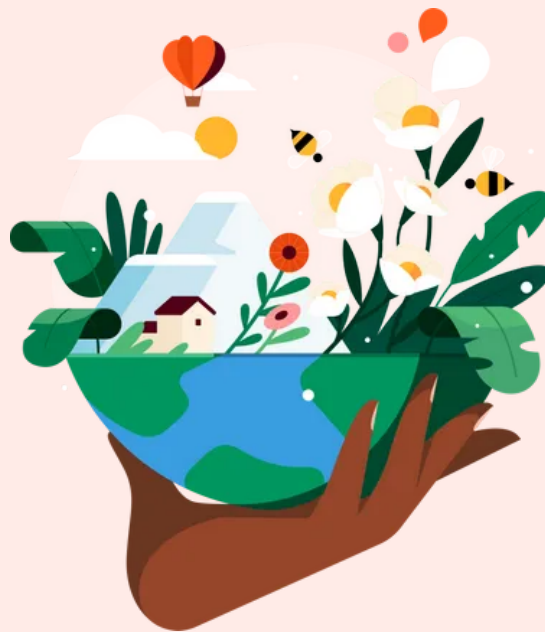


Sustainability Report



A Word from the Sustainability Committee

The audiobook is a fantastic way to access stories, and oral storytelling is perhaps the oldest tradition we have. If you seek companionship, live with a visual impairment or dyslexia, or simply do not have enough time, the audiobook format is a door opener to the wonderful world of books. Research shows that stories make us feel good. Reading is a great way to relax and unwind from a stressful world where screen time, scrolling and notifications are hard to avoid. Stories serve as a common reference that can bring us closer together and help us think bigger and see beyond ourselves. Studies actually show that the right book for the right person contributes to increased empathy.

The digital format makes it possible for anyone with a phone connected to Storytel to choose from a catalogue of 700,000 books – wherever they are. The impact that we have on people's lives can be seen in Storytel surveys, where four out of five users state that they read both more often and more books after they became Storytel users. This is what we contribute to the world.

Storytel works for the well-being of people and the planet.

Storytel's negative impact on the climate and the environment must decrease with the long-term goal of not existing at all. In 2021, we conducted for the first time a Scope 3 full emissions report on the entire Storytel Group for both the 2020 and 2021 financial years. In 2022, Storytel will set science-based targets and a reduction plan for how to reduce its emissions and negative impact.

Storytel does business in a responsible and ethical way. We are proud to have become in the past year a participant of the UN Global Compact, whose ten principles for ethical business practices serve as an internationally renowned framework.

Helen Fasth Gillstedt and Jonas Tellander, Sustainability Committee.

Storytel's vision is to make the world a more empathetic and creative place with stories that empower people.

Highlights from 2021

- Launched a sustainability committee within the Board to oversee sustainability work.
- Conducted a full mapping of Storytel's emissions, Scopes 1–3, for 2020 and 2021.
- Improved processes within content responsibility and app accessibility and increased focus on content impact.
- Committed to the UN Global Compact Initiative.

Key figures for 2021

80%

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

95%

of all employees feel included and that they can be themselves at Storytel.

19 616

tCO₂e in total emissions for the Storytel Group.

About the report 2021

The Sustainability Report for Storytel AB (publ) is prepared in accordance with the Swedish Annual Accounts Act. It also meets the specifications and demands of the Global Reporting Initiative's (GRI) Standards: Core Option. The report includes a GRI index and Storytel's first COP report to the UN Global Compact initiative.

ESG at Storytel

ESG stands for Environmental, Social and Governance, which together make up a well-established framework for corporate sustainability. Storytel has drawn from this framework and divided them into Footprint, Brainprint and Fingerprint to better show the impact that Storytel has on society at large. Storytel wants to offer a service and products that are sustainable by design and contribute to the well-being of society.



Our Ambitions



Brainprint

To be a socially responsible company that makes a positive contribution to society.

[Learn more >](#)



Footprint

To be an environmentally responsible company that minimises its environmental impact.

[Learn more >](#)



Fingerprint

To be an ethical and well-governed company that pursues sustainable growth.

[Learn more >](#)

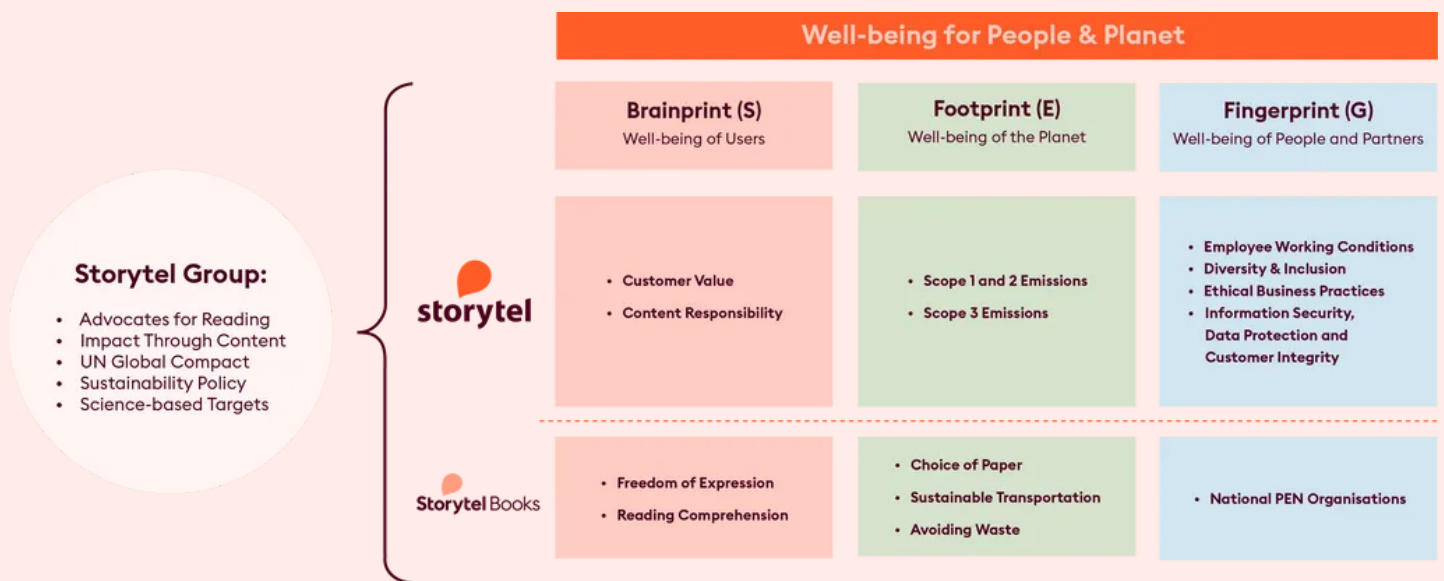
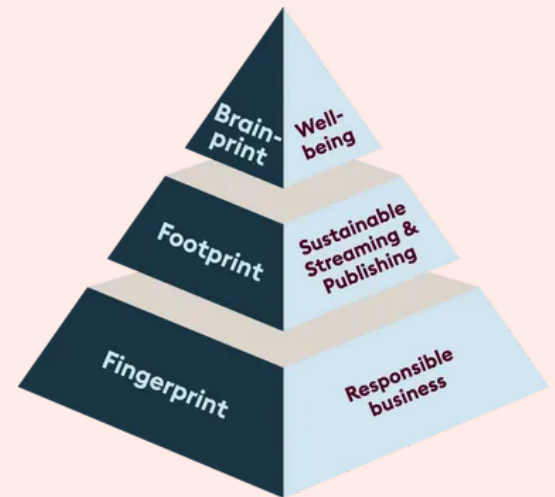
Storytel's Materiality Assessment

Storytel works to be an advocate for well-being in the world by helping people read more. Storytel's primary focus is on its Brainprint, where the company works to have a significant positive impact.

Storytel's secondary focus is on its Footprint, with a goal of net zero impact.

Fingerprint, or being a responsible business, is the foundation for sustainable growth, and material topics thereunder are considered hygiene factors that Storytel must manage.

Storytel's materiality assessment was performed in 2018 when employees, owners, the Board of Directors, the management team, customers and publishing houses were involved in identifying Storytel's main sustainability challenges within the Streaming segment. In 2021, Storytel changed Environmental Impact from Storytel's Business Operations to Scope 1 and 2 Emissions, and Environmental Impact from Storytel's Services and Products to Scope 3 Emissions.



Storytel Streaming's Material Sustainability Topics

- Environmental Impact from Storytel's Business Operations → Scope 1 and 2 Emissions
- Environmental Impact from Storytel's Services and Products → Scope 3 Emissions
- Customer Value
- Content Responsibility
- Employee Working Conditions
- Diversity and Inclusion
- Ethical Business Practices
- Information Security, Data Protection and Customer Integrity

Storytel carries out an enterprise risk assessment on an annual basis to evaluate its strategic, operational, financial, legal & compliance and cyber resilience risks. The Group Management team and the Board of Directors review and discuss this assessment. High-risk areas have been incorporated into this report to describe how we work to mitigate those risks.

Division of Responsibilities

Once a year, the goals, policies and processes connected to sustainability are reviewed by the Board of Directors. Storytel reports the progress towards the goals in the annual sustainability report. In 2021, Storytel set up a sustainability committee within the Board of Directors.

The purpose of this committee is to manifest Storytel's strategic and systematic commitment to its sustainability efforts across the business and oversee that the company continues to manage goal-setting and reporting processes, strengthen relations with external stakeholders, and operate with a high level of business ethics. The sustainability committee supports the Board in fulfilling its responsibilities to specifically address climate & environmental matters, human rights, labour standards, and anti-corruption practices.

The management team reviews the progress towards Storytel's sustainability goals twice a year. As part of Storytel's continuous sustainability work, the impact that Storytel has on its major stakeholders is assessed, which we define as employees, publishers, authors, customers, authorities, shareholders, society and the environment. The selection of stakeholders is based initially on Storytel's value chain and thereafter complemented with stakeholders that are both directly and indirectly impacted by Storytel's operations.



Brainprint

Well-being of users

Storytel aspires to be a socially responsible company that makes a positive contribution to society. Organisations that create and distribute content hold a powerful position in society through the impact and influence of their content. Storytel wants to empower people with stories and take responsibility for the content offered.



Storytel aspires to be a **socially responsible company** that makes a positive contribution to society.

Highlights from 2021

- Improved processes within content responsibility and app accessibility.
- Increased engagement in content impact projects in local markets.
- First global content impact project initiated.
- Storytel Poland's audio drama *The Future Peasants* reached five million Poles.
- 80% of users say that they read/listen to more books since subscribing to Storytel.

Customer Value

Stories, Books and Well-being

At a time where time management is a major challenge for many, Storytel should always be time well spent for customers. Books make people relax and unwind and are a welcome break from screen time and the pressure of everyday life. The consumption of stories activates the empathy areas of the brain and makes the brain release the feel-good hormone oxytocin. Simply put, we become better at understanding each other, the world, and ourselves through stories.

A study from the UK Literacy Trust in 2020 shows that audiobooks can improve children's reading skills and support their mental well-being. Another study from 2017 shows that audiobooks can also improve the mental well-being of the elderly.

In 2021, Storytel partnered with a research project led by the Swedish School of Sport and Health Sciences which aims to understand how physical well-being is connected to mental well-being and how audiobooks impact the health and well-being of youth. Preliminary results are expected during the fall of 2022, and final results at the earliest in late 2023.

In 2021, Storytel publisher Rabén & Sjögren initiated The Big Reading Challenge, a competition for 4th graders in Sweden to see who could read the most books over a period of three months. One-third of all fourth graders in Sweden participated in the challenge, during which reading increased by 70%.

Customer Impact

Storytel is on a mission to make books more accessible and reading more convenient and compatible with everyday life.

Storytel offers its users self-care, self-development and a sense of community, which can be described as meaningful recreation. Opening the Storytel app should always be time well spent and act as a tool for enhancing people's well-being.

Globally, the average user spends 30 hours a month on the Storytel platform, which means that Storytel is a truly integral part of its users' everyday lives. Storytel conducted surveys on a regular basis to understand how it is helping shape reading habits.

The Storytel survey was sent out on an ongoing basis in 2021 to a total of 28 561 users across Storytel's geographic markets.



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

54%

of users say that Storytel has
helped them broaden their general
knowledge

App Accessibility

Around 20% of the world's population is estimated to have some kind of impairment (visual, cognitive, functional), and Storytel works to develop products that are inclusive and accessible. In 2021, Storytel assessed its products from an accessibility perspective to use this data as a springboard for improvements. The assessment followed the Web Content Accessibility Guidelines (WCAG) 2.1, which is the basis for accessibility requirements. In 2022, Storytel will implement a more systematic approach to accessibility in product development.

Content Responsibility

Storytel has a broad catalogue that includes a mix of content produced by Storytel across all local markets and licensed content from third parties globally. This makes Storytel both a publisher and distributor of content. Storytel has responsibilities pertaining to human rights, such as education and freedom of expression, and through diversity and pluralism in its content, Storytel aims to facilitate understanding and cultivate empathy in its readers. Storytel aspires to work both proactively and reactively with content decisions. It works proactively by having policies and procedures in place that uphold universal human rights and safeguard users. However, Storytel cannot decide what content is suitable for each individual user, and as a result also relies on reactive forms of content moderation, such as user reports. In 2022, Storytel will continue to assess and develop tools for content moderation that are needed to safeguard users and take responsibility for the content offered.

Storytel's process for content responsibility has four pillars:

1. Content guidelines

Storytel's content guidelines consist of two parts. The first is technical criteria, which refer to the technical and editorial quality of audiobooks and e-books. For example, each title should have proper credit, a registered publisher and correct metadata. The second part is the content principles, which refer to the content of the audiobooks and e-books being legally compliant and aligned with human rights. For example, Storytel does not accept toxic content such as hate speech, disinformation or misinformation, encouragement or idealisation of self-harm, suicide or solicitations to commit crime. Storytel's content guidelines were updated in 2021.

2. Content Committee

The Content Committee within Storytel is the decision-making body on content-related issues. This group works to mitigate risks related to handling and monitoring content from an integrity and safety perspective. It is responsible for updating the content guidelines for publishers and authors when necessary, and it works to resolve content-related issues both proactively and reactively. Users, employees, partners and other stakeholders can report content on the service, allowing the Content Committee to reactively review complaints. The Content Committee is a collaboration between various departments within the organisation to give a collective Storytel view on content reported as explicit or in other ways unsuitable for the service. 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.

3. Curation

At Storytel, curation is the process of aggregating, selecting, arranging and exhibiting content with the main goal of engaging customers to find their next great book. This is done by showing a selection of the content that Storytel has, ranging from big commercial titles and lesser-known gems to internal content. The principles of Storytel's curation are relevance, personalisation and profitability. Curation can be used to quickly hide an inappropriate title while it is being investigated by the Content Committee and is awaiting a formal decision.

4. Kids mode

Kids mode is a function in the Storytel App that serves as a parental control. When the Kids mode is switched on, content is restricted to the Kids category and remains that way until a parent enters a passcode. This filter allows children to safely explore stories on the Storytel platform.

Content Impact

As a publisher, Storytel makes investments in stories that it believes are relevant and interesting. Storytel Originals, published directly to audio, and titles from Storytel Books are aimed to spark discussion and reflection.

The following are a selection of the titles and content partnerships that Storytel has invested in to raise awareness about different social issues and by extension have a positive impact on people and society:



Queens of the Night by Chico Felitti

Storytel Brasil

In this Original released in Storytel Brazil in the fall of 2021, journalist and author Chico Felitti investigates the LGBTQIA+ scene of central São Paulo from the 1970s up until the 2000s. The story focuses on three iconic transvestites: Jacqueline Blábláblá, Andrea de Mayo and Cris Negão – "Queens of the Night". Through hundreds of interviews during the pandemic, Chico shines a light on a story about artistic achievements, violence, crime, wealth and harassment that did not end up in the news or official archives. "Having your story told is having the right to a past, from which we support each other to build a future of acceptance", says Chico Felitti. The audiobook is narrated by the transgender actress Renata Carvalho.



A Little Bit Grown Up (Or Not at All) by Anne Sauer and Rebecca Alvarado

Storytel Germany

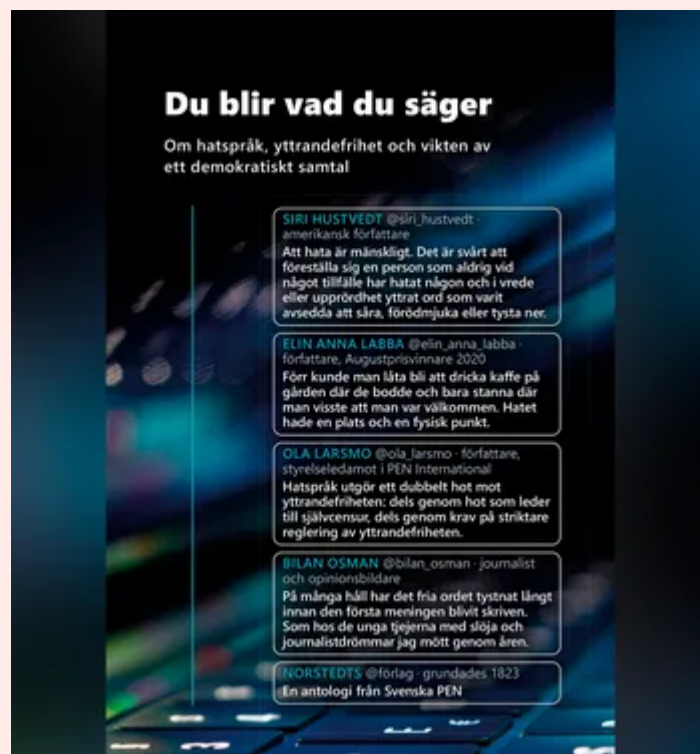
Congratulations, you made it! You finished school, and now you're an adult. But hang on, how does that work? With the rise of mental health issues amongst youth, Storytel Germany released the podcast "A Little Bit Grown Up (Or Not at All)" in the fall of 2021 to support youth in the practicalities and anxieties of adulthood. Podcaster Anne and Youtuber Rebecca have "been there" and tell you everything they wish that they had known when they first had to stand on their own two feet. They offer advice on everything from finding somewhere to live to dealing with exams and other stresses.



Beloved Dyslexia in cooperation with Prince Couples Foundation

Storytel Sweden & Storytel Finland

One child in every classroom has dyslexia, and there are still many presumptions about dyslectics that cause mental health issues. Storytel Sweden and the Prince Couple's Foundation have been working together since 2019 to change the perception of dyslexia. Through an audiobook in 2020 and this podcast series in 2021, parents, teachers and relatives can learn from experts and find emotional support in others' stories. In this podcast series led by high profile actress Eva Röse, nine experts and nine celebrities talk about their perspectives on and experiences dealing with dyslexia. The audiobook was launched in Storytel Finland in the spring of 2021, and the podcast series was released in Storytel Sweden in the fall of 2021.



You Become What You Say in cooperation with Swedish PEN

Norstedts

You Become What You Say is an anthology about hate speech, freedom of expression and the importance of a democratic conversation. Something has changed in the way we talk to each other, not least on social media. The tone becomes harsher, threats and hatred dominate, and the polarisation makes it harder to meet in a meaningful conversation. Hate speech silences voices and is thus one of the fastest growing threats to freedom of expression today. What does this mean for democracy and political discourse? What does it do to all of us, as citizens? And most importantly – how can we meet this challenge? In this anthology, authors and journalists discuss these burning issues and also try to identify some possible ways forward. *You Become What You Say* was published in collaboration with Swedish PEN, where all profits from sales go to their work.



Everything You Need to Know About Consumerism by Julia Thurén

Gummerus

Julia Thurén's non-fiction book *Everything You Need to Know about Consumerism* (*Kaikki kuluttamisesta*) is a smart piece of non-fiction that explains where to direct your gaze in a world where the climate crisis isn't going to be solved through KonMari and vegetarianism alone. In this profound but entertaining and engagingly written work, Thurén explains why we feel the need to consume and offers genuine answers. The book was nominated for the Finlandia Prize in the non-fiction category, Finland's most prestigious literary recognition.



Investing Sustainably by Pernille Wahlgren and Eva Grønberg

People's

The book targets anyone – both experienced and brand-new investors – who wants to invest sustainably and responsibly. Investing sustainably gives you the tools to make investments that match your innermost values, with less risk, greater returns and a clear conscience. You will learn how to enter the market successfully and safely as a long-term and sustainable investor, including researching companies' profiles and figuring out both when the initiatives are actually sustainable and future-proof and when they are just greenwashing and speculation. The authors guide and inspire you to make sustainable investments with minimal risk and maximum return.

The Future Peasants

The Future Peasants audio drama premiered in February 2020 in Storytel Poland.

It is a tragic vision about the future of Poland if society does not recognise the climate crisis and adapt to address it. The story took inspiration from the classic Polish book *Peasants* by Wladyslaw Reymont and the World Wide Fund report 2050 “Poland for generations”. Together with several partners, the audio drama was presented in a 360 campaign which included, among other things, an art exhibition. In only two weeks, *The Future Peasants* reached more than five million Poles and climbed to the number-one position on many streaming platforms. A year after the premiere, it was aired as weekly episodes on the most popular youth radio station in Poland, and its content will appear in 200,000 hardcopy school textbooks in Poland. In spring 2021, the International Academy of Digital Arts and Sciences recognised Storytel Poland’s audio drama *The Future Peasants* as the winner of a Webby Award in the category of Apps and Software: Education & Reference.



Representation & Narrators

On-screen representation matters, and so does representation among the voices we listen to. Storytel aims to have narrators as diverse as the customers it serves and the stories it tells. Storytel set a goal in 2021 to audit the catalogue from a diversity perspective and subsequently decided to start with initiatives related to the voices of the stories.

In 2021, Storytel Brazil launched *Queens of the Night*, which is narrated by a transgender narrator, and released several other titles with narrators from minority groups. In 2022, Storytel Brazil will continue to work to bring more diversity to the local catalogue, for example by having the transgender actress Renata Carvalho narrate the local version of *1984* by George Orwell.

2022 Brainprint goals

- Be an advocate for reading and well-being.
- Within Storytel Books, work to advance children's reading.
- Integrate accessibility requirements into product development.
- Improve tools and processes for content moderation.
- Produce more Storytel Original content impact projects.

[1] *Reading can help reduce stress according to University of Sussex* by Any Chiles in The Argus, 2009. <https://www.theargus.co.uk/news/4245076.reading-can-help-reduce-stress-according-to-university-of-sussex-research/>

[2] *How Does Fiction Reading Influence Empathy? An Experimental Investigation on the Role of Emotional Transportation* by P. Matthijs Bal and Martijn Veltkamp, 2013. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0055341>

Speaker-listener neural coupling underlies successful communication by Greg J. Stevens, Lauren J. Silbert and Uri Hasson, 2010. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2922522/>

[3] *How Stories Change the Brain* by Paul Zak in the Greater Good Magazine, 2013. https://greatergood.berkeley.edu/article/item/how_stories_change_brain

Storytelling increases oxytocin and positive emotions and decreases cortisol and pain in hospitalized children by G. Brockington, A. Gomes Moreira, M. Buso, S. da Silva, E. Altszyler, R. Fischer and J. Moll, 2021. <https://www.pnas.org/content/118/22/e2018409118>

[4] *Children, young people and audiobooks before and during lockdown* by National Literacy Trust, 2020. <https://literacytrust.org.uk/research-services/research-reports/children-young-people-and-audiobooks-lockdown/>

[5] *The Impact of Audio Book on the Elderly Mental Health* by Fereshteh Ameri, Naser Vazifeshenas and Abbas Haghpars, 2017. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5691168/>

Footprint

Well-being of the planet

Storytel aspires to be an environmentally responsible company that minimises its environmental impact. Emissions are calculated and reported in accordance with the Greenhouse Gas Protocol. With Storytel's ambition to minimise its environmental impact, a full Scope 3 report was prepared for 2021 to be able to set science-based targets and work towards net zero emissions.



Storytel aspires to be an environmentally responsible company that **minimises its environmental impact**

Highlights from 2021

- Carried out a full scope emissions mapping for 2020 and 2021.
- Introduced a recycling system for internal IT.
- Norstedts Förlagsgrupp's (NFG) efforts in 2021 resulted in 29% lower emissions for the printed book than previous year, going from 700 gCO₂e in 2020 to 500 gCO₂e per printed book.
- Introduced a fossil-free distributor of the Storytel Reader in Denmark.

[Learn more about the 2022 Footprint goals here](#)

Overview

The market-based approach has been used to calculate Storytel's environmental impact. System boundaries were defined using the control approach, i.e., covering all entities where Storytel has operational control. The report does not include emissions from Lind & Co, which was acquired in March 2021.

Storytel Streaming and Books

	Scope 1	Scope 2	Scope 3	Total
2021	26 tCO ₂ e	175 tCO ₂ e	19 415 tCO ₂ e	19 616 tCO ₂ e

	Storytel Streaming		Storytel Books	
	2021	% of total	2021	% of total
Scope 1	0	0%	26	0,1%
Scope 2	138	0,7%	37	0,2%
Scope 3	15 753	80,3%	3 662	18,7%
Total	15 891	81%	3 725	19%

Scope 1 and 2 Emissions

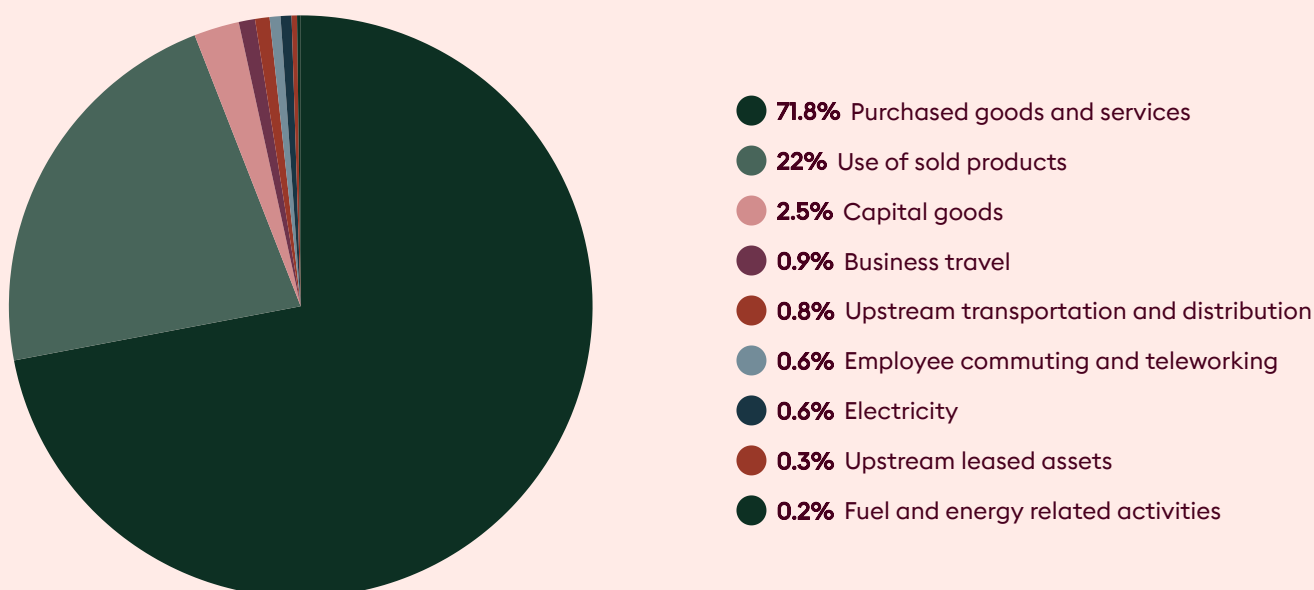
Scope 1 emissions made up 0.1% of the Storytel Group's total emissions in 2021. These emissions come from fuels, more specifically mobile combustion from company vehicles. Scope 2 emissions made up 0.9% of emissions in 2021 and come from electricity and heating at the Storytel offices.

Today, 31% of Storytel's offices are powered by renewable energy. By 2025, 100% of all Storytel offices should be powered by renewable energy using Energy Attribute Certificates in markets where renewable energy is not yet available.

Scope 3 Emissions

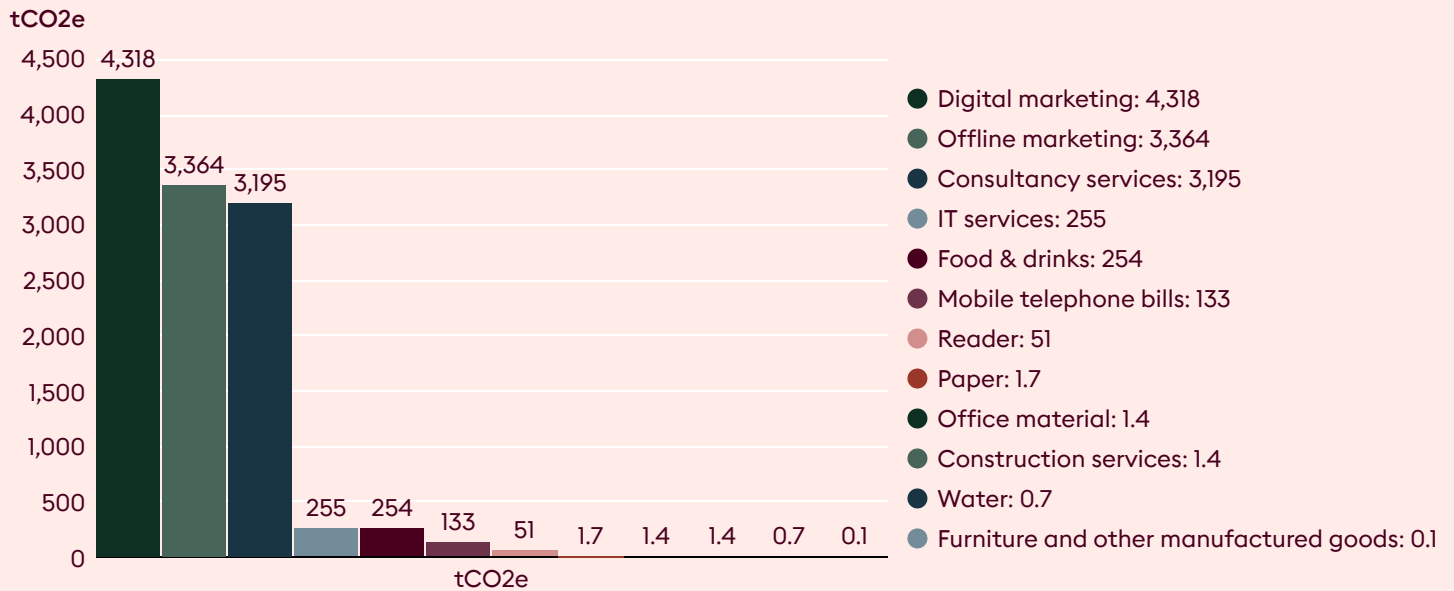
Scope 3 emissions made up 99% of the Storytel Group's total emissions in 2021. The categories of emissions that stand out are purchased goods and services and use of sold products.

Streaming Emissions by Source

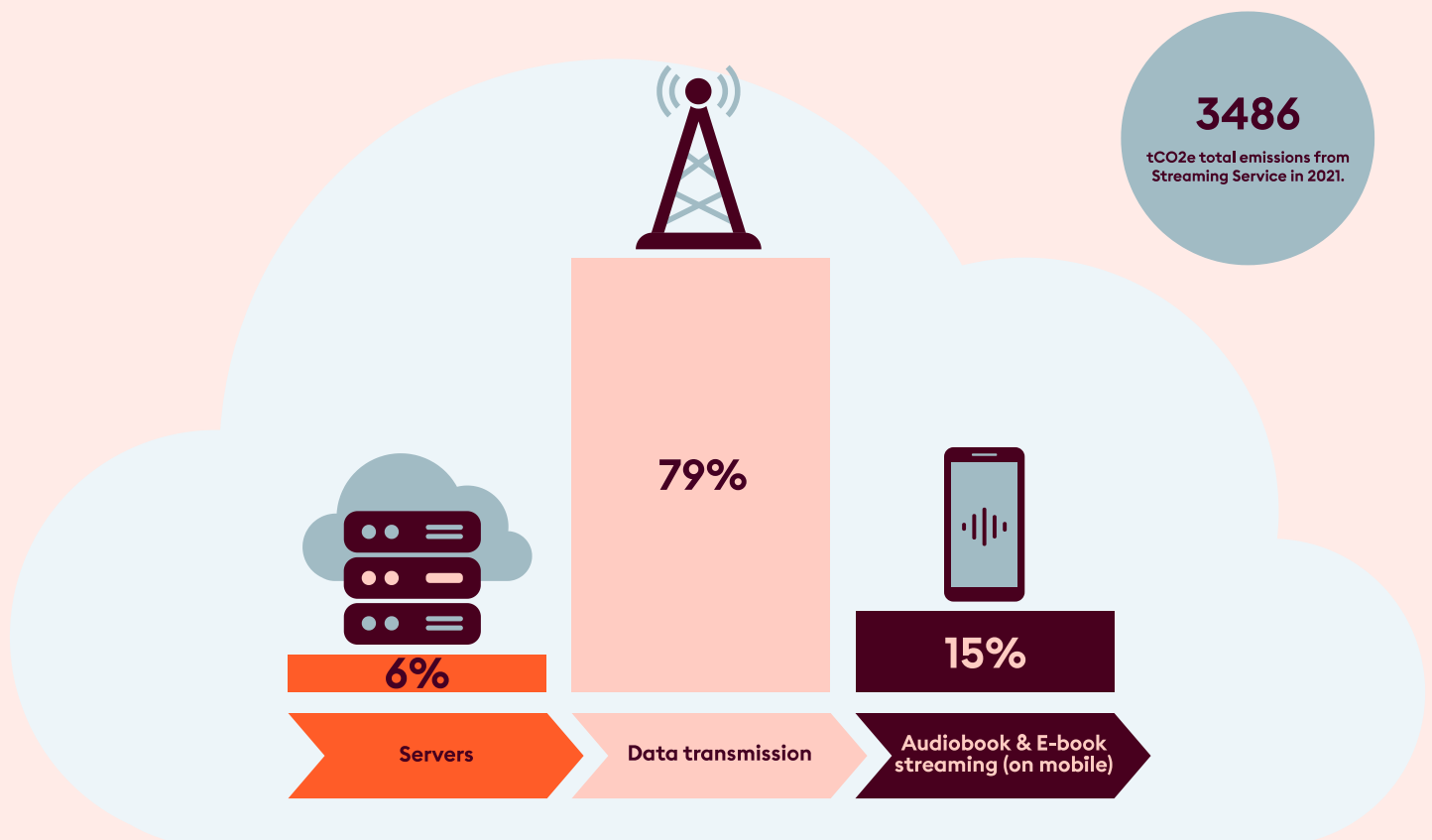


Purchased goods and services - Storytel Streaming

Total emissions deriving from purchased goods and services were 11 409 tCO₂e. The majority of the emissions in the purchased goods and services category come from marketing and consultancy services. In terms of marketing, 4 318 tCO₂e came from digital marketing, and 3 364 tCO₂e came from offline marketing. Consultancy services accounted for 3 195 tCO₂e.



Product breakdown

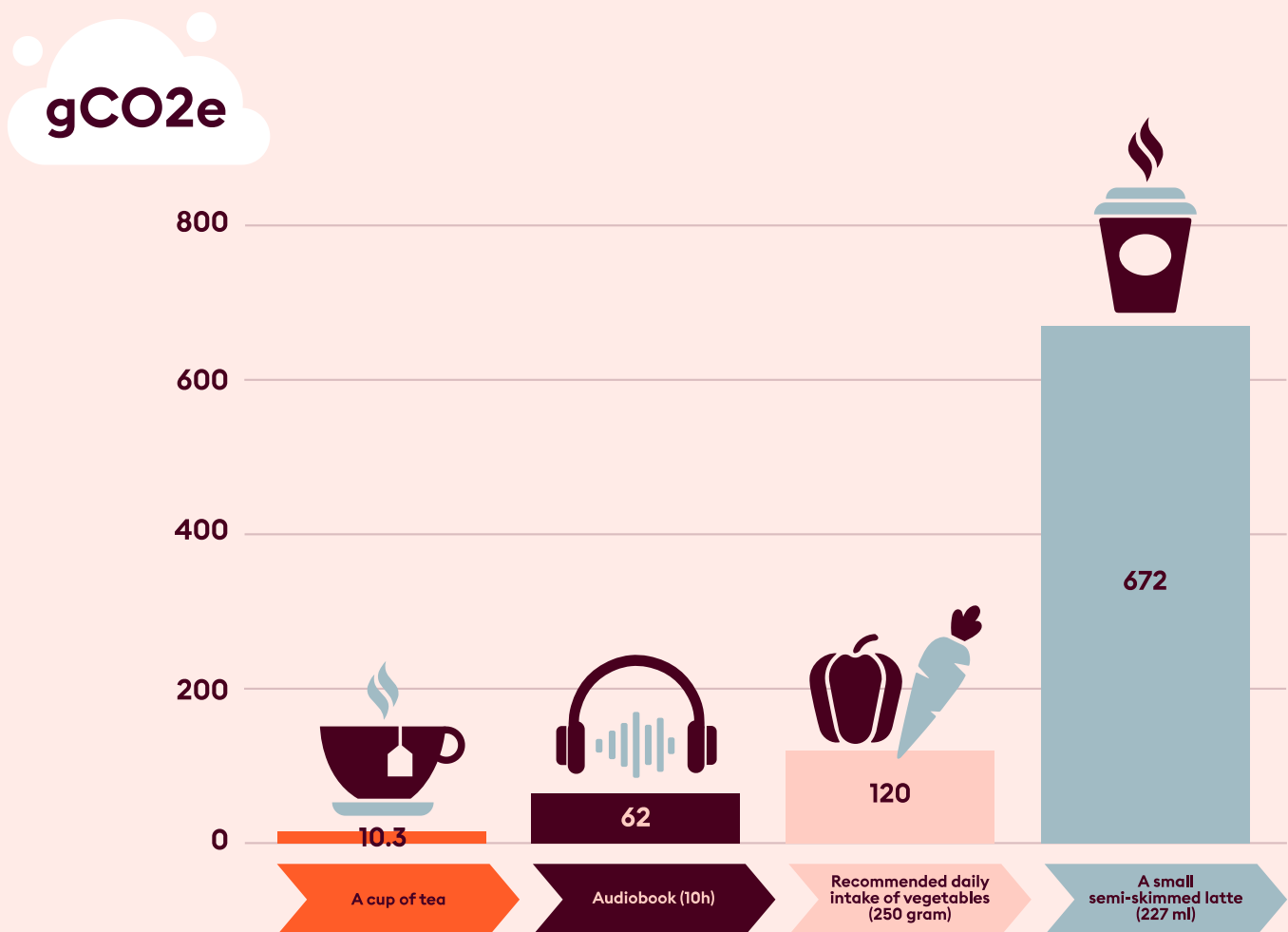


Streaming Service

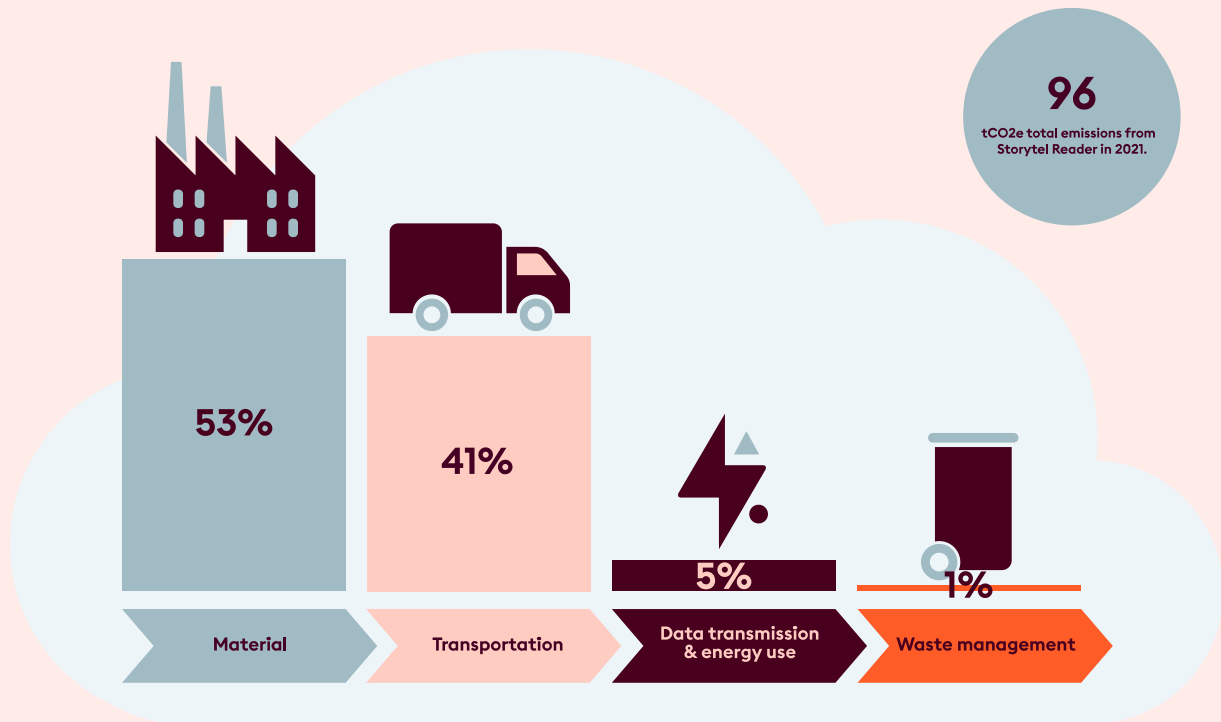
In 2018, Storytel set a goal to only power its Streaming service using renewable energy, and a key initiative has been to migrate the technical infrastructure to the Google Cloud Platform, which was completed in 2021. Google matches 100% of the energy consumed by its global operations with renewable energy and has committed to only use renewable energy in its operations by 2030. The next step is to evaluate the rest of Storytel's many IT services and make more sustainable choices in that regard. Some factors that contribute to emissions caused by the Streaming platform are beyond Storytel's direct control, for example what type of device users have and the energy source used to power it.

Audiobook Impact Comparison

One hour of listening to an audiobook on Storytel emits 6.2 grams of CO₂e.

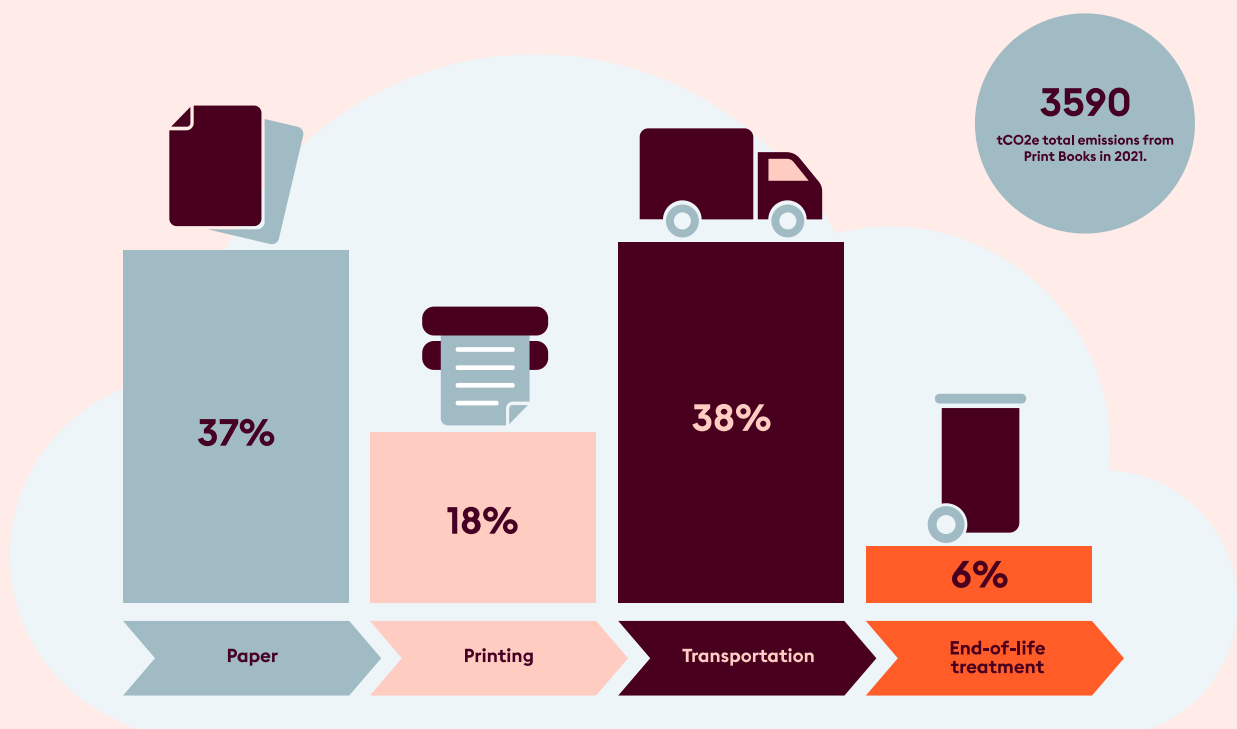


An audiobook of 10 hours corresponds to **about half of the emissions** generated by the daily intake of vegetables.



Storytel Reader

The majority of emissions from the Storytel Reader come from purchased material and the transportation and distribution of the product. The Storytel Reader is currently available in six markets: Sweden, Denmark, Finland, Iceland, Netherlands and Belgium. In 2021, Denmark onboarded a fossil-free distribution partner for delivery from the warehouse to the end user. During 2022, Storytel will evaluate the whole chain of logistics for Storytel Reader to reduce emissions further. By the end of 2022, the goal is to have 100% fossil-free deliveries from the warehouse to the customer in all Storytel Reader markets. Moreover, the team is investigating the possibility of selling used, but still functional, Storytel Readers to customers.



Print Books

Within the Print Books segment, emissions primarily occur from the paper required for the books and the transportation of the books. High-impact initiatives include using more sustainable paper for the books and transporting books in ways that are fossil free.

A printed book from Storytel Books emits on average about 510gCO₂e.

Norstedts Förlagsgrupp's (NFG) efforts in 2021 resulted in about 29% lower emissions for the printed book than previous year, going from 700 gCO₂e in 2020 to 500 gCO₂e per printed book.

2022 Footprint goals

- Commit to the initiative on science-based targets and create a reduction plan.
- Investigate emissions related to marketing to find action points for reduction.
- Launch Green Office Guidelines that cover purchasing, recycling and waste management.
- Power 50% of Storytel's offices with renewable energy.
- Launch a Travel Management Service provider that automatically tracks and measures the carbon footprint of all business travel.
- Introduce fossil-free distribution of the Storytel Reader from the warehouse to the customer in all markets.
- Initiate a sustainability committee for the publishers within Storytel Books to increase knowledge sharing and

Fingerprint

Well-being of people and partners

Storytel aspires to be an ethical and well-governed company that pursues sustainable growth. Storytel employees are the cornerstone of the company's ability to succeed, so making sure the employees thrive makes the business thrive. Growing sustainably also means ensuring ethical business practices and compliance across the organisation.



Storytel aspires to be an **ethical and well-governed** company that pursues **sustainable growth**.

Highlights from 2021

- Became a participant of the UN Global Compact.
- Incorporated the ten principles of the UN Global Compact into the Sustainability Policy.
- 95% of all employees feel included and that they can be themselves at Storytel.

[Learn more about the 2022 Fingerprint goals here](#)

Employee Working Conditions

Employee Satisfaction

Employee engagement is one of Storytel's most important metrics, and it is regularly assessed. The employee net promoter score (eNPS) is calculated by asking employees if they would recommend their employer as a great place to work. During 2021, Storytel's average eNPS score was 49, slightly lower than previous years but still high compared to the industry benchmark.

	2019	2020	2021	Industry benchmark (<i>CultureAmp</i>)	Long term target
eNPS	54	52	49	31	>50

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

- Storytel's People Mission Statement

86%

say that their colleagues really listen when there's something they need to talk about. - Employee Well-being Survey 2021



Work Environment

Storytel has a work environment committee that includes representatives from both employees and management. Storytel's Global Work Environment Policy outlines the work environment at Storytel and what is expected of each employee in terms of behaviour and responsibility. As stated in the Code of Conduct, Storytel has zero tolerance for harassment, sexual 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, Storytel will initiate an investigation and take appropriate action up to, and including, termination of employment. A whistleblowing function is in place to make it possible for anyone to anonymously report incidents.

Employee wellbeing

An important measure for creating a work environment where everyone feels safe talking about well-being and that prevents illness is to lower the threshold for asking for help. Storytel collaborates with an external company to offer employees anonymous sessions with therapists; this has provided a stepping-stone to talk more openly about mental health at Storytel.

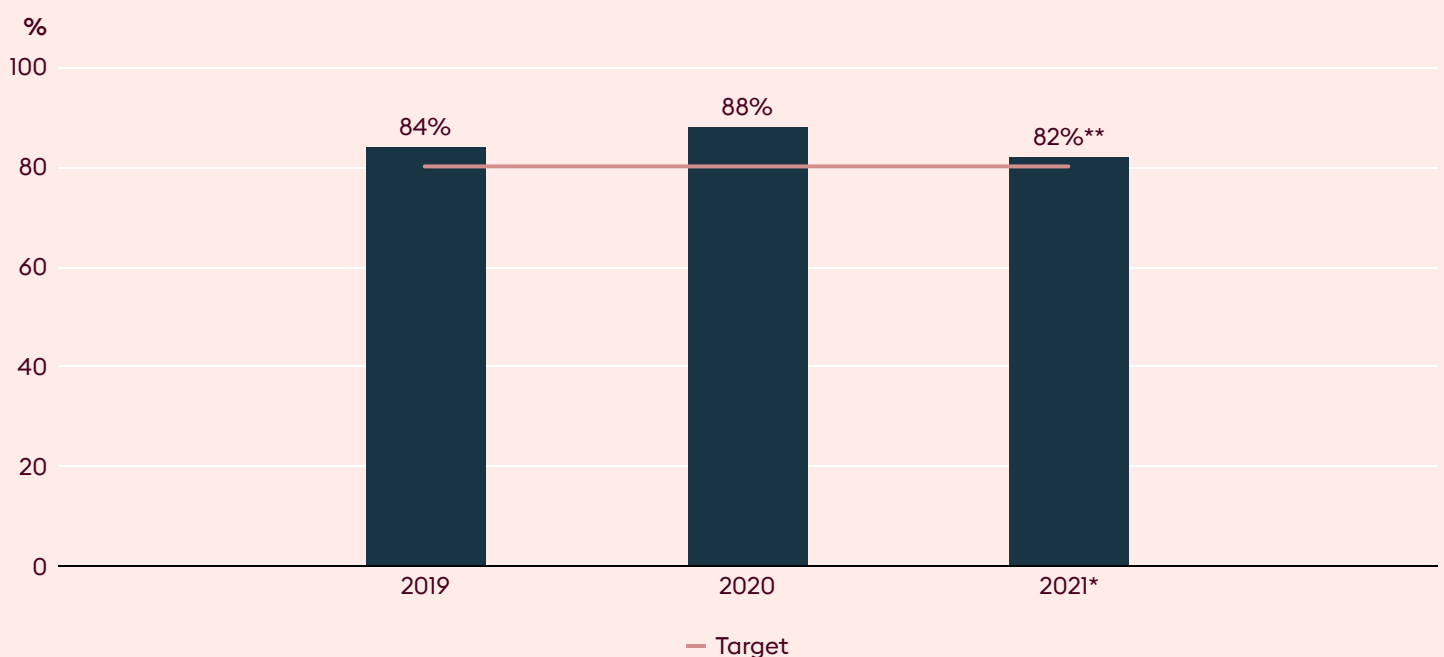
The pandemic made working from home the new normal, and this has presented challenges for the corporate culture, such as maintaining a sense of belonging and meeting new colleagues. Storytel has arranged a digital global conference each of the past two years, and 67% of all employees said they felt a stronger sense of belonging afterward.

Storytel has a **zero tolerance** for harassment, sexual harassment, bullying and retaliation.

Learning & Development

In 2021, Storytel launched peer-to-peer feedback, which means that employees are able to send feedback to their colleagues. Storytel employees have an annual appraisal with their manager to evaluate performance and development and set individual goals. Storytel strives to be an organisation where everyone feels comfortable giving feedback to colleagues and managers alike, with the intention of helping the other person grow and improving cooperation.

“Storytel gives me opportunities to grow and develop”



* In 2021, Storytel switched to a new tool for internal surveys, and following this change this question was broken down into several more detailed questions.

** Storytel is a great place for me to make a contribution to my development.

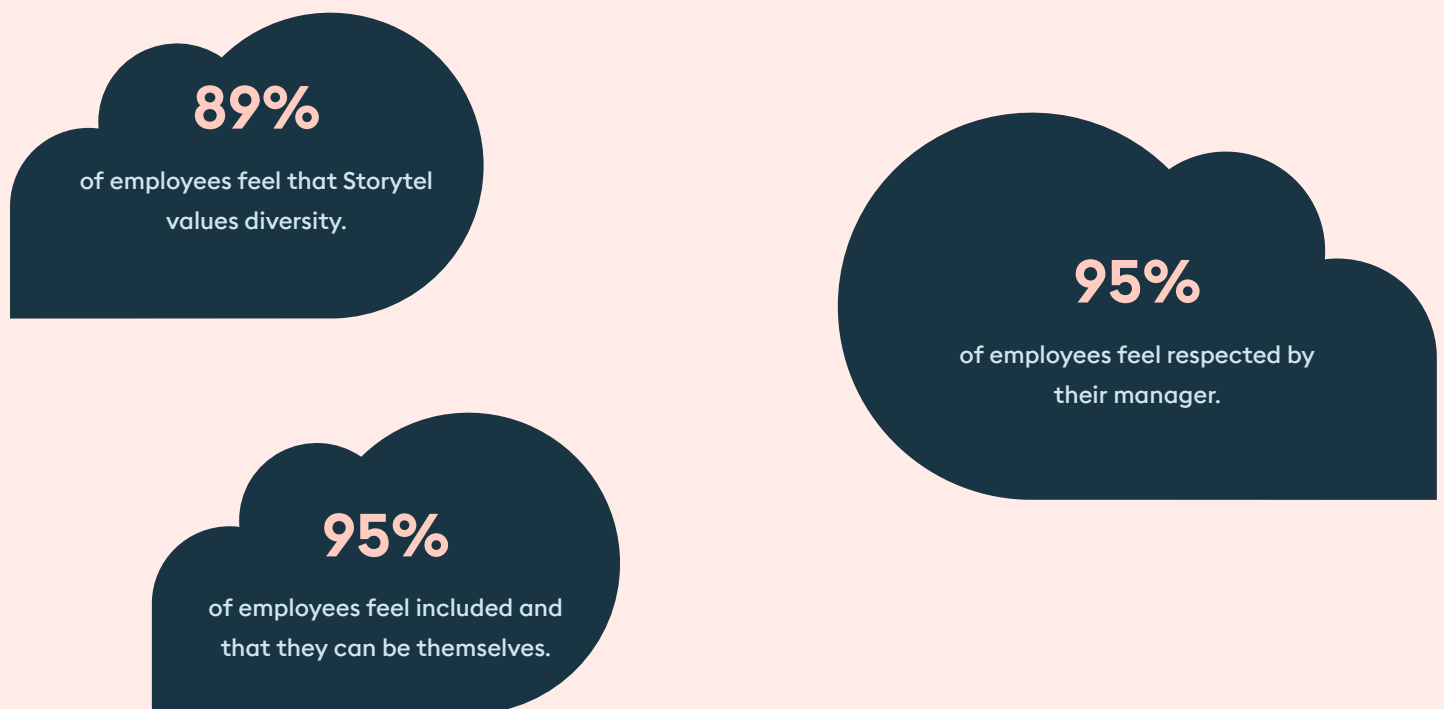
There is an individual budget set for each employee to use for learning and development. The manager and the team decide together how to allocate the budget during the year. Storytellers are also encouraged to take part in external training and webinars and are allowed to use their working time for this.

Storytel welcomes people of all genders, identities, disabilities, sexual orientations, ethnicities, ages, religions or other beliefs.

Diversity and Inclusion

Storytel has employees all over the world and welcomes people of all genders, identities, disabilities, sexual orientations, ethnicities, ages, religions or other beliefs. Storytel's Diversity Plan covers topics such as working conditions, salary practices, 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 71% of all employees are located, to detect and prevent gender pay gaps.

A Diversity and Inclusion survey was sent out in May 2021 to all employees at Storytel. The purpose of this anonymous survey was to evaluate the work that had been done within this area and to discover where more action is needed.



Equal Opportunity

One of the most important parts of Diversity and Inclusion is for there to be equal opportunity for everyone at Storytel to grow and develop. Storytel continuously works to create a more inclusive and unbiased approach to performance management and evaluation, for example through guidelines on how to evaluate performance at Storytel. These guidelines serve as a basis on which managers and employees can follow up development during the year. They are also used to make decisions on promotions and remuneration.

Age and Gender Distribution - Storytel Streaming

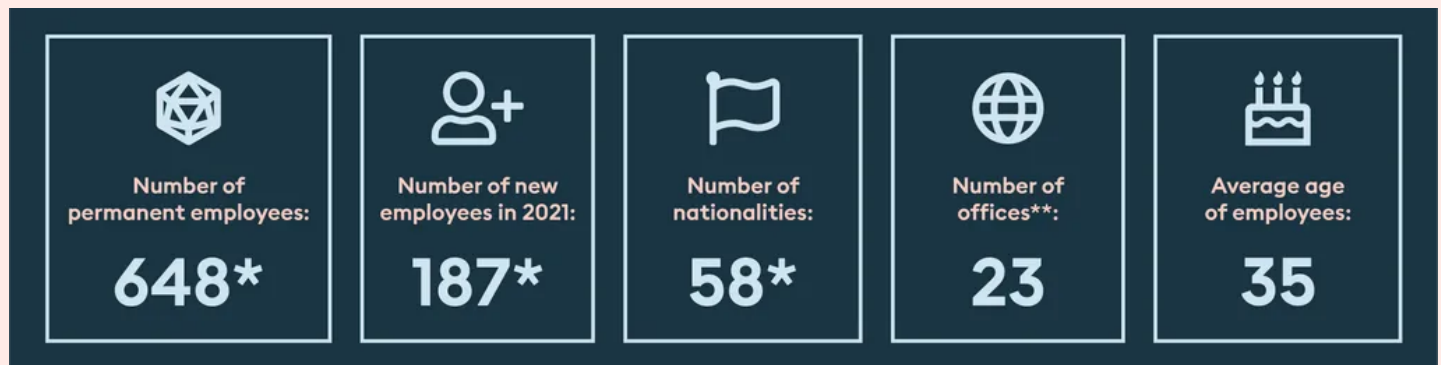
Data is based on permanent employees at Storytel Streaming (excluding consultants, temporary employees and interns) as at 31 December 2021.

Age Distribution

	<30	31-50	50+
Board of Directors	-	37,5%	62,5%
Management Team	-	83%	17%
Managers	7%	82%	11%
Employees	27%	69%	4%

Gender Distribution

	Female	Male	Other	Undeclared
Board of Directors	25%	75%	-	-
Management Team	50%	50%	-	-
Managers	48%	52%	-	-
Employees	52%	48%	>1%	-



*Data is based on permanent employees at Storytel Streaming (excluding consultants, temporary employees and interns) as at 31 december 2021.

** Storytel has multiple offices in Sweden, including Stockholm, Lund, Umeå and Karlstad.

Age and Gender Distribution - Storytel Books

This data includes Norstedts Förlagsgrupp, Gummerus and People's.

Age Distribution

	<30	31-50	50+
Board of Directors - Storytel Books	-	33%	66%
Management Teams	-	40%	60%
Managers	-	40%	60%
Employees	9%	67%	25%

Gender Distribution

	Female	Male	Other	Undeclared
Board of Directors - Storytel Books	33%	66%	-	-
Management Teams	67%	33%	-	-
Managers	90%	10%	-	-
Employees	86%	14%	-	-

Ethical Business Practices

Policies and Compliance

Storytel policies are vital documents for assuring compliance within the organisation and to steer Storytel employees to act ethically and in line with the Code of Conduct. There are several global instructions and guidelines that complement the policies and provide more information. The Code of Conduct is introduced during the recruitment process, and the onboarding program introduces new employees to the Storytel culture, the Storytel values and how Storytel operates as a business. 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 practices, and compliance training is part of the onboarding for all new employees.

Storytel's global policies cover the following areas:

- Work Environment
- Sustainability
- Risk Management and Compliance
- Finance
- Information Security
- Insider and Communication

Each policy is assessed and revised on an annual basis or more often if needed. Storytel's whistleblower function helps to ensure that unethical behaviour can be reported without employees fearing retaliation.

Storytel is a participant in the UN
Global Compact.



Commitment to Human Rights

In 2021, Storytel became a participant in the UN Global Compact (UNGC). Throughout the year, employees have learnt about the ten principles of the UNGC and what they mean to Storytel. Moreover, the principles have been incorporated into the company-wide Sustainability Policy. In the next few years, Storytel will continue to integrate the principles into the business and extend them across the value chain. A goal in 2021 was to introduce a global Supplier Code of Conduct, however this effort has been pushed to 2022 in order to integrate the ten principles into this document.

Within Storytel Books, Norstedts Förlagsgrupp, Gummerus and People's are all members of their national PEN Organisations. Norstedts Förlagsgrupp is also a member of the International Publishers Association, PEN International and a shareholder of WEXFO.

Anti-corruption and Fair Competition

Storytel is committed to fully complying with the applicable antitrust and competition laws and regulations in the countries in which it operates. Storytel does not tolerate corrupt behaviour, regardless of whether local legislation may permit such acts or not. Storytel's Code of Conduct outlines zero tolerance for bribes and corruption. As the company grows, so does its presence in countries where both legislation and the business operational environment may differ and be more challenging. This changing landscape has amplified the level of risk, in terms of both 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 its mandatory annual compliance program, Storytel works to mitigate these risks. In 2019, Storytel introduced a process for all new employees employed in Sweden and Denmark that requires them to sign the Code of Conduct as part of the employment agreement.

Protecting Intellectual Property (IP)

At Storytel, IP serves as the foundation on which the business can thrive. Storytel takes a strict and consistent approach against activities that infringe upon proprietary and licensed third-party rights. To ensure a persistent high level of quality, Storytel conducts awareness training related specifically to trademarks and copyrights and consistently works to ensure the use of high-level licence template agreements, especially in the area of copyright and neighbouring rights licence 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 honour contractual obligations and prevent misuse of the streaming service, copying and illegal file sharing.

Expansion and Acquisitions

Storytel actively focuses on expanding its business to 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 continuously develops its assessment processes prior to making decisions on geographic expansion or entering into acquisitions to ensure that different teams can systematically identify and assess factors such as legal and regulatory requirements, political risks, communication risks, technical risks and opportunities, financial commitments, strategic fit, taxes and content and publishing opportunities. Moreover, sustainability risks are considered, including labour and social issues as well as environmental issues, transparency and human rights. Final decisions on geographic expansion and acquisitions are made by the Storytel Board of Directors with this risk assessment in mind.

Industry Value

Since the start in 2005, Storytel has been one of the leading actors in the digitalisation of the book industry.

Storytel contributes to building and creating a catalogue of audiobooks with both new and existing stories. As a publisher of Storytel Originals, Storytel develops the audiobook format by publishing directly to audio. Storytel also produces licensed content, making existing books available in the audio format for the first time. When entering a new market, Storytel invests in building a catalogue in the local language with local publishers and authorships. 90% of all consumption in each market is in the local language, and the top 50 list in each market contains the same portion of local authors.

Storytel has a global catalogue of more than 700,000 titles in 39 languages; on average, 82% of all audiobooks in the local language in each market were fully listened to at least once during 2021. In Sweden, 99.5% of the audiobooks on Storytel's platform were fully listened to at least once during 2021. In 2021, more than 70% of the audiobooks consumed on Storytel were books that were released earlier than one year ago, also known as backlist titles. This helps older books and authorships experience renewed life and find new audiences.

Storytel seeks to be transparent with data and information with content partners. Via Storytel's Publisher Portal, publishers can access data about their digital titles.



99,5%

of the audiobooks on Storytel's platform were fully listened to at least once.

70%

of the audiobooks consumed on Storytel were books that were backlist titles.

90%

of all consumption in each market is in the local language.

Information Security, Data Protection and Customer Integrity

Overview

Information security and data protection are important to customers of digital products and services and are a central part of Storytel's overall work within compliance, risk and control. Storytel operates in a large number of countries both within and outside the EU/EEA, of which many have implemented a national data protection law. This entails high requirements on the organisation, both technically and on the organisational measures, and there is a risk that Storytel will not implement processes to accommodate this quickly enough or to the extent required.

Storytel's approach for implementing adequate levels of data protection is to have processes and procedures in place and make these an integral part of business operations. More specifically, Storytel's ambition with these 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 Storytel's services. In 2022, Storytel will continue to work with sustainable expansion, taking into account local data protection and information security requirements and strengthening internal processes, dedicated resources, and global collaboration within data protection and information security.

Policies and Processes

The Information Security Policy describes the overall principles set to proactively protect data, information, and IT assets from unauthorised use and inappropriate disclosure. For data protection, there are two main privacy governing documents: an external privacy policy for customers and an internal privacy instruction for employees. All of Storytel's central governing documents are supported by more detailed procedures. No affiliate in the Group may adopt practices that go against these governing documents unless required by national law.

Storytel's policies and processes are reviewed and updated continuously to provide accessible and practical information and tools for all employees. To implement data protection and information security into the organisation organically, Storytel has a data privacy coordinator network which continuously works to improve internal data protection processes.

Awareness Training

Storytel employees receive continuous information security and data protection awareness training to guarantee a basic understanding of these areas and practical ways of working to ensure compliance. Activities held in 2021 on information security and data protection included cyber risk workshops, increased efforts in security awareness training, new data protection training, and an increased focus on the requirements of information security aimed at third parties. A dedicated team was also established during the year with a focus on the security of IT products and platforms with a customer interface.

2022 Fingerprint goals

- Have an employee net promoter score (eNPS) for employee satisfaction over 50.
- Launch 1–3 employee well-being initiatives.
- Oversee Storytel's recruitment process to reduce unconscious biases and enable the business to identify and recruit talent.
- Through Storytel Books, support different international freedom of expression projects.
- Continue integrating the ten principles of the UN Global Compact into Storytel's operations.
- Launch a Supplier Code of Conduct that aligns with the UN Global Compact principles.

Communication on Progress (COP)

Since 2021, Storytel has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

The planet is facing enormous challenges. On the journey towards 2030, it's essential for Storytel to contribute to creating a better world. Storytel has pledged to incorporate the UN Global Compact principles into its strategy, culture, and daily work, and we commit to our involvement in projects and collaborative efforts that support the development of global sustainability goals. Sustainability must be a part of Storytel's DNA. I'm very proud to express continued support for, and commitment to, the UN Global Compact.

Storytel joined the UN Global Compact initiative in 2021. As a first step, the ten principles were incorporated into Storytel's company-wide sustainability policy. Since committing to the UNGC, information sessions have been held for the entire company, explaining what this commitment means and which Sustainable Development Goals we will focus on. Storytel employees have attended information sessions hosted by the network for members to learn about what we can do to accelerate further in 2022.

Please read our full Sustainability Report for 2021 to learn more about how we work with the ten principles and the UN Sustainable Development Goals, how we measure progress, and our focus areas for 2022.



Ingrid Bojner, Interim CEO of Storytel

