

Q4

FY 2023/24

EMBRACER⁺
GROUP

ESG FACT SHEET

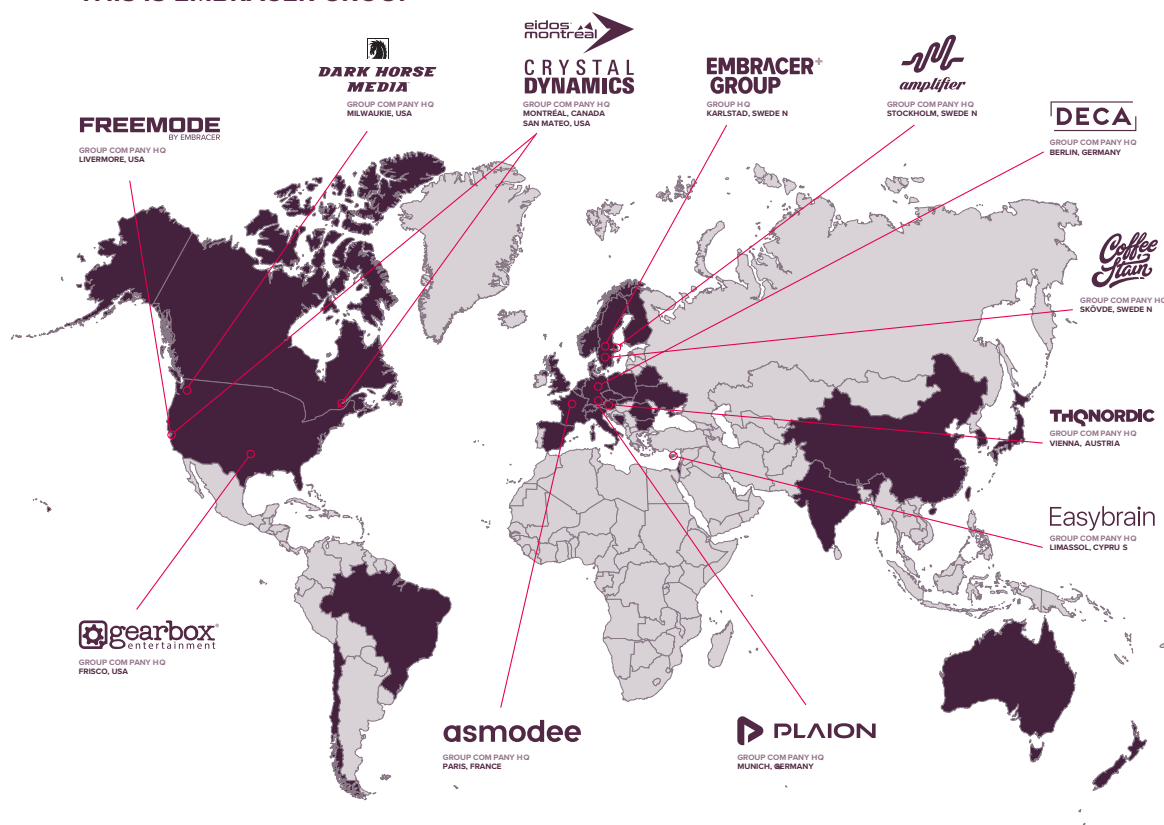
Sustainability at Embracer Group

ABOUT US

Embracer Group is a global group of creative and entrepreneurial businesses in PC/Console, mobile and board games and other related media. The group has an extensive catalog of over 900 owned or controlled franchises. The Group has 109 internal game development studios and is engaging more than 12,000 employees in more than 40 countries.

At Embracer Group, sustainability is about acting in line with our values and creating long-term value for shareholders and other stakeholders.

THIS IS EMBRACER GROUP



NET SALES
FULL YEAR 2022/23

SEK **37,665 M**

ADJUSTED EBIT MARGIN
FULL YEAR 2022/23

17 %

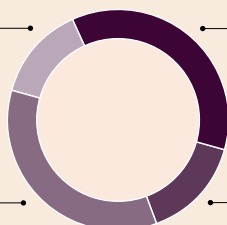
SALES BY OPERATING SEGMENT
FULL YEAR 2022/23

Entertainment
& Services **14 %**

PC/Console
Games **36 %**

Tabletop
Games **35 %**

Mobile
Games **15 %**



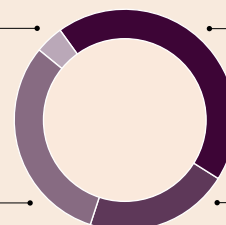
ADJUSTED EBIT
FULL YEAR 2022/23

Entertainment
& Services **4 %**

PC/Console
Games **44 %**

Tabletop
Games **31 %**

Mobile
Games **21 %**



OUR SUSTAINABILITY WORK

UPDATES FROM THE FOURTH QUARTER

During the fourth quarter, we took a step in our sustainability journey by forming an Advisory Sustainability Council. This council, chaired by the Head of Sustainability and comprising representatives from the owners, The Board of Directors, and management, is a testament to our collective commitment to integrate sustainability issues even further into business development and risk management. It's a platform where different voices are heard, and there is a forum for strategic discussion about how sustainability/ESG can be a tool to meet and exceed stakeholders' expectations and create long-term value for investors.

The Group's fourth annual employee survey was completed during the quarter. The survey is based on a six-scale self-assessment format, from "completely disagree" to "completely agree," and is recalculated in index points from 0 to 100, where 100 reflects the best result. Although the Group underwent a significant transformation during the year, the survey shows that we managed to keep the average satisfaction rate at a high level, 76, compared to 80 FY 2022/23. Enjoyment of work, work-life balance, and workplace conditions are among our top strengths in the view of our employees, while the scores for leadership and management culture have decreased during the year.

The survey's response rate was 83%, slightly lower than last year's 85%. The employee survey results provide important data for analyzing and concluding employee satisfaction and engagement. They are distributed and discussed in senior management teams on both global and local levels and form priorities for coming activities.

We also launched practical examples, "Our Planet—Climate focus," to support the group's companies in their contribution to reducing carbon emissions by 45% by 2030 from a 2021 base year, in line with the Paris Agreement through our commitment to the Science Based Targets Initiative (SBTi).

SUSTAINABILITY STRATEGY

We believe in simplicity and focusing on the areas where we can accomplish most positive impact. Across the Group, our sustainability strategy is acting in line with our values to manage risks and to act on opportunities.

In our sustainability framework Smarter Business, we have identified three focus areas: Great People, Solid Work and Our Planet. The focus areas cover the most material topics for our operations and is supported by business ethics and governance.



GREAT PEOPLE

The employees are vital to our ongoing success. Our ambition is to create even more diverse and inclusive workplaces and better work-life balance.

Main topics:

- Diversity and inclusion in skillsets and perspectives
- Employee well-being
- Career and creative development
- Community engagement



SOLID WORK

We want to create great games and entertainment. Our ambition is to provide quality content and support a digital well-being and accessibility for all users of our games and entertainment.

Main topics:

- Diversity and inclusion in games and entertainment
- Digital well-being
- Accessibility
- Player community engagement
- Responsible marketing



OUR PLANET

By limiting our own emissions and investing in projects supporting the green transition, we can minimize the environmental impact from the entire Group.

Main topics:

- Carbon emission reduction
- Raising awareness within the industry about environmental impact
- Part of the movement for a climate neutral industry

GROUP SUSTAINABILITY GOALS

In FY 2022/23, our Board of Directors established three key sustainability goals for the group. These goals articulate our strategic commitment and provide a clear direction for our sustainability initiatives.

- Double the number of female Managing Directors/Studio Heads by 2025 compared with the base year FY 2021/22.
- Reduce the carbon emissions by 45% by 2030 from a 2021 base year, in line with the Paris Agreement through our commitment to the Science Based Targets Initiative (SBTi).
- Every operative group to set sustainability goals during FY 2023/24.

Embracer supports Agenda 2030 and the holistic approach to sustainable development established through the UN Sustainable Development Goals (SDGs). Regarding our business operations, we have identified five SDGs that are particularly relevant to them.



**SUSTAINABLE
DEVELOPMENT GOALS**



KEY DATA FOR FINANCIAL YEAR 2022/23



GREAT PEOPLE

- Present in more than 40 countries.
- Total female representation is 26% (23%), and female managers represent 23% (17%).
- Over 50,000 devoting training hours have been reported by companies in the Group.
- We measure employee satisfaction through the Employee Net Promoter Score, eNPS ¹⁾. This year we received a +29 (+33) score, which qualifies as good by the measurement standard. We do not see any particular risk with this slight decrease and believe it has to do with the fact that we grew in the number of employees and companies during the year.
- 85% response rate on our annual Global Employee Survey.

EMPLOYEE SURVEY	2022/23	2021/22	2020/21
Average satisfaction rate	80/100	81/100	79/100
Work environment	81/100	82/100	79/100
Collaboration	83/100	82/100	80/100
Engagement	82/100	83/100	82/100
Management culture ²⁾	73/100	-	-

¹⁾ The Employee Net Promoter Score, or eNPS, is a globally accepted KPI that we use to measure employee satisfaction and loyalty within Embracer Group as part of our annual employee survey. An eNPS score can range anywhere from -100 to 100.

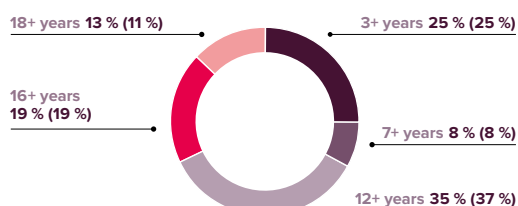
²⁾ Due to changes in how management culture is evaluated, there is no comparable data with the previous years.



SOLID WORK

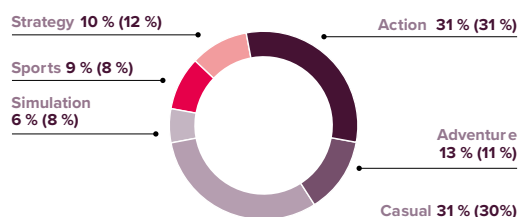
- 50% of our studios have routines for addressing diversity and inclusion in content.
- We have over 300 community managers employed across the Group, responsible for ensuring that chats and dialogues follow their community guidelines.
- Accessibility is a main topic for us, games can help combat social isolation, build inclusive communities, and improve the quality of life for people with disabilities.

GAMES PORTFOLIO BY AGE CATEGORY (PEGI AGE RATING)



PEGI (The Pan European Game Information) is a European video game content rating system that provides age recommendations and content descriptors.

GAMES PORTFOLIO BY GENRE



The chart visualizes a simplified overview of our total games portfolio.



OUR PLANET

- Establishing absolute emission targets provides a clear roadmap for managing carbon dioxide emissions. Using 2021 as the baseline year, we have set ambitious goals to reduce absolute Scope 1 and 2 emissions by 45% and to achieve a 51.6% reduction in Scope 3 emissions by 2030. This commitment reflects our dedication to contributing significantly to a sustainable, low-carbon future.
- An extensive greenhouse gas inventory of scope 1, 2 and 3 emissions has been carried out.
- To illustrate the progress needed, climate scenarios have been developed, allowing us to visualize progress given certain assumptions and choices made ahead.

EMBRACER GROUP EMISSIONS (tCO ₂ e) ¹⁾	2022/23	2021/22 ²⁾
Scope 1	1,443	1,068
Scope 2 ³⁾	6,952	4,458
Scope 3	678,707	676,963
Total	687,102	682,489

1) Emissions of greenhouse gases have been calculated in line with the GHG Protocol. Sources for emission factors are e.g. DEFRA, IEA, AIB.

2) 2021/2022 is the baseline for the Greenhouse gas inventory. The emissions have been recalculated since the last Annual Group Report due to the inclusion of the operative group Asmodee.

3) The scope 2 location-based emissions are 7,791 tonnes CO₂e.

ENERGY CONSUMPTION	Reported (MWh)		Total including extrapolation (MWh)	
	2022/23	2021/22	2022/23	2021/22
District heating ¹⁾	3,101	1,074	4,003	1,905
District cooling ²⁾	31	642	127	652
Electricity ³⁾	18,677	10,362	23,348	12,489

1) District heating has been extrapolated for 1,234 FTEs (1,357 FTEs).

2) District cooling has been extrapolated for 580 FTEs (43 FTEs).

3) Electricity has been extrapolated for 3,160 FTEs (1,735 FTEs).



GOVERNANCE AND BUSINESS ETHICS

During the quarter we have continued maturing our Privacy and AI programs with templates, best practice and guidance to further mature our companies within these areas. We also focused on the upcoming EU AI Act and the implications that will have for our business.

During the quarter we also re-conducted our annual Code of Conduct training where 6,119 people out of a total of 10,200¹⁾ employees so far have participated in completing the training.

The parent company is responsible for the overall sustainability strategy and goals, facilitating collaborations within the Group, and ensuring the implementation of Group policies through our internal control processes.

- 17 implemented Group policies and 17 Group guidelines and instructions.
- Yearly Group-wide trainings of our Code of Conduct, Anti-Corruption and Anti-Bribery and Privacy Compliance as well as several other local trainings in different areas throughout the operative groups.
- In addition to the existing Global Group Whistleblower Reporting channel, we have implemented 16 local reporting channels to ensure that we fulfil our obligations according to the Directive [EU] 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union Law and applicable rules on data protection ("the Whistleblowing Directive") as well as any specific local requirements in the EU Member States where we operate.
- 88 % of companies within Embracer Group has confirmed that all employees have knowledge of the whistleblowing system, and how to use it.
- 75 % (70 %) of the companies also have a local mechanism in place that provides means on how to report any unethical behavior in a safe and anonymous manner.
- Sustainability due diligence as a standard protocol during each acquisition to identify key sustainability risks and opportunities.
- The Embracer Group Audit & Sustainability Committee contributes to the continued development of the Group sustainability work.
- The sustainability team works closely with all operative groups, both via contacts with senior management, through the Ambassador Group and other forums.

SEVENTEEN GROUP POLICIES IN USE

- | | | |
|--|-------------------------------|------------------------------------|
| • Anti-Corruption Policy | • HR Policy | • Related Party Transaction Policy |
| • Code of Conduct | • Information Policy | • Supplier Code of Conduct |
| • Corporate Governance Policy | • Information Security Policy | • Tax Policy |
| • Delegation of Authority | • Insider Policy | • Trade Compliance Policy |
| • Enterprise Risk Management and Internal Control Policy | • IT Policy | • Treasury Policy |
| | • Privacy Policy | • AI Policy |

SEVENTEEN GROUP GUIDELINES AND INSTRUCTIONS

- | | | |
|---|---|---|
| • Authorization Instruction | • Onboarding and Offboarding Guidelines | • Privacy Guideline |
| • Accounting Principles and Guidelines | • M&A Guidelines | • AI Image Guideline |
| • Business Continuity Plan | • Password Guidelines | • IP Guideline |
| • Employee Handbook | • Instruction for Cash Management and Liquidity | • Guidelines for Non-Audit Services performed by the External Auditor of Embracer Group |
| • Enterprise Risk management and Internal Control Guideline | • Smarter Business Framework | |
| • Financial Manual | • Whistleblowing Guidelines | |
| • Insider Q&A | | |

SUSTAINABILITY ORGANIZATION AND GOVERNANCE



PARTNERSHIPS AND COLLABORATIONS



United Nations
Global Compact

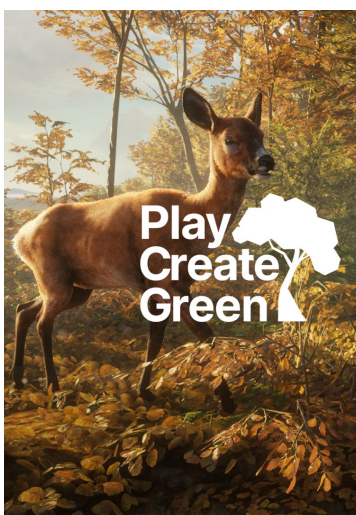
Embracer Group has been a signatory member of the **UN Global Compact** since 2021. Supporting the UN Global Compact goes hand-in-hand with our core values and is a great way to create strong networks with other companies to gain and share insight. It is a strategic tool for our sustainability efforts and a way of mitigating risks while pursuing business opportunities.

In May 2020, we partnered with **Safe in Our World**. Our employees are vital to our success and by committing to Safe in Our World, we can offer our employees training and other support to manage and prevent mental health issues. It is our commitment to raise awareness of mental health in our group.



Embracer's ambition is to create even more diverse and inclusive workplaces and work-life balance. Part of that is enabling more women to be leaders in our Group, which is reflected in one of our sustainability goals. Different perspectives and skillsets lead to an even better environment for all of us and to better results for our business. In 2022, Embracer Group joined **Women in Games** as Corporate Ambassador.

Embracer has supported **AbleGamers** in various ways. One example is campaign fundraising. In addition, some Embracer studios have participated in AbleGamers courses in Accessible Player Experience (APX) emphasizing the importance of developing accessible games.



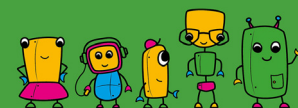
PlayCreateGreen is a community of gaming industry professionals who've joined together to create a greener game industry. PlayCreateGreen invites all gaming companies to become architects of a gaming industry-driven movement claiming ownership of and improvement in our carbon footprint. PlayCreateGreen has developed a green handbook by gaming companies for gaming companies with practical guides, examples, and inspiration for reducing carbon footprints and celebrating climate action. improves the world concretely and directly. Embracer is since 2020 part of the steering group and contribute actively together with industry peers to the future of a climate neutral industry.



Solvatten is a social enterprise based in Sweden with one mission: to provide people living in developing countries with safe and hot water in a portable, environmentally friendly way. Thanks to its durable design, Solvatten is an affordable and convenient way to get clean, hot water. Through investing in Solvatten Embracer contributes to impacting gender equality and reducing greenhouse gas emissions in the developing countries.

Embracer Group is a supporting partner of **Kodcentrum**. This enables increased awareness and curiosity for programming and digitization for children and teachers, together with them we participate and contribute to tomorrow's future.

**<Kod
centrum>**



The Great Journey 

The Great Journey is part of the EU project "Stories from Värmland and the Nordics", initiated by The Great Journey, Karlstad Innovation Park and Embracer Group with the goal of building a games industry in Värmland. The project is funded by Embracer Group, Karlstad Kommun, Region Värmland and by the European Regional Development Fund.

Embracer Group is a proud member of **Dataspelsbranschen**. Dataspelsbranschen (Swedish Games Industry) is Sweden's trade association for video game companies.



**VIDEO
GAMES
EUROPE** 

Since 2021, we have been members of **Video Games Europe**, an organization that, since 1998, has ensured that the voice of a responsible gaming ecosystem is heard and understood, that its creative and economic potential is supported and celebrated, and that players around the world continue to enjoy fantastic gaming experiences. For us, it is important that the industry has a unified voice in Europe to build awareness and understanding of gaming.

4 | TechSverige

We are members of **TechSverige**, an industry organization for all companies in the tech sector, with the mission to, together with its members, create the best possible conditions for a competitive Swedish tech industry. Through our membership, we are also members of Svenskt Näringsliv (The Confederation of Swedish Enterprise), which is the leading business organization in Sweden.

Embracer Group is a proud partner of **Ung Företagsamhet Värmland** and has through it started the project **Make A Game**, which also includes **Mirage Game Studios** and **The Great Journey**. **Make A Game** gives high school students the opportunity to run their own business, develop their own game and at the same time receive professional coaching from experienced people in the gaming industry during their high school years.



FRAMTIDS
FRÖN

Embracer's assignments at **Future seeds** in 2023 was aimed at different age groups and included, for example, the development of different characters, ideas for games that would encourage movement and games to inspire to reduce the climate footprint. Students get the opportunity, by working entrepreneurially and innovatively, to also take initiative, solve problems and use their creativity to develop their own ideas and solutions to real problems. During the year, we reached 3,000 students via Future seeds.

CONTACTS

Read more about our sustainability work and progress in our [Annual Report and Sustainability Report 2022/23](#) available on our website embracer.com.

**EMMA IHRE**

Head of Sustainability

+46 730 84 09 36

emma.ihre@embracer.com

**OSCAR ERIXON**

Head of Investor Relations

+46 730 24 91 42

oscar.erixon@embracer.com