

Storytel Sustainability Report 2023

A Word from the CFO

In 2023 we continued on our profitable growth journey, with a sharpened focus on building a more sustainable business for the long-term. Our vision as a company is to make the world a more empathetic and creative place, and we believe it can be achieved by moving the world through story. In an unstable world and economy, we believe stories are more important than ever to help people relax, learn or simply escape for a moment. We are proud that 82 percent of all Storytel users report reading more overall since subscribing to Storytel.

We are committed to the UN Global Compact, and to work for the wellbeing of people and the planet, and a core focus for the Storytel Group is to prepare for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the reporting requirements in the ESRs. Having undergone significant downsizing of the workforce, resources are more scarce and the company needs to be extremely focused on the activities that have the largest impact. As such, we are concentrating our efforts on the areas related to social sustainability, which is where we believe the business can have the largest positive impact, and are recalibrating our efforts related to environmental sustainability. We have therefore decided to pause the development of Science-based targets until we have operationalized the CSRD requirements. In 2024, we look forward to conducting a double materiality assessment and gap analysis to future-proof our ESG operations and reporting practices accordingly.

Peter Messner,
Chief Financial Officer



Storytel's vision is to make the world a more empathetic and creative place.

Stories are common references that bring us closer. They help us think bigger, see beyond ourselves, and build understanding for our fellow humans.

Storytel's mission is to move the world through story.

Stories evoke emotions. Stories change the way we view the world. And the world itself. We make stories available for everyone to discover. Anytime. Anywhere.

About Storytel

Storytel aspires to be a leader in digital storytelling. The Storytel Group consists of two main divisions, Streaming and Publishing, which operate within the media & entertainment and print publishing industries, respectively. Being a digital platform provider of stories as well as a publishing group, allows Storytel to bring together the best of publishing and technology. By accessing stories via a digital platform, Storytel's subscribers can enjoy the benefits of reading and listening in a way that fits the modern lifestyle.

About the report

The Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act.

ESG at Storytel

ESG stands for Environmental, Social and Governance and makes up a well-established framework for corporate sustainability. Storytel has drawn from this framework and has divided its approach to ESG into Footprint, Brainprint and Fingerprint to create a better understanding and clearly showcase the impact Storytel has on society at large.

- Brainprint – Wellbeing of customers
- Footprint – Wellbeing of the planet
- Fingerprint – Wellbeing of employees and partners

Storytel's Materiality Assessment

Storytel carried out its first materiality assessment in 2018 to build a foundation for the initial sustainability strategy and focus areas. In 2022, Storytel updated the materiality assessment on a Group level. The goal was to identify material topics that are 1) value drivers for the Storytel Group, 2) closely aligned with the Group's most significant risks, 3) measurable and have clear ownership and accountability in the organization. As part of the process, the stakeholders were mapped, global sustainability trends were analyzed and 1,500 people across internal and external stakeholder groups, of which 959 were customers, were engaged. In 2024, to prepare for reporting in line with the CSRD, Storytel will perform a double materiality assessment.

ESG & Risk Management

On an annual basis, a risk assessment is carried out within the Storytel Group to identify, evaluate and prioritize the risks that are most important for achieving set business objectives within the Group. Thereafter, appropriate activities are decided upon in order to either reduce the probability of the risk occurring, or to mitigate any consequences. Risks are assigned to an owner who is responsible for monitoring and following up on decided activities and their impact on lowering the risk as intended. A review and status reporting of the most significant enterprise risks are carried out at

least annually and included in reporting to the Audit Committee and Board of Directors. ESG-related risks are part of the Group-wide risk assessment, and a description of the significant risks and related risk responses for the Group can be found in the Governance Report.

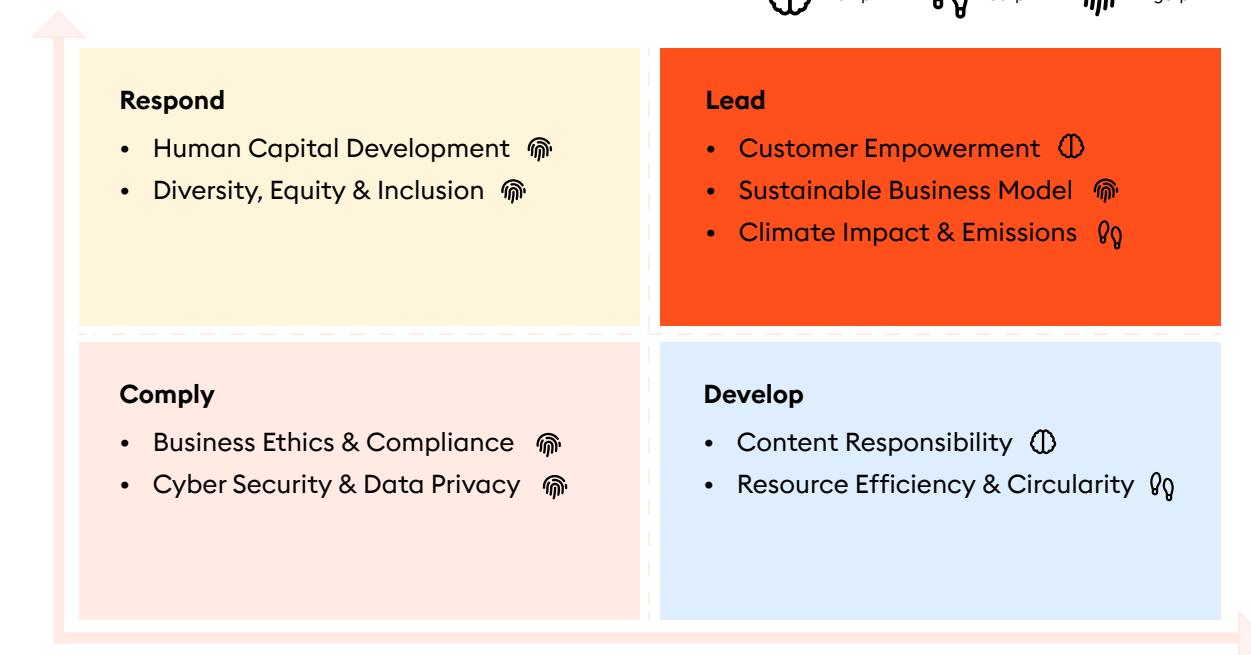
Division of responsibilities

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, which the Board of Directors review

and approve. Storytel has a Strategy & ESG Committee within the Board of Directors. The purpose and objective of this Committee is to ensure the Board's fulfillment of the supervisory and reporting responsibility in relation to environmental, social, and governance (ESG) matters of the Company. The Strategy and ESG Committee shall ensure that the Company operates strategically and systematically with sustainability across the business, manages goal-setting and reporting processes, strengthens relations with external stakeholders, operates with high business ethics and supports the Board in fulfilling its responsibilities.

Group View of Material ESG Topics

Materiality Assessment on Group Level



Brainprint

Wellbeing of customers



Objective in 2024

Help more than 1.15 million people consume one book per month.

Customer Empowerment

Storytel is on a mission to help people discover the right stories at the right time, promote reading and make books more accessible and compatible with everyday life. Stories improve our wellbeing as the brain releases the “feel good hormone” oxytocin¹, and can help people relax and unwind². Stories also provide tools that empower people in emotionally and practically challenging times. Whether a person wants to learn something, find a moment of comfort, or just feel less bored, Storytel gives them the power to do so. Storytel wants to help people read more, and our purpose is to empower and enhance the wellbeing of people through stories.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Brand strength	Customers	Code of Conduct
+ Customer Attraction & Retention	Partners	Brand Platform
+ Partnerships		
- Loss of subscribers		

Storytel offers the best stories for me. It is time well spent.

Whether you are looking for entertainment or simply want to learn something new, Storytel is the place to be. We create captivating original stories, and with over a million stories in all genres, we have something for everyone.

Brand values

Progress

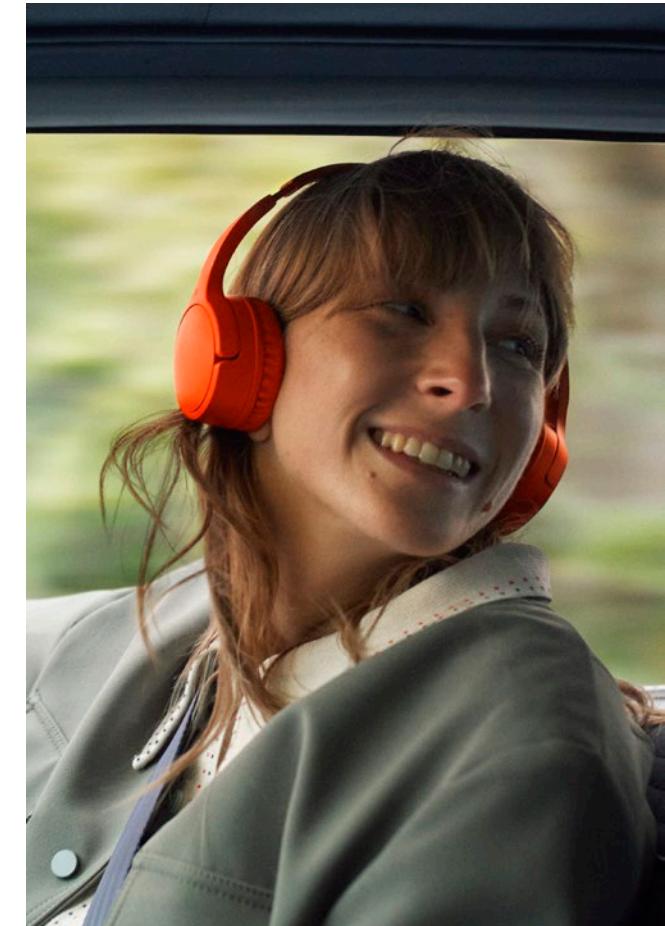
We constantly strive to change things for the better.

Passion

We love stories and are passionate about letting more people discover them.

Empathy

We build our relationships on empathy and respect.



¹ *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

² *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>

² *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/>

A product that enables people to consume more books

Storytel's goal for the core user experience is to make it easy for as many people as possible in the world to consume at least one book per month. Our guiding metric is the number of people consuming stories for 10 hours or more per month, which roughly translates to one book.

Amounts in thousands	2020	2021	2022	2023	2024 Goal
Number of people consuming stories for 10 hours or more per month (Q4 average excluding Audiobooks.com)	680	828	909	994	1,150

On a global level, the average user spends ~30 hours per month on the Storytel platform, which means that Storytel is a truly integrated part of users' everyday lives. In the Nordic region, +40% of all paid subscribers listen to Storytel every day.

	2020	2021	2022	2023
Subscribers who read more books with Storytel	80%	81%	82%	82%
Subscribers who read books more often with Storytel	80%	81%	82%	81%
Subscribers who explore new genres with Storytel	60%	60%	62%	62%

The Storytel survey was sent out on an ongoing basis throughout 2023 to a total of 23,616 users across Storytel's geographic markets.

Product Missions

Storytel's product teams have two missions for the core experience: To help users find the right stories, and to help users enjoy those stories. The product missions guide Storytel's product development, and assure prioritization is in line with the overarching missions.

To help users find the right stories, Storytel works to deliver a great mix of algorithmically personalized and editorial recommendations to provide an inspiring and engaging story-exploration experience. In 2023, big investments were made into upgrading the infrastructure of our recommender to make sure we can keep scaling and improving the relevance of each user's book recommendations. Also, Storytel has focused on creating a more immersive exploration of stories to lower the threshold of finding the next great book, for example through the introduction of video trailers.

To help users enjoy their stories, our focus is on providing a reliable and seamless reading and listening experience that makes consumption of stories both easy and delightful. A highlight from this category in 2023 was the introduction of Voice Switcher. An innovation that aims to solve the

fundamental problem with audiobooks that different users have different tastes in narrator voice. Voice Switcher is a new feature that lets users personalize their listening experience by seamlessly switching the narrator voice to one of their liking. Made possible through the use of generative AI and speech synthesis, and currently available for a selection of titles in English, Swedish and Polish.

Research Study GIH

In 2021, Storytel partnered with a research project led by The Swedish School of Sport and Health Sciences, GIH, which aims to understand how physical wellbeing is connected to mental wellbeing. In phase 1 of the study in 2022, 2,700 14–15 year old Swedish students got a prolonged school day by 60 minutes three times per week to do physical activities such as audiobook-walks provided by Storytel. The students were then evaluated on sedentary time, physical activity, cognitive functions, mental health, self-esteem and motivation. In 2023, the study was conducted on a bigger scale and final results will be presented in 2024.

Accessibility

Storytel works to develop products that are inclusive and accessible. Developing the Storytel product with accessibility criteria considered is an integral part of product development as the company prepares for compliance with the Web Content Accessibility Guidelines. Recent developments include conducting an accessibility assessment of the Storytel app, introducing new digital ID colors with sufficient color contrast, and accessibility training for app developers and testers.

Promoting children's reading (Storytel Books)

The Great Reading Challenge, Sweden's largest reading competition, was organized for the third time in 2023. A record number of fourth-grade classes participated, with an impressive 45,000 fourth graders crossing the finish line—approximately 40 percent of the country's students, and a remarkable 60 percent more than the previous year. Together, they read over 1,000,000 hours, averaging 20 minutes per day per student throughout the competition period, from September 15 to December 1. Participating classes reported a more than 60 percent increase in reading time during the fall. The goal of *The Great Reading Challenge* is to support the promotion of reading fitness and contribute to making reading a daily habit. The competition offers numerous activities with competition leaders, participating authors, and selected idols, along with comprehensive digital materials and, not least, an attractive prize pool as motivation. In 2023, all participating classes were also provided with a physical book and inspiration package, thanks to a generous grant from Skandia Ideas for Life. The initiative was made by Rabén & Sjögren and today we cooperate with Adlibris, Bonnier Carlsen, and Natur & Kultur.

During 2023 Rabén & Sjögren and B. Wahlström continued its inspirational events 'Läslust' (Reading Passion) held throughout Sweden, specifically targeted at those working with children and reading in grades 1–6. Librarians, teachers and school librarians meet authors and illustrators who share insights into their work, their books, and engage in discussions on how we can encourage children to love reading and explore new worlds. The events are free of charge.

Content Responsibility

Organizations that create and distribute content hold a powerful position in society through the impact and influence of that content. Storytel has a broad catalogue of content, which is a mix of content produced by companies within the Storytel group across all of the local markets, and of 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 freedom of expression, and through diversity and pluralism in its content, Storytel aims to facilitate understanding and cultivate empathy in its readers, while being compliant with local laws and regulations.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Trust & Safety for users	Customers	Content Guidelines
- Reputational damage	Authors	Content Sensitivity
- Legal proceedings	Publishers	Mapping
- Failure to protect content rights		Content Contingency Plan

Content Guidelines

Storytel's Content Guidelines consist of two parts. The first part are Technical Criteria, which refer to the technical and editorial quality of audiobooks and e-books. For example, each title must have proper credit, a registered publisher and correct metadata. The second part are the Content Principles, which refer to the compliance of the content with legal and ethical standards. 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. If a title breaches the content guidelines, Storytel can remove it from the service.

To complement the content guidelines, Storytel has performed a content sensitivity mapping to better understand topics that are culturally sensitive in each local market, and to assure appropriate considerations related to that. Storytel has also developed a content contingency plan to guide

Storytel employees in critical situations connected to the content in the service. The plan points out three broad areas of risk, and how to handle these:

1. Breach of rights
2. Ethically questionable content
3. Harmful content

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. They are responsible for updating the Content Guidelines toward publishers and authors when necessary, and they work to resolve content-related issues both proactively and reactively. Users, employees, partners or 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 in the organization to give a collected Storytel view on content reported as illegal, unethical 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.

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. Curation can also be used to quickly withdraw a reported title while it is being investigated by the Content Committee, and is awaiting a formal decision.

Storytel has a function called Kids Mode in the app, which 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 explore stories safely on the Storytel platform.

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 high 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 neighboring rights license agreements. Storytel strives to be a safe place for publishers and creators to harbor their rights – and works to protect the integrity of each title. We invest 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.

Footprint

Wellbeing of the planet



Objective in 2024

- Align our data collection and reporting with the CSRD/ESRS.

Climate Impact & Emissions

Companies play a central role in driving down greenhouse gas emissions, and in building a resilient zero-emissions economy. The race is on to limit global warming to 1.5°C and prevent the worst effects of climate change. Storytel is committed to reducing the environmental impact from its direct and indirect business operations in order to help protect the planet.

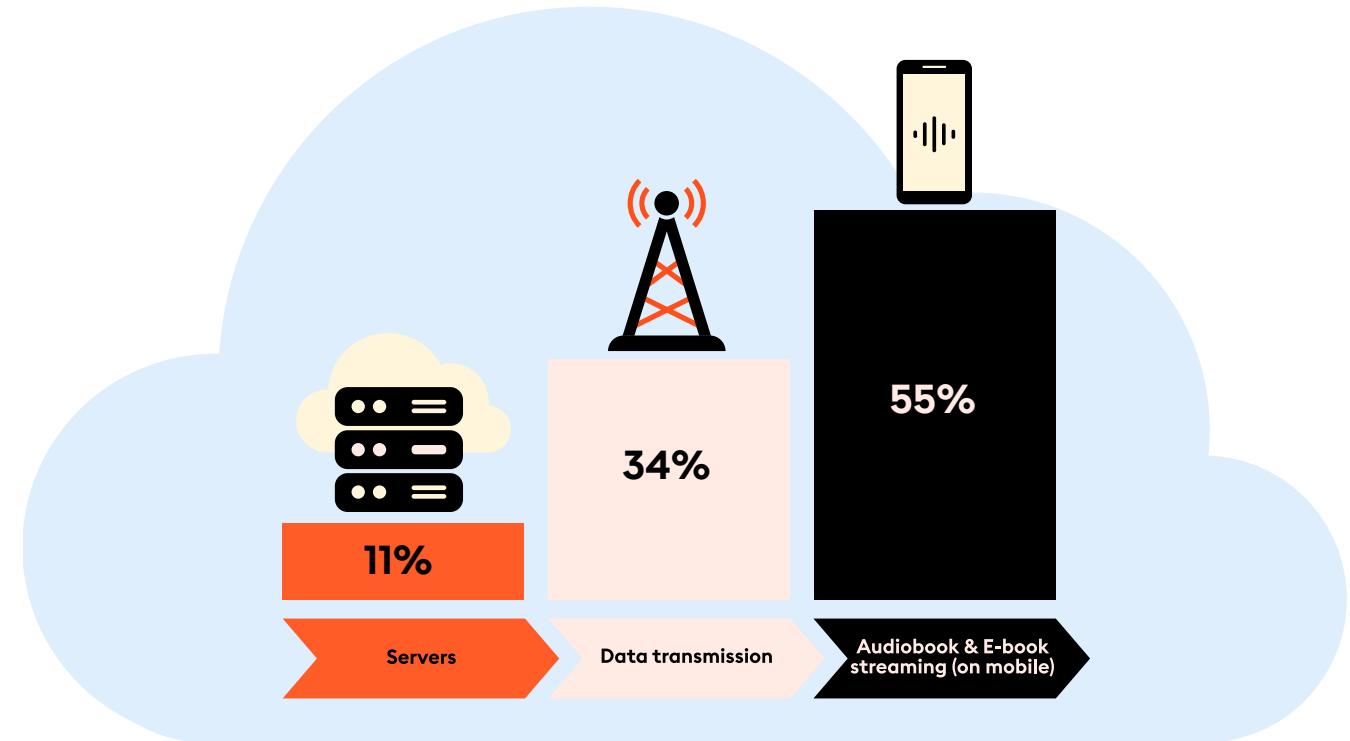
Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Future-proofing the Business	Investors	Code of Conduct
+ Access to financing	Employees	Travel Guidelines
- Rising cost for emissions	Authors	
- Reputational damage		

Climate impact from audiobook streaming

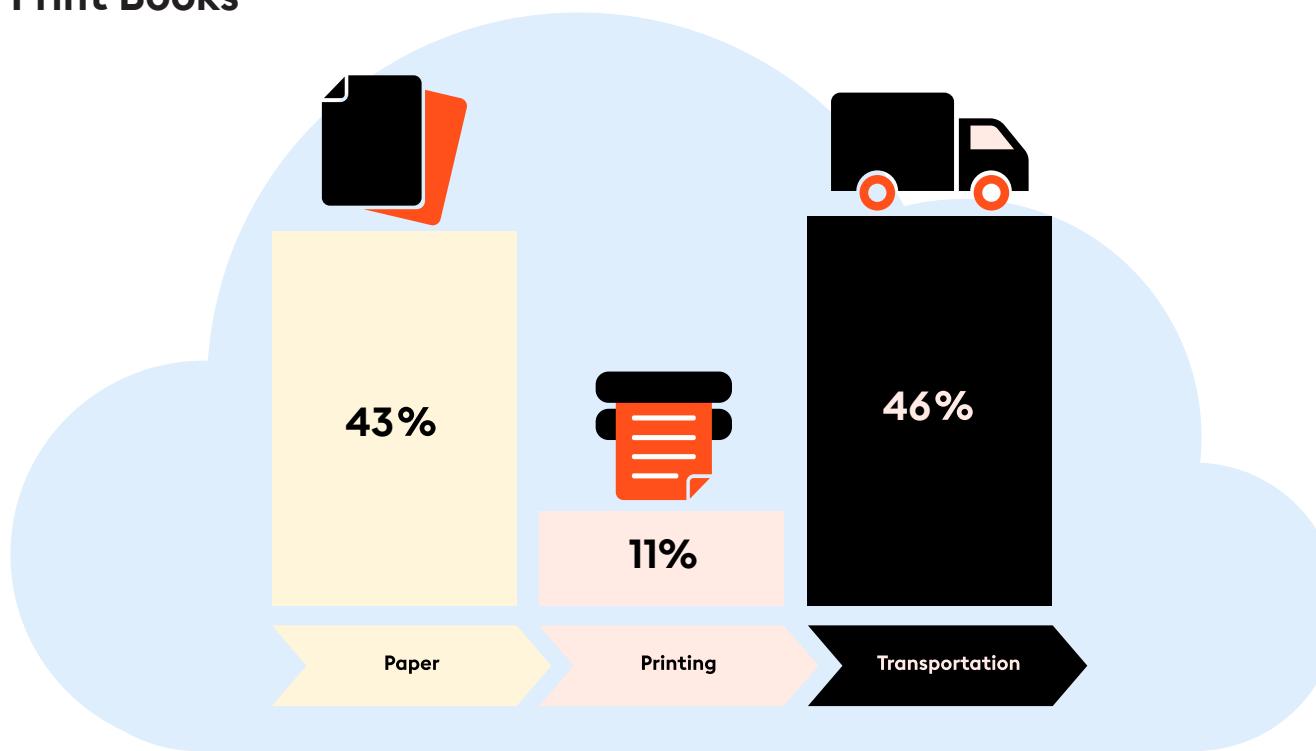
Storytel is a user of Google Cloud Services to run the streaming service. Google has carbon neutral operations, and is working towards running on carbon-free energy at all of its data centers by 2030. Although Storytel's net operational emissions from Google are zero, we are optimizing cloud utilization, for example by identifying underutilized resources, and implementing changes to reduce waste.

Looking at the value chain, the main sources of emissions come from the energy required for data transmission and from the device used to stream an audiobook. One hour of listening to an audiobook on Storytel emits 2.3 grams of CO₂e.

Streaming service



Print Books



Climate impact from print books

Within the Publishing segment, emissions primarily occur from the paper required for printing the books and from 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. One printed book from Storytel Books emits on average 344 grams of CO2e.

Overview of emissions within Storytel Books

The market-based approach has been used to calculate Storytel Books' environmental impact. System boundaries were defined using the control approach, i.e. covering entities where Storytel has operational control. Storytel Books does not yet include emissions from Lind & Co, in which the Storytel Group owns 70 percent of the shares.

Storytel Books

tCO2e	Scope 1	Scope 2	Scope 3	Total
2022	24	47	3,102	3,174
2023	18	49	1,731	1,798

During 2023 Storytel Books made some additional changes to lower the climate footprint. Among them are the following actions:

- We avoid air freight.
- We pack multiple sets of smaller print runs on the same pallet, rather than having pallets for each print run to minimize the waste.
- We choose the wood quality with the lowest impact.
- We use a new, low impact uncoated paper quality.

The decrease in emissions from Scope 3 in 2023 is driven by:

- The volume of printed books was smaller than the year before.
- We have lowered the paper weights used.
- We have printed fewer four-color books.
- We have improved data on paper qualities, calculating on data from Life Cycle Assessment (LCA) and Environmental Product Declarations (EPD).
- We have enhanced and acquired more detailed data from paper mills.
- Transportation emissions have been reduced through the use of lower weights.

Resource Efficiency & Circularity

Supply chains are the engines of today's global economy, serving to deliver goods and services around the world. A sustainable supply chain integrates ethical and environmentally responsible practices into a competitive and resilient model. As a signatory of the UN Global Compact, Storytel wants to engage with its suppliers to address environmental impacts, apply the precautionary approach, and promote greater environmental responsibility and the usage of clean technologies across its value chain.

Opportunities & Risks	Primary Stakeholders	Steering Documents
+ Industry Leadership	Suppliers	Code of Conduct
+ Decreased Scope 3 Emissions	Authors	Supplier Code of Conduct
- Reputational damage	Employees	
- Increased supplier costs		

Sustainable Book Publishing

We strive to develop print production with environmental labels that place high environmental requirements. As part of the environmental work, almost all books within the publishing group are printed on FSC-certified paper (Mixed Sources). Furthermore, all non-books products within the company are CE-certified (Conformité Européenne) according to European regulations.

In our sustainable practices, we consistently evaluate lower grammage options based on the final product. We



prioritize the use of wood-containing paper for black and white books, emphasizing eco-friendly choices. Our decision-making process involves utilizing a footprint list to carefully select paper with the lowest environmental impact. To further enhance sustainability, we minimize the usage of color proof prints, promoting a reduction in resource consumption. In line with responsible file management, we adhere to the correct FOGRA standard when sending PDF files, ensuring efficiency and precision in our printing processes. Additionally, we opt out of post-press finishing options such as foil, special laminate and cloth spine, aligning with our commitment to simplicity and eco-consciousness. Emphasizing aesthetics without compromising sustainability, we favor embossed front and back sheets over colored alternatives.

In our production strategy, we advocate for responsible quantities, printing lower volumes to avoid excess inventory and potential damage. Exploring innovative solutions, we consider seamless printing-on-demand methods to minimize waste and optimize resource utilization. Collaborating with suppliers who share our environmental values, we actively engage in efforts to reduce their environmental

impact. This collaborative approach includes offsetting the remaining environmental footprint, with ongoing improvements year by year. Our commitment to sustainable practices extends throughout our production chain, reflecting our dedication to a greener future.

Unsold books are recycled in cooperation with our distribution partner Speed Logistics, which in turn engages a paper recycling center. The unsold books are chopped into small pieces and pressed into bales, which the paper recycling center runs to paper mills for reuse. These can be recycled 6-7 times before the fiber is consumed. Books with lower recycling quality, for example plasticized or thinner books with little paper are taken care of in another flow to become paper material.

Supplier Engagement

Since 2021, Storytel Streaming has a Supplier Code of Conduct that is aligned with the UN Global Compact principles for responsible business. This SCoC extends to suppliers' subsidiaries, employees, consultants, subcontractors and other representatives. The Code of Conduct outlines expectations on Suppliers' work with:

- Labour rights
- Workplace safety
- Diversity, Equality and Non-discrimination
- Anti-corruption and anti-competitive behavior
- Personal data and confidential information
- Environmental responsibility

Since 2013, Norstedts Förlagsgrupp has enforced a strict Code of Conduct for its Suppliers worldwide, and prioritizes suppliers who have a clear environmental policy. The code of conduct is based on internationally adopted initiatives and standards, such as The UN's Global Compact, the UN's declaration of human rights, the UN's conventions on children's rights and abolition of all forms of discrimination against women, OECD guidelines for multinationals companies and ILO conventions. Suppliers of both goods and services to Norstedts Publishing Group must meet the requirements of The Code of Conduct and take measures to ensure that their subcontractors meet the requirements of the Code of Conduct.

Fingerprint

Wellbeing of employees and partners



Objectives in 2024

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

Sustainable Business Model

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

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

Storytel Streaming's Business Model

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

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

Creating value for the Industry

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

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

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

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

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

Human Capital Development

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

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

Overview of The Storytel Group

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

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

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

Career Development

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

Learning & Development

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

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

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

Employee Engagement

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

In 2023 Storytel sent out the Engagement survey through the newly implemented HR-system HiBob for the first time. Since the overall engagement score is measured and shown

differently compared to previously, it's not possible to make a fair comparison, but it still offers a valuable insight on the current engagement level scoring 3.74 out of a total of 5.

Employee Wellbeing

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

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

Compensation, Benefits & Incentives

Fair and Competitive Compensation

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

Loyalty programs

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

Parental Salary

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

Hybrid Work

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

Public Flexible Holidays

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

Diversity, Equity & Inclusion

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

Opportunities & Risks	Primary Stakeholders	Steering Documents
<ul style="list-style-type: none"> + Employer Brand + Relevant catalogue and service for a global audience - Failure to attract and retain key personnel 	Employees Authors Investors	Code of Conduct Plan for Diversity Supplier Code of Conduct Work Environment Instruction

Diversity Plan

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

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

Board Diversity

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

Equal opportunities

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

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

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

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

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

Leadership

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

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

Diversity, Equity, Inclusion & Belonging initiatives

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

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

Age and Gender Distribution – Storytel Streaming

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

Age distribution

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

Gender distribution

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

Age and Gender Distribution – Audiobooks.com

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

Age distribution

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

Gender distribution

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

Age and Gender Distribution – Storytel Books

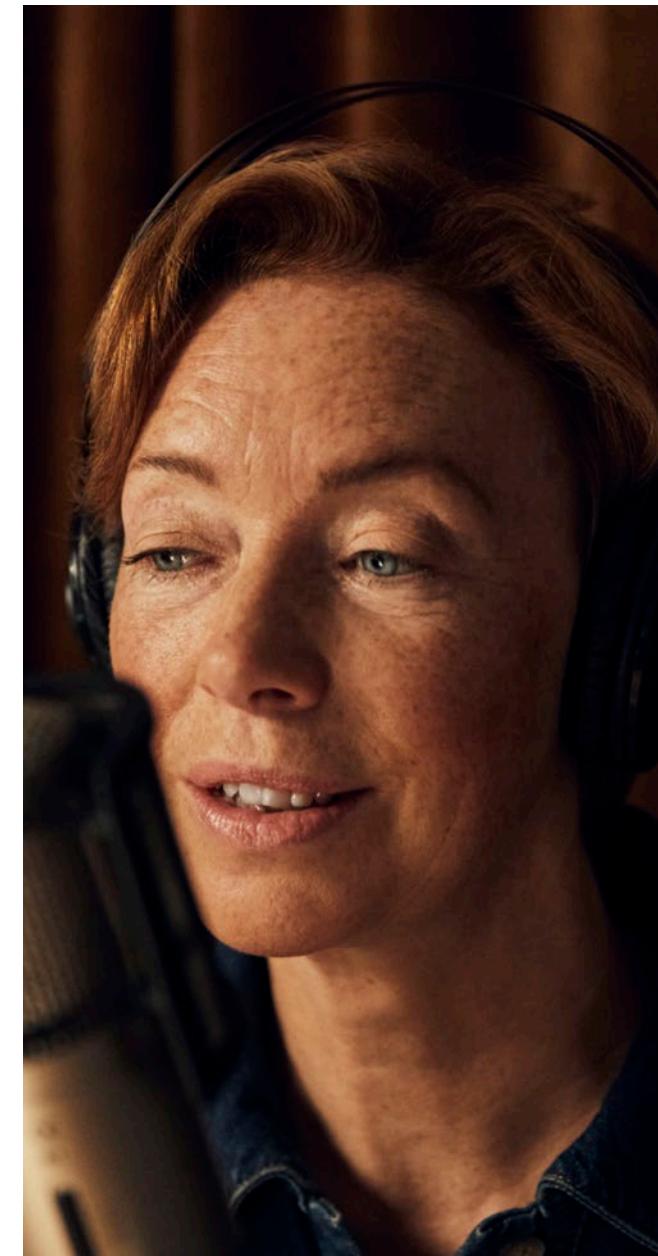
Data is based on permanent employees of Storytel Books (excluding consultants, temporary employees and interns) as of 31 December 2023. This includes Norstedts Förlagsgrupp, Gummerus, People's, Aula & Co and Lind & Co. Each Publishing House has its own Board of Directors and Management Team.

Age distribution

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

Gender distribution

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



Business Ethics & Compliance

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

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

Policy Development

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

Compliance Process

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

Anti-corruption, bribery and fair competition

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

Whistleblowing Tool

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

Work Environment

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

Commitment to Human Rights

In 2021, Storytel became a participant in the UN Global Compact (UNG). Storytel has incorporated the 10 principles in the internal Code of Conduct, and the external Sup-

plier Code of Conduct requires suppliers to operate in line with the UN Global Compact principles.

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

Corporate Sustainability Reporting Directive (CSRD)

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

Cyber Security & Data Privacy

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

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

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

Organization, processes & procedures

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

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

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

- Information security policy
- IT Policy

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

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

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

Security and data protection team

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

Security Audit & Assurance

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

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

Vulnerability Disclosure Program

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

Awareness Training

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

Third-party security

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

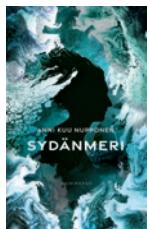
Impact through publishing



“Vega upptäcker återvinnning” by Ellen Hall

Vega has just finished her afternoon snack, a banana. She throws the peel in the brown bag underneath the sink. But what happens to the banana peel after she has thrown it in the bin? And what happens to the metal cans and glass bottles you sort separately? Freddie knows! Freddie is Vegas' neighbor who works as a dustman. Vega gets to come with him in the truck and follow the garbage through its lifecycle. Follow along to the waste facility and recycling center and learn about waste management, recycling and how waste can become something new.

In this picture book for 3–6 year old kids we get a delightfully entertaining and informative factual insight with wonderfully detailed illustrations for everyone curious about how we harness resources for a more sustainable society. ‘Vega Discovers the City’ is a fact series exploring the city and how it operates. This is the second installment in the book series.



“Sydänmeri” by Anni Kuu Nupponen

The old sea guard Maria suffers from constant pain. He knows how to control the currents of the sea, calm the storms and create words through the waves. But because of the deeds of the past, he is chained to the land and only sea water can ease his pain. The sea is big and deep, capricious like its guardians, and oceanographer Quentin knows this. Still, he asks Maria to guide young Miguel to the mythical secrets of the sea guards.

Sydänmeri (The Sea of Hearts) is a magical declaration of love for the sea and a fictional distress call for marine protection.



Emelie Persson grew up in Falkenberg. She had a great childhood but as far as she can remember always felt a bit different. Everyone in the family has blue eyes, while hers is almost black and the hair dark. Everyone in the family is calm and thoughtful but Emily always expresses her opinions, she has a hard time sitting still and even harder to stay quiet when being told to do so. Her parents often hear “she cannot be your daughter”. In a heated moment her dad bursts out that he is in fact not her biological father. Her world turns upside down when she finds out she is a child from a sperm donor.

As Emily grows into adulthood creating her own family, the questions about her origin keeps nagging her. In 2018 she calls up Hallands hospital and gets to speak with the fertility doctor that helped her parents in 1986. What she didn't know then was that this phone call was the beginning of a hidden story about stolen sperm, unknowing sperm donors and an extensive scandal.



“Dø, om så det gælder” by Abud Mustafa

It is a story of a boy who as a 9-year-old, suffers from ADHD and uncontrollable anger, seeks fights. It's also about how his mother smuggled him out of Denmark and left him for two years in a refugee camp in Lebanon, where he lives in slave-like conditions and is often beaten to pieces by his uncle. And how when he is 12 years old he finally comes back to Denmark, starts building his own hash league in Nørrebro, kicking off his journey towards the top of the Danish criminal gangs. He never stands back, even if he risks running directly into violence, extortion, kidnapping or attempted murder. And finally Mustafa ends up as the main player in the gang war against the Hells Angels and the support group AK81.

In 2014 Abud Mustafa discovered that everything he thought to be the brotherhood of Brothas stood for was a big lie. His morals and beliefs can no longer support life as a violent gang member. He decides to leave the gang and the criminal world to go underground and try to right the sins of the past. But it is not easy to find your place in the “normal” world when you still love your former “brothers” and when the only language you speak is violence.