

Schibsted Media Groups communication on progress – 2010

Introduction

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

About Schibsted Media Group

Schibsted is a Scandinavian media group with approximately 7,500 employees spread across 26 countries. Schibsted's strategy comprises two main objectives: further development of our media houses and establishment of online classifieds services.

Strong media houses represent the core of our activities, and our corporate growth strategy is based on close collaboration between different media channels. Our objective is to develop our business activities so that we can offer our users a wide range of services, irrespective of which channels they choose to use. The diversity of Schibsted's product range is closely aligned with our strong tradition of editorial freedom and our ability to adapt to a media market that is constantly undergoing rapid change.

Our brands hold leading positions in many countries, both in printed and online news and in online classified advertising. Schibsted owns many of the largest newspapers in Norway and Sweden, and is also engaged in news media businesses in other European countries, including France, Spain and Estonia. Many of our media houses are behind Europe's leading online newspapers and are pioneers in online TV, mobile services and subscription web services.

In 2008 our international online classified advertising business was reorganized into a separate company, Schibsted Classified Media (SCM). Today the company has activities in many countries around the world, most of them based on the successful Swedish Blocket.se concept.

Sustainability in Schibsted Media Group

Schibsted's foremost social responsibility is to ensure editorial freedom. For such a large and legitimate 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.

The previous years have witnessed stronger cooperation and formalisation of the relation between Schibsted's subsidiaries. This is also the case within the sustainability area. The Group is now taking a stronger lead on identifying a common approach to key sustainability issues across the group, and is continuously working to develop and implement relevant policies, goals and approaches. As a starting point for this work we are currently planning to conduct a formal analysis of who our most important stakeholders are and what they expect from us in terms of sustainability. We can then use this as a basis to understand which sustainability issues will be most material to our business. With this information, we can develop a sustainability strategy across the group that is both responsive to our key stakeholders' expectations and addresses our most important sustainability risks and

opportunities. When we have a clear strategy for how to approach our prioritized sustainability risks and opportunities, we will strive to set clear and concise goals and KPI's to measure and monitor our progress going forward. The sustainability strategy work will also result in an overall sustainability policy that will be implemented across the group. Our ambition is that the sustainability strategy and policy will be developed and ready in time for our next COP.

Human rights

PRINCIPLE 1

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

PRINCIPLE 2

Businesses should ensure 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.

As previously described, the group is planning to develop a formal sustainability policy within the next year. This policy will also encompass our approach to human rights issues that might be relevant to our business.

Assessment, policy and goals

Schibsted's foremost social responsibility is to ensure editorial freedom and integrity, and as part of this the human right to freedom of speech. Schibsted therefore has a long tradition of working to ensure this responsibility through clear policies and goals. Although we may encounter situations where the protection of other human rights beyond that of the freedom of speech and expression will be relevant to the way we operate, we have been privileged to operate in markets where this is rarely the case. As we expand our operations however we might be increasingly exposed to the risk of being complicit in human rights abuses. Therefore, as we develop our sustainability strategy we will work to develop relevant approaches and policies to address these risks, as well as our opportunities to protect human rights.

Our publicistic responsibility is our top priority, to ensure editorial independence and to defend freedom of speech in the newspapers and media houses we own. 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. In the objects clause it is stated that:

“The shareholders shall organize conditions in such a way that the company's information activities are run in a manner which fully safeguards editorial freedom and integrity. The requirement to editorial freedom and integrity shall serve as a guideline for all media and publications in the Schibsted group's Norwegian and foreign operations.”

The group's management team is obligated to ensure that Schibsted as media owner abides by its publicistic principles.

There is only one fundamental ideological constraint in the group's core values: for Schibsted, ownership of media which do not stand for a democratic view of society is not an option.

The publishing tradition has always played a key role in the Schibsted Group's operations. Schibsted aims to ensure diverse viewpoints in the media through editorial independence and respect for the different publishing and political viewpoints of our different media providers within the group. . The safeguarding of editorial integrity and the responsibility to maintain the ethical standards is anchored locally and administered by each individual company.

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 representation 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 media reflect a diversity of opinions and therefore contribute with a diversity of approaches to and opinions on key issues in public debate.

All editorial activities in media houses owned by Schibsted are performed in accordance with the national legislation and ethical regulations that apply in the respective countries. Editorial quality and credibility serve as the foundation of the group's publicistic activities and, together with the individual companies' own articles of association; they form the basis of the work of our editors. Every editor has full freedom and personal and full responsibility for the content of the media of which he or she is in charge. Editorial freedom and the integrity principles are integral to the way our editorial people work. These principles are clearly communicated from the Editor in Chief 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 the autumn of 2007. Through this 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

As the starting point for developing a structured approach to sustainable development, sustainable economic growth and corporate social responsibility, Schibsted has committed to the UN's business initiative, Global Compact, and has also endorsed the OECD Guidelines for Multinational Enterprises, which contains voluntary principles covering a range of areas relating to companies' corporate social responsibility.

Trough the reporting period, Schibsted Media Group has been focusing 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.

Our clear impression is that 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.

It is difficult to measure outcomes of freedom of speech, but we have here included one example. In Estonia, the prime minister has emphasized the importance of media's participation in the development of the future of Estonia, a country which is still in the process of defining itself as a democracy. As owner of Estonia's largest media group, Eesti Meedia, Schibsted has played an important role in the development of democracy in Estonia and with its strong traditions, Schibsted have helped avoid the intermingling of political, commercial and media interests.

Labour

PRINCIPLE 3

Businesses should uphold freedom of association & effective recognition of the right to collective bargaining.

PRINCIPLE 4

Businesses should ensure the elimination of all forms of forced and compulsory labour.

PRINCIPLE 5

Businesses should ensure the effective abolition of child labour.

PRINCIPLE 6

Businesses should eliminate 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 and child labour across the Group. Although we are privileged to not be exposed to a high risk of either forced or child labour taking place in our work places and even in our supply chain, managing the risk of forced and child labour in the supply chain is an issue we are working to ensure.

Schibsted is opposed to discriminatory practices and we will do our utmost to promote equality in all employment practices in the countries that we operate.

As previously described, the group is planning to develop a formal sustainability policy within the next year. This policy will also encompass our approach to labour issues that is relevant to our business.

Implementation

Schibsted strive to offer and constantly 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 whistleblowing of non-conformities with the labour standards 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 whereas six 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 function is anchored in the central Norwegian body of agreements. In 2007, an agreement was entered into between Schibsted ASA and the local unions in Aftenposten, Schibsted Trykk (printing plant) and VG regarding the election of two such 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 important or 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 Council 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 Council currently consists of 34 representatives elected by and from the employees. In the first years, the EWC's members were from Norway, Sweden and Estonia. In 2009, Spain, France, Lithuania and Russia were also represented. In December 2010, it was decided that Italy will be given a place as a representative of those countries that do not have a permanent representative on the Council.

The Council meets twice a year. These meetings last for three days and the CEO presents a report on the current situation. The two group employee representatives share the position as chairperson.

Whistleblowing

Schibsted has introduced the concept of whistleblowing – procedures that enable employees to report unacceptable conditions in the company.

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 the reporting employee is 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 transparently communicated.

Schibsted's main subsidiaries all have ethical guidelines regarding what type of issues, and how these should be reported. Schibsted emphasizes the importance of each subsidiary taking full responsibility for handling local unacceptable conditions themselves.

As the Group is expanding its operation and we witness stronger cooperation and formalisation of the relation between Schibsted's subsidiaries, we are working on developing a common code of conduct to be implemented across the group. Our ambition is that the code of conduct will be developed and ready in time for our next COP.

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. Importantly, 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.

On the basis of an understanding of which labour issues will be most important to us and how we should approach the management of these, we can set relevant and value-adding goals and KPIs that will be integral to the overall management of our business.

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.

Group management are also looking into implementing actions to further enhance gender equality and has encouraged all subsidiaries to specifically look in to this area and come up with suggestions on how to improve gender equality in particular in management positions.

Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Businesses should 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.

As previously described (see Sustainability in Schibsted Media Group), the group is planning to develop a formal sustainability policy within the next year. This policy will also encompass environment.

On the basis of an understanding of which environment issues will be most important to us and how we should approach the management of these, we can set relevant and value-adding goals and KPIs that will be integral to the overall management of our business.

Implementation

Schibsted's companies operate within the scope of applicable environmental regulations in the countries in which we conduct our business activities.

Our newspaper production processes are digital all the way to the printers. Schibsted currently owns six printing plants: Schibsted 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. Schibsted Trykk in Nydalen 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 Nydalen is a member of "Grønt Punkt", a waste recovery and recycling company, and pays an environmental fee that ensures the proper treatment of all packaging and the supervision of external suppliers. The printing plant has also begun the approval process for using the Nordic Eco-label.

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

Measurement of outcomes

In 2010, Schibsted has carried out a mapping of 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 60 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 by Stockholm Central Station. Approximately 1.300 of the group's 7.500 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 large-scale, two-phase 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 can affect this in a positive way. Particular focus will be on the premises, transport and business travel, including commuter travel to and from work.

The first phase of the study is expected to be completed in the autumn of 2010 and the second phase should be completed in the spring of 2012.

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.

As previously described (see Sustainability in Schibsted Media Group), the group is planning to develop a formal sustainability policy within the next year. This policy will also encompass corruption.

As the Group is expanding and we witness stronger cooperation and formalisation of the relation between Schibsted's subsidiaries, we are working on developing a common code of conduct that will be implemented across the group. Our ambition is that the code of conduct will be developed and ready in time for our next COP. The code of conduct will encompass issues related to corruption.

Implementation

The basic principles related to corruption and unethical business practices are incorporated in the ethical guidelines of our individual main subsidiaries. These ethical guidelines cover relevant principles regarding gifts and business courtesies, events and representation. It is the responsibility of each subsidiary to train employees in the entity's ethical guidelines, as well as monitor compliance with the guidelines.

As Schibsted develops a common code of conduct that will be applicable across the group, the Group's position on these issues will be developed further.

Measurement of outcomes

On the basis of an understanding of which corruption issues will be most important to us and how we should approach the management of these, we can set relevant and value-adding goals and KPIs

that will be integral to the overall management of our business. We aim to develop such goals and KPIs in the year to come.