



Readly

Sustainability Report 2022



Sustainable digitalisation of magazines and newspapers

Readly's sustainability report 2022

A word from the Chairman

Change is the only constant. In fact, nowadays it feels more correct to say that "transformation" is the only constant. Our world is undergoing such dramatic changes that it is no longer the same from one day to the next. Record numbers of people have been forced to flee from their homes due to war and disasters and record high temperatures are being measured in different parts of the world which are having devastating consequences on our climate. It is alarming and requires everyone's commitment to change our behaviour, decisions and lifestyle.

One of Readly's most prioritised sustainability areas is about reader empowerment – giving subscribers unlimited access to knowledge and inspiration via journalism on the platform. Why is that so important? Only through knowledge can we make informed and sustainable decisions, and through inspiration, we are able to find our inner drive to collectively contribute to the prosperity for people and the planet.

This year's sustainability report is therefore largely about the important content on Readly and the journalists' fantastic work in portraying the present and spreading important knowledge.

You can also read about the climate benefits of digital reading, where daily newspapers are now included in the calculation. Last year's goals have been evaluated and new efforts are promised for 2023.

I hope you follow the company's journey and contribution to a future where knowledge gives us the power to make a positive difference.

Patrick Svensk
Chairman of the Board of Directors,
Readly



Moving forward to drive change

There are many global threats to humanity and we all need to take part in overcoming the challenges ahead.

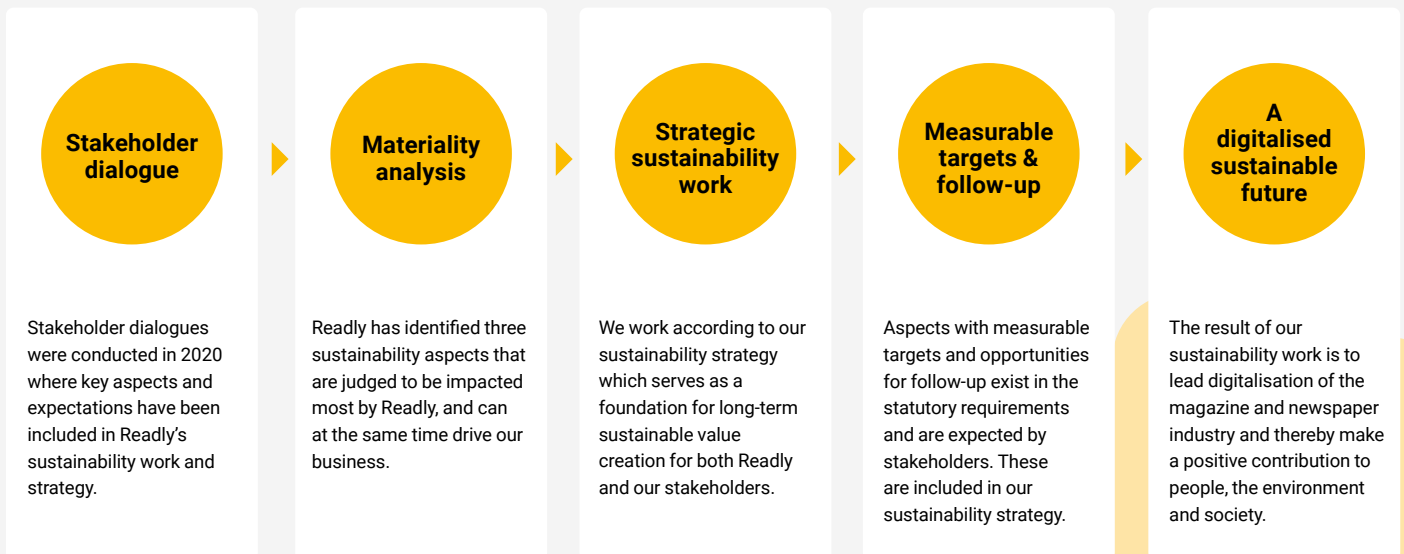
Readly is committed to continuously exploring and taking action to build a sustainable future. Through the digitalisation of the magazine and newspaper industry we strive to have a positive impact on society and create long-term value for the world we operate in.

During 2022 we have worked hard according to our long term ambitions and seven out of the ten targets presented in this report were achieved. We have also taken the first step towards standardising our future ESG reporting against the Sustainable Finance Disclosure Regulations (SFDR¹³), with the purpose to facilitate our investors who are reporting under the SFDR.

Our 2023 user survey clearly shows how important it is that we integrate sustainability into our business strategy. Almost four out of ten subscribers say that our sustainability performance is extremely or very important¹⁴.

This year's sustainability report is Readly's third and summarises how Readly is working to minimise our negative impact from environmental, social, business ethics and governance perspectives.

Our 5-stage sustainability journey



¹³ In March 2021, the European Union's Sustainable Finance Disclosure Regulation (SFDR) came into force. The SFDR is designed to help financial market participants understand, compare, and monitor the sustainability characteristics of investment funds by standardising sustainability disclosures.

¹⁴ Readly's user survey was conducted in January 2023.

Sustainability highlights 2022

Air travel restrictions introduced

In our aim to reduce our corporate emissions, an updated travel policy has been introduced where domestic flights are no longer allowed, nor flights between London and Paris. International train travel is additionally encouraged allowing employees to book first class tickets for train rides exceeding five hours.

More sustainable marketing

We have developed ethical guidelines for marketing campaigns involving partnerships with third parties where we say no to collaborating with industries such as tobacco, alcohol, gaming and certain animal products such as fur. The background checks we do before selecting influencer collaborations have also been updated where we say no to for example people that distinctly promote unsustainable lifestyles.

Supporting Ronald McDonald houses in Sweden

Readly has started to support the Ronald McDonald Children's Fund in Sweden. The Ronald McDonald Houses, where families with seriously ill children can live together in a homelike and safe environment near the hospital, are now provided with free access to magazines and newspaper reading via Readly. There are five Ronald McDonald Houses around Sweden and each year nearly 4,000 families live in the houses.



Readly on Allbright's Green List for Equal Gender Balance 2022

For the second year in a row, Readly is presented on the Green List in The Allbright Report 2022 that monitors gender diversity in the management teams of listed companies in Sweden. Readly has a 43/57 per cent ratio of women and men on the Senior Leadership team and among those who have leadership responsibilities the split is 50/50 per cent.

70 per cent of our sustainability targets were fulfilled

We set challenging environmental and social targets for 2022 that were core to Readly's business. We can proudly conclude that 70 per cent of the targets have been fulfilled which are presented in this report. New ambitious targets for 2023 are now chosen that are relevant for Readly in today's context where we aim to retain quality content, increase user engagement and further reduce our carbon footprint.

Sustainability strategy

Our sustainability strategy sets out how Readly, through the digitalisation of our industry, can contribute to thriving societies and a healthy planet.

Our purpose is leading the way

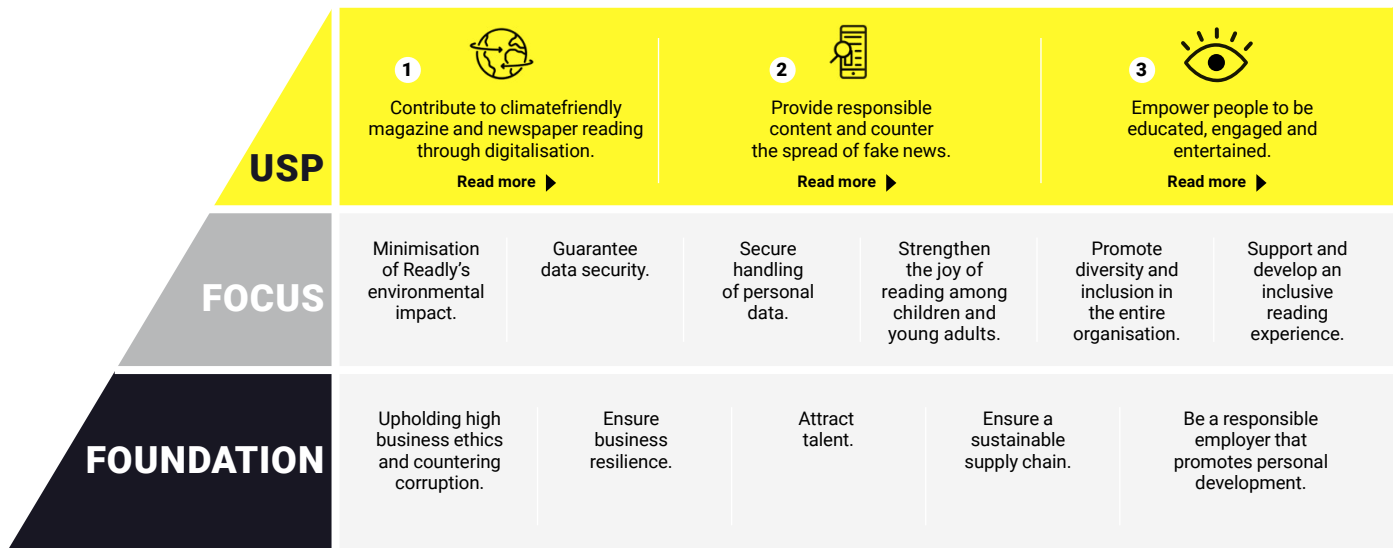
We strive to lead the digitalisation of the magazine and newspaper industry and thereby have a positive impact on all our stakeholders. By doing so, Readly takes an active part in moving the world closer to overcoming global challenges for a sustainable future.

Our purpose statement is “We bring inspiration and insight into people’s daily lives and unlock meaningful moments of relaxation”. A strong sense of purpose is an important factor for strong engagement within our ecosystem and a guiding star for everyone.

The Readly team is committed to collaborating closely with our subscribers, publishers and partners across the world. Together we increase the consumption of quality journalism to bring about positive change.

At the heart of our sustainability strategy is our focus on what really matters for Readly and our stakeholders – three USP areas about climate friendly reading, empowerment and responsible content.

Readly’s materiality pyramid – how we prioritise our most material sustainability approach



Our sustainability strategy and five key enablers for successful results



Readly's Sustainability Committee

Readly's Sustainability Committee is appointed to give advice, explore ideas and take initiatives that support the long term ambitions and annual targets. All members should be able to engage on Readly's various sustainability aspects and gain a good understanding of how sustainability considerations can affect and should support our company strategy. This also includes any potential risks that we might face.

Engaged employees from different teams are encouraged to volunteer for the committee by their manager. That way members' expertise and skill sets extend across all areas of our business, and initiatives can be delegated to departments and teams, coordinated across the company. Read more about the Sustainability Committee under *Governance* in this report.

The environment in focus

Climate change is the biggest threat facing humanity. Readly fights global warming mainly through minimising our own environmental impact, digital reading and by enabling our subscribers to access journalism such as climate coverage.



1

Contribute to climate-friendly magazine and newspaper reading through digitalisation

A major benefit of reading magazines and newspapers in a digital format is the effect it has on consumers' carbon footprint. It is an important factor that brings distinct meaning to our service in times when many consumers choose brands that help them make a difference. Readly has conducted a study that calculates the amount of reduced greenhouse gas emissions through reading a digital publication on Readly's platform.

For 2022, the methodology has been partly revised and updated. For the first time, the study includes newspapers along with magazines. Since newspapers in comparison to magazines see both different user habits and different emissions from production, this is included in the study.

As we have updated the methodology, this year's results are not completely comparable with previous years results so we've also adjusted our goals accordingly.

The study compares the carbon footprint from reading digital magazines and newspapers with the printed equivalents. Some factors in the study include:

- The difference in reading habits between printed and digital versions
- Carbon footprint differences between newspapers and magazines
- The split between tablets and smartphones
- The emissions from electricity based on which country the digital reading took place.

The study results for 2022 indicate that digital reading on the Readly platform results in 87 per cent lower greenhouse gas emissions than reading the printed equivalents.

The reduction in CO₂ emissions in 2022, based on total reading numbers for the full year, corresponds to approximately 16,600 tonnes of CO₂ eq, or the equivalent to the emissions of producing and recycling over 270,000 iPhones¹⁵ – a 8 per cent increase from 2021. The main reason behind this improvement is that the data centres we use are now entirely powered by renewable energy. Avoided paper production and printing are the two biggest reasons why reading digitally is better for the climate. Emissions from business travel and data centres are Ready's largest sources of emissions. Scope 3 emissions, containing employees' business travels and emissions related to the digital reading, are the largest emissions post. In our aim to decrease these emissions, Ready has made the decision to no longer approve domestic flights.

Due to our ongoing discussion with Amazon Web Services (AWS), we can confirm that 100 per cent of our data hosted are powered by renewable energy from AWS's Irish wind power farms.

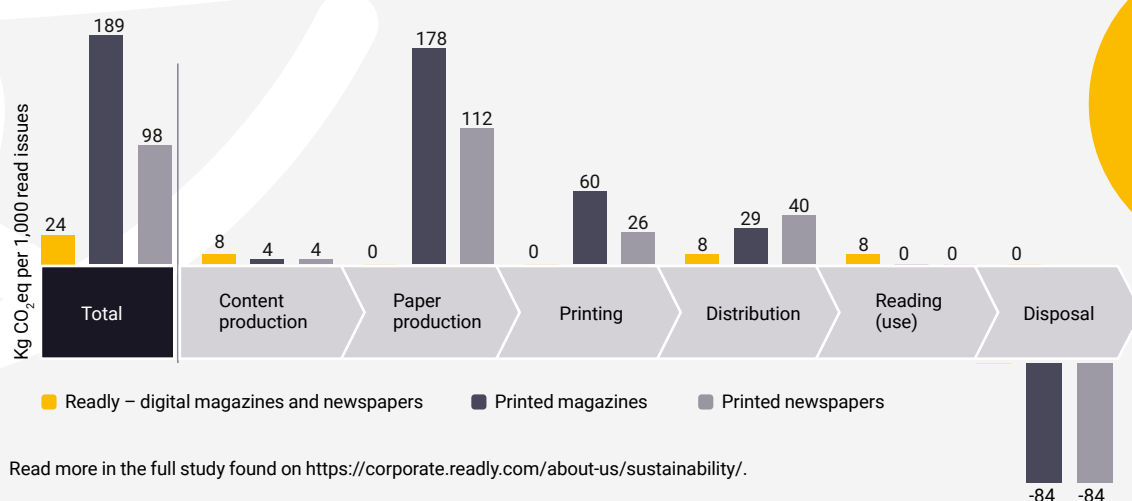
8%

reduction of emissions during 2022 compared to 2021.

76%

of the respondents in Ready's global survey said it is important to them that their reading habits are as environmentally and climate friendly as possible¹⁶.

CLIMATE IMPACT FROM MAGAZINES AND NEWSPAPERS – DIGITAL VERSUS A PRINTED EQUIVALENT



87%

less CO₂ emissions from digital reading on Ready compared to the printed equivalents.

Read more in the full study found on <https://corporate.readly.com/about-us/sustainability/>.

¹⁵ https://www.apple.com/environment/pdf/products/iphone/iPhone_14_PER_Sept2022.pdf

¹⁶ User survey, 26 Jan - 1 Feb, 2023. 6,000 respondents across SE, DE, UK, NL, US, IT and AU

Minimisation of Ready's environmental impact

Ready's environmental footprint includes emissions generated from business travel, energy use from our offices, data centres and servers and waste management from our operations. Impact from all of these areas was reduced to a minimum during the Covid-19 pandemic when Ready's offices stood empty for several months and business travel was reduced significantly. We are now seeing an increase per employee from during 2021–2022, but still far from pre-pandemic levels.

Energy consumption at Ready's offices

We report both on energy use in absolute number and per employee, with the goal that our emissions per employee does not increase on a yearly basis. We reduce energy levels by buying energy-efficient devices that automatically power down during inactivity and encourage employees to be energy conscious. In 2022, specific purchasing guidelines were presented to office managers to support conscious decision making when buying electrical appliances. We always ensure to follow

READLY SCOPE 1, 2 AND 3 EMISSIONS

GHF Emissions, tonnes CO ₂ eq	2022	2021	2020
Scope 1 – Direct emissions	0	0	0
No company-owned cars or other direct emissions	0	0	0
Scope 2 – Indirect emissions	19.9	N/A	N/A
Location-based electricity + heating and cooling	19.9	N/A	N/A
Scope 3 – Other emissions	68.2	6.44	35.57
Business travel by air	65.6	79.5	35.5
Business travel by rail	0.001	0.04	0.07
Hotel nights	2.6	N/A	N/A

Description of table

Scope 1 emissions covers all emissions from Ready's owned and controlled resources. Since Ready neither use company vehicles or release emission from the company facilities, the scope 1 emissions are zero.

Scope 2 emissions are generated from purchased energy. For Ready, this includes the company's own use of electricity, heating and cooling from our offices.

Scope 3 emissions are indirect emissions in the value chain which are not owned by Ready. This post contains emissions from employees' business travel.

EMISSION INTENSITY GENERATED FROM BUSINESS TRAVEL IN 2020, 2021 AND 2022

Travel emission, tonnes CO ₂ eq/employee	2022	2021	2020
Business travel emission intensity	0.58	0.76	0.80

ENERGY INTENSITY GENERATED FROM READY'S OFFICES 2020, 2021 AND 2022

Total energy intensity (MWh/employee)	2022	2021	2020
Electricity	0.5	0.4	0.5
Heat	0.9	1.1	1.3
Cooling	0.1	0.1	0.2
Total	1.5	1.6	2.0

The business travel by air numbers for 2021 has been restated in accordance with new information from the travel provider. The cooling numbers for 2021 and 2020 have been restated in accordance with new information from a utility provider.

environmental laws and regulations on the markets we are present on. Besides reducing our energy consumption we also strive to increase our share of purchased energy from renewable sources. Through our Supplier Code of Conduct we also encourage suppliers to transition to renewable electricity.

In markets where Readly controls the choice of electricity provider, the energy consumption consists of 83 per cent fossil free and 46 per cent renewable electricity. In order to increase the total share of renewable energy in all of Readly's offices, the focus for next year is to engage with current electricity providers in offices where Readly do not control the choice of electricity source.

Energy use by servers and data centres

We strive to have a positive influence on suppliers of IT systems and equipment to ensure that they are energy-efficient and upgraded to greener technologies. Readly's content is stored externally at Amazon Web Services' (AWS) servers in Ireland which are completely powered by renewable wind power. Although AWS has chosen to not share emissions data, we are aware that our external data storage capacity accounts for a large share of Readly's CO₂ emissions and electricity needs. We have regular meetings with AWS to gain a better understanding of how we can further reduce our carbon footprint.

Waste management in operations

Only household, office and electronic waste arise in Readly operations. Our aim is to minimise waste and that our reuse/recycling alternatives shall cover as many materials as

possible. As an example, new employees re-use equipment from their predecessors, and new models are bought only if existing equipment is no longer fit for purpose. Digital alternatives are prioritised whenever possible, use of packaging and single-use products shall be minimised, waste sorting is conducted at all offices and electronic waste is disposed of at designated environmental collection sites. At the end of 2022 we conducted a waste sorting assessment of all our offices and we will improve waste sorting and recycling in our Berlin and Paris office during 2023.

2022 targets and achievements

In 2021 we set the goal for 2022 of a 20 per cent increase of emissions saved from digital magazine consumption. The result was an increase by 8 per cent which was affected by lower subscriber growth. We also had the ambition to further implement our environmental policy so that business travel emission intensity per employee would not exceed 2019 pre-pandemic levels – a goal we reached. As an example, domestic flights are no longer allowed. We have started to measure the share of renewable energy sources which today is about 46 per cent. The quarterly meetings with AWS have proceeded but we have unfortunately not yet found any concrete actions that would reduce our emissions from servers and data centres. We have made an assessment of our ten core suppliers and made sure that they acknowledge and undertake to comply with our Supplier Code of Conduct or that they have an own Code of Conduct, publicly available, that meets our requirements.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Increase the amount of emissions saved through digital reading on Readly.
- Reduce negative environmental impacts from Readly operations.
- Deepen the engagement with stakeholders in the supply chain in regards to environmental issues.

TARGETS FOR 2023

- 10 per cent increase of emissions saved from digital reading on Readly.
- Business travel emission intensity per employee shall not exceed 2022 level.
- Improve waste sorting across Readly's offices to include more waste categories.

Our readers in focus

By providing our subscribers with the opportunity to digitally access a global portfolio of thousands of magazines and newspapers, Readly promotes journalism and its contribution to a more sustainable society and planet.

2

Provide responsible content and counter the spread of fake news

Readly provides an offering in which there is a publisher and an editor-in-chief behind all content on the platform who is responsible for the respective publications' operations, content and policies. Content on Readly must also be in compliance with the respective countries' laws and regulation, be relevant for our subscribers, and meet our [content rules](#).

Nearly three years into the pandemic, the Corona virus remains persistent and misleading narratives continue to spread. Information manipulation and disinformation have also been applied as a tool in Russia's assault on Ukraine. Consequently, many trusted news brands have benefited, with more people signing up for online subscriptions and advertisers looking to associate themselves with reliable content.

As a platform with 7,600 magazines and newspapers from across the globe, we promote easy access to journalistic content from responsible publishers and a diversity of news reporting. Journalists' work is also affected by disinformation which sometimes leaks into the real news system. But our long-term goal of retaining world-class content from trusted publishing sources and increasing the consumption of quality journalism in all markets is based on the focus these publishers place on the work of independent fact-checking for verified news reporting.

29%

pay for digital journalism to access quality journalism.

80%

believe that fake news will increase in the next 2-3 years.

79%

are concerned about the spread of "fake news".

During 2022 we have grown our portfolio of newspapers across our core markets, in particular with regional and local editions. In the UK we welcomed 160 regional newspapers in April, such as The Liverpool Echo, Manchester Evening News, Birmingham Mail, Newcastle Chronicle, Cambridge News, Western Morning News and The Bristol Post. In Germany, we have added 40 regions and local newspapers such as the WELT AM SONNTAG editions for Hamburg, Bavaria and North-Rhine-Westphalia. And in Sweden we have added one of the largest national newspapers, Svenska Dagbladet.

In order to improve the user experience and discoverability of our extended newspaper portfolio, we have launched filter functionality for regional British editions and local editions picker for German and French newspapers. To increase the consumption of quality journalism even further, we are now rebuilding parts of the core platform to also unbundle selected magazines into single articles. We are also looking to increase our portfolio of articles in mobile friendly format which in 2022 amounted to 3.3 million. This will also enable further audio capabilities such as a text-to-speech which we plan to launch during 2023. We are confident that these initiatives will lead to a better user experience that will generate higher readership numbers and increased engagement time.

2022 targets and achievements

Our targets for 2022 included developing a filter for regional titles to enable a wider portfolio of newspapers in the UK and France. That goal has been achieved, not only for the UK and France but also for Germany where our newspaper portfolio has grown significantly. We also aimed to conduct a survey, across all our markets about attitudes and perceptions of misinformation. The survey results showed that consuming verified news is important to 71 per cent of the respondents. 12 per cent reported that they pay for verified news, but a further 21 per cent can imagine doing so if fake news continues.

We set ourselves the target to produce two yearly editorial campaigns that provided reading tips about responsible news reporting. This target was not met as we made the decision to pivot away from providing tips and instead, to continue focusing on acquiring responsible news sources in the form of daily newspapers. We also made a conscious effort to curate content from responsible news sources, so that our readers were encouraged to consume news responsibly, year-round.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Retain and distribute world class content from trusted publishing sources.
- Increase the consumption of journalistic content on Readly.
- Raise awareness of the importance of quality journalism among our subscribers.

TARGETS FOR 2023

- 40 per cent increase of new articles in mobile friendly format.
- Develop a text-to-speech functionality to enable increased audio consumption of quality journalism.
- 1 yearly user survey about misinformation to highlight in own channels as well as social and earned media.

Empower people to be educated, engaged and entertained

Empowering people is one of the key purposes of journalism, whether it be through investigative articles, breaking news or lifestyle features. Throughout 2022, journalists continue to play a central role in helping us understand how the world is changing; the challenge that climate change poses; how inflation and the energy crisis will impact us; the uncertainties of political disruption; and the lasting impact of the Covid-19 pandemic. By providing unlimited access to our wide-ranging, international portfolio of written and – more recently – audio content, we hope to empower our subscribers to feel informed and connected to the world around them.

Podcasts are a great way to enhance, complement and extend the reading experience and drive deeper engagement in our app. The time poor consumer wants to be kept up to date and audio is an effective way to do this alongside reading the digital magazines and newspapers on our platform. For Readly, this means that the service can be used more frequently and subscribers can easily discover and listen to content from their favourite magazine. The initiative also aims to reach new audiences that consume content in various formats.

We encourage our users to diversify their reading behaviour and to discover new titles and topics they otherwise would not have explored. Part of that job is done by our editorial team who highlight the most relevant and engaging content for our subscribers. They encourage users to interact with content via our social media channels, email newsletters and push notifications, as well as through the Discovery tab, Short Reads feed and podcast player in the Readly app.

The editorial team makes real-time decisions based on daily events, working closely with our publishing partners to deliver a compelling reading experience. We believe that the consumption of quality journalism through Readly can empower people to take action and make a positive difference for themselves and for future generations.

The key metric we use to track the amount of journalistic content that has been consumed on Readly is engagement time. This includes written content in the form of articles and issues, as well as audio content from our portfolio of publisher podcasts. We believe that the more content people engage with, the more empowered and educated they become. This year we have seen publishers address a number of important issues as they strive to educate readers or provide informed escapism. Throughout 2022 we have noted a greater number of magazines promoting a wider range of ethnic groups. These include ELLE Sweden's June issue featuring

How has your consumption of journalistic content made a difference in your life?

29%

of the respondents in Readly's global survey say it has increased their level of knowledge and understanding.

15%

have learned about important issues that might otherwise have gone unnoticed.

63%

say that since they started using Readly they read titles they have never read before.

21%

say that a healthy media diet should show diversity in the news coverage to reflect the whole society.

22%

say that their consumption of journalism has inspired their hobbies and interests.

South Sudanese refugee and model, Akiima; British Vogue's February issue featuring nine reigning and emerging superstars of the fashion industry – all of African descent; and ELLE UK's November issue celebrating women of colour from the worlds of art, fashion and film.

As publishers increasingly praise the designers promoting size inclusivity during fashion weeks, it's a trend we've seen reflected in their magazine content. This year, Femina, Må Bra, ELLE UK, Stylist, and Grazia featured plus-size cover stars, while Spektrum Psychologie devoted their May issue to the topic of body positivity.

Elsewhere, many publishers should be praised for their abortion coverage amidst the Supreme Court ruling to overturn Roe v. Wade. New York Magazine, The Week US and The Guardian Weekly all provided comprehensive content in support of abortion rights.

A selection of Ready's editorial campaigns during 2022

FEMALE EMPOWERMENT

This is a theme we continually promote throughout the year, via in-app features, social media and email communication. In March, our editorial and product teams worked together to develop a dedicated International Women's Day carousel within the app. This content feed remained visible in the Discover tab for a week and highlighted important articles on the subject, such as Global Heroines from Woman&Home and a profile on women's rights activist, Barbro Westerholm in Året Runt. We also promoted the theme in an interview with co-founder and managing partner of Kouneli Media, Myriam Karsch, to discuss the type of feminism that is represented in Playboy Germany. The article (Female Empowerment through the Playboy Lens) explored the many misconceptions people have about the Playboy audience, and highlighted the fact that the team is majority-female.

CLIMATE CRISIS

The climate crisis and sustainability solutions is another area we continue to emphasise through our curated content channels. One example of this is the editorial campaign we promoted on Global Earth Day in April. This was a coordinated effort across consumer and corporate social media, CRM and in-app curation to promote content such as this Guide to Green Living Made Easy from the makers of Woman&Home, an environmental special from Grazia Italy, and coverage from Forskning & Framsteg on climate and biodiversity.

COST OF LIVING CRISIS

With the cost of living crisis high on the news agenda this year, we felt it was an important topic to address for our subscribers. It's been noted that levels of economic and financial literacy vary dramatically across audiences, with 60 per cent of people unfamiliar with terms such as 'GDP', 'inflation' and 'deficit'. As such, we approached the topic from a solution-first angle, highlighting content such as a climate crisis special edition from einfach börse; an issue focused on reducing energy costs from Terra Nuova; and a seven-day budget meal plan from BBC Good Food.

CONTENT THAT ENTERTAINS

Last but not least, many people read magazines quite simply as a form of entertainment – to unwind from daily routines, relax, enjoy "me-time" and for a bit of escapism. Categories such as crosswords, DIY, celebrity & entertainment, and food & drink are all examples of popular content. Entertainment as such can therefore have a positive impact on a person's well-being and be a source of happiness. The highest rate of longform reading (up to 50 minutes in average session length) has categories such as comics and history. One of the titles that had the highest average reading time per account in 2022 was Puzzle Life Sudoku Master, level 6-7 which kept subscribers entertained for several hours at a time.

SUPPORT AND DEVELOP

AN INCLUSIVE READING EXPERIENCE

We also aim to provide a portfolio of content that mirrors all of society, responsibly reports on important environmental and societal issues, and fosters inclusion, diversity and equity regardless of age, gender, ethnicity, sexual orientation, political opinion or faith. There are many good examples of this from 2022. One is the addition of handicap.life, a German user magazine for people with restricted mobility. We are also happy to offer international content that represents and celebrates cultures outside of our core markets. Some examples include A to Z India (IN); Le Quotidien numérique d'Afrique (FR); and BAVUAL The African Heritage Magazine (US).

In the DACH markets we added a number of titles that stand for female equality in the workplace. SHEconomy (AT); EMOTION Working Women (DE); and Strive (DE) all aim to make female role models visible and to tell inspiring business stories from a female perspective.

With climate change a constant in the news agenda, we have on-boarded a number of publishing partners who are bringing this issue to the forefront. The Eco News – For Kids (UK); Discover Cleantech (UK); and Sustainability Today (US) each approach the climate crisis from a solution-first perspective, inspiring and empowering readers to take action.

STRENGTHEN THE JOY OF READING AMONG CHILDREN AND YOUNG ADULTS

Reading magazines and newspapers at an early age can be an important step in developing a strong sense of well-being and active citizenship later in life. We know that many children use Readly. Our portfolio of titles for children and teens has continued to grow during 2022 and so has our commitment to encourage parents and children to read more together.

In October 2022 we started to work together with Disney to bring over 80 Disney magazines to Readly subscribers. The addition of the Disney portfolio strengthens Readly's childrens category and includes popular character comics such as Disney's Frozen, Mickey Mouse, Donald Duck, High School Musical, Star WarsTM and MARVEL. We are delighted to welcome these much-loved titles to our platform and boost the joy of reading with Disney. Digital reading amongst children is increasing and research shows that it is beneficial for children to read various forms of quality content such as comics and magazines to inspire a passion and drive engagement.

Our "Reading break" campaign in October included a collaboration with Swedish newspaper Aftonbladet who launched a Readly exclusive of their title Sportbladet especially aimed towards children (Sportbladet Kids). In the UK we collaborated with Fay Lant, Head of School Programmes at the National Literacy Trust, who gave her top tips to encourage reading.

2022 targets and achievements

With the aim to expand Readly into one to three markets in 2022 in combination with an ambitious growth goal of 30–35 per cent, we set the target of a 15 per cent increase of the total reading time on Readly based on the expected subscriber growth. That target was not met. The growth target was adjusted downwards in early March 2022 and only in late November the consumer launch in France, part of our expansion plan, was initiated. For this year we have decided to rather focus our targets on frequency of reading and engagement – two metrics that support the empowering of readers. As stated above, we did carry out four editorial campaigns that were focused on topics related to sustainability, which was our target for 2022. We also met our target of at least 90 per cent category excellence in core markets.

Targets for 2023 and long term ambitions

LONG TERM AMBITIONS

- Inspire users to constantly discover new content and diversify their reading behaviour.
- Use our portfolio to curate engaging content for our readers.
- Further encourage frequent use and expand engagement time.
- Deepen the engagement with stakeholders in the supply chain in regards to social issues.

TARGETS FOR 2023

- ≥ 5 per cent increase of daily active usage (DAU/MAU).
- ≥ 10 per cent increase in average engagement time.
- ≥ 4 editorial campaigns that focus on topics related to sustainability.

Our employees in focus

Readly's success is based on our joint enthusiasm for the digitalisation of the magazine and newspaper industry. Our decentralised organisation empowers employees to go above and beyond to contribute on our path towards profitability.

Our team at Readly

Our people define us – we are high-performing team players, passionate about our product and proud of the large portfolio we have. Readly is in a rapid growth phase, and maintaining and developing our culture is essential for the company's continued success. People join Readly to be involved and have a chance to influence the development of the future magazine and newspaper experience. Today we are a passionate team of approximately 163 people.

In March 2022 we communicated a reduction in our workforce, impacting approximately 30 positions including consultants. This measure, together with other initiatives such as further investments in product development, was taken as a result of a new strategic direction towards becoming a product-led growth company. Consequently, to ensure that our stepped-up tech needs are met, we have hired a nearshore development team in Poland through our new partner Nexer.

During the year we have also started to gradually integrate the French team following the acquisition of Toutabo AS in 2021. The team has kept their autonomy but joint working groups have been created to enable synergies, knowledge sharing and shared objectives. To overcome language barriers, key guidelines and policies have been translated into French such as our Code of Conduct and Supplier Code of Conduct. Our Employee Handbook will be translated in early 2023.

We are recruiting new talent and forming teams of dedicated consultants from different parts of the world. We work through behaviours that we have developed together and which we believe will take us towards our purpose and vision.

Promote equity and diversity throughout the organisation

We believe that equity and diversity are of strategic importance for our company. Our user base from more than 50 countries

is evenly represented by men and women, and therefore it is important that we develop the product to ensure it meets diverse needs and user patterns. We offer a workplace that stands for diversity and working actively to make everyone feel included is important to us. Over the years, we have recruited with a focus on diversity and gender balance and have been highly successful in regards to our Senior Leadership Team, among our managers and in the company as a whole, as the distribution between women and men is at least 40/60 and together we represent over 15 nationalities. We now face the challenge of recruiting more women to our tech organisation, where men are still over-represented.

We are proud to have an even gender distribution in our senior leadership team and thereby placed on Allbright's green list for Equal Gender Balance for the second year in a row. Our DEI survey (diversity, equity and inclusion) at the end of 2022 shows many positive results and that we can do more to use DEI effectively to increase workforce productivity. To be able to follow up on these findings, we have chosen to ensemble an internal diversity committee. The committee will work with initiatives to further improve DEI with Readly.

One of the measures planned for 2023, to improve the recruitment of diverse talent, is educating hiring managers through unbiased recruiting training. This will enable us to create even more diverse and inclusive teams which we believe is key for our business success.

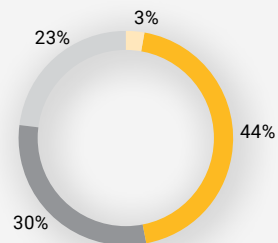
Attract talent

To successfully attract talent, regardless of gender, we emphasise in our recruitment advertisements as well as on our career site and social media channels that employees grow together with the company and that we all play a positive role in society. Job adverts are gender decoded in order to attract



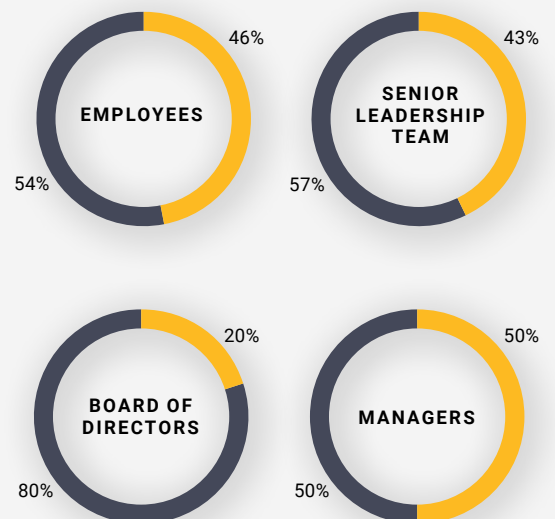
AGE DISTRIBUTION

- 18-24
- 25-34
- 35-44
- 45 and up



GENDER BREAKDOWN

- Women
- Men



EMPLOYEE STATISTICS

Number of employees	117*
Average number of FTEs	144
Sales per avg FTE (SEK m)	4.1
Operating result per avg FTE (SEK m)	-1.0
Nationalities	>15

* of whom 42 are consultants

talent from the whole gender spectrum. In addition, we refer frequently to the importance of diversity and equality, such as through the blog on our careers site, on our LinkedIn page, at external events and in media interviews. In 2022, 62 per cent of new hires were men and 38 per cent were women. We are also happy that several former employees have decided to rejoin Readly. This is a great acknowledgement that our workplace is appreciated and a great way to inject new gained experiences from the period away from Readly.

We also have employees who are engaged in the Women in Tech organisation in Växjö which is a great way to increase awareness of Readly as an employer. In March, we were visited by a group of students from the Hamburg Media School who learnt about our business, how we collaborate with publishers, our growth journey and sustainability work. We also attended one of the tech career days at the Linnaeus University in Sweden to meet students and attract talent.

Be a responsible employer that promotes personal development

Employee health and safety has high priority at Readly. The company has a Work Environment Policy and a Work Environment Committee, with representatives from all our offices, who meet on a quarterly basis, to discuss topics related to conducted risk analysis.

Our leadership forum, with about 25 managers including our Senior Leadership Team, has monthly meetings. During the year all managers have taken part in discussing company

leadership, objectives, key results, strategy, cost reductions and future bets. A bottom-up approach was chosen for the strategy development process where Input from all teams were gathered, shared and discussed to utilise the unique knowledge and diverse perspectives of our whole organisation. This process was highly appreciated and has led to a broader ownership and understanding of our operations and goals across departments.

In 2022 we continued to arrange Readly Lab Days with the aim of empowering our Product and Tech organisation to discover new ways of thinking, build new relationships and evolve their skills. It's a monthly break from the daily routine to explore ideas related to what Readly is today and what we will be in the future.

Our work-from-home policy, launched to ensure the health of all employees and mitigate the Covid-19 pandemic, has now matured into a use of flexible work arrangements. Although this flexible organisational structure enables work from home, we still believe it is important to meet physically in the office on a regular basis. Social gatherings and team meetings are therefore still arranged and valued.

In addition to offering an equal opportunity workplace where well-being is prioritised, we strive to always offer working terms and conditions that are in line with market practice. We continuously make sure that we offer benefits such as pay, pensions and insurance in line with market standards. In addition, we provide the opportunity for flexible work hours.



The Readly running team brought home no less than 3 medals from race Medieruset.

We safeguard strong and ethical relations

We take measures to maintain good relationships with all of our stakeholder groups. To create a culture of transparency and trust, we demonstrate strong standards of integrity.

Upholding high business ethics and countering corruption

At Ready, we always conduct business in the utmost professional manner that fosters long-term relationships. The way we do business is stipulated in our Code of Conduct. We want our stakeholders to raise concerns confidently, and promote an accountable and speak-out culture. It is paramount that our workplace is safe and supportive where employees feel comfortable enough to express concerns about someone's

behaviour at work. This is increasingly important given our flexible work arrangements where misconduct can be more challenging to identify and report.

In 2022 we had zero registered cases of corruption or breaches of the Code of Conduct.

Data security on Ready's platform

Ready has a responsibility to every user to protect sensitive data such as log-in credentials, payment information and personal data both from intrusions and incidents. An incident involving loss of data would imply negative impacts for our readers, partners, employees and for Ready as a business, and is therefore an area of high priority. In addition to responsible handling of sensitive information, our readers also expect

access to the service on all types of devices we support, 24 hours a day. To ensure this we have established routines for minimising any operational outages, and we are well prepared for unforeseen events. The routines and measures we take are based on selected parts of the ISO 27001 information security standard and other relevant industry practice.

Careful handling of personal information

With respect to customer integrity and collection of personal data and user habits, our position is that our readers should be able to trust that their integrity is always respected and that their personal information is handled with care. Our privacy policy, which all users receive when they register an account for the service, describes which information is stored and for what purposes. The latest version of the privacy policy is always

available on the website. For example, we collect and store information in order to be able to provide the service, including to offer the best possible experience, since understanding our readers and their habits can enable us to personalise tips and lists. At the request of users, or when information no longer serves the purpose it was collected for, information is erased or anonymised. We never sell personal data, but we do share

aggregated and anonymised information with a limited number of recipients in accordance with the terms of our privacy policy.

We have internal routines in place to respect users' rights, e.g. to respond to requests for access for personal data. To protect personal data and prevent unauthorised use, agreements (Data Processor Agreement) are entered into with all third parties that have access to our user data. Our technical solutions and internal routines are updated continuously to ensure that handling of information is done in accordance with the EU's General Data Protection Regulation (GDPR) and complementary data protection rules. Our privacy policy is reviewed regularly.

In 2022 we have worked on a GDPR gap analysis to make sure that we have all the right processes in place, and highlight efforts that need improving to ensure compliance. Some of

the areas we have assessed have already resulted in new improved routines during 2022, such as routines to respond to requests from users regarding their data. We have also organised a GDPR refresher training for all staff to strengthen our knowledge and learn about important updates.

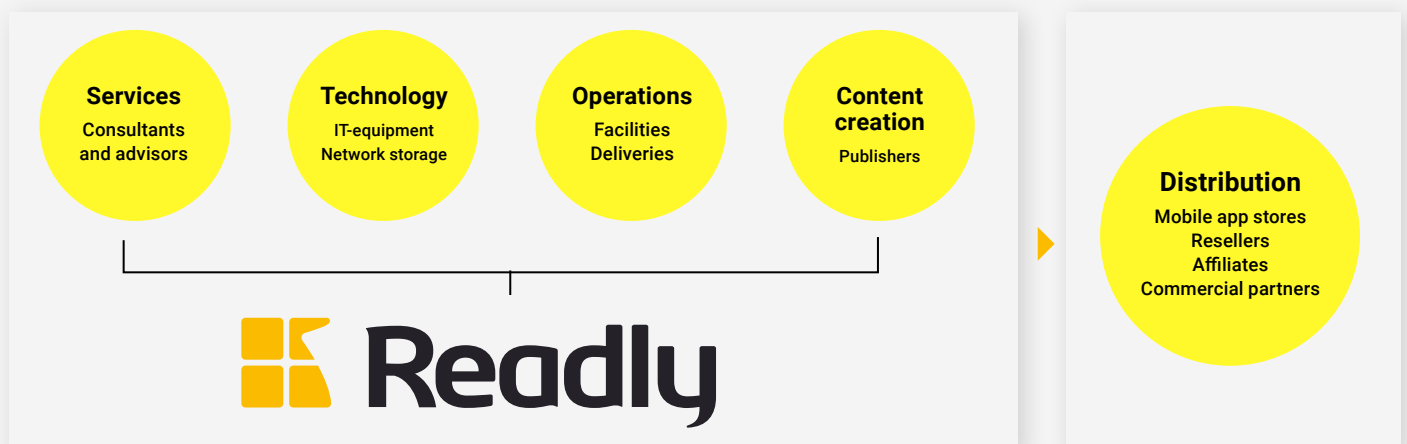
To anchor data protection and compliance in Readly, we have during the year created a new Data Compliance unit to control policy implementation, monitor compliance, carry out continuous risk assessments, conduct training measures etc. Our Head of Legal performs the tasks required by law to ensure compliance with data protection rules including handling complaints regarding data protection, communicating with regulatory authorities, and reports on developments to the Senior Leadership Team on a regular basis.

Ensure a sustainable supply chain

Our supply chain is made up of physical supplies (mainly of office equipment and IT equipment), cloud and other software services, digital marketing platforms, and publishers that provide us with content. In 2021 the Supplier Code of Conduct was incorporated in all new contracts and contract renewals with our publishers. As for other suppliers and partners, we

have either incorporated the Supplier Code of Conduct in all new agreements or ensured that the suppliers have their own policies and codes of conduct that are of similar standards as ours. In 2022, we have reviewed contracts and agreements with our top ten biggest suppliers ensuring that the SCoC is included in our, or their, terms and conditions, and signed off.

Our supply chain



Sustainability governance

The aim of our sustainability governance model is to be able to conduct effective sustainability efforts and deliver long-term sustainable results to our stakeholders.

The Board is the governing body of Ready's sustainability work and responsible for implementing effective governance practices. That includes, but is not limited to, promoting responsible decision-making, monitoring the performance and the delivery of Ready's sustainability strategy and outcomes.

The Senior Leadership Team (SLT) has formed a steering group which will report to the Board and is responsible for the implementation of the sustainability strategy in the company including long term ambitions and targets. We also have a sustainability committee that will take initiatives and ensure that targets are met with the help of departments and teams across the company.

Sustainability governance — for effective work and long-term results

Ready board of directors

Ultimate responsibility for sustainability governance and approval of policies.

SLT steering group

Responsible for overarching sustainability strategy, targets and follow-up.

Sustainability committee

Follows up the sustainability efforts and prepares the sustainability activity related to policies, guidelines and strategy.

Departments and teams

Implementing strategy and activities, ideation and project management.

Stronger business resilience

The macroeconomic environment has introduced many challenges throughout 2022 which has forced us to consider unpredictable impacts of inflation, rising energy costs, supply chain disruptions and economic uncertainty. These factors have already proved to cause negative impacts on household and publisher costs.

We are continuously investing in futureproofing our company and are confident that working with sustainability is the key to navigating the macroeconomic headwinds and deliver on our financial objectives, while contributing to a more sustainable

future. By transforming the magazine and newspaper landscape, limiting business travels, enabling remote working and boosting employee attraction and retention, we actively work with managing both sustainability and business risks. Read more about how we are managing risks in our risk assessment chapter.

Readly has a Crisis Management Plan and a Business Continuity Plan to ensure that operational disruptions or macroeconomic challenges have as little impact on the business as possible.

Policies & documentation

Readly's structure for policies and governance documents is highly developed and covers all sustainability areas, with policies for IT, crisis management, Codes of Conduct, workplace routines and much more. All our governance documents are revised on a regular basis, and approved by either the Board or our Executive Management team. During 2022, we have developed purchasing guidelines for energy efficient office supplies and ethical guidelines for marketing.

Our Code of Conduct, which includes guidance on all sustainability areas – human rights, labour rights, the environment and anti-corruption. Reading and understanding the Code is required of all employees and is part of our new employee orientation process. During 2022 the CoC was reviewed, updated and presented to the whole company. There is now a version in French also to ensure that all employees in our Paris office fully understand the code. Readly has implemented the COSO¹⁷ internal audit framework to ensure reliable reporting, compliance, risk minimisation and prevention of fraud.

¹⁷) www.coso.org

SFDR index – adverse impact data

The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation introduced to improve transparency in the market for sustainable investment products. The regulation introduces environmental, social and governance (ESG) disclosure standards, with the aim to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

In 2022's sustainability report, Readly has chosen to include a SFDR index to provide the market, investors and other stakeholders with data regarding the company's principal adverse sustainability impact (PAI). The indicators that we, in this report, state as not collected can be provided upon request. The indicators that are N/A are not applicable to our business.

ADVERSE IMPACT DATA

Indicator	Metric	Impact
1. GHG emissions (tonnes CO ₂ eq)	Scope 1 GHG emissions	0
	Scope 2 GHG emissions	19.9
	Scope 3 GHG emissions	68.2
	Total GHG emissions	88.1
2. Carbon footprint	Carbon footprint (investors)	N/A
3. GHG intensity	GHG intensity (Scope 1+2+3)/(€M revenue)	1.66
4. Active in the fossil fuel sector	Active in the fossil fuel sector	N/A
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production expressed as a percentage of total energy sources	54%
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue, per high impact climate sector	N/A
7. Activities negatively affecting biodiversity-sensitive areas	Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	N/A
8. Emissions to water	Tonnes of emissions to water generated	Not collected
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated	Not collected
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	No
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Page 38
12. Unadjusted gender pay gap	Average unadjusted gender pay gap	4.5%
13. Board gender diversity	Average ratio of female to male board members, expressed as a percentage of all board members	20%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Involvement in the manufacture or selling of controversial weapons	No

About this report and its content

The sustainability report is for the 2022 financial year, with sustainability data from 2022. The report is published by Readly International AB which is the parent company of the group. The report also covers Readly International AB's subsidiaries; Readly AB, Readly Financial Instruments AB, Readly UK Ltd, Readly GmbH, Readly LLC and Readly France SA.

This report has been prepared based on the materiality analysis that was conducted in 2020. The stakeholder dialogue was conducted in accordance with the AA1000SES stakeholder engagement standard, which is the global benchmark for conducting stakeholder dialogues. The stakeholder groups consisted of subscribers, publishers, employees including Readly's Senior Leadership Team (SLT), the Board of Directors, investors and equity analysts. By combining the stakeholder groups' expectations and the SLT's joint assessment of long-term commercial value, three aspects were singled out as having particularly material importance, where we have the greatest potential to make a difference. The prioritisation

serves as the basis for Readly's strategic sustainability work, including the setting of KPIs, targets and action plans. Readly's Senior Leadership Team adopted the materiality analysis in 2020 and the Sustainability Strategy in 2021.

Sustainability data has been collected through internal systems and suppliers. Employee data is presented both in headcount and per FTE. Greenhouse gas emission data has been calculated according to the GHG Protocol¹⁸ based on information from suppliers and estimates where data is not available¹⁹. The figures regarding district cooling and business travel by air, in the annual sustainability reports of 2020 and 2021, were incorrect due to an identified data error which amounts to approximately 12,000 kWh per year and 60 tonnes of CO₂eq. This has been recalculated in the figures on page 25.

This is Readly's third annual sustainability report.

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¹⁸) www.ghgprotocol.org

¹⁹) As specific data for energy consumption of Readly's offices in London and Paris are unavailable, their data is estimated based on the number of employees and the total area of the offices.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Readly International AB, corporate identity number 556912-9553

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report.

This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 30 March 2023

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant



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