UPRIGHT ⋮⋮ PROJECT
NET IMPACT RATING

AA+

SANOMA

AAA	Prime
AA+	**Excellent+**
AA	Excellent
A+	Very good+
A	Very good
BBB	Good
BB	Fair
B	Adequate
CCC	Low
CC	Poor
C	Dismal

Sanoma has received a net impact rating of **AA+** (Excellent+) in 2021, driven by its contributions to **Society** and **Knowledge**.

The net impact rating of **Sanoma** is higher than:

- **96.9 %** of **companies listed on Nasdaq Helsinki**
- **97.0 %** of **top 200 largest Nordic companies**
- **90.2 %** of **media companies**

NET IMPACT PROFILE

Sanoma's net value creation sums up to a net impact ratio of 69%, indicating that the company's negative impacts are 69% smaller than its positive ones.

Sanoma creates a range of positive impact in particular throughout the dimensions of society, knowledge and health. Sanoma's single biggest positive impact is on the distribution of knowledge - by providing news and learning materials, Sanoma creates new knowledge on the world and distributes it to readers and students.

To achieve these outcomes, Sanoma uses scarce human capital (i.e. the opportunity cost of a highly skilled and educated workforce) and its services create some emissions. Some services also impact health negatively through contributing towards a sedentary lifestyle.

IMPACT	NEGATIVE	SCORE	POSITIVE
⊕ **Society**	-0.0	**+4.7**	+4.7
Jobs		+1.3	+1.3
Taxes		+1.5	+1.5
Societal infrastructure		+0.0	+0.0
Societal stability	-0.0	+1.7	+1.7
Equality & human rights	-0.0	+0.0	+0.1
▫ **Knowledge**	-1.7	**+2.6**	+4.3
Knowledge infrastructure		+0.2	+0.2
Creating knowledge		+0.9	+0.9
Distributing knowledge	-0.1	+3.2	+3.3
Scarce human capital	-1.7	-1.7	
♡ **Health**	-0.9	**+1.0**	+1.8
Physical diseases	-0.6	-0.5	+0.2
Mental diseases	-0.0	+0.0	+0.0
Nutrition	-0.0	+0.0	+0.0
Relationships	-0.1	+0.6	+0.6
Meaning & joy	-0.1	+0.9	+1.0
⌂ **Environment**	-0.7	**-0.7**	+0.1
GHG emissions	-0.4	-0.3	+0.0
Non-GHG emissions	-0.0	-0.0	+0.0
Scarce natural resources	-0.0	-0.0	+0.0
Biodiversity	-0.0	-0.0	+0.0
Waste	-0.3	-0.3	+0.0

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+69%

Net impact ratio
Value set: **Equal weights**

VALUES ALIGNMENT

This section illustrates how well Sanoma's net impact is aligned with the values and priorities of different stakeholders. The analysis is done by weighting impact categories based on what different stakeholders value and prioritize.* Sanoma's net impact is well aligned with the values of millenials, most wanted workforce and asset owners.

Value lens	Alignment of Sanoma	Sanoma	DMGT	The New York Times Company	Schibsted	Pearson	Houghton Mifflin Harcourt
Equally weighted impacts**		69%	57%	51%	35%	79%	75%
Millennials	Well aligned	76%	68%	60%	48%	83%	80%
Most wanted workforce	Well aligned	65%	53%	43%	26%	77%	73%
Asset owners	Well aligned	58%	41%	27%	10%	72%	68%

Poorly aligned ⬤▬▬▬▬ Well aligned

Net impact ratio in stakeholder group's value set

The values of stakeholder groups are based on Upright's annual Impact at Work and Survey for professional investors questionnaires (N=1500).

** *The value lens in which all impact categories are valued equally. This is the default value lens in all net impact profiles.*

IMPACT COMPARISONS

The table below illustrates the impact differences between Sanoma and select reference indices and companies. Each cell indicates the comparison point's score in a given dimension. The data shows that Sanoma performs well compared to reference groups and companies.

Dimension	Sanoma	DMGT	The New York Times Company	Schibsted	Pearson	Houghton Mifflin Harcourt	Nasdaq Helsinki	OMX Nordic 40	S&P Europe 350	Invesco Dynamic Media ETF
Society	4.7	4.7	3.7	3.0	7.1	3.7	3.5	3.2	2.9	3.2
Knowledge	2.6	1.4	0.2	-0.8	4.5	3.2	-0.7	-0.9	-0.8	-0.2
Health	1.0	0.1	0.4	0.1	1.9	1.8	0.1	0.5	0.5	1.1
Environment	-0.7	-1.0	-0.9	-0.4	-0.6	-0.6	-3.3	-2.2	-2.5	-0.5
Net impact ratio, pp	69%	57%	51%	35%	79%	75%	-7%	11%	1%	41%

Performs worse than Sanoma ▬▬▬▬ Performs better than Sanoma

ABOUT THIS SCORECARD

The Upright Net Impact model

This net impact scorecard has been automatically produced by the Upright net impact model. The Upright net impact model is a mathematical model of the economy that produces continuously updated estimates of the net impact of companies. It is based on an AI-driven information integration algorithm that consolidates data from humanity's accumulated scientific knowledge and public statistical databases.

The model is designed to satisfy the following requirements:

- **Measure net:** The model must consider both costs and gains, and provide their net sum. This is a minimum requirement for informing decision-making on resource allocation.

- **Comparability:** All estimated costs and benefits produced by the model must be comparable. Comparisons must be possible within industries, across industries, and across different types of costs and benefits.

- **Comprehensiveness:** The model must consider all types of costs and gains, not only e.g. environmental costs or financial gains. This is a minimum requirement for understanding the whole value creation of a company and thus informing decision-making on resource allocation.

- **Whole value chain:** The model must capture the cost and benefits created in the entire value chain of a company, not just what happens inside the company or how it affects its immediate stakeholders (shareholders, clients, employees).

- **Adaptable values:** The model must not assume universal values, and must instead ac-

commodate for the fact that every individual decision-maker has a different view of value and different optimization criteria when making decisions in different roles. The model must also be practical and provide reasonable fact-based defaults for these sets of values.

- **Scalability:** The marginal cost of estimating the impact of an additional company should be close to zero, meaning that it should not require any manual work. This is required for large-scale adoption and thus significance of the data.

Net impact ratings

The net impact rating is a simple summary of a company's overall net impact. The rating of a company is determined by the percentile the company belongs to based on its net impact. This means that every year a fixed percentage of companies qualify for a given rating (e.g. for AAA this is 3%).

The table below includes the percentile and net impact ratio thresholds for a given rating for 2021.

Rating code	Rating description	Percentile threshold	NIR* threshold
AAA	Prime	97th	72%
AA+	Excellent+	93rd	65%
AA	Excellent	86th	54%
A+	Very good+	76th	42%
A	Very good	60th	27%
BBB	Good	38th	0%
BB	Fair	22nd	-39%
B	Adequate	12th	-97%
CCC	Low	below 6th	-202%
CC	Poor	below 1st	-396%
C	Dismal	0th	N/A

*NIR = net impact ratio

Net impact ratio

The net impact ratio is a quantitative measure that represents the net impact of a company. It is defined as

$$\text{net impact ratio} = \frac{\text{positive impacts} - \text{negative impacts}}{\text{positive impacts}}$$

The maximum value for the net impact ratio is 100%, representing a theoretical company with no negative impacts. The minimum value is $-\infty$. It can be interpreted similar to net profit ratio, which is defined as:

$$\text{net profit ratio} = \frac{\text{revenue} - \text{costs}}{\text{revenue}}$$

Similar to the net profit ratio, the net impact ratio is a relative measure - otherwise identical companies of different sizes have the same net impact ratio.

Net impact profile

The net impact profile is a graphical summary of a company's net impact within the Upright net impact model's 4 dimensions (Society, Knowledge, Health, Environment) and 19 impact categories. The numbers shown in the net impact profile are *relative scores*, which represent the magnitude of each impact relative to the size of a company.

Values alignment

The net impact scorecard's *values alignment* section summarizes how well the net impact of a company is aligned with the values and priorities of different stakeholders. The analysis is done by weighting impact categories based on what different stakeholders value and prioritize.

Dimension	MIL	MWW	AOW
Society +	3	2	1
Society -	5	4	2
Knowledge +	5	4	3
Knowledge -	5	4	5
Environment +	2	1	2
Environment -	1	5	3
Health +	4	2	3
Health -	2	3	4

MIL = millennials, MWW = most wanted workforce, AOW = asset owners

The numbers shown in the heatmap are *value-weighted net impact ratios*. Net impact ratios greater than 30% are considered *well aligned*, values between 0% and 30% are considered *somewhat aligned*, and values lower than 0% are considered *poorly aligned*.

Impact comparisons

The net impact scorecard's *impact comparisons* section compares the impact of a company to industry peers and select reference indices. Comparisons are shown for both individual dimensions (like Society or Environment) and the net impact ratio.

For individual dimensions, the number shown in the comparison table is the *relative dimension net score* of the company. The relative dimension net scores represent the magnitude of a company's total impact within an impact dimension relative to the size of the company.

For the net impact ratio, the number shown in the comparison table is the *net impact ratio* of the company.

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