

SUSTAINABILITY REPORT

It is the first separate ESG report published by Ekspres Grupp. In previous years such information has been embedded in the management report. The goal of publishing a separate ESG report is to gradually become compliant with the requirements of the EU Sustainability Reporting Directive and its reporting requirements. The application of the Directive will be mandatory for Ekspres Grupp from 2024.

The ESG report is based on key themes identified in the sustainability strategy of Ekspres Grupp compiled in 2022. It highlights long-term goals and benchmarks of Ekspres Grupp. This time we present in our report key performance indicators related to the ESG strategy and other performance indicators whose base level is known. For other benchmarks, a data collection system will be created in 2023. In 2023, we will focus on setting the goals for benchmarks.

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ESG STRATEGY OF EKSPRESS GRUPP

Ekspress Grupp is the leading media group in the Baltic countries and therefore plays an important role in the development of the society. The Group's media publications significantly shape the public information space in all its three home markets, i.e. Estonia, Latvia and Lithuania. As an employer of a considerable size, the Group has an obligation to manage all Group enterprises in an ethical and responsible manner, and to create independent, professional and reliable media content.

Ekspress Grupp has consistently been engaged in management of its social responsibility and impact. The Group has earlier agreed on the areas and activities that have social impact and responsibility, including setting goals for sustainable development and their fulfilment. Expectations about the responsibility of the media sector have increased in recent years and global sustainability trends influence the operations of all Group companies on a daily basis. Consequently, in 2022 we created a Group-wide ESG (environmental-social-governance) strategy so that we can take a great leap forward in sustainability-related activities. The finalised ESG strategy will redefine some areas of activity, expand the range of important sustainability themes for Ekspress Grupp and establish the Group's goals and main activities on how to reach the goals on the Group and individual company level. Our ESG strategy is our answer to the expectations of stakeholders and an effort to contribute to the fulfilment of the UN sustainable development goals.

As a Group, Ekspress Grupp is dedicated to ensuring that all Group companies have a positive impact on people and the environment, contributing to the fulfilment of the UN Sustainable Development Goals.

We are actively seeking opportunities to create a positive impact on the society through the core activities of Group companies. We are adhering to the international principles of responsible enterprise (including UN Global Compact), OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights to ensure that our operations and business strategy do not infringe the rights or wellbeing of any stakeholder groups. In addition, we wish to reduce the impact of the Group's operations on the environment and to make our contribution to achieving the goal of alleviating the climate change according to the Paris agreement.

Development process of the ESG strategy

The ESG strategy of Ekspress Grupp is based on the international standards of a responsible enterprise, on EU sustainability regulations and on the sector's best practices. In our materiality analysis, we took into account the following aspects.

- 1. Media Materiality 2022, mapping of important themes for the media sector.** Published by the Responsible Media Forum (RFM), it is based on the view of different stakeholder groups. This includes International ESG reporting frameworks, investor indices and mapping of key themes of the RFM members. In addition, the RFM conducted interviews with sustainability specialists of media companies, policy-makers and representatives of non-governmental organizations.
- 2. EU sustainability requirements.** As a listed company of a considerable size, Ekspress Grupp must comply with several EU sustainability regulations, in particular the Taxonomy Regulation and the Sustainable Reporting Directive. Looking ahead, the Group considers it important to comply with the directive on corporate sustainability due diligence and the directive on enhancing gender equality in the management boards of listed companies.
- 3. International standards of responsible enterprise.** As an international media company, Ekspress Grupp considers it important to adhere to the OECD Guidelines for Multinational Enterprises.
- 4. View of key managers of Ekspress Grupp.** Members of the Management Board of Ekspress Grupp, CEOs of the key subsidiaries and editors-in-chief of media houses participated actively in defining the goals for the ESG strategy and in approving the course of action.

“In the strategy creation process it is important to ensure that the managers of the Group's entities are involved, they can contribute and later become the ambassadors of sustainability within the organisation.”

Mari-Liis Rüütsalu, CEO of Ekspress Grupp

As a result of the analysis of significant themes we identified nine ESG focus themes. We consolidated these themes under three social impact and responsibility areas and assigned priority levels to them.

Area of social impact and responsibility	Focus themes	Level
Leading ethical and responsible media group	Independent and influential media group	Fundamental importance
	Responsible advertising platform	Fundamental importance
	Subscribers' rights and wellbeing	Base level
Responsible and attractive employer	Personal and professional development of employees	Strategic importance
	Employee wellbeing	Strategic importance
	Equal treatment, diversity and engagement	Strategic importance
Responsibly and sustainably managed company	Reduction of environmental impact: resources efficiency and climate impact	Strategic importance
	Honest and responsible management	Base level
	Supply chain sustainability	Base level

The objective of dividing focus themes into different levels was to formulate our social impact by ESG themes and to understand which themes require more resources due to their bigger impact and strategic importance.

- **Fundamentally important** – topics directly associated with our core activity and where our impact on the society is the largest;
- **Strategically important** – topics that have strategic importance for our direct and wider impact and in terms of our long-term success;
- **Base level** – topics that require constant attention and development mainly from the point of view of efficiency and compliance with relevant requirements

“The clear goals and performance indicators provided in the ESG strategy simplify making long-term decisions that can impact short-term business success.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Brief overview of the strategy of Ekspress Grupp

“In 2023, we wish to take the next leap in our development and engage all our employees in EGS activities so that we have a Group-wide understanding of our impact.”

Mari-Liis Rüütsalu, CEO of Ekspress Grupp

Focus subject	Promise	Target (2025)
Leading ethical and responsible media group		
Independent and influential media group	<ul style="list-style-type: none"> ➤ The goal of Ekspress Grupp is to be the leading supporter of freedom of speech in the Baltics and to promote the society, providing access to fact-based and quality information. ➤ We wish to contribute to the development of the media sector on a wider scale in order to preserve and promote a high level of freedom of press in the Baltic countries. ➤ We take responsibility to promote sustainable development. We use our talent and resources in order to consistently and systematically inform the public of significant sustainability issues. 	<ul style="list-style-type: none"> ➤ Zero articles in media publications of Ekspress Grupp that violate the national journalism code of ethics. ➤ Zero violations of Ekspress Grupp's journalism code of ethics (in preparation).
Responsible advertising platform	<ul style="list-style-type: none"> ➤ Our goal is to be a well-known, trusted, ethical and responsible advertising platform for our customers and readers. ➤ We wish to take a leading role in the Baltics in promoting the principles of responsible advertising in our sector. 	<ul style="list-style-type: none"> ➤ Zero cases where advertising or content marketing displayed in our platforms contradicts our internal rules.
Subscribers' rights and wellbeing	<ul style="list-style-type: none"> ➤ We shall ensure the security and privacy of our users/customers/readers and make sure that our media content and services are accessible to all stakeholders. 	<ul style="list-style-type: none"> ➤ Zero violations of personal data protection requirements. ➤ Access is ensured to all media content, taking also into consideration the needs of people with special needs.
Responsible and attractive employer		
Personal and professional development of employees	<ul style="list-style-type: none"> ➤ We are a leading employer in the media sector of all three Baltic countries. We facilitate and actively offer possibilities for personal and professional development. We support employees in adapting to the changing media landscape, in particular in the development of digital competence. 	<ul style="list-style-type: none"> ➤ We have drawn up personal study and development plans for all our employees.
Employee wellbeing	<ul style="list-style-type: none"> ➤ We provide a working environment that promotes employee health and wellbeing and where employees can fulfil themselves. 	<ul style="list-style-type: none"> ➤ We preserve high employee satisfaction level. ➤ Zero cases of work-related health damage.
Equal treatment, diversity and engagement	<ul style="list-style-type: none"> ➤ Equal treatment, diversity and engagement are inherent to all companies and the organisational culture of Ekspress Grupp. 	<ul style="list-style-type: none"> ➤ Zero percent wage gap between men and women. ➤ To reach compliance with the EU Directive on gender balance in business leadership.
Responsibly and sustainably managed company		
Reduction of environmental impact: resource efficiency and climate impact	<ul style="list-style-type: none"> ➤ We constantly reduce the climate impact of the organisation as well as services/products. ➤ We improve the resource efficiency of our activities and products. 	<ul style="list-style-type: none"> ➤ Digital companies of Ekspress Grupp reduce the climate impact across the value chain by 2030, in compliance with the Paris agreement, and reach climate neutrality by 2050. ➤ Delfi Meedia reduces the climate impact across the value chain 80% by 2030 from the 2020 level.
Honest and responsible management	<ul style="list-style-type: none"> ➤ Group companies must be managed with integrity, lawfully and ethically. 	<ul style="list-style-type: none"> ➤ Zero cases of corruption or violation of business ethics related to Group companies or employees.
Supply chain sustainability	<ul style="list-style-type: none"> ➤ We demand that our suppliers comply with our sustainability ambitions and values, and follow the same ESG practices. ➤ When purchasing products and services we take into account the environmental impact when it is relevant and possible. 	<ul style="list-style-type: none"> ➤ All our main suppliers comply with ESG principles.

SOCIAL IMPACT, ROLE AND RESPONSIBILITY

As a leading media group, Ekspress Grupp is well aware of its role in the economic and social development of all its home markets. Group companies have undeniably the biggest impact and possibility to contribute to the society and democracy through their core activities – by creating media content and offering modern digital solutions and services. To ensure that our positive contribution has as great an impact as possible, we conduct our activities in all media segments according to principles of corporate responsibility and sector standards.

Independent and influential media

The role and responsibility of media is to bring relevant and challenging themes to the public. Coverage of social challenges turns attention to important processes that need to be changed so that they can be positively influenced thereafter.

With its ESG strategy, Ekspress Grupp assumes a Group-wide role and accountability for creating real changes to support sustainable development, especially UN Sustainable Development Goals.

To contribute to the public Ekspress Grupp's companies focus mainly on:

- creating professional and trusted journalistic content,
- taking a leading position in the market in covering sustainability topics and
- contributing to the development of the media sector by public statements and through professional associations.

ESG strategy		
Promise	<ul style="list-style-type: none"> ➤ The goal of Ekspress Grupp is to be a leading supporter of the freedom of speech in the Baltics and to foster the society by providing access to fact-based and quality information. ➤ We wish to increase our contribution to the development of the media sector in order to preserve and promote the high level of press freedom in the Baltics. 	<ul style="list-style-type: none"> ➤ We use our talent and resources to consistently and systematically inform the public about key sustainability issues.
Target	Ekspress Grupp's media publications do not publish content that is unethical or contrary to journalistic standards, i.e. <ul style="list-style-type: none"> ➤ zero articles in Ekspress Grupp's media publications that contradict the national journalism code of ethics; ➤ zero violations of Ekspress Grupp's journalism code of ethics (in preparation). 	
Strategic activities	To fulfil this goal, we have agreed on the following activities to support media accountability: <ul style="list-style-type: none"> ➤ We actively work to ensure that our journalistic content is independent, ethical and of high quality; ➤ We contribute to the development of media and information literacy in cooperation with relevant interest groups. 	To consistently reflect the challenges of sustainable development: <ul style="list-style-type: none"> ➤ We connect publications with socially important focus topics; ➤ We create and develop media platforms focused on sustainability issues.

View/current situation for 2022

Benchmark	2022	Target for 2025
Number of articles that breach journalism standards in the media publications of Ekspress Grupp	1	0
Number of cases of violations of the Group's journalism code of ethics (in preparation)	n/a	0

The Latvian Press Council found that Delfi Latvia had breached the media code of ethics by erroneously reporting that Latvian businessman Juris Savickis had died. Delfi Latvia acknowledged the mistake of publishing the news before checking the facts. The news was retracted.

In 2022, 24 complaints were filed against Delfi Meedia, 5 of which were dismissed by the court. Proceedings are still pending in the remaining 19 cases.

Accountable journalism

We adhere to the following principles of accountable journalism.

➤ Press ethics starts with independence

Journalism needs to be independent and free. The work of journalists and periodicals should not be influenced by business interests, political links, personal relations or gains, bribes or any other benefits. The principles of balanced journalism are followed in all Group companies. Various parties are allowed to express themselves equally and can present counterarguments and, if necessary, corrections. The sources of presented information are always verified. Each journalist is responsible for source and confidentiality protection. In case of sensitive topics, the line of ethics should be perceived.

➤ Standing up for credibility and freedom of expression

The continued and increasingly sharp polarization of the public increases the pressure on media houses to create and present reliable and quality journalistic content in a timely manner.

➤ Comment control by human moderation

Comments are an important part of online publications as they enable the readers to express their views on topics that are important to them. Ekspress Grupp's media publications promote comments by users who are registered and logged in. Inappropriate comments are removed by both human moderators and a machine-learning moderating system.

"At times of war and uncertainty, independent journalism has an extraordinary role to play - in addition to informing people 24/7, our publications have a responsibility to all Estonian people to describe and analyse Russia's aggression, show its effects and consequences, while we ourselves must remain calm and determined."

Urmo Soonvald, Editor-in-Chief of Delfi and Eesti Päevaleht

With the war in Ukraine, new challenges emerged in creating responsible content. The common position of all Ekspress Grupp companies is that Russia is an aggressor state. There were no concessions made on this position, but it was extremely important to find a way to reflect the actions of Russia as an aggressor state without placing the blame on the Russians living in the Baltics.

"Finding a balance between our portals in Latvian and Russian was a challenge in 2022. On the very first day of the war, we publicly declared who was the aggressor and that it was not a special operation, but a war against Ukraine. We have a very strong Russian-language editorial office and some Latvians told us that we publish content that is favourable to Russia. At the same time, for the Russians living in Latvia, we were "too pro-Latvia". Elderly readers of the Russian-language portal were unable to accept the idea that the Russian Federation is the aggressor. As for younger Latvians, they did not understand why we do not translate Latvian content directly into Russian. However, the translation of Latvian content would not have been possible without our Latvian editorial team with a Russian background. That is why we have kept these editions separate. It was an emotionally difficult situation for us."

Konstantins Kuzikovs, Chairman of the Management Board of Delfi Latvia

"As a responsible content creator, our task is not to treat all Russian-speakers the same. We discussed different connotations of words during the year. We certainly do not avoid the words "Russian" and "Russia" when covering what is happening in Ukraine. However, we agreed not to use hateful terms or colloquialisms that could label local Russians. It is a very sensitive subject. We try to be careful and are constantly learning from our mistakes."

Filips Lastovskis, Editor-in-Chief of Delfi Latvia

Artificial intelligence helps to measure the balance of Estonian media

In 2022, "Prototype of a tool for measuring the balance of journalism", a project by Indrek Ibrus, professor of media innovation at the Baltic Film, Media and Arts Institute, Andres Karjus, a cultural data analysis researcher at the Institute of Humanities, and Mark Metsa, a junior researcher at the Institute of Humanities, won the contest of applied research and development works organised by the Tallinn University.



The winning entry is an application study commissioned by AS Ekspress Grupp whose goal is to develop a new, machine learning-based method for measuring and evaluating the ideological bias in Estonian journalism. A novel model implemented by artificial intelligence (AI) enables to enhance and automate the prototype so that the ideological stance of the media channel can be assessed on an ongoing basis according to specific subject areas.

"We had an idea to analyse the content of Delfi Meedia to find out how we cover certain topics and whether we are at times too one-sided or biased, because nowadays there is so much content on the web that it is very difficult to evaluate it objectively. Human assessments are subjective and depend on how the person sees and senses the content and specific context. So we came up with the idea of trying to use machine learning to teach a machine to evaluate our content."

Mari-Liis Rüütsalu, CEO of Ekspress Grupp

The project assured us that the method works and it is possible to teach a machine to recognise text and rate it. This is a prototype, and work continues to find ways to further develop the innovative method and use it more widely to evaluate the content produced by the media group.

Key issues raised by the media in 2022: how we changed the society by reporting on important issues

Estonia

- Õhtuleht discovered schemes that helped the country's largest arms dealer Ants Põldsam to secure lucrative deals in the procurements of the Police and Border Guard Board. By now, the Prosecutor's Office has declared Põldsam a suspect in large-scale tax fraud.
- Õhtuleht exposed that Martin Repinski, MP for the Centre Party, lets the parliament to compensate the rent of an apartment where he does not stay. Õhtuleht also published cost reimbursements of Kert Kingo, an MP of EKRE and former government minister. It seems that she let the state to pay for the legal fees of third parties.

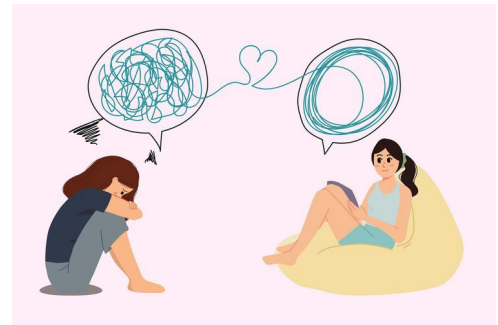


- On the initiative of Delfi Meedia's investigative journalism department we raised the issue of Estonian payday loan companies and their questionable behaviour regarding borrowers who are at risk of losing their homes or other assets. The topic helped to speed up the adoption of a legislative amendment in the parliament and the parliamentary legal committee invited our journalists to a meeting to speak and share their insights on the problem.



- Õhtuleht published a series of articles on suspicions of financial embezzlement by the head of Liikva Päikesekodu youth home.

- Õhtuleht's journalist and videographer visited Bangladesh, the hotspot of climate change. In a series of articles they described how climate crisis affects the residents of this South Asian country and solutions in battling hurricanes, floods and scorching heat.
- One issue that Delfi Meedia's magazines are focusing on is the mental health of Estonians. We have educated readers on how to detect and handle mental health problems and how others can support people who are affected by it. We have shared specialists' comments and advice and, more importantly, raised the issue of mental health also on the political level.



- Delfi Meedia's sports news department has been writing for years that Estonian children do not move enough – both at school and in their leisure time. In our articles we have tried to convince both the education system and parents that the foundation to good health must be laid already in schools and that a healthy lifestyle is a foundation for the future.



KOMMENTAAR | Kull või kiri? Perearst või liikumisaktivist? (8) 72

- Delfi Meedia's investigative journalism discovered after the start of the war that Estonia continued to supply certain oil products to Belarus. After we published our article these oil

products were sanctioned both in Estonia and later all over the EU.

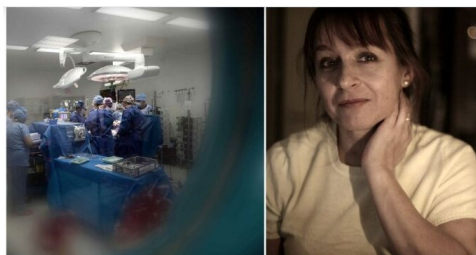


- Geenius Meedia published a series of IT success stories that brought Estonia a lot of fame "Estonian IT mafia: The threads and thread pullers of our IT success story".
- Geenius Meedia published stories on how Isamaa members who dismantled the second pension pillar themselves continued to invest in pension plans.
- Geenius Meedia article "Secret trick to lower the interest rate on an existing home loan: just ask the bank" sent borrowers to banks to negotiate lower interest rates.

Latvia

- Delfi Latvia wrote about the terrible state of the liver transplant practice in Latvia. The case was covered extensively by media and lead to a complete suspension of all liver transplant surgeries in Pauls Stradiņš Clinical University Hospital. Doctors conducting liver transplant surgeries were also ordered to undergo an additional training course.

[Delfi Plus](#) Latvija Ekonomika Kultūra Sports Ārzesmes Dzīvesstils Versijas



- The Latvian sports community keeps friendly relations with Russia. Delfi Latvia published a story on the Latvian ice hockey coach who continued to coach a KHL ice hockey club and played in Russia also after February 24. After the Latvian Ice hockey Federation was asked for a comment, the federation terminated the coach's license.

- Delfi Latvia and other larger public periodicals wrote about an investigation conducted by Latvian security services according to which the mayor of Daugavpils, Latvia's second-largest town, is spreading pro-Kremlin fake information and could become a serious security threat.

Lithuania

- Delfi Lithuania published a series of articles on luxury residences built for millionaires on the shore of Lake Gulbinas in violation of the building code.

Delfi

[Delfi Plus](#) RU Naujienos Video Verslas



- Delfi Lithuania in 2022 published a documentary Delfi at War which described how journalists who report war news from Ukraine are risking their lives while remaining in the background themselves.
- Delfi Lithuania exposed that a series of articles published in Financial Times about Lithuanian politicians, achievements and developments, that the Lithuanian government was openly very proud of, was actually paid for by the Lithuanian taxpayer.
- Delfi Lithuania published an exclusive interview with Ričardas Pocius, ex-head of Public Security Service, who claimed that the Minister of the Interior Agnė Bilotaitė forced him into resignation by questioning the handling of riots held in front of the parliament building.

Coverage of sustainable development

“In 2022 it was the war that decided which topics dominated the news. We adjusted both our work organisation and selection of topics to ensure that this new reality was aligned with both our mission and readers’ expectations. This is why environmental issues were less visible in the news than before. As the energy crisis was looming, the main focus was on energy supply security and not on green transition.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

In 2020, Eesti Päevaleht was the first media outlet in Estonia to launch a climate section in 2020. In 2021, it was expanded into a more general green portal (roheportaal.delfi.ee). By now Ekspress Grupp has launched portals dedicated to environmental issues in Eesti Päevaleht, Geenius Meedia (roh.geenius.ee) and Delfi Lithuania (delfi.lt/grynas/).

Delfi Lithuania has created a separate sustainability content platform Sustainable Lithuania (Tvari Lietuva), the objective of which is to promote the public debate on sustainability and to make the sustainability issue more visible in the media. Tvari Lietuva publishes investigative articles on sustainability in Lithuania and elsewhere in the world, hosts a talkshow in Delfi TV and radio program „Ziniu radijas“, participates in and organises public events and debates on this issue.

“It is clear that environmental awareness is growing in Europe and also in Lithuania. There is more information available on the climate crisis, loss of biodiversity, pollution and different social problems. Therefore, the public is also more interested in having in-depth knowledge about these issues. At the same time sustainability remains a sensitive issue that some people still prefer to avoid. In this situation it is important to come up with innovative ways on how to talk about sustainability. Tvari Lietuva is the way of Delfi Lithuania to increase interest in sustainability.”

Vytautas Benokraitis, CEO of Delfi Lithuania

In 2023, the editorial team of Delfi Latvia plans to launch a new section to cover all aspects of sustainability.

„The goal of the new section is to focus on different ways about how to be sustainable and on the opportunities offered by sustainable enterprise.“

Konstantins Kuzikovs, Board Chairman of Delfi Latvia

In addition to the green portal of Eesti Päevaleht, other media platforms of Delfi Meedia have developed more extensive social themes which have been in the focus of the largest brands for several years.

- **Delfi:** reduction of traffic deaths
- **Eesti Ekspress:** reduction of home violence
- **Eesti Naine:** mental health
- **Maaleht:** appreciation of rural life

“Mental health issues have become much more visible and prominent and Delfi Meedia has contributed to their coverage.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Sustainability-related events and cooperation projects on sustainability

Ekspress Grupp has expanded its business to event management and is also focusing on sustainability issues since we wish to be a spokesperson on the issue of sustainability.

- In October 2022, **Delfi Meedia** organised green conference “**NOW and Ten Years from Now**” that strived to answer the question what we need to do today to ensure that future generations have a life worth living, and what is the world around us ten years from now.



- In October 2022, **Delfi Lithuania** organised a **conference on sustainability for businesses**. In the two-day conference, Lithuanian and foreign experts shared their experience and knowledge

on the comprehensive management of ESG, including measuring of environmental impact and setting reduction targets. Key debates were also webcast in Estonia and Latvia.



- For promoting sustainability, Delfi Lithuania cooperates with exhibition centre LITEXPO in order to cover the sustainability issue in every exhibition. Sustainable Lithuania (Tvari Lietuva) is also media partner for many sustainable development initiatives in Lithuania (e.g. Zero Waste Festival, Fairtrade Month, National Walking Initiative).

“We plan to organise sustainability-related events also in the future and do it more regularly. In 2023, we will cooperate with Impact Day, the largest festival in Baltics in terms of impact and sustainability, whose media partner Delfi Meedia was also in 2022.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

In March 2022, publisher Õhtuleht Kirjastus launched kliendilehed.ee, a website of discount offers from food stores and DIY stores aimed at reducing the share of printed advertising. The initiative provides consumers with an easy access to discount offers and reduces the environmental impact of printing and transporting advertising brochures.

Development of the media sector and media competence

As a leading media group, Ekspress Grupp has assumed the role of the voice of the media sector with a view of contributing to the development of the sector. We actively support the development of media competence and fact-based knowledge.

Media publications of the Group are active partners of educational establishments in all three countries: Tartu University and Tallinn University in Estonia, Vilnius University in Lithuania and Latvian University, Stockholm School of Economics, Riga Stradin University and Vidzeme University in Latvia. The goal of this partnership is first and foremost to improve the awareness of young people about career choices and possibilities in journalism. 55 trainees worked in Ekspress Grupp companies in 2022.

For expanding media competence and introducing trends shaping the media sector, the leaders, managers, editors-in-chief, journalists and specialists of other business units of our Group companies make presentations to different stakeholders.

For a third year in a row, **Delfi Latvia** in cooperation with the Baltic Media Centre of Excellence organised a course **#Storygram** in which young journalists were tutored by more experienced journalists and learned practical journalism and multimedia skills.



Participation in organisations and cooperation projects

Media publications of Ekspress Grupp are members of various local and international organisations:

- Estonian Association of Media Companies (and through this, membership in News Media Europe)
- Internet Media Association
- International Fact-Checking Network (IFCN)
- Latvian Association of Journalists (Latvijas Žurnālistu asociācija)
- International News Media Association – INMA
- Estonian Press Photographers Association
- The European Digital Media Observatory (EDMO)
- Baltic Engagement Centre for Combating Information Disorders (BECID)

Periodicals of Ekspress Grupp participate regularly in cooperation projects and are partners of the following organisations:

- Organised Crime and Corruption Reporting Project (OCCR)
- International Consortium of Investigative Journalists (ICIJ)
- Calouste Gulbenkian Foundation

Ekspress Grupp contributes extensively to the development of society through various cooperation projects. In 2022, the following projects deserve to be highlighted.

Estonia

- Publishing house Hea Lugu announced a **competition of historical novels** as fascinating stories and characters put life in important historical events, phenomena and persons.

Latvia

- Delfi implemented a large **project related to the parliamentary elections**, which included debates, special projects and for the first time product development cooperation with local designers.
- For the fifth year, in December, Delfi Latvia collected donations for families who have to take care of their sick loved ones on a daily basis with the **"Strength and Strong People" charity donation campaign**. This year, the campaign drew attention to a time when a family member in need of care becomes an adult. This is a time when state support for the family is significantly reduced, but the sick family member still needs support and care. 52,000 euros were raised in the 2022 campaign.

Delfi



'Stiprini stipros' laikā saziēdoti vairāk nekā 52 000 eiro, daudzas ģimenes joprojām gaida atbalstu

Lithuania

- Since 2013, the editorial department of **Lithuanian Delfi has been handing out Delfi Titan awards to outstanding people** who break stereotypes with their example and draw attention to important public phenomena and events. In 2022, 7 people received recognition, among others the President of Lithuania Valdas Adamkus.
- Delfi organized the concert of **Kalush Orchestra**, winner of 2022 Eurovision Song Contest, in Vilnius for more than 5,000 people. Half of the ticket revenue (40,000 euros) was donated to the **"I am Ukraine"** charity fund.



- The three-day investment conference **"My investment"** brought together both beginners and experienced investors. In total, 9 discussion panels were held, 19 hours were broadcast, 50 speakers took the stage, and the conference broadcasts have been viewed more than 300,000 times.



Donations to the community in 2022

The companies of Ekspress Grupp supported various social initiatives and projects in 2022. Most financial support went to the victims of the war in Ukraine, but also to journalism students, the Estonian Media Association, Jaan Tõnisson Society and other smaller social initiatives.

Responsible advertising

As a media group, our activities are not limited to journalistic content. Advertising sales on our media platforms and on digital outdoor displays play a significant part in our commercial success. Therefore, we also have a responsibility to ensure that the marketing messages we deliver are aligned with our own values, and national and international marketing regulations.

ESG strategy	
Promise	<ul style="list-style-type: none"> ➤ Our goal is to be recognised and trusted by our customers and readers as an ethical and responsible advertising platform. ➤ We want to take a leading role in the Baltics in promoting the principles of responsible advertising in the media sector.
Target	<ul style="list-style-type: none"> ➤ Zero cases where advertising or content marketing displayed on our platforms breaches our internal rules.
Strategic activities	<ul style="list-style-type: none"> ➤ We ensure that marketing messages delivered on our platforms comply with the law, are honest and truthful. ➤ We clearly separate content marketing from journalistic content.

View/current situation for 2022

Benchmark	2022	Target for 2025
Number of cases that breach Ekspress Grupp's responsible advertising principles	n/a*	0
Number of violations of content marketing rules	0**	0

* Ekspress Grupp plans to draw up Group-wide responsible advertising principles as part of the implementation of the ESG strategy.

** The head of Delfi TV, Arturas Paknys, received a warning from the Lithuanian Radio and Television Commission for inaccurately designated advertisement on the TV show. Delfi Lithuania was not penalized.

Content marketing

Content marketing continues to grow, setting requirements and restrictions for all media houses, including Group periodicals, to ensure reliability and transparency. The Group is convinced that the journalistic content must not be influenced by the interest of advertising clients, content marketing or the organisation of the group's own commercial events. The Group's periodicals have drawn a clear line between advertising and editorial work, content marketing and other content shown for a fee must be recognizable and labelled accordingly.

Ekspress Grupp's media houses have internally agreed content marketing rules. Ekspress Grupp plans to assess the need to harmonise these rules and, if necessary, adopt group-wide guidelines for content marketing as part of the implementation of the ESG strategy.

"Our draw a clear line between content marketing and journalistic content. Both are created by different people and we do not test these boundaries. We also keep them separate in new formats where other practices have been in place from the beginning, such as podcasts."

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Advertising sales

All companies of Ekspress Grupp adhere to the obligations and restrictions arising from the law in advertising sales.

For Ekspress Grupp, responsible data use in advertising sales is part of our responsibility to our customers, as well as a business opportunity. Following the trends of the advertising market, the question of how to approach behaviour-based advertising and what constitutes responsible advertising will become more important in the near future; how to avoid misuse of personal data that would be against either good practice or the law.

"Responsibility in targeted advertising is a huge trend that is starting to differentiate market players."

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Digital outdoor advertising

For Ekspress Grupp's digital outdoor advertising companies (Linna Ekraanid OÜ and D Screens SIA), part of their social responsibility is related to light pollution from advertising screens, which can affect both city residents and road users. Companies take into account the requirements arising from the law and the agreements of good practice of outdoor advertising; in the case of the latter, cooperation is carried out with national associations of advertising and outdoor media companies. For example, screen brightness is adjusted according to the time of day, and animations are limited to help avoid excessive light noise.

SOCIAL IMPACT

Customers and consumers

Our services and service development have a consumer-centric approach. In addition to daily news stories, readers wish to know more about different areas of life: sports, culture and environmental issues. In addition, all media content must be available to each customer in the channel and format of their choice.

Customer experience and satisfaction

For Ekspress Grupp, it is important to satisfy the customers of the companies that are part of the Group, match the offered services with the customer's expectations and needs, and exactly fulfil the promises made to the customer.

"We see that today readers accept digital subscriptions and this is a growing trend. While a year or two ago it seemed that if customers were to subscribe to anything, it would be very limited, but now there are several subscriptions even in the same family. If the reader has already consumed a certain product, the expansion of the portfolio of digital subscriptions is more likely. The development of digital intelligence is at the forefront of media today, and it is also important for every media house to learn to better understand its customer. It also motivates the media house to create better content. Better content creation process and growth of digital subscriptions mean that more content fulfils readers' expectations and needs."

Kaspar Hanni, Head of Development of Ekspress Grupp

In 2022, the number of digital subscriptions of Ekspress Grupp media companies increased by a total of 12% in the Baltic countries compared to 2021 and reached 146,608 subscribers at the end of December 2022.

In addition to self-service, there is active communication with customer service

Ekspress Grupp's periodicals map and design customer satisfaction and experience, as this ensures the development of new products/services that meet consumer expectations and needs. Creating convenient solutions for the customer, being committed to it and listening to the customer is an opportunity to stand out from the competition.

Self-service environment plays an important role in customer communication as customers can place orders for digital channels, paper publications and packages.

Self-service site lehed.ee received 160,000 visits per month and the number of unique visitors per month was 47,000 devices.

Although the importance of digital channels in information consumption is increasing, the phone continues to be for prompt communication with customer service. The systems have become more stable and subscribers have less and less concerns compared to the years when digital services were first launched. In 2022, Delfi Meedia's customers contacted customer service 88,052 times, 59% of which were phone calls and 41% were e-mails.

There is a noticeable change in the behaviour of consumers in how they relate to their subscriptions, i.e. how they expect the company to communicate with them, and this applies to all services. If a person consumes some digital products of Ekspress Grupp media house, Netflix and something else, he or she assumes that they are all equally good, including customer service. Media consumers want us to know them and their products and they want all products and services ordered bundled together in self-service. The general level of development of digital services in the market is increasing. The consumer expects that the processes will be harmonised across areas, and this expectation keeps growing every year.

The NPS (Net Promoter Score) of Delfi Meedia readers, i.e. how likely they would be to recommend the media product to their loved ones, was 52 in 2022 (2021: 57.5).

Measuring customer satisfaction helps to set goals

Ekspress Grupp's companies manage the entire chain of creating a complete customer experience, which includes content creation, print quality, channel availability, and customer service. Feedback is collected by all group companies in direct contact with the customer in order to offer products/services that meet customers' requirements and expectations in the future.

- **Content.** Customer satisfaction with all paid content is monitored at Delfi Meedia
- **Service.** Delfi Meedia is the company with the largest number of publications at the Group, which comes into contact with customers at different stages and collects feedback on the content of publications as well as ordering, service process, the technical side of the digital environment and the home delivery of the paper.
- **Distribution.** The goal of Express Post is to deliver publications to customers on time, and the goal is to keep the rate of delays or complaints below 1% of the total home delivery circulation of Ekspress Grupp publications. In 2022, the result was 1.14% (2021: 0.52%).

Customer rights and wellbeing

We have increased the involvement of various stakeholder groups in the information space by creating customer-friendly and attractive digital solutions. Accessibility, which also takes into account the requirements of people with special needs, is also important for the involvement of all interest groups.

The companies of Ekspress Grupp manage large customer databases, and as an increasingly complex online media group, recognise risks related to data protection.

ESG strategy	
Promise	➤ We ensure the security and privacy of our users/customers/readers and work to make our media content and services accessible to all stakeholders.
Target	<ul style="list-style-type: none"> ➤ Zero violations of personal data protection. ➤ All our media content is accessible, taking into account the requirements of people with special needs.
Strategic activities	<ul style="list-style-type: none"> ➤ We ensure the protection and privacy of subscribers' and customers' data and use data in accordance with the law. ➤ We ensure the protection of the rights and well-being of readers/subscribers. ➤ We develop the availability of media content on all platforms.

View/current situation for 2022

Benchmark	2022	Target for 2025
Number of violations of personal data protection	0	0
Percentage of content covered by accessibility measures from the whole media content	70-90%*	100%

* Not all media publications of Ekspress Grupp have assessed the percentage of content covered by accessibility measures. The range describes the percentage of the content available in Delfi Estonia, Delfi Latvia and Delfi Lithuania. For possibilities to access services of various media houses, see chapter "Access to services".

Data protection

In the global advertising market, compliance with data protection rules has become very important. Ekspress Grupp monitors market trends and change of regulations actively in order to assess emerging trends in this sector.

The Group has written down the principles and processes for the secure collection, storage and processing of customer data and protection against malicious attacks, which are implemented by all of Group companies. Data protection conditions can be found on the website of each company.

In 2022, Delfi Meedia audited its compliance with the general regulation on protection of personal data (GDPR) in order to identify problem areas and ensure maximum transparency in the terms of use of personal data. The problems identified in the audit will be resolved by the end of 2023.

Customer wellbeing

In the case of media content, the main goal of Ekspress Grupp is to support openness and participatory democracy and to deal with topics of significant social impact. At the same time, Ekspress Grupp's media outlets are responsible for ensuring that the public information space is designed responsibly and that content that may harm the physical or mental health of readers is either prohibited or displayed with certain restrictions. In the case of advertising content restrictions, we adhere to the advertising law of Estonia, Latvia and Lithuania.

In 2022, the war in Ukraine raised the question how to bring war news to the readers and to which degree.

“We have a clear agreement in our media organisations to cover the war regardless of whether readers may at some point develop a so-called war fatigue.”

Mari-Liis Rүүtsalu, CEO of Ekspress Grupp

“Acting on the request of advertisers, we reduced the number of photos in the live blog on war. After closing the live blog we decided to publish photos of war atrocities if they have a meaning – for instance, if they show the real face of war criminals or remind us what we should be prepared for. We add to certain photos a sign that the image may be violent and is not recommended for people younger than 18 years of age. At the same time we do not avoid publication of disturbing images since the people have the right to know what Putin’s army is doing in Ukraine.”

Filips Lastovskis, Editor-in-Chief of Delfi Latvia

It is the first experience for our generation to cover a war so extensively and 24/7. During the last year, war atrocities and the availability of photo and video images have shifted the boundaries of the visual media language. Various issues have emerged such as whether images of war victims should be published and how to talk about children in the context of war.

“We need a new sectorwide debate on how to cover the war, how the boundaries of good taste have shifted and what warnings should be displayed under war news.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Accessibility of services

Ekspress Grupp ensures access to services in three ways.

- 1. Digital solutions:** we facilitate the availability of services by creating innovative digital solutions. For more details see chapter “Digital media company”.

In March 2022, the real estate portal Kinnisvara24.ee and Ekspress Grupp launched a joint web portal www.kinnisvara24.ee/ukraini. The platform is specially designed for war refugees who want to find a place to live, and those Estonians who want to advertise free accommodation for Ukrainian war refugees.

- 2. Public news blogs:** We ensure that critically important content is available to everyone, including non-subscribers.

After February 24, 2022, Ekspress Grupp's periodicals made certain war news available for everyone. A live blog on war news will continue to be available for free in Delfi Meedia and Delfi Lithuania.

- 3. Accessibility measures:** The Group's goal is to increase the proportion of content covered by various accessibility measures on our media platforms in order to involve as large part of the society as possible in the information space.

Delfi Meedia has gradually developed possibilities to expand access to media content. During the year, 70 percent of articles of Delfi Meedia publications were audible and from the start of 2023 this is available for all articles.

In Delfi Latvia, 90% of articles in Latvian and 80 percent of articles in Russian were audible at the end of 2022. Also, Delfi Lithuania has made 80 percent of its articles audible.

When the hostilities in Ukraine began on February 24, 2022, our editorial teams switched to the 24/7 working cycle. The war is a source of major stress for the editorial team and journalists. However, our editorial departments have experience in reporting about crises and re-organised their work swiftly and efficiently. In Estonia, Latvia and Lithuania the Group opened Russian-language portals targeted especially at Ukrainian refugees.

Employees

In order to recruit the best candidates from the labour market we need to ensure that our current employees are satisfied. This in turn depends on the salary, but also on open and engaging organisational culture, opportunities for personal development and suitable work environment that Ekspress Grupp offers its employees.

“Awareness of sustainability is growing in the whole society. As a modern employer, we must be the leader in ESG issues so that we can hire the best talent. Job applicants want assurance that we provide responsible content creation and marketing, ensure gender equality and implement measures that reduce our carbon footprint.”

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Ekspress Grupp has over 1,500 employees whose dedication at work helps to fulfil the Group’s mission and goals. Quality tools, a flexible work organisation and a supporting team are an important part of creating a motivating work environment. Group companies value all employees, while contributing to the training and support of successors to ensure that there a talent pool of qualified and motivated employees is available both today and in the future.

Group-wide personnel issues are mainly concern digitalisation, creation of synergy with new activity areas (sales portal for real estate and tickets, event management) and ongoing increase of efficiency of internal processes. The start of 2022 was still affected by pandemic restrictions (especially in Latvia), and the personnel issues were mainly affected by the war in Ukraine that raised the issue of employee safety and also issues of mental stress.

In 2022, the media publications of Ekspress Grupp hired journalists from Ukraine and independent journalists who had escaped from Russia.

Personal and professional development of employees

ESG strategy	
Promise	<ul style="list-style-type: none"> ➤ We are a leading employer in the media sector in all three Baltic countries. ➤ We create conditions and actively offer opportunities for personal and professional development. We support employees in adapting to the changing media landscape, especially in developing digital competence.
Target	<ul style="list-style-type: none"> ➤ Personal learning and development plans are drawn up for all employees.
Strategic activities	<ul style="list-style-type: none"> ➤ We create a group-wide leadership development program. ➤ We create employee development programs/talent academies in all subsidiaries.

View/current situation for 2022

Benchmark	2022	Target for 2025
Employees who completed a training course during the year a) number b) percentage	a) 826 b) 56%	a) n/a b) n/a
The total volume of training hours completed by employees during the year	n/a	n/a
Employees who participated in regular performance or career development reviews/discussion a) number b) percentage	a) 911 b) 62%	a) - b) 100%

The scholarship named after Hans H. Luik is available to employees who wish to complete additional training that is not directly related to their field of work. Scholarships are awarded three times a year, and are mainly used to study new fields of work, as well as to visit specialist conferences abroad.

Employees who received a scholarship in 2022 by company:

➤ Delfi Meedia AS	20
➤ Delfi AS	11
➤ Delfi UAB	27
➤ Õhtuleht Kirjastus AS	36
➤ Hea Lugu OÜ	7
➤ Ekspress Grupp AS	4

Ekspress Grupp companies offer more opportunities for employees to undergo both professional training and general-interest training courses.

In addition to professional training, Delfi Meedia continued to develop the Talent Academy that had been launched in 2021. The goal of the Talent Academy is to offer monthly general-interest lectures to employees which are available to all employees of Delfi Meedia. In 2022, for example, lectures were held on issues such as life-saving first aid, sleep counselling and investments.

The employees of Delfi Latvia and D Screens SIA took part in lectures intended for all employees on information technology, financial management, time management and productivity. In the field of professional development, training courses were offered on sales, public speaking, photography and graphic design. In addition, Delfi also provided Latvian employees with language training. The focus of Delfi Latvia's personnel department in 2023 will be the preparation of development plans for all employees and the initiation of a leadership development programme to improve team management.

Delfi Lithuania and Digital Matter UAB also offered employees a course in survival training in a war situation, an extremely relevant training course in 2022.

Employee health and wellbeing

ESG strategy	
Promise	➤ We ensure a working environment that supports the health and well-being of employees, where employees can fulfil themselves.
Target	➤ We maintain a high score for employee satisfaction (eNPS). ➤ Zero occupational health damage cases.
Strategic activities	➤ We continuously improve/enhance employee well-being and satisfaction. ➤ We ensure a healthy and safe working environment, taking into account both physical and mental health and well-being. ➤ We enable and promote work-life balance.

Benchmark	2022	Target for 2025
Employee wellbeing		
Employer's Net Promoter Score (eNPS)	n/a*	n/a
Employee health and safety		
Working days lost due to work accidents, work-related health disorders and other health disorders		
a) number	a) 130	0
b) percentage	b) n/a	
Working days absent from work		
a) number	a) 8627	n/a
b) percentage	b) n/a	
Number of occupational accidents	8**	0
Number of work-related illnesses	0	0
Number of fatal occupational accidents	0	0
Number of attacks against journalists	2	0
Work-life balance		
Percentage of employees who took a leave for family reasons	11%	n/a
Percentage of employees on parental leave who		
a) returned to work	a) 49%	n/a
b) worked in the company after a year	b) 71%	
Labour relations		
Voluntary labour turnover	10%	n/a
Number of ongoing labour disputes	1***	n/a

* In 2022, the employer's Net Promoter Score was not assessed at all Ekspress Grupp companies. During the implementation phase of the ESG strategy, we plan to standardize the methodology for assessing employee satisfaction and collect regular feedback on the working environment. The eNPS was assessed by Delfi Meedia in 2022 (eNPS: 37).

** Work accidents in various companies were related to falls, and in one case a dog attacked a newspaper delivery man of Express Post.

*** There is one ongoing labour dispute in Delfi Latvia.

Attacks against journalists

There were two attacks committed against the journalists of Delfi Latvia in 2022. In one case, members of an anti-vaccination group threatened a journalist wearing a jacket with a Delfi logo at a public event. In the second case, Aldis Gobzems, a former member of the Latvian Parliament who opposes vaccines, incited anger against Delfi employees.

The war in Ukraine also greatly affected the well-being and safety of Ekspress Grupp employees. The war raised the issue of journalists' security into a new light, including how to guarantee the security and insure journalists who are reporting from Ukraine. Security is now assessed differently, and fear is now sensed also at the local level.

"At the beginning of the war, many journalists were stressed and some even felt insecure. We conducted survival training for employees to improve their sense of security. Since the pandemic, we have been contracting a psychologist whom employees can contact."

Rasa Lukaitytė-Vnarauskienė, Editor-in-Chief of Delfi Lithuania

"There used to be special rules with regard to the press and these were followed. Today the situation has changed. A jacket with the text PRESS no longer protects journalists, and they could be attacked."

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

The war in Ukraine has also affected the mental health of other employees. Several companies of Ekspress Grupp provide employees with the opportunity to anonymously contact a psychologist either in-house or through external service partners.

Employees of the Group companies in Estonia have the opportunity to use Võõras Sõber (Stranger Friend), an anonymous counselling service for both professional and personal concerns.

"Võõras Sõber has been our cooperation partner for the second year already, and we saw growing need for the service in 2022."

Tiina Paju, Head of Personnel of Delfi Meedia

"If this initiative helps even one person to resolve his or her worries, then it has been valuable."

Erik Heinsaar, Board Chairman of Õhtuleht Kirjastus

Employee satisfaction

In 2022, employee satisfaction was assessed by two media houses of Ekspress Grupp. In Delfi Latvia, the employee satisfaction rate was 82%, and the satisfaction survey conducted in Delfi Meedia showed that overall employee satisfaction and loyalty are still at a high level of 79% and 73%, respectively.

In 2022, the satisfaction surveys highlighted new challenges that form the basis for preparing next year's personnel activities. It also shows that our organisation is ready to handle challenges. The employee satisfaction survey is an important feedback mechanism and we are making necessary changes to reflect the results of the surveys.

The level of wages and equal treatment in the labour market is monitored in the Group's companies by market surveys. Each Group company designs its own system of wages, performance remuneration and benefits. This includes mapping job families and assigning them wage levels.

Benefits include monthly compensation for sports expenses, health insurance and mental health support, flexible working hours and the possibility of teleworking.

In 2022, Delfi Latvia assessed the wage levels in the organisation. It took part in Fontes Salary Survey to compare its wages with telecommunications companies that traditionally pay higher salaries. As a result, Delfi Latvia decided to raise its minimum wage to EUR 1,000. The target for the next five years is to gradually raise wages to an above-average level when compared to telecommunications companies.

Equal treatment, diversity and engagement

All Group companies employ people with different cultural backgrounds. For media companies, diversity is strategically important in creating relevant and interesting content for all readers.

"It goes without saying that the editorial team should be exceptionally diverse. Our site is accessible nationwide which means that, ideally, we have team members who are young, old, women, men, conservatives, liberals, people who want to drill for oil and those who think that drilling for oil is the worst thing in the world. This is the only way to build up an editorial team."

Martin Šmutov, Editor-in-Chief of Õhtuleht and Board member of Õhtuleht Kirjastus

ESG strategy	
Promise	➤ Equal treatment, diversity and engagement characterise all Ekspress Grupp companies and organisational culture.
Target	<ul style="list-style-type: none"> ➤ Ekspress Grupp has no gender wage gap. ➤ To achieve compliance with the European Union directive on gender balance in business leadership.
Strategic activities	<ul style="list-style-type: none"> ➤ We recruit and retain diverse talent. ➤ We engage employees and ensure an open organisational culture. ➤ We guarantee everyone equal opportunities for career development within the company. ➤ We pay employees equal, competitive and decent wages.

View/current situation for 2022

Benchmark	2022	Target for 2025
Gap between the average gross hourly wages of men and women (% of the wages of male salaried employees) (unadjusted wage gap)	87%	100% (0% wage gap)
Number of discrimination cases *	0	0
Percentage of female managers	31%	Compliance with the EU directive on gender balance in business leadership

Benchmark	2022		
	Management (M/F)	Editorial team (M/F)	Other employees (M/F)
Distribution of employees based on age and gender			
under 30	2/1	46/118	87/86
30-49 years old	35/21	139/188	168/245
over 50	1/2	52/79	99/175
Number of disabled employees	59		

* The number of cases officially registered in the company or initiated by relevant authorities.

Equal and fair treatment of all employees is important – all Ekspress Grupp companies maintain zero tolerance against discrimination based on gender, race, language, political views, age or other minority characteristics

In the context of recruitment, we strictly follow the principles of equal treatment. To promote equal treatment and inclusion, all Ekspress Grupp companies ensure the most flexible working conditions and a working environment that is open and supports diversity.

The employee satisfaction survey conducted at Delfi Meedia highlighted equal treatment and engagement as new issues. Employees who are foreign nationals would like more materials and internal communication to be available in English. As a result, in 2023, Delfi Meedia will organize translation of documents on work organisation and educational materials to ensure that all employees are treated equally.
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ENVIRONMENTAL IMPACT

Reduction of environmental impact: resource efficiency and climate impact

Although the environmental impact of the media sector is rather small, climate and environmental impact management is inevitable for a sustainable and responsible company. Climate change is becoming one of the most important sustainability themes across sectors.

ESG strategy	
Promise	➤ We consistently reduce the climate impact of both the organisation and services/products. We improve the resource efficiency of our operations and products.
Target	<ul style="list-style-type: none"> ➤ Ekspress Grupp's digital companies will reduce the climate impact across value chains in accordance with the Paris Agreement by 2030 and achieve climate neutrality by 2050. ➤ Delfi Meedia will reduce the climate impact across value chains by 80% by 2030 compared to 2020.
Strategic activities	<ul style="list-style-type: none"> ➤ We establish a group-wide environmental management and reporting system. ➤ We improve resource efficiency and reduce the direct climate impact of all companies. ➤ We consistently reduce the impact intensity of digital products. ➤ We consistently reduce the environmental impact of printed publications.

View/current situation for 2022

Benchmark	2022	Target for 2025
Greenhouse gas emissions	n/a*	Net emission in digital periodicals: 0 Net emission in Delfi Meedia: 80% reduction as compared to 2020.
Percentage of printed materials unsold in retail	47%	n/a

* The entire footprint of Ekspress Grupp has not yet been assessed. In 2022, a carbon footprint was estimated by Delfi Lithuania (see results below). Earlier also Delfi Meedia has drawn up a climate impact analysis (footprint for 2020).

The importance of the carbon footprint is growing and requires a more comprehensive approach to the topic. As we are a media group, the largest part of our environmental impact is related to the value chain of our paper publications (for more details see chapter "Supply chain sustainability").

"The green revolution will take place by transforming the business model, i.e. the digital transformation."

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

Three areas of the green revolution of Delfi Meedia:

- 1. Green content.** The actual power of periodicals to create real environmental changes lies within their content. Delfi Meedia and Ekspress Grupp on a wider scale wish to become a spokesperson for green topics (for more details see chapter "Independent and influential media".)
- 2. Digital transformation.** Digitalisation is important in reducing the environmental impact related to paper products and reducing the footprint of digital products;
- 3. Green office.** Constant monitoring of the environmental impact of the office and its reduction will lead to cost savings, sustainable use of natural resources and reduction of waste generation.

In 2021, Delfi Meedia was the first company in Ekspress Grupp to measure the carbon footprint of the organisation across the value chain and set a goal to reduce the greenhouse gas footprint by 50% by 2026 compared to the impact in 2020. In the new ESG strategy, the new target is to reduce the footprint by 80% by 2030. In 2023, Delfi Meedia plans to measure the footprint across the value chain again to check whether the company is fulfilling its plans.

Delfi Lithuania started a journey to reduce CO2 emissions in 2022 in order to contribute to climate change mitigation. In 2022, we calculated our CO2 emissions across the value chain.

- Impact area (scope) 1: 0 tCO2-eq
- Impact area (scope) 2: 105.26 tCO2-eq
- Impact area (scope) 3: 628.023 tCO2-eq

Delfi's greenhouse gas (GHS) accounting complies with international standards, including ISO 14064, ISO 14040 and GHG Protocol – Corporate Standard (WBCSD and WRI, 2004).

Delfi Lithuania decided to offset the emissions by partnering with the organisation Planet Positive, which helped to find compensation options within Lithuania.

The next step is to set a 2023 emissions reduction target and create an action plan for achieving it. In the long term, Delfi Lithuania aims to become the first carbon neutral media organisation in Lithuania.

It is important for Ekspress Grupp's digital outdoor advertising companies to invest in more energy-efficient digital screens in order to reduce costs and contribute to environmental protection, as well as to achieve a competitive advantage. Linna Ekraanid plans to assess the difference in the environmental impact of digital outdoor advertising and paper posters in 2023.

“Environmental conservation is very important for advertisers, especially large customers. For this, we need to prove that we are better than old school competitors.”

Mihkel Luks, CEO of Linna Ekraanid

Since the footprint of many digital companies of Ekspress Grupp is not large, the main focus is on reducing the environmental impact of office operations. This not only reduces direct environmental impact, but the aim is to train employees to think more sustainably both at work and at home.

Taxonomy Regulation of the European Union

As a large listed company, Ekspress Grupp is required to assess its contribution to climate change mitigation and adaptation to climate change in accordance with the Taxonomy Regulation (for more details see chapter "Reporting of the European Union Taxonomy Regulation").

Since the footprint of the media sector is small compared to other sectors, the criteria of the Taxonomy Regulation are not so central to the core business of the Group. In order to reduce our environmental impact, we are focusing on reduction of the impact of our core activities. We are trying to make a positive contribution to the climate goals through the editorial activities of the group's media publications (for more details see the chapter "Independent and influential media").

MANAGEMENT

Honest and responsible management

Ethical business practices have always been an integral part of Ekspress Grupp's business operations. Our goal is to maintain a transparent business environment and to carry out our activities responsibly and ethically – this is the basis of the trust of the parties related to the group and the general public.

ESG strategy	
Promise	➤ Group companies must be managed honestly, in compliance with the law and ethically.
Target	➤ Zero cases of corruption or violation of business ethics related to Group companies or employees.
Strategic activities	➤ We implement Ekspress Grupp's code of conduct in all Group companies.

View/current situation for 2022

Benchmark	2022	Target for 2025
Number of corruption cases involving Group companies or employees	0	0
Number of violations of competition rules involving Group companies	0	0
Sanctions or fines related to violations of laws or other regulations		
a) number	a) 3	0
b) amount	b) 11 706 EUR*	
The total amount of expenses related to lobbying or advocacy	10 900 EUR	n/a
Membership fees of professional or advocacy organizations	9 595 EUR	n/a
Average number of days to pay an invoice	14.7	n/a

* Delfi Latvia was fined EUR 220 for copyright infringement of a photo and EUR 1,468 in connection with the labour dispute. D Screens SIA was fined EUR 10,000 for not signing the contract after winning the auction.

Ekspress Grupp has a zero tolerance policy for any kind of corruption. Corruption or the giving and accepting of bribes in both private and public sector is unacceptable. Therefore, our employees will not give, demand, receive or accept gifts, payments, services or other benefits from a current or potential business partner if the gift, payment, service or other benefit can reasonably be expected to influence the decision and goes beyond the limits of normal hospitality. We also do not tolerate illegal payments, bribes or favours aimed at speeding up decision-making in public authorities.

Every employee must apply our principles of business ethics and guidelines for business communication inside and outside the company as laid down in Ekspress Grupp's code of conduct. The code of conduct applies to all employees of AS Ekspress Grupp and its subsidiaries, joint ventures and affiliates, regardless of their position in the organisation and the nature of their employment. The code of conduct does not replace the journalism code of ethics, but complements it.

Incidents that are in conflict with the principles of business ethics or other values of Ekspress Grupp can be reported through the group-wide anonymous channel.

Supply chain sustainability

An important part of our (environmental) impact comes from our value chain. To manage this impact, we must consciously choose our suppliers, service providers and conduct active discussion with our partners to influence them to make more sustainable and responsible choices.

ESG strategy	
Promise	<ul style="list-style-type: none"> ➤ We require our suppliers to be aligned with our sustainability ambitions and values and follow the same ESG practices. ➤ We take into account the environmental impact when purchasing products and services, if it is relevant and possible.
Target	<ul style="list-style-type: none"> ➤ All our key suppliers comply with ESG requirements.
Strategic activities	<ul style="list-style-type: none"> ➤ We engage high-risk suppliers in meeting our sustainability ambitions. ➤ We prefer environmentally-friendly products and services.

View/current situation for 2022

Benchmark	2022	Target for 2025
Percentage of suppliers that comply with ESG requirements	n/a	100% (key suppliers)
Proportion of paper that is of sustainable origin, recycled and/or certified	12%*	n/a

* The metric shows the percentage of sustainable paper in Delfi Meedia's publications.

In order to reduce the environmental impact of the supply chain, Ekspress Grupp implements the following measures in its periodicals:

- 1. Optimizing print volumes:** When forecasting sales numbers, Group companies try to optimize editions of publications in order to avoid overprinting of the volume designated for retail sale.
- 2. Environmentally-friendly printing service:** Ekspress Grupp uses the printing service of two printing houses, Printall and Kroonpress. Both printing houses have an environmental policy in place, an ISO 14001 certificate and FSC® and PEFC™ certificates for the use of paper from sustainably managed forests, as well as the Nordic swan label and European Union ecolabel licenses
- 3. Choice of paper:** Printall, the Group's printing service partner, uses paper produced from paper waste, which is not suitable to be used for producing construction wood, but instead of being used as fuel, it allows to create more added value through the use of paper products.
- 4. Waste:** According to the printing service provider, about 20% of the paper in production is inevitably used for cutting and setting, and savings can be found for the remaining 80%. 98% of all waste is recycled. Afterburners for drying residues from printing machines help to reduce air pollution.

To save costs in 2022, the print volumes of all print periodicals of Ekspress Grupp as well as the number of newspapers and magazines printed for stock were reduced. Among other things, these activities led to a reduction in the environmental impact of both printing and transportation.

The supply of paper was limited in 2022. In the past, Ekspress Grupp's printing service providers have primarily used paper purchased from the Nordic countries or Russia. After the escalation of Russian aggression in Ukraine, printing houses reduced their dependence on Russian paper, which directly affected the availability of paper for the companies of Ekspress Grupp.

"Against the background of the war in Ukraine we ran out of paper and had absolutely no choice. We hope that there will be several possible supply sources next year so that we can buy paper with the smallest environmental footprint."

Argo Virkebau, Chairman of the Management Board of Delfi Meedia

REPORTING ACCORDING TO THE EU TAXONOMY REGULATION

EU Taxonomy reporting

In order to meet the objectives of the European Green Deal, the European Commission adopted in 2020 a classification system for sustainable economic activities ("Taxonomy Regulation") with the aim of encouraging private sector investment in sustainable economic activities.¹ The Taxonomy Regulation sets out specific requirements and technical screening criteria for economic activities that would contribute to EU's environmental objectives.²

The delegated act on the climate objectives of the Taxonomy Regulation ("Taxonomy Climate Delegated Act") was adopted in April 2021, setting out technical screening criteria for the activities of nine economic sectors.³ These criteria focused on the economic activities and sectors that have the greatest potential to contribute to the EU's climate goals. The basis for the criteria was the total greenhouse gas emissions of the economic activities or the potential to support the prevention, sequestration or long-term storage of greenhouse gases.

The Taxonomy Regulation requires that large listed companies such as AS Ekspress Grupp disclose three taxonomy performance indicators:

- proportion of turnover from products or services associated with taxonomy-aligned economic activities,
- proportion of capital expenditures (CapEx) from products or services associated with taxonomy-aligned economic activities,
- proportion of operational expenditures (OpEx) from products or services associated with taxonomy-aligned economic activities.

Taxonomy-related activities of AS Ekspress Grupp*:

Economic activity	NACE code	Turnover		NACE code	CapEx		NACE code	OpEx	
		absolute turnover (th EUR)	Proportion of turnover %		absolute CapEx (th EUR)	Proportion of CapEx %		absolute OpEx (th EUR)	Proportion of OpEx %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)	-	0	0.0%	-	0	0.0%	-	0	0.0%
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
6.6. Freight transport services by road	H53.1.0	1 200	1.9%	-	0	0.0%	-	0	0.0%
13.1. Creative, arts and entertainment activities	R90	583	0.9%	-	0	0.0%	-	0	0.0%
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) total		1 783	2.8%		0	0.0%		0	0.0%
TOTAL (A.1 + A.2)		1 783	2.8%		0	0.0%		0	0.0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Taxonomy-non-eligible activities (B)		62 358	97.2%		6 177	100.0%		0	0.0%
TOTAL (A + B)		64 141	100.0%		6 177	100.0%		0	0.0%

* The Group does not have turnover, CapEx and OpEx from products or services associated with taxonomy-aligned economic activities (see subsection "Assessment of compliance with the Taxonomy Regulation").

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council.

² EU's environmental objectives are climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, protection and restoration of biodiversity and ecosystems.

³ Taxonomy Climate Delegated Act (Regulation C(2021) 2800 final) covers economic activities in the following sectors: forestry, environmental protection and restoration, manufacturing, energy, water supply, sewerage, waste management and remediation activities, transport, construction and real estate activities, information and communication, professional, scientific and technical activities.

Accounting policy

Performance indicator related to turnover

Denominator includes sales revenue generated in the course of the Group's business activities and recorded in accordance with the International Accounting Standard IAS 1 (section 82 point a). The main activity of the Group is the production of online media content and publishing of newspapers, magazines and books. The Group also manages an electronic ticket sales platform and ticket sales points and offers outdoor advertising service in Estonia and Latvia. The importance of organisation of entertainment events and thematic conferences in the Group's business activities is also growing. The main activities of the Group are supported by information technology development, audio-visual production solutions, rental of advertising space and home delivery of paper publications. The numerator includes the Group's sales revenues which correspond to the descriptions of the activities outlined in the Taxonomy Climate Act.

In order to avoid double accounting of key performance indicators associated with sales revenue, each category of sales revenue was looked at separately. In addition, cross-group transactions were mapped.

Performance indicator related to CapEx

Denominator includes the Group's investments in 2022. In the reporting year, the Group invested in property, plant and equipment and intangible assets and recognised new lease agreements according to IFRS 16. The Group excluded the activities with no sales revenue from the taxonomy-eligible activities. In addition, the Group has no capital expenditure related to the activities generating sales revenue, which correspond to the taxonomy-eligible activities. Therefore, the Group has no capital expenditure related to the taxonomy-eligible activities to include in the numerator, and the Group reports all capital expenditures as taxonomy-non-eligible activities.

Performance indicator related to OpEx

According to the Taxonomy Regulation, the denominator of operating expenditures must include direct non-capitalised costs associated with research and development, building renovation measures, short-term rent, maintenance and repair, and all other direct costs related to the daily servicing of the property, plant and equipment by the company or by a third party to whom the operation has been transferred, and which are necessary to ensure the continued and efficient operation of such asset.

The Group excluded the activities with no sales revenue from the taxonomy-eligible activities. Also, the Group has no operating expenditures that are within the meaning of the Taxonomy Regulation, which are associated to activities related to sales revenue that correspond to the taxonomy-eligible activity. Therefore, the Group has no operating expenditures within the meaning of the Taxonomy Regulation.

Assessment of compliance with the Taxonomy Regulation

For the calculation of performance indicators, Ekspress Grupp assessed which activities of the Group are taxonomy-eligible activities. The Group used NACE codes of the activities listed in the climate act and the descriptions of the activities. The activities with no sales revenue were excluded from the taxonomy-eligible activities.

According to the Taxonomy Regulation, activities that contribute to climate goals are divided into three: low-emission activities, supporting activities, and transitional activities. According to the explanations of the climate act, we considered only activities supporting the adaptation goal to be considered for the purpose of adapting to the climate impact.

Among the activities related to the Group's sales revenue, two economic activities are taxonomy-eligible activities:

- Home delivery of periodicals, which corresponds to the activity outlined in the climate act 6.6. Freight transport services by road (NACE H53.1.0) and which can be either a low-emission activity or a transition activity according to the Climate Act.
- Organisation of events that corresponds to the activity outlined in the climate act 13.1 Creative, arts and entertainment activities (NACE R90), which is an activity supporting adaptation to climate change according to the Climate Act.

Of the taxonomy-eligible activities, Ekspress Grupp is also engaged in intra-group data processing and web hosting, which corresponds to the activity outlined in the climate act 8.1. Data processing, hosting and related activities (NACE J63.11), but does not provide services to external customers. Therefore, Ekspress Grupp has no turnover within the meaning of the Taxonomy Regulation and the Group excluded this activity from the taxonomy-eligible activities.

According to the Taxonomy Regulation, an activity can be considered environmentally sustainable if it

- significantly contributes to the achievement of one or more environmental goals;
- does not cause significant damage to any other environmental objective
- operates with minimal safeguards
- meets the technical screening criteria

Technical screening criteria

The Climate Act of the Taxonomy Regulation adopted technical screening criteria which

- establish the requirements on the basis of which economic activity is classified as significantly contributing to a climate goal, and
- ensure that economic activity does not cause significant harm to any other environmental objectives

Home delivery of periodicals

Home delivery service is provided with N1 category vehicles. As the cars used for home delivery are not electric, the activity does not meet the technical screening criterion of the Climate Act, according to which direct (tailpipe) CO₂ emissions of N1 vehicles must be equal to zero.

The activity can be considered a transitional activity if the activity meets other technical screening criteria, including the requirements for avoiding significant harm.

In the case of the home delivery of periodicals, not all criteria regarding significant harm are met. The assessment of physical climate risks, which is a technical screening criterion for avoiding significant harm related to the climate change adaptation goal, has not been carried out. Therefore, in the Group's opinion, the activity cannot be considered a taxonomy-aligned activity.

Event management

Sales revenue related to an activity contributing to the achievement of the climate change adaptation objective can be considered a taxonomy-aligned activity if the activity is classified as a supporting activity. The organisation of events can be considered an activity supporting adaptation to climate change if the activity meets the following technical screening criteria:

"On the basis of data on current and future climate risks, including uncertainty assessment and reliable data, the company demonstrates that the activity ensures the achievement or promotion of the use of a technology, product, service, information or practice that has one of the following main objectives:

- (a) increase the resilience of other people, nature, cultural heritage, assets and other economic activities to physical climate risks;
- (b) contribute to adaptation efforts that take into account other people, nature, cultural heritage, assets and other economic activities."

Ekspress Grupp estimates that the corresponding technical screening criterion has not been met since the events organised in 2022 did not focus directly on the topic of climate change adaptation. Technical screening criteria for avoiding significant harm have not been established for the activity.

Minimum safeguards

Ekspress Grupp evaluated minimum safeguards criteria of the Taxonomy Regulation on the basis of Article 18 of the Taxonomy Regulation and the report *Final Report on Minimum Safeguards* of the Platform on Sustainable Finance, European Commission advisory expert group.⁴ According to the guidelines of the expert group, the company must have minimum protective measures in four areas:

- Human rights, including workers' rights

⁴ https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

- Avoiding corruption and bribery
- Honest tax behaviour
- Fair competition

Minimum safeguards mean compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. With its ESG strategy, Ekspress Grupp confirms that the Group follows the abovementioned guidelines and principles in all of its activities. The respective business ethics principles have also been laid down in the code of conduct of Ekspress Grupp. The purpose of implementing the ESG strategy is, inter alia, to launch implementation of the due diligence process.

Contextual information

Sales revenues:

- Activity 6.6. Freight transport services by road (NACE H53.1.0) – the Group provides the service of home delivery of periodicals to a joint venture. The quantitative distribution of the numerator is shown in the table "Taxonomy-related activities of AS Ekspress Grupp" on page 64.
- Activity 13.1 Creative, arts and entertainment activities (NACE R90) – the Group organises entertainment events. The numerator includes income from ticket sales and other income related to entertainment activities, except for income from advertising sales. Income from organisation of conferences and seminars is also excluded from this activity. The quantitative distribution of the numerator is shown in the table "Taxonomy-related activities of AS Ekspress Grupp" on page 64.

Capital and operating costs – the Group has no costs that are included in the numerator.