

# Q1

FY 2024/25

EMBRACER<sup>+</sup>  
GROUP

## ESG FACT SHEET

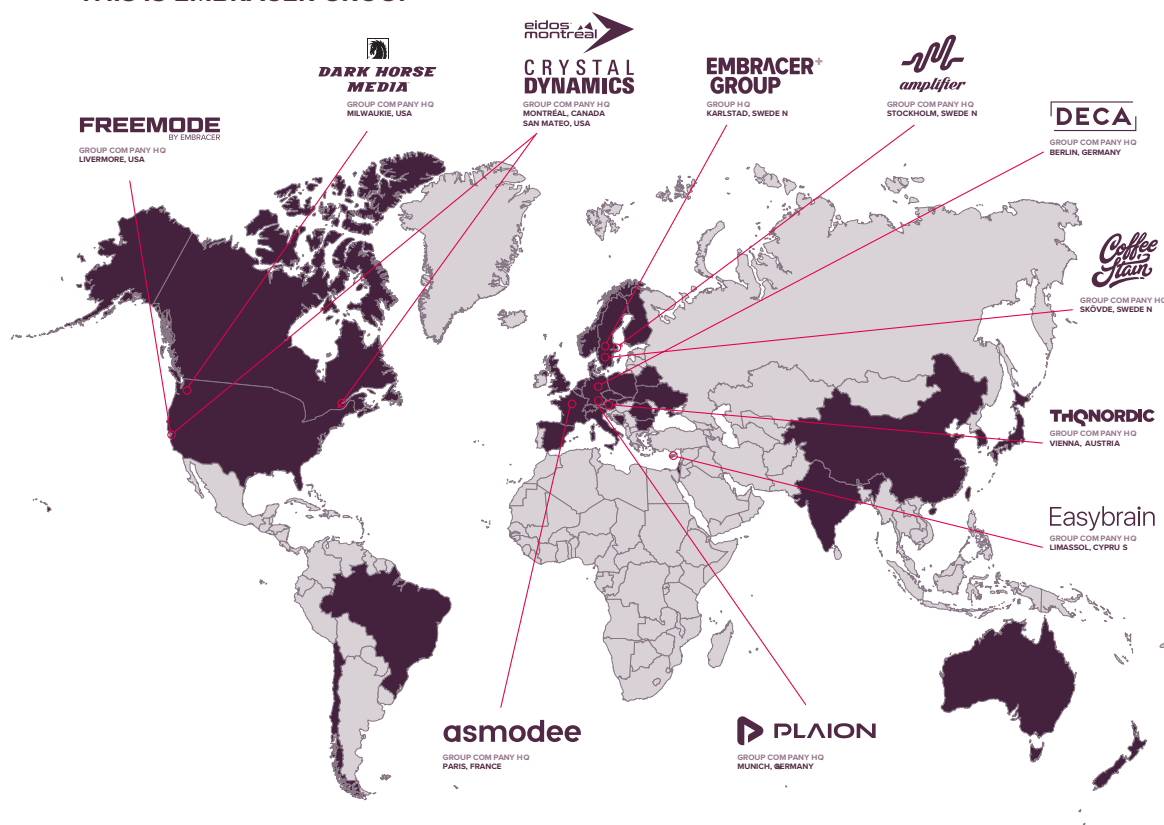
### Sustainability at Embracer Group

#### 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 103 internal game development studios and is engaging more than 10,000 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



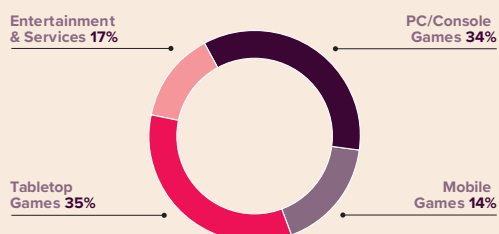
**NET SALES**  
FULL YEAR 2023/24

SEK **42,206 M**

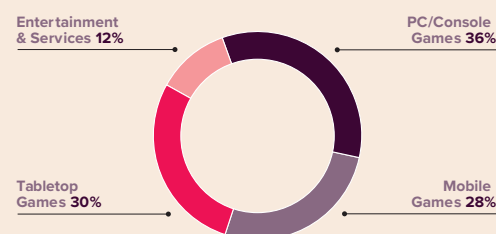
**ADJUSTED EBIT GROWTH**  
FULL YEAR 2023/24

**11 %**

**SALES BY OPERATING SEGMENT**  
FULL YEAR 2023/24



**ADJUSTED EBIT**  
FULL YEAR 2023/24



## OUR SUSTAINABILITY WORK

### UPDATES FROM THE FIRST QUARTER

During the quarter, we focused on the coming Corporate Sustainability Reporting Directive (CSRD). We initiated the division of our double materiality and gap analysis to align processes and targets with the distinct needs based on our intention to separate the Group into three standalone publicly listed entities. The CSRD requires companies to report on the impact of corporate activities on the environment and society and requires the audit (assurance) of reported information. Although all entities must adhere to the same legal requirements, variations in their core businesses, geographical exposure, and value chains will shape the content of their respective external reporting.

We also participated in panels and roundtable discussions at Almedalen, an annual political forum in Visby, Sweden, where politicians, businesses, NGOs, and other stakeholders gather to discuss pressing societal issues. Alongside members of the Swedish parliament, NGOs, and other gaming and entertainment industry representatives, we explored how video games can drive positive societal change. Topics included games as a cultural expression, the role of game development in enhancing the EU's competitiveness, supporting young people with neuropsychiatric disabilities through gaming, and developing a national strategy for video games.

### 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



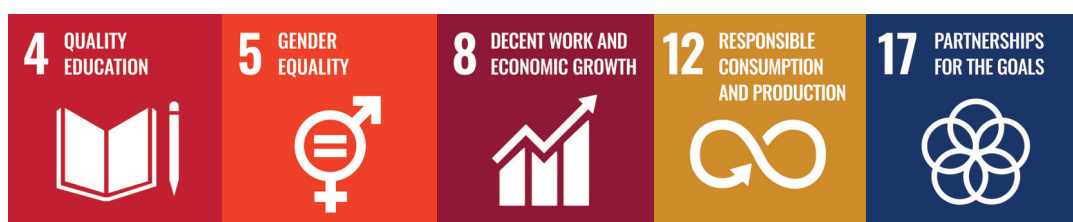
## GROUP SUSTAINABILITY GOALS

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.

Given the planned division into three separate publicly listed companies, the goals will need to be adjusted and decided by the respective boards of each company.



## SUSTAINABLE DEVELOPMENT GOALS



## KEY DATA FOR FINANCIAL YEAR 2023/24



### GREAT PEOPLE

- Present in more than 40 countries.
- Total female representation is 30% (26%), and female managers represent 26% (23%).
- Annual mandatory trainings for all employees on Privacy and Anti-Corruption were launched.
- We measure employee satisfaction through the Employee Net Promoter Score, eNPS. This year we received a +17 (+29) score, which qualifies as good by the measurement standard. We assess that the observed decrease can be attributed to the restructuring carried out during the year, as well as the layoffs of employees.
- 83% response rate on our annual Global Employee Survey.

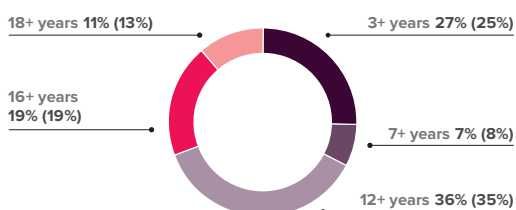
EMPLOYEE SURVEY	2023/24	2022/23	2021/22	2020/21
Average satisfaction rate	76/100	80/100	81/100	79/100
Work environment	78/100	81/100	82/100	79/100
Collaboration	81/100	83/100	82/100	80/100
Engagement	79/100	82/100	83/100	82/100
Management culture	67/100	73/100	--	--



### SOLID WORK

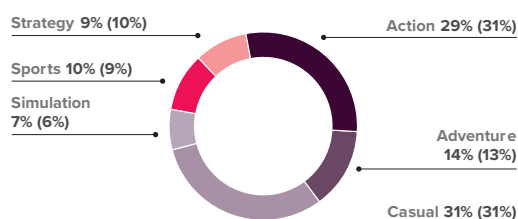
- 46% of the studios have implemented routines for responsible gaming content to lessen negative behavior in our chats and forums, and it is ongoing work in many of the other studios.
- 91% (86%) of our studios do not use communications or in-game chat forums for most of their games, decreasing the risk of toxic behavior and violations.
- 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.
- Incorporated an AI policy package which rests on the notion of empowerment of people.

#### 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.
- The vast majority of Embracer's carbon emissions, approximately 98% (99%), are indirect and fall under Scope 3, encompassing both upstream and downstream activities. These emissions primarily stem from purchased goods and services, as well as the usage of sold products.
- 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 <sub>2</sub> e)	2023/24	2022/23	2021/22
Scope 1	1,623	1,443	1,068
Scope 2	5,909	6,952	4,458
Scope 3	484,055	678,707	676,963
<b>Total</b>	<b>491,587</b>	<b>687,102</b>	<b>682,489</b>

*Emissions of greenhouse gases have been calculated in line with the GHG Protocol. Sources for emission factors are e.g. DEFRA and IEA. Extrapolations were made for group companies that did not report ESG data.*

ENERGY CONSUMPTION	Reported (MWh)		
	2023/24	2022/23	2021/22
District heating	2,937	3,101	1,074
District cooling	56	31	642
Electricity	18,099	18,677	10,362



## GOVERNANCE AND BUSINESS ETHICS

To strengthen our commitment to privacy transparency and accountability for our players, partners, and employees, we launched the Data Privacy Center this quarter. The Data Privacy Center provides detailed information about Embracer Group's privacy practices and goals. It also includes a report on the number of government requests we have received and our responses to them. You can access the Data Privacy Center on [our website](#).

During the quarter the Executive Management Team saw new members being added through Müge Bouillon, appointed CFO effective as of September 1, 2024, Stéphane Carville and Anton Westbergh. Phil Rogers was appointed Deputy CEO in addition to his current role, effective as of June 1, 2024.

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.
- 95 % (88 %) of companies within Embracer Group has confirmed that all employees have knowledge of the whistleblowing system, and how to use it.
- 75 % (75 %) 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 <sup>1)</sup>

- |  |                                     |  |
|--|-------------------------------------|--|
| • AI Policy (52%)  | • HR Policy (86%)                   | • Related Party Transaction Policy (85%) |
| • Anti-Corruption Policy (96%)                                 | • Information Policy (93%)          | • Supplier Code of Conduct (97%)         |
| • Code of Conduct (99%)  | • Information Security Policy (91%) | • Tax Policy (86%)                       |
| • Corporate Governance Policy (90%)                            | • Insider Policy (91%)              | • Trade Compliance Policy (97%)          |
| • Delegation of Authority (91%)                                | • IT Policy (87%)                   | • Treasury Policy (83%)                  |
| • Enterprise Risk Management and Internal Control Policy (81%) | • Privacy Policy (91%)              |  |

<sup>1)</sup> % represents implementation rate

[CONTINUE >>](#)



## SEVENTEEN GROUP GUIDELINES AND INSTRUCTIONS

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

## SUSTAINABILITY ORGANIZATION AND GOVERNANCE



## PARTNERSHIPS AND COLLABORATIONS



United Nations  
Global Compact

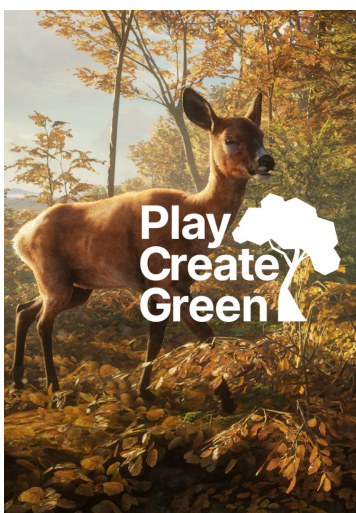
Embracer Group has been a signatory member of the **UN Global Compact** since 2021. Supporting the UN Global Compact goes hand-in-hand with our core values and is a great way to create strong networks with other companies to gain and share insight. It is a strategic tool for our sustainability efforts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

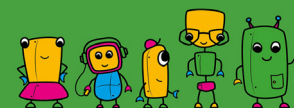




**Solvatten** is a social enterprise based in Sweden with one mission: to provide people living in developing countries with safe and hot water in a portable, environmentally friendly way. Thanks to its durable design, Solvatten is an affordable and convenient way to get clean, hot water. Through investing 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

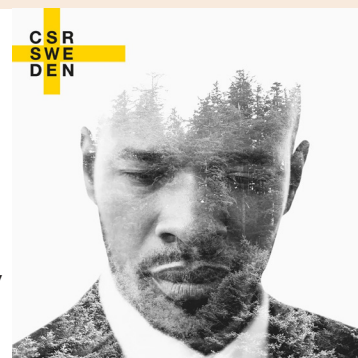
We are members of **TechSverige**, an industry organization for all companies in the tech sector, with the mission to, together with its members, create the best possible conditions for a competitive Swedish tech industry. Through our membership, we are also members of Svenskt Näringsliv (The Confederation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



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.

CSR Sweden is a network that for over 20 years has brought together companies that want to go deep with their sustainability work and create value for both owners and society. The goal is for knowledge to be gathered, created, organized, and shared to promote learning, innovation, and collaboration between organizations, industries, and disciplines. In this way, the network actively contributes to sustainable social development.





## CONTACTS

Read more about our sustainability work and progress in our [Annual Report and Sustainability Report 2023/24](#) available on our website [embracer.com](https://embracer.com).



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