Introduction

Fingerprint

Wellbeing of employees and partners



Objectives in 2024

• Continue preparing the Storytel Group for compliance with the Corporate Sustainability Reporting Directive (CSRD).

Sustainable Business Model

Since its inception in 2005, Storytel has been at the forefront of driving the digital transformation within the book industry. A primary focus is to make the audiobook relevant in the digital age and to attract and expand new audiences to the book format. Storytel has invested heavily in growing the industry and the ambition is to have a fruitful relationship with publishers, authors, narrators and translators, and together nourish the storytelling tradition in different formats. For Storytel to operate successfully in the future, the business needs to be financially sustainable by assuring a profitable business model across our value chain.

Opportunities & Risks	Primary Stakeholders	Steering Documents
Increased investment in the audiobook market Better access to financing Failure to sign and maintain critical content agreements Reputational damage	Investors Authors Publishers	Code of Conduct Supplier Code of Conduct

Storytel Streaming's Business Model

Storytel's business model is about connecting storytellers and authors with their audience. Having a sustainable business model means setting the right price points towards the customer, while having terms with publishers that are sustainable for both Storytel and the content providers.

Storytel pays royalty fees to publishers for every second a user listens and every letter a user reads. The vast majority of Storytel's publishing partners are compensated on a revenue share basis. These benefits include higher revenues as a result of more active Storytel subscribers, and as a result of price increases to subscription plans.

Creating value for the Industry

Storytel is proud of its contribution to the overall industry and to publishers and authors. As a pioneer of unlimited listening for audiobooks, Storytel has consistently increased payouts to publishers. By attracting more subscribers and growing revenues each year, we've demonstrated that the key to enhancing audiobook compensation is by bringing in more users. Since inception, we've paid out close to 7 BSEK in royalties to our 1,400+ publishers worldwide, and our annual payouts continue to increase.

Storytel contributes to both increased book consumption and new revenue streams for many authors through its global catalogue of more than one million titles in 50 different languages and by more than 300,000 authors. In 2023, more than 77 percent of the audiobooks consumed on Storytel were books that were released earlier than at least a year back, also known as backlist titles. This helps older books and authorships come back to life and find new audiences.

As a group, Storytel provides many opportunities for collaboration to new and established authors. Through Storyside, our digital audio-book publishing house, authors can start writing for audio (Storytel Originals), and then continue to take their craft to our more traditional publishers such as Norstedts Publishing Group, Gummerus and People's.

The vast majority of the Storytel catalogue comes from third party publishers and is not exclusive to Storytel. Our strategy is therefore to differentiatie Storytel with content and product features, where Storytel Originals serve as one of our core differentiators today. Many of our Storytel Originals generate media buzz and strengthen our ability to attract new users. We have created Storytel Originals since 2016 and will continue to do so going forward.

Storytel's goal is to bring the world's best audio stories to our subscribers, regardless of whether it's content from a third party publisher or one of our own.

Human Capital Development

Storytel endeavors to attract and develop exceptional individuals through the cultivation of a diverse work environment founded on trust, innovation, and collaboration. The pivotal role played by Storytel employees in propelling the company towards high performance is fundamental to the execution of Storytel's objectives. The company is devoted to creating an excellent workplace that promotes employee engagement, development, and well-being - all with the aim of attracting, nurturing, and retaining talent.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ High Performing Organisation + Employer Brand - Failure to attract and retain key personnel, and associated costs - Employee absence	Employees Investors	Code of Conduct Employee Hand- book (SE & DK) Public Flexible Holi- days Guidelines Work Environment Instructions

Overview of The Storytel Group

The Storytel Group consists of two main divisions, Streaming and Publishing, which operate within the media & entertainment and print publishing industries, respectively. Storytel's streaming business is conducted under the brands Storytel, Mofibo (Denmark) and Audiobooks.com (North America, UK and Australia), and operates in over 25 markets around the globe, with a focus on ten core markets: the five Nordic countries, the Netherlands, Turkey, Poland. Bulgaria, and the USA. The headquarters are located in Stockholm, Sweden.

The publishing division comprises the specialized audiobook publisher Storyside and the Storytel subsidiary Storytel Books, which includes renowned publishing houses and imprints such as Swedish publishers Norstedts, Printz Publishing, Rabén & Sjögren, B. Wahlströms, Tiden, Brombergs, Lind & Co, the Danish publisher People's, and the Finnish publishers Gummerus and Aula & Co. Through its publishing houses and imprints, Storytel is a well-known publisher and literary agency in Europe, and particularly in the Nordic countries.

Business Area	Primary Geographic Footprint by number of FTEs	during the year)
Storytel Streaming	Sweden, Denmark, North America (Audiobooks), Finland, Poland.	368
Storytel Books AB	Sweden, Denmark, Finland	170

Career Development

Our business

Introduction

Succession planning is discussed on an annual basis in Storytel's Remuneration Committee. Through Storytel's performance appraisal process and development goal setting. talent that can take on larger responsibilities are identified. When recruiting, a majority of new roles are advertised internally to promote opportunities.

Learning & Development

All Storytellers have an annual appraisal talk with their managers as part of their performance appraisal process, to assess their performance and growth, as well as establish personal goals. The process also includes peer feedback and it's further reinforced by at least one mid-year review conducted throughout the year.

% of FTEs who have participated		2020	2021	2022	2023	Target
• •	have participated in an appraisal	94%	93%	96%	96%	100%

There is an individual budget set for each employee to use for learning and development. Storytellers are also encouraged to take part in external training and webinars and are allowed to use their working time for this.

Employee Engagement

Employee engagement is one of Storytel's most important metrics and it is regularly assessed. The Employee Engagement Score is calculated as an average of all scale questions in the survey, including topics like motivation, collaboration with manager, satisfaction, direction and job position.

In 2023 Storytel sent out the Engagement survey through the newly implemented HR-system HiBob for the first time. Since the overall engagement score is measured and shown differently compared to previously, it's not possible to make a fair comparison, but it still offers a valuable insight on the current engagement level scoring 3.74 out of a total of 5.

Employee Wellbeing

One important measure to create a supportive work environment where everyone feels safe to talk about wellbeing and to prevent illness, is to reduce the barriers to seeking help. Since 2020, Storytel has collaborated with the external company BlueCall to provide employees with confidential sessions with therapists. This collaboration has served as a catalyst for fostering a culture of open dialogue related to mental health within Storytel.

In early 2023, Storytel initiated a collaboration with a Wellbeing Consultant to develop a strategy and annual plan for employee wellbeing. This effort was undertaken in conjunction with the existing employee task force dedicated to promoting wellbeing. The initiatives have included "Storytel Moves" activities to promote movement as well as regular "wellbeing and mental health boosts" with short exercises, actions and inspirations. Additionally, Storytel has organized webinars in partnership with BlueCall to raise awareness during World Mental Health Month.

Compensation, Benefits & Incentives

Fair and Competitive Compensation

In 2023, a job evaluation project was completed for the senior leadership team with the support of Mercer, utilizing their international job evaluation methodology, IPE. Concurrently, Novare Pay benchmarked the senior leadership team's compensation compared to similar-sized companies in the Swedish market. The result of this comprehensive evaluation will inform a future project aimed at assessing and aligning compensation structures for the entire organization.

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Loyalty programs

Storytel launched its first loyalty program in 2019, a Stock Option Program where employees were granted options that could be exercised after three years. In 2023, Storytel launched a new performance-based Long-Term incentive program, in which some employees were offered restricted stock units that give the right to free shares. The options and restricted stock units are earned throughout certain dates during employment. Storytel also introduced its first Short Term Incentive Plan in 2023, where individual participation depends on role and seniority, but includes all employees at Storytel for 2023.

Parental Salary

Storytel offers parental salary in Sweden, Denmark and Finland, where a majority of employees are located.

Hybrid Work

Storytel's hybrid work model offers employees the flexibility to work remotely, whether from home or another chosen location, for two to three days per week. This approach enhances productivity and fosters a dynamic work environment while ensuring operational efficiency.

Public Flexible Holidays

Storytel employees are offered Public Flexible Holidays, which allows employees to choose to work on a public holiday and instead use this day off on a day of their choice.

Diversity, Equity & Inclusion

For Storytel to be successful in the long term, the workforce needs to be as diverse as the people and partners served. Storytel is dedicated to fostering a working environment that embraces diversity, equity, and inclusion, empowering individuals to bring their true selves to work. Furthermore, the Storytel platform serves as an impactful tool for promoting Diversity, Equity, and Inclusion to a wider audience through its content, service and operations.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Employer Brand + Relevant catalogue and service for a global audience - Failure to attract and retain key personnel	Employees Authors Investors	Code of Conduct Plan for Diversity Supplier Code of Conduct Work Environment Instruction

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Diversity Plan

Storytel has a global workforce and embraces individuals of all genders, identities, disabilities, sexual orientations, ethnicities, ages, religions or other beliefs. Storytel's Diversity Plan covers topics such as working conditions, practices on salaries, recruitment and promotion, education and competence, development, and the possibility to combine work life and parenthood. Every year, Storytel conducts a salary mapping in Sweden and Denmark, where the majority of all employees are located, to detect and prevent gender pay gaps.

The 2023 Diversity, Equity, Inclusion & Belonging (DEIB) survey, traditionally conducted in Q4, was postponed due to significant organizational changes involving redundancies and reorganizations. The emphasis was shifted towards prioritizing the short engagement survey, and dedicating more time to the performance process, for both the People team, managers and employees.

Board Diversity

Storytel, through the nomination committee, strives for the Board to have a composition that is appropriate with regard to the company's operations, development stage and other conditions, characterized by versatility and breadth regarding the competence, experience, age, education and professional background of the members elected by the AGM. An even gender distribution must be sought.

Equal opportunities

Equal opportunities entail ensuring a good work environment for all and an unbiased recruitment process. The Work Environment Instructions outline the goals and responsibilities in regards to the workplace and what Storytel accepts and not. Storytel investigates all cases of unhealth, accidents or incidents at work or during work time. Storytel

does not accept, and works proactively against, any type of discrimination, harassment, sexual harassment and retaliations. The whistleblowing tool provides an opportunity for employees to anonymously report shortcomings in the work environment.

During 2021-2023 the Talent Acquisition team has tried the anonymous applications functionality in our application tracking system to decrease unconscious bias. This is now our standard when opening a new position, and by using this functionality Storytel is preventing unconscious bias in the selection part of the process.

During 2023 there have been trainings on recruitment and unconscious bias, for managers to both new and current employees. For 2024 the plan is to continue to perform these types of trainings but through pre-recorded materials that will be available for managers and employees.

A new tool for psychometric assessment for candidates has been implemented, which is supposed to be used for the majority of the recruited roles. By utilizing this tool Storytel will be able to increase inclusion and continue to focus competency based recruitment.

Leadership

For the 2023 performance process, there have been resources provided for a Performance Calibration where managers will discuss their proposed employee ratings with other managers. This is an important step in the performance appraisal process; to ensure employees are rated fair and consistent across teams and departments, and to eliminate potential biases or inconsistencies.

During 2023 Storytel started a leadership project to define and strengthen the company leadership values. The people team, together with a cross-functional group of leaders, started the work to identify key traits and behaviors that we expect from all Storytel leaders. This work has included brainstorming sessions, discussions, surveys and testing. The project will spill over into 2024, where the aim is to finalize the work and roll it out to the organization.

Diversity, Equity, Inclusion & Belonging initiatives

To pinpoint the areas of focus for Storytel's DEIB efforts, the people team organized both individual and group sessions involving a cross-functional team of highly engaged employees in DEIB initiatives. These sessions, characterized



by brainstorming, discussions, and voting, provided the team with invaluable insights and feedback on both current and future initiatives. In 2023 Storytel also advanced in the gender-neutral employment agreements in the respective markets. This initiative took into account potential limitations imposed by local labor laws. Initially, only 17 percent of the employment agreements were gender-neutral, but through efforts, this figure was successfully increased to 44 percent. This commitment underscores Storytel's dedication to creating inclusive and equitable workplace practices.

Age and Gender Distribution – Storytel **Streaming**

Data is based on permanent employees of Storytel Streaming (excluding consultants, temporary employees and interns) as of 31 December 2023.

Age distribution

	30<	31-50	50+	Un- declared
Board of Directors	0%	12.5%	87.5%	0%
Management Team	6%	83%	11%	0%
Managers	6%	81%	8%	5%
Employees	20%	69%	3%	8%

Gender distribution

	Female	Male	Other	Un- declared
Board of Directors	25%	75%	0%	0%
Management Team	50%	50%	0%	0%
Managers	51%	45%	2%	2%
Employees	52%	42%	>1%	6%

Age and Gender Distribution – Audiobooks.com

Data is based on permanent employees of Audiobooks. com (excluding consultants, temporary employees and interns) as of 31 December 2023.

Age distribution

Our business

	30<	31-50	50+	Undeclared
Management Team	0%	100%	0%	0%
Managers	29%	71%	0%	0%
Employees	35%	61%	3%	0%

Gender distribution

	Female	Male	Other	Un- declared
Management Team	0%	100%	0%	0%
Managers	57%	43%	0%	0%
Employees	58%	39%	0%	3%

Age and Gender Distribution – Storytel Books

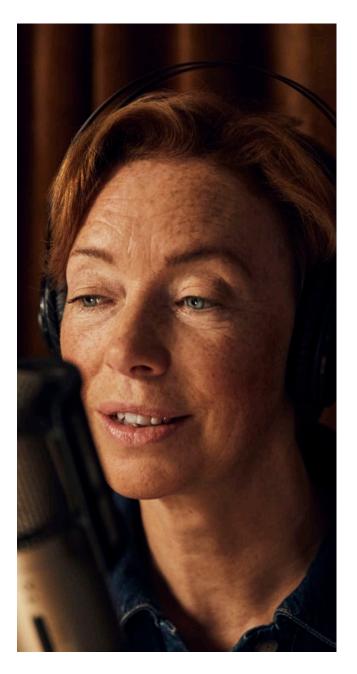
Data is based on permanent employees of Storytel Books (excluding consultants, temporary employees and interns) as of 31 December 2023. This includes Norstedts Förlagsgrupp, Gummerus, People's, Aula & Co and Lind & Co. Each Publishing House has its own Board of Directors and Management Team.

Age distribution

	30<	31-50	50+
Management Team	0%	63%	37%
Managers	0%	42%	58%
Employees	8%	66%	26%

Gender distribution

	Female	Male	Other	Un- declared
Management Team	53%	47%	0%	0%
Managers	67%	33%	0%	0%
Employees	80%	20%	0%	0%





Business Ethics & Compliance

Growing sustainably means ensuring ethical business practices and compliance across the organization and value chain. Storytel is committed to operating with high ethical standards, and policies are vital documents for assuring compliance, and steering Storytel employees to act ethically and in line with the Storytel Code of Conduct. Storytel is also committed to the UN Global Compact and has no tolerance for corruption and anti-competitive behavior.

Risks	Primary Stakeholders	Steering Documents
 Failure to adhere to core values, policies and guidelines Legal proceedings, fines and penalties Reputational damage 	Employees Investors	Code of Conduct Anti-Bribery and Corruption Guidelines Whistleblowing Instruction Risk Management and Compliance Policy Trade Sanctions Instruction Insider and Communication Policy Work Environment Instructions Supplier Code of Conduct Related Party Transaction Instruction

Policy Development

Storytel works actively with its policies and each policy is reviewed and revised on an annual basis or more often if needed. In addition to the policies, there are several global instructions and guidelines that complement the policies and give Storytel's employees more information and guidance on how to interpret and use the policies.

Compliance Process

Storytel has a compliance process focused on ethical business practices, and compliance training is part of the onboarding for all new employees. All new employees are expected to read and understand the Storytel Code of Conduct and the other global policies. The Code of Conduct also needs to be signed by everyone representing Storytel.

Anti-corruption, bribery and fair competition

Our business

Storytel is committed to fully comply with the applicable laws and regulations in the countries in which we operate. Storytel's Code of Conduct outlines a zero tolerance for bribes and corruption and includes specific instructions to avoid or declare potential conflicts of interest. Due to the international nature of its business, Storytel has a presence in countries where both legislation and the business operational environment may differ and be more challenging. To mitigate the complexities resulting from differences in business culture in the various territories in Storytel's footprint, the company has a Supplier Code of Conduct to ensure the use of ethical suppliers and business partners.

Whistleblowing Tool

Storytel employees and stakeholders can report any misconduct anonymously using a whistleblowing channel provided by a third-party and managed by a team at Storytel. The service is separate from Storytel's IT solution and does not track IP addresses or other data that could identify a person sending a message. Storytel has Whistleblowing Instructions in place to guide such stakeholders, and the tool can for example easily be accessed on the intranet.

Work Environment

Storytel has established a Work Environment Committee in Sweden and Denmark, in which both employees and management are represented. Storytel's Global Work Environment Policy outlines the work environment that Storytel provides, and what is expected of each employee in terms of behavior and responsibility. As stated in the Code of Conduct, Storytel has no tolerance for harassment, bullying and retaliation. If Storytel is made aware or suspects that someone has been subject to, or has subjected someone else to, harassment, sexual harassment, bullying or retaliation, an investigation will be promptly initiated, and appropriate actions will be taken, including termination of employment.

Commitment to Human Rights

In 2021, Storytel became a participant in the UN Global Compact (UNGC). Storytel has incorporated the 10 principles in the internal Code of Conduct, and the external Supplier Code of Conduct requires suppliers to operate in line with the UN Global Compact principles.

Storytel Books, Norstedts Förlagsgrupp, Gummerus and People's are members of their respective national PEN Organizations. Norstedts Förlagsgrupp is also a member of the International Publishers Association, PEN International and shareholder of World Expression Forum (WEXFO).

Corporate Sustainability Reporting Directive (CSRD)

In November 2022, the European Parliament voted to pass the Corporate Sustainability Reporting Directive (CSRD). CSRD will start applying to the Storytel Group from the financial year of 2025 and Storytel's first annual report in compliance with CSRD will be published in 2026. In 2023, Storytel initiated a cross-functional task force to map the requirements and understand the path toward compliance with the CSRD for the Storytel Group. In 2024, Storytel will carry out the prescribed double materiality assessment, and focus on preparing the required data collection and reporting processes in line with CSRD.



Cyber Security & Data Privacy

Information security and data protection are crucial areas for Storytel to be able to build and retain the trust and confidence of our customers, investors, partners, and employees in the delivery of our streaming service. These areas are also highly important as they are enablers for achieving our business goals as well as ensuring compliance with rules and regulations.

Storytel's ambition is to take a proactive approach to promote information security and data protection throughout the entire data, IT and process lifecycle. This includes integrating data protection considerations right from the design phase into all of Storytel's services. Additionally, we are committed to providing comprehensive internal training to effectively handle security and privacy matters.

Risks	Primary Stakeholders	Steering Documents
 Unlawful use of personal data Cyber security attacks Reputational damage 	Employees Contractors Customers Partners Investors	Information Security Policy Information Security Instruction IT Policy Supplier Code of Conduct Partnership Guidelines Third Party Security Requirements

Organization, processes & procedures

Storytel's approach for implementing adequate levels of information security and data protection measures involves having processes and procedures in place and making these an integral part of our business operations. Below follows a brief compilation of the most central processes. including policies, that are in place to achieve this.

Policies are common for all companies within the Storytel group and apply to employees and consultants. The policy documents are reviewed on a yearly basis and always approved by the Storytel Board of Directors.

In regards to information security, there are two policies in place for upholding our information security strategy. These two policies describe the overall principles which in a proactive manner are set to protect data, information, and IT assets from unauthorized use and inappropriate disclosure.

Information security policy

Our business

IT Policy

For data protection, there are two main privacy governing documents.

- External Privacy Policy Aimed for customers.
- Internal Privacy Instruction Aimed to guide employees & contractors.

All of Storytel's central governing documents are supported by more detailed instructions and procedures. No affiliate in the group may adopt practices that go against these governing documents unless required by national law.

Security and data protection team

Storytel employs a dedicated security team which is responsible for key security activities and controls. There is also a data protection officer (DPO) appointed. Additionally, and as part of Storytel's data protection organization, there are appointed Data Protection Coordinators (DPC) within the different business functions in Storytel.

Security Audit & Assurance

Storytel's public facing systems are continuously assessed by security researchers through a private bounty program. The bug bounty program is hosted on one of the premier bug bounty platforms and researchers are rewarded cash bounties.

In addition to manual assessments, Storytel is also using commercial automated security scanners that continuously scan & monitor the security posture of Storytel's systems.

Vulnerability Disclosure Program

The Storytel Vulnerability Disclosure program is open for anyone to disclose security findings to the Storytel Security Team, and accessible here: https://security.storytel.com

Awareness Training

To be able to achieve the desired level of quality in Storytel's continuous work with information security and data protection, the employees and consultants play a critical role. Storytel employees and contractors receive information security and data protection awareness training during onboarding and continuously throughout their employment to assure adequate understanding through practical guidance on the processes and written procedures in place to ensure compliance.

Third-party security

There is a system purchase process which includes that all new system- and service vendors undergo a due-diligence of adequate security and data protection measures. There are predefined security requirements (Third party Security Requirements) which are included in all major agreements between Storytel and third parties.