Sustainability Report

2020

The Sustainability Report 2020 is prepared in accordance with the Global Reporting Initiative's ("GRI") Standards: Core Option. The GRI Index is available on page 68-77.

CEO Comment

It is my strong conviction, and Storytel's, that our journey towards 2030 must also be a journey towards a better and more sustainable world. Therefore, we are committed to:

- reducing our carbon footprint
- adding value to our customers with the content in our service
- protecting our customers' data
- doing business with high integrity
- treating our employees with respect and trust
- equality and diversity in the workplace

The 2020 Sustainability Report is just the start of a challenge that encompasses both our physical impact on the environment and climate and our ability to push attitudes in society in a more positive direction that reflects empathy and humanism.

Our Mission and Purpose

Storytel's vision is to make the world a more empathetic and creative place with great stories to be shared and enjoyed anytime, anywhere, by anyone. We create stories and spread them across the world in an easily accessible way for our customers. By leveraging technology and the power of storytelling, and constantly developing the personalised user experience for content creators and content consumers, we democratise stories.

Vision

Vision

Storytel's vision is to make the world a more **empathetic** and **creative** place with **great stories** to be shared and **enjoyed** anytime, anywhere, and by anyone.

Missions

Provide meaningful context to people's lives by establishing Storytel as a sustainable **brand synonymous with storytelling**.

Inspire people of all ages to discover the world of stories by building an accessible and **personalized storytelling experience** using technology, insights and data.

Empower people to unlock their creativity and share stories by **connecting storytellers with a global audience**.

Attract and **develop exceptional people** by nourishing a diverse workplace built on trust, innovation and collaboration.

&

Storytel was founded with the ambition to add value to people's everyday lives through great stories. Time spent with Storytel should be time well spent, something that we refer to as 'meaningful recreation'. In this space we believe that we can address social issues such as well-being and mental health, literacy and learning, as well as self-development. We care deeply about the impact that our product and stories have on people's lives. We know that our product helps people read more and more often. We also know that Storytel helps users explore new genres, something that we attribute to both our business model and our book recommendations. In some markets, such as Russia, Mexico and Turkey, a majority of our users say that Storytel has helped them broaden their general knowledge, which means that we also help users learn. At Storytel we are passionate about helping people read more and making the activity of reading and the book, now in a digital format, a competitive source of entertainment and media.

Mission

80%

of users say that they read/listen to more books since subscribing to Storytel.*

80%

**of users say that they read/listen to books more often since subscribing to Storytel.***

60%

of users say that they read/listen to more books from different genres since subscribing to Storytel.*

* Storytel survey sent out to a total of 20,251 users across Storytel's geographic markets

Organizational Profile & Business Model

Storytel is one of the world's largest subscribed audiobook and e-book streaming services and offers listening and reading of more than 500 000 titles on a global scale. Our vision is to make the world a more empathetic and creative place with great stories to be shared and enjoyed by anyone, anywhere and anytime. Storytel's streaming business is conducted under the brands Storytel, Mofibo, Kitab Sawti and iCast. Storytel's publishing business area is carried out through the audiobook publisher StorySide and acclaimed Nordic publishing houses such as Norstedts Förlagsgrupp, People's and Gummerus. Storytel operates in over 20 markets around the globe and is headquartered in Stockholm, Sweden.

Our business model is about connecting storytellers with their audience. Storytel charges its customers in advance on a monthly basis and after successful payment subscribers have access (in most cases unlimited) to the books in the service in their market. All consumption is tracked and at the end of a reporting period, Storytel calculates the total number of hours per book consumed. Revenues from customers are shared with publishers in a revenue share model. Publishers then pay royalties to their authors based on the revenues received from Storytel.
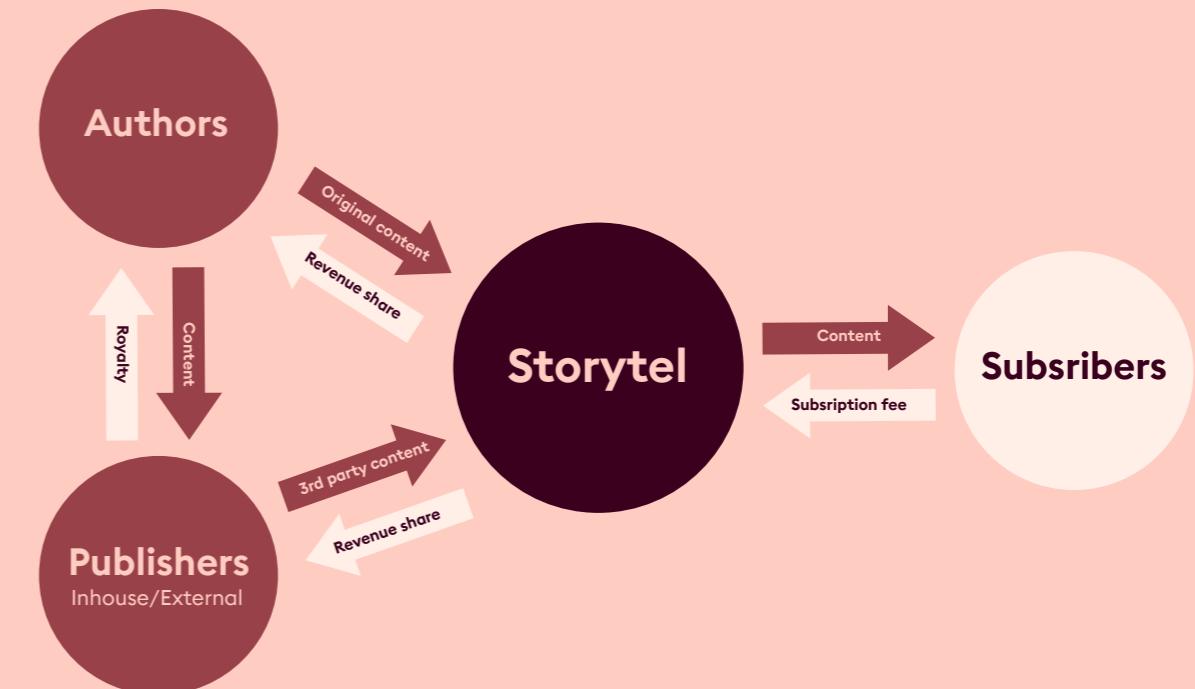
Storytel's Approach to Sustainability

There's no denying it: companies leave traces on our planet and Storytel is no exception. However, we are motivated to work towards eliminating negative footprints and leaving positive ones. ESG stands for Environmental, Social and Governance and together make up a well-established framework for corporate sustainability. At Storytel we have drawn from this framework and have divided our sustainability strategy into Footprint, Brainprint and Fingerprint to better understand and show the impact that Storytel has on our society at large. We want to offer a service and products that are sustainable by design and that contribute to improvements to society. Using Storytel should not result in negative externalities on the planet or on its people.

Positive impact through long-term value creation

Our Footprint (E)

The impact that we have on the environment

Our long-term commitment: Be a climate-neutral publisher and streaming service provider

Our Brainprint (S)

The impact that we have on our customers

Our long-term commitment: Be a service provider and distributor of content that enriches our customers' lives

Our Fingerprint (G)

The impact that we have on people and on society

Our long-term commitment: Be a company that people benefit greatly from by working for and/or with

Sustainability operations & responsibilities

We aim for sustainability to be a natural part of everything that we do and that our sustainability goals are integrated into our business plans. The management team reviews the progress towards Storytel's sustainability goals twice a year. Once a year the goals, policies and processes connected to sustainability are reviewed by the Board of Directors. We report our progress towards our goals in our annual sustainability report. As part of our continuous sustainability work, we assess the impact that Storytel has on its major stakeholders, which we define as: employees, publishers, authors, customers, authorities, shareholders, society and the environment. The selection of stakeholders was based on Storytel's value chain as a starting point, and was thereafter complemented with stakeholders that are both directly and indirectly impacted by Storytel's operations.

Storytel's success in its sustainability initiatives is also dependent on employee dedication and their commitment to Storytel's sustainability goals. Therefore, a continuous focus area is to educate and raise awareness about sustainability and what sustainability means to Storytel on a company-wide level. Storytel has a cross-functional Sustainability Task Force with local representatives from the different Storytel markets, and the purpose of this group is to collaborate on joint sustainability initiatives. In 2020, an extended group of stakeholders within the company were engaged throughout the year to discuss sustainability issues and measure our progress towards our sustainability goals. We have continued to raise awareness internally about Storytel's sustainability agenda, and the whole organisation was engaged in a sustainability workshop during our company-wide annual conference which covered the UN Sustainable Development Goals and Human Rights.

In 2020, a survey about Storytel's sustainability work was sent to the full organization in the beginning and end of the year. The results show us that the awareness of Storytel's sustainability goals is high, however, too many employees still find it unclear how they can contribute toward making Storytel a more sustainable company. In 2021, we will focus on educating managers about sustainability so that they can facilitate conversations about it within their teams. The following are the results from December 2020, compared to the results from the January 2020 survey in brackets:

78%

(77%) of all employees are aware of Storytel's sustainability goals

70%

(72%) of all employees believe that Storytel is doing enough to be a sustainable company

59%

(67%) of all employees feel that it is clear how they can contribute to making Storytel a more sustainable company

97%

(97%) of all employees say that they are willing to change their own behavior in order to contribute to making Storytel a more sustainable company

55%

(55%) of employees say that sustainability is a topic that is discussed within their team

71%

(71%) of employees say that they want to learn more about sustainability

Storytel has a Sustainability Policy that applies to all Storytel employees and consultants. The purpose of this policy is to describe Storytel's approach to sustainability, outline the guiding principles and objectives, and guide employees to make sustainable decisions in their everyday work and when co-operating with external partners.

We are committed to reducing our carbon footprint	**We are committed to adding value to our customers with the content in our service**	**We are committed to protecting our customers' data**
We are committed to doing business with high integrity	**We are committed to treating our employees with respect and trust**	**We are committed to equality and diversity in the workplace**

Materiality assessment

Our current materiality assessment is based on the results from a survey in 2018 when employees, owners, the Board of Directors, the management team, customers and publishing houses were involved in identifying our main sustainability challenges. The grouping of the material issues was modified slightly in 2019, and in 2020 we have iterated on the wording without making any substantial changes to the material topics themselves or their level of materiality.

Material sustainability topics:

Footprint	Environmental impact from Storytel's business operations
Footprint	Environmental impact of Storytel's services and products
Brainprint	Customer value
Brainprint	Information security, data protection and customer integrity
Brainprint	Content responsibility
Fingerprint	Diversity and Inclusion
Fingerprint	Employee working conditions
Fingerprint	Ethical business practices

Besides the materiality assessment, Storytel carries out an Enterprise Risk Assessment on an annual basis to evaluate its strategic, operational, financial, legal & compliance and cyber resilience risks. This assessment is reviewed and discussed by both Group Management and the Board of Directors. High risk areas have been incorporated into this report to describe how we work to mitigate those risks.

The material boundaries of this report have been set to primarily include the Streaming division and audiobook production StorySide of the Storytel Group as that accounts for for 75% of revenues. For environmental data, the publishing houses Norstedts Förlagsgrupp, People's and Gummerus have been included.
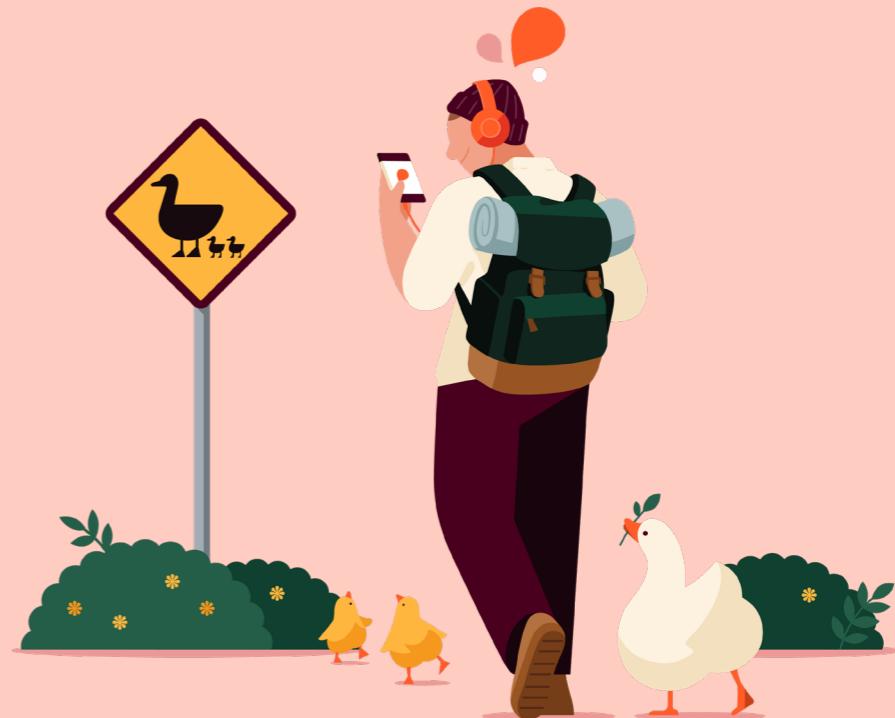
Footprint

Our impact on the environment

Storytel's long-term commitment: Be a climate-neutral publisher and streaming service provider

The Storytel Group's operations are not climate-neutral today. However, our ambition is for them to be so in the future. We are committed to eliminating the environmental impact from Storytel's business operations and from Storytel's services and products to protect our planet.

Environmental impact from Storytel's business operations

Every year Storytel works to provide a more accurate calculation of its total environmental impact (scope 1-3) by increased accuracy of scope 2 emissions and by adding more parameters as part of our scope 3 emissions. For Storytel's global business operations, we currently include emissions from electricity and district heating, business travel and the purchase of IT equipment. In addition to this we also measure waste and office supplies at our headquarter in Stockholm. For the first time, we report these numbers on a group level so that they include both Streaming and Publishing. In the coming year we will put even more effort into measuring our purchases in a comprehensive way.

Total emissions from our business operations, Storytel Group

In 2020, the total emissions from our business operations on a group level (including Streaming and Publishing) were 513 tCO2e, which translates to 0.793 tCO2e per FTE. Below follows a segmentation of emissions by category, scope and greenhouse gas on a group level. Numbers are location-based reports and based on the GHG Protocol Standard.

Total emissions from our business operations, Storytel Group

Category	tCO₂e
Electricity and Heating	286
Office supply	128
Business Travel	84.3
Company-Owned/Leased Vehicles	14
Waste	0.103

Summary by Scope

Scope	tCO₂e
Scope 3	251
Scope 2	248
Scope 1	14
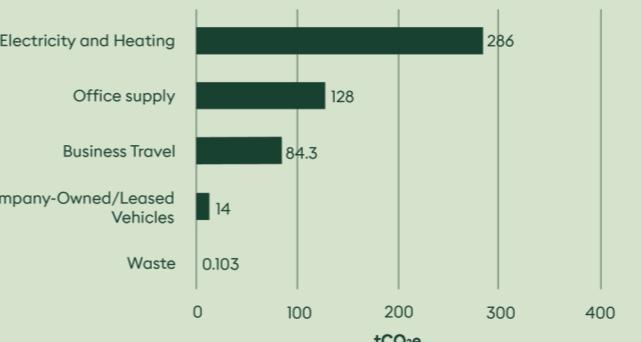
Summary by Greenhouse Gas
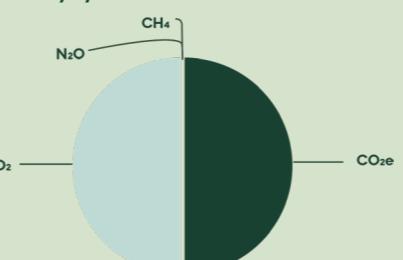
Storytel has climate compensated for 200% of its calculated energy use and emissions (513 tCO2e) in 2020. Since we base some scope 2 calculations on approximations, and since scope 3 does not yet include parameters such as purchases on a group level, we decided to go for 200% until we have a more accurate measurement. The chosen carbon offsetting program is the Plan Vivo-certified program Scolel'te in rural Mexico. Scolel'te ("the tree that grows" in the Mayan Tzeltal language) is a carbon sequestration and emissions reduction program that implements the following activities: afforestation, reforestation, implementation of agroforestry systems, conservation, as well as the protection and restoration of forests and rainforests to provide social, environmental and economic benefits for local communities. From a social perspective, Scolel'te is a program that strengthens rural communities in their actions towards the sustainable use of their natural resources, based on the needs of each community, through environmental education and training programmes to build management capacity, raise awareness and promote environmental responsibility.

Total emissions from Storytel's business operations, Streaming

In 2020, the total emissions from Storytel's business operations were 417 tCO2e, representing 81% of the Storytel Group's emissions (513 tCO2e). In the previous year, total emissions from Storytel's business operations were 937 tCO2e, which represents a 55.5% decrease between 2019 and 2020. More details about each emission category can be read further down in this report.

**Total emissions from business operations, Storytel Streaming**

Year	tCO2e
2018	485
2019	937
2020	417

Total emissions from business operations per FTE Streaming

Year	tCO2e
2018	1.79
2019	2.32
2020	0.86
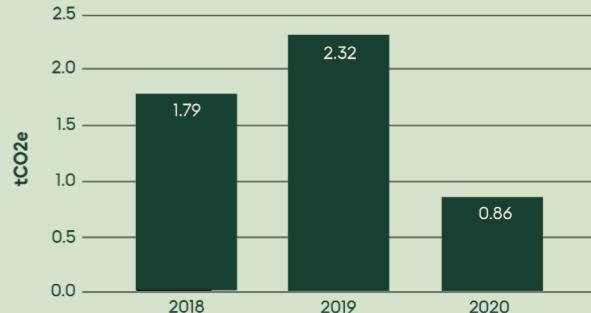
Total emissions from electricity consumption and district heating, Streaming

In 2020, total emissions from electricity consumption and district heating were 238 tCO2e. In the previous year, total emissions were 346 tCO2e, which represents a 31% decrease between 2019 and 2020.

Total emissions from electricity consumption and district heating per FTE, Streaming
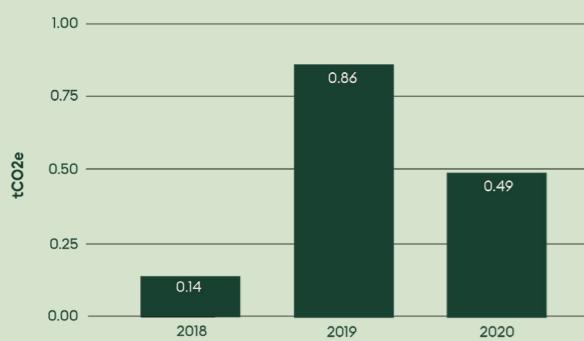
In 2018, only electricity and heating in the Swedish and Danish offices were calculated. In 2019, all Storytel offices were included in the calculation, which makes the increase from 2018 to 2019 look drastic. However, in 2019, the majority of the office emissions were calculated based on assumptions linked to the size of the offices. For 2020, the majority of the office emissions have been calculated based on the actual energy consumption, making it more accurate than previous years. So the decline in energy consumption is partly due to a more accurate calculation, however, it is also the result of many of our offices being closed or not in use for a large part of the year due to Covid-19.

At the end of 2020 we made a commitment to switch to renewable energy in all offices where possible. This process has begun in some markets already, and we will continue to work on this during 2021. For those locations where renewable energy is not available right now, we climate compensate for the emissions until renewable energy is available.

Total emissions from business travel Streaming

In 2020, total emissions from business travel were 71 tCO2e. In the previous year, total emissions were 488 tCO2e, which represents a 85% decrease between 2019 and 2020.

We saw a great reduction in business travel throughout 2020 due to the Covid-19 pandemic, as employees started working from home as of March 2020. The experience proved that Storytel can carry out its business operations with limited business travel, which will be continued in the future. Normally, all Storytel employees fly in from all over the world for our annual conference. This week adds enor-

mous value to Storytel and its employees, but it also has a big climate impact. Adapting to the circumstances, the 2020 conference was a completely virtual experience with zero travel involved. The event can be described as a success, and pushed our boundaries in terms of how we can organize an engaging and valuable conference without meeting in person. This has also confirmed our belief that we can operate without much business travel in the future.

Storytel's internal travel policy outlines that we should only travel when absolutely necessary. Video conferencing is our preferred way of meeting with colleagues located in other offices. Storytel continuously invests in video conferencing technology and meeting room environments so that video meetings live up to the same standard as physical meetings.

During 2019, our employees had more than 25,000 digital meetings and in 2020 the number of meetings was more than 63,500. This large increase in digital meetings is of course an effect of Covid-19, resulting in a majority of employees working from home and therefore meetings that usually took place face-to-face in the office were replaced by digital meetings.

Total emissions from business travel per FTE, Streaming
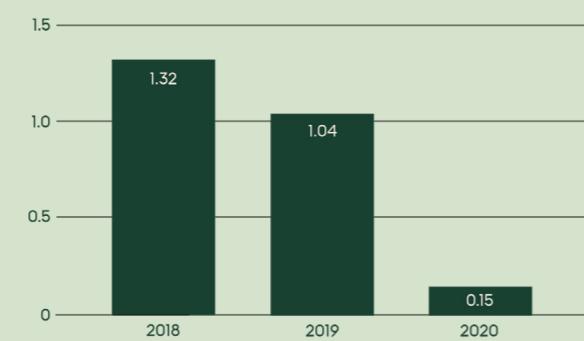
In 2019 we reported that emissions from business travel were 420 tCO2e, however the correct number was 488 tCO2e and has been corrected in this report.

Total emissions from IT equipment purchases, Streaming

In 2020, total emissions from the purchase of IT equipment was 108 tCO2e. In the previous year, total emissions were 106 tCO2e, which represents a 1.8 % increase between 2019 and 2020.

The majority of the IT equipment acquired during 2020, and in previous years, were computers and mobile phones for newly hired employees. The number of new employees

was 8% higher in 2020 compared to 2019, but since most of our employees have worked from home during a large part of 2020, we saw a decrease in IT Equipment purchases for offices, such as monitors and meeting room equipment. During 2020, we started looking into how we can recycle the IT equipment that is no longer in use. Going forward we will take a more structured and sustainable approach by properly repurposing and recycling the equipment, starting with our largest offices.

Total emissions from IT equipment per FTE, Storytel Streaming Storytel Streaming
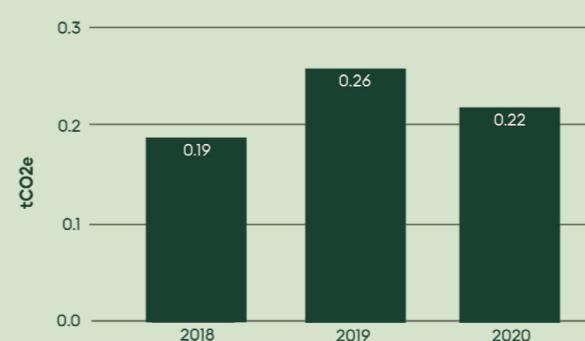
Total emissions from Storytel's business operations, Publishing

The graphs below show the emissions from the business operations of the Storytel-owned publishing house Norstedts Förlagsgrupp, People's and Gummerus. Total emissions were 95.6 tCO2e in 2020.
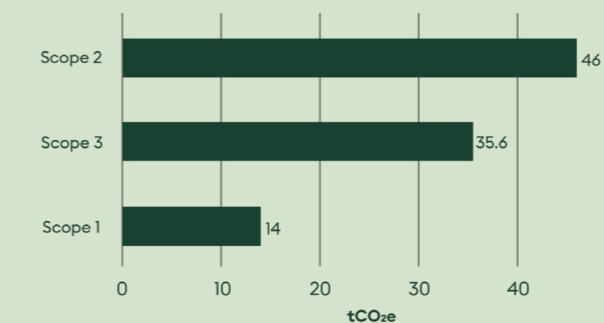
The environmental impact of Storytel's services and products

Storytel Streaming primarily offers two types of services and products: a streaming service and an e-Reader "The Reader".

Streaming service

The use of streaming services is growing exponentially around the world and these services are associated with energy use and carbon emissions from devices, network infrastructure and data centres. However, this sector is seeing rapid improvements in the energy efficiency of data centres, networks and devices. For a tech company with a carbon footprint that mostly depends on electricity use, shifting to renewable energy has a big impact. So for our streaming service our main focus is on using data centers powered by renewable energy. In 2018 we set the target to power our service by renewable energy only by migrating our technical infrastructure to the Google Cloud Platform. Google matches 100% of the energy consumed by their global operations with renewable energy and maintains a commitment to carbon neutrality by 2030. We are very close to completing this migration and it will be finalized in 2021. Today, it is unfortunately difficult to get a complete measurement of the energy use and carbon emissions related to our streaming service as some factors are beyond our direct control, for example what type of device our users have and what energy source they use to power it. Our ambition, however, remains to be able to measure the energy use and emissions across the entire value chain, and to also help our customers consume Storytel in the most environmentally-friendly way.

The Storytel Reader

The Storytel Reader is an e-reading device that was first launched in 2018 in Sweden. Ever since, it has steadily grown more popular and has been launched in additional markets. This product is continuously improved through both software and hardware development to further improve the reading experience for the user. In 2020, the most notable breakthrough was a battery improvement of 200% in idle mode and 150% in stand-by mode compared with the previous generation. In 2020, an internal workgroup was assembled to look into how the Reader can be made more environmentally friendly with regards to production, distribution and recycling. This project will continue in 2021 as we explore how our product can be produced with circular capabilities so that it is designed to be repurposed, repaired, reused, resold and recycled.

Goals for 2021

Continue to work toward a more accurate measurement of the energy consumption, and resulting emissions, of our streaming service that includes the entire value chain

Continue to work toward making the Storytel Reader more environmentally friendly

Read the way you want
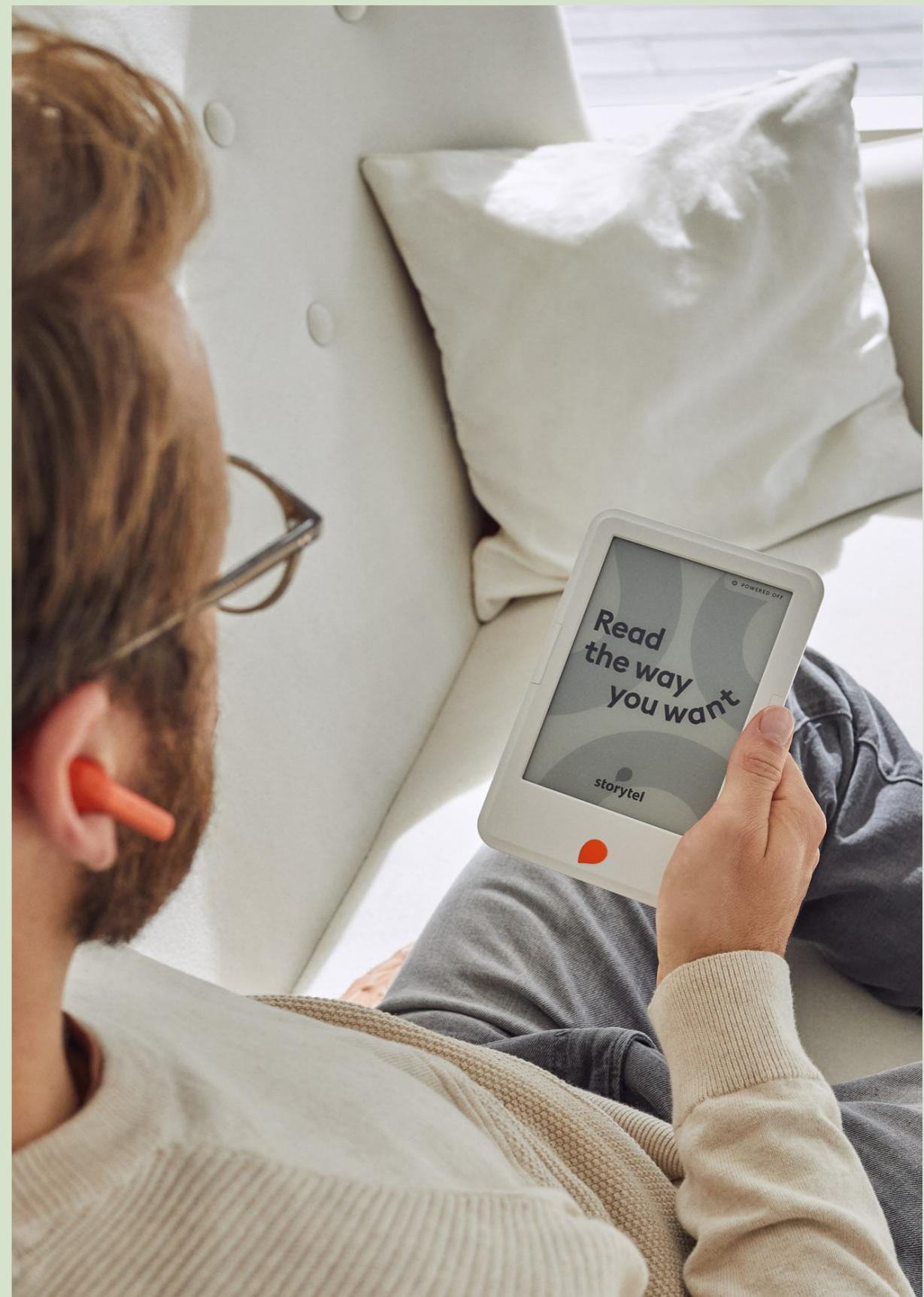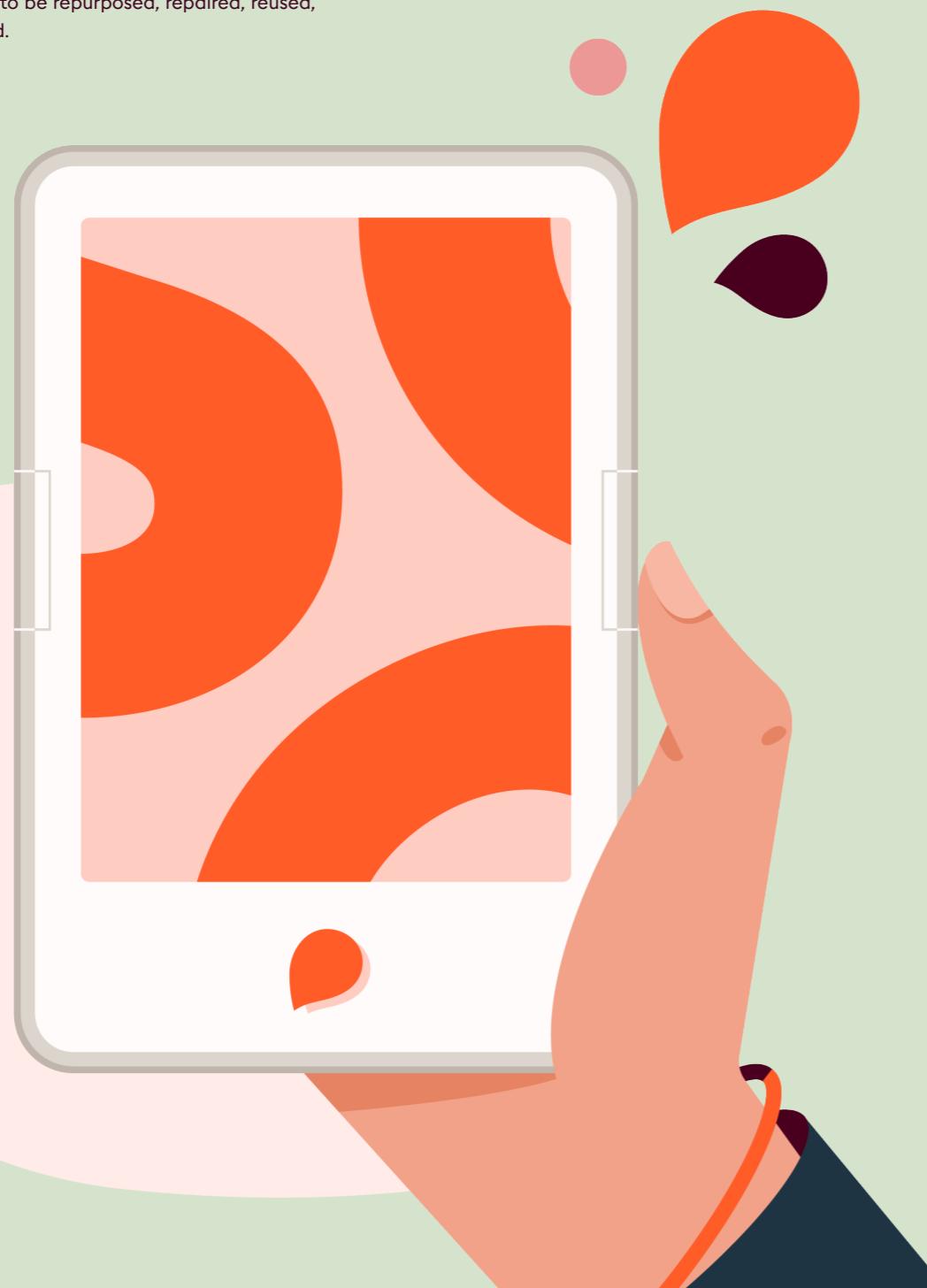
storytel

Brainprint

Our impact on users

Storytel's long-term commitment: Be a service provider and distributor of content that enriches our users' lives

Organisations that create and distribute content hold a powerful position in society through the impact and influence of that content. Since we want the Storytel service to be an integrated part of our users' everyday life, we work hard to make sure that we add value to the customer, protect their integrity and that we take responsibility for the content that we offer.

Customer value

Value proposition

Storytel is on a mission to make books more accessible, as well as make reading more convenient and compatible with everyday life. By making stories available on a digital platform, Storytel's subscribers can reap the benefits of reading in a way that fits into their modern lifestyles and makes reading feel simple and enjoyable. The Storytel experience offers its users self-care, self-development and a sense of community, which is what we refer to as 'meaningful recreation'. Moreover, users find that the stories on the Storytel app can be an antidote to everyday problems, such as insomnia, loneliness and boredom.

Customer value can be measured by the impact that we have on people's lives. On a global level, the average Storytel user spends 30 hours on our platform every month, which means that Storytel is a truly integrated part of the user's everyday life. As a subscription service, Storytel must prove its value to its users at all times, so various metrics of customer satisfaction are closely monitored to make sure that customers continue to enjoy and subscribe to the service.

To monitor whether the Storytel app truly adds value to people's lives, we survey on a regular basis whether users:

1. are reading/listening to more books;
2. are reading/listening to books more often;
3. have been exploring new genres since subscribing to Storytel.

Around 80% of our users say that they read/listen to more books thanks to Storytel and about the same number of users say that they also read/listen more often compared to before. In other words, Storytel helps its users create a habit of reading more regularly. Around 60% of users say that Storytel helps them explore new genres of books. Furthermore, in some markets, such as Russia, Mexico and Turkey, a majority of our users say that Storytel has helped them broaden their general knowledge, which means that we also help users learn.*

Storytel also tracks its net promoter score and customer experience scores on a regular basis to measure customer value. Our customer support team engages with users all over the world on a daily basis to help them and collect their feedback. Every year a number of customer surveys are sent to users so that we learn how we can develop the service further. Our product teams and researchers conduct interviews and tests to learn more about our users' needs.

In 2020, Storytel launched two new subscription models to cater to the needs of a wider audience. Since Storytel is a premium service and charges accordingly for a subscription, the price-sensitive customer may not perceive the Storytel core offer as appealing. Therefore, we launched two limited subscription models in Finland and in India. In India, content in the Marathi language is offered at a cheaper price point to reach out to a wider group. In Finland, users that do not read as much per month can choose a time-limited subscription at a cheaper price point. As stated in our vision, we aspire for Storytel to be shared and enjoyed by anyone; so we will continue exploring different subscription models that make reading accessible to a larger audience.

Health and Safety

We want our users to feel that using the Storytel app is well-invested time and that they feel good as a result of using the service. Listening to a story can be a great source of both relaxation and entertainment without it entailing much screen time. We anticipate that the trend toward screen-free entertainment will intensify since it has been shown that too much time in front of screens and at too young an age has negative effects on the development of cognitive skills. Studies have also shown that audiobooks can improve children's reading skills and enjoyment of reading while supporting children's emotional intelligence and mental well-being.** In the Storytel app, we also curate lists with books about mindfulness, health and sleep to help our users feel better and learn more about those topics.

The Storytel app is designed to inspire users to read more and we are taking steps toward allowing users to be even more engaged on the platform if they want to. By building a community around stories for our users, we hope to inspire users to read even more. One important feature of our platform is offering users the ability to write public reviews on books that they have read. Storytel had this function before, but made a decision in 2019 to remove it when we experienced abuse in the form of inappropriate reviews. In 2020, the function was relaunched in a safe manner using AI to scan for reviews that breach our guidelines and by adding a reporting feature for users. As we roll out more features that allow for user-to-user engagement, we will need to work more actively with, and improve internal procedures for, community guidelines and content moderation, while also working to design the app in such a way that it protects the user and creates a safe community.

*Storytel survey sent out to a total of 20,251 users across Storytel's geographic markets globally
** Audiobooks and literacy, The National Literacy Trust, 2020*

Accessibility features

We want the Storytel app to offer a great experience for everyone by designing the app in an inclusive and accessible way, and add the tools necessary to cater to the widest audience possible. To improve the accessibility of the app, Storytel has collaborated with SRF (Synskadades Riksförbund) and MTM (Myndigheten för Tillgängliga Medier) over the years. Usability tests for users with dyslexia, visual impairment, motoric activity and cognition (autism, adhd) have been carried out, which has given us more insight into how the app can be developed to be more accessible. In 2021, we will work to increase internal knowledge and understanding of accessibility, and create processes and requirements to ensure that our services meet accessibility guidelines.

Goals for 2021

Roll out new subscription models that appeal to a wider group of people

Assess and refine processes and policies for content moderation on the Storytel platform

Increase internal knowledge and understanding of accessibility, and create processes and requirements to ensure that our services meet accessibility guidelines

Information Security, Data Protection and Customer Integrity

Information security is an inherent part of Storytel's information management process and means ensuring the right level of confidentiality, integrity and availability of information. Data protection is becoming increasingly important to users of digital products and services and is an important part of Information Security and compliance. Our stakeholders entrust us with processing their data and we take our responsibility to protect their data as regulated by law and to meet our stakeholders expectations. Everyone who works at Storytel encounters personal data in different situations: this may be personal data of employees, customers or business partners. Our main risks and challenges within the ever-changing regulatory landscape relates to customer data exposure, misconduct in handling personal data and failure to protect internal information.

Storytel's approach for managing data protection risks is to have processes and procedures in place and make sure that they are a prioritized and natural part of our business operations. More specifically, our ambition with our processes is to take a proactive approach to promote privacy and data protection throughout the entire data, IT and process lifecycle and to embed privacy by design in our services.

At Storytel, we have an information security policy and two main privacy policies: one concerning customer data and one concerning employees and their data. No affiliate in the group may adopt practices that go against these policies, unless required by national law. Besides the above policies, there are operational information security and data protection processes to reduce risks related to the processing of personal data within specific functions.

Our policies and processes are reviewed and updated continuously to provide accessible and practical information and tools for all employees. Storytel also has a process for taking data protection into account when we launch new markets. To improve the implementation of data protection and information security organically into the organization, Storytel launched a Data Privacy Coordinator network in 2020. Each business function, and many markets, has appointed a dedicated person to facilitate the many initiatives and actions within data protection and Information Security. This network also serves as a hub for knowledge sharing and internal collaboration within Storytel, and altogether works to assure a higher degree of compliance and reduction of overall risks within data privacy and information security. In 2021, a focus area will be to better support sustainable expansion by taking into account local Compliance, Data Protection and Information Security requirements.

Risks related to information security and data protection are continuously assessed, and so are implemented processes, controls and tools, to assure suitable response to known and emerging risks. Activities for information security during 2020 include cyber risk workshops, functional security awareness training, information security requirements, and revisions of processes and procedures.

Annually, all employees receive information security and data protection awareness training to guarantee a basic understanding of risks and the ways of working to mitigate these risks. For information security, a mandatory quiz follows up the awareness training to ensure that the policies and processes are understood. Since 2019, policy documents related to data protection and information security are part of the onboarding package for all new employees.

During 2020, Storytel strengthened its work with information security further by establishing an information security group function. Furthermore, a dedicated team will be established in early 2021 with focus on the security of our customer-facing IT products and platforms.

Goals for 2021

Support sustainable expansion by taking into account local Compliance, Data Protection and Information Security requirements

Strengthen our internal processes and global collaboration within Data Protection and Information Security through a global Data Privacy Coordinator network

Content Responsibility

Storytel has a broad catalogue of content, which is a mix of content produced by Storytel across all of our local markets, and of licensed content from third parties globally. In other words, Storytel is both a publisher and distributor of content. Storytel embraces its responsibility pertaining to human rights, such as education and freedom of expression. Through diversity and pluralism in its content, Storytel aims to facilitate understanding and cultivate empathy in its readers. Storytel aspires to work proactively with content-related issues by having the right policies and procedures in place while upholding the universal human rights. How content is perceived varies for different users, and therefore we strive to ensure that the users have the possibility to decide what content they would like to be exposed to.

Content Committee

The Content Committee within Storytel is the decision-making body on content-related issues and works to mitigate risks related to handling and monitoring content from an integrity and safety perspective. They are responsible for updating content guidelines toward publishers and authors when necessary, and they work to resolve content-related issues when they arise. Users can report content on the service, allowing the Content Committee to reactively review complaints. The Content Committee is a collaboration between various departments in the organisation, including local teams, to give a collected Storytel view on content reported as explicit or in other ways unsuitable for the service. Topics discussed in this forum include: geopolitics, hate speech, violence, racism and sexism, pornography, solicitations to commit crimes, disinformation and misinformation, and incitement to imminent lawless action. This forum is led by Storytel's Chief Content Strategy Officer and other represented departments are legal, communication, customer support, CRM and the country manager or local representative whenever an issue is local. The Committee also assists local Storytel markets in making well-informed decisions with regards to freedom of expression as well as local laws, culture and politics. Apart from what the Content Committee does to ensure responsibility with regard to content, the Global Content Team works to make sure that each title has proper credit, a registered publisher and correct metadata. In 2021, we want to refine the processes of the Content Committee further and update the content guidelines toward publishers and authors to allow Storytel to work with content-related issues in a more proactive manner.

Raising awareness through content

On the Storytel platform, users can broaden their perspectives and deepen their knowledge through stories. We want the stories on our platform to be relevant to a broad and diverse audience; so we work to expand our content catalogue accordingly. On a regular basis, Storytel curates book lists that recommend titles about important societal topics, and in 2020 these ranged from Black Lives Matter to mental health and climate change.

As a publisher, Storytel invests in stories that we believe will have a positive social impact. In 2020, we have, through partnerships, invested in projects that raise awareness about different social issues and that can inspire positive social change. Below are some highlighted initiatives:

Reach for change podcast

Storytel partnered with Kinnevik's foundation Reach for Change to create a podcast series with the aim to raise awareness about what it will take to build a more green and socially sustainable world in the coming 10 years. Entrepreneurs, investors, activists and philanthropists were invited to the podcast to share their knowledge within different areas of sustainability and their advice on how we can build a better world for future generations to come.

Beloved Dyslexia

Storytel and The Prince Carl Philip & Princess Sofia Foundation released the Storytel Original "Älskade dyslexi" (eng. Beloved dyslexia) – an audiobook narrated by H.R.H Prince Carl Philip of Sweden and the Swedish hiphop star Linda Pira, both of whom have been diagnosed with dyslexia. This handbook both educates and debunks misconceptions about dyslexia.

Stories from the quarantine

Covid-19 turned the world upside down in 2020, and while Storytel had to adapt its publishing activities significantly, stories could still be produced. In Italy the podcast series "Stories from the quarantine" was launched to cover the theme of how people deal with isolation by turning to hope, creativity, art and solidarity. The production could be carried out in a safe manner by recording everything at home.

We work to diversify Storytel's content catalogue further by continuing to invest in content with social impact, and by auditing the catalogue from a representation perspective so that potential gaps can be closed. This also includes ensuring diversity in the choice of narrators across our markets.

Goals for 2021

Assess and refine the policies and processes related to the Content Committee to allow Storytel to work with content-related issues in a more proactive manner

Diversify Storytel's content catalogue further by continuing to invest in content with social impact and by auditing the catalogue from a diversity perspective so that potential gaps can be closed
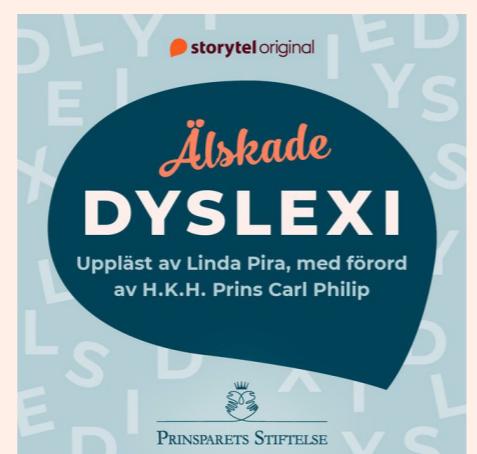
Fingerprint

Our impact on people and on society

Storytel's long-term commitment: Be a company that people benefit greatly from by working for and/or with

Our fingerprint is our DNA and who we are as an organisation. We want our interactions with stakeholders – employees, business partners, investors, customers and authorities alike – to be constructive and value-adding. We work hard to nurture and engage a diverse workforce, provide excellent employee working conditions and conduct business in an ethical way.

Employee Working Conditions

It is difficult to look back on 2020 without mentioning the strong impact that Covid-19 has had on employee working conditions. For the majority of 2020, Storytel employees have worked remotely from their homes. Moving from the physical workspace of the office to the virtual environment of hangout meetings was in practice an easy move for Storytel. As an organization with colleagues all over the world, we were relatively well-prepared for working remotely. However, Covid-19 has of course been challenging in many ways.

Culture and Values

The importance of the Storytel culture is emphasised during the whole employee journey and it already starts when recruiting new colleagues. When surveyed, Storytel's employees say that the Storytel culture is characterized by openness, friendliness, creativity, warmth, diversity and trust. We work to build and nourish a culture that drives growth, both for Storytel and for every individual employee.

Our culture and values are vital parts of the onboarding process and in our performance management process throughout the year. We encourage and welcome new input to continue to hone and improve the Storytel culture, while safeguarding an open, warm and safe environment for all. During 2020 we have held workshops with the entire organisation to talk about our culture and values. We have conducted interviews with employees from a variety of Storytel teams, both local and global, to understand how our culture is perceived and how we can develop it.

In the past year we have onboarded more than 150 new colleagues all over the world and our strong culture has been instrumental in achieving this in the unique circumstances of remote working due to Covid-19.

We believe that employee engagement is one of our most important metrics and we regularly assess how our employees experience Storytel as an employer to understand what we can do to improve our employees motivation, development and wellbeing. One of the metrics that we use is employee net promoter score (eNPS). During 2020 our average eNPS score was 52.

Health and well-being in the workplace

Most of our work is done in an office environment and the risk of physical injuries is low. The challenge that we see is instead linked to heavy workload and stress. Stress-related illnesses are growing in society, and we want, and need, to work hard to make Storytel an exception. As a constantly growing company, with employees characterized by dedication, passion and going that extra mile, there is a risk of high workload turning into destructive stress. By using regular and anonymous employee pulse surveys, we measure and track the general level of stress within the company and our different teams. This triggers a continuous dialogue between employees, HR and managers. We do our best to create a work environment that allows employees to have a good balance between work and their private life.

Throughout society we have seen some people thriving in the new normal, being able to have a better work-life balance, but we have also started to see reports indicating that many also have struggled with mental and stress-related illness in the past year. Storytel strives to reduce mental illness and be a company where everyone feels safe to talk about their mental health. We understand that everyone might not feel comfortable to discuss mental health in an open setting or with their manager, so to support our employees during the challenges of Covid-19, Storytel collaborated with an external company to offer employees anonymous talks with therapists.

Leadership

One key aspect of thriving employees is good leadership. Storytel has grown quickly from being a small start-up to having over 500 employees spread out all over the world, which increases the need for good leadership. As of 2019, Storytel tracks the leadership NPS (LNPS) within the organisation. In 2020, the result was 48, compared to 41 in 2019.

In 2020, Storytel launched its first Leadership Program for managers within the organisation. The program focuses on self-leadership and takes a values-based approach to being a leader. During 2020, we have enrolled 80 managers, with participants from all of our countries, in the program. In the year to come we will continue developing our lead-

LEADERSHIP PRINCIPLES

| Passion | Coaching | High expectations | Empathy & Respect | Future |
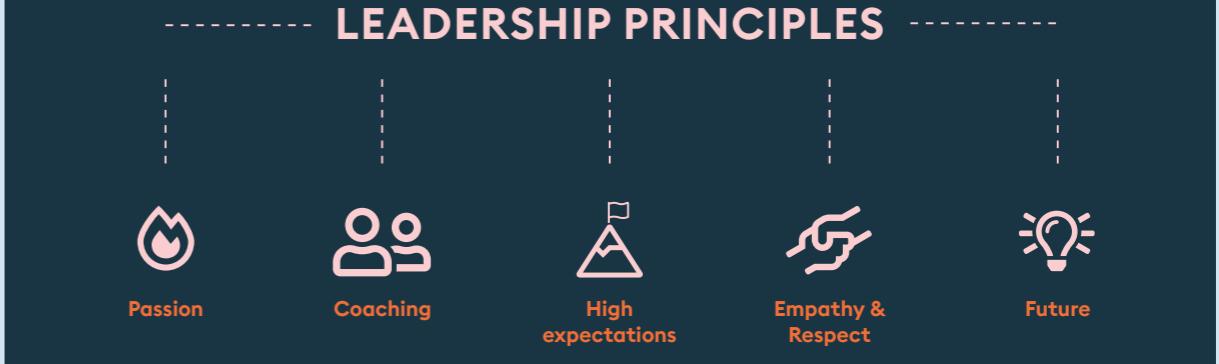
Storytels leadership principles are:

- **You have a deep passion for Storytel**
- **You bring out excellence in others**
- **You set high expectations**
- **You lead with empathy and respect**
- **You bring Storytel into the future**

ership program and training sessions to give our managers the support they need to continue to grow and develop their leadership skills so that they can support their teams.

In combination with launching the Leadership Program, Storytel also launched its "Leadership Principles" to the organisation to outline what is expected of leaders at Storytel.

Learning & Development

All employees at Storytel have a yearly appraisal talk with their manager to evaluate performance and development, and to set individual goals. This is a vital part of Learning and Development within the organisation. Each employee and manager is expected to reflect on both short and long term development within Storytel. Emphasis during the appraisal is on dialogue; employees are encouraged to give feedback and share their wants and needs.

84%

of employees agree that they are given the opportunity to grow and develop

83%

of employees state that they have received new responsibilities in the last 12 months

One of the most important parts of employee development is the presence of continuous feedback. We aim to be an organisation where everyone feels comfortable with giving feedback to colleagues and managers alike with the intention of helping the other person grow and improve cooperation. Giving and receiving feedback is a skill that needs constant practice; so to work more actively with employee development across the organization, Storytel is launching a feedback tool in 2021 to encourage more frequent discussions about development and personal growth. Appraisals will be followed up every quarter rather than on an annual basis going forward to further encourage guidance and growth.

At Storytel all employees are expected to continuously seek out opportunities to grow and develop and we do our best to support this by offering opportunities to learn new skills and knowledge. During the year we have conducted lectures and workshops in Growth mindset, Self Leadership and Feedback throughout the entire organization.

There is an individual budget set for each employee to use for learning and development. The manager together with the team decides how to allocate the budget during the year. Storytellers are also encouraged to take part in external training and webinars and are allowed to use their working time for this.

Workplace safety

Our overall goal is for Storytel to have an open and welcoming work environment that inspires good cooperation, high efficiency and that enables development for all employees by promoting health factors and preventing risks at work. Storytel is committed to creating and maintaining a safe and healthy work environment and preventing illness and risks at work. This covers both the physical (e.g. lighting, noise, ventilation) and the psychosocial (e.g. bullying) and organisational (e.g. workload) work environment.

To uphold a good working environment, we work closely with our Safety Committee, in which both employees and management are represented. Together we take a structured approach to improve Storytel as a workplace and to follow the rules and guidelines set up by the Swedish work environment authority and other local authorities. Storytel's Global Work Environment Policy outlines the work environment that Storytel provides and what is expected of each employee in terms of behaviour and responsibility. Follow up and evaluation of the work environment goals is conducted annually by the management team, and Storytel's work environment policy is also reviewed and revised if needed on an annual basis.

In 2020, there was an added dimension to our workplace safety considerations since we have also been required to take responsibility for all of our employees' home office environments. We have shipped home office equipment in some countries and in others we have introduced a home office budget to provide a good home office environment for all employees. A challenge that lays ahead of us is to adapt to the new normal and create the best possible work environment for our employees that supports their wellbeing, productivity and engagement, both in an office and home environment.

Storytel has a zero tolerance for harassment, sexual harassment, bullying and retaliation. All employees at Storytel should feel safe at the workplace and at work-related events. 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, Storytel will initiate an investigation and take appropriate action up to and including termination of employment. To make it easy for anyone to anonymously report incidents we have a Whistleblowing tool in place. To ensure that everyone has knowledge of this tool, it is already introduced during the onboarding of new employees and highlighted during the year to all employees via different internal communication channels.

Goals for 2021

Continue working with creating a high level of engagement throughout the entire organisation and keeping our employee NPS score above 50

Advance learning and development for employees by working more actively with feedback across the organisation and following up on performance continuously during the year

Increase wellbeing for employees by offering tools and support to adapt to "the new normal"

Diversity and Inclusion

Storytel seeks to be an employer that represents sound values and offers a safe environment for everyone to be who they are. Storytel is a place where differences are cherished and everyone is entitled to equal opportunities and treatment. We have employees all over the world and welcome people of all genders, identities, disabilities, sexual orientations, ethnicities, ages, religions or other beliefs. We strongly believe that individuals who feel safe and who can be themselves are happier and more productive at work. Storytel's goal is to be a diverse workplace where we can evolve and learn from everyone's differences.

In 2019, a Diversity Plan was presented to the organisation. The 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 our HR-team and Safety Committee conduct a salary mapping to detect and prevent the gender pay gap. The salary mapping was previously done based on our staff employed in Sweden, since this is where we have the largest group of employees. During 2020 we extended this process to also include Denmark, which is our second biggest country in terms of employees. As our number of employees grow around the world we aim to extend this process to include all countries and employees.

In 2019, a Diversity Plan was presented to the organisation. The 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 our HR-team and Safety Committee conduct a salary mapping to detect salary inequalities due to gender.

One of the most important parts of inclusion and diversity is to create equal opportunities for everyone at Storytel to grow and develop. As mentioned earlier in the report, Storytel will introduce a new tool for employee engagement and performance with the aim of supporting growth for our employees and create a more inclusive and unbiased approach to performance management and evaluation. We had a goal for 2020 to provide transparency and equal opportunities for employees by improving processes for internal recruitments. Comment on how that went and what we will do in 2021.

During 2021, we will move to a more flexible way of working where we will create opportunities for our employees to work across the world from our Storytel offices. We expect this to have a positive impact on the understanding of cultural differences within the organisation. We also believe

that a more flexible way of working will attract a more diverse set of applicants to Storytel as well.

Equal opportunities

One of the most important parts of inclusion and diversity is to create equal opportunities for everyone at Storytel to grow and develop. As mentioned earlier in the report, Storytel will introduce a new tool for employee engagement and performance with the aim of supporting growth for our employees and create a more inclusive and unbiased approach to performance management and evaluation. During the past year we introduced clearer guidelines for how we evaluate performance at Storytel. These guidelines work as a basis for managers and employees to follow up on development during the year. They are also used to make decisions on promotions and compensation. Our development areas, and how we evaluate development and performance in an unbiased way that offers equal opportunities, is something that we will continue to work with this year and the years to come.

We had a goal for 2020 to provide transparency and equal opportunities for employees by improving processes for internal recruitments. In the past year we have improved our internal communication when we initiate a hiring process for a new role. We have also created opportunities to work remotely from another location when taking on a new role.

During 2021, we will move to a more flexible way of working where we will create opportunities for our employees to work across the world from our Storytel offices. We expect this to have a positive impact on the understanding of cultural differences within the organisation. We also believe that a more flexible way of working will attract a more diverse set of applicants to Storytel as well.

Flexible Public Holidays

As a step toward Storytel's employee mission statement to attract exceptional people by nourishing a diverse workplace, we have introduced flexible public holidays in all countries where it is compliant with local law. This means that employees are now able to work on a day that is a public holiday and swap it for another day off to celebrate

something that is close to their hearts or beliefs. To continue to keep and attract talent, we want our employees to be able to celebrate what they truly believe in and not what is stated as public holidays in our calendars.

Women in tech

We set a goal to recruit more women to our tech department in 2020. Besides initiatives such as trying to reach out to a wider set of applicants and reviewing how job advertisements are written, Storytel has also partnered with the organization Women in Tech. Women in Tech's mission is to inspire women to consider a future in the field of technology, which is what Storytel is working towards as well. By being part of their annual conference, we have raised awareness externally and internally on how important Storytel as an organization believes it is to create a more gender balanced workforce within our Tech team and the industry at large.

There is a lack of female developers in the market and Storytel as an organization needs to work long term to create opportunities for more women to have a career in this industry, both by creating opportunities for education but also by creating a work environment where everyone feels included and safe to be who they are.

Our aim is that our Tech team should at least mirror the availability on the market for female developers. During 2020 27% of our new employees in the tech team identified as female. 2019 this number was 28%.

We also believe that an interest in technology starts at an early age. To support this, Storytel partnered with Hello World a few years ago to sponsor young kids in learning digital skills.

Goals for 2021

Continue raising awareness about diversity & inclusion by communicating clear targets and actions to the organisation

Increase diversity in Storytel teams by improving our hiring process to reduce unconscious biases and offer equal opportunities to everyone

Number of permanent employees:
513

Number of offices:
25

Number of new employeess in 2020:
154

Average age of employees:
35

Number of nationalities:
41

Age distribution:

⬤ <30　　○ <31-50　　⬤ <50+

Board of Directors
| 42.9% | 57.1% |

Management Team
| 80.0% | 20.0% |

Managers
| 8.0% | 81.0% | 11.0% |
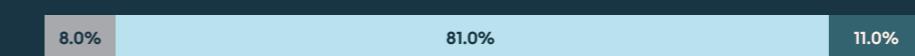
Employees
| 31.0% | 65.0% | 4.0% |

Gender distribution:

⬤ Female　　○ Male　　⬤ Undeclared

Board of Directors
28.6%　71.4%

Management Team
60.0%　40.0%
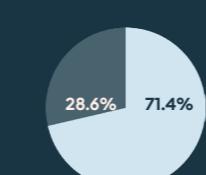
Managers
1.0%　43.0%　56.0%
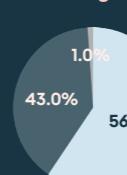
Employees
1.0%　51.0%　48.0%
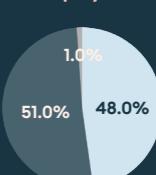
During 2020, Storytel's CFO Sofie Zettergren was on parental leave during which Jörgen Gullbrandson was Interim CFO. The interim solution made the gender distribution of the management team 40% female and 60% male.

Data is based on permanent employees of Storytel Streaming (excluding consultants, temporary employees and interns) as per 31 december, 2020.

Ethical Business Practises

A key steering document to keep our business practices ethical is the Code of Conduct and the HR team is there to help employees act in line with it. We introduce our Code of Conduct in the recruitment process and during the year we follow up on how well it is understood throughout the organisation through a survey. Our onboarding program introduces new employees to the Storytel culture, our values and how we operate as a business. The onboarding program is an important part of making sure that all new colleagues know what is expected of them and what they can expect from Storytel.

Storytel also has a whistleblower system in place, which helps to ensure that unethical behaviour can be reported without employees fearing retaliation. During the year, we actively inform colleagues about the system, introduce it as part of our landing site on our intranet, as well as introduce it during the onboarding days (new employees) and in global meetings (all employees). A task force has followed up on all reporting made.

Policies and compliance within Storytel

Storytel policies are vital documents in assuring compliance within the organisation and to steer Storytel employees to act ethically and in line with the Code of Conduct. We also have several global instructions and guidelines that complement the policies and that give more information and examples that may be of assistance when applying the policies to everyday work and into our everyday decisions.

All new employees are expected to read and understand the Code of Conduct, the global policies and the information security instruction during their first weeks of employment. Storytel has a compliance program focused on ethical business; compliance training is part of the onboarding for all new employees.

Storytel currently has global policies for the following topics: Work environment, Sustainability, Risk Management and Compliance, Finance, Information Security and an Insider and Communication policy. Each policy is assessed and revised on an annual basis or more often if needed.

Anti-corruption and anti-competitive behaviour

Storytel believes in fair play and honest competition, and wants to be an ethical player on the market. We support efforts that help create more stories and introduce more people to the world of books. We believe that initiatives that foster a positive attitude to any type of reading will benefit not only Storytel but also the world at large. At Storytel

we want all our suppliers to become trusted partners who, just like us, aim to conduct themselves fairly in the market.

It is Storytel's policy to fully comply with the applicable antitrust and competition laws and regulations in the countries in which we operate, and we will not tolerate any activity involving Storytel that violates these laws and regulations.

Storytel does not tolerate corrupt behaviour, regardless of whether local legislation may permit such acts or not. Storytel's Code of Conduct outlines a zero tolerance for bribes and corruption. As the company grows, so does also its presence in countries where both legislation and business operational environment may differ and be more challenging then what we are used to. This changing landscape has amplified the level of risk for the group of companies: both in terms of an increased risk of incidents in these countries and the risk that different cultures have different perceptions of what corruption is and what is regarded as normal business practice. Through onboarding information sessions and our compliance program, Storytel works to mitigate these risks. To clarify Storytel's Code of Conduct further, in 2020 guidelines on anti-Bribery and corruption were presented to the organisation. The guidelines reiterate the zero-tolerance policy on bribes or other behaviour that is seen as a form of undue influence and provide practical examples on what behaviour may be allowed or not as a Storytel representative.

Protecting Intellectual Property (IP)

At Storytel, IP serves as the foundation on which the business can thrive. Storytel's aim is to make a practical contribution to the streaming society through the creation and utilisation of IP assets based on the services and products we create and manage. Storytel takes a strict and consistent approach against activities that infringe upon our own or our licensed third party's rights. Storytel collaborates with industry organisations and is part of several business-related associations to monitor any changes and developments in the industry at large. As the respect for, and protection of, intellectual property is core business for Storytel this is a prioritised issue globally.

The processes in place and the cross-functional collaboration in itself ensures that Storytel maintains a high and adequate level of respect and protection of IP rights and has secure processes to handle both internal and external rights. Benefiting from all employees' different qualifications and experiences in intellectual property related areas, Storytel is able to maintain a high level of knowledge and respect for IP throughout the company group. To ensure this quality

level is persistent, Storytel conducts awareness training related specifically to trademarks and copyrights, and consistently works to ensure the use of high-level license template agreements, especially in the area of copyright and neighbouring rights license agreements.

Storytel strives to be considered a safe place for publishers and creators to harbour their rights and works to protect the integrity of each title by investing in the security and technology that is necessary to honor its contractual obligations and prevent misuse of the streaming service, copying and illegal file sharing.

Expansion and M&A activities

Storytel is in a rapid expansion phase and every year the company enters new markets around the world. While this is a cornerstone of the company's growth strategy, it requires caution to assure local compliance and mitigate risks. Storytel has, during 2020, improved and further developed its internal process for making assessments prior to new market entries and for M&A transactions so that different teams can systematically identify and assess factors such as legal and regulatory requirements, political risks, communication risks, financial commitments, strategic fit, taxes and the content and publishing opportunity, prior to making expansion and M&A decisions. Moreover, sustainability risks, including labour and social issues as well as environmental issues, transparency and human rights, are considered. Storytel regularly engages external consultants to provide specific expertise and guidance in this area as well. Final decisions on geographic expansion and M&A are made by the Storytel Board of Directors with this risk assessment in mind.

Responsibility across our value chain

The Storytel Code of Conduct outlines how employees should reason when selecting partners to work with, however in 2020 we formalised this by drafting Storytel's first Supplier Code of Conduct. In this document we outline the requirements applicable to suppliers conducting business with, or on behalf of Storytel, including the suppliers' employees, consultants, subcontractors and other representatives. For example, suppliers need to commit to working to protect the environment and customer data, and work against discrimination and corruption. The Supplier Code of Conduct is yet to be rolled out on scale; so in 2021 the goal is to refine and roll out our Supplier Code of Conduct, starting with our largest partners in our largest markets.

Industry value

Storytel adds value to the publishing industry and the cultural community in a number of ways. The company drives the digitisation of books, which helps publishers and authors profit from sustainable backlist revenues. Storytel has a catalogue of more than 500,000 titles in 27 languages and in 2020, 82% of all audiobooks were fully listened to at least once during the year, thereby creating an entirely new source of revenue for some storytellers. As a global company, Storytel also provides an international platform for authors that can help them achieve international recognition. Storytel employs narrators, often actors, in its productions, which creates new job opportunities. When Storytel enters a new market, we invest in the local language and in local authorships. We see that 85% of consumption in each market is in the local language and that the top 50 list in each market contains the same portion of local authors. We are continuously investing in the long term, in our own studios, in producing audiobooks in countries where they do not yet exist, and in new, unique Storytel Original content in order to build an industry around the spoken word. At Storytel we seek to be transparent with data and information with our content partners; in 2020 we released an updated data dashboard for our publishers that has been developed to suit their needs.

In 2020 we also completed the project of rolling out our new time-based financial model to ensure a fairer compensation for publishers. We believe that this is a model that ensures financial sustainability for the expanding Storytel service, so that we in turn can continue growing the publishers' revenue. Consumers are moving from want of ownership to want of access and Storytel believes that revenues should also reflect this new behaviour. In other words, time spent reading is vital for any author and publisher to sustain their business in the digital era.

Goals for 2021

Continue incorporating sustainability criteria into processes and decision-making across the organisation

Raise awareness about Human Rights across the organisation and what they mean for Storytel's operations

Refine and roll out our Supplier Code of Conduct, starting with our largest partners in our largest markets

Looking forward

Storytel's vision is to make the world a more empathetic and creative place with great stories to be shared and enjoyed by anyone, anytime, anywhere. For Storytel to continue delivering on that promise, our growth needs to be both sustainable and compatible with our financial targets. Sustainable growth for us has three dimensions - environmental, economic and social. The implication is that our business model should preserve the environment, be financially sustainable for authors, publishers, customers and Storytel simultaneously, and be responsible towards employees, business partners, investors and other stakeholders. As Storytel grows, both by number of employees and customers, a solid governance structure becomes of increasing importance. As described in this report, Storytel took several important steps in 2020 within this area to further support sustainable growth through strengthened compliance. The Storytel culture as well as the Code of Conduct are perhaps the most important safety mechanisms to protect Storytel from misconduct and steer the company toward sustainable growth. Since 97% of all Storytel employees say that they are willing to change their own behaviour in order to contribute to making Storytel a more sustainable company, we are confident that we will continue making progress and deliver on our sustainability targets going forward.
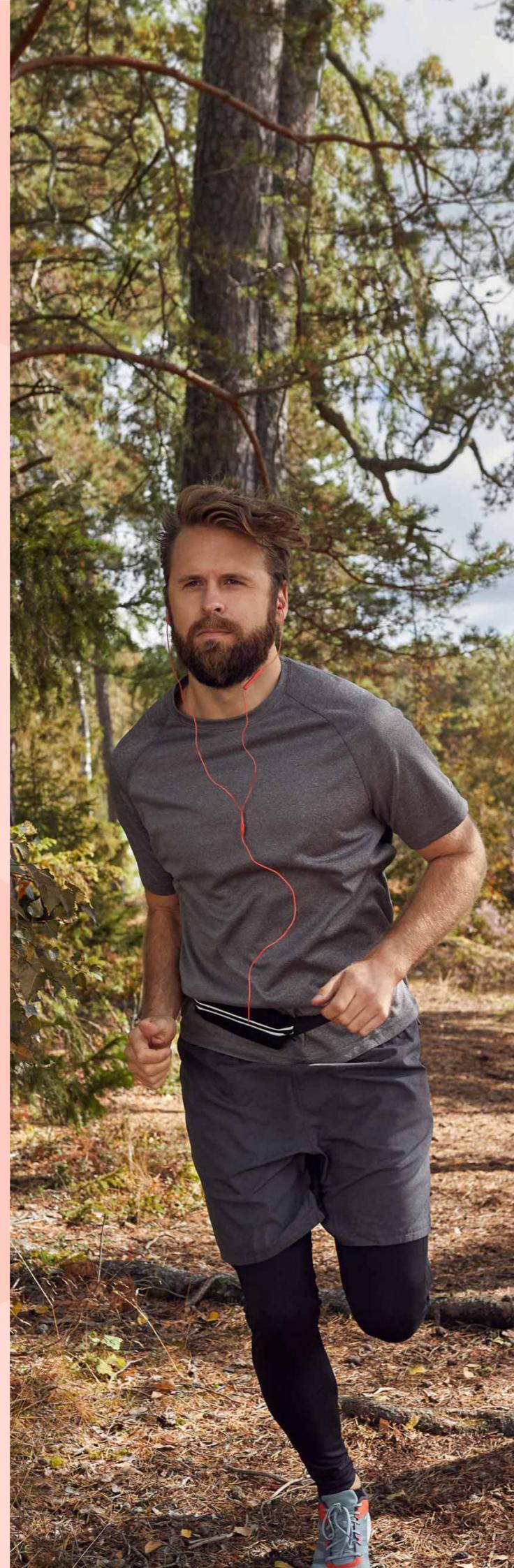
GRI Content Index

Storytel's Sustainability Report refers to the calendar year 2020 and this report has been prepared in accordance with the GRI Standards: Core option.

The Sustainability Report 2020 has been subject to a limited assurance review, see statement on page 78. Storytel intends to continue our sustainability reporting in accordance with the GRI Standards on an annual basis.

In this report we have described Storytel's business model, outlined our main sustainability risks, explained what policies and processes we have in place to mitigate those risks, and what KPIs we track to follow-up on our goals.

Management approach disclosures

Storytel continuously evaluates our efforts within each material aspect to identify potential improvements and take appropriate actions.

Materiality analysis

Our current materiality assessment is based on the results from a survey in 2018 when employees, owners, the Board of Directors, the management team, customers and publishing houses were involved in identifying our main sustainability challenges. The grouping of the material issues was modified slightly in 2019, and in 2020 we have iterated on the wording without making any substantial changes to the material topics themselves or their level of materiality.

The illustration below shows the material topics that have been selected together with our stakeholders, and that form the basis of this report and Storytel's sustainability work in general.

Footprint	Brainprint	Fingerprint
1) Environmental impact from Storytel's business operations 2) Environmental impact from Storytel's services and products	3) Customer value 4) Data security and customer integrity 5) Content responsibility	6) Diversity and Inclusion 7) Employee working conditions 8) Ethical business practices

Importance to stakeholders

7   4   8   3

5

1

6   2

Significance of impact
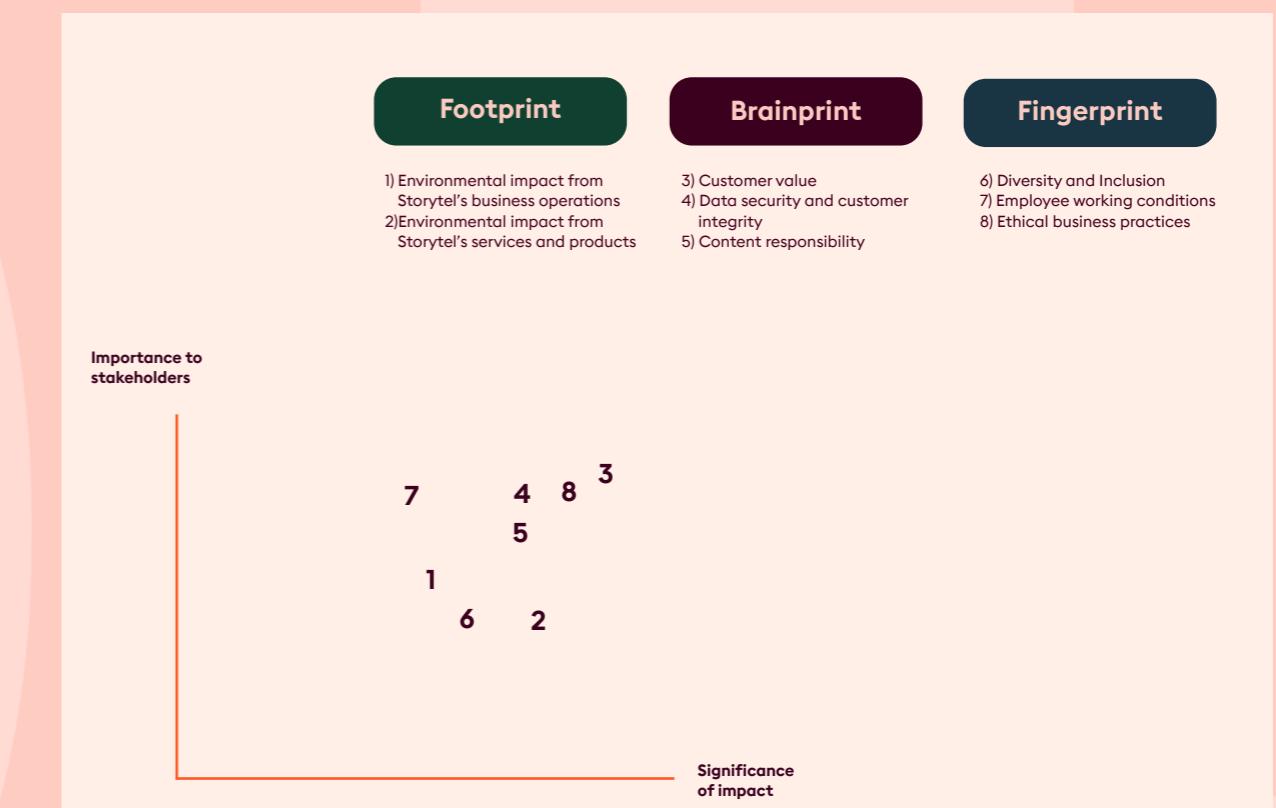
GRI Content Index

Disclosure number	Disclosure title	Page		Notes

General

GRI 102: General disclosures (2016)

Disclosure number	Disclosure title	Page		Notes
102-1	Name of the organization	20		Storytel AB (publ)
102-2	Activities, brands, products, and services	6, 41		
102-3	Location of headquarters	41		Stockholm, Sweden
102-4	Location of operations	6, 14-15		
102-5	Ownership and legal form	18, 20		
102-6	Markets served	6, 41		
102-7	Scale of organization	6, 63, 84-86, 102, 104		
102-8	Information on employees and other workers	63, 104		
102-9	Supply chain	41		

GRI Content Index

Disclosure number	Disclosure title	Page	Notes
102-10	Significant changes to the organization and its supply chain	6, 80	
102-11	Precautionary Principle or approach		Storytel will work toward integrating the Precautionary Principle on a Group level - however our Sustainability Policy and Code of Conduct already outlines it.
102-12	External initiatives		GRI Standards: Core Option
102-13	Membership of associations		N/A
102-14	Statement from senior decision-maker	13, 37	
102-15	Key impacts, risks, and opportunities	45, 68-69, 82-83	
102-16	Values, principles, standards, and norms of behavior	38, 42, 44, 59, 64-65	
102-18	Governance structure	20-26, 43-44	
102-40	List of stakeholder groups	43, 45	
102-41	Collective bargaining agreements		19.6% (Employees of Norstedts Förlagsgrupp and Gummerus)
102-42	Identifying and selecting stakeholders	43, 45	

GRI Content Index

Disclosure number	Disclosure title	Page	Notes
102-43	Approach to stakeholder engagement	43-45	
102-44	Key topics and concerns raised	45, 67	
102-45	Entities included in the consolidated financial statements	45, 124-125	
102-46	Defining report content and topic boundaries	45	The Sustainability Report primarily covers the Storytel Streaming business area, which makes up 75% of the Group's revenues, in line with the materiality principle
102-47	List of material topics	45	
102-48	Restatements on information		No material restatements
102-49	Changes in reporting	45	
102-50	Reporting period	67	This report covers the sustainability performance of Storytel for the period January 1st to December 31st 2020
102-51	Date of more recent report		The Sustainability Report 2019 covers the sustainability performance of Storytel for the period January 1st to December 31st 2019
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		investorrelations@storytel.com
102-54	Claims of reporting in accordance with the GRI Standards	67	

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Disclosure number	Disclosure title	Page	Notes
102-55	GRI content index	68-77	
102-56	External assurance	78	

Footprint (Environmental impact from Storytel's business operations and Environmental impact from Storytel's products and services)

Disclosure number	Disclosure title	Page	Notes
103-1 (2016)	Explanation of the material topic and its boundaries	45-46, 49	
103-2 (2016)	The management approach and its components	43-45, 64, 67	
103-3 (2016)	Evaluation of the management approach	43-45	Storytel's Sustainability policy, and its effectiveness, is reviewed and revised if necessary on an annual basis
305-1 (2016)	Direct (Scope 1) GHG emissions	47-49	
305-2 (2016)	Energy indirect (Scope 2) GHG emissions	47-49	
305-3 (2016)	Other indirect (Scope 3) GHG emissions	47-49	
305-4 (2016)	GHG emissions intensity	47-49	Emissions are calculated in accordance with the GHG Protocol using the tool Our Impacts

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Disclosure number	Disclosure title	Page		Notes
Brainprint (Customer value, Information security, data protection and customer integrity, and Content responsibility)				
103-1 (2016)	Explanation of the material topic and its boundaries	45-46, 53-55		Material topics, and boundaries, relate to the Streaming business area, which makes up 75% of the Group's revenues, in line with the materiality principle
103-2 (2016)	The management approach and its components	43-46, 52, 64, 67		
103-3 (2016)	Evaluation of the management approach	43-45		Storytel's Sustainability policy, and its effectiveness, is reviewed and revised if necessary on an annual basis
412-2 (2016)	Employee training on human rights policies or procedures	43, 54-55, 64-65		In 2020, all Storytel employees were engaged for a full day in an educational sustainability workshop focused on how Storytel can better address human rights and support the UN Sustainable Development Goals. In 2021, more resources will be dedicated to training on human rights and what they mean for Storytel
Fingerprint (Employee working conditions, Diversity and inclusion, Ethical business practises)				
103-1 (2016)	Explanation of the material topic and its boundaries	45-46, 58-65		Material topics, and boundaries, relate to the Streaming business area, which makes up 75% of the Group's revenues, in line with the materiality principle
103-2 (2016)	The management approach and its components	43-45, 58, 64, 67		
103-3 (2016)	Evaluation of the management approach	43-45		Storytel's Sustainability policy, and its effectiveness, is reviewed and revised if necessary on an annual basis
205-2 (2016)	Communication and training about anti-corruption policies and procedures	64-65		Storytel has not yet communicated its Code of Conduct to suppliers/business partners, this is a focus area in 2021 since a Supplier Code of Conduct will be rolled out
405-1 (2016)	Diversity of governance bodies and employees	63, 104		

The auditor's report on the statutory sustainability report

To the general meeting of Storytel AB (Publ), corporate, identity number 556575-2960

Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report on pages 36-77 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. I (We) believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A statutory sustainability report has been prepared.

Stockholm 1st of April 2021
Ernst & Young AB

Beata Lihammar
Authorized Public Accountant