Understanding our climate-related risk and opportunities

Task Force on Climate-related Financial Disclosures (TCFD) Report 2021

Schibsted

Table of contents

CEO statement

Kristin Skogen Lund, CEO Schibsted

It is easy to state that climate change represents one of the top challenges of our time. However, such a statement does not solve the problem. To ensure that we in Schibsted address the relevant climate-related risks, and that we realize the opportunities ahead, I found the TCFD review to be of considerable value: it forces us to be concrete, and to plan action to proceed with the right set of targets.

Through our different business areas, Schibsted interacts with a range of stakeholders, including customers, suppliers, regulators, investors, analysts and rating agencies, media, academics, users and readers. How we run our operations and which suppliers and technological solutions we select have an impact on our own greenhouse gas (GHG) emissions and on our climate resilience. Through our marketplaces we facilitate circular consumption and empower our users to minimize their environmental footprint. Our independent and high-quality journalism enlightens and impacts our readers through its coverage of the climate crisis, and leaves an imprint on our readers. Through Financial Services & Ventures, we invest in great digital companies that empower people to make informed choices.

In publishing our first TCFD report, we aim to provide transparency in how Schibsted assesses, manages, and measures climate-related risks. At Schibsted, we aim to act responsibly and transparently in both the short and long term with regard to the positive and negative effects we have on the environment and on society.

The climate is changing irreversibly, and this shift will have an impact on society as a whole and thus on Schibsted's business. Through conducting a climate risk analysis, we aim to identify, assess, and manage not only the risks, but also the opportunities for Schibsted that are likely to arise from climate change.

Sustainability is a core part of how Schibsted operates as a business, and is something we take seriously across our news media, online marketplaces, and financial services and ventures. Sustainability at Schibsted is anchored in our strategy, all the way to our core business and our purpose, and is closely linked to our mission of empowering people in their daily lives. We are conscious of the important societal and environmental impacts of our products, and strive to manage these impacts by providing products and services that empower people to make economic and sustainable choices.

Our ambition is to ensure that all companies in our group mature in sustainability and become long-term businesses that are future-fit for a changing climate and for the transition to a low-carbon economy. To accomplish this, our companies will align with the Paris Agreement. We are a participant in the UN Global Compact and are committed to the 17 UN Sustainable Development Goals (SDGs) and the environmental, social and governance targets for the 2030 Agenda.

In 2020, Schibsted set targets to align with the Paris Agreement and the ambition to keep global warming within the limit of 1.5°C. This included a 50-percent reduction in GHG emissions by 2030. As part of our focus on climate change, we endorse the approach of the Task Force on Climate-related Financial Disclosures (TCFD) and have adopted its recommendations. The TCFD review will help us better understand the risks and opportunities that a changing climate will bring and their potential impact on Schibsted's business. Understanding these risks and opportunities allows us to design a strategy and financially plan to manage and mitigate the impacts of climate change. In addition, we will be able to make the most of the opportunities that arise and position ourselves at the forefront of a low-carbon economy.

The result of our analysis is presented in this report, which covers the full year 2021.

Our ambition is to ensure that all companies in our family mature in sustainability

About the Task Force on Climate-related Financial Disclosures

The Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations for more effective climate-related financial disclosures. The aim is to facilitate more informed investment, credit, and insurance underwriting decisions and in turn enable stakeholders to better understand the concentrations of carbon-related assets and exposure to climate-related risks.

The framework consists of the following 11 disclosures:[1]

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Recommended disclosures

a) Describe the Board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended disclosures

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended disclosures

a) Describe the organization's processes for identifying and assessing climate-related risks.

b) Describe the organization's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

[1] These are outlined in TCFD, Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures, June 2017

Scenario analysis

To support our TCFD analysis, Schibsted has conducted a scenario analysis to better understand the consequences of different levels of global warming on our business.

To establish a basis for our scenarios, Schibsted used information from the Network for Greening the Financial System (NGFS). The NGFS is backed by 108 central banks and supervisors, e.g., Norges Bank, Finansinspektionen and the US Federal Reserve. Climate scenarios have been developed by the Intergovernmental Panel on Climate Change (IPCC), and NGFS has adopted the scenarios to explore the impact on various parts of the economy. To assess how Schibsted may be affected under these scenarios[2], we reviewed the European Central Bank's (ECB) assessment of how different categories of companies will be hit. The ECB has defined the following overall categories of companies:

The median European firm (a European firm with average emissions);
The highest emitting firms (i.e., those firms that are relatively more affected by transition risk, energy-intensive, relying on fossil fuels);
The firms that are most exposed to physical risk (flooding and other extreme weather events).

Schibsted comprises online marketplaces, news media (both print and online), financial services and other digital services. Schibsted is also an investor in venture companies. Schibsted's direct climate footprint is very limited compared to other industries such as transport or construction. Moreover, given the infrastructure involved in Schibsted's operations, we have treated Schibsted as a median European firm in the scenario analysis. We reviewed two different climate outcomes: Representative Concentration Pathway (RCP)[3] 2.6 and RCP 4.5 involving three different policy scenarios:[4]

a) The orderly approach explores a transition with early adoption of climate policies and is consistent with limiting global warming to below 2ºC.

b) The disorderly approach explores a transition with late adoption of climate policies that is consistent vwith limiting global warming to below 2°C.

c) The hot house world with warming in the region of 3°C.

[2] ECB economy-wide climate stress test, ECB, Occasional Paper Series, No 281 / September 2021
[3] Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways: Chapter 2. RCPs comprise a set of four concentration trajectories that jointly span a large range of plausible human-caused climate forcing ranging from 2.6W m-2 (RCP2.6) to 8.5 W m-2 (RCP8.5)
[4] NGFS Climate Scenarios for central banks and supervisors, June 2020

Policy scenario	Effect	IPCC Climate outcomes
The orderly approach assumes climate policies are introduced early and become gradually more stringent. Net zero GHG emissions are achieved before 2070, giving a 67% chance of limiting global warming to below 2°C. Physical and transition risks are both relatively low.	Probabilities of default (PDs) under the orderly transition scenario increase slightly compared with a disorderly or no-transition scenario. This reflects the costs that firms must take on in the 2020s to comply with green policies, in particular carbon taxes and technological investments. Costs are more than offset in the longer run due to reduced physical risk and a more efficient and cheaper energy mix.	RCP 2.6: A predicted temperature increase of between 0.9 and 2.3°C.
The disorderly approach assumes climate policies are not introduced until 2030. Since actions are taken relatively late and are limited by available technologies, emission reductions need to be sharper than in the orderly scenario in order to limit warming to the same target. The result is a higher transition risk.	Sudden investment needs come later (post-2030). However, the relative difference in profits compared with the orderly transition stabilizes at the end of the period, given that the transition would have been achieved even in this scenario.	RCP 2.6: A predicted temperature increase of between 0.9 and 2.3°C.
The hot house world assumes that only currently implemented policies are preserved. Nationally determined contributions are not met. Emissions increase until 2080, leading to 3°C+ warming. Severe physical risks are high, including irreversible changes such as higher sea level rise.	Profitability to deteriorate substantially by up to 40% compared with an orderly transition, due to production disruptions.	RCP 4.5: A predicted temperature increase of between 1.7 and 3.2°C.

Schibsted is categorized as a median European firm, which means that it is unlikely to see any specific physical, technology or regulatory changes under any of the scenarios. However, the prospects of the company are affected by which policy scenarios will play out and by which investments will be required at each stage.

It is only the hot house scenario that will increase the climate-related risks of Schibsted significantly, since profitability will likely be severely affected. Under the other two scenarios, Schibsted will be obliged to invest in more energy-efficient equipment and solutions in either the 2020s or the 2030s. However, the ECB regards the cost to be of limited significance.

In 2021, total emissions from Schibsted accounted for 12,619 tonnes of GHG emissions, of which 94 percent were indirect emissions (Scope 3). The largest contributor is paper, accounting for more than half of our total emissions. Last year we collected supplier-specific data that enables more accurate emission accounting and improved control over the climate impact for potential changes in paper type. We will continue our work on reducing emissions from print newspapers. At the same time, the demand for print newspapers continues to decline, which has led to a decrease in our emissions in recent years. There has been a need for Schibsted to account for emissions caused by digital media as the demand for digital subscriptions has continued to rise. Together with scientists from Bristol University and several media companies like BBC, ITV and Netflix, Schibsted has collaborated on finding a way to calculate the carbon emissions from our downstream value chain of digital media, known as the DIMPACT[5] tool. These calculations show that the electricity consumed by our users reading our digital newspapers and by internet infrastructure accounted for three percent of our GHG emissions in 2021.

[5] https://dimpact.org/about

Schibsted has extended the accounting for Scope 3 emissions to include electronic devices used by our employees. These emissions account for eight percent of our emissions being a material contributor to our carbon footprint. We will continue to work on re-evaluating our emissions across Scopes 1, 2, and 3, to make sure we take responsibility where we should in a rapidly evolving business environment.

Since 2015, and in cooperation with Adevinta and the Swedish Environmental Research Institute (IVL), Schibsted has calculated the potential positive effect on the environment of our users trading secondhand items in our marketplaces and therefore prolonging the lifetime of goods. We call it the Second Hand Effect project.[6] Going forward, we will investigate how we can include the effect of the usage phase of our products sold in our marketplaces in the model. Additionally, we will strive to measure the effect of offering new products to ensure we are transparent about our positive and negative environmental impacts.

Schibsted might be affected financially by regulations increasing the cost of greenhouse gases from energy, changes in consumer behavior, and regulation of advertising of non-sustainable products, leading to lower marketing spend by our customers.

This is the first time Schibsted has carried out a scenario analysis and, as such, we have not yet fully factored the scenarios into our financial planning. However, of the climate-related issues Schibsted has already considered and sought to manage, many of them due to digitalization, Schibsted's print circulation is predicted to continue its decline and Schibsted is therefore currently setting up a smaller printing plant.

We have already established targets for GHG reductions in support of the Paris Agreement, and thus a scenario of below 2°C. As such, we are prepared to face an orderly transition. However, we are not in control of our customers and consumers. In the following, we have presented our take on governance, strategy and risk management as well as targets and metrics to explain how we assess and manage the climate-related risks and potential opportunities.

[6] https://schibsted.com/secondhandeffect/

2

Governance

This section outlines Schibsted's governance structure for managing climate-related risks and opportunities.

Board oversight

The Group Board of Directors (the Board) holds ultimate responsibility for all of Schibsted's operations in accordance with Norwegian company law. The Board oversees and governs Schibsted's sustainability performance, including reviewing and guiding the risk management processes where environmental risks are included. When needed, and at least on a yearly basis, the Board reviews the climate-related items included in the sustainability report. The Audit Committee assists the Board in reviewing the outcomes of climate-related risk assessments and associated performance.

Managment approach

The CEO has overall responsibility for sustainability and risk management, and leads the company according to the framework established by the Board. The EVPs in News Media, Nordic Marketplaces, Financial Services & Ventures and the Group functions have ultimate responsibility for implementing the sustainability aspects and delivering on the long-term ambitions and short-term targets in their business areas and functions.

The CFO has overall responsibility for risk management, including climate-related risks. The Head of Sustainability has overall responsibility for guiding and communicating the organization of our sustainability ambitions and targets, both internally and externally.

3

Strategy

This section outlines Schibsted's strategy for climate-related risks, in addition to the risks and opportunities that emerged from the analysis.

Schibsted’s overall strategy

Schibsted is a family of brands that share a common set of values and principles. Our mission is to empower people in their daily lives. Our vision to uphold a society built on trust and transparency. We do this by being a fearless force for change. Everything we do as a company reflects these values and principles. We create value by providing leading online marketplaces, running world-class media houses, and by creating and investing in digital services that people find valuable. Our products contribute to our customers' lives in ways that change how they act, consume, and understand the world.

Schibsted and it's brands - almost 1 billion monthly visits

Marketplaces

tori, blocket, FINN, Bilbasen, Rakentaja.fi, nettbil, servicefinder, dba, OIKOTIE, bytbil, Morgenlevering, mittanbud, Distribution Innovation

Media

AFTONBLADET, Strilen, Omni, vinguiden., Aftenposten, Godare, Bergens Tidende, MAT, Stavanger Aftenblad, klart, VG, SVENSKA DAGBLADET, tv.nu, VEKTKLUBB, E24, Vestnytt, Askøyværingen, Bygdanytt., wellobe

Financial Services

ROCKER, HYPOTEKET, KUNDKRAFT., insurello, Tillit, pej, Funding Partner, CAPCITO, FIXRATE, Lendo, Dintero, compricer

Ventures

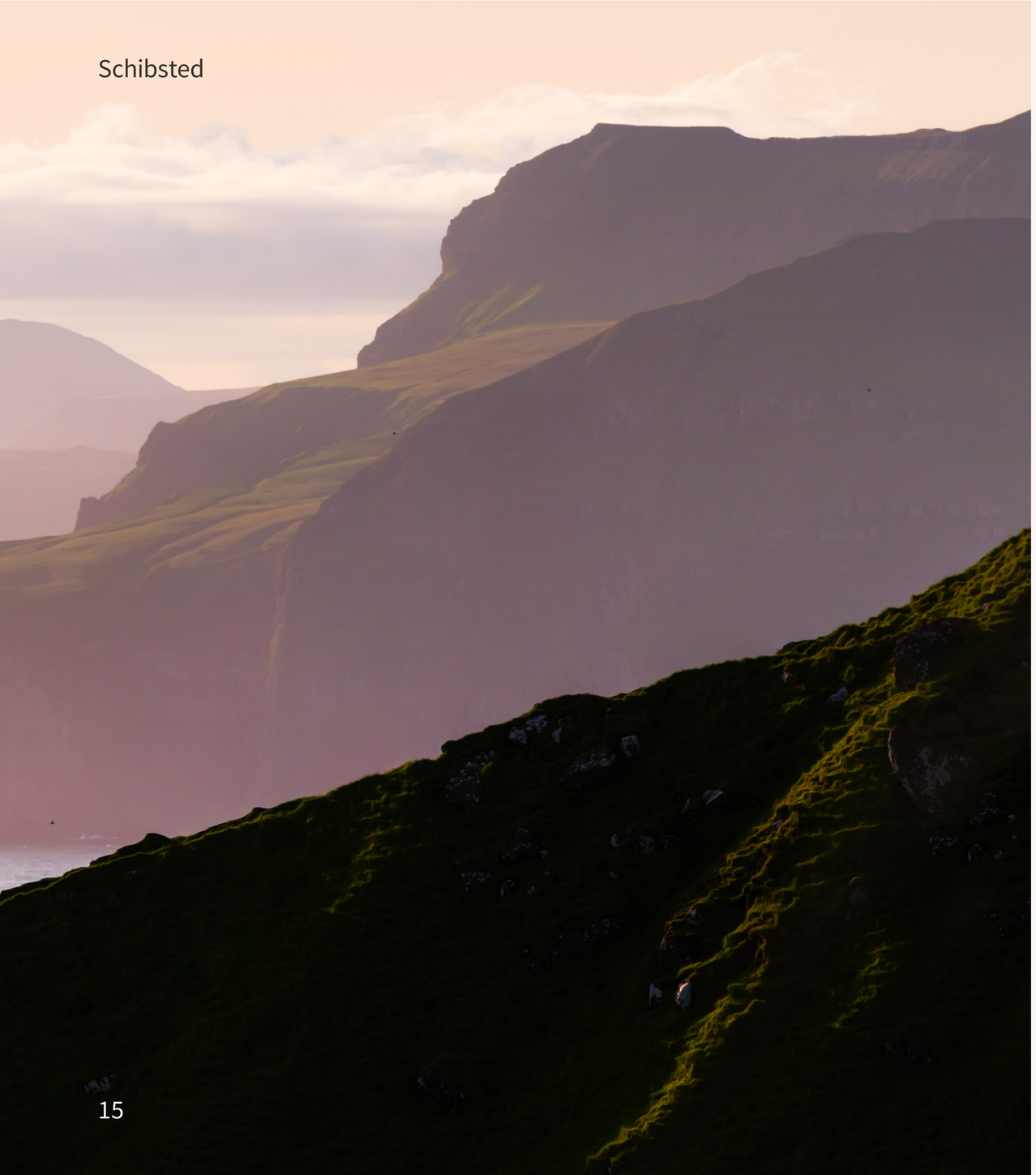
Mindler, Dooris, albert, zoopit, Prisjakt, homely, inzpire.me, bookis, helthjem, SYD, tibber, advized, Hjemmelegene, PodMe, SAVR, Firi, hygglo, The Mindfulness App, torn, unloc

Climate-related risks and opportunities

Methodology and process
Following a desktop review in 2021, Schibsted convened two workshops, facilitated by external consultants, to define the most material climate-related risks and opportunities. The workshop participants were drawn from all of Schibsted's business areas to ensure a broad input of knowledge.

Summary of implications for our business, strategy, and financial planning
The assessment of the effects of climate change on Schibsted's business included identifying short-term, mid-term and long-term risks and opportunities for Schibsted's business areas. In accordance with the TCFD framework, these risks were assessed against our business, strategy, and financial planning.

We believe that regulatory risks related to the transition to a low-carbon economy represent material climate-related risks for our business areas. These include issues such as carbon



taxes or low-emission zones within city centers that would impact our delivery fleets. The risk of not being able to meet these regulatory pressures may have an impact on our business.

Other significant risks include consumer-related, market-related and reputational risks. Consumers may change their behavior and seek to purchase more second-hand items. While this could be viewed as a risk of other players disrupting our marketplaces, it may also be an opportunity for innovation in new business models that are future-fit for changing consumer behavior.

The financial market is likely to move toward investing in green companies, and a risk lies in Schibsted not transitioning quickly enough, and thereby missing out on investments or on access to the lowest emissions solutions, or in its current business models becoming less attractive. Schibsted may also face reputational risks, with increasing public awareness concerning the harmful consequences of climate change. This could be the case if our newspapers are perceived not to report thoroughly on climate change or if advertising space is sold for products considered not to be sustainable, even if not banned. This may weaken our reputation and in turn affect our business and our ability to recruit.

Our main emissions stem from print newspapers and distribution. The volume of print newspapers will, due to readers' preferences, continue to decrease in the coming years.

The transition to a low-carbon economy
As a family of digital consumer brands, Schibsted is well placed to succeed in a low-carbon economy. To consolidate Schibsted's values and commitment to sustainability throughout its family of brands, several measures have been put in place through a sustainable investment policy for Financial Services & Ventures.

We conduct thorough sustainability due diligence to support our investment decisions in Financial Services & Ventures, and we have based our investment policy on the Principles for Responsible Investments (PRI). The investment criteria are reviewed regularly to align with potential climate-related changes to the regulations or best practice. In Schibsted Group, we support our companies in calculating their GHG emissions. This provides us with a solid foundation on which to assess our risks and opportunities.

In sum, Schibsted's strategy and financial plan address certain aspects of climate-related risks and opportunities, but we will improve our financial planning and calculate the cost of our targets to reduce emissions in our Norwegian distribution operations by 50 percent by 2025 and to reduce emissions throughout our operations and value chain by 50 percent by 2030. This approach aims to align with the orderly approach established by the ECB, as described in the scenario section above.

Identified risks and opportunities

The tables below provide a summary of the climate-related risks and opportunities for Schibsted that were identified during the workshops. The risks and opportunities identified are outlined for Group Level, Nordic Marketplaces, News Media, eCommerce and Distribution, and Financial Services & Ventures. Risk and opportunities are broken down by physical, regulatory, market, technology and reputational risk in line with TCFD recommendations.

We need to turn risks into opportunities

Table 1: Main risks and opportunities identified - Group Level

Physical Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	**Risks:** • Extreme weather events may cause outages in the infrastructure. Dependency on up to a hundred different data centers around the world and not being in control of them means that Schibsted currently cannot control whether safeguarding measures are put in place.	**Opportunities:** • None identified.
Regulatory Stricter regulation such as GHG taxes, cap-and-trade schemes, energy efficiency requirements, and reporting requirements	**Risks:** • Regulation of advertising of products that may contribute to climate change. • The EU Taxonomy and additional regulations may lead to certain revenue streams being at risk. • Investing in companies not classified as green by emerging regulation.	**Opportunities:** • If Schibsted moves early in the green shift, regulation could be an opportunity since it will be better placed than its rivals to meet regulatory requirements, i.e., energy-efficient distribution systems, software solutions, and server parks.
Market Changes in market demand, customer requirements, and investor behavior	**Risks:** • Market moving faster than Schibsted, meaning risk of losing out on sustainability-linked financing. • If consumers and advertisers reduce their spend/use within Schibsted business areas.	**Opportunities:** • Focus on sustainability and circular economy opens up new business opportunities for Schibsted's marketplaces.
Technology Stepwise or radical technology shifts leading to increased need for investments or risk of stranded assets	**Risks:** • Disruptive technology in news media or marketplaces representing less energy-demanding solutions.	**Opportunities:** • The majority of Schibsted's business is already digital, considered well-placed to lead in the sector(s).
Reputation Risk of stigmatization leading to loss of goodwill, brand value, and employee attraction	**Risks:** • Lack of competency regarding climate change and climate risk in the organization. • Dependency on advertising and accepting high-emitting firms as customers. • Poor reputation on climate change issues may lead to difficulties in recruiting and retaining staff.	**Opportunities:** • If viewed as progressive, Schibsted has an edge when it comes to recruiting and retaining staff.

Table 2: Risk and opportunities identified - Nordic Marketplaces

Physical Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	**Risks:** • Extreme weather events may cause outages in the infrastructure. Dependency on up to a hundred different data centers around the world and not being in control of them means that Schibsted currently cannot control whether safeguarding measures are put in place.	**Opportunities:** • None identified.
Regulatory Stricter regulation such as GHG taxes, cap-and-trade schemes, energy efficiency requirements, and reporting requirements	**Risks:** • Regulation of advertising of products that contribute to climate change could result in loss of revenue. • Regulatory changes targeting the car market may challenge and change Schibsted's marketplace for cars, i.e., if leasing solutions turn to other marketing platforms. The same applies to the travel segment.	**Opportunities:** • The right to repair may increase the markets for second-hand goods and repair services.
Market Changes in market demand, customer requirements, and investor behavior	**Risks:** • Focus on sustainability and circular economy may make competition in second-hand marketplaces tougher. • Cars are a large part of secondhand marketplaces. Increase in electric cars could reduce secondhand car activity if the population becomes weary of buying secondhand electric vehicles or moves away from buying cars completely.	**Opportunities:** • Focus on sustainability and circular economy can create new business opportunities.
Technology Stepwise or radical technology shifts leading to increased need for investments or risk of stranded assets	**Risks:** • Marketplaces may shift to different forms of online forums with the development of “Web 3.0”, which could be a risk if Schibsted does not adapt quickly enough by creating marketplaces that function in this space.	**Opportunities:** • Increased eCommerce; Schibsted has several high-trust business areas which can be used for circular consumption purposes.
Reputation Risk of stigmatization leading to loss of goodwill, brand value, and employee attraction	**Risks:** • Enabler of consumption.	**Opportunities:** • Enabler of recommerce and local consumer-to-consumer trades.

Table 3: Risk and opportunities identified - News Media

Physical Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	**Risks:** • Extreme weather could disrupt printing plants if electricity fails.	**Opportunities:** • None identified.
Regulatory Stricter regulation such as GHG taxes, cap-and-trade schemes, energy efficiency requirements, and reporting requirements	**Risks:** • Regulation of advertising of products that contribute to climate change might reduce revenues.	**Opportunities:** • Distributing news to the population has fundamental societal value, and the government sees this value.
Market Changes in market demand, customer requirements, and investor behavior	**Risks:** • Change in revenue streams from advertising. • Indirect impact due to volatile electricity markets. This is not considered to be a high risk although the cost of paper has increased significantly due to recent energy price rises.	**Opportunities:** • None identified.
Technology Stepwise or radical technology shifts leading to increased need for investments or risk of stranded assets	**Risks:** • The printing business areas represent the highest source of GHG emissions within Schibsted. Although we do not plan to limit printing, the circulation of physical papers is steadily declining as readers continue to go digital.	**Opportunities:** • Continue developing market-leading digital news media solutions.
Reputation Risk of stigmatization leading to loss of goodwill, brand value, and employee attraction	**Risks:** • Fail to report on climate change and to reach climate targets in the press, leading to a decline in readership and making recruitment more difficult.	**Opportunities:** • Report extensively on climate issues in the press, contributing to the debate and to information sharing. • If viewed as progressive, Schibsted has an edge when it comes to recruiting and retaining staff.

Table 4: Risk and opportunities mentioned - Ecommerce and Distribution

Physical Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	**Risks:** • Extreme weather could result in road closures, disrupting distribution.	**Opportunities:** • Optimizing last-mile delivery of newspapers and other packages with AI-based logistic technology.
Regulatory Stricter regulation such as GHG taxes, cap-and-trade schemes, energy efficiency requirements, and reporting requirements	**Risks:** • Conversion to low-emission city zones and imposition of carbon taxes. • Regulatory changes requiring shift to electric vehicles while cost of electric vehicles is still high. Electric vehicles for long-distance routes are not on the market yet.	**Opportunities:** • If Schibsted moves early in the green transition, regulation could be an opportunity because Schibsted will be better placed than its rivals to meet regulatory requirements.
Market Changes in market demand, customer requirements, and investor behavior	**Risks:** • Customers prefer low-carbon distribution services, and failing to meet criteria constitutes a market risk to Schibsted.	**Opportunities:** • Low carbon transportation service is a competitive advantage and an opportunity for Schibsted.
Technology Stepwise or radical technology shifts leading to increased need for investments or risk of stranded assets	**Risks:** • The electrification of long-distance vehicles takes time due to lack of such vehicles to buy, and reducing emissions in line with targets becomes difficult.	**Opportunities:** • Increased online based shopping; Schibsted has several high-trust business areas. • Early investment in low-carbon transportation technology.
Reputation Risk of stigmatization leading to loss of goodwill, brand value, and employee attraction	**Risks:** • Transportation services account for a considerable portion of Schibsted's emissions. Failing to reduce emissions according to targets poses a reputational risk.	**Opportunities:** • Rapidly switching to a green fleet could lead to improved reputation.

Table 5: Risk and opportunities mentioned - Financial Services and Ventures

Physical Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes	**Risks:** • None identified.	**Opportunities:** • None identified.
Regulatory Stricter regulation such as GHG taxes, cap-and-trade schemes, energy efficiency requirements, and reporting requirements	**Risks:** • Portfolio companies that are not included in recognized definitions of "green" or "sustainable".	**Opportunities:** • A strong green portfolio that matches regulatory requirements may be an advantage over competitors.
Market Changes in market demand, customer requirements, and investor behavior	**Risks:** • Portfolio companies are not considered "green" by financial market participants.	**Opportunities:** • Schibsted's sustainable investment strategy can provide a portfolio of companies that are well suited to a low-carbon market.
Technology Stepwise or radical technology shifts leading to increased need for investments or risk of stranded assets	**Risks:** • Technology investments labelled as unsustainable, although not considered a large risk to this business area.	**Opportunities:** • Investing in companies whose business models and use of technology are in line with the transition to a low-carbon economy or circular economy or are considered "green".
Reputation Risk of stigmatization leading to loss of goodwill, brand value, and employee attraction	**Risks:** • Investing in companies that are not viewed as "green" by society.	**Opportunities:** • A strong "green" portfolio will enhance reputation with society and with potential investees.

4

Risk management

This section outlines how Schibsted identifies, assesses, and manages climate-related risks.

Risk assessment process

The Group's risk management and internal control systems reflect Schibsted's governance model and are integral elements of the overall governance of the company. Schibsted has a uniform risk management process, referred to as Enterprise Risk Management (ERM), which is driven centrally by Group Finance. Schibsted's ERM framework is based on ISO 31000 Risk Management: Principles and Guidelines to ensure efficient risk management in the creation and protection of stakeholder values. The Group Finance function initiates and manages an ERM process on behalf of the CEO and CFO, and also anchors the process and requirements in each business area and significant unit management. The management team of each business area, function and company is also responsible for ensuring the following as part of the risk management and internal control systems:

- achievement of financial and non-financial targets
- high-quality and safe products and services
- cost-effective operations
- reliable financial and management reporting
- compliance with legislation and regulations; and
- adherence to Schibsted's values, Code of Conduct, governing documents and policies.

Schibsted's executive management reviews the overall risk assessment of strategy, market, legal, compliance, and ethical issues as well as operational and organizational risk assessments. The annual risk assessments are reported to and reviewed by the Audit Committee and the Board.

The Board also receives information on and insights into Schibsted's climate-related performance and efforts through the annual approval of the sustainability report.

5

Metrics and targets

This section discloses the metrics and targets Schibsted uses to assess and manage relevant climate-related risks and opportunities.

Our climate targets

Schibsted has established climate targets in line with the Paris Agreement's ambition to keep global warming within 1.5°C. These are:

1. 50 percent reduction in GHG emissions within our Norwegian distribution network by 2025 compared to 2018.
2. Double our improvements in energy effi ciency across all our business operations by 2030.
3. 50 percent reduction in GHG throughout our operations and value chain by 2030.
4. Net-zero emissions by 2050.

Schibsted has set targets that seek to manage key climate-related risks and opportunities that we have identified, and we will consider targets for the remaining risks in the near future. The targets Schibsted has set relate to circular consumption, energy use and GHG emissions, and management of materials and waste. However, these are not linked directly to climate-related risks and opportunities.

Upcoming targets for 2022 are:

Empower circular and sustainable consumption:

- Continue to identify, realize, and invest in circular business opportunities.
- Continue to promote, develop, and communicate the environmental benefits of circular consumption to our stakeholders, including participation in the public debate in all our markets and the European Union.

Energy use and greenhouse gas emission targets:

- Aligned with the Science Based Targets, incorporate ambitions, guidelines, and recommendations for calculating carbon footprint using the DIMPACT tool in the infrastructure and public cloud section of Schibsted's technology strategy.
- Define a detailed plan for 2021-2030 to reach the emission and energy reduction targets in line with Science Based Targets by 2030.
- Within our newspaper distribution network in Norway, reassess the overall target based on a revised analysis. Establish emission-free distribution within Ring 3 in Oslo, Norway. Establish 20 percent emission-free routes in Bergen and Stavanger, Norway.
- In the Swedish last-mile distribution network, replace fossil fuel vehicles with small electric vehicles (Paxters) by 2022/2023.

Managing materials and waste:

- Continue dialog with suppliers regarding sustainably sourced paper and printing services in Sweden and Norway.
- Deliver at least one initiative aligned with Science-Based Targets initiative aimed at reducing the environmental impact caused by our use of electronic devices (smartphones, laptops, monitors) focusing on energy efficiency, circular capacity, waste management, and lifespan of devices.
- Within our newspaper distribution network in Norway, reduce the use of plastic packaging by 90 percent by 2022.
- Implement sustainable practices across the new print facility in Vestby, Norway.

To achieve our climate targets, we define measurable KPIs to track our progress, based on the Science Based Targets initiative.

We report annually on our GHG emissions in accordance with the GHG protocol Corporate Accounting and Reporting Standard, which classifies emissions as Scopes 1, 2 or 3. Schibsted's Scope 1 emissions are primarily those relating to company owned vehicles, Scope 2 emissions are location-based and Scope 3 emissions include leased and privately-owned vehicles, flights, energy from external data centers, paper used for print newspapers, IT equipment, electricity consumption by end users, and distribution of digital newspapers.

The carbon footprint

Greenhouse gas emissions (tonnes of CO_2e)	2021	2020	% change
Direct Scope 1 emission	**264**	**263**	**0%**
Consumption by company-owned vehicles	264	263	0%
-of which eCommerce and Distribution in Norway	264	254	4%
Indirect Scope 2 emissions	**10,827**	**10,756**	**1%**
Leased and privately owned vehicles	3,197	3,225	**-1%**
-of which eCommerce and Distribution in Norway	*2,973*	*2,939*	*1%*
Business travel - flights	481	391	**23%**
Energy from external data centers (location based)	120	55	**118%**
Paper used for print newspapers	6,612	6,627	**0%**
Electricity consumed by internet infrastructure to distribute our digital newspapers	24	37	**-35%**
Electricity consumed by our users reading our diggital newspapers	393	411	**-4%**
Total (excluding added emissions)	**11,551**	**11,459**	**1%**
Other indirect Scope 3 emissions - Added 2021	**1,068**	**-**	**-**
Procured IT equipment (smartphones, laptops, computers and monitors)	1,068	-	-
Total (including added emissions)	**12,619**	**11,459**	**10%**

For more information about our emissions and sustainability in general, please see our Sustainability Report 2021 here: https://schibsted.com/sustainability/

About Schibsted

Schibsted is a family of digital brands with a strong Nordic position, with almost 6,000 employees. Millions of people enjoy interacting with our companies every day through our online marketplaces such as FINN, DBA, Blocket and Oikotie; our media houses including Aftenposten, VG, Svenska Dagbladet and Aftonbladet; and digital services like Lendo. We also help new promising businesses grow. Our joint mission of empowering people in their daily lives is rooted in the values of our media heritage and a legacy of bold change. At our best, we are a fearless force for change in a society built on trust and transparency.

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For any questions about this report or media inquiries, please contact

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