

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Finance Framework

Alma Media
07 July 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">▪ Sustainability-Linked Instruments
Relevant standard(s)	<ul style="list-style-type: none">▪ Sustainability-Linked Bond Principles, as administered by the ICMA (as of June 2020)▪ Sustainability-Linked Loan Principles, as administered by the LMA (as of February 2023)
Scope of verification	<ul style="list-style-type: none">▪ Alma Media's Sustainability-Linked Finance Framework (as of June 30th, 2023)
Lifecycle	<ul style="list-style-type: none">▪ Pre-issuance verification
Validity	<ul style="list-style-type: none">▪ As long as Alma Media's Sustainability-Linked Finance Framework and benchmarks for the Sustainability Performance Targets remain unchanged.

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SCOPE OF WORK

Alma Media (or “the Issuer” or “the Company”) commissioned ISS Corporate Solutions (ICS) to assist with its Sustainability-Linked Transactions by assessing three core elements to determine the sustainability quality of the instruments:

1. Alma Media’s Sustainability-Linked Finance Framework (as of June 30th, 2023) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Market Association (ICMA) and the Sustainability-Linked Loan Principles (SLLP), as administered by the Loan Market Association (LMA).
2. The sustainability credibility of the Key Performance Indicators (KPI) selected and Sustainability Performance Targets (SPT) calibrated – whether the KPIs selected are core, relevant and material to the Issuer’s business model and industry, and whether the associated targets are ambitious.
3. Linking the transaction(s) to Alma Media’s overall ESG profile – drawing on Alma Media’s sustainability objectives.

ALMA MEDIA BUSINESS OVERVIEW

Alma Media Oyj is a digital service business and media company that engages in publishing newspapers and providing online media and content services. Its brands include Kauppalehti, Talouselama, Iltalehti, Etuovi.com, Nettiauto, Nettimoto and recruitment services prace.cz and jobs.cz in the Czech Republic, Profesia.sk in Slovakia and mojposao.net in Croatia. The Company's business operations include housing and automotive marketplaces, financial and professional media, national consumer media, and content and data services for professionals and businesses. The Alma Media’s international business in Eastern Central Europe, Sweden, and the Baltic countries consists of recruitment services and an online marketplace for commercial properties. The Company was founded on April 1st, 1998 and is headquartered in Helsinki, Finland.

It is classified in the Media industry, as per ISS ESG’s sector classification.

SPO ASSESSMENT SUMMARY

EVALUATION SUMMARY¹

Alignment with the SLBP and SLLP	The Framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA and the Sustainability-Linked Loan Principles (SLLP) administered by the LMA.
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KPI Selection	KPI 1. Absolute Scope 1 and 2 GHG emissions	KPI 2. Absolute Scope 3 GHG emissions
Relevant	Relevant	Relevant
Core	Core	Core
Material	Moderately material if used individually; Material if issued alongside KPI 2	Moderately material if used individually; Material if issued alongside KPI 1
Assessment	Best Practice²	Best Practice²

SPT Calibration	SPT 1. Reduce absolute Scope 1 and 2 GHG emissions by 52% by 2030	SPT 2. Reduce absolute Scope 3 GHG emissions by 14% by 2030
Against borrower's past performance	Ambitious	Ambitious
Against borrower's industry peer group	Ambitious	Ambitious
Against international targets	Ambitious	Ambitious
Level of ambition	Robust³	Robust⁴

Linking the transaction(s) to Alma Media's overall ESG profile	Consistent with the Issuer's sustainability strategy The KPIs selected by the Issuer are related to GHG emissions and data privacy, which is core to Company's sustainability strategy. KPI 1 focuses on Scope 1 & 2 GHG emissions, which relates to the Company's focus area on Climate Change. KPI 2 focuses on Scope 3 GHG emissions, which relates to the Company's focus areas on Climate Change and Supply Chain Sustainability. At the date of publication of the report and leveraging ISS ESG Research, no severe controversies that have been identified.
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¹ The evaluation is based on the engagement conducted between February & May 2023, on the Issuer's Sustainability-Linked Financing Framework (as of June 30th, 2023).

² Alma Media commits to always issuing KPI 1 & 2 simultaneously on all its Sustainability-linked instruments.

³ Three of the three SPT's benchmarking approaches have been assessed positively.

SPO ASSESSMENT

PART 1: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES AND LMA SUSTAINABILITY-LINKED LOAN PRINCIPLES

This section describes our assessment of the alignment of the Alma Media’s Sustainability-Linked Finance Framework (as of June 30th, 2023) with the Sustainability-Linked Bond Principles (SLBP) and the Sustainability-Linked Loan Principles (SLLP).

SLB/SLL PRINCIPLES	ASSESSMENT	OPINION
1. Selection of KPIs	A detailed analysis of the sustainability credibility of the KPI selection is available in Part 2 of this report.	
2. Calibration of SPTs	A detailed analysis of the sustainability credibility of the SPT calibration is available in Part 2 of this report.	
3. Bond/Loan Characteristics	✓	The description of the Sustainability-Linked Bond / Loan Characteristics provided by the Issuer is aligned with the SLBP and SLLP. The Issuer gives a detailed description of the potential variation of the financial characteristics of the securities (trigger events, changes in security characteristics, fall back mechanism and exceptional events). In the case of SLLs, the targets will be annualized.
4. Reporting	✓	The Reporting description provided by the Issuer is aligned with the SLBP and SLLP. This will be made available annually to investors and include valuable information, such as performance of KPIs and SPTs, recalculations, verification, updates to Alma Media’s sustainability strategy and/or governance with an impact on the KPIs and target trajectory.
5. External verification	✓	The Verification description provided by the Issuer is aligned with the SLBP and SLLP. This report constitutes the SPO. The performance of the SPTs against the KPIs will be externally verified annually until the target is reached.

PART 2: KPI SELECTION & SPT CALIBRATION

1. Selection of KPI 1

KPI 1 – Absolute Scope 1 and 2 GHG emissions				
Opinion	<i>The KPI is relevant, core and moderately material if issued alone, but fully material if issued alongside KPI 2. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It covers 100% of Scope 1 and 2 GHG emissions, which represent 4% the Company's total GHG emissions.</i>			
Assessment	<table border="1"> <thead> <tr> <th>Not aligned</th> <th>Aligned</th> <th>Best Practice</th> </tr> </thead> </table>	Not aligned	Aligned	Best Practice
Not aligned	Aligned	Best Practice		
KPI 1 Characteristics and Features	KPI definition: Absolute Scope 1 and 2 GHG emissions in tons of CO ₂ equivalent: <ul style="list-style-type: none"> Direct (Scope 1) GHG emissions including direct greenhouse gas emissions in the Company's own facilities, company cars and electricity, district heating and cooling of premises, Indirect (Scope 2) GHG emissions including greenhouse gas emissions produced in the generation of purchased energy, such as district heating, district cooling and electricity. 			
	Scope and perimeter: The KPI scope and perimeter are transparently defined as it covers 100% of Scope 1 and 2 GHG emissions of Alma Media's own facilities, operations, and vehicles, including those produced by the Company's energy providers located outside of Finland. Scope 1 and 2 GHG emissions represent 4% of the Company's total GHG emissions			
	Quantifiable/Externally verifiable: The KPI is quantifiable since it is calculated as Scope 1 & 2 GHG emissions. It is externally verifiable, because absolute GHG emissions are a widely disclosed and standardized metric. The Issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).			
	Externally verified: The historical and baseline data for the KPI selected have been verified by a qualified third-party. The Issuer commits to having the future data verified by an external reviewer as well.			
	Benchmarkable: By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.			
KPI 1 Analysis	The KPI is considered:			

Relevant to Alma Media's business as its industry is moderately GHG-emitting and exposed to climate change mitigation solutions. Resource efficient processes are considered a key ESG issue faced by the Media industry according to key ESG standards⁴ for reporting and ISS ESG assessment. According to recent estimates, energy use in the ICT sector accounts for 1.4% of the global carbon emissions⁵. As such, by choosing to act on its operational emissions (i.e., Scope 1 & 2), Alma Media has selected a relevant KPI.

Core to the Issuer's business as Scope 1 and 2 GHG emission reduction affect processes and operations that are core to the business model of the Issuer. The Company will reduce its GHG emissions through the divestment of printing and regional media business as well as the transition of printed media consumption and subscriptions to digital subscriptions. Moreover, Alma Media expects to enact multiple energy efficiency measures through increased use of renewable resources or zero-emission energy (e.g., hydropower) for company cars and district heating, district cooling and electricity in all operating countries (i.e., the Czech Republic and Slovenia). However, the Company is relying on Renewable Energy Certificates (RECs) for a significant part of its decarbonization strategy. This is not perceived as central to the company, since RECs are often purchased with lower levels of effort and lack the proven additionality of other types of renewable electricity (e.g., Power Purchase Agreements).⁶ Yet, it is noted, that longer-term Power Purchase Agreements are not an option for the Issuer given the amount of energy to be supplied and the local context.

Moderately Material⁷ to Alma Media's business model and sustainability profile if issued alone, but **Material** if integrated with KPI 2 as part of the same financial instrument:

- The KPI is material to the Company's direct operations because the KPI focuses on Scope 1 and 2 GHG emissions covering all of the Company's operations. This represents 4% of total GHG emissions. Alone, this would not be Material to the whole value chain.
- However, KPI 2 addresses Scope 3 emissions, which cover the Company's indirect operations and represent 96% of the total GHG emissions of the Company. Since the Issuer would cover 100% of its emissions across the whole corporate value chain in two individual KPIs, KPIs 1 & 2 can be considered as fully material if integrated on the same financial instrument and both linked to the instrument's financial characteristics, which Alma Media commits to doing.

⁴ Key ESG Standards include SASB and TCFD, among others.

⁵ Lauriane Tiard-Caillaud, 2022, [The carbon footprint of media](#)

⁶ Bjørn et al., 2022, *Nature Climate Change*, [Renewable energy certificates threaten the integrity of corporate science-based targets](#)

⁷ ISS ESG bases this analysis on the issuer's own emissions reporting and makes no comment on the quality or consistency of the issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an issuer's reporting.

2. Calibration of SPT 1

SPT 1 – Reduce absolute Scope 1 and 2 GHG emissions by 52% by 2030 from a 2019 base year

Opinion	<i>The SPT is (i) qualitatively ambitious against the Company's past performance, (ii) ambitious against industry peers, and (iii) it is in line with the Paris Agreement. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the Company's framework.</i>
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Level of Ambition	No Evidence	Limited	Good	Robust
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SPT 1 Characteristics and Features	SPT definition:	Reduce absolute Scope 1 and 2 GHG emissions by 52% by 2030 from a 2019 base year
	Baseline performance and year:	795 tCO ₂ e in 2019
	Target performance and observation date:	382 tCO ₂ e in 2030 (52% reduction from 2019 baseline)
	Trigger event:	The non-achievement of the applicable SPT relating to the KPI for the relevant year observed on the 31 st of December.
	Long-term target:	N/A
	Strategy and action plan to reach the target:	To reduce its Scope 1 and 2 GHG emissions, Alma Media is focusing its efforts on four key levers for action: <ul style="list-style-type: none"> Energy efficiency: Alma Media plans to improve energy efficiency in operating countries as it was done in Finland Purchase of green electricity: Alma Media switched to zero-emission electricity in Finland and plans to do it in other operating countries and continue to purchase hydropower electricity District heating and cooling: Alma Media plans to switch to renewable or carbon free district heating and cooling in all operating countries Car fleet: Alma Media adapted its car policy and plans to electrify 50% of its car fleet by 2030 or switch to biodiesel
	Key factors/risks beyond the Issuer's direct control that may affect the achievement of the SPTs:	<ul style="list-style-type: none"> Unstable geopolitical context, and especially with the war in Ukraine, the challenges of obtaining emission-free energy in Eastern Central Europe will most probably continue.
Recalculations or pro-forma adjustments of baselines	The legal documentation will include a recalculation policy.	

SPT 1 Analysis	The level of ambition of the SPT is assessed as follows:
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(i) Against past performance:

The Issuer provided 4 years of relevant historical data, including for the baseline year of 2019. The data are shown in Table 1. Calculating the compound annual growth rate (CAGR) of the past performance shows that the Issuer has achieved an average yearly change of 17.65% between 2019 and 2022 for Total Scope 1 & 2 GHG emissions (in tCO_{2e}).

TABLE 1.	2019 – BASELINE	2020	2021	2022	2030 – SPT 1
Total Scope 1 & 2 (in tCO _{2e})	795	555	490	444	382
CAGR 2019 – 2022				-17.65%	
CAGR 2022 – 2030					-1.86%

Source: Alma Media Framework

Alma Media sets SPT 1 to achieve a reduction of Scope 1 and 2 GHG emissions by 52% by 2030 from a 2019 base year. Calculating the compound annual growth rate (CAGR) amounts to an average of 1.86% annual reduction between 2022 and 2030, which is lower than the compound annual reduction rate over the period 2019-2022.

Therefore, from a quantitative perspective SPT 1 is less ambitious compared to Alma Media’s past performance.

However, Alma Media has halved its GHG emission over the past six years, mostly through digital transformation strategy and portfolio changes. The remaining emissions mainly come from electric consumption, heating, and cooling. Decarbonizing the electric consumption and heating and cooling is more difficult, and more costly.

On the one hand, Alma Media aims to switch to zero-emissions electricity in countries outside Finland, where access to renewable energies is more challenging. Indeed, in the context of the Ukraine war, access to this energy in Eastern Central Europe is more costly. It is also worth noting that the purchase of renewable electricity for Alma Media is an annual process, that must be repeated each year involving yearly OPEX expenditures.

Decarbonizing heating and cooling system which are often district-organized is also complicated for Alma Media, and far away from its core business.

If during COVID-19, emissions related to offices’ energy consumption have drastically decreased, this does not reflect Alma Media’s business as usual and maintaining emissions at a low level is increasingly difficult for Alma Media over the years.

In this context, and compared to the baseline year, SPT 1 is therefore considered qualitatively ambitious against past performance.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Alma Media against the peer group with the same NACE code and region as the Issuer with 14 companies (including the Issuer) as per the ISS ESG Universe.

Aside from the Issuer, 1 other peer has also set a target covering Scope 1 and 2 GHG emissions, meaning Alma Media belongs to the top 14.28% of its industry peer group. It should also be noted that Alma Media has a Science-Based Targets initiative (SBTi) approved emission reduction target which has been confirmed by the SBTi. Meanwhile, the other peer has also updated its climate targets and aligned them with the Science Based Targets initiative (SBTi), but the targets are currently being validated and the validation results are expected to be available in the third quarter of 2023.

Therefore, we conclude that SPT 1 set by Alma Media is ambitious compared to peers in terms of setting Scope 1 and 2 GHG emissions reduction targets and in terms of obtaining SBTi validation.

(iii) Against international targets:

Paris Agreement

Alma Media has a Science-Based Targets initiative (SBTi) approved emission reduction target of cutting Scope 1 and 2 GHG emissions by 52% by 2030 from a 2019 base year. This target has been confirmed by the SBTi to be consistent with the reductions required to limit the global mean temperature increase to 1.5 degrees Celsius.

SPT 1 is in line with the Paris Agreement, based on the SBTi validation of the 2030 target.

3. Selection of KPI 2

KPI 2 – Absolute Scope 3 GHG emissions																		
Opinion	<i>The KPI is relevant, core and moderately material if issued alone, but fully material if issued alongside KPI 1. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It covers Scope 3 GHG emissions, which represent 96% of the Company’s total GHG emissions.</i>																	
Assessment	<table border="1"> <thead> <tr> <th>Not aligned</th> <th>Aligned</th> <th>Best Practice⁸</th> </tr> </thead> <tbody> <tr> <td>KPI 2</td> <td>KPI definition:</td> <td>Absolute Scope 3 GHG emissions in tons of CO₂ equivalent in the subcontracting chain.</td> </tr> <tr> <td rowspan="4">Characteristics and Features</td> <td>Scope and perimeter:</td> <td>The KPI scope and perimeter are transparently defined as it covers all the Company’s GHG emissions from purchased goods and services, capital goods, fuel and energy-related (otherwise not included in Scope 1 and 2), upstream transportation and distribution, business travel, employee commuting, use of sold products, end-of-life treatment of sold products, and investments. As a share of total emissions, KPI 2 represents 96%.</td> </tr> <tr> <td>Quantifiable/Externally verifiable:</td> <td>The KPI is quantifiable since it is calculated as Scope 3 GHG emissions. It is externally verifiable, because absolute GHG emissions are a widely disclosed and standardized metric. The Issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).</td> </tr> <tr> <td>Externally verified:</td> <td>The historical and baseline data for the KPI selected have been verified by a qualified third-party. The Issuer commits to having the future data verified by an external reviewer as well.</td> </tr> <tr> <td>Benchmarkable:</td> <td>By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.</td> </tr> <tr> <td>KPI 2 Analysis</td> <td>The KPI is considered:</td> </tr> </tbody> </table>	Not aligned	Aligned	Best Practice ⁸	KPI 2	KPI definition:	Absolute Scope 3 GHG emissions in tons of CO ₂ equivalent in the subcontracting chain.	Characteristics and Features	Scope and perimeter:	The KPI scope and perimeter are transparently defined as it covers all the Company’s GHG emissions from purchased goods and services, capital goods, fuel and energy-related (otherwise not included in Scope 1 and 2), upstream transportation and distribution, business travel, employee commuting, use of sold products, end-of-life treatment of sold products, and investments. As a share of total emissions, KPI 2 represents 96%.	Quantifiable/Externally verifiable:	The KPI is quantifiable since it is calculated as Scope 3 GHG emissions. It is externally verifiable, because absolute GHG emissions are a widely disclosed and standardized metric. The Issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).	Externally verified:	The historical and baseline data for the KPI selected have been verified by a qualified third-party. The Issuer commits to having the future data verified by an external reviewer as well.	Benchmarkable:	By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.	KPI 2 Analysis	The KPI is considered:
Not aligned	Aligned	Best Practice ⁸																
KPI 2	KPI definition:	Absolute Scope 3 GHG emissions in tons of CO ₂ equivalent in the subcontracting chain.																
Characteristics and Features	Scope and perimeter:	The KPI scope and perimeter are transparently defined as it covers all the Company’s GHG emissions from purchased goods and services, capital goods, fuel and energy-related (otherwise not included in Scope 1 and 2), upstream transportation and distribution, business travel, employee commuting, use of sold products, end-of-life treatment of sold products, and investments. As a share of total emissions, KPI 2 represents 96%.																
	Quantifiable/Externally verifiable:	The KPI is quantifiable since it is calculated as Scope 3 GHG emissions. It is externally verifiable, because absolute GHG emissions are a widely disclosed and standardized metric. The Issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).																
	Externally verified:	The historical and baseline data for the KPI selected have been verified by a qualified third-party. The Issuer commits to having the future data verified by an external reviewer as well.																
	Benchmarkable:	By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.																
KPI 2 Analysis	The KPI is considered:																	

Relevant to Alma Media’s business as its industry is moderately GHG-emitting and exposed to climate change mitigation solutions. Resource-efficient processes are considered a key ESG issue faced by the Media industry according to key ESG standards⁹ for reporting and ISS ESG assessment. According to recent estimates, energy use in the Information Communication Technology (ICT) sector accounts for 1.4% of global carbon emissions¹⁰.

⁸ Alma Media commits to always issuing KPI 1 & 2 simultaneously on all its Sustainability-linked instruments

⁹ Key ESG Standards include SASB and TCFD, among others.

¹⁰ Lauriane Tiard-Caillaud, 2022, [The carbon footprint of media](#)

Core to the Issuer's business as Scope 3 GHG emission reduction measures affect key processes and operations that are core to the business model of the Issuer. To this end, Alma Media is considering and developing a digital strategy which will concern its ICT services, delivery services and printing operations. Moreover, the Company engages in active dialogue with subcontractors to implement development projects to expand such optimization processes. For example, Alma Media collaborates with the company responsible for the distribution of its printed products, so as to optimize the bundling and submission times of publications in order to achieve the highest possible utilization of transport units, which helps reduce emissions per unit.

Moderately Material¹¹ to Alma Media's business model and sustainability profile if issued alone, but **Material** if integrated with KPI 2 as part of the same financial instrument:

- The KPI is material to the Company's indirect operations because it focuses on 100% of Scope 3 (i.e., upstream and downstream value chain) GHG emissions, which represent 96% of the Company's total GHG emissions. Because it does not include Scope 1 and 2 GHG emissions though, it would not be Material to the whole value chain.
- Moreover, it is worth noting that KPI 1 addresses Scope 1 and Scope 2 emissions, which cover the Company's direct operations and represent 4% of the total emissions of the Company. Since the Issuer would cover 100% of emissions across the whole corporate value chain in two individual KPIs, KPIs 1 & 2 can be considered as fully material if integrated on the same financial instrument and both linked to the instrument's financial characteristics, which Alma Media commits to doing.

¹¹ ISS ESG bases this analysis on the issuer's own emissions reporting and makes no comment on the quality or consistency of the issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an issuer's reporting.

4. Calibration of SPT 2

SPT 2 – Reduce absolute Scope 3 GHG emissions by 14% by 2030 from a 2019 base year

Opinion	<i>The SPT is (i) qualitatively ambitious against the Company’s past performance, (ii) ambitious against industry peers, and (iii) in line with the Paris Agreement. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the Company’s framework.</i>
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Level of Ambition	No Evidence	Limited	Good	Robust
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SPT 2 Characteristics and Features	SPT definition:	Reduce absolute Scope 3 GHG emissions by 14% by 2030 from a 2019 base year
	Baseline performance and year:	17 338 tCO ₂ e in 2019
	Target performance and observation date:	14 910 tCO ₂ e in 2030 (14% reduction by 2030)
	Trigger event:	The non-achievement of the applicable SPT relating to the KPI for the relevant year, observed on the 31 st of December.
	Long-term target:	N/A
	Strategy and action plan to reach the target:	To reduce its Scope 3 GHG emissions, Alma Media is focusing its efforts on three key levers for action: <ul style="list-style-type: none"> ▪ Optimization and reduction of the purchasing of logistics services ▪ Digital transformation and changes of preferences from customers lead to reductions of emissions from the printing of publications ▪ Strategy for recycling and integrated end-of-life from sold products
	Key factors/risks beyond the Issuer’s direct control that may affect the achievement of the SPTs:	<ul style="list-style-type: none"> ▪ The subcontracting chain of Alma Media consists of multiple, nearly 2000 operators, of which only few are large enough to be affected by the EU regulation of setting climate targets for the business. For Alma Media it is a challenge to succeed in also encouraging these smaller companies to take climate actions: to calculate and report the GHG emissions based on reliable sources and to set validated climate targets for their own operations. ▪ In a context of inflation, the unit prices expressed in euro are likely to increase. As most of the procurement is currency based, the spend based calculation of Scope 3 could rise.
Recalculations or pro-forma adjustments of baselines	The legal documentation will include a recalculation policy.	

The level of ambition of the SPT is assessed as follows:



(i) Against past performance:

The Issuer provided 4 years of relevant historical data, including for the baseline year of 2019. The data are shown in Table 1. Calculating the compound annual growth rate (CAGR) of the past performance shows that the Issuer has achieved an average yearly change of 2.19% between 2019 and 2022 for Scope 3 GHG emissions.

TABLE 2.	2019 – BASELINE	2020	2021	2022	2030 – SPT 2
Scope 3 (in tCO ₂ e)	17 338	13 964	14 996	16 222	14 910
CAGR (2019 – 2022)				-2.19%	
CAGR (2022 – 2030)					-1.05%

Source: Alma Media Framework

Alma Media sets SPT 2 to achieve a reduction of Scope 3 emissions by 14% in 2030 compared to a 2019 baseline. Calculating the compound annual growth rate (CAGR) amounts to an average of 1.05% annual reduction between 2019 and 2022, which is lower than the compound annual reduction rate over the period 2019-2022. Therefore, from a quantitative perspective, STP 2 is less ambitious compared to Alma Media’s past performance.

However, besides 2020 and 2021 which were significantly impacted by the Covid pandemic, Alma Media states that the reduction in GHG emissions during the past period comes mostly from its digital transformation strategy, and the activities in printing and distribution have already been reduced heavily (i.e., 80% of the business is digital). It is increasingly difficult to reduce emissions coming from printing and distribution and to shift to 100% digital company because of the preferences of remaining customers purchasing physical products. On top of this, further reducing the remaining emissions of a digital business (such as optimizing and reducing the purchase of logistics services or printing) is more challenging and causes yearly operational expenditures.

In this context, and compared to the baseline year, SPT 2 is therefore considered qualitatively ambitious against past performance.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Alma Media against the peer group with the same NACE code and region as the Issuer with 14 companies (including the Issuer) as per the ISS ESG Universe.

Aside from the Issuer, 1 other peer has also set a target covering Scope 3 GHG emissions, meaning Alma Media belongs to the top 14.28% of its industry peer group. It should also be noted Alma Media has a Science-Based Targets initiative (SBTi) approved emission reduction target which has been confirmed by the SBTi. Meanwhile, the other peer has also updated its climate targets and aligned

them with the Science Based Targets initiative (SBTi), but the targets are currently being validated and the validation results are expected to be available in the third quarter of 2023.

Therefore, we conclude that SPT 2 set by Alma Media is ambitious compared to peers in terms of setting Scope 3 emissions reduction targets.

(iii) Against international targets:

Paris Agreement

Alma Media has a Science-Based Targets initiative validated emission reduction target of reducing greenhouse gas emissions arising from the subcontracting chain (Scope 3) by 14 per cent by 2030. This target has been confirmed by SBTi to be consistent with the reductions required to limit the global mean temperature increase to 1.5 degrees Celsius.

SPT 2 is in line with the Paris Agreement, based on the SBTi validation of the 2030 target.

PART 3: LINKING THE TRANSACTION(S) TO ALMA MEDIA'S ESG PROFILE

A. CONSISTENCY OF SUSTAINABILITY-LINKED INSTRUMENTS WITH ALMA MEDIA'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Alma Media states that decarbonization and digital transition are key sustainability objectives for the company. Alma Media's climate action plan includes a target to be net zero in its investment portfolio by 2050 and has committed to the Science Based Targets initiative (SBTi) to guide target setting and progress reporting. To achieve its shorter-term targets, which Alma Media also committed to deliver for the most carbon intensive portions of the investment portfolio, it has an energy target program for its operations. This includes the purchasing of zero-emission hydropower electricity and zero-emission district cooling, investments in digital business to reduce emissions from the printing of publications, as well as the reduction of the purchasing of logistics services.

In particular, Alma Media's short and long-term targets are defined as follows: by 2050, Alma Media aims to be fully net zero across its complete value chain, including emissions from its supply chain and end-use of products. By 2030, it aims to reduce its scope 1 and 2 GHG emissions by 52%, corresponding to -4,3% per year, plus the additional scope 3 emissions associated with the purchase of goods and services, its end use of product and supply chain emissions, business travel and employee commuting (including teleworking) by 14%. To reach its 2030 ambitions, Alma Media aims to be fully powered by zero-emission hydropower electricity. For its supply chain, Alma Media is engaging in active dialogues and development projects with its highest emitting and strategic suppliers from all operating countries (Finland, Czech Republic and Slovenia), which according to Alma Media are, along with their supply chains, responsible for 96% of the company supply chain emissions. By doing so, Alma Media seeks to influence its suppliers through the Alma Media Supplier Code of Conduct (SCoC)-trainings and presentation on the Company's ethics and sustainability targets, encouraging the suppliers to switch to renewable or carbon-free district heating, district cooling and electricity, addressing also company cars, for their operations.

To guide the Company's net zero transition, Alma Media has a Board of Directors (BoD), ICT organization and CFO to the Audit Committee of the BoD involved in the management of sustainability and responsibility risks¹². Alma Media has identified risks related to climate change that may have a significant financial or strategic impact on the company's business. This covers the Group's marketing and operating environment, operational and business aspects as well as the current and future framework of regulation and reputational risks. Failure to adequately prepare for the potential realities of climate change may have a negative impact on the company's financial position and/or ability to operate. Climate change risks include transition risks, such as potential positive and negative impacts of climate-related litigation, technological change, and environmental regulatory regimes; and physical risks, such as disruption resulting from extreme weather conditions, such as floods and the resulting landslides, which are estimated to increase the risk of digital service disruption in Alma Media's operating countries to some extent. Alma Media's internal policies and guidelines provide enterprise-wide protocols for managing environmental risks, including climate change. Business and functional units are responsible for observing protocols and exercising due diligence to identify and manage environmental risks in accordance with these policies.

¹² Sustainability Report, 2022. Available at https://www.almamedia.fi/wp-content/uploads/2023/03/Alma_Media_Sustainability_report_2022.pdf

Alma Media reports climate risks following the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, the GRI Standards of the Global Reporting Initiative and the instructions of the Sustainable Accounting Standard Board, where applicable, in its sustainability reporting. In addition to TCFD reporting, Alma Media regularly conducts a materiality analysis to identify the most important issues to its stakeholders and map out potential impacts, including climate and environmental factors. As of 2010, Alma Media reports to the Carbon Disclosure Project (CDP) regarding climate change.

The commitment to sustainability for a low-carbon society is executed through eleven key focus strategic areas, distributed at two levels: as a corporation in charge of the company administration and as sustainable media and service brands. These are structured as per Table 3 below. Alma Media tracks its progress annually, occasionally updating the materiality analysis with stakeholder surveys and re-defining targets when the business needs or portfolio changes.

Responsible brands	Innovation, cooperation and partnerships		Ethical and green service design	
	Customer satisfaction		Sustainable cities and communities	
Responsible Alma Media	Future-fit workforce	Responsible media	Diversity, equality and inclusion	Climate change
	Data security and data privacy	Business ethics		Supply chain sustainability

Table 3. Alma Media’s focus areas

Consistency with KPIs

KPI 1: Alma Media has set reduction of emissions as one of its priority long-term goals. To achieve this goal, the company has outlined measures to reduce Scope 1 and 2 GHG emissions of own facilities, operations, vehicles and purchased energy. KPI 1 focuses is therefore consistent with the company’s emission reduction objective, which is tracked as part of the ‘Climate Change’ focus areas.

KPI 2: Alma Media has set the reduction of emissions as one of its priority long-term goals. To achieve this goal, the company has outlined measures to reduce Scope 3 GHG emissions from purchased and capital goods and services, energy and transportation, use and end-of-life treatment of sold products. KPI 2 relates to reducing the carbon footprint of the company’s operations as well as enforcing responsible journalism and responsible marketing by offering sustainable choices for individuals and companies (e.g., strategy for recycling). This KPI is therefore consistent with the company’s objective of curbing climate change and promoting sustainable consumption, which is tracked as part of the ‘Climate Change’, ‘Responsible media’ and ‘Supply chain sustainability’ focus areas.

B. ALMA MEDIA'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Media Industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Editorial responsibility
Responsibility for recipients and access to media
Resource efficient processes
Paper sourcing
Staff diversity, safety and employment security


ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating research, further information about the Issuer's ESG performance can be found on ISS ESG Gateway at: <https://www.issgovernance.com/esg/iss-esg-gateway/>.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part 3.B of this report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the Issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the Issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ¹³	DIRECTION OF IMPACT	UN SDGS
Information media content, vocational education	29.8%	CONTRIBUTION	

¹³ Percentages presented in this table are not cumulative.

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the Issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Media Industry are as follows: Anti-competitive behavior, Sexual harassment in the workplace and Failure to respect the right to just and favorable conditions of work.

Please note, that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: ISS ESG Corporate Rating

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:

<https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 2: Methodology

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles, as administered by ICMA and Sustainability-Linked Loan Principles, as administered by LMA

The Sustainability-Linked Finance Framework of Alma Media, as well as the concept and processes for issuance have been reviewed against the Sustainability-Linked Bond Principles administered by the ICMA / Sustainability-Linked Loan Principles by the LMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond / Loan market by clarifying the approach for issuance.

The alignment of the concept of the Alma Media’s issuance has been reviewed against the mandatory and necessary requirements as per the Appendix II - SLB Disclosure Data Checklist of those principles, and against the encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles / Sustainability-Linked Loan Principles, an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT has been conducted.

The analysis has determined whether the KPI selected is core, relevant and material to the Issuer's business model and consistent with its sustainability strategy thanks to long-standing expertise in evaluating corporate sustainability performance and strategy. The analysis also reviewed whether the KPI is appropriately measurable by referring to key reporting standards and against acknowledged benchmarks. Based on the factors derived from the SLBP and using a proprietary methodology, the KPI selection assessment is classified on a 3-level scale:

Not Aligned	Aligned	Best Practice
The KPI is not aligned if one of the core requirement from the SLBP selection of KPIs section is not satisfied.	The KPI is aligned if all the core requirements from the SLBP selection of KPIs section are satisfied.	The KPI follows best practice if all the core requirements from the SLLP selection of KPIs section are satisfied and if the KPI is fully material and follows best-market practices in terms of benchmarkability.

The ambition of the SPT has been analyzed against the Issuer’s own past performance (according to Issuer’s reported data), against the Issuer’s industry peers (for example per ISS ESG Peer Universe data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative or Science-Based Targets initiative). Finally, the measurability and comparability of the SPT, and the supporting strategy and action plan of the Issuer have been evaluated.

Based on the factors derived from the SLBP and using a proprietary methodology, the SPT selection assessment is classified on a 4-level scale:

No Evidence	Limited	Good	Robust
If none of the three dimensions (past performance, industry peers and international benchmarks) are positively assessed.	If the SPT is ambitious against only one of the three dimensions.	If the SPT is ambitious against two of the three dimensions.	If the SPT is ambitious against all the dimensions.

ANNEX 3: Quality management processes

SCOPE

Alma Media commissioned ICS to compile a Sustainability-Linked Transactions SPO. The Second Party Opinion process includes verifying whether the Sustainability-linked Framework aligns with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability-Linked Loan Principles and to assess the sustainability credentials of its Sustainability-Linked Transactions, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Sustainability-Linked Bond Principles
- LMA Sustainability-Linked Loan Principles

ISSUER'S RESPONSIBILITY

Alma Media's responsibility was to provide information and documentation on:

- Framework

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Sustainability-Linked Transactions to be issued by Alma Media has been conducted based on a proprietary methodology and in line with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability Loan Principles.

The engagement with Alma Media took place from February to May 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About the SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information about SPO services, please contact: SPOsales@isscorporatesolutions.com

For information about this specific Sustainability-Linked Transaction SPO, please contact: SPOOperations@iss-esg.com

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