

CSR Report

Communication on Progress / 2020



EGMONT

We bring stories to life

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This report includes Egmont's mandatory CSR reporting in accordance with article 99a, and Egmont's report on targets and policy with respect to the underrepresented gender in accordance with article 99b of the Danish Financial Statements Act (Årsregnskabsloven). The report also serves as our Communication on Progress (COP) to the UN Global Compact.

Statement from CEO



In Egmont we believe that our commitment to act responsibly and to address our sustainability impacts is essential for being a strong and trusted media group.

Our social dedication dates back to 1878 when Egmont was established. It is part of our company DNA, and we continuously strive to be a responsible company that acts with integrity wherever we operate.

Achieving true sustainability as a business is complex, but we are committed to meeting the demands of the future by mitigating negative impacts from our operations and supply chains to benefit people, climate, and communities. Our sustainability agenda is focused on issues that are most material to our businesses and stakeholders.

During 2020, we have built a stronger foundation for assessing our direct and indirect climate impacts, which enables us to formulate an ambition, to set specific targets for reducing CO2 in our operations, and to help us move towards more sustainable solutions together with our suppliers and business partners in high emission areas outside our direct control and influence.

In 2020, Egmont Fonden celebrated its 100th anniversary as a foundation with a dual purpose: to develop modern media and to support vulnerable children, young people, and families. Since 1920, Egmont Fonden has donated EUR 422 million to charitable activities.

We look forward to the coming year and to continuing Egmont's journey towards a more sustainable business.

Steffen Kragh
President & CEO of Egmont

30
countries



Egmont at a glance

Egmont is a leading media group in the Nordics. In recent years, Egmont has pursued a strategy that entails investments in digital growth and tech-based businesses while applying technology to great storytelling. The annual profit is invested in business development and in the charitable activities. For more than 100 years, Egmont has been a commercial foundation with a dual purpose: to develop strong media businesses and to support vulnerable children and young people.

EGMONT

We bring stories to life



As a media group within tv broadcasting, books and magazine publishing, film production, cinemas, and much more, Egmont believes in unleashing creativity and applying technology to continuously develop strong content and cutting-edge services. As a master storyteller and proud publicist, we continue to develop our companies in high-growth business areas. Using our skills in curation and communities, we grow with the modern consumer in gaming, e-commerce, and marketing.

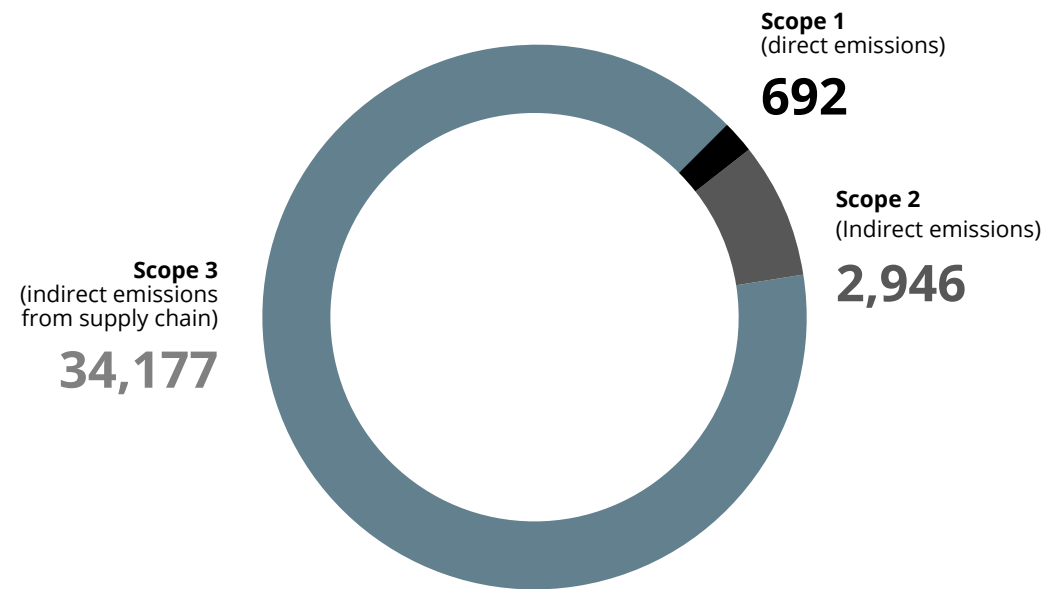
CSR highlights



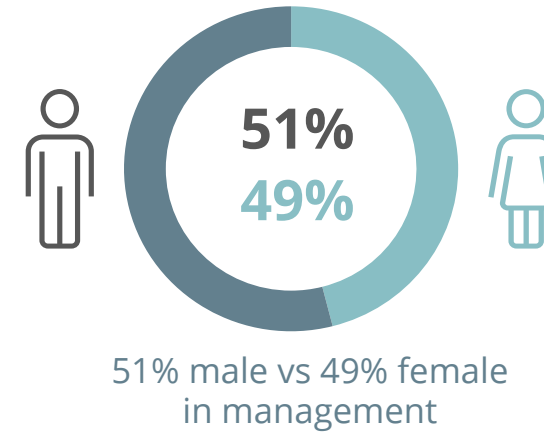
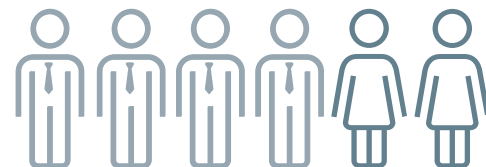
Egmont is working with goal 4, 5, 8, 12, 13, 16 and 17. Each goal has been identified based on the potential negative impact and the best opportunities that the Egmont Group may have to positively impact the goal.



Egmont's tCO2 emissions per scope

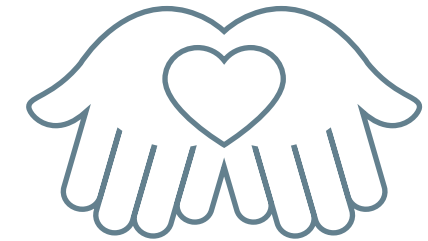


Egmont aims to have at least two female board members on the Board of Trustees appointed by the annual meeting no later than by 2024



51% male vs 49% female in management

12.1 m EUR
for charitable activities



2020



Egmont's approach to sustainability

Social responsibility is a vital part of Egmont's DNA. Our founder, Egmont Harald Petersen, came from humble beginnings which he never forgot. To fulfil his last will, his family established the Egmont Foundation in 1920, converting Egmont Harald Petersen's life's work and business into a foundation with a dual purpose: to develop media and to support vulnerable persons, which was later on centred around children and young people.

Today, Egmont continues to conduct its business and fulfil the mission of bringing stories to life in a responsible and transparent manner, while donating a substantial share of the annual profit to charitable activities.

Egmont's work with sustainability is based on a foundation of group wide and local policies, good accounting and reporting practices, relevant risk and control processes, while maintaining an effective governance and decision-making structure.

As a Group, we want to embed responsible business practices throughout our organisation, enable a low-carbon economy, and empower our people and communities. These ambitions in turn support the UN Sustainable Development Goals (SDGs) and direct our approach to manage the most significant environmental and social issues from the business we conduct.

Through engagement with our internal stakeholders and our materiality assessment and review process, we have identified the issues in the figure to be material to us. The aim with our corporate sustainability work is to mitigate the risks and pursue the opportunities presented by these issues.

Egmont is on a journey with regard to sustainability in our commercial activities, and the pace has accelerated in the past couple of years.



People: Providing an engaging employment with a meaningful job, a great purpose, great cooperation with colleagues, and opportunities to develop professionally

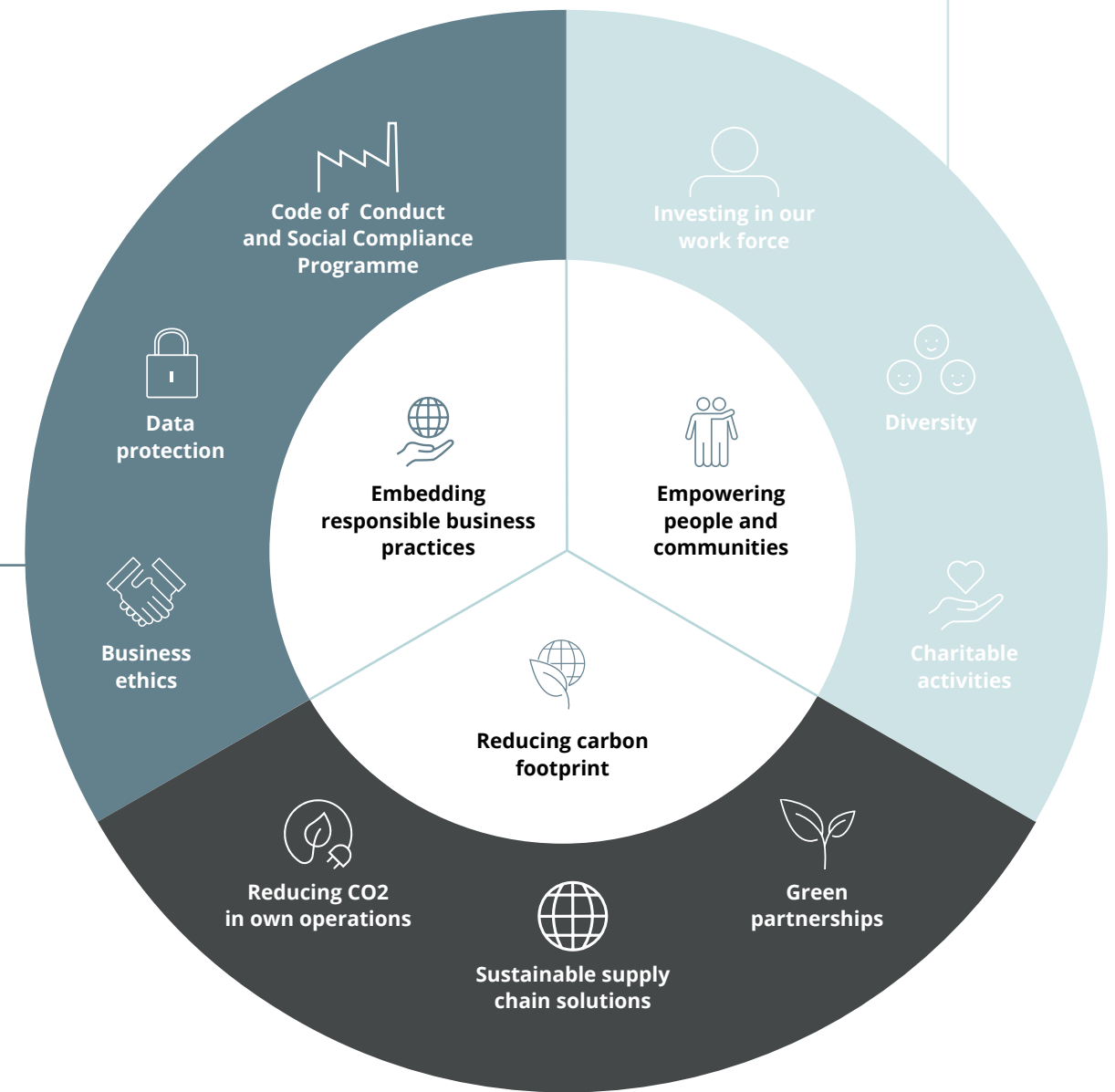
Communities: Contributing to the sustainable development of communities through engagement, funding and partnerships to support vulnerable children and youngsters as well as young talents



Ethical business and compliance: Fostering an ethical culture and conducting our business with integrity and ensuring we comply with all relevant legal and regulatory requirements in our operations and supply chains



Climate change: Reducing our greenhouse gas (GHG) emissions from own operations and moving towards more sustainable solutions in our high emission scope 3 categories: Paper, goods transportation, plastic products and packaging as well as entering into green partnerships



Accelerated journey



A group-wide framework and a common approach to climate and environment has been developed during 2020, which enables Egmont to continue developing climate targets and processes across the businesses. Climate will be an important part of Egmont's 2025 strategy.

Egmont has continued to implement its Business Ethics Policy, which was launched in 2019, via e-learning and face to face training sessions throughout its many businesses, and Egmont plans to roll-out the training to newly acquired companies. In 2020, the Egmont Foundation celebrated its 100th

anniversary. One of the celebration initiatives was to present a special anniversary prize and one million DKK to the Danish NGO "Børn, Unge & Sorg", which is dedicated to helping children and young people process their grief due to the illness or death of a parent or sibling. During 2021, Egmont will further develop its environmental ambitions and specific targets and prepare for implementation of these. Furthermore, we will launch internal awareness and master classes to enhance our employees' understanding of and commitment to Egmont's sustainability work going forward.

A man in a dark green sweater and a woman in a white button-down shirt are standing together, looking at a document held by the woman. They are in a modern, brightly lit indoor space with large windows in the background. The man is on the left, looking towards the woman on the right. The woman is smiling slightly as they both look at the document. The document has a red cover and some text on it. The overall atmosphere is professional and collaborative.

Embedding responsible business practices

We strive to foster an ethical culture, conducting our business with integrity, and ensuring we comply with all relevant legal and regulatory requirements in our operations and supply chains.



Business ethics, anti-corruption, whistleblowing, and data protection

Egmont does not tolerate any use of corruption or bribery, and since 2013 Egmont has had a clear policy on that. At Egmont, employees, business partners, and third parties have the opportunity to use confidential and secure channels to express concerns about possible misconduct via Egmont's whistleblowing system, which can be accessed online by employees via our intranet and by external parties via Egmont.com.

Business ethics policy and training

Egmont's Business Ethics Policy, which was launched in 2019, incorporates a number of legal compliance areas such as anti-corruption, bribery, conflicts of interest, gifts and entertainment, competition law, anti-fraud, marketing law, data protection, piracy and illegal use of content, human rights, and environment, and it functions as an overall umbrella to communicate compliance policies and how Egmont expects all managers and employees to act.

The Business Ethics e-learning, which was also launched in 2019, presents the employees with dilemmas and cases, which they may encounter in their daily business. During 2020, Egmont continued to implement the Business Ethics Policy via e-learning and face to face training sessions throughout its many businesses. The e-learning is automatically assigned to all new, relevant employees. All relevant employees shall be trained annually.

Egmont plans to roll out the training during 2021 to newly acquired companies and will continue to optimize the system to be able to assign training to and improve completion tracking of the relevant categories of employees.

Egmont continues to assess its risks in relation to corruption in the business areas and countries where it operates and in relation to new partners, and it is still the conclusion that the overall risk of corruption in Egmont is low. Egmont carries out audits and inspections on the basis of risk assessments and continues to work with

manufacturers and other partners in countries with perceived high risk of corruption to ensure, in particular, that no manufacturers attempt to improperly influence the outcome of independent audits carried out, and that manufacturers are aware of the regulations on anti-corruption. Where relevant both in connection with new partners and M&A transactions, separate due diligence regarding corruption and other business ethics risks is conducted.

In addition, Egmont continues its work to ensure that relevant business partners sign up to Egmont's Code of Conduct (or have their own code with equivalent standards) that clearly states that no use of corruption, bribery or facilitation payments is tolerated. During 2021, Egmont will make a new overall risk assessment in order to guide the business more consistently with respect to implementation of the Code of Conduct in relevant agreements.

During 2020, Egmont has not detected any corruption or bribery in Egmont or in the supply chain or received reports of any such incidents.

Whistleblower

In 2020, three whistleblower reports were submitted in Egmont's whistleblowing system. They all related to the same matter regarding the management and working environment in one of Egmont's Danish companies. The matter was handled internally and resulted in organisational changes within the company in question.

During 2020, continued communication around the whistleblowing system has been provided in Egmont in connection with online training.

Goals for 2021

- **Refresher training in Business Ethics for all relevant employees.**
- **Plan for roll-out of Business Ethics training to newly acquired companies in the Egmont Group.**
- **Conduct a new overall risk assessment to guide the business more consistently with respect to implementation of the Code of Conduct into relevant agreements.**
- **Assess if employees find that they have the right ways to speak up if they experience non-compliance in Egmont.**

Data protection

The EU General Data Protection Regulation (GDPR) has been in effect since 25 May 2018 across the EU. Egmont has implemented a group-wide general framework for ongoing GDPR compliance.

The framework consists of policies, guidelines, and standard documents together with comprehensive employee training programmes. Furthermore, Egmont has implemented an improved IT system where GDPR compliance must be documented. The compliance work and improvements of the various processes across the Egmont Group continues in 2021.

Egmont has a group-wide information security policy, and we are well on our way to having educated all employees in general information security as well as IT people more thoroughly in the group-wide information security policies.

The technical adoption of the information security policy is now in an optimization phase, where implemented security controls are being refined to incorporate new operational models, such as cloud. Focus is on leveraging the speed and scale of cloud security to be in control with data and systems security in parallel with traditional security controls, including security test, system updates, and malware prevention.



Egmont's Social Compliance Programme

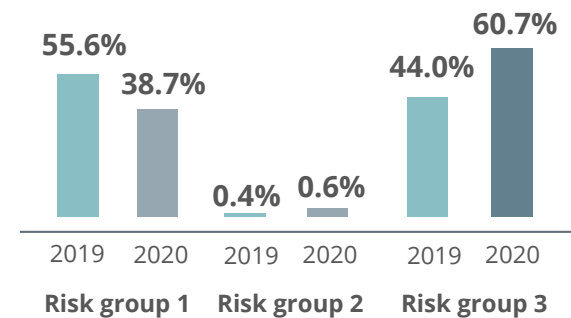
Egmont is fully committed to ensuring that human rights and labour rights, as set forth in the UN Guiding Principles, are respected, and our efforts are directed at both employees in Egmont and at our business partners and suppliers.

Egmont's approach to social compliance is guided by compliance with Egmont's Code of Conduct (CoC) and applicable national and international legislation. The CoC is an integral part of any authorisation to produce Egmont products, and by signing the CoC, Egmont and its business partners commit to conduct business in ethical and responsible manner, to support and protect the rights of all individuals and to respect the environment. The CoC is aligned with the principles of the UN Global Compact.

Since 2005, Egmont has worked with responsible supply chain management through our Social Compliance Programme. The Programme includes risk-based assessments and social audits at relevant suppliers against Egmont's Code of Conduct and other international social compliance standards covering human rights, labour rights, environment, and anti-bribery. The aim with Egmont's Social Compliance Programme is to manage and develop working conditions and business conduct in Egmont's supply chains.

During 2020, Egmont has continued to work with our suppliers to ensure compliance with the Programme. The audit results of social audits conducted during 2020 provide a picture of improved compliance at our suppliers.

Active suppliers by country risk group



Status of the supplier pool

As of 31 December 2020, Egmont had 313 active suppliers in the supplier pool, which was a decrease compared to 448 in 2019, and it is in line with Egmont's aim to focus the efforts on fewer, trusted suppliers.

All suppliers are categorized based on a country risk assessment. This table shows that Egmont's supplier pool is fairly stable and that the number of suppliers in high-risk countries has decreased, while the number of suppliers in low-risk countries has increased.

Egmont's country risk assessment:

Group 1
High risk countries
Maximum audit cycle of 12 months

Group 2
Medium risk countries
Audit cycle ranging from 12 to 24 months

Group 3
Low risk countries
Audits performed on an ad-hoc basis

Suppliers' social compliance level

Egmont is pleased to find that no Egmont Zero Tolerance incidents were detected in 2020.

By the end of December 2020, Egmont's Social Compliance team had evaluated a total of 185 social audits, of which 137 were arranged by 3rd parties and conducted on standards such as SMETA, ICTI, BSCI, etc., 12 were arranged by Egmont and conducted against Egmont's Code of Conduct as well as local legislation, and 36 were self-assessments, which were used for selected factories to report their social compliance level during the past year. Self-assessments were mainly requested for suppliers in the low-risk category.

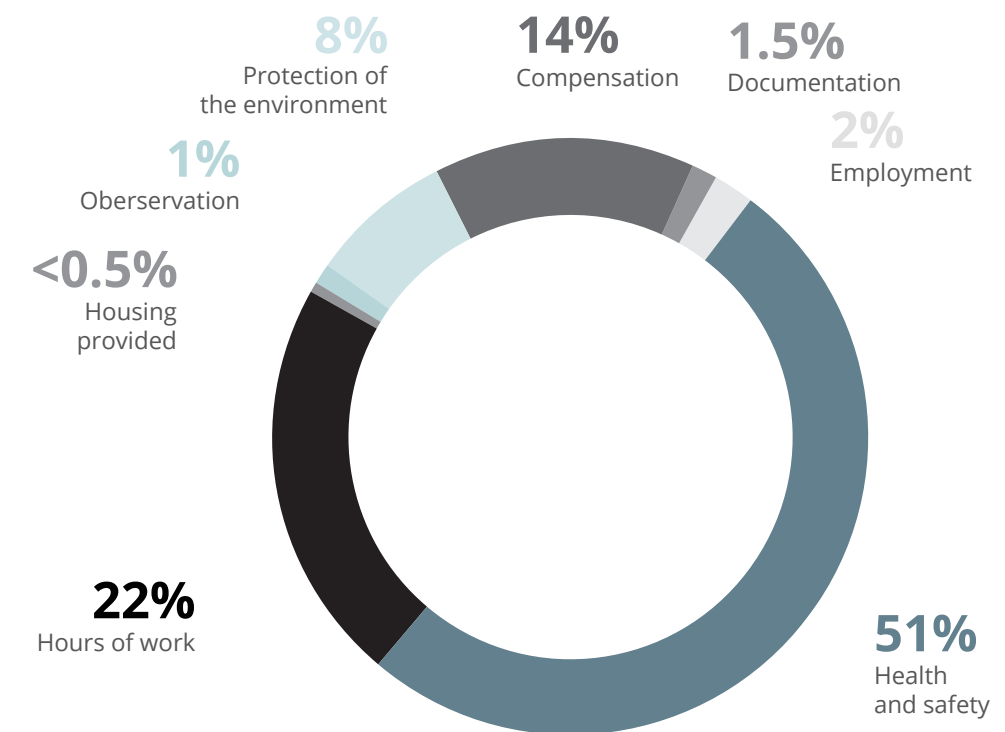
The audits must be performed by an accredited auditing company. If the independent auditor registers findings in the audit report, the supplier will receive feedback from the Egmont social compliance team and a Remediation Commitment Form (RCF) must be completed and signed by the supplier. The supplier is required to describe corrective actions and estimated completion date for the findings.

Any finding must be remedied/closed, at the latest, by the next audit date, depending on the severity.

During 2020, we saw a decrease in reported findings in the audit reports, none of them were zero tolerance incidents.

The figure below shows the distribution of finding categories in social audits during 2020.

Findings from Social Audits in 2020





Findings within the health and safety category remain the most common ones. This includes improper health checks, protective equipment not properly worn/used, and improper or missing material safety data sheet or label on chemicals used in production processes.

These findings are often caused by lack of safety awareness. Consequently, Egmont advised the relevant suppliers to set up safety procedures and training sessions, and to appoint key persons to regularly monitor and follow up on safety issues.

Findings within the compensation category are commonly related to insufficient payment of social insurance, especially amongst Chinese suppliers, which is due to lack of knowledge about social insurance and benefits and an employee short-term focus, which does not include savings as well as challenges for migrant employees to transfer social insurance savings from one region to another.

Thus, Egmont issued inspiration letters to relevant suppliers focusing on social insurance in China with updates on the current social insurance requirements and best practice on how to increase social insurance coverage.

The Egmont Social Compliance team will continue to work actively on the Egmont Social Compliance programme in close cooperation with the suppliers to improve the social compliance level over time.

Egmont's minimum compliance standards (zero tolerances):

- No violations of local minimum wage regulations (equivalent to pay per standard work hour)
- No forced, bonded or compulsory labour
- No child labour
- No risk of losing life and/or limb
- No corruption and/or bribery





Activities in 2020

Inspiration letters

Egmont's inspiration letters continue to play an important role as a useful tool of communication to the suppliers. They provide best practices related to challenging areas of compliance and update the suppliers on Egmont's social compliance focus areas.

Employee wellness during the pandemic

2020 was a difficult year due to the spread of the Covid-19 virus. Many of Egmont's suppliers had to close down for a shorter or longer period of time under the pressure of the pandemic. Together with one of its auditing partners, Egmont invited relevant suppliers to join an on-line training on how to care for the wellness of the employees during these hard times.

Launch of a new sourcing & supplier management database

In 2020, Egmont launched a new sourcing and supplier management database. The new database improves data quality and automates processes and workflows to enhance work efficiency and minimise slips and faults. It also provides further opportunities for statistics and reporting by merging or linking to other databases, such as production planning and financial approval.

Goals for 2021:

- **Continue to work on system automation of the various processes in the Social Compliance Programme.**
- **Continue to work with the supplier pool to remediate Code of Conduct violations and to work towards a declining incident curve.**
- **Continue to work on further implementation of Egmont's Code of Conduct across the divisions and in the newly acquired businesses.**
- **Issue two new inspiration letters on relevant compliance topics.**

Product safety and quality

Egmont continues to focus on ensuring that products are safe for the consumers and in compliance with Egmont's Product Safety Manual and relevant local legislation and standards.

Optimised processes

As a result of the closure of the Egmont office in Hong Kong in 2019, the sourcing processes for covermounts were changed. During 2020, the new processes with direct communication between European-based buyers and suppliers in Asia were optimized, e.g., responsibilities for safety and compliance aspects were separated from commercial aspects in order to create a leaner approach to supplier relations and communication.

Egmont's books business was reduced during 2020 as the books businesses in the UK, Germany, and Poland were divested. As a result, the remaining books organisation and processes have been reviewed with an aim to aligning relevant safety and compliance processes between covermounts, magazines, books, games, and activity products. This has resulted in leaner and more efficient operational processes without compromising the safety and compliance of the products.

Claims

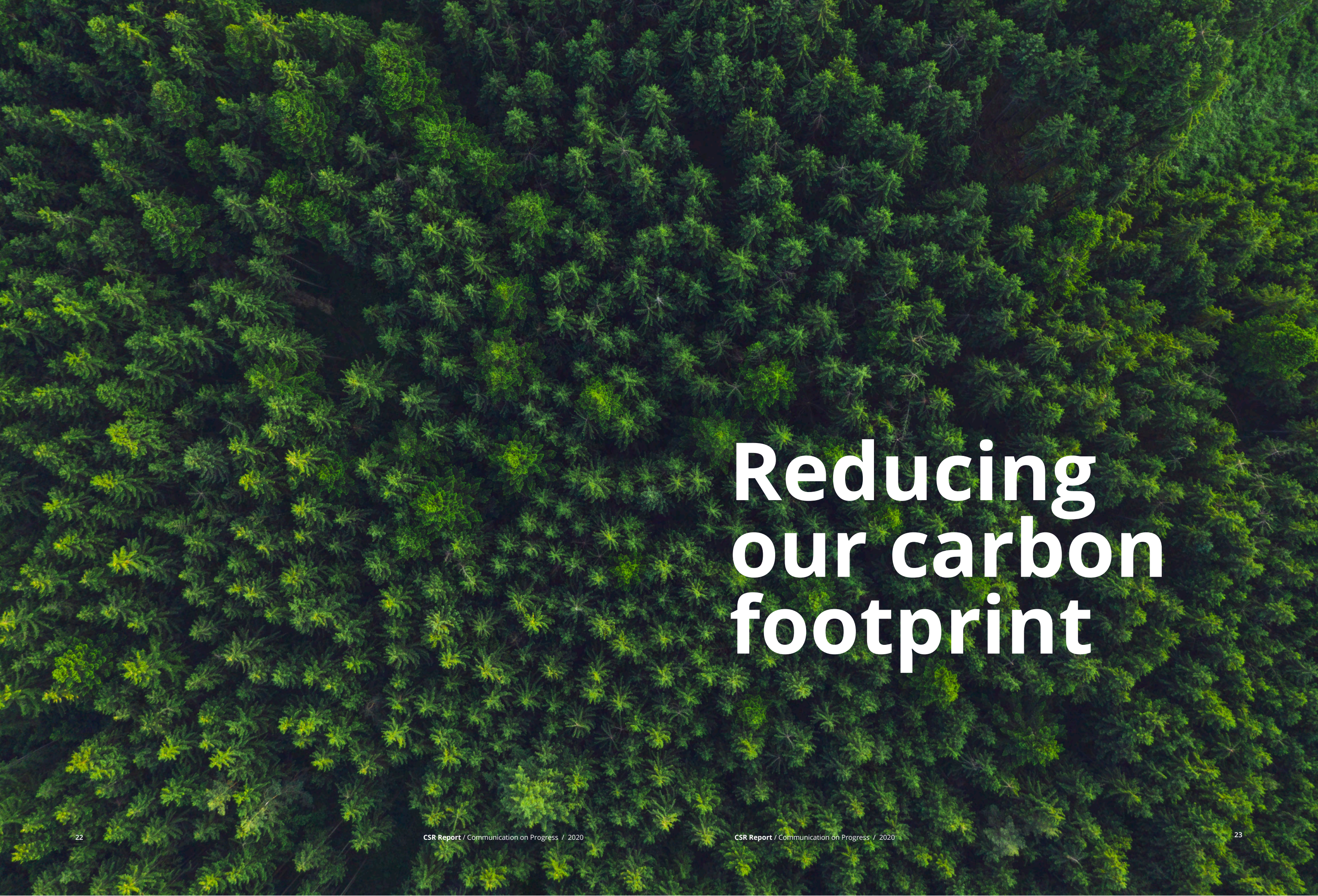
No serious incidents related to Egmont products were reported in 2020. Egmont has had a few consumer requests for product information, typically about certain chemicals in a product due to allergy concerns. For all inquiries, Egmont was able to provide relevant documentation of compliance. However, in one case where crayons proved to break easier than expected, Egmont decided to stop the sale of the product and work on improving design and manufacturing processes.

There have been no recalls of Egmont products in 2020, and no Egmont products have been notified in the European Safety Gate (RAPEX) system.

Goals

The overall goal is to provide safe products to our customers and consumers. This means that our goal remains to have no serious incidents, no product recalls, and to provide consumers and partners with requested product safety information.



An aerial photograph of a dense, lush green forest, likely a coniferous forest, with sunlight filtering through the canopy, creating a dappled light effect. The trees are packed closely together, and the overall color palette is various shades of green, from deep forest green to bright, sunlit green.

Reducing our carbon footprint



A call for action

The past years have seen a step change in society's awareness of how companies strive to minimize their climate impact on the climate change, and how they are instrumental in ensuring a global green transformation.

Being Scandinavia's leading media company, Egmont assumes its share of responsibility in contributing to a more sustainable future.

In 2020, Egmont reaffirmed its commitment to protecting the climate by reducing our carbon footprint, building on our work from the past years of assessing our direct and indirect climate impact. Egmont is committed to reducing greenhouse gas (GHG) emissions caused by our business in scope 1 and scope 2 (cf. below) by becoming carbon neutral in our own operations in 2021.

We have made good progress in understanding our high impact areas for scope 3 GHG emissions, which is a prerequisite for identifying sustainable supply chain solutions.

In addition, focus has been on improving our climate-related reporting systems and processes to assess our climate impact across the Egmont Group.



Increasing our efforts

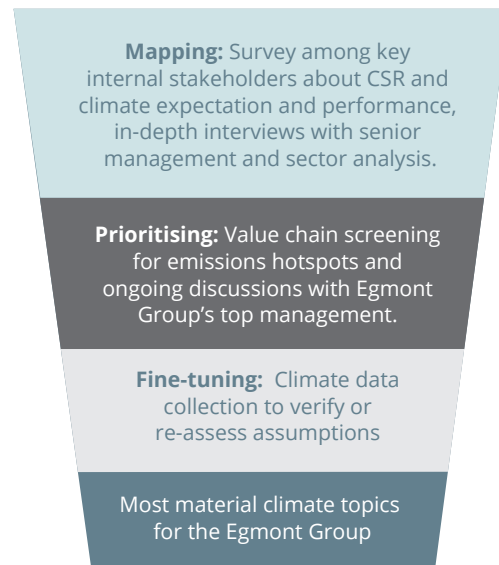
During 2020, Egmont has worked intensively to understand which climate topics are most material to our business and stakeholders and assessed what the climate hotspots are for Egmont businesses within the Egmont group, both for activities within own operations and for activities within supply chains, but outside of our direct control.

Egmont has taken the following structured approach to identify the material topics which should be included in the Egmont Group climate agenda:

- Mapping of material climate topics: engaging with internal stakeholders through a survey, interviewed senior management of key Egmont businesses to understand which activities they perceive as having the largest climate impact, and conducting a sector analysis to assess which climate themes our peers are focusing on.
- Prioritizing material climate topics: Conducting value chain screenings of key Egmont businesses to identify GHG emission hotspots and ongoing conversations with Egmont's top-management to determine which topics are most material for our climate approach.
- Fine tuning the material climate topics: Collecting climate impact data for a range of the material topics, which were prioritised by our stakeholders to verify or reassess our assumptions and fine-tuning our list of material climate topics as a result of the climate data collection.

The method identifies material climate topics related to Egmont's business and widens our carbon footprint calculation scope. It also strengthens awareness about climate internally in Egmont, resulting in a more impactful and future-proof climate agenda for the Egmont Group.

Illustration method



Key elements method

- International best practice**
 - Mapping activities from international peers
- Internal expertise**
 - Value chain analysis of where our business have the largest impact or can do most good?
 - Current climate initiatives in the group? How are we performing?
- Competitors**
 - What do competitors do with climate?
 - What could be the most impactful climate topics?
- Stakeholders**
 - Stakeholder survey and interviews



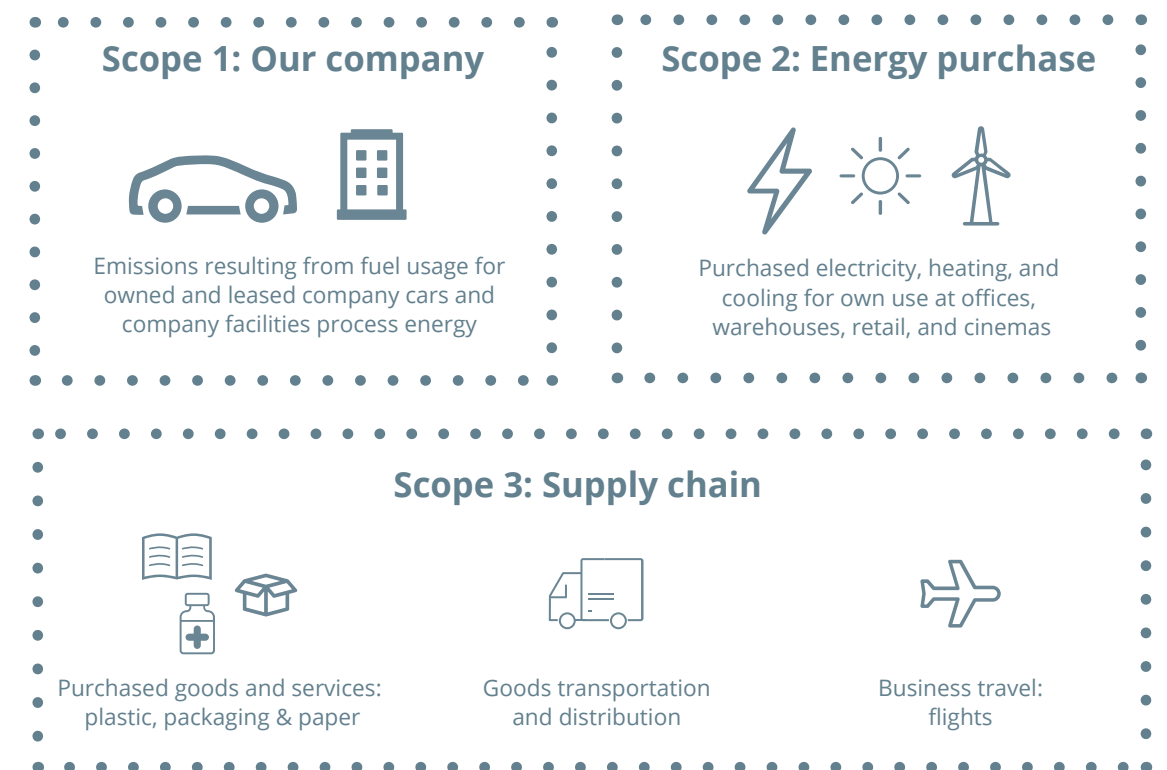
Transparency in carbon emissions

As of 2020, Egmont's updated 2019 baseline will serve as foundation for our GHG emission tracking going forward. The Egmont carbon footprint calculation includes 70 Egmont businesses across the four divisions.

To be able to compare Egmont's emissions impact year on year, we report using the Green House Gas protocol structure of scope 1 (direct emissions), scope 2 (indirect emissions), and scope 3 (indirect emissions) categories.

Within scope 1, emissions related to our car fleet usage and emissions related from process energy at our own facilities are calculated. For scope 2 we have calculated our energy consumption including electricity, heating, and cooling. For scope 3 category categories, we have focused on purchased goods and services (paper, plastic and, packaging purchased by Egmont businesses), goods transportation, and business travel (flights).

Activities in scope for Egmont's carbon footprint calculation





Achieving more together

The Egmont Group 2020 carbon footprint calculation shows that only a small amount (2%) of our emissions is related to our own operations (scope 1). Approximately 8% of our total emissions are caused by the energy we buy, with roughly 48% of our scope 2 emissions stemming from the energy usage in our cinemas across the Nordics. Carbon emissions outside of our control that occur in our supply chain account for approximately 90% with CO2 emissions related to paper purchase for our books and magazines having the highest emission impact (see "Overview emissions in numbers both location based and market based").

The Covid19 pandemic makes it challenging to identify a trend between our 2019 base year and our 2020 carbon emissions as some of our businesses such as our cinemas have not been operational for part of the year, whilst others have seen a significant increase in activities. In addition, we have significantly improved the data quality of our scope 1+2 which might also have impacted the data reported for 2020.

Taking these limitations into account it is visible that there is a 19% reduction in CO2 emissions from 2019 to 2020. The largest year-on-year reduction is in scope 2, which is mainly due to the impact from the COVID19 lockdown regulation on our cinemas, significantly reducing the purchase of energy.

The reduction can also be explained by an increase in data quality in 2020. Scope 3 sees a reduction of 15% from 2019 which is caused by the decrease in paper purchase and optimising sea freight of our magazines business. Lastly, the reduction in scope 3 emissions is caused by the reduction in business flights resulting from the Covid19 pandemic.

As 2020 has been an exceptional year we expect Egmont's CO2 emissions to bounce slightly back in 2021, in particular in scope 2, when society is opening up. Egmont will increase the efforts to understand and address our emissions in scope 1, 2 and 3 in the next couple of years.

At group level, Egmont will continue the work to reduce our climate impact, and this will be an important part of Egmont's 2025 strategy. As a first important step Egmont has committed to becoming carbon neutral in our own operations (scope 1+2) by 2021 by reducing our energy use, investing in electricity purchasing power agreements (PPA) for our operations in Denmark and over the next couple of years also in other of our main locations/ countries, and buying carbon credits for the remaining CO2 emissions.

Egmont will also continue to work internally and with external partners to improve the data quality of our CO2 emission reporting for hot spots in scope 3 (paper purchase, goods transportation, plastic and packaging purchase and business travel), which will enable us to set ambitions and optimise the carbon footprint within our supply chain. Egmont already established a plastic expert group in 2019, which has set an ambitious target

to reduce the use of plastic foils for magazines by 50% by the end of 2021 from 2019 levels. In 2021, Egmont will establish two additional internal expert groups for scope 3 emission hotspots; one for paper purchase and one for goods transportation as these categories have the highest CO2 impact in Egmont's 2019 baseline. The expert groups will collaborate with Egmont's business partners and suppliers with the aim to get a better insight into the specific categories in order to explore the options for more sustainable solutions. By the end of 2021, Egmont aims to start looking into the other hotspots identified within scope 3: packaging and business travel.

Finally, we will raise awareness about climate issues among our employees and customers to empower them to contribute to Egmont's commitment to a more sustainable future.

Overview emissions in numbers both location based and market based

	2019 baseline	2020
Scope 1	881	692
Scope 2 (market-based tCO2)	5,540 (17,833)	2,946 (8,739)
Total scope 1+2	6,421	3,638
Total scope 3	40,326	34,177
Total scope 1-3 (location based)	46,747	37,815

Divisional sustainability initiatives

Story House Egmont

Media



- Committed to reducing plastic wrapping of magazines with at least 50% by end of 2021
- Initiated a division specific environment strategy process

E-commerce



- Outnorth – Egmont's outdoor clothing and equipment online shop received Prisjakt. nu. '2020 most sustainable shop' price.
- Outnorth has committed to becoming climate neutral by 2028

Nordisk Film



- Initiated a division specific CSR strategy process



Empowering people and communities



People

Egmont's workforce

Egmont cares about the well-being of our employees – short and long-term. Egmont believes that a good life at work for its employees is realised through a combination of a meaningful job, a great purpose, great cooperation with colleagues, and opportunities to develop professionally. People are the most important asset in Egmont, and it is one of Egmont's strategic priorities to be people driven. In an industry where the speed of change in technology and consumer behaviour is a precondition, Egmont needs to have the right competencies to stay relevant, and a culture where development and innovation is paramount. Thus, Egmont wants to strengthen the learning culture across divisions, to eliminate the risk of a workforce gradually losing its ability to stay relevant in relation to external demands. This is done through a mix of professional skills development, acquisition of new competencies, and new ways of working.

Leadership development and employee engagement

Egmont's leaders are vital to the well-being and development of its people, and it is crucial for Egmont's continued success that its leaders understand how to guide their employees through the rapid changes in business models. Therefore, Egmont continues to invest in leadership training, which aims at unfolding Egmont's strategy.

By the end of 2020, approx. 240 leaders had completed the "Committed to Lead" programme. This corresponds to approx. 45% of the total leadership population, and the rate of completion increases with the pipeline of leaders lined up for the programme in 2021. Since 2019, Egmont has also offered development training to informal leaders, i.e., functional specialists who are expected to impact a wide population of employees, although they do not have formal responsibility for direct reports. By the end of 2020, 75 informal leaders have completed or started the programme.

Due to the Covid-19 pandemic, the programme format was converted from physical to virtual training sessions during 2020. In addition to the leadership development, Egmont expects its leaders to focus and act on the employee engagement in their teams, which is why Egmont

conducts engagement surveys twice a year. Engagement is essential for short-term business performance and customer satisfaction as well as for the long-term sustainability of the company. Egmont's engagement remains at a high level, both in terms of participation rate in surveys (88%) and the overall engagement level (8.1 on a 10-point scale) according to the latest engagement survey in November 2020. This constitutes a 0.1-point increase compared to the engagement level in November 2019.

Managing the Covid-19 pandemic

The Covid-19 pandemic has in many ways changed the ways of working in 2020. Office restrictions, employees working remotely, virtual meetings and limited face-to-face interaction have impacted the social behaviour at the workplace. To increase virtual leadership skills, Egmont offered all leaders a half day training that helps provide insight into ways to lead effectively at a distance. 182 leaders have completed the training in 2020, and 360 have signed up for Spring 2021 training.

As a support to Egmont employees during these challenging times, Egmont has offered virtual courses, webinars, etc. that focus on ways to maintain motivation and be comfortable working from home, how to use and improve technology skills, as well as tips and tricks on how to balance work and private life.

As part of PeopleSurvey, Egmont added 16 questions related to Covid-19. These questions covered everything from the company's pandemic response and communication, team collaboration and productivity during lockdown, to employee motivation and well-being. Overall, results were positive, with scores ranging between 7.0 to 9.0 on a 10-point scale (8.3 average).

Focus on harassment

In 2020, more than 700 women from the Danish media industry signed a letter to support a Danish tv-host's statement against sexual harassment in the industry. Egmont's management reaffirmed its commitment from when the #metoo appeared as a campaign in 2017: "Let us make this absolutely clear: We do not accept sexual harassment, or any other type of harassment for that matter, in Egmont. Not from anyone. Not in any company. It is not a culture, behaviour or conduct that can be part of Egmont.

In Egmont's Business Ethics Policy, it is stated that Egmont expects employees to support a culture in which human rights, including non-harassment, are protected and promoted. Employees are expected to treat others with dignity and respect. This includes never participating in any verbal or physical conduct that can be viewed as inappropriate, offensive, hostile or in other ways result in creating an uncomfortable or unhealthy working environment.

Egmont continuously seeks to enhance and disseminate its ethical guidelines; partly by developing policies for appropriate workplace behaviour in close collaboration with relevant trade associations and partly by conducting local employee surveys with emphasis on experienced or perceived harassment.





Gender balance



Overall, the Egmont Group has gone from having 47% females and 53% males in management positions in 2019 to having 49% females and 51% males in management positions in 2020.

By the end of 2020, Egmont's total workforce consisted of 48% females and 52% males. The table below shows variations across management and other employee categories in the divisions, which is believed to be fairly reflective of the talent pool available.

Egmont continues to aim at being an attractive workplace, where the competencies of our employees can be used the best way possible irrespective of gender and where everyone finds that they have equal and fair opportunities for promotions.

Policy

- **Egmont does not discriminate based on gender, age, handicap, ethnic or religious background.**
- **Egmont wishes to always employ the best qualified person, irrespective of gender.**
- **Egmont aims to have a diverse set of competencies. Diversity is not a matter of gender only but can also include educational background, functional experience, cognitive perception, age, cultural background, etc.**
- **When recruiting or promoting people Egmont aims to identify both male and female candidates.**

	Count 	%	Count 	%	Total*
Egmont Group	1,831	48%	1,997	52%	3,828
Management	287	49%	302	51%	589
Other employees	1,441	52%	1,310	48%	2,751
Books	185	67%	91	33%	276
Management	23	55%	19	45%	42
Other employees	162	69%	72	31%	234
Story House Egmont	840	60%	560	40%	1,398
Management	134	53%	120	47%	8
Other employees	706	62%	440	38%	55
Holding	62	46%	72	54%	134
Management	14	54%	12	46%	26
Other employees	48	44%	60	56%	108
Nordisk Film	408	37%	703	63%	1,111
Management	99	33%	203	67%	302
Other employees	309	38%	500	62%	809
TV 2	336	27%	571	63%	907
Management	50	47%	57	53%	107
Other employees	286	36%	514	64%	800

* Based on number of employees in people survey in November 2020. Excluding employees paid by the hour and employees in minority owned, e-commerce businesses. ** Management includes top management, leader of leaders, and leader of others.



Supervisory boards



The target for the underrepresented gender on the board applies to all Egmont's Danish companies that are required under Danish law to set such target. In addition to Egmont Fonden and Egmont International Holding A/S (which have a board that consist of the same board members) the companies are, Story House Egmont A/S, Egmont Printing Service A/S, Lindhardt & Ringhof Forlag A/S, Nordisk Film A/S, Nordisk Film Distribution A/S, Nordisk Film Biografer A/S, and GoGift.com A/S.

Except for Egmont Fonden and Egmont International Holding A/S, all these companies have one female board member elected by the general meeting out of three board members on the Supervisory Board, which is considered equal representation under Danish law. For companies with equal representation, it is not relevant to set a target for the underrepresented gender.

According to the Charter of the Egmont Foundation, appointment to the Board of Trustees takes place when a member's appointment period expires, and board members are appointed for a period of four years. The Board of Trustees of the Egmont Foundation is appointed for up to three ordinary periods of four years and may be appointed for up to two further periods of two years.

In 2020, the Board of Trustees set a new target as the then existing target to have at least one female board member appointed by the annual meeting was met. The Board of Trustees believes that its members should be chosen for their overall competencies but also recognises the benefits of a diverse Board in terms of experience, cultural and educational background, and gender.

In 2020, on that basis and in order to work towards equal representation, the Board of Trustees set the following target:

Egmont aims to have at least two female board members on the Board of Trustees appointed by the annual meeting no later than 2024			Equal representation
Egmont Fonden / Egmont International Holding A/S	6	1	✗
Story House Egmont A/S	2	1	✓
Egmont Printing Service A/S	2	1	✓
Lindhardt and Ringhof Forlag A/S	2	1	✓
Nordisk Film A/S	2	1	✓
Nordisk Film Distribution A/S	2	1	✓
Nordisk Film Biografer A/S	2	1	✓
GoGift.com A/S	2	1	✓



Charitable Activities

Egmont Fonden's charitable activities help children and young people get life skills and acquire learning. The foundation's work is based on social indignation and empathy. The foundation was founded in 1920 by Egmont Harald Petersen's wife, Elisabeth, and their children with the aim to alleviate the consequences for children and families living in poverty.

In 2020, Egmont Fonden turned 100 years. Today, the aim is to safeguard young people against "modern poverty" – the lack of learning and life skills. Egmont Fonden focuses on the approximately 15% who are at risk of not completing an upper secondary education. Egmont Fonden contributes to ensuring that by 2030 all young people are able to complete an upper secondary education, and the foundation thereby also contributes to UN's sustainable development goal number four on quality education. Egmont Fonden strives to involve the perspective of children and young people in all its charitable activities.

Fonden uses a variety of philanthropic instruments: The programme called A Helping Hand which distributes support directly to children and families at risk, donations, partnerships, incubator grants, and catalytic activities. In 2020, Egmont Fonden spent a total of EUR 11.9 million on philanthropic activities aimed at supporting children and young people's learning and life skills and film talents through the Nordisk Film Fonden. Since 1920, Egmont Fonden has donated approx. EUR 422 million to charitable activities.



The Covid-19 pandemic

The COVID 19 pandemic and the lockdown periods had a big impact on children and young people in Denmark and Norway where the foundation has charitable activities. It affected their well-being as well as their learning. Many children and young people at risk – who constitute the target groups of the foundation – were in dire straits and had a profound need for support. COVID-19 thus left a significant mark on Egmont Fonden's catalytic activities in 2020 and on the foundation's grant recipients.

As a consequence, Egmont Fonden gathered information on the consequences of the pandemic seen from the perspective of children and young people and was in ongoing dialogue with its grant recipients and conducted two dialogue rounds in order to map the consequences and challenges for the grant recipients. The Egmont Report 2020 was published in August and shed light on how the crisis has affected young people's lives, well-being, and learning during the COVID-19 lock down. The report showed that COVID-19 was a major upheaval for every fourth young person in 8th grade; Some got better, while others found the crisis challenging. The result shows the necessity to listen to young people in order to support them efficiently.

Egmont Fonden allocated EUR 1.6 million for initiatives aimed at meeting the needs resulting from the pandemic (including extra grants under the program A Helping Hand of EUR 0.8 million for direct support to children and families affected by the pandemic). The organizations which received support were Learn for Life, Children's Rights National Association and five partner organizations under A Helping Hand (Danish Red Cross, Norwegian Women's Public Health Association, Børnehjælpsdagen, Efterskoleforeningen and The Foundation for Social Responsibility). They have all experienced an increased demand for their support during the crisis.

Egmont Fonden distributed a total amount of EUR 2.3 million via A Helping Hand through partnerships with organizations in Denmark and Norway that are directly in contact with children and young people at risk. The support was relatively high in 2020 (18% of the philanthropic budget) as the need for support increased enormously due the crisis. It has proven to be an effective program to support children and young people at risk during the COVID-19 lockdown.



Children and young people in care

Egmont Fonden established a 5-year partnership with Learn for Life (Lær for livet) with a total grant sum of EUR 3.23 million. In partnership with Egmont Fonden, Learn for Life will contribute to ensuring that more children placed in care and children at risk are able to complete an upper secondary education. In 2020, Learn for Life – which is an organisation created by Egmont Fonden – documented that 75% of their learning kids finish 9th grade with a diploma and enrol in upper secondary education as opposed of only 50% of other children placed in care.

In 2020, the government's focus on children placed in care intensified. Learn for Life's communication of the perspective of children contributed to this. Six learning kids wrote an article which resulted in a visit of 25 learning kids at the Prime Minister's residence. The main focus in the Prime Minister's New Year speech 2020 was children placed in care, and she mentioned the visit by these children and the article. A reform of the area is in process and Learn for Life, the foundation and several of its grantees have contributed to this.

School absenteeism

Egmont Fonden and the Children's Rights National Association published a report on school absenteeism. The release was marked with an event at the Danish parliament where school chairs symbolized the 75,000 children who are absent from school more than 10% of the time. The campaign and report generated profound media coverage, set the agenda politically and resulted in debates in parliament on how to reduce absenteeism. Egmont Fonden and the Children's Rights National Association support children, families and teachers directly who are affected by problems of long-term absenteeism.

Supporting young children

In January 2020, the Pledge to Support Young Children celebrated its 2nd birthday. So far, 181 organizations and persons have signed the Pledge including 25 municipalities. The Pledge was initiated by Egmont Fonden in collaboration with several key stakeholders. For several years Egmont Fonden has focused on reducing the learning gap experienced by many young children and has invested very much in this area in terms of grant-giving, networking activities, and the generation of knowledge. In 2020 the foundation e.g supported Mødrehjælpen's work regarding the first 1,000 days of a child's life.

Nordisk Film Fonden

In 2020, Nordisk Film Fonden donated EUR 0.7 million for initiatives empowering film talents to a future based on real-time technologies and new creative opportunities in filmmaking. Five initiatives received Isbjørn Project Donations: (1) WorldSum Story World Building – a method to develop strong visual cinematic experiences. (2) The Super16 Film School – the Film Talents of Tomorrow. (3) New technology in films by emerging talents delivered by the four Danish Film workshops. (4) An analysis of the future vocational continuing education in the Danish film industry. And (5) Picture This_ Film Tech Conference – exploring new methods in filmmaking and storytelling. The Nordisk Film Award in Denmark went to director Malou Reymann and in Norway to script supervisor Gjyljeta Berisha. The Balling Award went to cinematographer Louise McLaughlin and the Ove Sprogø Award to actress Mille Dinesen. 54 talents received the scholarships Lille Isbjørn and Store Isbjørn to grow their talent and seek new knowledge abroad.





Carbon accounting principles

The aim of Egmont's carbon footprint calculation is to get an overview of Egmont's greenhouse gas (GHG) emissions impact, which is an integrated part of our climate strategy. The carbon footprint account is a fundamental tool in order to get insight in Egmont's carbon hotspots and to identify and monitor concrete measures to reduce the activities and corresponding GHG emissions.

Egmont's carbon footprint calculation is based on the international standard: A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). This is the most renowned standard for measuring GHG emissions and is used widely by organisations reporting on their CO₂ emissions. The GHG protocol is a multi-stakeholder partnership of businesses, non-governmental organisations (NGOs), governments and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol: Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). 'Carbon dioxide equivalent' or 'CO₂e' is a term for describing these different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming effect.

Egmont's carbon inventory

For the carbon inventory boundary, Egmont has defined some principles to assess which of the businesses in the Egmont Group are included in the carbon account. As the Group consists of more than hundred legal entities with different business activities, a key factor for Egmont has been to consider whether the contribution of the activity or organisational entity can be considered material or significant to our overall carbon footprint. For the organisational boundary for reporting, we choose an operational control approach, meaning that every entity where Egmont has operational control will be included in the scope 1 and 2. This means, that entities in which Egmont owns an interest, but has no operational control, are not included in Egmont's carbon account. For scope 3, Egmont has defined additional principles cf. table below.

The carbon inventory is divided into three main scopes consisting of direct and indirect emissions. Direct CO₂ emissions are caused by sources controlled or 'owned' by Egmont (scope 1). Indirect CO₂ emissions are related to energy consumption, which are controlled but not owned Egmont (scope 2) or resulting from Egmont's activities within the supply chain (scope 3).

According to the GHG protocol, it is mandatory to report emissions relating to scope 1 and 2, whereas reporting of scope 3 indirect emissions is voluntary. In the carbon account for this CSR report all three scopes have been included to ensure that it reflects the accurate carbon impact of Egmont's operations. We have identified the following scope 3 categories to be material to Egmont: paper, goods transportation, plastic products, packaging, and business flights.

General principles scope 1,2 & 3

- **Operational control:** from the complete long list of Egmont entities, only those entities are included of which Egmont has operational control.
- **No FTE and revenue:** of all the entities which Egmont has operational control only those entities are included of which there is either FTE or revenue reported.
- **Grouping of entities:** where it makes sense in terms of the nature of the business or data collection processes, some entities are grouped for the carbon accounts.

Scope 3 specific principles

- **Principle 1 & 2 above**
- **95% annual consolidated revenue : the entities included represent a minimum of 95% of the annual consolidated revenue 2019.**
- **15 FTE or more : those entities which employ 15 FTE or more are included in the carbon accounts.**



The diagram below shows an overview of the number of companies included in Egmont’s carbon footprint analysis per division and scope. In addition, the diagram gives an overview of which category in scope 3 is considered to be material per division and business unit.

Category	Item	Holding & services	Nordisk Film			TV 2	Story House Egmont			Books
			Distribution	Games	Cinemas		E-com	Marketing	Magazines	
Business units										
Nr of businesses Scope 1 + 2		3	14	2	6	9	4	10	19	3
Scope 1: Company operations	Fuel usage owned /leased cars	●	●	●	●	●	●	●	●	●
Scope 2: Energy purchase	Electricity, heating & cooling	●	●	●	●	●	●	●	●	●
Nr of businesses Scope 3		2	13	2	5	5	4	8	14	3
Scope 3: Goods & services purchase	Paper								●	●
	Plastic								●	
	Packaging				●		●		●	
Scope 3: Goods transportation and distribution	Upstream		●				●		●	●
Scope 3: Business travel	Flights	●	●		●	●	●	●	●	●

Description of different scopes

- **Scope 1:** This includes all use of fossil fuels for stationary combustion or transportation in our owned or leased assets such as cars and offices.
- **Scope 2:** This includes all purchased energy for electricity, heating, and cooling. The electricity emissions factors used in the CEMAsys system are based on national gross electricity production mixes on a 3-year rolling average. The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, which reflects the common North Pool market area. Emission factors per fuel type are based on assumptions in the International Energy Agency (IEA) methodological framework. Factors for district heating and cooling are either based on actual (local) production mixes, or average IEA statistic.
- In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption.
- Primarily two methods are used to “allocate” the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based method. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
- Businesses who report on their GHG emissions will now have to disclose both location-based emissions from the production of electricity and the market-based emissions related to the potential purchase of Guaranties of Origin (GoO). When purchasing GoOs the company ensures that the electricity it buys is produced by only renewable sources, which has an emission factor of 0 grams of CO2 per kWh. However, for electricity without the GoO, the emission factor is based on the remaining electricity production after all GoOs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor.
- The purpose of this amendment in the reporting method is on one hand to show the impact of energy efficiency and saving measures, and on the other hand to display how the acquisition of GoOs affect the GHG-emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.
- **Scope 3:** This includes voluntary reporting of indirect emissions from purchased products or services in the value chain. Egmont’s scope 3 carbon inventory includes 3 out of the 15 defined categories. The first category is indirect emissions from purchased goods and services for: paper used for magazines and books, plastic used for covermounts on Egmont’s magazines and packaging used for magazines, products in e-commerce and packaging used in the cinemas. The second category is goods transportation which covers the transportation for Story House magazines & e-commerce, Nordisk Film distribution and Books. The third category included is business travel and includes all the flights taken by almost all Egmont businesses included in the carbon accounts for scope 3.

Conversion of activity data to carbon emissions

We have used the external CEMAsys platform to convert activity data (i.e. energy consumption, material consumption, transportation etc.) into CO2. Consequently, the reported emission impact of Egmont’s operations is dependent on the chosen conversion rate in the CEMAsys system. In addition, where no activity data was readily available, Egmont made estimations based on either spend or other relevant data by developing an estimation model with the support from Deloitte. The methodology used for estimation is extensively documented in Egmont’s internal accounting manual.

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This list of references may not be complete. Depending on the use of the CEMAsys emission factors database, there are a number of different local and national sources. If necessary, please contact CEMAsys Help Desk for further details.



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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Printed matter
5041-0492

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Photos: Klaus Rudbæk, Getty Images