaluation | | | |
| G4-44 | Identification of stakeholders and approaches to stakeholder engagement | Website: Investors/ Corporate Governance | The self-assessment process does not comprise a separate evaluation of economic, social or environmental responsibility. |
| Highest governance body's role in risk management | | | |
| G4-45 | Procedures for the Board for overseeing management of sustainability, including risk management | Website: Investors/ Corporate Governance | |
| Remuneration and incentives | | | |
| G4-51 | Management's performance-based compensation | Website: Investors/ Corporate Governance | |
| Ethics and Integrity | | | |
| G4-56 | Mission, values and code of conduct | Website: About us | |
| Category: Economic | | | |
| Aspect: Economic Performance | | | |
| G4-EC1 | Direct economic value generated and distributed | Sustainable Media in 2015: Communities | |
| G4-EC2 | Financial implications, threats and opportunities related to climate change | Website: Sustainable Alma Media | |
| G4-EC4 | Significant financial assistance received from the government | Website: Environment | |
| G4-M1 | Revenue from advertising sales | Financial Development | |
| Aspect: Indirect Economic Impacts | | | |

| GRI Indicator | | Reporting | Comments |
|-------------------------|--|--|----------|
| G4-EC7 | Investments and services provided for public benefit | Sustainable Media in 2015: Communities | |
| G4-EC8 | Other significant indirect economic impacts | Sustainable Media in 2015: Communities | |
| Category: Environmental | | | |
| Aspect: Materials | | | |
| G4-EN1 | Materials used | Website: Environment | |
| | | Sustainable Media in 2015: Environment | |
| G4-EN2 | Percentage of recycled materials | Website: Sustainable Alma Media | |
| Aspect: Energy | | | |
| G4-EN3 | Energy consumption within the organisation | Sustainable Media in 2015: Environment | |
| G4-EN4 | Energy consumption outside the organisation. | Sustainable Media in 2015: Environment | |
| G4-EN6 | Reduction of energy consumption | Website: Environment | |
| | | Sustainable Media in 2015: Environment | |
| G4-EN7 | Initiatives to provide energy-efficient products or services | Website: Environment | |
| | | Website: Business | |
| | | Sustainable Media in 2015: Environment | |
| | | Sustainable Media in 2015: Business | |
| Aspect: Biodiversity | | | |
| G4-EN12 | Description of significant impacts of activities, products, and services on biodiversity | Website: Environment | |
| | | Sustainable Media in 2015: Environment | |
| Aspect: Emissions | | | |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1) | Sustainable Media in 2015: Environment | |
| G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | Sustainable Media in 2015: Environment | |
| G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | Sustainable Media in 2015: Environment | |



| GRI Indicator | Reporting | Comments |
|--|--|---|
| G4-EN19 Initiatives to reduce GHG emissions and reductions achieved | Sustainable Media in 2015: Environment | |
| | Website: Environment | |
| G4-EN21 VOC emissions | Sustainable Media in 2015: Environment | |
| Aspect: Effluents and waste | | |
| G4-EN23 Waste disposal | Website: Environment | |
| Aspect: Products and services | | |
| G4-EN27 Initiatives to mitigate environmental impacts of products and services | Website: Environment | |
| | Sustainable Media in 2015: Environment | |
| | | |
| | Sustainable Media in 2015: Business | |
| G4-EN28 Recycling of products | Website: Environment | |
| | Sustainable Media in 2015: Environment | |
| Aspect: Transport | | |
| G4-EN30 Environmental impacts of transportation | Website: Environment | |
| | Sustainable Media in 2015: Environment | |
| Category: Social | | |
| Sub-category: Labor Practices and Decent Work | | |
| Aspect: Employment | | |
| G4-LA2 Employee benefits | Sustainable Media in 2015: Employees | |
| | Website: Employees | |
| Aspect: Occupational Health and Safety | | |
| G4-LA6 Rates of injury and lost days | Sustainable Media in 2015: Employees | |
| Aspect: Training and Education | | |
| G4-LA9 Training | Sustainable Media in 2015: Employees | Training days reported instead of hours |
| | Sustainable Media in 2015: Communities | |
| | Website: Employees | |
| | Website: Brainprint | |

| GRI Indicator | | Reporting | Comments | |
|--------------------|---|--|---|-------------------------------------|
| G4-LA10 | Programs for competence development and lifelong learning | Sustainable Media in 2015: Employees | | |
| | | Website: Employees | | |
| G4-LA11 | Performance and career development reviews | Sustainable Media in 2015: Employees | | |
| | | Website: Employees | | |
| | | Aspect: Diversity and Equal Opportunity | | |
| G4-LA12 | Composition of governance bodies and breakdown of employees | Sustainable Media in 2015: Employees | Percentage of women in management | |
| | | Aspect: Equal Remuneration for Women and Men | | |
| G4-LA13 | Ratio of basic salary of men and women by employee category | Sustainable Media in 2015: Employees | | |
| | | Sub-category: Human Rights | | |
| | | Aspect: Investment | | |
| G4-HR2 | Employee training on policies and procedures concerning aspects of human rights | Website: Brainprint | No total hours, but principles: Ethical policies of Journalists | |
| | | Aspect: Labor Practices Grievance Mechanisms | | |
| G4-HR3 | Incidents of discrimination and actions taken | Website: Employees | No cases | |
| | | Aspect: Assessment | | |
| G4-HR9 | Operations that have been subject to human rights reviews and/or impact assessments | Website: Brainprint | | |
| | | Aspect: Human Rights Grievance Mechanisms | | |
| G4-HR12 | Number of grievances related to human rights | | No cases | |
| | | Sub-category: Society | | |
| | | Aspect: Local Communities | | |
| G4-SO1 | Programmes and practices that manage regional impacts | Website: Communities | | |
| | | Sustainable Media in 2015: Communities | | |
| | | Website: Environment | | |
| | | Sustainable Media in 2015: Environment | | |
| | | Website: Sustainable Alma Media | | |
| | | Aspect: Public Policy | | |
| | | G4-SO6 | Financial and in-kind contributions to political parties, politicians, and related institutions | Sustainable Media in 2015: Business |
| Aspect: Compliance | | | | |
| G4-SO8 | Significant fines and non-monetary sanctions for non-compliance with laws and regulations | | No cases | |
| | | Sub-category: Product Responsibility | | |
| | | Aspect: Product and Service Labeling | | |

| GRI Indicator | | Reporting | Comments |
|---------------|--|--|--------------------|
| G4-PR5 | Practices related to customer satisfaction | Website: Sustainable Alma Media | |
| | Aspect: Marketing Communications | | |
| G4-PR7 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications | Website: Products | |
| | Aspect: Content Creation | | |
| G4-M2 | Monitoring journalistic ethics | Website: Brainprint | |
| | | Sustainable Media in 2015: Brainprint | |
| | | | |
| G4-M3 | Actions taken to improve journalistic ethics | Website: Brainprint | |
| | | Sustainable Media in 2015: Brainprint | |
| | | | |
| | Aspect: Content Dissemination | | |
| G4-M4 | Actions taken to improve performance in relation to content dissemination issues | Website: Sustainable Alma Media | |
| | | Website: Communities | |
| | | Sustainable Media in 2015: Communities | |
| G4-M5 | Follow-up on content dissemination | Website: Brainprint | Processes reported |
| | | Sustainable Media in 2015: Brainprint | |
| | | Website: Communities | |
| | | Sustainable Media in 2015: Communities | |
| | | Website: Sustainable Alma Media | |
| | | | |
| | | | |
| | Aspect: Audience Interaction | | |
| G4-M6 | Interaction with audiences | Website: Sustainable Alma Media | |
| | | Website: Communities | |
| | | Sustainable Media in 2015: Communities | |
| | | Website: Brainprint | |
| | | Sustainable Media in 2015: Brainprint | |
| | | | |
| | Aspect: Media Literacy | | |



| GRI Indicator | | Reporting | Comments |
|---------------|-----------------------------------|---|----------|
| G4-M7 | Media literacy skills development | Website: Brainprint | |
| | | Sustainable Media in 2015: Brainprint | |

Principles of reporting on corporate responsibility

Alma Media's business operations are based on the Group's socially responsible mission: acting for individual freedom and well-being. Alma Media's corporate responsibility reporting describes the Group's business operations from the perspective of this mission, each year providing qualitative and quantitative information on what corporate responsibility means for Alma Media. The other contents of the Annual Review and the company website complement the reporting. The next review of corporate responsibility will be published in early 2017.

The reporting period for corporate responsibility corresponds to Alma Media's financial year, i.e. the calendar year, 1 Jan–31 Dec 2015. This report additionally includes certain instances of information pertaining to 2015. The report covers the Group's Finnish operations, except for the economic data in the Communities section, which also includes the Group's international operations. This means that the economic data is consistent with the Group's other financial reporting. Regarding social and environmental responsibility, international operations have been excluded on the basis of the GRI guidelines, as their impacts on sustainable development are minor due to their scope and nature.

The reporting on corporate responsibility is based on the Global Reporting Initiative (GRI) G4 guidelines and the additional media sector guidelines (GRI Media Sector Supplement). The report focuses on the aspects of corporate responsibility that were determined to be of key significance to Alma Media based on the stakeholder study carried out in 2010. A table illustrating the degree to which the report corresponds with the GRI guidelines is presented here.

Calculation and data collection principles for CR reporting

The CR data in the Annual Review was collected from the Group's internal statistical systems, subcontractors and partners. The calculation principles are compliant with the GRI G4 Guidelines where appropriate with regards to the information available. Where significant deviations to the GRI G4 guidelines have been made, this is mentioned in conjunction with the figure in question. The figures pertaining to economic responsibility were taken from the financial statements. The numbers concerning environmental responsibility have primarily been collected from suppliers and the invoicing function. Finnish average values provided by Statistics Finland and the Finnish Energy Industries have been used in the calculations of carbon dioxide emissions. Information pertaining to social responsibility has been collected from HR systems, the Group's insurance company and, with regards to journalism, the website of the Council for Mass Media. Certain figures are not comparable to earlier years due to more accurate reporting methods and a change in the source for average emissions data in use this year. This is mentioned separately where relevant. Reporting is developed and improved continuously to make it more accurate and comprehensive in the future.

Materiality analysis

Alma Media defined the responsibility priorities that are material in terms of its operations for the first time in 2009. In 2016, Alma Media updated the materiality analysis pursuant to the GRI G4 reporting guidelines. Based on the results of this analysis, it also updated the responsibility priorities and their material aspects. The priorities were determined on the basis of Alma Media's strategy, an industry analysis, stakeholder survey, interviews, work meetings and the identification of business impacts.

The framework for Alma Media's corporate responsibility was updated on the basis of the materiality analysis. Alma Media's Group Executive Team discussed and approved it in its meeting of March 2016. The materiality analysis of Alma Media's corporate responsibility resulted in the identification of four themes and six focal areas, each of which will be determined their respective development paths and the next, immediate measures in the spring of 2016. These will constitute the updated framework for Alma Media's corporate responsibility. In the future, the development of Alma Media's corporate responsibility will be monitored as part of the group's strategy process.

Alma Media will publish further information on the most material priorities of its corporate responsibility, its updated corporate responsibility strategy and its development and implementation plan regarding the most material issues by the end of June 2016.

Materiality analysis and development of Alma Media's corporate responsibility

BACKGROUND WORK

BENCHMARK

Three companies operating in the media and digital services sector

STAKEHOLDER SURVEY

Respondents: consumer customers, employees, corporate customers, other external stakeholder groups

MANAGEMENT INTERVIEWS

INVESTOR INTERVIEWS

Materiality analysis

WORK MEETINGS

ALMA MEDIA'S EXPERTS

Prioritisation of the corporate responsibility aspects based on the background work

Dimensions of materiality:

1. material strategic operative
2. Is the aspect unique to the media industry?
 - does the aspect have particular implications for the media industry?
 - Is the aspect common to all industries?

RESULT:

The corporate responsibility materiality matrix

ALMA MEDIA'S GROUP EXECUTIVE TEAM

• Work meeting: review and update of materiality matrix

• The Group Executive Team discussed and confirmed the updated framework for Alma Media's corporate responsibility in March 2016.

RESULT:

The updated framework for Alma Media's corporate responsibility

RESULT

Alma Media's four corporate responsibility themes

Corporate responsibility themes

1 Functioning as a member of a responsible society

- Providing responsible and meaningful journalism – independence and transparency
- Generating and maintaining public discussion
- Building partnerships that advance the society and well-being
- Ensuring information security and privacy
- Developing citizens' media skills
- Reliable media environment

2 Managing a sustainable media and service business

- Considering different stakeholders in engagement and dialogue
- Promoting environmental awareness
- Calculating and reducing the environmental impacts of Alma Media and its supply chain
- Ensuring the responsibility of the supply chain
- Responsible marketing and advertising
- Developing products and services that contain elements of responsibility
- Building a sustainable and responsible Alma Media brand
- Responding to investors' expectations with regard to financial performance, ethics and compliance with laws and regulations

3 Building customer trust

- Creating customer value by making use of customer experiences and co-operation in accordance with Alma Media's strategy
- Providing high-quality, advanced and transparent products and services
- Providing locally produced content (including news) and services

4 Coaching people and reinforcing the corporate culture

- Developing specialist skills and new competence areas
- Ensuring employees' well-being at work (e.g. occupational health and safety)
- The appreciation and equal treatment of people
- Promoting human rights, workers' rights and diversity
- Building a responsible corporate culture

Prioritised focal areas and projects

Quality journalism

- Responsible journalism in relation to both independence and transparency

Information security and privacy protection

- Information security and privacy protection
- Safeguarding customer data

Social influence

- Citizens' media skills, guidance in information influence
- Responsible marketing and advertising (Alma Media's)
- "Goodvertising" (the public at large, b-to-c, social themes and projects)

Sustainable and responsible products

- Promoting responsible advertising and marketing (b-to-b)
- Brand strategy
- Product and service development
- Responsibility and sustainability integrated into the process (Alma Media Solutions)

Sustainability as part of value creation

- The value creation model to respond to current Alma Media and its' business environment

The management and development of people

- Selected themes

Corporate governance

Alma Media Corporation complies with the guidelines and provisions by its Articles of Association and the Finnish Limited Liability Companies Act, and rules and regulations of NASDAQ Helsinki Stock Exchange for listed companies. Alma Media also applies the Global Reporting Initiative guidelines for reporting on sustainable development. In 2015, Alma Media Corporation applied the Finnish Corporate Governance Code 2010 for listed companies, issued by the Securities Market Association on 15 June 2010, in its unaltered form. From 1 January 2016, Alma Media has applied the new Finnish Corporate Governance Code 2015 for listed companies.

A Corporate Governance Statement required by Recommendation 54 of the Corporate Governance Code is also published as a separate report in connection with the Report of the Board of Directors in the company's Annual Report.

Alma Media Corporation's Corporate Governance Statement 2015

In addition, it is publicly available on Alma Media's website.

Alma Media's Audit Committee has reviewed the Corporate Governance Statement, and the company's auditor has supervised the issuance of the Statement and verified that the description of the main features of the internal control and risk management systems relating to the company's financial reporting process is consistent with the financial statements.

The statement will not be updated during the financial period, but up-to-date information on its sections is available on Alma Media's website.

The CV information on Alma Media's Group Executive Team is available in full on the company website.

Alma Media has also published a Remuneration Statement for 2015.