

Embracer Group Sustainability Policy

Adopted by The Board of Directors on 2025-06-02

Revised: -

Document type: Policy

Version: 1

Document owner: Head of Sustainability, Embracer Group AB

This policy applies to all Embracer Group entities, all **employees and contractors of the Group**, all employees of companies where Embracer Group AB directly or indirectly holds more than 50 percent of the shares and for all freelancers and/or subcontractors providing services to any such company.

If you have any questions about this policy, please contact:
Embracer Group Head of Sustainability.

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Revision history

Date	Version	Description	Author
2025-06-02	1.0	Adopted by the Board of Directors	Embracer Group Head of Sustainability

1. Introduction

This Embracer Group Sustainability Policy (Sustainability Policy) is a fundamental document that articulates the commitments that Embracer Group has adopted with regards to sustainable development. This means ensuring that humans, future generations, and our environment can thrive and flourish over time. For us, sustainability is about acting in line with our values and commitments and creating long-term value for internal and external stakeholders. Across the Group, our sustainability work contributes to risk management and business development, focusing on what matters most. Defining sustainability at Embracer Group means anchoring it within our business and business model, with our most material topics at the core.

1.0 The purpose of the Sustainability Policy

The main purpose of the Sustainability Policy is to provide clarity and guidance on our specific approach to addressing our most important sustainability-related impacts, risks and opportunities, also referred to as sustainability matters. It outlines the responsibilities that we as a company has committed to with respect to key sustainability areas that are relevant to our business.

1.1 The key content of the Sustainability Policy

The Sustainability Policy is based on findings from our Double Materiality Assessment (DMA), which is an integral part of our Due Diligence (DD) process. For Embracer Group, this assessment involves identifying and mapping relevant impacts, risks, and opportunities including both financial and non-financial perspectives. It focuses on the sustainability matters which are relevant to our own operation, our value chain, and our business relationships. The sustainability matters, and the commitments, outlined in this Sustainability Policy are subject to continuous due diligence to ensure their relevance.

The content of the Sustainability Policy is developed in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and sets the basis for embedding principles on responsible business conduct into the management of our operations, our value chain, and our business relationships.

In this policy, we have divided sustainability into three areas: Environment, Social, and Governance (ESG), to clarify our commitments within each essential area.

Beyond this Sustainability Policy, please refer to:

Embracer Group Smarter Business Framework: the Smarter Business Framework, is built around three pillars: Great People, Solid Work, and Our Planet (framing our essential areas on ESG matters). The framework structures our work and ensures that we as a Group prioritize our key issues. The framework reflects most of our material topics and identifies how our business impacts people and the planet.

Embracer Group Whistleblowing: Guidelines for information on our whistleblowing mechanism, in which breaches of this Sustainability Policy can be reported.

Agenda 2030: Embracer supports Agenda 2030 and the holistic approach to sustainable development established through the UN Sustainable Development Goals (SDGs). Regarding our business operations, we focus on five SDGs that are particularly relevant for the group: Quality Education (4), Gender Equality

(5), Decent Work and Economic Growth (8), Responsible Consumption and Production (12), and Partnership for the Goals (17)

UN Global Compact: Embracer has been a member of the UN Global Compact since 2021. Supporting it aligns with our core values and facilitates cooperation with other companies and stakeholders. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, we are not only upholding basic responsibilities to people and planet but also setting the stage for long-term positive development.

For additional information, please refer to the following adopted framework and guidelines:

- Embracer Group Smarter Business Framework
- Embracer Group Whistleblowing Guidelines

1.2 Compliance with the commitments of the Sustainability Policy

This Sustainability Policy applies to all Embracer Group operations worldwide, including all operative groups, subsidiaries and affiliates owned or controlled by Embracer and to all directors, managers and employees.

The Policy is publicly available on our website. For details on the implementation of the Sustainability Policy, please refer to section 4.

2. Social Sustainability

The social section of the Sustainability Policy outlines our commitment towards people. Emphasis of this section is placed on the social areas: own employees, value chain workers and end-users.

This section outlines our commitment for people impacted by our operations and specifically addresses Human Rights and Labour Rights.

For additional information on our commitments within these areas, please refer to the following adopted policies and steering documents:

- Group Human Resources Policy (HR Policy), section 4
- Group Internal Privacy Policy, section 3
- Group AI Policy, section 3.2
- Embracer Group Code of Conduct (Group CoC) sections 6.1 to 6.3 and 7.3 to 7.6 as well as 9.3
- Embracer Group's Supplier Code of Conduct (Supplier CoC) section 3.3 and the whole section 4

2.0 Own workforce and workers in the value chain

Embracer group is committed to ensuring the well-being of all our employees by maintaining a safe and healthy work environment. We recognize the importance of balancing working time with work-life balance to promote overall well-being and productivity. We are dedicated to providing secure employment, offering stability to our workforce. We uphold the Freedom of association, allowing employees to freely join and form unions, ensuring their voices are heard and respected. The Group's employees are vital to our ongoing success, and we are committed to manage matters related to working conditions, collective bargaining as well as equal treatment and opportunities for all, in a fair and responsible way. This refers to all individuals of our own workforce, contractors and those working in the value chain. We also have a zero-

tolerance commitment related to any forms of child labour and/or forced labour, which is increasingly important related to the indirect supply chain rather than in our own operation and our direct business relationships.

We invest in training & skills development to foster continuous personal and professional growth, equipping our employees with the necessary tools to excel in their roles.

Our commitment to diversity, gender equality, and equal pay for work of equal value is unwavering. We strive to create an inclusive workplace where everyone is treated with respect and dignity. We implement robust measures against harassment to ensure a safe and supportive environment for all employees. By embedding these principles into our sustainability policy, we aim to build a resilient and thriving organization that values and supports its people.

Furthermore, our sustainability efforts contribute to fostering an inclusive and engaging corporate culture, where every employee feels valued and empowered to participate actively in the company's growth and success. Ensuring leaders have the right conditions to manage teams and enhance organizational value.

2.1 End-users

This section also covers a commitment to the end-users with respect to ensure their well-being, privacy, health and safety linked to the user-phase of our products, with a particular emphasis on the protection of children. Digital safety and well-being describe the impact of technologies and digital services on people's mental, physical, social, and emotional health. For us, digital safety and well-being means taking responsibility for good behaviour in both our games, gaming communities, forums, and other platforms where our games are played and discussed.

Including our commitment to responsible game content, as well as our advocacy for accessibility, diversity, and inclusion in both our product development and transparent and responsible marketing practices. We are committed to respecting and complying with content and age ratings in each market. We have a responsibility to our growing gaming community and the social platforms where we are engaged. Our content influences many gamers, so it is crucial that we create games and entertainment thoughtfully, considering diverse perspectives and principles, and their impact on end-users.

2.2 Human Rights and Labour Rights

To address the importance of respecting internationally recognised human rights and labour rights, Embracer Group is committed to respect these and to prevent human rights violations from taking place. Specifically in our own operation, services and products, we acknowledge our full responsibility in to ensure that all our employees and end-users can exercise their rights. With respect to commitments that relate to the value chain, it is acknowledged that we do have less control for eventual impacts linked to individuals of the tiers further up the supply chain, but we are still committed to seek to prevent violations from taking place. This by collaborating with our business partners and by stipulating our expectations through the Supplier Code of Conduct.

Specifically, our commitment regarding human rights refers to those fundamental rights outlined in the International Bill of Human Rights.¹ Amongst others, these regard rights such as freedom from discrimination, right to equality between men and women, right to an adequate standard of living, right to health, right to just and favourable conditions at work, right to form trade unions, right to strike, right of peaceful assembly, freedom of association and right to privacy. Our commitments regarding labour rights refers to those rights outlined in the fundamental instruments and core conventions by the International

¹ The International Bill of Human Rights includes: the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic Social and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR).

Labour Organisation (ILO), covering matters that are considered fundamental principles and rights at work according to the ILO Declaration.² Amongst others, these regard rights related to forced labour, child labour, discrimination, freedom of association, collective bargaining and occupational health and safety.

3. Environmental Sustainability

The environmental section of the Sustainability Policy outlines our commitment towards our planet. Emphasis of the Sustainability Policy is placed on three environmental areas: climate change, circular economy and waste.

This section outlines our commitment for climate change mitigation, renewable energy, energy efficiency and waste management.

For additional information on our commitments within these areas, please refer to the following adopted policies and steering documents:

- Embracer Group Code of Conduct (Group CoC) section 7.1
- Embracer Group's Supplier Code of Conduct (Supplier CoC) sections 6.1 and 6.2

3.0 Greenhouse Gas (GHG)³ Emissions

Acknowledging the importance of combating climate change, Embracer Group is committed to systematically reduce GHG emissions in alignment with the Paris Agreement.⁴ This involves addressing the climate footprint from both our own operation and our value chain. This commitment is also connected to Embracer Group's climate-related targets in line with a 1.5°C trajectory adopted under the Science-Based Target initiative (SBTi).

In concrete, it entails a commitment for Embracer Group to mitigate Scope 1 GHG emissions caused from our owned and leased assets e.g., GHG emissions associated with our company facilities, data centres and vehicles. Mitigate Scope 2 GHG emissions contributed to through our purchased or acquired energy.⁵

Seek to mitigate Scope 3 GHG emissions that we are linked to through our upstream and downstream value chain, such as purchased goods, business travel and employee commuting. With regards to the GHG emissions that arise in the value chain, the Supplier CoC further elaborates the concrete expectations we place on suppliers to manage their climate footprint.

² The fundamental instruments and core conventions by the International Labour Organisation (ILO) include: the ILO Declaration from 1998 and its most recent amendments from 2022, the Freedom of Association and Protection of the Right to Organise Convention (No. 87), the Right to Organise and Collective Bargaining Convention (No. 98), the Forced Labour Convention (No. 29) and its 2014 Protocol, the Abolition of Forced Labour Convention (No. 105), the Minimum Age Convention (No. 138), the Worst Forms of Child Labour Convention (No. 182), the Equal Remuneration Convention (No. 100), the Discrimination (Employment and Occupation) Convention (No. 111), the Occupational Safety and Health Convention (No. 155), and the Promotional Framework for Occupational Safety and Health Convention (No. 187).

³ This covers, but not limited to, the seven Greenhouse gases (GHG) of the United Nations Framework Convention on Climate Change (UNFCCC) / Kyoto Protocol and in alignment with the GHG Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

⁴ Adopted on 12 December 2015 at the UN Climate Change Conference (COP21) in Paris, France.

⁵ The term energy in this Policy refers to purchased or acquired electricity, steam, heat, and cooling according to the Scope 2 Guidance of the GHG Protocol.

3.1 Energy

To address climate change and ensure the long-term resilience of our operations, it is important to be aware of our energy dependencies. Embracer Group is therefore committed to striving to deploy renewable energy sources whenever possible, and to increase energy efficiency in our own operation.

Specifically, it entails a commitment for Embracer Group to increase the share of renewable energy (energy mix) consumed at our company facilities and vehicles e.g., obtaining green energy certificates and focusing on renewable energy technologies. Improve energy performance at our facilities e.g., focusing on energy efficiency and instruments for optimizing energy consumption. This also includes measures in enhancing opportunities to make our energy consumption cost efficient and preventing risks deriving from periods of volatile energy prices and eventual shortages.

3.2 Waste

In the global transition towards a circular economy, Embracer Group is committed to reduce waste in both our own operation and across our value chain. Addressing the impacts and risks associated with electronic waste is a concern for us, and in the games and entertainment industry, due to the reliance on technology to sustain business operations.

Regarding waste streams caused or contributed to in our own operation, Embracer Group is committed to first and foremost avoid waste from being generated in the first place e.g., through responsible procurement along circular principles⁶, including mindful use, repair, and maintenance of the assets we use. Secondly, for waste streams that cannot be avoided, increase the share of waste that is diverted from disposal e.g., through waste management that enable reuse, recycling, or other recovery operations.

Regarding waste streams that we are *linked to* in our value chain, Embracer Group is committed to seek to reduce the waste generated in the production and the end-of-life treatment of IT hardware. For upstream waste generation the Supplier CoC further elaborates on the expectations on suppliers and business partners for their waste management. For downstream waste generation Embracer is committed to engage in dialogues and collaborations with other actors, sectors, and initiatives to address electronic waste associated with the gaming and entertainment industry.

4. Sustainability Governance

This section of the Sustainability Policy outlines our commitment towards sustainable operations. Emphasis of the Sustainability Policy is placed on the governance area: Business Ethics.

This section addresses our commitments towards business ethics in terms of fostering a sustainable corporate culture in which we as a company operate according to applicable law and principles on responsible business conduct. Amongst others, business ethics for us includes our commitments towards anti-corruption and bribery, taxation, and fair competition.

For additional information on our commitments within these areas, please refer to the following adopted policies and steering documents:

- Anti-corruption Policy Embracer Group, all sections
- Trade Compliance Policy Embracer Group, all sections
- Embracer Tax Policy, all sections

⁶ The circular principles include considerations on aspects such as: durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models.

- Embracer Group Code of Conduct (Group CoC), sections 5.1 to 5.12 and 7.2 to 7.6 as well as 9.1 to 9.3
- Embracer Group's Supplier Code of Conduct (Supplier CoC), sections 3.1 to 3.5 and 5.1 to 5.2

4.0 Business Ethics

In managing a global business, we are committed to comply with all applicable international, national and local law as a fundamental aspect of how we do business. Additionally, we urge our leaders within the group to actively integrate sustainability into their leadership, to lead by example and ensure our ethical standards in our operations and the work environment.

In concrete, it entails a commitment for Embracer Group to drive a sustainable business built on transparency, integrity, and collaboration in which all ideas on how we can improve are welcome. We promote a corporate culture grounded in ethics and respect, and to foster an environment that encourages our employees to voice concerns to report incidents or issues. For further details on grievances, please refer to our whistleblowing mechanism which is available for both internal and external stakeholders of our operations.

Our commitment is also to seek to engage with and collaborate closely with our business relationships to find common denominators and joint solutions to challenges within the games and entertainment industry.

For further details on the concrete expectations that we place on our employees regarding specific matters such as anti-corruption and bribery, fair competition, confidentiality and similar, please refer to the Group CoC. Similarly, for further details on the concrete expectations that we place on suppliers, please refer to the Supplier CoC.

5. Implementation of the Sustainability Policy

The Embracer Group Head of Sustainability is responsible for ensuring that the Sustainability Policy is implemented and monitored throughout the group.

In each Embracer Operative Group, management is responsible for the implementation and safeguarding of the Sustainability Policy, including ensuring that there are regional/local procedures in place to support compliance.

The Sustainability Policy cannot describe all critical situations which may occur in the line of business. Your immediate supervisor, and the Compliance Officer of your Operative Group, should be contacted for all questions if an employee is in doubt or uncertain about a situation. They are the first point of contact for questions on understanding the rules and must ensure that all employees are aware of and understand the Sustainability Policy. As part of their management duties, they shall monitor for and prevent unacceptable conduct and take suitable measures to avoid infringements of rules in their area of responsibility.

6. Violations of this policy

Employees who violate a Group Policy may be subject to disciplinary action, up to and including dismissal, depending on the facts and circumstances.

6.0 How to report violations

Every employee is welcome and encouraged to report any irregularities, concerns, abuses or violations of the Sustainability Policy to your supervisor, the management of your company, the HR, legal, finance or audit department. Or if applicable, your employee representatives, or the Compliance Officer appointed by your Operative Group. It is also possible to report any issues or violations anonymously by using the specified whistleblowing communication channels, which can be found on the external webpage here: [Embracer Whistleblowing](#). Embracer Group has a non-retaliation rule and will ensure that there are no adverse work-related consequences for any employee who, in good faith, alerts management of possible violations of this policy.

7. Appendences and Related Documents

- Embracer Group Code of Conduct (Group CoC)
- Embracer Group Supplier Code of Conduct (Supplier CoC)
- Embracer Group Human Resources Policy (HR Policy)
- Embracer Group AI Policy
- Embracer Group Internal Privacy Policy
- Embracer Group Anti-corruption Policy
- Embracer Group Trade Compliance Policy
- Embracer Group Tax Policy
- Embracer Group Smarter Business Framework
- Embracer Group Whistleblowing Guidelines