




Sustainability Report | 2022



EGMONT

Content

	Statement from CEO	3
	Egmont at a glance	5
	Our approach to sustainability	6
	Sustainability highlights	9
	Go Greener fast	
	Our carbon account	12
	Own operations	14
	Sustainable value chain solutions	18
	Green partnerships	22
	Embedding responsible business practices	
	Business ethics and whistleblowing	26
	Data privacy, ethics, and security	30
	Social compliance programme	32
	Empowering people and communities	
	Egmont's workforce	36
	Gender balance	38
	Supervisory boards	39
	Charitable activities	40
	Appendix: Carbon accounting principles	44

Egmont's Sustainability Report provides detailed information on sustainability and our responsible business behaviour. The Sustainability Report serves as a supplementary document to the United Nations Global Compact Communication on Progress, which will be submitted later in 2023 using the new CoP digital platform. This report includes Egmont's mandatory non-financial reporting in accordance with article 99a, Egmont's report on targets and policy with respect to the underrepresented gender in accordance with article 99b, and Egmont's statement on data ethics in accordance with article 99d of the Danish Financial Statements Act (Årsregnskabsloven).

Statement from CEO



Egmont has a longstanding commitment to being a responsible company. In 2013, Egmont signed up to UN Global compact and has for many years worked closely with manufacturers and partners to ensure that the ten principles within human and labour rights, anti-corruption and environment are complied with.

Egmont's 2025 business strategy *Grow with the Modern Consumer – Scale up & Stand Out*, has confirmed this commitment, and during 2022, we have continued to work on the strategy's climate and environmental focus, Go Greener fast.

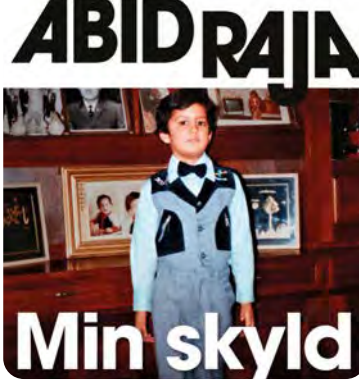
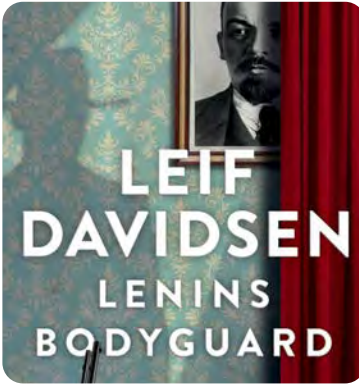
In 2022, we took Egmont's climate ambitions to the next level by matching our total electricity consumption with 100% green electricity. Our investment, via a pool Power Purchase Agreement, in a Danish solar park will become operational during 2023 and will provide additional capacity of green electricity to the Danish grid. The park is expected to deliver 70,000 MWh annually, corresponding to the energy consumption of 18,000 households, and we are excited about having made this long-term investment for a greener future.

The main part of Egmont's carbon emissions lies within our upstream and downstream activities. To get a better understanding of these emissions, Egmont has performed a high-level scope 3 value chain screening.

Next step is to work with more scope 3 categories and set targets for reducing our CO₂ emissions for scope 3.

This report describes how we have progressed with our social, ethical and climate efforts to continue to honour our longstanding commitment to be a responsible company.

Steffen Kragh
President & CEO of Egmont



Egmont at a glance

Egmont is a leading Nordic media group focused on storytelling and journalism. More than 6,000 employees across 150 companies contribute through our four divisions: TV 2, Nordisk Film, Story House Egmont, and Egmont Books. We apply technology, creativity and entrepreneurship to create great content, competitive products and user excellence across platforms.

Egmont is a foundation, and our profits are used to develop our media business in many countries and to support children and young people in Scandinavia. In 2022, Egmont had charitable activities of EUR 13.2 million in Denmark, Norway and Sweden.

Egmont's 2025 strategy is Grow with the Modern Consumer- Scale Up & Stand Out and has focus on growth within TV streaming, digital books, games, agencies and e-commerce.

Egmont's commitment means that we will invest heavily in content and continue to improve our sustainability performance.

See our Annual Report for more information on our business and financials at:
<https://www.egmont.com/key-figures-reports>



Our approach to sustainability

Egmont's sustainability work entails both living up to Egmont's responsibility as a company and effectively managing sustainability-related, commercial risks. Egmont wants to contribute to sustainable development, which includes targeted efforts to reduce greenhouse gas (GHG) emissions, develop non-plastic packaging solutions, and upgrade tech and sustainability skills in the organisation.

Our ambitions support the UN Sustainable Development Goals (SDGs) and direct our approach to manage the most significant environmental and social issues arising from the business processes.

Egmont has established common policies, standards, and guidelines which specify how the companies in the Group must address important sustainability topics such as environment and climate, responsible sourcing, and employer responsibility. Awareness-raising, risk mapping, improvement plans, monitoring and reporting are key elements in the continuous improvement of these topics.

Egmont's climate strategy, *Go Greener fast*, describes Egmont's ambition to contribute to a low-carbon economy and a better planet for future generations. During 2022, we have set further reduction targets for our own operations and conducted value chain scans across Egmont with the purpose of getting enhanced insight of the biggest scope 3 emissions across Egmont's different business areas.

Responsibility and integrity are core to the way we conduct our business and Egmont promotes responsible business practices throughout its value chain. Egmont's Business Ethics Policy and Supplier Code of Conduct provide clear guidance for our employees and business partners.

The people in Egmont are our most valuable assets, and we continue to invest in personal and professional development of our employees. We strive to foster an inclusive and equal environment, and during 2022 Egmont introduced that fathers and co-mothers will be entitled to the same salary conditions during their leave as mothers.

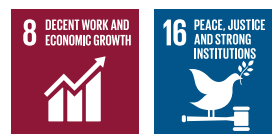
Empowering people and communities



People: Providing an engaging employment with a meaningful job, a great purpose, great cooperation with colleagues, and opportunities to develop professionally.

Communities: Contributing to the sustainable development of communities through engagement, funding and partnerships to support vulnerable children and youngsters as well as young talents.

Embedding responsible business practices



Ethical business and compliance: Fostering an ethical culture and conducting our business with integrity and ensuring we comply with all relevant legal and regulatory requirements in own operations and supply chains.

Go Greener fast



Climate change and circular economy: Reducing our greenhouse gas (GHG) emissions from own operations and high emission areas within our value chains.





Sustainability highlights

	Unit	2019	2020	2021	2022	
Go Greener fast	Green electricity share (scope 2)	%	N/A	N/A	25%	100%
	Scope 1 emissions	tCO ₂ e	1,013	698	717	738
	Scope 2 emissions (market-based)	tCO ₂ e	14,209	13,103	10,003	1,153
	Scope 2 emissions (location-based)	tCO ₂ e	4,527	3,613	2,642	2,802
	Scope 3 emissions*	tCO ₂ e	N/A	N/A	57,171	55,030
Our workforce and supervisory board	Gender diversity total (female/male)	%	52/48	48/52	50/50	49/51
	Gender diversity management** (female/male)	%	47/53	49/51	44/56	43/57
	Employee engagement level	1-10	8.0	8.1	8.2	8.2
	Gender diversity Board of Trustees (female&male)	#	0&6	1&6	1&6	1&5***

*Including five categories: Printed products, goods transportation, covermounts & toys, packaging and business flights

** In 2021 a number of acquisitions and consolidations of games and ecommerce companies increased significantly the number of employees in Egmont which impacted the gender balance of managers

*** From March 2023 there will be 2 female and 4 male members



Go Greener fast





Our carbon account

Our current reporting scope

We use the Greenhouse Gas Protocol to report Egmont's carbon account. Own operations (scope 1 and 2) include company cars and utilities. Sustainable value chain solutions (scope 3) include the following emission categories: Business flights, printed products, goods transportation, covermounts and toys, and packaging. The 2022 distribution of CO₂e emissions from scope 1, 2 and 3 can be seen in the below figure.



Company vehicles and fuel used in facilities

Electricity, heat and cooling

Business flights, printed products, packaging, goods transportation and covermounts & toys

Scope 1

Scope 2
(market-based)

Scope 3

738 tCO₂

1,153 tCO₂

55,030 tCO₂

1% of total

2% of total

97% of total



Extensive scope 3 screening

Egmont's most material risks regarding climate and environmental issues lie within scope 3. During 2022, Egmont conducted a comprehensive Scope 3 mapping. It was a huge and ambitious task, as our businesses cover a great diversity of sectors. The screening covered 14 different value chains across Egmont.

The primary purpose of this screening was to establish our scope 3 baseline (according to the 15 categories in the GHG protocol) and get a better understanding of the carbon emissions generated by our companies, beyond the scope 3 categories we have focused on so far (business flights, printed products, packaging, goods transportation and covermounts & toys cf. page 46).

The scope 3 screening relied on spend-based estimates for most categories, which is the common approach for companies establishing a full scope 3 baseline for the first time. The screening provided good indications of where our emission hotspots lie in our value chains, and where we need to prioritise collecting more sophisticated carbon data to make sure we keep our focus on where we can reduce our climate impact the most.

The screening showed that purchased products and services is a key emission category, and it also confirmed that our current scope 3 focus areas, with printed products as one of the key hotspots, are still material.





Own operations (scope 1 and 2)

Company vehicles and fuel consumption (scope 1)

Targets

- From 2023 new passenger cars leased by Egmont's Nordic companies can only include plug-in hybrid and electric vehicles (new).
- Compensate scope 1 emissions*.

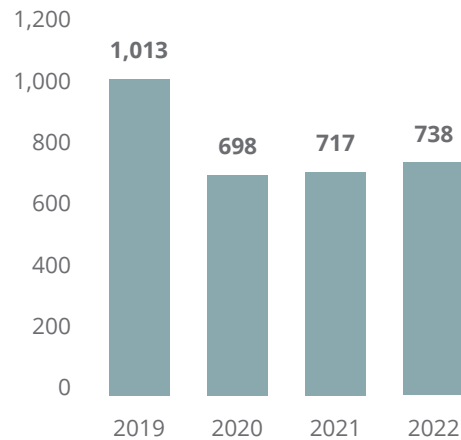
Actions 2022

Even though Egmont's fleet of company vehicles is small and projected to decrease even further in the coming years, we decided to make sure that our fleet transition to low-carbon rapidly and updated our company car policy accordingly.

Results 2022

As of end 2022, low-carbon vehicles already made up 43% of Egmont's company vehicle fleet.

Emissions (tCO₂e)



Next steps

- Remaining vehicles will be replaced gradually by low-carbon vehicles, as new technologies become available at scale, and new legislation in our markets will phase out the sales of fossil passenger cars in the coming years.

* In total 1,891 tCO₂e has been compensated in 2022 from Rimba Raya project.

C A S E

Investing in additional green electricity

In 2021, Egmont signed a Power Purchasing Agreement (PPA) and joined forces with several other Danish companies to build a solar park in Northern Jutland, with a capacity of approx. 70,000 MWh annually, corresponding to the energy consumption of 18,000 households. This was an important step on our road to invest in additional green electricity.

The construction of the park is on track, and it is expected to be connected to the Danish electricity grid mid 2023.

Beyond providing additional green electricity to the Danish grid, our partner Better Energy is very focused on preserving and enhancing biodiversity in the area. Their internal biodiversity team is assessing the potential of different measures, including innovative approaches such as converting part of the park into a wetland. Their ambition is to leave the land in a better state than prior to the project, e.g., by removing pesticides and fertilisers which will improve soil quality.



Electricity, heating and cooling (scope 2)

Targets

- 100% green electricity from 2022.
- Compensate residual scope 2 emissions*.

Actions 2022

Our cinemas in Denmark and Norway, which represent 46% of our total energy consumption (scope 2), have conducted energy efficiency initiatives. From 2022, we are matching Egmont's electricity consumption (scope 2) with green electricity. Our green electricity sourcing in 2022 consists of a mix of green electricity sourced by our companies and green electricity certificates sourced centrally. We expect that from mid 2023, nearly all our procured electricity in Denmark will be matched with electricity generated by the solar power plant we have invested in last year. During 2022, we also explored the opportunity to sign a green power purchase agreement for Norway and Sweden (our two other key markets together with Denmark). However, due to large uncertainties and the geopolitical context in 2022, further evaluation of the potential investment was postponed to 2023.

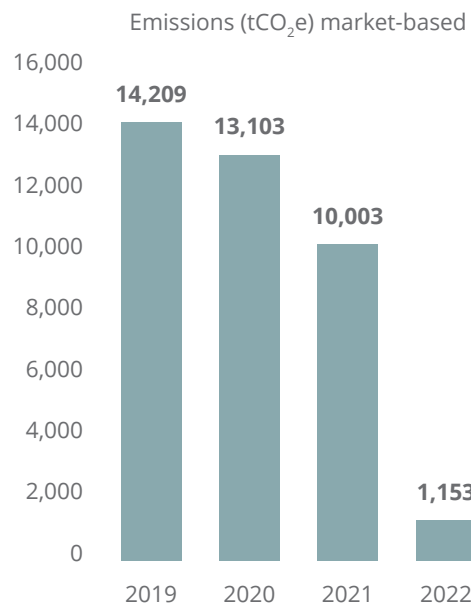
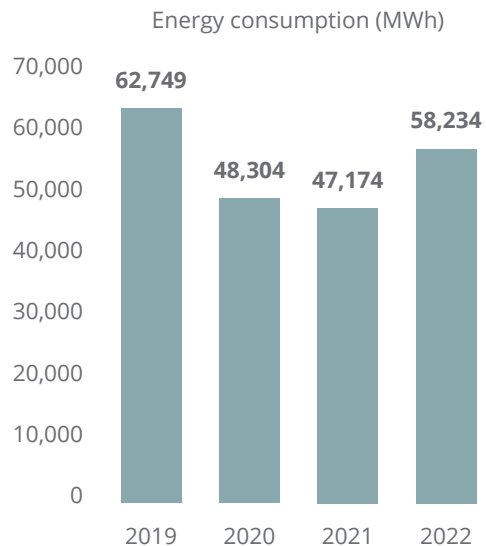
Results 2022

In 2022, our absolute energy consumption has increased by 23% compared with 2021, as our offices and cinemas were back to full activity after two years of pandemic. Our green electricity share increased from 25% in 2021 to 100% in 2022.

Next steps

- Continue working with energy reductions in our facilities and set reduction targets.
- Re-assess the opportunity to invest in a virtual PPA to build a windmill park in Southern Sweden.
- The solar plant will become operational mid 2023 and will cover more than 90% of our Danish electricity consumption.

*In total 1,891 tCO₂e has been compensated in 2022 from Rimba Raya project.





CASES

Watching movies in the dark

When the lights are turned off and you are excitingly waiting for the movie to begin on the big screen, you are probably not paying attention to the competition playing out behind the scenes. Nonetheless, that is exactly what happened during November and December 2022, where the nine Nordisk Film Cinemas in Norway held an internal competition to reduce their energy consumption.

Nordisk Film cinemas drives a large part of Egmont's total energy consumption and any reduction in the energy consumption will contribute to Egmont's ambition to help fight climate change. Energy reduction has therefore been in focus for Nordisk Film in Norway. The initiative was inspired by Egmont's focus on sustainability and that the cinemas combined could make a real difference for the climate.

As a result of the competition the Norwegian cinemas managed to reduce energy consumption with a total of 47,000 kWh corresponding to a total of 7.3%, compared to same time last year. The competition had two winners; Nordisk Film Cinema Lagunen, Bergen, managed to reduce its consumption with 28.2% during November and Cinema Saga, Oslo, with 16% during December, while at the same time increasing the number of visitors.

Almost every cinema quickly identified the biggest power guzzler of all – the ventilation systems. These were adjusted, so that it was only turned on during the movies. Other initiatives included a growing focus on light savings, temperature adjustments, door carpets to retain heat, limiting the usage of machines and display screens in the convenience stores etc. To compensate for the lower temperatures, every guest was offered a blanket. All initiatives were carried out without compromising the customer experience.

"My colleagues in Symra, understood the need to act for the climate. Additionally, the economic benefit by saving energy and the competition aspect functioned as a motivator", says Marianne Zecca, Cinema Manager Symra.

Based on the competition Nordisk Film Cinemas gained important insights concerning mapping and measurement of energy consumption across the Nordisk Film Cinemas.

"Nordisk Film Cinemas are very different in both size and needs. We will use the data from the competition to look at each cinema's specific needs, so that we in the best way contribute to reduce energy consumption in the future," Daniel Clemetsen, Business Controller and responsible for data collection in Nordisk Film Norway tells.

NORDISK FILM CINEMAS

The first Nordisk Film Cinema opened in Copenhagen in 1905.

Today Nordisk Film Cinemas has 47 cinemas across Norway, Sweden, and Denmark.

Nordisk Film Cinemas has 9 million annual visitors in Norway and Denmark.



Energy savings in Nordisk Film Cinemas Denmark

Since Autumn 2021, Nordisk Film Cinemas in Denmark have increased the effort to reduce energy consumption.

The ventilation systems in all 23 cinemas have been optimised and some replaced with more energy-saving alternatives. The systems have also been turned off outside opening hours, which has reduced the number of hours running by 15%. The temperature has been lowered in certain areas without compromising the cinema experience. In addition, each cinema has initiated different local initiatives to save energy.

Based on energy data, Nordisk Film Cinemas benchmark comparable cinemas within the group to focus on the cinemas needing extra attention. By using a business intelligence platform, data from the cinemas is automatically collected. An overall energy reduction of 7% corresponding to 630,000 kWh has been achieved when comparing 2022 and 2019. (2020 and 2021 are excluded due to Covid-19 and the close down of cinemas).

In order to increase awareness and engagement among the employees, Nordisk Film Cinemas have held two workshops on energy reduction.





Sustainable value chain solutions (scope 3)

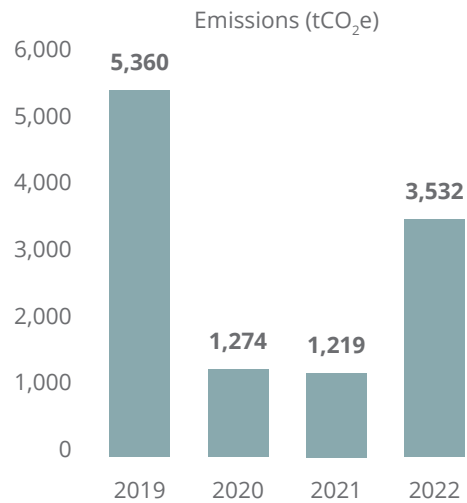
Business flights

Actions 2022

End 2022, we established a cross-divisional working group involving the top flying companies in Egmont to build on recent learnings regarding business travel needs. The purpose of this working group is to raise awareness, understand better our business travel needs going forward, identify reduction potential, and update our corporate travel policy.

Results 2022

We have seen an increase in business flights emissions in 2022, due to the end of the pandemic. However, our 2022 business flights emissions remained 35% lower



than in 2019 (pre-COVID), which indicates that we have emission reduction potential in this category, which will be further investigated by the working group in 2023.

Printed Products

Actions 2022

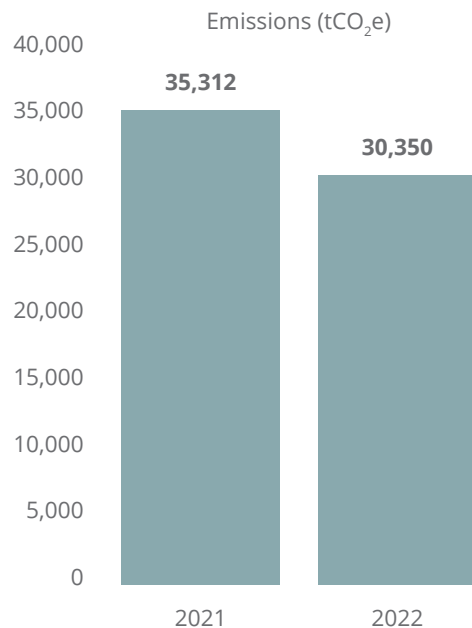
During 2022, we kept exploring options to cut down emissions from printed products. Notably we investigated green energy options rolled out by paper suppliers and printers and kept analysing the carbon impact of different paper qualities. However, 2022 was a special year for the paper industry with capacity shortage, which challenged our ability to demand lower-emissions paper for our printed products.

Targets

- Books: Reduce CO₂e emissions related to book production by 42% by 2030, compared to 2018.

Results 2022

Absolute emissions from printed products have decreased by 14% between 2021 and 2022 (largely explained by declining volumes in the magazine business).





C A S E

Environmental impact of paper books vs. e-books

Consumers today have an increasing focus on sustainability, also when it comes to purchasing literature. Some customers might have a biased perception of the environmental impact of paper books compared to e-books, which is why Cappelen Damm, Norway's largest publishing house and part of Egmont, felt it was important to get the knowledge and insight into the environmental impacts of books in different formats.

In 2010, Cappelen Damm was the first publishing house in Norway to get FSC and PEFC certified and ever since, the publishing house has had a constant focus on sustainability and has set ambitious targets for reducing its climate and environmental impact.

In 2022, together with NORSUS, Norwegian Institute for Sustainable Research, Cappelen Damm performed a Life Cycle Assessment (LCA) of different formats of fiction and textbooks, a research project which was financially supported by Oslo Municipality. The LCA included everything from the early stages of extraction of raw materials to the final stages, when materials again end up as components in nature.

As result of the LCA, Cappelen Damm was able to compare the environmental impact of paper books, e-books, and audiobooks, respectively, and thereby enabling them to give customers advice on climate and environmental impacts of different books formats.

The result of the study* showed that there is no significant difference in the environmental impact from fiction books published as paper books or the e-version of the same book. In terms of textbooks, the paper books had a slightly better environmental presentation than the electronic formats. However, one conclusion was clear: The usage of desk- and laptops is not suitable for reading or even worse, listening to books.

"As Norway's largest publishing house, we wish to use our position to push more players in a sustainable direction. We carry a great responsibility and are taking climate change, environmental issues, and biodiversity very seriously. The knowledge we have gained comes with obligations; we must step up our environmental work further," Roy Jensrud says.

*Based on various pre-defined assumptions, e.g., that the e-book is read in Norway, or another country with low carbon intensity electricity.





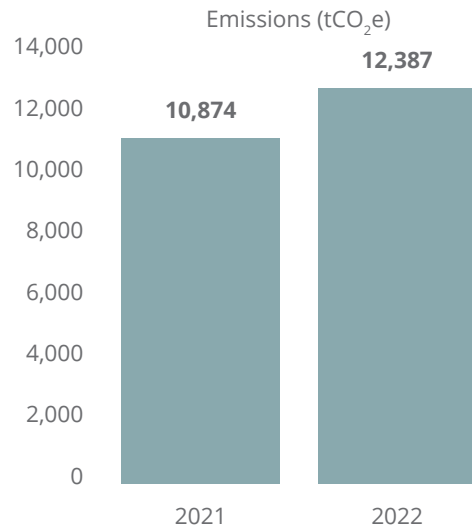
Goods transportation

Actions 2022

During 2022, we established a cross-divisional Egmont forum on climate & goods transportation to increase awareness on different solutions available to cargo owners to support the decarbonisation of the freight sector. In the forum we discussed how to engage with our transport suppliers, and how to factor in climate impact as a parameter in tenders with transport suppliers. We see a positive trend among our transport suppliers establishing their own decarbonisation roadmap. Some of our companies have shifted to greener transporters or to the green offering from their transporters. We also conducted a small-scale test with the organisation Good Shipping, whose purpose is to create more demand for sustainable marine biofuels in sea freight shipping.

Results 2022

Absolute emissions from goods transportation have



increased by 14% between 2021 and 2022. This is partly explained by increased transport activities for some of our businesses and the fact that more suppliers were able to provide emissions reports or more complete reports, so we were able to include more of our transport activities in 2022, than in 2021.

Packaging

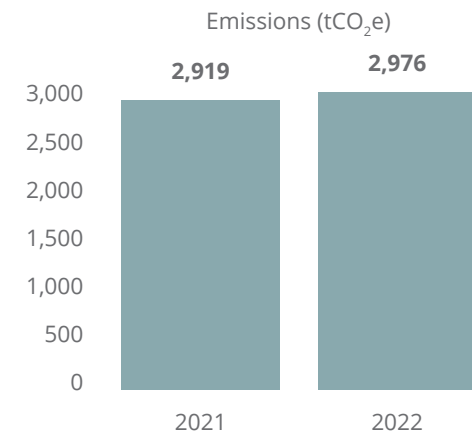
Actions 2022

Our magazine business has been very focused on decreasing plastic wrapping around the magazines since 2018. They have tested multiple alternatives, e.g., no wrapping at all, paper wrapping or gluing instead of foil wrapping. They have also focused on replacing plastic blister around covermounts with cardboard or paper. During 2022, our e-commerce business has investigated opportunities to optimise packaging, e.g., by replacing plastic bubble wrapping with filling paper and reducing the amount of packaging used in individual shipments.

Targets

Story House media:

- Reduce plastic foils used around magazines by 50% (in weight) by 2021 (with effect from 2022), compared to 2018 .
- Reduce plastic used for covermount packaging by 50% (in weight) by 2024, compared to 2021 (new).
- Use at least 30% recycled material for covermount packaging by 2024 (new).



Results 2022

In 2022, we reduced plastic foils around magazines by 45% plastic foil by weight (compared to 2018), corresponding to 20 millions fewer pieces of plastic foils. Plastic used in covermounts packaging has decreased by 33% by weight (compared to 2021). Absolute emissions from packaging in 2022 are similar to 2021. This is explained by a decrease in our magazine business but an increase in other parts of our business (cinemas and e-commerce).



Covermounts & toys

Actions 2022

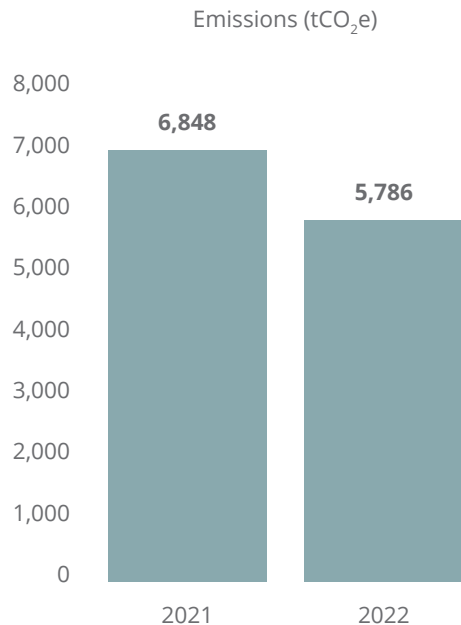
During 2022, Egmont’s magazine business has focused on replacing plastic covermounts, with alternative materials like paper or cardboard. In cases where plastic covermounts could not be reduced, options such as cancelling titles or producing better quality plastic toys to enhance the lifespan and play value of the toy have been implemented.

Targets

- Story House media: Reduce plastic used in covermounts by at least 25% (in weight) by 2024, compared to 2021 (new).

Results 2022

In 2022, the tonnage of plastic used in covermounts has been reduced by 16%, compared to 2021. Emissions



from covermounts & toys have also decreased 16%, between 2021 and 2022.

Next steps across scope 3

- Refine high-level scope 3 baseline and select additional focus categories to be included in Egmont’s carbon account.
- Explore reduction potential and set emission reduction targets for selected categories.
- Prepare for Corporate Sustainability Reporting Directive (CSRD) implementation.

C A S E

Moving away from plastic toys and blister packs

Traditionally, the toys attached to magazines (covermounts) are made of plastics packed in a polybag or blister. We have challenged ourselves on this concept aiming at reducing amounts of plastics and selecting alternative materials, where possible.

During 2022, Egmont’s magazine business started developing a life-cycle analysis (LCA) tool with the aim to help selecting more sustainable materials in the development of a covermount. Once its finished, the tool will integrate aspects from CO₂ emissions related

to individual materials as well as manufacturing processes and further to recyclability at the end of the products’ life.

Also, the kid’s magazines are moving away from single use plastics as part of the packaging of the covermounts and are increasingly using cardboard boxes instead of blister packs. This has already been implemented and by end of 2022 we have seen a reduction of plastic packaging (kg) of 33% compared to 2021.



Green partnerships

During 2022, Egmont continued to work with our key suppliers and business partners as well as with external experts to explore how we can work together on accelerating the green transition in our industry. Egmont also participated in an industry collaboration initiated by Dansk Erhverv to discuss what it requires to develop more sustainable solutions across broadcast, production and technology and how digital providers can help this transition. The aim is ultimately to draft recommendations on how to set and measure targets in the industry.

Nordisk Film and TV 2 play a prominent role in the creative sector, promoting sustainable productions in the Nordics, which is why they have partnered up with Green Producers Club to test and use their climate tool with the aim to measure and plan for reduction of emissions related to TV and film production.





C A S E

Egmont becomes part of Green Producers Club

Imagine the cost of transportation on a TV production, the amount of waste on a filmset, the CO₂-emissions connected to catering all the crew. In fall 2022 three Egmont companies joined the Green Producers Club which helps measure and reduce CO₂-emissions attached to productions. Through membership the companies gain access to Green Producers Tool which allows them to plan and compare different concepts in relation to choices of energy, transportation, food, accommodation, equipment, art direction, recycling and waste. The Green Producers Tool comes as an app which makes it very easy to use.

Nordisk Film Production, TV 2, and latest Egmont People have joined The Green Producers Club to map and start reducing emissions.

Nordisk Film Production has already been testing the tool on productions in Norway and is also in progress on productions in Sweden and Denmark and plans to make the tool an integrated part of all future productions as part of contributing to Egmont's overall climate strategy "Go Greener Fast".

"Green Producers Tool is more than a "climate-calculator". The tool gives us an overview and understanding on how to make good choices for the climate. Being project partner gives us an opportunity to partake in the further development and adoption of the tool in the Nordics," says Vibeke Ringen, Producer, Nordisk Film Production, and involved in developing Green Producers Tool.

TV 2 strongly encourages all external TV productions to start using the tool. In 2022, by the first mapping, only 3% of all productions related to TV 2, measured their carbon footprint. In 2023, the expectation is that over 50% of all external production companies plan to measure emissions.

"We at TV 2 are impressed by the Norwegian TV production environment and how far many have come in relation to sustainability. We want to make it possible for even more productions to start measuring their production-footprint. That is why we have partnered with Green Producers Tool. We believe that measurement will give us all the insight and motivation to take further action," Kathrine Haldorsen, Programme Editor, TV 2 explains.

Egmont People, an influencer agency part of Story House Egmont Norway, recently became part of Green Producers Club.

"We are planning to use it for all our productions; TV productions as well as social media/YouTube and other content productions, to measure emissions but also learn how to lower them. It's also a great selling point to our customers that we are thinking green and are able to provide a carbon footprint for the productions we deliver to them," Anne Smith-Meyer, Head of Production, Egmont People, tells.

Being part of the Green Producers Club project reflects a strong desire to push productions in a greener direction. Nordisk Film Production is a key partner to Green Producers Club and will help lead the way by sharing their knowledge and best practices with other members of the club. All to make sure that the creative sector achieves a 55% reduction goal in line with the Paris Agreement.



Embedding responsible business practices





Business ethics and whistleblowing

Egmont is committed to ethical and responsible conduct in all its operations. Employees, business partners, and third parties have the opportunity to use confidential and secure channels to express concerns about possible misconduct via Egmont's whistleblowing system, which can be accessed online by employees via our intranets and by external parties via Egmont.com.

Business ethics policy and training

Egmont does not tolerate any use of corruption or bribery, and since 2013 Egmont has had a clear policy on that. Egmont's Business Ethics Policy, which was launched in 2019, incorporates a wider range of legal compliance areas in addition to anti-corruption, such as conflicts of interest, gifts and entertainment, competition law, anti-fraud, marketing law, data protection, piracy and illegal use of content, human rights, and environment, and it is an overall umbrella to communicate compliance policies and how Egmont expects all managers and employees to act. The Business Ethics e-learning, which was also launched in 2019, presents the employees with dilemmas and cases, which they may encounter in their daily business.

Progress in 2022

During 2022, Egmont rolled out its annual refresher e-learning to all relevant employees. By the end of December 2022, 89% of the relevant employees had completed the 2022 training. The target is to reach as close to 100% completion rate as possible and follow up with employees that do not complete on time is done systematically. The training is automatically assigned to all new, relevant employees.

Egmont has assessed its risks in relation to corruption in the business areas and countries where it operates and in relation to new partners and concluded that the overall risk of corruption in Egmont is low. Egmont works with manufacturers and other partners in countries with perceived high risk of corruption to ensure that manufacturers are aware of and comply with the regulations on anti-corruption. Egmont carries out audits and inspections on the basis of general compliance risk assessments. Where relevant, in connection with new partners and M&A transactions, separate due diligence regarding relevant business ethics risks is conducted. During 2022, Egmont conducted separate due diligence in a number of cases and used external experts where necessary.

In addition, Egmont continues its work to ensure that relevant business partners sign up to Egmont's Code of Conduct (or have their own code with equivalent standards) that sets out a number of social and legal compliance requirements, including non-discrimination, compensation, protection of the environment, freedom of association, health and safety, anti-corruption, non-harassment and hours of work. Egmont had planned to make a new overall risk assessment in order to guide the businesses more consistently with respect to implementation of the Code of Conduct in relevant agreements, but during 2022 this work was only carried out in some parts of the business and will continue in 2023.

During 2022, Egmont has not detected any corruption or bribery in Egmont or in the supply chain or received reports of any such incidents.



During 2022, Egmont companies in Norway have carried out due diligence assessments as required under the new Norwegian Transparency Act to investigate whether there are actual, or risks of, adverse impacts on human rights or decent working conditions in their own operations, supply chain and other business relationships and taken steps to prevent or mitigate any such adverse impact. The

companies have put in place systems for receiving and responding to request for information, and they are preparing reports on the assessments made which are to be made public no later than 30 June 2023.

Finally, Egmont’s whistleblowing system was updated to ensure easy access to reporting from mobile phones.

C A S E

Implementing the Norwegian Transparency Act

Cappelen Damm has been working with due diligence assessments in its own operations, supply chain and with other business partners, together with Egmont Social Compliance for many years.

To comply with the new Norwegian Transparency Act, Cappelen Damm is carrying out risk-based and prioritised due diligence assessments to anticipate, prevent and minimise risk of potential negative impact or damage on human rights and decent working conditions in their own operations and value chain. Prioritisation of risk is done by categorising suppliers and other business partners in risk groups based on the severity, extent, and probability of potential negative impact that these suppliers and business partners have on human rights and decent working conditions. The different risk groups are categorised as follows:

If objectionable conditions within own operations, supply chain or other business partners are discovered, Cappelen Damm will initiate suitable measures to cease, prevent, or mitigate the adverse impact and follow up on the initiated measures and results. Cappelen Damm will make sure to communicate with affected people and co-operate with regard to possible remediation and compensation where required.

Cappelen Damm is carrying out due diligence assessments on an on-going basis as part of their work with a sustainable value chain. This procedure promotes transparency and helps the consumers make informed choices, which is important for Cappelen Damm.

Risk-group 1-3	Egmont Country Risk Assessment
Risk-group 4	Co-edition; we have bought the rights for Norwegian edition
Risk-group 5	Norwegian companies that typically deliver gifts and promotional items
Risk-group 6-7	(Norwegian) companies that produce goods and services in Norway
Risk-group 8	State and municipal companies/offices



Next steps

Egmont will continue to roll out its Business Ethics policy and training programme to newly acquired businesses.

Egmont will update its guidance regarding implementation of the Supplier Code of Conduct into relevant agreements on the basis of a risk assessment and start the work on an updated Supplier Code of Conduct for implementation in 2023 or 2024.

Whistleblowing system - reports and status 2022

In 2022, three whistleblower reports were submitted in Egmont's whistleblowing system. One related to follow up on a previous report connected to concerns with the development of a business. No compliance issues were identified and after a meeting with the whistleblower, the matter was closed. The other two reports related to one company and concerns the culture in a business unit. No compliance issues were identified, and the matter was dealt with through conversations with management and employees in the business unit and implementation of changes relating to control and organisational structure. The matter has been closed.





Data privacy, ethics, and security

The EU General Data Protection Regulation (GDPR) has been in effect since 25 May 2018 across the EU. Egmont has implemented a group-wide, general framework for ongoing GDPR compliance, and its businesses continue to actively implement GDPR compliance into the way they work. The framework consists of policies, guidelines, and standard documents together with a comprehensive employee training programme.

Egmont has a group-wide Information Security Policy, and all employees are educated in general information security. In addition, IT employees are trained in technical security policy requirements for their specific responsibilities. Training takes place on a yearly basis and as technical policies are updated.

The Information Security Policy has been successfully adopted, and security controls are optimised to meet the current threat level when necessary. To achieve this, Egmont utilises modern cloud security to be in control with data and systems in parallel with traditional security controls, including security tests, system updates, and malware prevention.

Egmont is on a journey to further adapt information security controls for our platforms and data to enhance compliance with the GDPR and ethical use of data.

The Egmont Group has an ethical and responsible approach to the data we handle. Egmont uses data as part of its business strategy and to make innovative solutions and product improvements to the benefit of our customers and partners.

Egmont has introduced a policy on data ethics to ensure that Egmont companies manage data in an ethical way. The principles in the policy are universal and relevant across Egmont but currently it only applies directly to all 100% owned Danish companies.

The policy supplements Egmont's general commitment to high business ethics standards and integrity as set out in Egmont's Business Ethics Policy. The policy principles on data ethics are relevant to all categories of data processed in Egmont. This includes personal data as well as other categories of data such as financial and commercial data, including confidential information received from third parties.



Policy on data ethics

Egmont applies the following principles for ethical data management.

IT security

We maintain a high level of IT security to protect confidential information and personal data processed by Egmont against unauthorised use and disclosure. Egmont has an Information Security Policy which applies to all Group companies, and which sets out a number of IT security requirements and includes relevant mandatory training for all employees.

Openness

We are open and transparent with individuals about the personal data we collect about them, how we use it and share it.

Personal Data

Egmont has a policy on handling of personal data in order to ensure compliance with relevant data and privacy laws and regulations. It applies to all Group companies and includes relevant mandatory training for all employees. We respect data privacy rights and the integrity and confidentiality of personal data.

Respect for confidentiality

We respect confidential and proprietary information belonging to third parties, including customers, suppliers, etc., and we only use it as allowed or authorised. All employees who have access to personal data or other confidential information are bound by confidentiality undertakings.

Quality

We strive to maintain a high level of data quality. That applies to all data, including the data on which we base our decisions, the data which we publish and on which authorities, customers, suppliers and other stakeholders rely.

Technology and Design

Data processing technologies, including technologies such as machine learning, artificial intelligence and similar, shall be designed and used in respect of the principles of this policy.





Social compliance programme

Egmont's Social compliance programme

As a signatory to UN Global Compact, Egmont has committed to identifying and addressing any adverse human and labour rights' impacts from its own operations and from suppliers to make sure that all its products are produced in alignment with applicable ethical and social standards. Our supply chains related to the production of covermounts, toys, games and printed products are perceived as high-risk, and they are therefore the main focus of Egmont's Social Compliance Programme.

Aligned with UN Global Compact's ten principles, Egmont's Code of Conduct sets out the baselines on how we expect our business partners to behave and the requirements they must comply with. Egmont's Social Compliance Programme defines how suppliers and selected sub-suppliers must comply with Egmont's Code of Conduct through practical processes on how to ensure social compliance and mitigate non-conformities. The processes and practices include risk assessments, audit requirements, and remediation commitments with the purpose of supporting and improving responsible supply chains.

Responsible supply chains

Aim Closely collaborating with relevant suppliers and business partners to ensure that human and labour rights are respected in the entire supply chain

Policies and processes

- Egmont's Code of Conduct
- Egmont's Social Compliance Programme

Actions

- Comprehensive risk assessment
- Third party audits and remediation action plans
- Inspiration letters on recent updates and best practices on common non-conformities
- Training sessions

Achievements in 2022

- Continuous improvement on suppliers' performance
- Stable and healthy supplier pool
- Two inspiration letters published to all relevant suppliers
- No zero tolerance cases detected in 2022

Actions planned for 2023

- Continue to work with our suppliers to remediate non-compliance issues and ensure compliance with Egmont's Code of Conduct
- Monitor new European legal requirements to human rights due diligence, and implement these when required
- Continue to build awareness and provide training and inspiration on social compliance related topics for our suppliers and other business partners



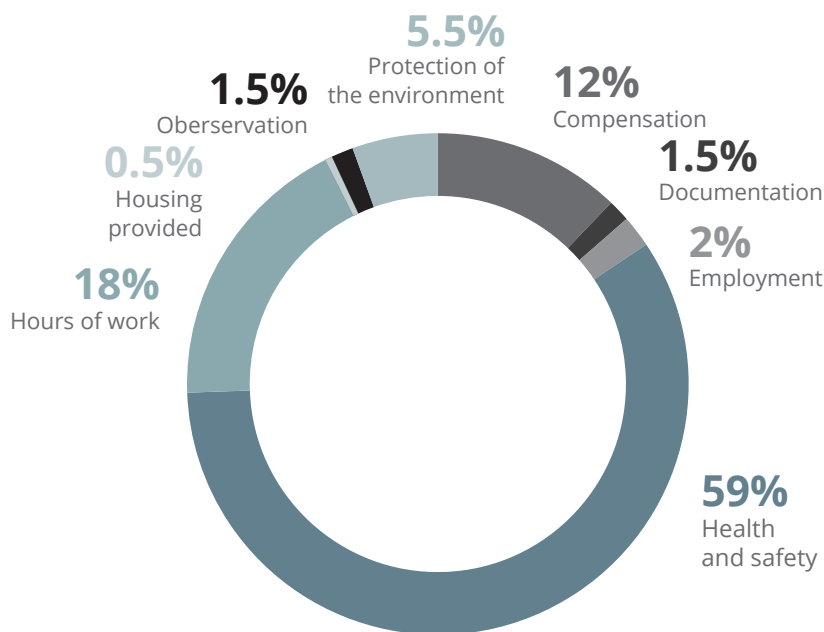
Suppliers' social compliance level in 2022

	No. of social audit reports & Egmont Self-Assessment Questionnaires (SAQs) evaluated	Findings detected in total	Average finding per audit/SAQ
2022	176	634	3.43
2021	162	692	3.74
2020	185	788	4.26

During 2022, Egmont included additional factories, especially digital service providers and suppliers to new businesses, to the Social Compliance Programme, which is why the number of audit/SAQs have increased despite a decreasing supplier pool.

During a three-year period from 2020-22, our suppliers have continued to increase their compliance level with an average finding per audit/SAQ of 3.43 in 2022. The detailed distribution of the findings in 2022 can be seen in the below graph.

Findings from social audits in 2022



Health and safety issues are still focus areas

Findings within the health and safety category remain the most common ones. This includes missing or improper health checks, personal protective equipment (PPE) not properly worn/used, improper or missing Material Safety Data Sheet (MSDS), and/or label on chemicals used in production processes.

Such findings are usually caused by workers' lack of safety awareness and understanding of the relevant regulations. Thus, Egmont will continue to work with the relevant suppliers to set up safety procedures and to train the workers to be aware of how to protect themselves from work-related hazards.



Empowering people and communities





Egmont's workforce

Egmont cares about the well-being of its employees as people are its most important asset.

Egmont, believes that a good work life is realised through a combination of having a meaningful job with a strong purpose, great cooperation with colleagues, and good opportunities to develop professionally. Egmont needs to have the right capabilities to stay relevant and to grow, and a culture where development and innovation is paramount. Thus, Egmont wants to strengthen the learning culture across divisions. This is done through a mix of professional skills development, acquisition of new competencies, and cultivation of new ways of working.

Across Egmont, the workforce is balanced: Gender distribution (49% females/51% males), average age of 40 years, average seniority of 7 years and an attrition rate of 17.

Egmont is an equal opportunity employer, which means that Egmont pledges to ensure equal and fair opportunities based on competencies, irrespective of gender, age, health, social and cultural background. When recruiting or promoting people, we aim to identify both male and female candidates.

Development and employee engagement

It is material to Egmont that its employees have a constant focus on learning and development in order to grow professionally and personally. To ensure this, Egmont provides employees with clear expectations, on-the-job learning and various learning initiatives – some offered to all Egmont employees (meeting general demands), some developed and rolled out locally (meeting local demands).

Within all business areas, Egmont offers knowledge-sharing forums, mandatory training sessions, etc. The format varies from individual presentations and lectures to panel discussions and conversations with both Egmont colleagues and external guests.

All Egmont's businesses offer onboarding including, but not limited to, introductory courses and buddy/mentor arrangements for new employees.

In September 2022, 300 employees across Egmont's companies met in Copenhagen for the <grow> conference, which focused on aspects of the consumer experience. After the conference, the presentations were shared with all employees on Egmont's internal communication platform 'Workplace'.

To empower them to live up to expectations, unfold their potential and stay engaged, employees in Egmont receive regular feedback from their leader – both through the use of Egmont's performance management tool, Performance Dialogue, frequent 1:1 meetings as well as during their day-to-day work.

In addition to providing individual feedback, Egmont expects its leaders to focus and act on the engagement in their teams. This is why Egmont conducts employee engagement surveys twice a year. Engagement is essential for short-term business performance and customer satisfaction as well as for the longer-term sustainability of the company. Egmont's engagement remains at a high level, both in terms of participation rate in surveys (88%) and the overall engagement level (8.2 on a 10-point scale) according to the latest survey in November 2022. This constitutes a 2% higher participation rate and an overall engagement level on par with the engagement level in November 2021.

Eight "Committed to Lead" programmes were completed during 2022 with an overall evaluation score across the programs at 4.8 on a 5-point scale.

By the end of 2022, a total of 675 leaders from across the businesses have completed the "Committed to Lead" programmes during a period of six years and more leaders are lined up for the programmes in 2023.

The programmes constantly evolve, and the content is continuously adjusted as the requirements for leadership change. In 2023 a new program specifically adapted for "Cross functional leaders" will be added



to the “Committed to Lead” programmes and an Egmont course “Leadership in time of accelerated change” will be offered to all leaders in Egmont.

Workplaces and work environment

Egmont's companies are characterised by strong local brands, diverse cultures and high levels of autonomy. In general, Egmont's businesses are more governed by “context” (e.g. employees understanding the local goals and culture) than strict one-size-fits-all processes and policies.

Egmont's companies strive to have attractive and modern workplaces that support both consumer focus and new ways of working as well as focus on securing the physical and mental work environment for employees.

The main risk regarding social and employee conditions is the ability to attract and retain talented employees. Therefore, we keep a close eye on discrimination and stress when assessing how we can create the best possible working life.

Workplace assessments are carried out at regular intervals in all the local businesses to review the physical and psychological working environment. In September 2022, a survey of the physical and psychological working environment in Nordisk Film, Egmont Story House, L&R and Holding (DK businesses) was carried out. The physical work environment rated 7.0 and the ergonomic conditions rated 8.4 (on a 10-point scale). In the survey, a majority of employees stated that it is acceptable to stay at home when ill. 4% stated they have had sickness absence due to conditions at the workplace and the primary reason for sickness absence was stress, work pressure or other work demands.

Across Egmont there is an ongoing attention to avoid harassment and other offences. Implementation of Egmont's policy on ‘Offensive Acts’, mandatory training for all employees, guidelines on where and how incidents can be reported and clear expectations of leaders and HR professionals on how to handle and follow up in such cases have contributed to the number of cases being very low.

Out of 1,030 participants in the survey, 12 employees answered they were subjected to an offensive act (bullying, sexual harassment or physical or psychological violence). In the survey, 7 out of 12 had already spoken to someone at work about the problems, 4 out of 12 indicated that the cases have been resolved.

Egmont has a compensation and benefits programme which includes family care leave, pension, various insurance (e.g. health insurance), and well-being initiatives. These programmes follow or exceed the legal requirements of the employees' geographic location. Following a new maternity act in Denmark, Egmont decided in 2022 to offer parents equal terms, so that fathers and co-mothers are entitled to the same salary conditions during their leave as mothers.

Next steps



As diversity is material to Egmont, we will during 2023 focus on how to work with and support diversity, to develop initiatives that help increase employees' digital understanding at all levels and to implement new ways to support and maintain engagement. Adjustments to Egmont's leadership programmes will aim to ensure that leaders can support ongoing organisational changes, changes in work patterns, expansion of the existing workforce and work with a diverse workforce.



Gender balance

Egmont's total workforce consists of 49% females and 51% males across the wholly-owned companies. The total management pool across the divisions also has an equal split by gender.

The table below shows variations in gender split across management and other employees in each division.

		
Books	65%	35%
Management	51%	49%
Other employees	67%	33%
Holding	41%	59%
Management	44%	56%
Other employees	40%	60%
Nordisk Film	36%	64%
Management	30%	70%
Other employees	37%	63%
Story House Egmont	61%	39%
Management	51%	49%
Other employees	62%	38%
TV 2	40%	60%
Management	48%	52%
Other employees	39%	61%
Grand Total	49%	51%
Management	43%	57%
Other employees	50%	50%

Based on HR data from 55 wholly-owned Egmont companies across our four divisions
Management includes all employees with staff responsibility



Supervisory boards and the underrepresented gender

The target for the underrepresented gender on the board applies to all Egmont's large Danish companies that are required under Danish law to set such target. In addition to Egmont Fonden and Egmont International Holding A/S (which have boards that consist of the same board members), the companies are: Story House Egmont A/S, Egmont Printing Service A/S, Lindhardt & Ringhof Forlag A/S, Nordisk Film A/S, Nordisk Film Distribution A/S, Nordisk Film Biografer A/S, and Nordisk Games A/S. Except for Egmont Fonden and Egmont International Holding A/S, all these companies have one female board member elected by the general meeting out of three board members on the Supervisory Board (or two out of five), which is considered equal representation under Danish law. For companies with equal representation, it is not relevant to set a target for the underrepresented gender.

According to the Charter of the Egmont Foundation, appointment to the Board of Trustees takes place when a member's appointment period expires, and board members are appointed for a period of four

years. The members of the Board of Trustees of the Egmont Foundation are appointed for up to three ordinary periods of four years and may be appointed for up to two further periods of two years. The Board of Trustees believes that its members should be chosen for their overall competencies but also recognises the benefits of a diverse Board in terms of experience, cultural and educational background, and gender. In 2020, the Board of Trustees in Egmont Fonden and Egmont International Holding A/S set the target to have at least two female board members on the Board of Trustees appointed by the general meeting no later than by 2024. The target was not met in 2022 as there was no new appointments to the board. However, the target will be met at the general meeting in March 2023 as one more female is appointed to the board and accordingly, the board will have two females out of six members and thereby also have equal representation on the board according to Danish law. As shown in the table below, all other relevant companies also have equal representation on the board.

			Equal representation
Egmont Fonden / Egmont International Holding A/S	5	1	X*
Story House Egmont A/S	2	1	✓
Egmont Printing Service A/S	2	1	✓
Lindhardt and Ringhof Forlag A/S	2	1	✓
Nordisk Film A/S	2	1	✓
Nordisk Film Distribution A/S	2	1	✓
Nordisk Interactive A/S	2	1	✓
Nordisk Film Biografer A/S	2	1	✓
Nordisk Games A/S	2	2	✓

The numbers include board members elected by the general meeting and not employee representatives

*) From March 2023 there will be 2 female and 4 male members

Next steps

At the beginning of 2023, each of Egmont's large Danish companies that are required to do so have set targets and policies for the underrepresented gender in the next management levels below the Supervisory Board,

and they will be working according to these during 2023 and report on progress in the annual report for 2023 as required. Egmont Fonden and Egmont International Holding A/S have set the target that by 2028 no gender is underrepresented in the next management levels below the board.



Charitable Activities

Egmont as a foundation was established in 1920 with the aim of alleviating the consequences of poverty for children and families. Today, the UN's Sustainable Development Goal number four is the overarching goal or ambition i.e. to ensure inclusive and equitable quality education and lifelong learning opportunities for all. The charitable activities are managed by Egmont's Support and Grant Administration (SGA).

Children and young people at risk constitute the target group of Egmont's support and donations. SGA has a child-centric, databased and co-operation oriented approach and uses a variety of philanthropic instruments: The Helping Hand programme, which distributes support directly to children and families at risk, donations, partnerships, incubator grants and signature projects. In 2022, the foundation granted a total of EUR 13.2 million in 35 grants. In sum, since 1920 approx. EUR 490 million (present value) has been donated.

In 2022, Egmont launched a new charitable strategy (2022-25). The strategic aim is for all young people to be able to complete an upper secondary education by 2030. Two issues will be addressed, reducing learning inequity and educational drop-out rates among young people at risk. The new strategy builds on Egmont's many years of experience of combating learning inequity whereas reducing drop-out rates will be a new focus area.

Addressing the negative consequences of child poverty

Based on its legacy of combating child poverty, in 2022 Egmont focused on the negative consequences of poverty on children. Thus, Egmont earmarked up to EUR 13.3 million for the Helping Hand programme (2022-25). The programme provides individual support through partnerships with organisations in Denmark, Norway and Sweden providing direct support for children and young people at risk. In 2022, Egmont distributed EUR 3.9 million through the programme.

As a result of the economic crisis, Egmont gave an extra EUR 0.13 million for Christmas aid to Danish People's Aid through the Helping Hand programme benefitting more than 600 children from families at risk.

Furthermore, Egmont donated EUR 67,200 for Plus Pictures for a documentary TV series and campaign on poor children and EUR 0.5 million for the organisation Skole og Forældre (School and Parents) to ensure increased participation in school communities for poor children.

Finally, Egmont launched an action tank of change makers who will address the issue of poor children lacking memorable activities and a survey focusing on the deprivation of poor families during the current economic crisis.

A refugee programme following the war in Ukraine

Following the war in Ukraine and based on the foundation's humanitarian legacy, Egmont earmarked EUR 4 million for a refugee programme in Denmark, Sweden and Norway to ensure that children, young people and families fleeing the war in Ukraine get the best possible start of life in Scandinavia. The support is given to seven organizations across Scandinavia. The supported initiatives focus on providing psychosocial support to children, young people and families upon arrival in the Scandinavian countries, as well as initiatives that can improve their integration. The seven organizations include the Danish Red Cross and Norwegian Red Cross, Swedish Save the Children, Norwegian Save the Children and Danish Save the Children, The Danish Refugee Council and the Norwegian Women's Public Health Association.







Focusing on paternity leave

Paternity leave was the annual theme in 2022. SGA gathered data on the needs of infants and the need of support of their fathers. The data was published in the Egmont Report 2022, which resulted in substantial press coverage and debate on social media. The report concluded that an early attachment between the infant and the father as well as the mother is crucial to the child's development and the well-being and the stability of the family. Paternity leave can contribute positively to this.

Based on the report, Egmont recommended, (1) a higher awareness of the advantages for the child of paternity leave, (2) more relevant activities for the fathers on leave and improved support of the fathers and (3) increased focus by health professionals on the importance of the role of the father for the development of the child.

Activities in Sweden and Norway

Since 2009, charitable activities have been run in Norway. In 2022, EUR 0.8 million was granted through the Helping Hand programme, the refugee programme and a partnership with Kronprinsparets Fond (The Crown Prince Couple's Foundation).

In 2021, the first donations in Sweden were granted as Egmont's business has grown in Sweden and Egmont wants to take social responsibility here as well. In 2022, a partnership was established with Sveriges Stadsmissioner (Sweden's City Missions). EUR 0.25 million was donated through the Helping Hand programme and EUR 0.5 million through the refugee programme.

A new signature programme

Based on a 2022 grant, Egmont will initialise a new signature programme focussing on seriously ill young people. It will be a long-term commitment to improve the life skills of the target group and their chances of completing an upper secondary education.

In 2022, Egmont also worked systematically with several other strategic focus areas. SGA continued its comprehensive partnership with Børns Vilkår (Children's Rights National Association) on school absenteeism. It continued its partnership with Mødrehjælpen (Mother's Aid) on the first 1,000 days of children's lives, which is a central part of the foundation's focus on young children. SGA also continued its partnership with Lær for Livet (Learn for Life) on reducing the learning gaps for children and young people placed in care.

Nordisk Film Fonden

Nordisk Film Fonden aims to spark curiosity among film talents in order to explore the possibilities in today's available technology and hereby foster a strong, diverse, and front-end Nordic film culture that will continue to bring stories to life. In 2022, Nordisk Film Fonden donated EUR 0.9 million. Examples include 18Frames, Editing Workshop for Young Talents, the Virtual Production School 2023-2024, the Polar Bear Writing Camp Norway and Data & Insight-driven Film Development. Also, a partnership was established with the European Film College providing scholarship for young film talents 2023-2025. The scholarships Store Isbjørn and Lille Isbjørn was received by 57 film talents. The Nordisk Film Award went to director and writer Amalie Næsby Fick in Denmark and in Norway to cinematographer Sturla Brandt Grøvlen. The Balling Award went to director Frelle Petersen and the Ove Sprogøe Award to actress Josephine Park.



Egmont's carbon accounting principles

The aim for Egmont's carbon accounting is twofold. First, it provides an overview of emissions generated by our activities and insight into our carbon hotspots. Second, it serves as a foundation for us to assess and monitor concrete measures to reduce the emissions generated by our activities.

Carbon accounting standard

Egmont's carbon account follows the international standard: A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol), and connected guidelines.

Greenhouse gases

We report our emissions for all greenhouse gases covered by Kyoto Protocol; hence our emission numbers are expressed in CO₂-equivalent. However, to keep our communication simple, we often use the terms "CO₂ emissions" and "carbon emissions".

Organisational boundaries

We consolidate our carbon account using the operational control approach. This means that we include all the legal entities in the Egmont Group where Egmont has operational control in our carbon account. We determine operational control based on majority of voting rights on the board. Legal entities with no activity are excluded from the organisational boundaries. In 2022, our organisational boundaries have expanded in relation to acquisitions and changes in ownership share. 110 individual legal entities are included in our carbon account as of 2022 (against 90 in 2021).

Division	Number of legal entities included
Corporate	5
Books	9
Nordisk Film	35
TV 2	13
Story House	48
Total	110



Operational boundaries

We currently account for and report emissions in Scope 1, Scope 2, and selected Scope 3 categories.

- **Scope 1** is the direct emissions stemming from owned or controlled sources.
- **Scope 2** consists of indirect emissions from the generation of purchased energy.
- **Scope 3** includes all other indirect emissions that occur in an organisation's value chain.

We lease most of company cars and we are tenants in many of the facilities we occupy. We perceive that we have operational control on these assets, hence we have decided to include these emissions in Scope 1 and Scope 2.

In 2019, based on a qualitative screening of our business areas, we decided to include the below emissions sources in our carbon account:

- Scope 3, category 1 (Purchased goods and services): printed products, covermounts & toys, packaging.
- Scope 3, category 4 (Upstream transportation and logistics): goods transportation.
- Scope 3, category 6 (Business travel): business flights.

Business flights is relevant for all our business areas. On the contrary, the other Scope 3 emission sources are not equally relevant for all our business areas. The below table displays what business areas are concerned by the emission sources.

Business areas	Printed products	Covermounts & Toys	Packaging	Goods transportation
Books and education	X		X	X
Magazines	X	X	X	X
TV				
Films				
Cinemas			X	X
Games				
Interactive				X
Gift card solutions				X
E-commerce			X	X
Agencies				

Why do these Scope 3 emission sources matter to Egmont?

Printed products

The European pulp and paper industry is the 4th largest industrial energy user in the EU. Despite structural decline in printed products there is still a demand for printed products, and paper is still important to Egmont's publishing entities and a large emission contributor for the business areas Magazines and Books.

Goods transportation

Freight transportation and logistics activities contribute with 8–10% of global carbon emissions. Without intervention, freight transport emissions will more than double by 2050. Many of our business areas rely on the transportation of goods: magazines, books, distribution, cinemas and e-commerce.

Covermounts & toys

The majority of Egmont's covermounts and toys include plastic in their composition. Plastic pollution has emerged as a central sustainability issue in the past few years, and there is a call for action from consumers, customers, regulators, and scientists, to increase plastic circularity and reduce plastic pollution.

Packaging

The volume of generated packaging waste is on the rise. In the EU, it increased 20% between 2009 and 2020. This also means that more natural resources are being used in packaging. For instance, plastic packaging is a key driver of plastic demand globally - it represents approximately 40% of total demand for plastic manufacturing in Europe. In Egmont, we want to improve both the sustainability of our packaging and to rethink our packaging systems, especially within our e-commerce and magazines businesses.

Business flights

Business flights represent most of our emissions from our business travel and is an area of public attention. While some travels are critical for our business activities, in some cases, they could be avoided or replaced by lower-carbon travel options while maintaining a healthy business.

Electricity consumption and green electricity

We report our emissions from electricity (scope 2) both using the location-based and market-based approach. The market-based approach allows us to capture the effect of our efforts to match our electricity consumption with green electricity, rather than the location-based approach which only reflects the local grid.

Our green electricity sourcing in 2022 consists of a mix of green electricity sourced by our companies (often green tariffs) and green electricity certificates sourced centrally. Centrally, we purchase Guarantees of Origin to match our remaining electricity consumption in the European Union, Renewable Energy Certificates (RECs) in the USA, and Renewable Energy Guarantees of Origin (REGOs) in the UK.

Base years and historical emission recalculation

We use two different base years in our carbon account, due to COVID-19 and significant methodological changes. The base year for emissions from scope 1 and 2 and business flights in scope 3 is 2019, because COVID-19 has significantly affected our emission levels in 2020 and 2021 which are hence not representative of Egmont's usual emission levels. Due to significant changes in accounting methods conducted in 2021, and the difficulty to apply these changes to historical emissions, we use 2021 as our base year for the remaining scope 3 emissions. We have established rules triggering the recalculation of our historical emissions when facing significant changes (e.g., acquisition and divestment) and we use 5% as a significance threshold. Additionally, we refine our carbon account on a continuous basis. If we find mistakes in historical emissions, we will include most updated numbers in our sustainability report.

Brief insights into selected emission calculation methods

We use the external CEMAsys platform to compile our carbon account and convert activity data into CO₂ emissions. For Scope 1, Scope 2, “covermounts and toys” and “packaging”, we calculate emissions using CEMAsys database of emission factors. The CEMAsys database is a compilation of emission factors from IEA, AIB, DEFRA, and other independent studies. Activity data are typically expressed in kWh, liters, kilograms, or spending when no physical consumption data is available. For printed products, we collect data from our paper suppliers and printers (ClimateCalc, Paper Profile documentation, and other systems). For 2022, it was not possible to collect primary data from paper suppliers and printers for

our magazines business, hence a simplified calculation method was used based on decline in volumes and emissions from 2021. For business flights, we calculate our emissions, using data provided by our travel agencies and spend data. For goods transportation, we collect emission data provided from our transport partners, and we use the transport work method or tailored upscaling approach when we cannot obtain data from our transport partners. Business flights and goods transportation emissions are by default calculated on a well-to-wheel basis. The methodology used for our carbon emission calculation is extensively documented in Egmont’s internal accounting manual.

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Questions or comments related to this report,
please contact Egmont Social Compliance at CSR@egmont.com

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