

Schibsted Media Group's communication on progress – 2011

Introduction

Schibsted Media Group became a member of the UN Global Compact in 2009 and this is our second communication on progress. Schibsted Media Group is committed to implementing, disclosing and promoting the UN Global Compact's ten principles across the entire Group.

About Schibsted Media Group

Schibsted is a media group headquartered in Oslo, Norway, with approximately 7,400 employees spread across 28 countries. We have a strong belief that our content and our services provides value to our readers and customers.

Schibsted has organised its operations in two strategic pillars. One is the large media houses that Schibsted has established in its core markets. These have strong positions and well recognized brands in print and digital channels. Our editorial environment delivers content to digital publications such as the Internet, mobile phones and e-readers.

The other pillar is the web-based market places with classified ads. Schibsted has market-leading, profitable operations in Norway, Sweden, Spain and France. Experiences from successful establishments in the core markets form the basis for investments in online classified advertising in new markets.

Corporate responsibility in Schibsted Media Group

One of Schibsted's foremost corporate responsibilities is to ensure editorial freedom. For a large media group like Schibsted, three key words apply: credibility, responsibility and quality. Upholding these values is a responsibility we have towards our readers and users of our media as well as to our customers, employees, shareholders and the society in which we operate.

Schibsted Media Group is also a large player in the market for reuse of products through our online classifieds sites. Our marketplaces extend the useful life of products and contribute to reducing the need for manufacturing new goods.

In recent years we have also launched new services that contribute to transparency in the fields of insurance and loan conditions.

In 2011 Schibsted became member of the Nordic Media CSR Forum with the aim of setting the stage for corporate responsibility in the media sector. Schibsted Media Group is currently working on identifying a common approach to key corporate responsibilities issues across the Group and setting an overall corporate responsibility strategy.

Human rights

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2

make sure that they are not complicit in human rights abuses

Schibsted Media Group supports and respects the international human rights principles and works towards ensuring that the Group is not complicit in human rights abuses.

Assessment, policy and goals

One of Schibsted's foremost corporate responsibilities is to ensure editorial freedom and integrity, and as part of this the human right to freedom of speech. Schibsted has a long tradition of working to ensure freedom of speech. Although we may encounter situations where the protection of other human rights beyond that of the freedom of speech will be relevant to the way we operate, we have been privileged to operate in markets where this is rarely the case. We are working with relevant approaches to address these risks, as well as our opportunities to protect human rights.

A free media is one of the most important contributors to a strong and thriving democracy, and we believe the protection of human rights, and in particular the freedom of speech, is an important part of this. Schibsted's core values are founded on this principle, which is entrenched in the Group's articles of association stating that:

"The shareholders shall enable the Company to operate its information business in such a way that editorial freedom and integrity are fully ensured. The requirement for editorial freedom and integrity shall apply to all media and publications encompassed by the Norwegian and international activities of the Schibsted Group."

Due to Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are further facilitated by restrictions on ownership and voting rights stipulated in the Articles of Association §6. No shareholder may own or vote at the General Meeting in respect of more than 30% of the shares.

Implementation

Schibsted's editorial media are founded on fundamental values such as religious freedom, tolerance, human rights and democratic principles. Our publications reflect a diversity of opinions and therefore contribute with a diversity of approaches to and opinions on key issues in public debate.

The safeguarding of editorial integrity and the responsibility to maintain the ethical standards is anchored locally and administered by each individual company in the Group. The principles of editorial freedom and the integrity are clearly communicated from the Editor in Chief in each publication and are part of regular training performed in the individual media houses covering relevant national legislation and ethical regulations.

An important milestone in the work on strengthening the Group's publicistic activities was the establishment of the Schibsted Editors' Forum in 2007. Through the Editors' Forum, Schibsted has

created a European network in which the leading editors in our media companies can discuss common challenges, exchange ideas and experiences and discuss issues of principle relating to their activities, both in the individual countries and across national boundaries. One representative from the Editors' Forum is also an observer to the board meetings of Schibsted. The observer is entitled to speak and submit proposals at the board meetings.

The forum also constitutes a pan-European editorial contribution to Schibsted's corporate management and governing bodies.

Measurement of outcomes

Schibsted Media Group has throughout 2011 continued the work on ensuring that the Group's view on human rights is clear to all subsidiaries and that both internal and external communication within this area supports the Group's view. Human rights as a core value stands strong across the Group. In most of our subsidiaries, both management and employees view respect for human rights as integral to their business.

In 2011 Schibsted Editors' Forum issued a set of general principles as a common framework for all Schibsted editors. This framework includes inter alia the following subjects: 1) A Schibsted editor shall promote the freedom of opinion and defend the democratic values of society, with full respect of human rights, equality and diversity. 2) A Schibsted editor has a free and independent role, and is entitled to independent leadership of the editorial department and editorial work and full freedom to shape editorial opinions within the frame of fundamental ideas of the medium. 3) A Schibsted editor shall protect the freedom of speech, the freedom of the press and the principles of access to official documents – as well as the free flow of information and free access to the sources. 4) A Schibsted editor will regard it as an important task of the press to protect individuals and groups against injustice and uncover matters critical to society.

In 2011 the Schibsted Editors' Forum agreed upon making an Annual Editorial Report that will be made available for the public. This Annual Editorial Report will include information on circulation, readership, online users, place of issue, frequency, total number of pages, editorial staff, editorial content versus advertisements, number of editorials and comments, number of debate articles print/online and number of articles print/online. In addition to this information there should be an article by the Editor in Chief – "a state of union" on important subjects. The state of union will cover the main topics of professional standards, editorial guidelines, ethics, complaints and legal matters (examples), editorial focus and priorities (examples), competence and evaluation and product development.

Labour

PRINCIPLE 3

Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

the elimination of all forms of forced and compulsory labour;

PRINCIPLE 5

the effective abolition of child labour; and

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation.

Assessment, policy and goals

Schibsted Media Group recognises our employees' right to freedom of association and collective bargaining, and allows employees to freely elect employee representatives. Schibsted also recognises the International Labour Organisation's fundamental conventions and national legislation on labour standards.

Schibsted is committed to ensuring the abolition of forced labour and child labour across the Group. We are privileged not to be exposed to a high risk of either forced labour or child labour taking place in our work places or even in our supply chains. Nevertheless managing the risk of forced labour and child labour in our work places and in our supply chains is on our agenda.

The companies' working environment committees are continuously striving to facilitate a good working environment and thus minimise the chances of employee discrimination in the workplace.

Implementation

Schibsted strives to offer and develop an inspiring and challenging working environment. Schibsted has diverse institutions that secure employee representation within our companies and contact between employee representatives and the Group management. We encourage and facilitate whistle blowing of non-conformities with the labour standards that we are committed to. We also facilitate an open, internal job market and offer a travel grant fund that is meant to facilitate secondment of employees in the Group to other companies in the Group.

Employee representatives on the Board

The Articles of Association define that the Board shall comprise from 6 to 11 members, in addition to deputy members. The Group's employees shall be represented on the Board by the number of representatives in accordance with current agreements with the company. As of today, the Board consists of eight members where of six of the members are shareholder's representatives and two are employee representatives. The employee-elected representatives are elected for two year terms.

Group employee representatives

Since October 2007, Schibsted has had two full-time Group employee representatives. Their task is to safeguard the interests of all employees – whether unionised or not – in relation to Schibsted in cases dealt with at Group level. One of the Group employee representatives is to be elected in Norway, while the other is to be elected in Sweden, the country that is currently the most central in the Schibsted sphere outside Norway. The two employee representatives attend Schibsted ASA's board meetings and are entitled to speak and submit proposals at these meetings. The representatives and Schibsted ASA's board works closely with the European Work Council and with other employee forums.

Schibsted European Work Council (EWC)

Schibsted European Work Council (EWC) - was established in 2004 in accordance with EU guidelines. The EWC is intended to be a forum for information, dialogue and consultation between employees and the group management. Another of its important tasks is to create contact and dialogue between employees across national borders.

The EWC currently consists of 34 representatives elected by and from the employees. The EWC meets twice a year. These meetings last for three days with the CEO and other members of the Group management present on the second day.

Whistle blowing

Schibsted Media Group promotes a culture where discussing compliance issues are a integrated part of business and where employees feel comfortable raising compliance issues.

Schibsted emphasizes that our companies shall have an open working environment where our leaders should be open to criticism, concerns and worries amongst the employees and guide employees on how to proceed with criticism. An open working environment also involves leaders securing that employees rising concerns are not subject to negative reactions from leaders and/or colleagues as well as securing that the person being reported is treated fair during and after a process of investigation. The leader should also ensure that the result of an investigation is communicated to involved parties.

Schibsted emphasizes the importance of each subsidiary taking full responsibility for handling local unacceptable working conditions themselves.

Great place to work

The Great Place to Work Trust Index is an employee survey tool that measures the level of trust, pride, and fellowship at the workplace. It is the world's largest annual employee satisfaction benchmark survey.

Schibsted conducted this survey for the first time in January 2006 and has been conducting it every year since. The survey is conducted by an external third party – the Great Place to Work Institute. It is completely anonymous and no information can be traced back to the individuals.

Equal opportunities

Schibsted is a knowledge enterprise that is reliant on talented employees. We have a clear objective to provide equal development opportunities for both men and women. We strive to achieve a good gender balance when recruiting candidates for our competence and trainee programs.

Measurement of outcomes

Of the shareholder-elected members who sit on the board of directors, 50 percent are women; the same gender distribution applies if we include the employee representatives.

Group management have implemented actions to further enhance gender equality. All business units within Schibsted must report on gender equality when hiring or promoting to management positions. Each company and department is carefully following their results from the great place to work survey and implementing actions based on those results to help improve the work environment going forward.

Schibsted Media Group has prepared a common Code of Conduct that shall apply to all employees within Schibsted Media Group including entities in which we own more than 50 percent of the voting rights. Where Schibsted Media Group does not exercise such control, the board members appointed by Schibsted shall promote the main principles outlined in the code of conduct.

Schibsted Media Group's Code of Conduct shall serve as a guide for each individual employee's daily business interactions and clarifies the Group's standard for proper behaviour on a number of subjects, among others equal opportunity, harassment and whistle blowing.

Other labour related issues will be handled in the Group's corporate responsibility policy which is under elaboration.

Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9

encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

Schibsted Media Group aims to ensure that protecting the environment becomes an integral part of daily activities across the Group.

Implementation

Schibsted's companies operate within the scope of applicable environmental regulations in the countries where we are present.

Our newspaper production processes are digital all the way to the printing plants. Schibsted currently owns six printing plants: Media Norge Trykk in Oslo and Kroonpress in Estonia, Media Norge's two printing plants in Bergen, one in Stavanger and one in Kristiansand.

The printing business is essentially a relatively clean industry. If polluting chemicals are used, the processes take place in closed systems. Source separation processes have been introduced for almost every type of waste. Media Norge Trykk in Oslo now separates as much as 99 percent of its waste. Special waste is collected by approved transport companies and the general volume of waste has been significantly reduced. Waste paper, cardboard, waste products from paper reels and undistributed newspapers account for as much as 96 percent of the total waste volume.

The printing plant in Oslo is member of "Grønt Punkt", a waste recovery and recycling company, and pay an environmental fee that ensures the proper treatment of all packaging and the supervision of external suppliers.

In Sweden our newspapers print their main part of their circulation with the printing supplier V-Tab. V-Tab has in place a system for environment and quality control and most of their printing plants are

certified in accordance with ISO 14001:2004 and ISO 9001:2000. Close to all of their printing plants have been granted licenses by the Nordic Ecolabel in Sweden to use the Swan Ecolabel on all the print items they produce. The Swan Ecolabel is the best-known and most widely-used scheme in the Nordic region.

Schibsted's newspaper companies in Norway and Sweden arrange for the collection of unsold newspapers for recycling.

Measurement of outcomes

In 2010 and 2011, Schibsted mapped greenhouse gas emissions produced by our main subsidiaries. The results formed the basis for our reporting to the Carbon Disclosure Project, an international cooperation project between institutional investors who manage assets totalling more than 78 trillion USD. Going forward, Schibsted will continue to map the emissions of greenhouse gases and strive to reduce the level of emissions.

In December 2010 Schibsted Sweden and most of Schibsted's Swedish subsidiaries moved into the Kungsbrohuset office complex nearby Stockholm Central Station. Approximately 1.300 of the Group's 7.400 employees work for Schibsted Sweden. From an environmental perspective, the Kungsbrohuset has been called the world's most modern office building, due in part to the choice of materials, the use of surplus body heat from passengers in the station area and the use of cooling water from the Klara Canal.

In partnership with the KTH Royal Institute of Technology, a study of Schibsted Sweden's energy consumption and environmental impact is being conducted, both before and after the move to Kungsbrohuset. The aim of the project is to investigate the extent of the environmental impact of Schibsted Sweden, and how the moving process have affected this in a positive way. Particular focus is on the premises, transport and business travel, including commuter travel to and from work. This study is expected to be completed in May 2012 showing positive impact results.

In 2011 the remaining printing plants in Norway was granted with licenses by the Nordic Ecolabel in Norway to use the Swan Ecolabel on all the print items they produce.

Corruption

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

Schibsted Media Group recognizes the UN Convention against Corruption and our Code of Conduct encompass issues related to corruption and related issues.

Implementation

Our Code of Conduct states that we must never engage in any kind of corruption. Further it covers principles regarding business gifts and entertainment aiming to provide our employees, leaders and board members with guidance on this important subject. The basic principles related to corruption and unethical business practices are also incorporated in applicable ethical guidelines of our

individual main subsidiaries. It is the responsibility of each subsidiary to train employees in the entity's ethical guidelines, as well as to monitor compliance with the guidelines.

Measurement of outcomes

Our Code of Conduct lists a number of internal channels for reporting compliance concerns including corruption issues. In 2012 a new web and telephone based channel for reporting compliance issues has been launched. The Compliance Officer in Schibsted ASA (headquarter) shall always be informed of any compliance concerns related to fraud and corruption.

In 2011 Schibsted became member of Transparency International. Transparency International is a global network including more than 90 locally established national chapters and chapters-in-formation. Transparency International raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it.