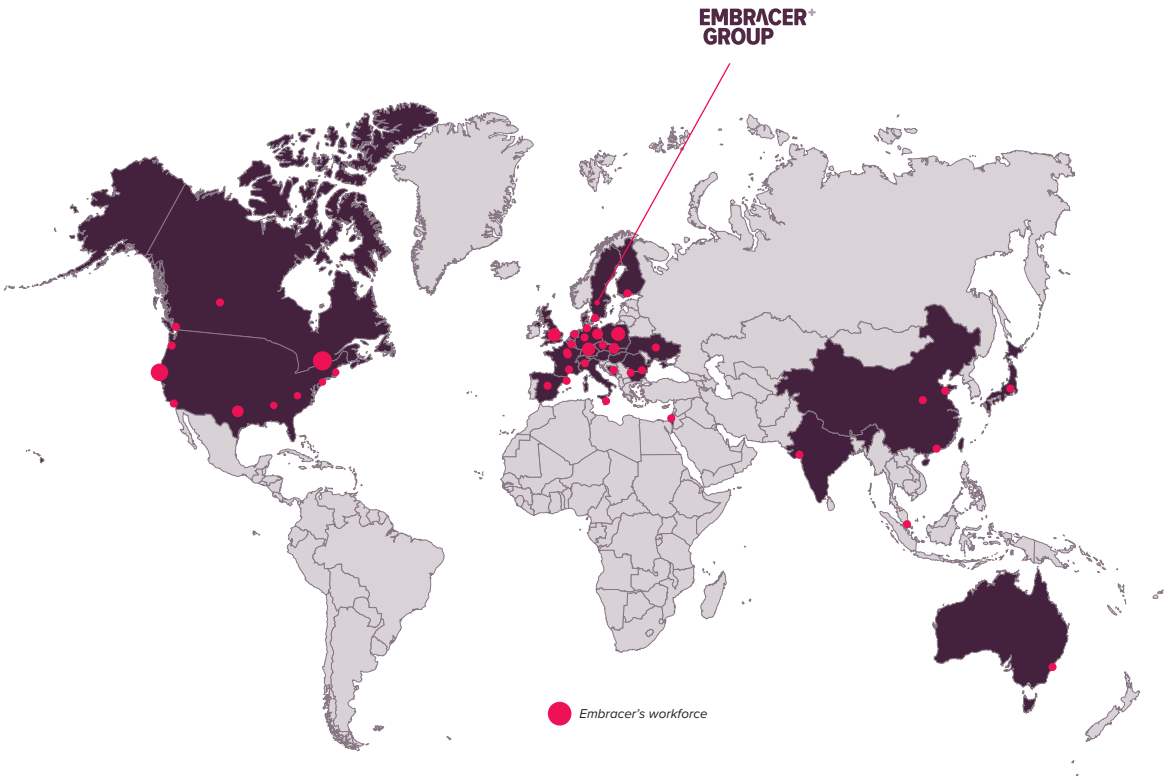
Q1
FY 2026/27

ESG FACT SHEET
Sustainability at Embracer Group

ABOUT US

Embracer Group is a global games and entertainment group headquartered in Karlstad, Sweden. Through its creative and entrepreneurial businesses, the Group develops, publishes, and distributes PC, console and mobile games, and also operates in other areas of entertainment. The Group engages nearly 5,000 people across close to 30 countries and is home to a broad portfolio of owned and controlled intellectual properties, including globally recognized franchises.

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



NET SALES*
FULL YEAR 2025/26

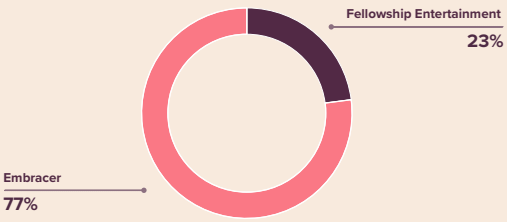
SEK 15,906 M

** Excludes discontinued operations (Coffee Stain Group)*

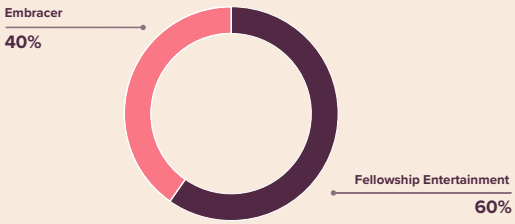
CASH EBIT*
FULL YEAR 2025/26

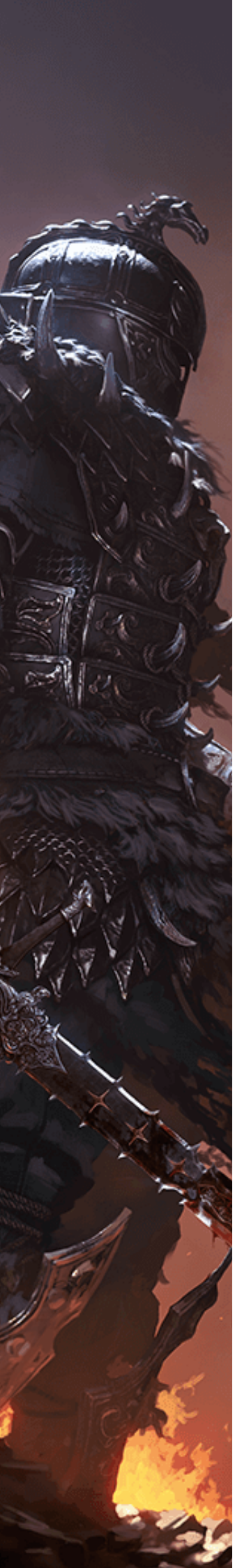
511 M

SALES BY OPERATING SEGMENT
FULL YEAR 2025/26



CASH EBIT BY OPERATING SEGMENT
FULL YEAR 2025/26





HIGHLIGHTS

UPDATES FROM THE FIRST QUARTER

During the period, work on sustainability reporting and governance continued. Embracer completed its first sustainability reporting in accordance with CSRD and ESRS as part of the Annual Report for 2025/26. The reporting marks a step towards more structured, transparent and comparable ESG disclosures and provides a clearer basis for follow-up, internal control and the continued development of the Group's material sustainability matters. During the quarter, internal stakeholder dialogue was also carried out to gather perspectives from relevant parts of the organization and support the continued development of the double materiality assessment, the reporting process and the follow-up of identified impacts, risks and opportunities.

Embracer also participated in discussions during Almedalen, Sweden's leading forum for dialogue between policymakers, business and civil society, where the role of games in society and the safety of children and young people in digital environments were in focus. At SpelAlmedalen, a shared forum for the games industry, academia and civil society held during Almedalen week, Through the Darkest of Times was presented as an example of how games can help make complex issues related to democracy, influence and historical events more visible. The game was developed by Paint Bucket Games and published by HandyGames. As the initiator of the Tryggare spelvärldar initiative, led by The Prince Couple's Foundation, Embracer also participated in roundtable discussions on digital well-being, trust and safer gaming environments. The participation highlighted the value of bringing business, politics and civil society together on issues where multiple perspectives and shared responsibility are needed to create long-term sustainable solutions.

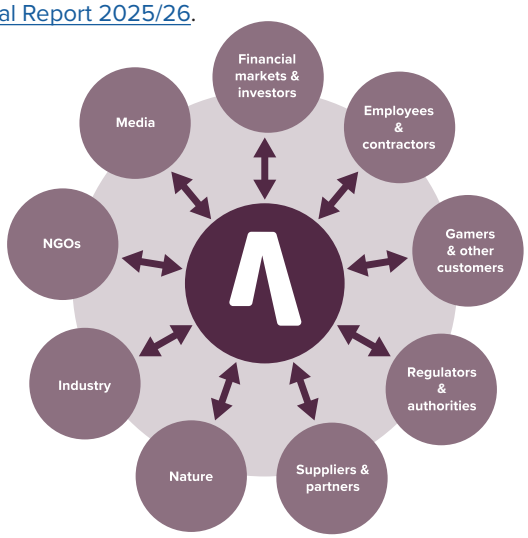
SUSTAINABILITY STRATEGY

Embracer Group is committed to advancing sustainability across the Group, shaping how we create, collaborate, and grow. By integrating sustainability into everyday decisions and business processes, we aim to create long-term value for employees, partners, players, shareholders, and society. Our approach is guided by the sustainability matters identified through the Group's double materiality assessment, strengthening the connection between sustainability and long-term value creation.

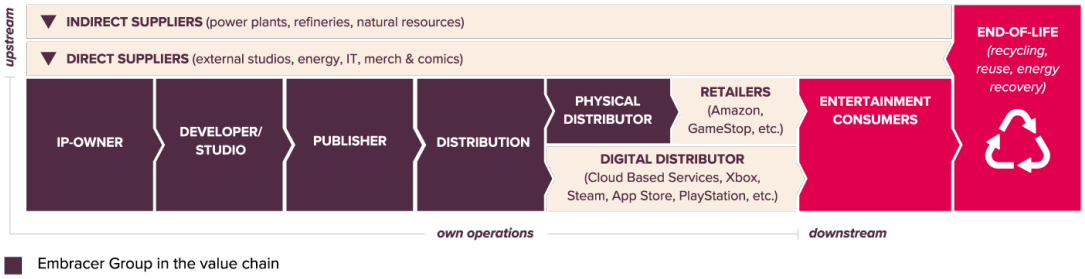
The Group focuses its efforts on the sustainability topics that are most relevant to the business and where it can have the greatest positive impact. Sustainability is embedded into the business strategy through governance, risk management, business conduct, climate action, workforce development, and responsible engagement with players and other stakeholders. As the Group continues its transformation, sustainability considerations are increasingly integrated into reporting, internal control, and decision-making processes.

Partnerships and collaboration remain important elements of Embracer Group's approach. By working together with industry peers, organizations, and other stakeholders, the Group shares knowledge, addresses common challenges, and contributes to positive development within the gaming and entertainment industry. Through continuous dialogue with other key groups, including employees, players, customers, investors, suppliers, regulators, NGOs, and industry organizations, the Group works to strengthen its culture, improve its impact, and support sustainable long-term growth.

More information about Embracer Group's sustainability strategy and material sustainability topics can be found in the Annual Report 2025/26.



OUR STAKEHOLDERS



Embracer Group has a large number of external partnerships whereby Embracer acts as both licensor and licensee. Embracer Group's main business areas are IP ownership, development and publishing. Some of the operative groups also have distribution and retail businesses. Some of Embracer Group's businesses, including Limited Run Games, Dark Horse, Grimfrost and DPI Merchandising operate a direct to consumer business. In addition Dark Horse operates the e-commerce and bricks and mortar retail chain Things From Another World.

ENVIRONMENT

Embracer Group's environmental work focuses on climate change, energy efficiency and responsible resource management, reflecting the Group's predominantly digital business model and related energy use across own operations and the value chain. During FY 2025/26, Embracer reported its first CSRD-aligned sustainability statement, maintained its SBTi-approved climate targets, and initiated a project to develop a climate transition plan.

- **Renewable energy in own operations:** 42%
- **Total energy consumption:** 17,229 MWh
- **Total GHG emissions, market-based:** 203,099 tCO_2e
- **Scope 1 and 2 GHG emissions, market-based:** 4,633 tCO_2e
- **Climate transition plan:** project initiated.

SOCIAL

Embracer Group's social sustainability work focuses on its own workforce, workers in the value chain, and consumers and end-users. Key areas include employee health and safety, secure employment, diversity and inclusion, equal treatment, privacy, digital well-being, protection of children and responsible marketing. The Group has also continued engagement on children's safety in gaming environments, including collaboration with the Prince Couple's Foundation and participation in initiatives addressing digital well-being and child protection.

- **Employees:** 4,992
- **Non-employees:** 1,104
- **Women in the workforce:** 27%
- **Women in top management:** 40%
- **Employees covered by collective bargaining agreements:** 28%

GOVERNANCE

Embracer Group's governance framework is based on clear roles, Group-wide policies, internal control, enterprise risk management and business conduct processes. Sustainability oversight sits with the Board, supported by the Audit and Sustainability Committee, while operational responsibility is delegated through executive management, the Head of Sustainability, internal subject-matter experts and the ESG controller network. The Group also maintains governance structures for business conduct, anti-corruption, supplier management, privacy, AI and whistleblowing.

- **Board gender diversity:** 43% women / 57% men
- **Independent Board members:** 86%
- **Group policies in use:** 18
- **Audit and Sustainability Committee meetings:** 9, including 1 fully dedicated to CSRD
- **Incidents of corruption or bribery:** 0
- **Group-wide whistleblowing system:** in place.

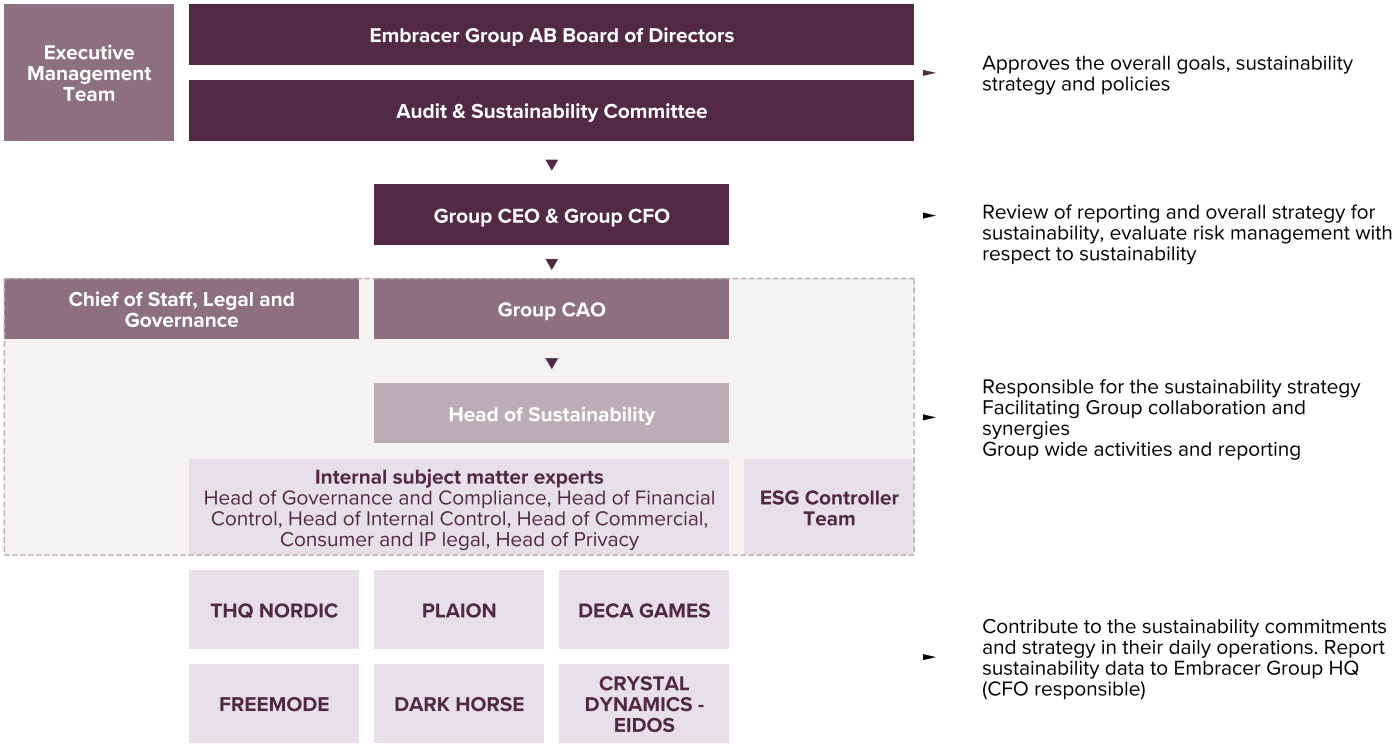
EIGHTEEN GROUP POLICIES IN USE [2)]

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

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

UN GLOBAL COMPACT

2026 PARTICIPANT

Our company is committed to upholding the Ten Principles of the **United Nations Global Compact**. Please refer to our **Communication on Progress.**

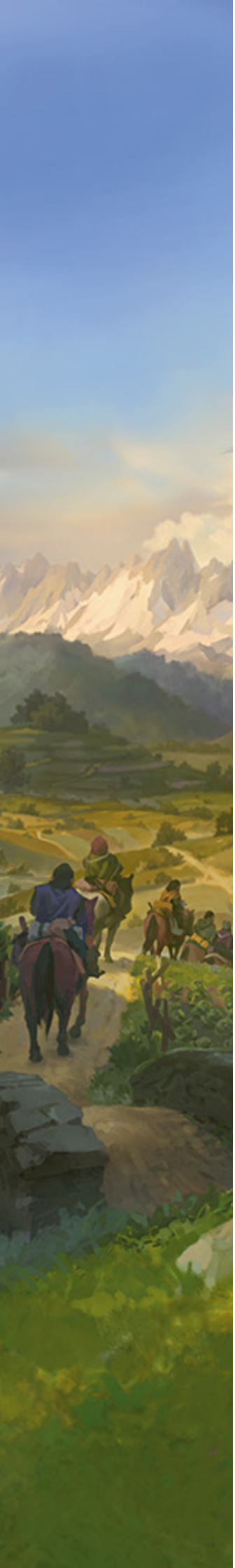
Embracer aims to create even more diverse and inclusive workplaces. Different perspectives and skillsets lead to an even better environment for all of us and to better results for the business. In 2022, Embracer Group joined **Women in Games** as a Corporate Ambassador. The program consists of a worldwide network of individuals engaged with the agenda to support, empower, and celebrate talented women in the games industry. Several employees from different Operative Groups are registered as Women in Games ambassadors. This program empowers individuals to take action through collaborative, connected and diverse networks.

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.

The Great Journey

DATASPELSBRANSCHEN
Swedish Games Industry

Embracer Group is a proud member of **Dataspelsbranschen**. Dataspelsbranschen (Swedish Games Industry) is Sweden’s trade association for video game companies. Their mission is to create the best conditions for game development, increase knowledge about games, and be the voice for the Swedish gaming industry both in Sweden and internationally.

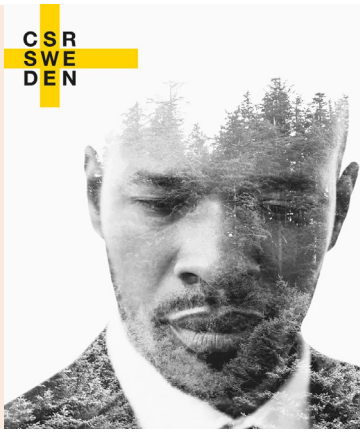


Since 2021, we have been members of **Video Games Europe**, an organization that, since 1998, has ensured that the voice of a responsible gaming ecosystem is heard and understood, that its creative and economic potential is supported and celebrated, and that players around the world continue to enjoy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

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, in collaboration with The Great Journey. Make A Game gives high school students the opportunity to start their own business, develop their own game and at the same time receive professional mcoaching from experienced people in the gaming industry during their high school years.

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. As a company we value the opportunity to be part of a broader network, expand perspectives and learn from others.



Since 2020, Embracer has participated in Future Seeds assignments linked to the curriculum, engaging approximately 1,000 students. These tasks, aimed at various age groups, include creating characters, designing movement-based games, and inspiring climate-friendly activities. By working entrepreneurially and innovatively, students can take initiative, solve problems, and develop their own creative solutions to real issues through games.

CONTACTS

Read more about our sustainability work and progress in our Annual Report and Sustainability Report 2025/26 available on our website embracer.com.

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