25/26

ANNUAL REPORT



EMBRACER GROUP



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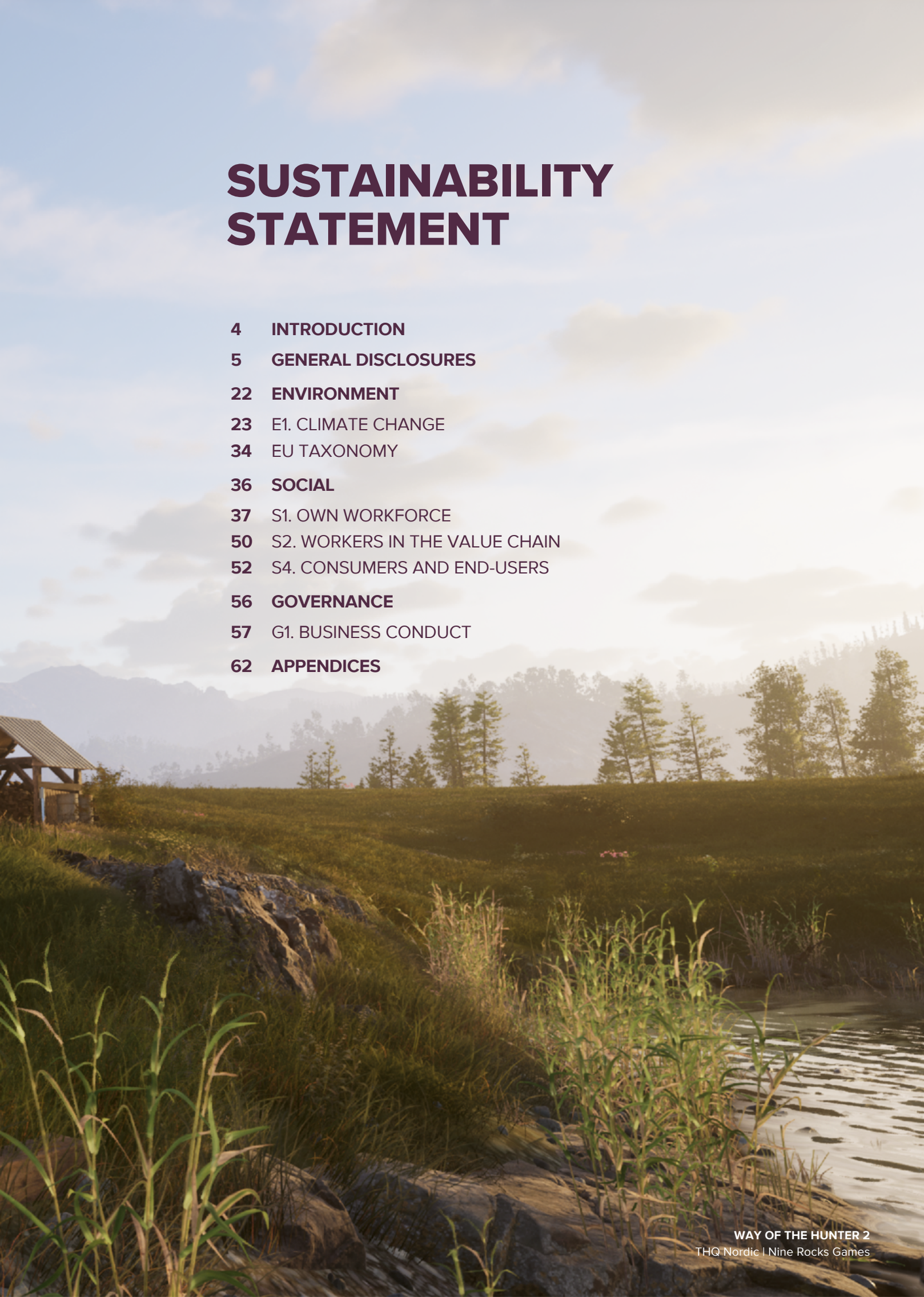
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WAY OF THE HUNTER 2
THQ Nordic | Nine Rocks Games

SUSTAINABILITY STATEMENT

INTRODUCTION

For the first time, Embracer Group has prepared its sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This marks a step towards more structured, transparent and comparable environmental, social and governance (ESG) disclosures, and aims to provide stakeholders with relevant insights of the Group's ESG performance.

HOW TO READ THE REPORT

> Each section headline includes a reference to the relevant ESRS standard.
> Qualitative and quantitative disclosures are accompanied by ESRS references, indicating the specific disclosure requirements addressed.
> Where relevant, quantitative figures are presented together with additional qualitative information.

From left to right: Lowe Solhovd, Ulrica Frykemo and Karin Edner Karlsson



ESRS 2 | SUSTAINABILITY STATEMENT

GENERAL DISCLOSURES

BP-1 | SCOPE AND REPORTING PRINCIPLES

This sustainability statement has, for the first time, been developed in line with the Corporate Sustainability Reporting Directive (CSRD) and underlying European Sustainability Reporting Standards (ESRS). It is prepared on a consolidated basis in accordance with the consolidation approach applied for the financial statement covering all the Group's subsidiaries as of 31 March 2026. Hence, the sustainability information outlined in the report for own operations cover the parent company of Embracer Group and the six operative groups THQ Nordic, PLAION, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos. By being included in the consolidation of this present report, all operative groups and subsidiaries are exempted individual reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Changes in what constitute the scope of the consolidation primarily compared to previous reports, result from the ongoing transformation of Embracer Group, for further details please refer to Significant events in the financial year page ##, and BP-2 on specific circumstances.

(BP-1-3, -5a-b)

Beyond the own operations, the sustainability statement also covers information related to impacts, risks and opportunities stemming from Embracer Group's upstream and downstream value chain to the extent that it is material. This includes information about the user-phase of the products sold by Embracer Group, with emphasis on the games. Embracer Group has not omitted any specific information corresponding to intellectual property, know-how or the results of innovation that could be relevant to fully understand the sustainability matters disclosed in this report. Embracer Group has not omitted any specific information corresponding to impending developments or matters in the course of negotiation.

(BP-1-5c-e)

BP-2 | SPECIFIC CIRCUMSTANCES

Specific circumstances affecting the preparation of the Sustainability Statement primarily relate to the ongoing transformation of Embracer Group, which impacts the scope of consolidation as a result of completed divestments, as well as the scope and content of material topics and related data compared to previous reporting periods. Further changes are expected in upcoming reporting periods. In the light of these changes, the Group is adapting to continuous organizational changes at a fast pace, and many sustainability-related strategic initiatives have thereby been put on hold, which is impacting on the overall content outlined under several disclosure requirements, specifically those relating to targets, actions and metrics.

(BP-2-6, -13)

For the financial year 2025/26, Embracer Group has also chosen to apply selected transitional provisions (phase-in) in accordance with the Omnibus proposal and Appendix C of ESRS 1, as well as "quick fix" reliefs. "Quick fix" reliefs have been applied for certain metrics under S1-8 (collective bargaining coverage and social dialogue outside the EEA) and S1-7 (non-employees in own workforce), meaning these disclosures are reported according to simplified rules. The Group has decided to omit the following disclosure requirements under S1 standard on own workforce: S1-11 Social Protection, S1-13 Training and skills development metrics and S1-15 Work-life balance metrics, and the following topical standards: S2 Workers in the Value Chain and S4 Consumers and End-Users. The S2 and S4 sections in this report are therefore limited to brief information about material topics, policies, actions, targets and metrics as required under ESRS 2 BP-2 when phase-in provisions are applied. The material matters identified under these standards, as described in ESRS 2 SBM-3, relate primarily to labor rights and working conditions in the value chain, as well as privacy, digital wellbeing, protection of children, diversity and inclusion, and responsible marketing for end-users. These matters are inherently linked to Embracer Group's business model and strategy, which are based on digital game development, global partnerships and long-term consumer trust. While full disclosures are phased in, the Group already addresses these impacts through Group-wide policies, governance and risk management processes. The phased-in approach reflects the ongoing transformation and the prioritization of establishing consistent data and management processes, without altering the strategic relevance of these matters.

For the avoidance of doubt, the use of phase-in provisions is distinct from the use of estimation techniques, proxy data or qualitative disclosures. Phase-in provisions have only been applied to the disclosure requirements and topical standards explicitly listed above and in accordance with Appendix C of ESRS 1. For all other disclosure requirements, the Group has reported information using estimation techniques, proxy data or qualitative disclosures where necessary, rather than omitting disclosures. Overall, the sustainability information included in the report reflects the outcomes from the Group's double materiality assessment (DMA), with details on the process and results outlined under IRO-1 and IRO-2.

(BP-2-17a-e)

Where estimation techniques or proxy data have been applied, this relates to the method of reporting and not to the

omission of disclosure requirements. With regards to metrics specifically, sources of estimation and outcome uncertainty, including assumptions, approximations and judgments applied, are described in dedicated reporting principles sections under each respective disclosure requirement as Reporting principles.

Hence, in the case where Embracer Group has used estimates to extrapolate information or to bridge data gaps, it has disclosed relevant information, potential uncertainties and applicable standards used in the calculations for each respective metric. In case of doubt, the Group has applied a conservative approach as the general rule for all metrics to ensure consistently across the report.

VALUE CHAIN ESTIMATIONS

Metric	Basis for preparation	Actions to improve accuracy
GHG emissions	A combination of greenhouse gas (GHG) emissions reporting approaches is applied, including industry-average estimates, supplier-specific data, and estimates based on sales volumes, assumed usage time, platform-specific energy consumption, and country-specific electricity emission factors. A conservative approach is applied. Further information is provided under E1-6.	Developments in GHG emissions reporting methodologies and data availability are continuously monitored. The share of emissions calculated using supplier- and product-level data is being increased over time to enhance accuracy and transparency.
Energy	Estimates are applied for sites where electricity consumption is included in rental agreements.	Efforts are ongoing to improve the metering of own energy consumption.

The same approach also applies to any critical assumptions concerning value chain information, such as data points where the Group has leveraged supplier information or relevant sector reports, country reports or other public information to enable informed conclusions to the extent possible. Overall, the resulting level of accuracy is assessed as moderate, with lower accuracy for metrics relying on value chain data and estimations, such as Scope 3 emissions, due to the use of assumptions and secondary data. Metrics that include value chain data, in particular Scope 3 emissions, are sometimes subject to a higher level of measurement uncertainty, as the calculations are partly based on estimates, including spend-based methods and secondary data, in addition to primary data.

None of the metrics have been subject to external validation beyond the auditors' limited assurance.

(BP-2-8, -10a-d, -11a-bii)

Compared with the previous reporting period, certain changes in the reported information have occurred. These changes primarily reflect changes in the scope of reporting, although certain methodological refinements have also been applied, as detailed under E1-4 and E1-6 for the GHG emission baseline, and under E1-6 for the emissions inventory, including market-based Scope 2 and Scope 3 categories 1, 9 and 11.

As a result of the Group's transformation, including divestments, discontinued operations and spin-offs, the reporting scope for the 2025/26 financial year differs from the Group's composition at year-end. Entities that have been divested, discontinued or spun off are therefore not included in the Group's reporting scope as of 31 March 2026. Further information on sold entities is provided in Note 32, Sales of Group companies, page ## in the Group financials. Consequently, these entities are excluded from reporting under the EU Taxonomy as well as from social and governance disclosures, which are based on the Group's composition at the reporting date.

However, for environmental reporting purposes, including greenhouse gas (GHG) emissions, divested, discontinued and spun-off operations are included for the part of the financial year during which they were part of the Group and had an environmental impact.

Accordingly, following the spin-off of Coffee Stain Group, the entity is included in the Group's reporting scope where applicable. For environmental reporting, including GHG emissions, Coffee Stain Group is included up until the point of spin-off. Social and governance data for Coffee Stain Group are not included, as these metrics are reported on a year-end basis, hence after the spin-off. Where applicable, baseline and historic years are recalculated to ensure year-to-year comparability.

Due to these changes in scope, it is impracticable to ensure comparability with the previous reporting period for the affected information. Eventual changes in metrics and comparative figures from previous reports have been included under each respective disclosure requirement, where applicable. In general, and if any, changes mainly relate to the ongoing transformation whereas recalculations of baseline values and comparative data have been triggered for several metrics and targets. Importantly, all reported figures in this year's report are calculated in accordance with the scope of consolidation as outlined under BP-1.

(BP-2-13a-c)

Beyond the above mentioned changes, if significant errors have been identified from previous sustainability statements, these errors and eventual corrections are also disclosed under each respective disclosure requirement, if and as applicable.

With regards to time horizons, Embracer Group has adopted the same definitions prescribed by the ESRS. This means that any reference to the short term is equal to one-year, medium term is between two and five years, whereas long term is longer than five years.

In some cases, specific disclosure requirements are presented in other sections of the report to make it more reader friendly. A list of data points deriving from other EU legislation is presented in the Appendix on page 64. The disclosure requirements incorporated by reference are outlined in the Incorporation By Reference table.

(BP-2-9, -14, -15, -16)

INCORPORATION BY REFERENCE

Disclosure requirement	Label	Reference
Net revenue	E1-6	The net revenue amounts used to calculate GHG intensity derives from note 3 of the financial statement.

(BP-2-16) (E1-6-55) (E1-6-AR-55a) (E1-6-MDR-M-77d)

GOV-1 | GOVERNANCE STRUCTURE AND ROLES

At Embracer Group, the administrative, management and supervisory bodies are the Board of Directors, the Group CEO and the Group Executive Management Team. This also includes the Audit and Sustainability Committee as well as the Remuneration Committee, which are committees appointed by the Board. These are the governance bodies with the highest decision-making authority for business development, strategy and financial planning within Embracer Group, including for sustainability-related matters. For sustainability matters specifically, the Board is ultimately accountable but has delegated responsibility and decision-making authority to the CEO who is the most senior executive of the entire Group.

(GOV-1-19)

The Board of Directors consists of seven members. Six of the directors are independent non-executive members (86%). The share of women on the Board is 43%. As of today, there is no direct representation of employees and other workers on the Board.

The Senior Executives in the Group Executive Management Team consists of five members, all of them senior executives. These are the Group CEO, the Group CFO, the Group COO, the Chief of Staff, Legal and Governance and the Chief Strategic Partnerships Officer. The female representation is 40%.

Together, Board members and Senior Executives of Embracer Group, possess a range of relevant experience from previous senior management positions and board assignments for listed companies and international companies operating in a similar context. Their relevant expertise includes experience from the gaming industry, game development, electronics, acquisitions (M&A), business transformation, divestments, reconstructions, organizational culture and leadership, governance, business development strategies, product management as well as other sectors such as IT, financial markets and law. For biography, please refer to page ##-## or the website. This expertise is directly applied to establish, approve, and monitor policies and processes for business conduct, ensuring that ethical standards are integrated into governance and daily operations throughout the Group.

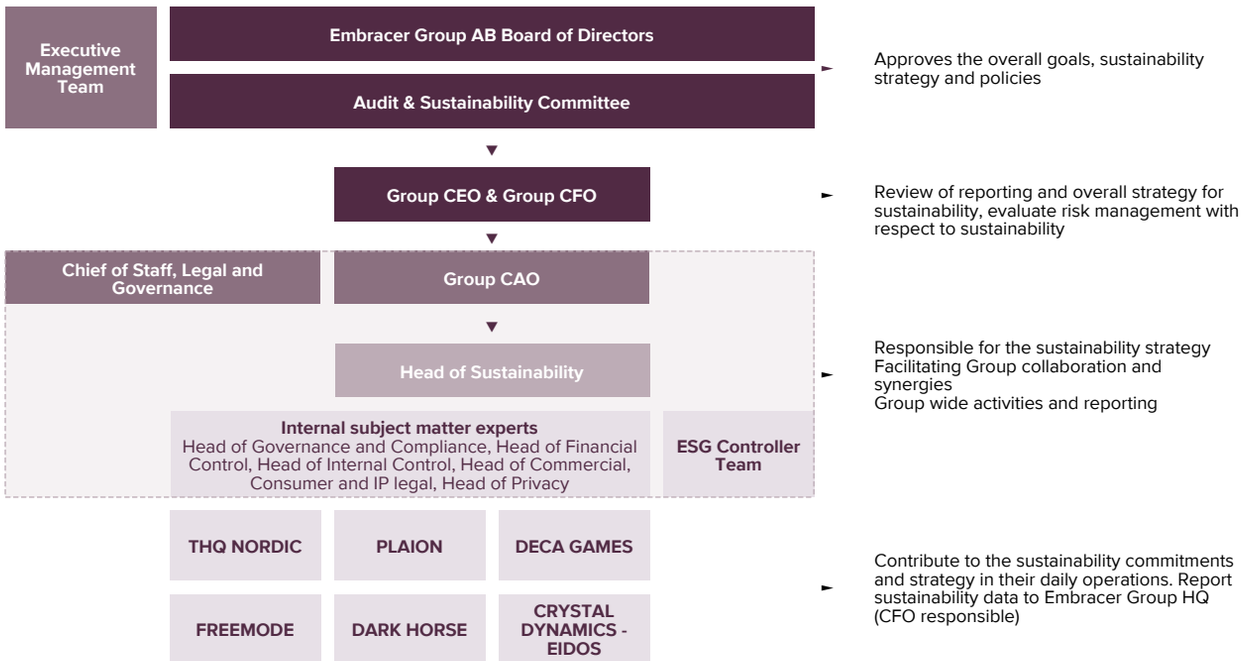
(GOV-1-5b, -19, -21a-e)

With regards to sustainability matters, the Board has appointed three board members to the Audit and Sustainability Committee. One of the main tasks of this Committee is to have an advisory role to the Board in the oversight of sustainability-related impacts, risks and opportunities. It is accountable for ensuring the quality of financial- and sustainability reporting, the efficiency of internal controls, audits, risk management and the continued development of the Group's sustainability work. The executive responsibility for managing and addressing sustainability-related impacts, risks and opportunities lies with the Group CEO, who has further delegated such responsibilities to the Group CFO of the Executive Management Team and the Group CAO (Chief Accounting Officer). All Group Policies are owned by the Executive Management Team and are approved and adopted by the Board of Directors. Roles and responsibilities are delegated in accordance with Embracer Group's Delegation of Authority.

Even further, to ensure that sustainability-related governance procedures, decision-making and controls are placed close to the matters in regards, part of the responsibility to monitor, manage and oversee impacts, risks and opportunities in the daily business, has been delegated to the Group Head of Sustainability and to the CEO's of each operative group.

(GOV-1-19, 22a-ci)

SUSTAINABILITY ORGANIZATION AND GOVERNANCE



(GOV-1-AR4)

The Head of Sustainability is responsible for coordinating engagements with other internal management level positions with respect to specific material sustainability matters such as Head of Privacy & AI for Privacy matters and Head of Governance & Compliance for Business conduct matters. In addition, the Head of Sustainability is responsible for developing and maintaining the Group's sustainability framework. This also includes leading engagement with external stakeholders and internal subject-matter experts. The Head of Sustainability works closely with the Group CFO and operates as the bridge between Embracer Group and the operative groups through continuous collaboration to enforce group-wide strategies, initiatives and reporting processes within sustainability (top-down) and facilitating collaboration and synergies in local contexts (bottom-up). For further information on the reporting lines to the Board, the Sustainability and Audit Committee and the Group Executive Management Team, please refer to GOV-2.

(GOV-1-5, -5a, -22cii, 23a-b)

In conclusion, the Board and its committees, the Group CEO and the Group Executive Management Team are the highest accountable for decisions around the strategic agenda, target-setting, and policy adoption within sustainability, including the overall performance against these.

This is enabled through access to internal subject-matter experts related to identified impacts, risks and opportunities (IROs) across the organization. The Board, the Audit and Sustainability Committee and the Group Executive Management Team are informed on a regular basis at Audit and Sustainability Committee meetings (nine ASC meetings during the financial year 2025/26) including one meeting fully dedicated to CSRD, and at designated Board meetings, where sustainability matters are also addressed as part of general updates. During the reporting period, the Board approved the outcomes of the double materiality assessment and the Sustainability Policy, and participated in dedicated training on CSRD. Operational monitoring and implementation to ensure progress are handled locally by the Head of Sustainability and the operative groups. To ensure improvements in the management, Embracer Group is continuously working to strengthen its sustainability-related expertise related to material impacts, risks and opportunities via training that are available via the Group's internal training platform, including on specific policies, for all levels from top management to employees and non-employees. There are also educational initiatives via the UN Global Compact and other external trainings that are offered within the group occasionally.

Dedicated controls for sustainability reporting have been initiated and are being aligned with financial reporting procedures. Full integration is planned as part of ongoing process development. See GOV-5 for details.

(GOV-1-19, -22ciii-d, 23) (GOV-1-AR5)

With regard to Business conduct matters, the expertise of the administrative, management and supervisory bodies (AMSB), is relevant to the oversight and management of ethical conduct, compliance, corporate culture and integrity-related risks. This expertise supports informed decision-making and effective oversight of policies and actions related to Business conduct, including the Code of Conduct and related governance frameworks. That section also includes information about roles, responsibilities and expertise regarding sustainability matters, including Business conduct matters.

(GOV-1-5a-b)

GOV-2 MANAGEMENT OVERSIGHT OF SUSTAINABILITY

The Embracer Group's CEO, Board of Directors, Audit and Sustainability Committee and Group Executive Management Team are informed about sustainability matters on a regular basis at Board meetings and Group Executive Management Team meetings. Primarily, they are informed about the impacts, risks and opportunities that have been assessed as material to the Group following the double material assessment, as outlined under SBM-3 and IRO-2.

(GOV-2-24, -26, -26c)

With reference to the Group's overall governance structure as described under GOV-1, their roles are mainly to stay informed and to ensure that sustainability matters are adequately considered into the overall business strategy and financial planning. The Board and the Audit and Sustainability Committee focuses on overarching targets, while the Group Executive Management Team focuses on the more detailed targets, performance monitoring and oversight of the actual management processes that are driven by different manager positions across the group and operative groups depending on ESG area. For example, the group has established an internal steering committee for the CSRD Readiness project, which is led by Head of Sustainability and includes the Vice Chairman of the Board, the CFO and the Chief of Staff, Legal and Governance from the Group Executive Management Team, the Group CAO and, when relevant, other internal subject matter experts are invited to participate in dialogues. In such steering committee, bi-monthly discussions on sustainability-related matters are held to align whether certain matters must be communicated to the Executive Management Team and ultimately to the Board for decision making, approval and/or adoption of various initiatives.

(GOV-2-26a-b) (GOV-2-AR6)

GOV-3 SUSTAINABILITY IN INCENTIVE SCHEMES

Embracer Group has no incentive schemes targeted towards the Board or senior executives. The current remuneration guidelines, as adopted by the shareholders, include requirements for sustainability-related objectives and social responsibility. Further information on the Group's existing compensation programs can be found on page ##.

(GOV-3-13, -27, -29) (GOV-3-AR7)

Decisions on whether to include sustainability-related performance as part of existing remuneration structures (share-based programs) are made by the Group's Board of Directors, following proposals from the Remuneration Committee. The Remuneration Committee is responsible for updating, preparing and overseeing the terms of the Group's remuneration programs.

(GOV-3-29e) (E1-GOV-3)



THE 7TH GUEST REMAKE
Vertigo Games

GOV-4 DUE DILIGENCE

The table below outlines a mapping of the information provided in the Embracer Group's sustainability statement that regards sustainability due diligence. It outlines the main aspects and steps of Embracer Group's due diligence process, including references to the topical sections under which further information can be accessed on the management of material sustainability matters.

(GOV-4-30, -32) (GOV-4-AR8, -10)

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2: GOV-2, GOV-3, SBM-3
	ESRS E1: E1-2 incl. ESRS 2 MDR-P
	ESRS S1: S1-1 incl. ESRS 2 MDR-P
	ESRS S2 – phase in
	ESRS S4 – phase in
	ESRS G1: G1-1 incl. ESRS 2 MDR-P
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2: GOV-2, SBM-2, IRO-1
	ESRS S1: S1-2
	ESRS S2 – phase in
	ESRS S4 – phase in
	ESRS G1: G1-2
c) Identifying and assessing adverse impacts	ESRS 2: SBM-3, IRO-1
d) Taking action to address those adverse impacts	ESRS E1: E1-3 incl. ESRS 2 MDR-A
	ESRS S1: S1-4 incl. ESRS 2 MDR-A
	ESRS S2 – phase in
	ESRS S4 – phase in
	ESRS G1: G1-3 incl. ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	ESRS E1: E1-4, E1-5, E1-6, E1-7, E1-8 incl. ESRS 2 MDR-M and ESRS 2 MDR-T
	ESRS S1: S1-5, S1-6, S1-7, S1-8, S1-9, S1-14, S1-16, S1-17 incl. ESRS 2 MDR-M
	ESRS S2 – phase in
	ESRS S4 – phase in
	ESRS G1: G1-4, G1-6 incl. ESRS 2 MDR-M



GOV-5 | RISK MANAGEMENT AND INTERNAL CONTROL

Embracer Group performs a Group-wide enterprise risk management (ERM) assessment, which is updated at least twice a year and the findings are presented to the administrative, management and supervisory bodies. In such process, key risks to the Group's operations are identified, including relevant mitigating actions as well as internal control processes to be put into place. The identified risks, including sustainability-related risks, are assessed based on events that might influence the achievement of the Group's strategic objectives. For further details on the overall approach and findings of the ERM assessment, please refer to Enterprise risk management on page ##-##.

(GOV-5-34, -36, -36b-e) (GOV-5-AR11)

In the Group's ongoing process, the sustainability-related risks currently being monitored include the ability to recruit and retain talent, as well as ensuring diversity among employees and a good work environment. The risks also include matters related to inclusion and digital wellbeing in games and entertainment, as well as aspects related to value chain governance and management. Additionally, sustainability reporting itself is one risk that is assessed alongside financial reporting risks, however dedicated controls for sustainability reporting is yet to be developed and implemented. As of today, Embracer Group has primarily introduced internal control and integration processes for human resources-related sustainability matters, such as HR-payroll to manage fraud risks in compensation but is yet to further accelerate control mechanism for other aspects. With regards to the process for obtaining and analyzing environmental, social and governance data, metrics are collected and consolidated through a structured ESG data management process. Through that solution the Group manages data from its subsidiaries and performs internal reviews to ensure that the data is as complete and accurate as possible.

Findings from risk assessments and internal controls are integrated into the sustainability reporting process through structured feedback loops, updates to reporting instructions, and adjustments to estimation methodologies where relevant. Identified issues are communicated to reporting entities and inform continuous improvements to data quality and reporting practices.

Essentially, this means that Embracer Group currently does not have a formalized risk management and internal control system specifically for its sustainability reporting process. However, during the year the Group has initiated work to align the sustainability reporting processes with other procedures applied for financial reporting, including ERM and Internal Control. Certain control activities have been introduced and applied in parts of the sustainability reporting process, although these have not yet been formally tested. For instance, the double materiality assessment undertaken as part of the Group's CSRD work creates a basis for its future developed risk mapping and reporting according to the disclosure requirements of ESRS.

(GOV-5-34, -36a) (GOV-5-AR11)



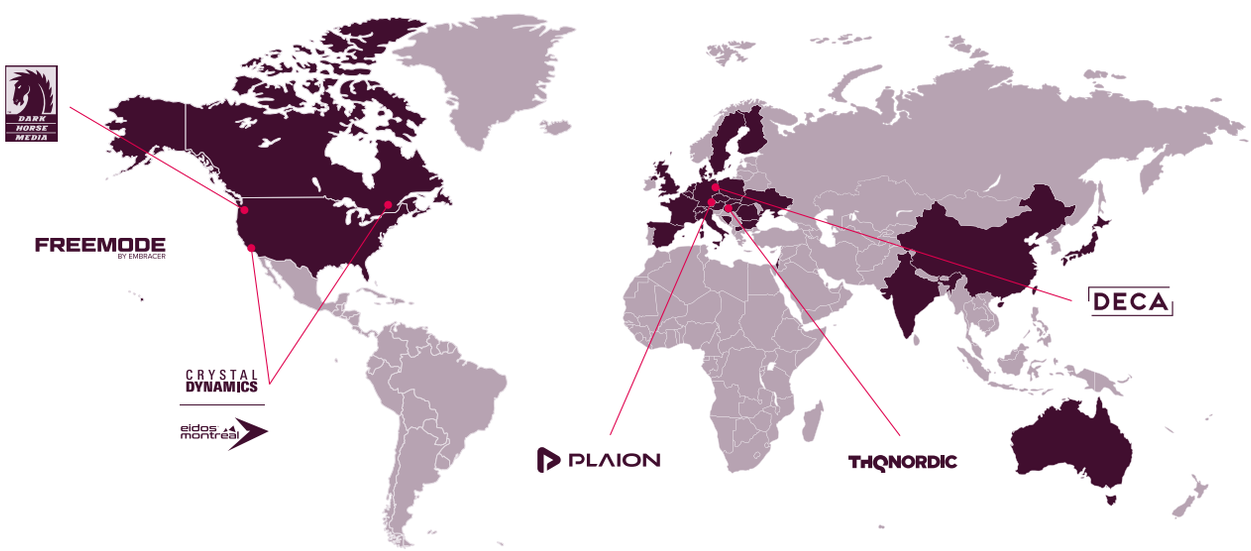
SBM-1 | STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Embracer Group is a global group of entrepreneurial businesses in the games and entertainment industry. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its six operative groups: THQ Nordic, PLAION, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos. These are the operative groups, under which more than 191 fully owned or controlled group companies deliver products and services within different segments of the Group's overall strategy.

In total, the Embracer Group engages more than 6,000 people in our own workforce in more than 30 countries, which are further described under S1-6 and S1-7 about workforce characteristics.

(SBM-1-40, -40a, -40aiii)

EMBRACER GROUP'S GLOBAL PRESENCE



The Embracer Group's key offering relates to PC and console games, mobile games and entertainment & services, including niche services related to IP, film, comic books publishing and merchandise. These segments are well reflected in the operative groups, with entertainment & services constituting the largest share (44%) of the Group's total revenue followed by PC and console games (42%) and mobile games (14%). Major changes in the product portfolio during the year primarily reflect a transformative year for the Group, including the spin-off and listing of Coffee Stain Group in December. As a result, operations and related product offerings attributable to Coffee Stain Group are presented as discontinued operations in the groups financial statements. In parallel, the Group has continued to execute on its strategic priorities, including an increased focus on owned core IPs and the divestment of non-strategic operations. This has resulted in a more streamlined product catalog and clearer prioritization within PC and console, mobile, and entertainment & services. These changes have affected the composition and presentation of the Group's product segments and operative groups, improving alignment between the operational structure and external reporting. This change is connected to the ongoing transformation of the Group which is described in detail on page ## of the Board of Director's report. For further details on the operative groups and product segments please refer to page ## of the Board of Director's report, or on the Embracer Group website.

(SBM-1-40ai)

Embracer Group operates in the global games and entertainment industry and reaches players and fans worldwide, across generations, genders and nationalities. There are no major changes in the markets and customers groups related to the spin-off of Coffee Stain. Looking forward, it is expected that after completing the ongoing transformation, the operative groups will be even more focused on business strategies tailored to their specific markets, customers groups and growth ambitions. There are no products and services within the Group's portfolio that are banned in any of the markets that are currently served. However, there could be restrictions in certain markets that require the Group to adapt its products to comply.

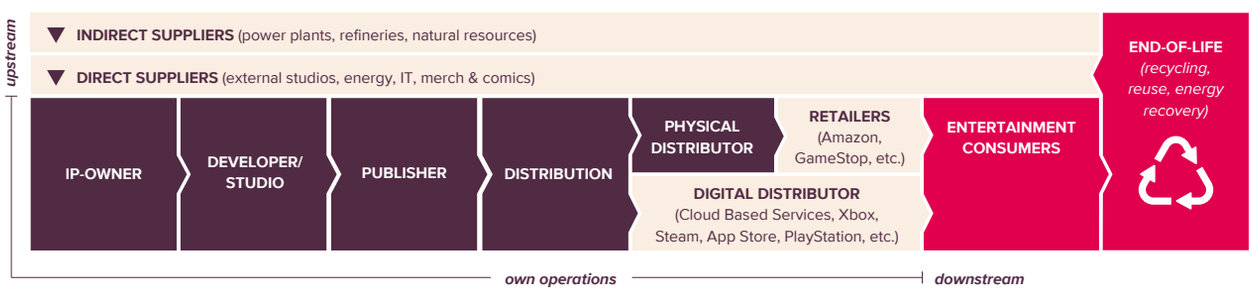
(SBM-1-40aii-aiv)

Key elements of Embracer Group's business model and main value chain that affect sustainability matters encircle the development, distribution, publishing and user-phase of its products, which mostly take place in a digital landscape. As such, Embracer Group's core business model and offering segments within games development and other services do not have a physical value chain. However, for relevant

business segments such as merchandise and comic books, a physical value chain exists. This includes sourcing, manufacturing, logistics, and distribution of physical products, managed by external partners and suppliers. The Group's physical value chain is limited in scope compared to its digital operations, but is subject to the same sustainability standards and supplier codes of conduct. The resources underpinning Embracer Group's business model are primarily generated within the Group's own operations and value chain, reflecting the predominantly digital nature of the business, while dependencies related to energy use and equipment are inherent to the digital landscape described above. Operating in a digital landscape means that both the Group's own operations and its products are energy-dependent via the use of electronic devices and IT equipment. Thus, indirectly, there is a physical value chain related to energy and the production tiers of the equipment that is being used internally, including the respective gaming equipment being used by the gamers and customers. This equipment is produced outside of Embracer Group's operations, by actors in the manufacturing sector and when When these products reach the end of their lifecycle, they typically enter waste management and recovery streams managed by external parties, in accordance with local regulations and industry practices. This is illustrated in the figure below which outlines the Group's key value chain.

(SBM-1-38, -42, -42a, -42c) (SBM-1-AR14)

EMBRACER GROUPS VALUE CHAIN



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.

The Group's primary direct business relationships are principally with its employees and contractors. Talent and competence within the workforce are key inputs to the business model, as Embracer Group is highly dependent on individuals' specific capabilities in day-to-day operations, knowledge sharing and leadership that shape future direction. Other resources purchased by the Group are described under E1-6, specifically under purchased goods and services, while supply chain management procedures are further outlined under G1-2. In addition, through intellectual property ownership and licensing, Embracer Group has established a wide range of external partnerships with film studios and agents, which constitute key relationships across all operating segments. The Group's extensive IP portfolio and unique licenses, together with continuous creativity and entrepreneurship in game development, shape its game releases. This supports the delivery of immersive gaming experiences for consumers and contributes to a diversified portfolio that positions the Group competitively.

(SBM-1-42b-c) (SBM-1-AR14b)

With regard to material sustainability matters the Group established its Smarter Business Framework in FY 2019. The framework is built around three pillars: Great People, Solid Work, and Our Planet with the purpose is to ensure that the Group prioritizes its efforts in a value-driven way. However, due to the ongoing transformation, the framework remains under development and is being refined over time. Finalization of the framework is planned for CY 2027, based on identified impacts, risks and opportunities across key value chains, markets, offering segments and stakeholder expectations. When such updates are in place, Embracer Group will have a better overview of the elements of its strategy that relate to or impact sustainability matters, including the main challenges ahead or critical solutions to be put in place.

(SBM-1-40e-g)

Embracer Group is not active in, nor has revenues derived from operations related to the fossil fuel (coal, oil and gas) sector, chemicals production, controversial weapons, nor the cultivation and production of tobacco.

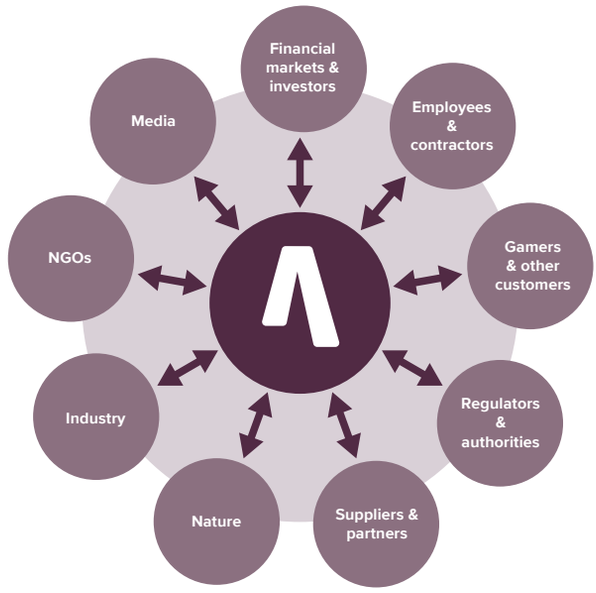
(SBM-1-40d-div)

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Embracer Group is in continuous and close contact with its key stakeholders, which for instance includes employees and contractors (non-employees), Gamers and other customers, financial markets and investors, regulators and authorities, suppliers and partners, the industry, non-governmental organizations (NGOs), media and nature via external experts. The dialogue with the stakeholders is an ongoing activity and the purpose, type of engagement and channels for communication vary between different categories of stakeholder groups.

The table below provides a summarized description of engagement activities, as well as the purpose and how the outcomes are considered.

(SBM-2-45a-av)



Stakeholders	Material Topic	Channels for communication	Purpose and outcome
Financial markets & investors	E1, S1, S2, S3, G1	Regular reporting, direct dialogue and response to ESG ratings as Sustainalytics, S&P Global, UN Global Compact COP, and MSCI.	Maintain alignment on Embracers sustainability strategy and targets. Attracting responsible investors. Enhancing transparency. Responses to investors and the markets queries.
Employees & contractors	S1	Continuous direct dialogue with subject matter experts, employee engagement survey, performance and development reviews and regular HR network meetings.	Understand strengths and weaknesses in the workplace. Contribute to retain talent and improve the workplace. Promote the Sustainability Framework. Provide mandatory training in specific areas. Follow up through performance reviews.
Gamers & other customers	S4, G1	Community engagement, consumer studies, industry reports and engagement through social media.	Build trust. Gain insights into customers' interests concerning sustainability topics. Adaptation of product/service and of marketing strategies.
Regulators & authorities	E1, S1, S2, S3, G1	Monitoring and evaluation and assessment of regulations and requirements. Direct engagement through public affairs and regulatory dialogues.	Ensure compliance with existing and future legislation and increase awareness of potential transitional risks and opportunities driven by regulation to align the business model and strategy accordingly
Suppliers & partners	E1, S4, G1	Direct engagements, supplier and partner reviews, dialogue with group companies on their relationships with suppliers.	Ensure compliance with existing and future legislation and awareness of potential risks and opportunities driven regulation. Promote and implement alignment on Embracers sustainability strategy. Compliance with Supplier Code of Conduct and internal policies.
Industry	E1, S1, S2, S3, G1	Engagement in industry organizations and sector associations such as Dataspelsbranschen and Video Games Europe. Attending work meetings and engaging in dialogue with peers.	Understand interests and views from a broader sector perspective, influence, capture inspiration and external insights on sector-wide issues.
NGOs	E1, S1, S2, S3, G1	Direct engagement, collaboration with established partnerships, and response to NGO inquiries.	Gain insights on responsible business practices from a broader perspective and from collaborations.
Media	E1, S1, S2, S3, G1	Open and ongoing communication with media through press contacts and ongoing dialogue.	Stay informed about changes in public discourse and market expectations, and promote openness, support transparency, and build trust.
Nature	E1	Direct engagement with relevant internal and/or external environmental experts, supported by insights from reports and research.	Understand the Group's (negative) impacts on climate change and the environment across the value chain, as well as the related risks and opportunities.

(SBM-2-45, -45a, -45aiii, -45av)

Stakeholder dialogues play a key role in informing the Group's double materiality analysis by providing diverse perspectives, insights, and concerns from stakeholders directly affected by the Group's activities. In the DMA process the Group gathers all input gained over the year from ongoing stakeholder dialogues, and where necessary it collects further insights to make sure that the main interest and views of key stakeholders are considered. It is an integral part of the identification and assessment of impacts, risks and opportunities. The input from stakeholders fosters better understanding of which sustainability matters are material for the Group.

As one example, this includes assessing internal documentation, such as the results from employee satisfaction surveys conducted every other year, to capture aggregated perspectives and views from parts of the workforce. As part of the double materiality assessment, the Group is also talking directly to representatives and subject matter experts that can put forward their views or other important aspects that are considered when evaluating the materiality of a given sustainability matter. Specifically for actual (negative) impacts, another key aspect is assessing the Groups' grievance mechanism as described under S1-3, to understand and act upon the voice of affected stakeholders through a formalized and robust process. Embracer Group may also assess external sources such as sector reports and research papers that are relevant for the gaming and entertainments industry, or the global markets in which the Group has operations. These activities together helps to understand in further depth how its business model and activities in its operations, and across the value chain, may influence its stakeholders in different ways.

(SBM-2-12, -45av, -45b) (SBM-2-AR4, -5)

The Group Executive Management Team is informed about stakeholders' interests and views on sustainability impacts through structured internal reporting of insights from dialogue and surveys, as well as through sustainability-focused deep dives that incorporate stakeholder perspectives. Information on stakeholder views is communicated to the Group Executive Management Team with the timing and frequency of updates determined by the relevance of the topic.

Based on the outcomes of stakeholder engagements, Embracer Group makes adjustments to its strategy and business model as needed to support value creation in its operations. Mainly since the interests and views from the Group's stakeholders are valuable input that informs decision-making in the daily operations, and for its continuous improvement. One example is the ongoing transformation currently expected to be finalized during CY 2027. This highly strategic change will not only influence the Group's relationships with key stakeholder groups, but also enable it to better meet their interests. These outcomes are achieved through adjustments to the Group's organizational structure, portfolio focus, and ways of operating as part of the transformation, which in turn amend how the strategy and business model are applied in practice.

(SBM-2-45c-ciii, -45d)

Embracer Group actively engages with its own workforce and their representatives to inform its strategy and business model, as fully disclosed under ESRS 2 SBM-2. Further details regarding existing engagement processes and specific examples of how these have a direct impact on the strategy and business model are disclosed in section S1-2 below. Moreover, Embracer Group's policies as outlined under S1-1 further specify the commitment to respect the human and labor rights of the workforce, encouraging all employees and consultants to report any concerns to their supervisor, management, HR, Compliance Officer or through the whistleblowing channel disclosed in section S1-3.

(SBM-2-12) (SBM-2-AR4, -5)

SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

In this section Embracer Group outlines a summary of its material impacts, risks and opportunities and how they interact with the Group's strategy and business model, as well as the value chain as described under SBM-1. Information about material sustainability matters is provided for each ESG area according to the ESRS standard structure. The tables below serve as an overview, with further explanations in each section: Environment, Social, and Governance.

(SBM-3-46) (SBM-3-AR17)

Across all ESG areas, the Group continues to report on similar aspects of environmental, social and governance topics as in previous sustainability reports, although now in a more detailed format following the CSRD. Compared to the previous year, there have been no material changes in relation to the matters described under SBM-3. No entity-specific disclosures have been developed.

(SBM-3-48g-h)

Embracer Group assesses that the resilience of its strategy and business model is strong related to its capacity to address all material impacts and risks, and opportunities. Based on the assessment of material sustainability-related risks and opportunities, no material current financial effects on the Group's financial position, financial performance or cash flows have been identified. Furthermore, no significant risk of material adjustment within the next reporting period to the carrying amounts of assets and liabilities has been identified. With growing awareness, sustainability has become a crucial topic in the gaming and entertainment industry, encompassing both environmental and social responsibility. In this context, the Group focuses its sustainability efforts on the matters where it can have the greatest positive impact or where it can contribute to solutions and drive change. For climate change specifically, no thorough climate risk, resilience or scenario analysis has been performed during the reporting period. Climate change is therefore not assessed from a resilience perspective in this reporting period. Notably, the financial sector's dialogue is evolving, with investors increasingly seeking to invest in companies that adhere to principles of responsible business conduct. The ongoing transformation of Embracer Group will be even better equipped to manage sustainability matters, as the Group strengthens its connection between markets and operational decision-making.

(SBM-3-48d, -48f)

Material Impacts, Risks and Opportunities (IROs)

The following IROs have been deemed material for Embracer Group as part of the DMA shown on the previous pages. These IROs are addressed by Embracer's management.

Impacts, risks and opportunities		Value chain	IRO description	Time horizon S	M	L
E1 CLIMATE CHANGE						
Climate change mitigation	A	Upstream, Own Operations, Downstream	Embracer Group's own operations and value chain generate greenhouse gas emissions, mainly driven by energy use in its predominantly digital business model, contributing to climate change.			→
Energy consumption and mix within the organization	A	Own Operations	Energy consumption in Embracer Group's own operations reflects the energy needs of a predominantly digital business and results in environmental impact related to energy use.			→

A Actual Negative Impact
A Actual Positive Impact
P Potential Negative Impact
S Short-term
Opportunity
Risk
P Potential Positive Impact
M Medium-term
Upstream
Own Operations
Downstream
L Long-term

Impacts, risks and opportunities	Value chain	IRO description	Time horizon S	M	L
S1 OWN WORKFORCE					
Health and Safety	A, Own Operations	High employee workload, if not adequately managed, can negatively affect employees' health and well-being, including risks related to stress and burnout.			→
Working- time	A, Own Operations	Employees at times experience periods of extended or intense working hours linked to project-driven work and launch cycles, negatively affecting work-life balance.			→
Secure employment	A, Own Operations	Organizational transformation and reliance on both employees and non-employees has affected how employment stability is perceived by parts of the workforce, with a negative impact on motivation and engagement.			→
Training and skills development	P, Risk, Own Operations	Insufficient continuous training and skills development can leave parts of the workforce without necessary capabilities over time, constituting a negative impact and increasing retention and talent-related risks.			→
Diversity	P, Opportunity, Own Operations	A diverse and inclusive workforce supports innovation and employee engagement, creating opportunities to strengthen Embracer Group's position as an employer.			→
Freedom of association	P, Risk, Own Operations	Limited collective bargaining coverage and low union representation, combined with limited formal controls, constitute impact on freedom of association and a related labor relations risk.			→
Harassment	P, Risk, Own Operations	Harassment in the workplace can negatively affect employee well-being, leading to reduced engagement and increased turnover.			→
Equal treatment	P, Risk, Own Operations	Discrimination can result in unfair treatment of employees, negatively affecting engagement and increasing turnover risk.			→

A Actual Negative Impact
A Actual Positive Impact
P Potential Negative Impact
S Short-term
Opportunity
Risk
P Potential Positive Impact
M Medium-term
Upstream
Own Operations
Downstream
L Long-term

Impacts, risks and opportunities		Value chain	IRO description	Time horizon S	M	L
S2 WORKERS IN THE VALUE CHAIN						
Health and Safety	A	▲▼	Unsafe working conditions in the value chain negatively affect workers' physical and mental health.			→
Working- time	A	▲▼	Unregulated working hours and overtime in the value chain negatively affect workers' work-life balance			→
Adequate wages	A	▲▼	Business partners not paying adequate wages contribute to unfair working conditions and negative impacts on workers.			→
Collective bargaining	P	▲▼	The absence of the right to collective bargaining and freedom of association can negatively affect workers' ability to protect their interests and working conditions.			→
Equal treatment	A	▲▼	Discrimination in the value chain imposes unequal disadvantages on individuals or denies equal opportunities, resulting in unfair treatment.			→
Harassment	P	▲▼	Harassment or inappropriate behavior in the value chain can negatively affect workers' safety and well-being and increase turnover risk.			→
Diversity	P	▲▼	A lack of diversity and inclusion in the value chain can limit equal opportunities, reduce engagement and contribute to unfair treatment of workers.			→
Forced labor and Child labor	P	▲▼	The presence of forced labor or child labor in the value chain constitutes a severe negative impact on human rights, children's development, and workers' freedom and safety.			→
Water and Sanitation	P	▲	Potential lack of access to safe and clean drinking water and sanitation in the value chain negatively affects workers' health, dignity and basic living conditions.			→

A Actual Negative Impact
A Actual Positive Impact
P Potential Negative Impact
S Short-term
Opportunity
Risk
P Potential Positive Impact
M Medium-term
▲ Upstream
Own Operations
▼ Downstream
L Long-term

Impacts, risks and opportunities	Value chain	IRO description	Time horizon
			S M L
S4 CONSUMERS AND END-USERS			
Privacy	A ! ▼	Personal data breaches caused by technical or human errors result in harm to end-users and give rise to privacy-related risks.	→
Social inclusion	A ! ▼	Discriminatory or non-inclusive content, limited accessibility or unequal access negatively affect players and increase risks related to trust, engagement and loss of customers.	→
Protection of children	P ! ▼	Children may be exposed to bullying, toxic behavior or grooming in games and online interactions, negatively affecting their safety and well-being and increasing related trust, regulatory and reputational risks.	→
Health and safety	P ! ▼	Over-consumption, lack of representation or inappropriate game content negatively affect players' well-being and experience, increasing the risk of adverse consumer reactions and loss of customers.	→
Responsible marketing	P ! ▼	Irresponsible or unclear marketing practices can negatively affect consumers and increase risks related to trust, complaints and regulatory or reputational exposure.	→
G1 BUSINESS CONDUCT			
Corporate Culture	P ! ▲ ● ▼	Embracer Group's decentralized business model may lead to inconsistent implementation of a shared behavioral culture. The ongoing implementation of internal controls in the sustainability area may result in the risk of insufficient alignment across the Group not being fully mitigated.	→
Corruption and bribery	P ! ▲	Embracer Group's decentralized business model can result in inconsistencies in the application of a shared behavioral culture across the Group. This may, over time, increase the risk of misalignment in behaviors and decision-making.	→
Management of relationships with suppliers	A ! ▲ ▼	Embracer Group's decentralized management of supplier relationships lead to variations in the assessment and follow-up of suppliers, impacting consistency and transparency.	→
Payment practices	P ▲	Delayed or non-transparent payment practices could negatively affect business partners' cash flows, in particular small and medium-sized enterprises.	→

(SBM-3-48a-c, -48f-h)

A Actual Negative Impact
A Actual Positive Impact
P Potential Negative Impact
S Short-term
Opportunity
! Risk
P Potential Positive Impact
M Medium-term
▲ Upstream
● Own Operations
▼ Downstream
L Long-term

IRO-1 PROCESS FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As part of the preparations of the sustainability statement, Embracer Group has conducted a double materiality assessment to identify the impacts, risks and opportunities on sustainability matters that are material and subject to reporting. Embracer Group follows the processes prescribed by the ESRS and the related guiding documents, which can be summarized into four main steps:

1. **Mapping** relevant contextual information about the Group's operations and value chain.
2. **Identifying** sustainability-related impacts, risks, and opportunities in connection to business activities and dependencies of the own operations, upstream and downstream.
3. **Assessing** the materiality of identified impacts, risks, and opportunities by understanding the likelihood and inside-out impact the Group has on sustainability matters, and/or how sustainability matters may trigger outside-in financial effects on the Group's financial position through risks and opportunities.
4. **Consolidating** the result for each material sustainability matter and mapping them against the applicable disclosure requirements, which are then disclosed in this present report.

The details for each step are further explained below for the two materiality perspectives, including the judgments, criteria, thresholds, and assumptions that have been used to determine the materiality. For an overview of the result and how material sustainability matters interact with the Group's strategy and business model, please refer to SBM-3.

(IRO-1-51, -53g)

Impact materiality

In the first two steps of mapping contextual information and identifying impact-drivers, the Group lists the specific dependencies and business activities that take place in its own operations and along the different steps of its upstream and downstream value chain, as described under SBM-1 in the Embracer Group value chain. These business activities are then screened against the list of sustainability matters (topics, sub-topics and sub-sub-topics) prescribed by the ESRS. In such screening Embracer Group builds an understanding of the geographies and the circumstances under which activities take place across the entire value chain, including how they may impact stakeholders negatively and/or positively. Factors of heightened risks are considered to understand aspects that may influence the likelihood or severity of impacts, such as management procedures or other specific circumstances such as sector characteristics, applicable national laws, geopolitics or similar. Hence, the Group considers the impacts with which it is causing or contributing to in its own operations, and those it is linked to in the value chain and through business relationships and products.

(IRO-1-53a, -53b-bii) (IRO-1-AR6)

In the third step the Group proceeds an assessment to understand materiality. For negative impacts, prioritization is based on the likelihood of occurrence and the severity to affected stakeholders, and for positive impacts it is based on the likelihood and benefit. Likelihood is only assessed for potential impacts, and the criteria for severity considers the scope, scale and remediable character of impacts. These criteria are assessed in depth and impacts exceeding the qualitative and quantitative thresholds are deemed material for reporting. This essentially means that all actual impacts with a medium to critical severity are prioritized in the Group's sustainability statement, including the potential impacts with a higher likelihood and severity. In contrary, the actual and potential impacts with a lower severity and/or likelihood are not material for reporting.

(IRO-1-53biv)

During the DMA process itself the Group does not consult directly with affected stakeholders, but it considers the interests and views of various stakeholder groups by leveraging the results from its other on-going stakeholder dialogues. For example, by engaging with different internal functions that are responsible for, or that possess insights and expertise related to, a given sustainability matter which informs the DMA. The Group also consults external experts and other sources that help understand how stakeholders may be impacted in various ways. For further details on stakeholder engagements, please refer to SBM-2.

Overall, this process considers the principles for sustainability due diligence. Embracer Group sees the DMA as an integral part of the steps in due diligence that refers to identifying and assessing impacts on affected stakeholders, where stakeholders are both people and nature (which is considered a stakeholder for environmental sustainability matters).

(IRO-1-53b, -53biii)

Financial materiality

Alongside the assessment of material impacts, Embracer Group looks into financial aspects to understand whether there are connections between sustainability-related impacts, risks and opportunities. In such step the Group identifies whether risks and opportunities may arise from any of the impacts and dependencies already identified during the impact materiality assessment. Related to each sustainability matter, the Group establishes an understanding about potential transitional and/or physical risks or opportunities that could trigger financial effects to its operations, either negatively (risks) or positively (opportunities). For example, the Group identifies if a given sustainability matter could lead to events that impact its on-going business activities, assets, revenues, expenditures or otherwise affecting its financial position over different time horizons.

(IRO-1-53ci)

Where risks and/or opportunities have been identified, the materiality is assesses based on the likelihood of occurrence and the anticipated magnitude of the financial effect. For the magnitude the Group considers how financial effects could potentially impact its overall financial position, and those that exceed the quantitative thresholds are deemed material for reporting. This essentially means that the risks and opportunities with significant magnitude in terms of effects on the Group's financial position are prioritized in the sustainability statement. While those with a lower magnitude and likelihood are not material for reporting.

(IRO-1-53cii)

The financial materiality assessment is aligned with the Group-wide enterprise risk management (ERM) framework and has during the reporting year been further integrated into the Group's overall risk management processes. The sustainability function has worked more closely with the broader risk management function, applying a consistent basis for prioritization of sustainability-related risks and impact in relation to other business risks. While sustainability matters covered by the double materiality assessment are not yet fully embedded in all existing ERM tools, progress has been made during the year to integrate these matters into the Group's established risk management processes.

The Group's ERM decision-making process and the related internal control procedures, are further described on page ##.

(IRO-1-53ciii, -53d-f)

Assessment of previous material topics and IROs

Embracer's internal stakeholders and subject-matter experts revisited a previously identified long-list of topics, including both non-material and material topics, and assessed their relevance in the current context, due to divestments and global developments. This included evaluating associated IROs across local operations and geographies, applying previously used assessment guiding and scoring methodology. Embracer has assessed its impacts and dependencies to identify whether these lead to, or aggravate, risks and opportunities. In addition, each IRO has been assessed based on where it occurs in the value chain.

Non-material topics

Embracer Group has identified and assessed actual and potential impacts, risks and opportunities related to Pollution (ESRS E2), Water and Marine Resources (ESRS E3), Biodiversity and Ecosystems (ESRS E4) and Affected communities (ESRS S3. No material impacts, risks or opportunities were identified, and these topics are therefore excluded from the Sustainability Statement. This conclusion is based on an assessment of potential impacts in relation to Embracer Group's predominantly digital and asset-light business model, limited physical operations, and geographical presence.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED

This section of the report is supported by a Content Index, please refer to page 62. The Content Index includes references to the relevant page(s) where each material Disclosure Requirement can be found.

A list of data points in cross-cutting and topical standards that derive from other EU legislation is presented in the Appendix, a tabular overview of all ESRS Disclosures. The table "List of data points from other EU legislation" also identifies the location and materiality of the underlying data points that derive from other EU legislation, including the Sustainable Finance Disclosure Regulation (SFDR), the Pillar 3 framework and the Benchmark Regulation. Where applicable, indications whether Omnibus phase-in provisions have been applied, in accordance with ESRS requirements. A sustainability matter is classified as material if at least one underlying impact, risk, or opportunity meets the threshold criteria.

(IRO-2-54, -56, -59)

For further details on the Group's processes for identifying and assessing material information to be disclosed, refer to SBM-3 and IRO-1.

SUSTAINABILITY STATEMENT

ENVIRONMENT

Embracer Group is committed to reducing its environmental impact and supporting a more sustainable future for the gaming and entertainment industry. Our environmental efforts encompass climate change, energy efficiency and responsible resource management. By collaborating with partners and industry peers, we aim to drive positive change and remain responsive to global environmental trends and challenges.

/ CLIMATE TRANSITION PLAN
PROJECT INITIATED

42%

/ RENEWABLE ENERGY
IN OWN OPERATIONS



Tides of Tomorrow, *DigixArt* - takes place on a plasticpunk oceanic planet and explores environmental themes through gameplay. The game allows players to influence each other's journeys, every choice you make is left behind for other players to encounter, while you, in turn, play through the consequences of the actions of those who came before you.

ESRS E1 | SUSTAINABILITY STATEMENT

CLIMATE CHANGE

Climate change is a central area within Embracer Group's environmental work. The Group works with issues related to greenhouse gas emissions, energy efficiency, and the transition to a low-carbon economy. The climate work relates to frameworks such as the Paris Agreement and the EU Taxonomy, and climate-related risks and opportunities are considered in order to understand how the business model may be affected.

E1 SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities		Value chain	Description	Time horizon S	M	L
E1 CLIMATE CHANGE						
Climate change mitigation	A		Embracer Group's own operations and value chain generate greenhouse gas emissions, mainly driven by energy use in its predominantly digital business model, contributing to climate change.	→		
Energy consumption and mix within the organization	A		Energy consumption in Embracer Group's own operations reflects the energy needs of a predominantly digital business and results in environmental impact related to energy use.	→		

A Actual Negative Impact · A Actual Positive Impact · P Potential Negative Impact · S Short-term
Opportunity · Risk · P Potential Positive Impact · M Medium-term
Upstream · Own Operations · Downstream · L Long-term

Embracer Group emits GHG emissions from its own operations (Scope 1 and 2), as well as in its upstream and downstream value chain (Scope 3). These together contribute to global warming, leading to negative impact on climate. The emissions are primarily linked to energy use in the Group's operations, in the supply chain, and in the use of the Group's products and services, including the use of IT infrastructure and digital platforms.

(E1-SBM-3-48a, -48c-cv, -48d)

However, climate change and energy-related dependencies are not expected to trigger significant financial effects to Embracer Group, neither physical nor transition-related risks or opportunities. This conclusion is based on a qualitative assessment of potential climate-related impacts in relation to the Group's predominantly digital business model with low capital intensity in fixed assets, its limited exposure to climate-sensitive physical assets, and prevailing regulatory and market conditions within the gaming industry. No formal climate scenario analysis has been conducted during the reporting period. During the reporting period, Embracer Group has not allocated any operating expenses (OPEX), capital expenditures (CAPEX) or financing specifically to climate change mitigation or adaptation actions. This is due to the ongoing Group-wide transformation, which has resulted in a temporary pause of strategic initiatives and investments related to climate change. As a result, no financial resources have been committed to climate-related actions during the reporting year.

(E1-SBM-3-18, -19)

While no climate resilience- or scenario analysis has been performed, climate change is deemed non-material for reporting from a financial materiality perspective. The main reason for this result is because the Embracer Group's value chain is predominantly digital, with the exception of certain operations such as merchandise, comics and other distribution activities, where the Group has a physical value chain and inventory. Nor does the Group operate in a High Climate Impact Sector as defined by EU, such as manufacturing, infrastructure and transportation industries.

(E1-SBM-3-19a-c, -57)

E1 IRO-1 IDENTIFYING AND ASSESSING CLIMATE RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Details for assessing climate-related impacts, risks and opportunities

Specifically related to climate change, Embracer Group is considering the existing measurements of GHG emissions generated as part of the impact materiality assessment. The GHG emissions in Scope 1, 2 and 3 provide insights into the impact on climate change that the Group causes or contributes to from its own operations, or that it is linked to through via its business relationships and products. As part of the Group's double materiality assessment, Embracer Group has identified and assessed climate-related impacts by screening activities in its own operations and across the value chain in line with the processes described under ESRS 2 IRO-1. The screening focused on understanding how the Group's predominantly digital business model gives rise to greenhouse gas emissions through energy use in offices, studios and IT infrastructure in own operations, as well as through energy consumption related to the use of sold products in the downstream value chain.

Actual climate-related impacts were identified based on measured Scope 1, 2 and relevant Scope 3 greenhouse gas emissions, reflecting the Group's contribution to climate change through energy-related activities. Potential climate-related impacts were assessed by considering whether changes in operations, technology use or energy demand could increase or decrease emissions over time. The assessment of impacts took into account the scale and nature of emissions arising from own operations and the value chain, and informed the conclusion that climate change mitigation constitutes a material impact for reporting purposes.

In this process, the Group has not screened activities or plans to identify potential future GHG emission sources since the current identification and assessment focus on the business as it is today. If changes arise in operations and GHG emission sources, these will be reflected in annual reviews of the DMA.

(E1-IRO-1-20, -20a) (E1-IRO-1-AR9a-b)

In the financial materiality assessment, Embracer Group assesses climate-related physical risks and transition risks, as well as opportunities, within the DMA process. The qualitative screening undertaken as part of the double materiality assessment did not explicitly assess risks under defined high- or low-emission climate scenarios. Based on the predominantly digital business model, limited physical asset base and lack of exposure to high-climate-impact sectors, the Group assessed that climate-related physical and transition risks are not expected to result in significant financial effects under the current business context. This constitutes a limitation of the current assessment.

(E1-IRO-1-20b-bi, -20c-ci)

As part of the double materiality assessment, Embracer Group performed a qualitative screening of its business activities and assets to identify potential climate-related impacts, taking into account the predominantly digital nature of the operations and the limited physical asset base. This screening included a high-level consideration of physical climate hazards that could potentially cause financial effects, either through direct impacts on own operations or via the value chain, such as weather-related events including storms, precipitation and heatwaves across relevant time horizons, please refer to BP-2-9. Based on this assessment, no exposure of assets or business activities to climate-related hazards was identified that could reasonably be expected to result in significant financial effects.This conclusion reflects the outcome of the qualitative screening of physical climate hazards in relation to the Group's business model, asset base and value chain. As the Group has low capital intensity in fixed assets, no distinct long-term climate-related exposures linked to asset lifetimes, strategic planning horizons or capital allocation plans have been identified. This assessment was based on a high-level qualitative screening and did not involve a detailed climate scenario analysis. Risks were instead identified and assessed at a qualitative level based on the nature of the Group's operations and business model, including consideration of potential physical risks such as extreme weather events or long-term climatic changes that could affect data-center availability or energy demand, as well as transition risks related to changes in energy prices, regulatory developments and increased requirements on energy efficiency. Based on this assessment, no business activities have been identified that are incompatible with, or would require significant efforts to be compatible with, a transition to a climate-neutral economy.

(E1-IRO-1-20bii) (E1-IRO-1-AR11a-c)

For transition risks, Embracer Group has taken into consideration whether its current business model may be exposed to transitional changes, creating financial implications on investments, assets and business activities over the short-, medium- and long-term time horizons. For example, understanding whether climate-related reputational, regularity or market wide shifts could lead to changes in its expenditures (Opex and Capex) or revenue streams.

(E1-IRO-1-20cii) (E1-IRO-1-AR12a-b)

As mentioned above, for the purpose of identifying and assessing climate-related impacts, risks, and opportunities Embracer Group has not performed a formalized scenario analysis. It may become relevant to look deeper into a range of climate scenarios to better understand the Group's exposure to physical and transition risks and opportunities. However, as of today, the Group has not experienced the need to perform such detailed assessment as part of its DMA in order to arrive at a reasonable result related to climate change considering the Group is not operating in High Climate Impact Sectors as defined by EU.

(E1-IRO-1-21) (E1-IRO-1-AR13a-d, -14, -15)

This is the first time Embracer Group outlines its results from a DMA in a CSRD aligned sustainability statement, why there are no changes in methodologies compared to previous assessments following the concept of double materiality. Considering this is a new concept, the Group will continuously improve its methodologies during the annual reviews and potential future changes will be disclosed.

(E1-IRO-1-53h)

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Embracer Group does not have a transition plan for climate change mitigation in place. This is due to the comprehensive transformation of the Group that was announced in FY 2023/24, and which is still ongoing. With regard to negative impacts related to a just transition in the context of climate change, Embracer Group has not yet developed a formal climate transition plan and has therefore not identified any impacts on its own workforce stemming from decarbonization initiatives. During the reporting year, the Group initiated a project to develop a climate transition plan in connection with preparations for the review of its Science Based Targets (SBTs). This initiative will provide a foundation for future assessments of transition-related impacts on the workforce and support ongoing alignment with climate-related requirements. For further details about the transformation please refer to Significant events in the financial year page ##. Embracer Group does acknowledge the importance of being able to provide information that clearly outlines the Group's strategy for reducing GHG emissions and, as communicated in the previous reporting period, a climate transition plan will be developed in CY 2027 after completing the transformation. Until then, this report provides certain information about exiting commitments, actions, targets and total GHG emissions under E1-2 on policies, E1-4 on actions, E1-4 on targets and E1-6 on Scope 1, 2 and 3 GHG emissions.

(E1-1-17)



TITAN QUEST II
THQ Nordic | Grimlore Games

E1-2 POLICIES RELATED TO CLIMATE CHANGE

Embracer Group has adopted the following policies that outline its commitment to manage material impacts, risks and opportunities related to climate change:

(E1-2-22)

- **Embracer Group Code of Conduct:** with one of the main objectives to emphasize the Group's commitments to protect the environment and climate through analyzing and understanding the Group's impact on the environment and the climate, as well as reviewing our business partners and making necessary controls in these aspects.
- **Embracer Group Supplier Code of Conduct:** with the general objective of highlighting how Embracer Group upholds its environmental and climate-related commitments across its supply chain. For example, the SCoC require suppliers to identify their climate impacts and to have GHG emission reduction targets for Scope 1, 2 and 3, as well as action programs aimed at reducing their carbon footprint and implementing climate change adaptation measures as needed.
- **Embracer Group Sustainability Policy:** with one of the main objectives to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). Specifically related to climate change it addresses areas such as climate change mitigation, renewable energy deployment and energy efficiency. The policy includes a commitment to reduce Scope 1, 2 and 3 GHG emissions in alignment with the Paris Agreement on limiting global warming to 1.5°C degrees, or staying well-below 2°C degrees. It is also a cornerstone for the Group's journey towards achieving its Science-Based Targets adopted in FY 2023/24, which are further described under E1-4 on targets. Regarding energy, the Sustainability Policy includes a commitment to increase the share of renewable energy in the Embracer Group's energy mix and to improve energy efficiency.

(E1-2-24, -25a-d) (E1-2-MDR-P-63, -65, -65a, -65d)

	Code of Conduct	Supplier Code of Conduct	Sustainability Policy
Date of adoption	23/04/2019	5/31/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring the policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Head of Sustainability
Scope of the policy	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Suppliers and business partners globally	Upsteam, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UN Convention against Corruption	> UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multinational Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership		> OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	E1 - Climate Change S2 - Workers in the Value chain G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct

E1-3 ACTIONS FOR CLIMATE CHANGE

In the reporting year, Embracer Group has not taken any specific actions with regards to reducing GHG emissions. The ongoing transformation of the Group has led to the temporary pause of Group-wide strategic initiatives and investments concerning climate change mitigation. As mentioned under E1-1, a climate transition plan will be developed in calendar year 2027 to ensure that the Group can achieve its GHG emission reduction targets and uphold its commitments on ensuring compatibility with the Paris Agreement. Further information about the targets and how these are also impacted by the ongoing transformation can be found under E1-4.

In the previous reporting period Embracer Group communicated that focus has been placed on preparatory initiatives in strengthening capacities in data gathering from all subsidiaries through the implementation of new solution support. The solution was put in place during the financial year 2025/26 and will serve as an important tool for ongoing and future follow-up of GHG emissions and mitigation actions, and will continue to be further developed over time. Another key component for climate actions, as communicated in previous reports, is the internal climate fund established by the parent company in FY 2023/24. To date, no funding has been allocated from this climate fund. The future role and use of the fund will be determined in connection with the development of the Group's climate transition plan. If activated, the fund is intended to provide internal financing for GHG reduction initiatives within the group companies. The climate fund may thus become a supporting tool for incentivizing climate action and financial planning over the short-, mid- and long-term, depending on the direction set in the forthcoming transition plan.

(E1-3-26)



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E1-4 TARGETS RELATED TO CLIMATE CHANGE

To uphold the climate-related commitments described under E1-2, Embracer Group has established greenhouse gas (GHG) emissions reduction targets that were approved by the Science Based Targets initiative (SBTi) and adopted by the Board in FY 2023/24. These targets apply to the entire Embracer Group and were developed in accordance with the SBTi Corporate Net-Zero Standard. The Group's climate targets were developed and set internally, led by the sustainability function, and validated through the Science Based Targets initiative (SBTi) target submission and approval process. The target-setting process did not involve formal external stakeholder consultation. Relevant internal stakeholders, including sustainability and management representatives, were involved in the development, review and sign-off of the targets prior to submission to SBTi. Due to comprehensive organizational changes and the divestment of certain operative groups over the past two years, a review of the targets has been triggered. As a result, Embracer Group is committed to undergo a review in line with SBTi procedures no later than CY 2027. No changes to the targets were implemented during the reporting year. In this context, a review process has been initiated to determine, in accordance with SBTi rules, whether recalculation and resubmission of baseline and target values are required, and at what level. Preparations for a potential resubmission of Embracer Group's Science Based Targets (SBTs) are underway, and this process will also support future assessments of transition-related impacts. The climate-related targets are aligned with Embracer Group's policy objective to contribute to climate change mitigation by reducing greenhouse gas emissions across the value chain.

(E1-4-30, -32, -33, -34e) (E1-4-MDR-T-78, -79a, -79e, -80, -80a, -80c, -80f-h)

The targets are, as they were set in FY 2023/24, to reduce absolute Scope 1 and 2 GHG emissions by 45% by 2030 from a 2021 baseline year which is compatible with a 1.5°C trajectory. Due to insufficient data quality and completeness across the value chain, Embracer Group is currently unable to set a reliable absolute Scope 3 target. In accordance with the phase-in provisions related to value chain information under ESRS, an intensity-based Scope 3 target is therefore applied as an interim approach. The targets are also to reduce Scope 3 GHG emissions 51.6 % per MSEK within the same time frame, measured in intensity values, which is compatible with a well-below 2°C trajectory. The baseline was considered representative at the time the targets were set, due to being the first year of full GHG inventory, and has since been recalculated to reflect the current organizational structure. No further normalization of values was applied, although certain Scope 3 categories, particularly business travel and employee commuting, may have been lower than in a more normal business year due to pandemic-related conditions.

(E1-4-34, 34a, -34c-d) (E1-4-AR25, -25a, -26) (E1-4-MDR-T-79, -79b, -80b, -80d-g)

The Scope 1 and Scope 2 target is not disaggregated by Scope, as it was developed and approved as a joint target under the Science Based Targets initiative framework, and the target boundary covers the market-based approach for measuring Scope 2. For Scope 3, the target boundary covers the categories that are measured and disclosed in accordance with the Science Based Targets initiative (SBTi) methodology, but does not include all Scope 3 categories. This means that the targets, as well as the baseline and process for follow-up, is based on measurements of the gross GHG emissions and follows the same operational and organizational boundaries. This also means that the targets exclude any form of GHG removals, carbon credits or avoided emissions as a means of achieving them. Information on our approach regarding offsetting can be found under E1-7. Performance against the targets is monitored annually based on reported GHG emissions. During FY 2025/26, combined Scope 1 and 2 emissions increased compared with the 2021 baseline year, mainly due to improved data quality, more complete underlying data and the use of residual mix factors where supplier-specific electricity emission factors within the market-based Scope 2 boundary were unavailable or could not be validated. The reported Scope 3 emissions intensity per MSEK progressed at a slower pace than planned and remains above the level required to achieve the target. However, the recalculation of targets and baselines is required as significant changes in the Group's emissions profile currently limit the ability to consistently and reliably measure performance over time.

(E1-4-MDR-T-80c, -80j)

While the targets are yet to be updated, previously conducted assessments for the Group show that key decarbonization levers are mostly connected to energy-related activities. For example, to be able to reach the Scope 1 and 2 target, the Group must reduce its overall energy consumption at studios and offices, increase the share of renewable energy and replace refrigerants with alternatives of lower Global Warming Potential (GWP), where feasible. Other enablers concern the shift towards hybrid and electric vehicles in the car fleet, please refer to E1-6 for details on our total GHG emissions. At this stage, the relative quantitative contribution of each individual decarbonization lever to the achievement of the GHG reduction targets per Scope has not been estimated. This is due to the ongoing Group-wide transformation and the absence of a formal climate transition plan and detailed implementation roadmap during the reporting period.

(E1-4-34f) (E1-4-AR30a-b)

Beyond GHG reduction targets, Embracer Group is measuring energy consumption and energy mix which is disclosed under E1-5. However, the Group has not set any targets, nor qualitative or quantitative indicators to evaluate progress for energy-related impacts, risks and opportunities.

(E1-4-30, -33) (E1-4-MDR-T-79d, -81, -81b-bii)

E1-5 ENERGY CONSUMPTION AND MIX

During FY 2025/26, Embracer Group consumed a total amount of 17,229 MWh of energy in its own operations. The total amount covers energy derived from fossil sources, nuclear sources and renewable sources, for which 9,785 MWh was fossil energy, 225 MWh was nuclear energy and 7,219 MWh was renewable energy. The share of renewables in the energy mix of the Group equals 42% of the total energy consumption, and the share of nuclear equals 1%. This is illustrated in the table below.

(E1-5-35, -37a-c) (E1-5-MDR-M-73, -75, -76)

The renewable energy consumption includes renewable fuel consumption of 145 MWh covering biofuels used in vehicles. The share of renewables also includes 5,394 MWh of purchased renewable electricity sourced through Guarantees of Origin (GOs), Renewable Energy Certificates (RECs), and third-party certifications, as well as 1,456 MWh of renewable district heating and 29 MWh of renewable district cooling. Furthermore, through the use of solar panels at the PLAION warehouse in Höfen (Austria), and at the Black Forest Games and HandyGames buildings in Offenburg and Giebelstadt (Germany), the group produced 346 MWh of renewable electricity on-site, of which 195 MWh was self-consumed and the remaining share exported to the grid. The Group does not have any on-site production of non-renewable energy.

(E1-5-37c-ciii, -39)

With regards to the fossil share of total energy and energy intensity based on net revenue, no further breakdown is required since Embracer Group does not have operations in High Climate Impact Sectors as defined by EU.

(E1-5-38, -40, -41, -42, -43) (E1-5-MDR-M-77d) (E1-5-AR33, -38)

Energy consumption and mix (MWh)	2025/26
6) Total fossil energy consumption	**9,785**
Share of fossil sources in total energy consumption	57 %
7) Total nuclear energy consumption	**225**
Share of nuclear sources in total energy consumption	1 %
8) Consumption of fuels from renewable sources, including biomass	145
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	6,879
10) Consumption of self-generated non-fuel renewable energy	195
11) Total renewable energy consumption (sum of 8 to 10)	**7,219**
Share of renewable sources in total energy consumption	42 %
Total energy consumption (sum of 6, 7 and 11)	**17,229**

Reporting principles: Energy consumption

Energy consumption and mix is reported for the Group's own operations, including activities under operational control. The energy scope includes stationary energy (electricity, heating and cooling for offices and warehouses) and mobile energy (fuel for company-owned vehicles), covering the same energy use as in Scope 1 and Scope 2 GHG emissions as outlined under E1-6. Energy related to Scope 3 activities, such as cloud services and external data centers, is excluded as it falls outside own operations.

For partial-year subsidiaries, estimates are derived for the time being in the Group using historical or representative data, ensuring alignment with financial reporting and emissions reported under E1-6.

Energy data is collected in various units and converted to MWh using DEFRA conversion factors. Values are based on actual data from suppliers or internal measurements where available, with estimates applied where such information is missing or incomplete.

Energy consumption is classified as renewable where supplier-specific information and guarantees of origin are available. Energy without verified renewable documentation is classified as non-renewable. Nuclear energy is disclosed separately where applicable.

(E1-5-37c-ciii, -39) (E1-5-MDR-M-77b)

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Embracer Group measures its total GHG emissions annually for the entire consolidated Group. The purpose of the measurements is to keep track of GHG emission trends and the progress towards the targets described under E1-4. The measurements also inform the identification actions needed to uphold the commitments, as outlined under E1-2, on mitigating the direct climate impact from own operations and the indirect GHG emissions stemming from the value chain related to the development, distribution and use of the Group's products and services.

The comparability of GHG emission results between the current and the previous reporting period is affected by the Group's transformation. For environmental reporting purposes, including greenhouse gas (GHG) emissions, divested, discontinued and spun-off operations are included for the part of the financial year during which they were part of the Group and had an environmental impact. Estimated data based on the prior year is used as input. The baseline year has been recalculated to remain relevant and to ensure year-over-year comparability regardless of changes.

(E1-6-46, -47) (E1-6-AR40)

	Retrospective		Target	
Greenhouse Gas Emissions (tCO_2e)	**Base year 2021**	**2025/26**	**2030**	**Annual % target / Base year**
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	957	812	—	—
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0 %	0 %	—	—
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	2,711	3,065	—	—
Gross market-based Scope 2 GHG emissions	2,950	3,821	—	—
Combined Scope 1 and market-based Scope 2 GHG emissions				
Total Scope 1 and Scope 2 GHG emissions (market-based)	**3,907**	**4,633**	**2,149**	**7%**
Significant Scope 3 GHG emissions				
Total gross (Scope 3) GHG emissions	33,559	198,466	—	—
1) Purchased goods and services	21,104	17,620	—	—
3) Fuel and energy-related activities	105	964	—	—
4) Upstream transportation and distribution	5,343	10,958	—	—
6) Business travel	664	2,288	—	—
7) Employee commuting	1,867	2,684	—	—
9) Downstream transportation and distribution [1)]	4,476	8,726	—	—
11) Use of sold products [1)]	—	155,226	—	—
Scope 3 GHG emissions per net revenue (tCO_2e/MSEK)	**3**	**2**	**1**	**9%**
Total GHG emissions				
Total GHG emissions (location-based)	37,227	202,343	—	—
Total GHG emissions (market-based)	37,466	203,099	—	—

(E1-6-44a-d, -47, -48a-b, -49a, -52a-b,) (E1-6-AR48) (E1-4-MDR-T-80c)

[1)] *Category not included in base year or target*

Scope 1: Since Embracer Group is not subjected to instruments such as EU ETS, 0% of Scope 1 GHG emissions originated from regulated emission trading schemes. The Scope 1 measurements include activity data from fuels and gas used in stationary combustion for heating, in mobile combustion for company vehicles as well as re-fill of refrigerants used in HVAC systems that are causing fugitive emissions. No process emissions from chemical or physical transformation are calculated in Scope 1 since it is not applicable to Embracer Group. Biogenic emissions are 2 tCO_2e and calculated separately from Scope 1.

(E1-6-48b) (E1-6-MDR-M-77a) (E1-6-AR43a, -43c)

Scope 2: Within Scope 2, the GHG emissions are measured following both the location-based and the market-based approaches according to the GHG Protocol Scope 2 Guidance. Both the Scope 2 measurements include activity data from electricity, district heating, and district cooling purchased and/or acquired during the financial year. With regard to the share of renewable energy, the market-based method includes contractual instruments as stated in E1-5, 51 % of the total electricity consumed is covered by bundled contractual instruments, such as Renewable Energy

Certificates (RECs), Guarantees of Origin (GOs) and TÜV-certified energy products, and no unbundled instruments have been identified within the group. The market-based Scope 2 emissions are higher than the location-based emissions, primarily due to limited availability of verified contractual instruments, resulting in the use of residual mix emission factors for a significant share of electricity consumption. No steam or energy from biogenic sources relevant to Scope 2 is purchased, accordingly, no such energy is included in Scope 2 emissions.

(E1-6-MDR-M-77a) (E1-6-AR45a-b, -45d-e)

Scope 3: The 198,459 tCO_2e reported within Scope 3 are measured in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and include the significant Scope 3 categories identified by the Group. This selection is based on the results of a broader Scope 3 screening performed in FY 2023/24, in connection with the SBTi submission process, where the relevance and potential GHG emissions associated with all 15 Scope 3 categories were assessed and analyzed. Essentially this means that, due to immateriality or non-applicability, the following Scope 3 categories are excluded from the Group's from the GHG inventory: Capital goods, Waste generated in operations, Upstream and downstream leased assets, Processing of sold products, End-of-life treatment of sold products, Franchises and investments. The categories that are included are further described below. The full Scope 3 screening is to be updated every third year to ensure that the organizational and operational boundaries remain relevant, however due to the ongoing transformation no update will be conducted until after its completion in CY 2027, which is also the case for the overall baseline and the targets described under E1-4.

(E1-6-47, -51) (E1-6-MDR-M-77a) (E1-6-AR46, -46a, -46c- 46d-di, -46f)

Overview of significant Scope 3 categories and key emission drivers:

- **3.1 Purchased goods and services** is the second largest Scope 3 category, representing 9% of total Scope 3 emissions in FY 2025/26. The category reflects emissions from upstream value chain activities, including cloud computing and data center services, office consumables, merchandise, packaging, IT equipment and furniture. Emission are measured using a combination of activity-based inputs and supplier-specific emissions data. Emissions are primarily driven by the composition of the Group's product portfolio during the reporting year, including the volume of physical products. In addition, the methodology applied at product level has been refined to better reflect material-related emissions.
- **3.3 Fuel- and energy-related activities** is calculated using the data collected for Scope 1 and 2 measurements, which is also the same type of primary energy data provided under E1-5, but applying a different emission factor for obtaining the indirect upstream GHG emissions. By including this category, the Group is measuring the full lifecycle GHG emissions of its energy-dependencies.
- **3.4 Upstream transportation and distribution** is calculated based on tonne-kilometers or emissions data obtained from suppliers. The category includes emissions from inbound logistics (transport from first-tier suppliers to the Group's facilities) and intercompany logistics (transport between own facilities).
- **3.6 Business travel** covers travel by Embracer Group's employees and non-employees. This includes travel by flight, train, taxi, bus, private cars, rental cars and by boat or similar modes of transport. The calculation covers domestic and international business travel undertaken during the financial year, including related accommodation (hotel stays).
- **3.7 Employee commuting** is calculated using data obtained from employee commuting surveys conducted across selected subsidiaries. This reflects commuting patterns of Embracer Group employees and non-employees in different countries. The calculation excludes remote working.
- **3.9 Downstream transportation and distribution** is calculated based on tonne-kilometers or emissions data obtained directly from logistics providers and suppliers. Emissions are based on primary data derived from internal systems and supplier information on transported volumes, distances and transport modes. The category includes emissions from outbound logistics, covering the transportation and distribution of sold products from the Group's facilities to customers.
- **3.11 Use of sold products** an updated calculation model has been implemented to improve the accuracy of emissions estimates from the use of sold product, based on gameplay time across device types and regions. Emissions are derived from primary telemetry data capturing usage across platforms and geographies, and estimated data. The model combines gameplay duration with device-specific energy consumptions and regional electricity emission factors. Where primary data is unavailable, assumptions, including gameplay time at subsidiary level, are applied. A conservative approach has been used.

(E1-6-MDR-M77a) (E1-6-AR39b, -45c, -46g-hi, -51)

GHG intensity

The GHG emissions intensity was 13 tCO_2e per MSEK of net revenue for both the location-based and market-based approaches. The net revenue used as the denominator is derived from Note 3 of the financial statements.

GHG intensity	2025/26
Total GHG emissions (location-based) per net revenue (tCO_2e/MSEK)	13
Total GHG emissions (market-based) per net revenue (tCO_2e/MSEK)	13

(E1-6-53, -54) (E1-6-AR53, -53b)

Reporting principles: GHG emissions and intensity

GHG emissions are reported for the Group's own operations and value chain in alignment with the Greenhouse Gas (GHG) Protocol, applying the operational control approach. All entities under operational control are included in full. Emissions are reported as gross GHG emissions (excluding removals, carbon credits and allowances) in tCO_2e, with biogenic emissions disclosed separately.

The inventory covers all Kyoto Protocol gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3) to the extent they arise within the reported scopes. Global Warming Potential (GWP) values are primarily based on the IPCC AR5 (100-year, excluding feedback loops), and where unavailable AR4, AR6 or EU F-gas regulation values are used.

Scope 1 includes stationary combustion, mobile combustion and fugitive refrigerant leakage, using emission factors from DEFRA.

Scope 2 emissions from purchased electricity, heating and cooling are disclosed using geographical grid-average factors for the location-based method and a hierarchy of supplier-specific factors, or residual mix where unavailable, for the market-based method, sourced from CaDI or DEFRA.

The FY 2025/26 Scope 3 reporting includes significant categories based on the screening performed for the SBTi submission process (purchased goods and services; fuel- and energy-related activities not included in Scope 1 or 2; upstream transportation and distribution; business travel; employee commuting; downstream transportation and distribution; and use of sold products). The base year, however, excludes optional emissions (e.g. hotel stays, remote work and use of sold products), and categories below a 5% materiality threshold are excluded from the base year boundary (waste generated; downstream transportation and distribution; and end-of-life treatment of sold products). Screening updates follow the Group's SBTi-aligned recalculation policy. The main sources for Scope 3 emission factors are DEFRA, ADEME and CEDA. More than half of emissions in this category are calculated using primary data obtained from suppliers.

Activity data is collected from subsidiaries using internal systems or supplier information where available. Where data is missing or incomplete, estimates are applied using representative data. For partial-year subsidiaries, estimates are derived for the time being in the Group using historical or representative data, ensuring alignment with financial reporting and energy consumption disclosures under E1-5.

GHG intensity is calculated as total gross emissions relative to net revenue (tCO_2e/MSEK), using the same boundary and methodology to ensure consistency and comparability across periods.

(E1-6-MDR-M-73, -75, -76, -77a-b) (E1-6-AR39-d, -43b, -43d, -45f, -46k,)

E1-7 & E1-8 GHG REMOVALS THROUGH CARBON CREDITS AND INTERNAL CARBON PRICING

In FY 2025/26, Embracer Group has not invested in removals, storage or carbon credits at a Group-wide, consolidated level, covering its own operations, upstream or downstream value chain, nor outside its value chain. In general, Embracer Group does not engage in activities to permanently remove GHG emissions from the atmosphere or any other types of offsetting activities at Group level. However, certain entities within the Group may engage in such activities to a limited extent at local level. According to the Sustainability Policy and the methodology described in the Sustainability Statement, removal or offsetting is only allowed for residual GHG emissions, and if any, they are not measured as progress against targets which are gross as described under E1-4.

With regards to internal carbon pricing schemes, Embracer Group does not apply such aspects in current decision-making procedures.

(E1-7-56) (E1-7-AR58c) (E1-8-62, -63a-b)



KINGDOM COME: DELIVERANCE II
Warhorse Studios

SUSTAINABILITY REPORT

EU TAXONOMY

Embracer Group has chosen to apply the simplified presentation of information under the Taxonomy framework as introduced by Commission Delegated Regulation (EU) 2026/73 which entered into force on January 2026.

Activities in scope of the EU Taxonomy

Embracer Group's core operations relate to the development and publishing of PC, console, mobile and VR games within the gaming and entertainment industry, which is not an economic activity covered by the EU Taxonomy for environmental sustainability. Following a review of the Group's activities against the Taxonomy, leasing of premises as well as the acquisition and ownership of buildings were identified as the only activities potentially in scope.

Materiality assessment

The Group has performed a structured assessment of Taxonomy applicability, including mapping relevant economic activities and evaluating whether they fall within Taxonomy-defined categories, environmental objectives and the associated technical screening criteria. In line with the definition of the key performance indicators under Article 8 and the Commission's guidance on interpretation and implementation, the assessment is focused on those activities that are relevant to Embracer Group's business model and financial reporting.

The assessment concluded that owned and leased premises, including related adaptation and renovation investments, are the only activities that fall within the scope of the EU Taxonomy for Embracer Group. These activities therefore form the basis for the disclosures presented in the Taxonomy reporting tables on the following pages.

Turnover

None of the entities within Embracer Group generate turnover from activities covered by the EU Taxonomy for environmental sustainability. Turnover is reported in full as Turnover from Taxonomy-non-eligible activities (see Consolidated statement of profit or loss, line Net sales).

CapEx

Acquisition and ownership of buildings: This key figure shows the proportion of Embracer Group's investments recognized in the balance sheet that relate to owned and leased premises (right-of-use assets), including investments in adaptation and renovation of leased and owned premises. Investments in adaptation and refurbishment relate to minor works that do not meet the criteria for classification as a standalone activity. Taxonomy-eligible CapEx has been identified but has not been assessed as taxonomy-aligned, as the Group currently lacks a sufficient linkage between financial data and the underlying information on leased and owned premises to evaluate compliance with the taxonomy criteria. Accordingly, the taxonomy-eligible CapEx is reported as 0% taxonomy-aligned. The proportion of CapEx – see note 15, line Investments of the year in the column Land and buildings, and note 16 Leases, in the text about additional agreements.

OpEx

OpEx comprises noncapitalized short-term lease expenses (see note 16), maintenance and repair costs, and other direct costs for the day-to-day servicing of leased and owned premises. For the reporting year, the Group has not recognized any such costs for the in-scope premises activities that fall within the OpEx definition under Article 8 (e.g., no noncapitalized short-term lease expenses, maintenance and repair costs or other direct servicing costs). This is mainly explained by the fact that the investments that formed the basis for the prior year's reporting were completed in FY 2024/25. Accordingly, no taxonomy-eligible OpEx is reported for the year, and an OpEx table is therefore not presented in the Taxonomy reporting.

Social minimum requirements regarding human rights, anti-corruption, responsible tax, and fair competition (Minimum Safeguards)

Embracer Group's policies and guidelines (see page ##) provide the basis for addressing the social minimum safeguards under the EU Taxonomy. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are used as reference frameworks for the continued development of the group's approach to human rights due diligence. A fully systematic due diligence process has not yet been implemented.

TAXONOMY TABLES

FY 2025/26

KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year (2024/25)	Proportion of Taxonomy aligned activities in previous financial year (2024/25)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
	SEKm	*%*	*SEKm*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*SEKm*	*%*
Turnover	15,906	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CapEx	3,148	1%	0	0	0	0	0	0	0	0	0	0	0	0	0
OpEx	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

CAPEX

FY 2025/26

Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx)	Taxonomy aligned KPI (monetary value of CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Text		*%*	*SEKm*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*E*	*T*	*%*
Acquisition and ownership of buildings	CCM 7.7	1%	0	0	0	0	0	0	0	0			0
Sum of alignment per objective		1%	0	0	0	0	0	0	0	0			0
TOTAL KPI CapEx		1%	**0**	**0**	0	0	0	0	0	0			0

SUSTAINABILITY STATEMENT

SOCIAL

Embracer Group is dedicated to upholding human rights, fair labor conditions, and well-being across its workforce. Our efforts focus on strengthening protections for employees, fostering diversity and inclusion, and promoting a safe, fair, and engaging workplace. We also prioritize the well-being and integrity of our players, supporting digital inclusion, safeguarding privacy and security, and advancing children's rights in the digital environment. Through active risk management and ongoing engagement with employees, players, and stakeholders, Embracer Group aims to create lasting, positive social impact within the gaming and entertainment industry.

/ **HR NETWORK** SUPPORTS FOLLOW-UP AND KNOWLEDGE SHARING

27%

/ **WOMEN IN THE WORKFORCE**, STABLE YEAR-ON-YEAR



Kingdom Come: Deliverance II, *Warhorse Studios* - was awarded **Best Narrative** at the BAFTA Games Awards 2026. The jury highlighted the game's historically grounded storytelling, set in early 15th-century Bohemia, and its strong focus on realism, depth of characters and immersive narrative design.

ESRS S1 | SUSTAINABILITY STATEMENT

OWN WORKFORCE

Embracer Group's ability to create engaging games and entertainment is rooted in the strength and diversity of its workforce. By fostering a safe and inclusive work environment, and by promoting a wide range of skills, backgrounds, and perspectives, the Group empowers employees to thrive and contribute to long-term success. In this section, the report highlights the material topics related to the workforce covering well-being, fair labor conditions, diversity, and opportunities for growth that are essential to Embracer Group's continued development.

S1 SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities	Value chain	Description	Time horizon S	M	L
S1 OWN WORKFORCE					
Health and Safety	A, Own Operations	High employee workload, if not adequately managed, can negatively affect employees' health and well-being, including risks related to stress and burnout.	→		
Working- time	A, Own Operations	Employees at times experience periods of extended or intense working hours linked to project-driven work and launch cycles, negatively affecting work-life balance.	→		
Secure employment	A, Own Operations	Organizational transformation and reliance on both employees and non-employees have affected employment stability for parts of the workforce, leading to reduced motivation and engagement.	→		
Training and skills development	P, Risk, Own Operations	Insufficient continuous training and skills development can leave parts of the workforce without necessary capabilities over time, constituting a negative impact and increasing retention and talent-related risks.		→	
Diversity	P, Opportunity, Own Operations	A diverse and inclusive workforce supports innovation and employee engagement, creating opportunities to strengthen Embracer Group's position as an employer.		→	
Freedom of association	P, Risk, Own Operations	Limited collective bargaining coverage and low union representation, combined with limited formal controls, constitute impact on freedom of association and a related labour relations risk.		→	
Harassment	P, Risk, Own Operations	Potential harassment in the workplace can negatively affect employee well-being, leading to reduced engagement and increased turnover.		→	
Equal treatment	P, Risk, Own Operations	Potential discrimination can result in unfair treatment of employees, negatively affecting engagement and increasing turnover risk.		→	

A Actual Negative Impact | A Actual Positive Impact | P Potential Negative Impact | S Short-term
Opportunity | Risk | P Potential Positive Impact | M Medium-term
Upstream | Own Operations | Downstream | L Long-term

In the DMA, all employees and non-employees that are part of the Group's own workforce have been considered into the assessment when identifying the material impacts arising from the daily work at Embracer Group and the subsidiaries, including material risks and opportunities. A full description of how the Group defines its workforce and key characteristics is provided under S1-6 on employees and S1-7 on non-employees.

(S1-SBM-3-13a-b, -14, -48a, -48c-civ) (S1-SBM-3-AR6, -7, -9)

Embracer Group understands that some groups of its workforce might be at greater risk of being affected by impacts than others. For example, the Group recognizes that individuals with particular characteristics, or individuals operating with specific responsibilities or in a specific geographical location or context might be more vulnerable due to their specific circumstances. To understand whether and how specific groups within the workforce could be at greater risk of being affected by impacts, Embracer Group captures the views and needs of its own workforce through regular engagement activities, such as the employee survey and local HR activities. The employee survey makes it possible to disaggregate results for certain groups and perspectives in the workforce, and categorize results by gender, age, location, operative group, group company and leadership role. See S1-2 on processes for engagement. Based on the double materiality assessment and results from the employee survey, Embracer Group considers that certain groups within the workforce may be more vulnerable to negative impacts. These include younger employees (under 30), employees identifying as non-binary, and those working remotely, who may experience challenges related to inclusion, work-life balance, and internal communication. The Group continuously monitors these areas through employee surveys and targeted actions to ensure a safe, inclusive, and supportive work environment for all.

(S1-SBM-3-15) (S1-SBM-3-AR8)

With regards to identified material negative impacts on Embracer Group's own workforce, most topics generally concern issues that are widespread and systemic as they exist broadly and cannot be isolated to a specific incident or situation. In other words, issues that not only exist within the Group, but also in greater society. Hence, they are mostly not directly linked to Embracer Group's business model as such, but is rather connected to a typical business landscape in which people work and interact simultaneously, whereas the business strategy is aimed at ensuring a positive culture to the workforce. For example, gender equality and equal pay for equal work are material topics to Embracer Group, but it is also an important topic on the global scene. The same systemic pattern applies to secure employment, working time, work-life balance and freedom of association. Identified negative impacts can also concern issues that are deemed material because they are missing formalized management across the Group, for example procedures to keep track of training and development. In contrast, identified negative impacts can also stem from individual incidents that have taken place, or that potentially could take place, in the interaction between colleagues. Examples include complaints related to discrimination or harassment in the workplace, which may arise despite existing policies and governance intended to prevent such issues. Another example concerns health and safety incidents that have occurred in connection with the performance of work activities.

(S1-SBM-3-14b)

With regard to negative impacts related to a just transition in the context of climate change, Embracer Group has not yet developed a formal climate transition plan and has therefore not identified any impacts on its own workforce stemming from decarbonization initiatives. Furthermore, the Group has not identified any significant risk of forced, compulsory and/or child labor related to its own operations, thus these topics have been concluded as immaterial. The identified material positive impact, namely diversity and inclusion, has been a focus area across Embracer Group for several years as the gaming industry is inherently male dominated. This focus includes the early implementation of several initiatives within the Embracer Group aimed at fostering an overall diverse and inclusive workplace, in both skill sets and perspectives. Specific examples of initiatives put in place to achieve this positive impact can be found under S1-4 on actions.

(S1-SBM-3-14b-c, -14f-g)

Finally, the identified material risks and opportunities related to the own workforce that are stemming from impacts and dependencies include diversity and training & skills development. In essence, these two material topics relate to the whole own workforce in terms of talent attraction and retention. For instance, the financial opportunity related to diversity lies in the Group's positive impact on the workforce, which enhances the overall talent attraction and retention. Furthermore, Embracer Group is highly dependent on individuals of the workforce's specific capabilities in day-to-day business operations, knowledge sharing and leadership for future direction. Consequently, financial risk can arise if there is a shortage in continuous training and skills development. This risk is particularly connected to individuals in leadership roles at the operative groups and subsidiaries, as they are important role models to sustain vision and culture. Risks related to freedom of association, harassment and equal treatment may give rise to financial effects, including increased costs related to labour disputes and remedial measures, operational disruptions, higher employee turnover, as well as reputational impacts affecting the ability to attract and retain talent.

(S1-SBM-3-14d, -16) (S1-SBM-3-AR9)

Embracer Group has assessed impacts, risks, and opportunities related to its own workforce in its double materiality assessment (DMA), as disclosed under ESRS 2 SBM-3. That section also provides a description of the connection between material topics and Embracer Group's strategy and business model, as well as dependencies on own workforce and the interconnection with risks and opportunities.

In the DMA, all employees and non-employees that are part of the Group's own workforce have been considered into the assessment when identifying the material impacts arising from the daily work at Embracer Group or the subsidiaries, including material risks and opportunities. Employees affected by Embracer Group's material impacts are comprised of employees and non-employees as described under S1-6 and S1-7, including full-time and part-time employees as well as consultants. The identified material impacts are linked to the Group's own workforce as a whole and may affect individuals differently depending on role, responsibilities and working context.

(S1-SBM-3-13a-b, -14, -14a) (S1-SBM-3-AR6, -7, -9)

S1-1 POLICIES RELATED TO OWN WORKFORCE

Embracer Group has adopted several policies that outline its commitment to managing all material impacts, risks and opportunities related to own workforce, namely the following three policies:

(S1-1-17)

- **Embracer Group Code of Conduct:** with the general objective to emphasize the Group's corporate responsibility and culture by outlining its values, applicable laws, including alignment with the UN Guiding Principles on Business and Human Rights and other internationally recognized instruments as outlined in the table format below. In relation to the Group's own workforce, the Code of Conduct addresses identified impacts and risks related to human and labour rights, including equal treatment, non-discrimination and occupational health and safety.
- **Embracer Group Human Resources Policy:** with the general objective to set the minimum standards for the Group as an employer in accordance with its values and applicable laws. The policy addresses identified impacts and risks related to working conditions, recruitment and selection, learning and competence development, workplace health and safety, and substance abuse in the workplace. It also specifies the Group's relationship with labor organizations and trade unions.
- **Embracer Group Sustainability Policy:** with the general objective to emphasize the Group's responsibility in sustainable development and triple bottom line (ESG). In relation to social matters and the Group's own workforce, the policy addresses identified impacts and risks related to respect for internationally recognized human and labour rights as the International Bill of Human Rights and the fundamental instruments and core conventions of the ILO.

(S1-1-20, -21) (S1-1-MDR-P65a) (S1-1-AR12)

The commitment to respect human and labor rights is clearly stated across the existing policies listed above. The Group has specific commitments that explicitly address matters such as forced labor or compulsory labor and child labor in the Sustainability Policy and the Code of Conduct. Moreover, while the Group's general approach to engagement with people of its own workforce is described in section S1-2 on processes for engagement, the Human Resources Policy explicitly outlines expectations regarding performance dialogues and similar. Moreover, the Group's general approach to providing remedy for human rights impacts is covered by internal guidelines for whistleblowing, as described under S1-3 on remediation and channels to raise concerns.

(S1-1-20a-c, -22)

With regards to policy commitments on the elimination of discrimination and harassment, as well as the promotion of equal opportunities, diversity and inclusion, these matters are integrated into all existing policies listed above - with zero-tolerance against all forms of discrimination and harassment and a strong belief in diversity and inclusiveness. Specifically, in the Code of Conduct, the Group prohibits any form of discrimination on the grounds of ethnic origin, race, skin color, gender, religion or philosophy, physical constitution, appearance, age, sexual identity, disability or other legally protected attributes. These commitments apply to the entire workforce and Embracer Group has not emphasized any specific commitments related to groups at particular risk of vulnerability.

(S1-1-24a-c)

With regards to specific policy commitments on workplace accident prevention, the Human Resource Policy explicitly promotes a work environment that supports health, safety and well-being. In this regard own workforce is covered by established health and safety management systems, which are further described under S1-14 on health and safety metrics.

The Group's public policies are available on the website. All policies are enforced through onboarding procedures, with some reinforced digital training to support awareness and compliance. In addition, the implementation of policies is managed locally in accordance with applicable laws and local practices., including recruitment and selection, performance dialogues and workplace health and safety practices. Potential cases of discrimination or inappropriate conduct can be reported through internal reporting and whistleblowing channels and are handled in accordance with applicable local laws and internal disciplinary procedures. No specific implementation procedures related to discrimination exist beyond general mechanisms such as onboarding, policy training and whistleblowing.

(S1-1-23, -24d) (S1-1-MDR-P65f)

	Code of Conduct	Human Resources Policy	Sustainability Policy
Date of adoption	23/04/2019	29/08/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption and implementation of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring the policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group HR Manager	Embracer Group Head of Sustainability
Scope of the policy	Own operations, Employees and non-employees globally	Own operations. Employees and non-employees globally	Upstream, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UNGPs, OECD Guidelines and/or ILO	> UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multinational Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership	> EU General Data Protection Regulation (GDPR) > Human rights and labour-related principles are addressed through the Embracer Group Code of Conduct	> OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	S1 - Own Workforce	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct



THE ETERNAL LIFE OF GOLDMAN
THQ Nordic | Weappy Studio

S1-2 ENGAGING WITH OWN WORKFORCE

Embracer Group engages directly with its own employees through its employee survey, which is performed bi-annually near the end of the financial year. It is an important process to gain perspectives that inform the basis of the Group's leadership and management of impacts, as well as the preventive work and activities relating to engagement and well-being of own workforce.

The survey is global and is distributed to all employees at all subsidiaries within Embracer Group, and focuses on how the employees perceive various aspects of their workplace by gathering insights into the following topics:

- Work environment (e.g. work-life balance and inclusion)
- Management culture (e.g. leadership and information about strategy and direction)
- Engagement (e.g. overall satisfaction and commitment)
- Collaboration (e.g. internal communication and actions against discrimination and harassment)

When considered necessary, the process also involves interviews with relevant stakeholders to better understand certain views, or to further identify challenges or opportunities for improvement related to specific matters or at specific group company. This might also include consultation with workers' representatives.

(S1-2-25, -27a-b) (S1-2-AR24, -24a, -24c)

Employees participating in the survey are disaggregated by selected categories to gain insight into certain groups and perspectives in the workforce, including groups that may be more vulnerable to impacts or potentially marginalized. These categories include gender, age, location, and leadership role.

The survey is initiated by the parent company at Embracer Group, and the HR Manager is responsible for driving the engagement process once it takes place. However, the Group CEO holds the ultimate authority to decide the frequency and timing of the survey and ensure that the insights gathered are used to understand and manage the workforce effectively. After each survey is completed, it is the HR Manager, together with the Sustainability department, who analyses the results and presents them to the Board of Directors including the executive management team. The respective operative groups and subsidiaries are informed of the results. In some cases, the concerns raised might inform decisions on wider Group initiatives that must be put in place, while in other cases it might inform decisions on targeted initiatives that must be implemented locally, with or without Group support. For more information on concrete actions of this reporting period, refer to S1-4.

The results are benchmarked internally, meaning that results are compared among the different operative groups and subsidiaries, as well as with previous years to track development. The effectiveness of engagement is assessed based on response rates, providing insight into coverage and engagement across the Group. The survey content is also evaluated regularly, with additional questions potentially added where necessary to ensure coverage of relevant topics. Furthermore, each subsidiary has the option to add their own questions and segment the survey by, for example, department or area of work. This enables the survey to be tailored to the unique needs of each company and creates additional value from the same tool for their internal purposes.

In addition to the employee survey, Embracer Group regularly engages with its employees through various activities throughout the year. Most of this engagement is conducted locally through the local HR functions at the subsidiaries. This can include performance reviews, training and workshops related to specific matters (e.g., health and safety, diversity and inclusion), or other information communicated related to well-being and work environment. Moreover, the local HR functions are part of a Group network that shares insights and discusses relevant issues.

(S1-2-25, -27c, -27e, -28) (S1-2-AR24a-b, -24d, -26)

S1-3 REMEDY FOR NEGATIVE IMPACTS AND CHANNELS TO RAISE CONCERNS

Embracer Group has processes in place to manage impacts on its own workforce. These processes apply to the entire Group and include channels to raise concerns and to have them addressed, as well as processes to remediate negative impacts.

Specifically, with regards to channels to raise concerns, individuals from the Group's own workforce can report policy violations, misconduct or other irregularities through the Group-level whistleblowing channel, WhistleB, which allows for anonymous reporting. This constitutes the Embracer Group whistleblowing channel. In addition, concerns related to material impacts can be raised at the level of the undertaking the individual is employed by or contracted to work for through established local reporting routes, such as line management or local HR functions. Where required to comply with applicable national whistleblowing legislation, local whistleblowing arrangements have been established in the relevant jurisdictions. Through these channels, Embracer Group gains insight into concerns or issues within its own workforce that require attention and follow-up. The Embracer Group Whistleblowing Channel is accessible through the Group's website, including the channel to report, instructions on how to report and Embracer Group's Whistleblowing Guidelines that inform stakeholders about all possible channels that can be used as well as explanations to the user on how the reporting and subsequent follow-up takes place. Communication about the availability of these channels is also supported through annual policy training, which is described more in section G1-1 on business conduct policies.

(S1-3-30, -32, -32b, -32d) (S1-3-AR30, -32b, -32d)

Embracer Group tracks and monitors whistleblowing cases through its whistleblowing framework, and reported concerns are addressed in accordance with internal procedures. The framework has been informed by internationally recognized standards such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. In this regard, Embracer Group has clear internal guidelines that outline how whistleblowing cases must be managed, suggesting pre-defined procedures and timeframes to ensure its legitimacy, accountability and transparency. Amongst others, such guidance emphasizes the importance of dialogue with the whistleblower of a given case to achieve collaborative solutions as well as the importance to use insights from other

cases for ongoing improvement. Where a negative impact requires remedy, the determination of adequate remediation is defined following a case-by-case approach, depending on what is deemed most appropriate in the given case and guided by dialogue with the affected person(s). After closure, the final step carried out is to evaluate and implement preventative measures to avoid the arise of similar cases. All aspects of the whistleblowing handling process are considered in the ongoing evaluation of the effectiveness of the channel itself, and of the effectiveness of the remedy provided. This includes monitoring how cases are handled against defined procedures and timeframes, as well as follow-up after case closure. Finally, all cases and processes are monitored by the Chief of Staff, Legal & Governance, who is also a member of the Executive Management Team.

(S1-3-32a, -32e) (S1-3-AR27, -32, -32a, -32c, -32e, -32g, -32h)

The whistleblower channel is a secure, encrypted platform. Following relevant national legislation, it ensures security, anonymity, and legal protection for users, fulfilling the Group's obligations under the EU Whistleblowing Directive. Awareness of and trust in the whistleblowing channels is assessed through, case handling experience and observed use of the channels. Additionally, Embracer Group has commitments on the protection of whistleblowers, which are further described under G1-1. The awareness of the channel amongst own workforce is assessed through an annual questionnaire, in which 96% of the subsidiaries within Embracer Group have confirmed that their own workforce has knowledge of the whistleblowing system and how to use it. However, the trust in using such channels to raise their concerns or needs is currently not assessed.

(S1-3-33) (S1-3-AR31, -32b)

Any cases submitted that are not classified as whistleblowing matters according to the Group's internal guidelines and applicable legislation are forwarded to other appropriate functions for further investigation. Generally, this could concern other issues related to dissatisfaction in the workplace which are redirected to the CEO, HR Managers, team leaders, local compliance officers or other relevant functions across Embracer Group or group companies. Concerns can also be identified from issues raised in other engagement processes, such as the employee satisfaction survey, and if needed these will be handled with similar precautions as outlined in the whistleblowing handling process.

(S1-3-32c)



TRUXTON EXTREME
Clear River Games | Tatsujin

S1-4 ACTIONS FOR OWN WORKFORCE

Embracer Group continuously works with managing impacts, risks and opportunities related to its own workforce. The employee engagement process, as described in section S1-2, is one of the processes that supports the identification of important areas that enable us to decide on actions needed to address material matters. Another process that guides what actions are needed is the Group's whistleblowing process as described under S1-3.

Overall, the type of actions and initiatives varies depending on whether they address negative impacts and risks or enhance positive impacts and opportunities. To improve clarity, actions are also described as taken during the reporting year, underway at the reporting date, or planned.

(S1-3-35, -38, -39)

Actions taken and underway to address negative impacts and risks:

The actions carried out during FY 2025/26 are linked to the material impacts and risks identified in the DMA, with work environment and leadership initiatives addressing risks related to workload and wellbeing, training and awareness activities addressing discrimination and harassment, and whistleblowing processes supporting the handling and remediation of identified incidents. These actions represent those taken during the reporting year. These initiatives are part of an ongoing systematic approach and have been established over the past five years, alongside other local initiatives that are driven by Embracer Group's operative groups and subsidiaries and therefore represent actions underway at the reporting date. The objective of the actions that are aimed at managing negative impacts and risks is to ensure a more equal, inclusive and supportive work environment, as well as to ensure work-life balance and health. Some of the key actions carried out within the group during FY 2025/26 to address the identified material impacts and risks were:

- Initiated by Embracer Group's Executive Management, leadership training courses were conducted at selected subsidiaries, including targeted support and coaching for teams to address concerns around work environment identified in the employee survey.
- Part of the Embracer Group-wide training programs, dedicated training related to anti-violence and anti-harassment in the work environment were executed to directly address concerns around harassment at the workplace.
- An existing collaborative structure to strengthen HR (Human Resourses) capability and reduce fragmentation across the Group. Enabling the ongoing sharing of HR practices, templates and policy-related guidance across parts of the Group, thereby supporting consistency and reducing vulnerability in local HR functions.
- Initial activities to build awareness and basic competence related to AI within the workforce have been initiated across parts of the organization, including through local initiatives.
- At the operative group level, PLAION supported health among its employees through a 'Mental Health Week' and it sponsored B2B run events. In Germany, PLAION also launched an offering to all employees to join the WorkLifePortal app for free, which is a digital wellness platform that supports exercise and health through gamification and rewards. The app is otherwise subject to a fee to the users, but PLAION covered such fee to all employees, including those from different insurance providers. Moreover, related to freedom of association it has established affinity groups, and it has a total of five different communities on employee networks, peer support, and shared interests.

(S1-4-38a, -40a) (S1-4-MDR-A68a-c)

Related to situations where tensions can arise between addressing negative impacts and other business-related goals, these are managed in a case-by-case manner within Embracer Group or at the operative groups as relevant. For example, individuals in the workforce may at times work under high pressure to deliver on deadlines for new releases. In such situations, meeting the deadline may be business-critical to live up to external stakeholder expectations. To counteract these kinds of negative effects, THQ Nordic in Austria offers team leads the opportunity to grant colleagues individual and unbureaucratic compensatory time off at the team level after project-related high workloads. Voluntary trainings and workshops on work efficiency and stress management were also conducted, which are available to employees. The objective is to provide tools that can be leveraged in stressful work situations without compromising on health and knowing how to flag early to management.

(S1-4-41)

During FY 2025/26, remediation has been provided in cases where actual negative impacts occurred, primarily through follow-up actions handled in accordance with the Group's whistleblowing framework and established HR procedures as described in section S1-3. Overall risk handling is integrated into the Group-wide Enterprise Risk Management process described under ESRS 2 GOV-5.

(S1-4-38b) (S1-4-AR47)

Actions underway to enhance positive impacts and opportunities:

The actions carried out during FY 2025/26 described below are linked to and address the material positive impacts and opportunities related to the Group's own workforce, as identified in the double materiality assessment and presented under S1. In addition to actions aimed at preventing or mitigating negative impacts, there are on-going initiatives intended to enhance positive impacts and pursue opportunities related to diversity, inclusion and leadership development within the Group's own workforce, as identified in the double materiality assessment.

(S1-4-38c, -40b)

Leadership development initiatives are in use within parts of the Group. For example, PLAION has previously established a Global Leadership Development Program, which has encompassed all employees within the operative group to support leadership skills development. During FY 2025/26 PLAION also continued to drive their Diversity, Equity and Inclusion Framework, featuring an annual DE&I objective whereby each employee is encouraged to set a personal goal to promote diversity. These initiatives remain ongoing and are being adapted to align with the new organizational structure and updated methods of operation.

(S1-4-MDR-A68a-c)

With regard to the management of material impacts, risks and opportunities related to the Group's own workforce, as identified in the double materiality assessment, Embracer Group's HR function, in collaboration with local HR functions, is responsible for overseeing the implementation and follow-up of actions. The Group monitors the effectiveness of actions in practice through close dialogue with the management of the operative groups and subsidiaries, where initiatives are being implemented. This ongoing engagement ensures that feedback is gathered directly from those closest to the interventions, enabling timely adjustments and improvements as required. In the course of this monitoring, local HR functions can draw upon support and resources provided by Group Management, as well as from other local functions, teams, or committees that have designated responsibilities for managing people, workplace environment, and related matters. This collaborative approach ensures that the tracking of effectiveness is systematic and that best practices are shared across the organization, thereby supporting continual improvement in the management of the identified material impacts, risks and opportunities related to the workforce.

(S1-4-38, -38d, -40a, -43) (S1-4-AR38, -39, 48)

During FY 2025/26 no actions have required any significant amounts of CapEx or OpEx. No new key actions or action plans have been adopted for the coming years at Group level, reflecting the ongoing restructuring of Embracer Group. These statements refer to the absence of new planned actions at the reporting date. Once completed, the Group plans to establish a new Group-wide framework for managing social impacts on own workforce.

(S1-4-MDR-A66, -68, -69)

S1-5 TARGETS RELATED TO OWN WORKFORCE

Embracer Group has not set any formal targets related to the management of material impacts, risks and opportunities concerning its own workforce. Until such targets have been established—an activity planned to take place following the completion of Embracer Group's transformation—the Group is not in a position to disclose the detailed information required under S1-5, nor the minimum disclosure requirements under ESRS 2 MDR-T. Nevertheless, the effectiveness of the Group's policies and actions is assessed through employee engagement processes, as described under S1-2. To evaluate progress in the Group's efforts, the results from these processes are benchmarked internally, including comparisons across operative groups and entities within the Group, as well as against previous years, in order to track trends and identify areas for further development.

(S1-5-44a-c, -46) (S1-5-MDR-T78, -81, -81a, -81b-bii)

S1-6 & S1-7 CHARACTERISTICS OF THE EMPLOYEES

As of March 31, 2026, Embracer Group had 4,992 employees by head count, and 1,104 non-employees. For reported FTE please refer to page ## in the Group notes.

(S1-6-50a-b, -50f) (S1-7-53, -55, -55a)

Employees are individuals who are in a direct employment relationship with Embracer Group or its underlying subsidiaries according to national law or practice. The employees are based in multiple countries and regions, with a strong presence in Europe and North America, reflecting Embracer Group's international operations and organizational structure. Employees are primarily engaged in creative or technical roles related to game development or publishing for the Group's services in PC, console, mobile games, and entertainment. The Group also has several support functions related to finance and administration.

Non-employees are individuals who are not directly employed by Embracer Group, nor the subsidiaries, but that perform work for Embracer Group as contractors or via third parties. For example, non-employees can be freelancers, consultants, or contractors hired to perform specialized tasks such as game development, design, or project management. Non-employees may also include temporary staff from third-party employment agencies who support ongoing operations, replace employees during leave, or assist during peak periods. In some cases, non-employees work on-site or provide technical services like equipment maintenance.

Over the reporting year, the total number of employees who have left Embracer Group was 1,224, resulting in a turnover rate of 25%. This change compared to the previous year, which represents a slight increase, is primarily attributable to the Group's ongoing transformation and the organizational changes resulting from it. These include workforce reductions and internal reorganizations, such as employee movements within the Group, which are not reflected in the reported turnover figures.

(S1-6-50c, 50e) (S1-6-AR59) (S1-7-53, -55c, -56) (S1-7-AR61, -62, -65)

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND BY GENDER

	2025/26				
Contract Type	**Female**	**Male**	**Other [3)]**	**Not disclosed [4)]**	**Total**
Permanent employees [1)]	1,283	3,404	14	18	4,719
Temporary employees	80	165	—	—	245
Non-guaranteed hours employees	12	16	—	—	28
Total Employees	**1,375**	**3,585**	**14**	**18**	**4,992**
Non-employees [2)]	—	—	—	1,104	1,104
Total Workforce					**6,096**

(S1-6-50b-biii) (S1-6-AR55, -56)

[1)]Employees, are individuals who are in an employment relationship with the company according to national law or practice.
[2)]Non-employees, refers to individuals who are not directly employed by the company, such as contractors, and freelancers.
[3)]Other, refers to any legally recognized gender category beyond female and male.
[4)]Not disclosed, refers to cases where information on gender has not been provided.

EMPLOYEE HEADCOUNT BY COUNTRY

Country	**Number of employees**
USA [1)]	841
Germany [1)]	570
Italy	430
Romania	382
Canada	374
Other [2)]	2,395
Total Employees	**4,992**

(S1-6-50a) (S1-6-AR54, -55)

[1)]USA and Germany, represent at least 50 employees and at least 10 percent of the total number of employees.
[2)]Other, refers to the sum of all other countries in which the Group has less than 50 employees or representing less than 10% of the total number of employees.

EMPLOYEE HEADCOUNT BY CONTRACT TYPE AND REGIONS

	2025/26				
Contract Type	**Europe**	**North America**	**Asia Pacific**	**Middle East**	**Total**
Permanent employees	3,274	1,201	203	41	4,719
Temporary employees	232	13	—	—	245
Non-guaranteed hours employees	17	1	10	—	28
Total Employees	**3,523**	**1,215**	**213**	**41**	**4,992**

(S1-6-50a) (S1-6-AR54, -55)

In the case of temporary employees and non-guaranteed hours employees, the composition and purpose of these roles vary across the subsidiaries and geographies. Temporary contracts are primarily used to meet project-based needs in game development, design, and publishing, while non-guaranteed hours contracts are more common in support functions or operational roles with fluctuating demand.

(S1-6AR58)

Reporting principles: Own employees and non-employees

Embracer Group has compiled all data on its own employees and non-employees based on headcount at the end of the reporting period, meaning that divested, discontinued and spun-off operations are not included, as stated in ESRS 2 BP-2, and that certain fluctuations during the reporting period are not captured. All data is based on actual data reported by Embracer Group's subsidiaries, and no critical assumptions are used.

The employee turnover rate is calculated as the total number of leavers divided by the total number of own employees by headcount. Leavers are defined as own employees who leave voluntarily or due to dismissal, retirement, or death in service.

Embracer Group has applied the "quick fix" relief for the number of self-employed persons in the own workforce and the number of persons provided by employment agencies.

These metrics are used to monitor performance related to the material sustainability matters Diversity and Secure employment.

(S1-6-50d-dii) (S1-7-55b-bii) (S1-6-AR57, -60) (S1-7-AR64) (S1-6-MDR-M-75, -77b) (S1-7-MDR-M-75, -77b)



TOMB RAIDER: CATALYST
Amazon Game Studios | Crystal Dynamics

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As stated in the policies described in section S1-1, Embracer Group is committed to upholding the right of freedom of association for both its own employees and non-employees. This includes supporting their ability to join trade unions or similar. The policies mentioned guide how working conditions and terms of employment are to be determined within Embracer Group, however, these are not influenced by any collective bargaining agreements since there are no signed agreements from a Group perspective. Nevertheless, some of the subsidiaries apply collective bargaining agreements for their respective employees.

(S1-8-58)

During FY 2025/26, 28% of own employees were covered by collective bargaining agreements. Within the EEA there are more than 15 collective bargaining agreements being applied, and the coverage rates in countries within the EEA with significant employment are reflected in the Table. Embracer Group ensures that all employment agreements comply with local labor laws and are designed to meet or exceed market standards. This approach reflects the Group's commitment to providing competitive benefits and fostering an attractive workplace as part of the broader employer branding strategy.

(S1-8-60a-b) (S1-8AR66)

The share of employees covered by workers' representatives was 18% in FY 2025/26. The coverage rates of workplace representation in countries within the EEA with significant employment are also reflected in the Table. There are currently no employee representation agreements in place by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

(S1-8-58, -63a-b) (S1-8-AR68)

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

	Collective Bargaining Coverage	Social Dialogue
Coverage rate	**Employees in the EEA**	**Workplace representation in the EEA**
0-19%	Germany	Germany
20-39%	—	—
40-59%	—	—
60-79%	—	—
80-100%	—	—

(S1-8-AR70)

Reporting principles: Collective bargaining coverage and social dialogue

Collective bargaining coverage is calculated as the percentage of employees covered by collective bargaining agreements, excluding non-employees, in accordance with the ESRS. The percentage represents the employees by headcount at the end of FY 2025/26, where Embracer Group and its subsidiaries are obliged to apply such agreements in determining the terms of employment.

Workplace representation coverage is calculated as the number of employees who are employed at subsidiaries with workplace representation, through a works council or similar, divided by the total employee headcount of Embracer Group, in accordance with the ESRS and based on employee headcount at the end of FY 2025/26.

None of the metrics have been compiled using significant assumptions.

Embracer Group has applied the ESRS "quick-fix" relief for disclosures on collective bargaining coverage and employee representation outside the EEA.

These metrics are used to monitor performance related to the material sustainability matter Freedom of association.

(S1-8-MDR-M-73, -75, -77a-b) (S1-8-AR66, -68)

S1-9 DIVERSITY METRICS

The gender distribution at top management level within Embracer Group comprised 40% women during this reporting year, as outlined in the Table below.

TOP MANAGEMENT GENDER DISTRIBUTION	2025/26			
Top management	**Female**	**Male**	**Other [1)]**	**Total**
Number	2	3	—	5
Gender distribution (%)	**40 %**	**60 %**	**— %**	**100 %**

[1)]Other, refers to any legally recognized gender category beyond female and male.

(S1-9-66a-b, -64) (S1-9-MDR-M77c)

EMPLOYEE AGE DISTRIBUTION	2025/26	
Age group	**Headcount**	**Age distribution**
< 30 years	1,169	23 %
30-50 years	3,315	66 %
> 50 years	508	10 %
Total	4,992	100 %

Reporting principles: Gender and age distribution

The age distribution is defined as the total employee headcount of each age group excluding the non-employees, at the end of FY 2025/26, in line with the disclosure requirement S1-6. No significant assumptions have been used.

Top management is defined as the Embracer Group Senior Executives. Hence, it does not refer to members of the Board, nor any of its committees, which are instead disclosed under ESRS 2 GOV-1.

These metrics are used to monitor performance related to the material sustainability matters Diversity and Equal treatment.

(S1-9-MDR-M-75, -77a-b) (S1-9-AR71)

S1-14 HEALTH AND SAFETY METRICS

Embracer Group has currently not established a group-wide health and safety (H&S) management system. Instead, each subsidiary is responsible for implementing health and safety practices in line with applicable legal requirements. These practices may vary depending on jurisdiction and operational context, where ensuring compliance with relevant regulations and promoting a safe working environment is key. Notably, 61% of the Group's workforce are covered by one of these H&S management systems, of which 91% are employees and 9% are non-employees.

During the reporting year, Embracer Group recorded 18 incidents related to work-related injuries within the Group's workforce. During the reporting period 0 fatalities occurred among employees, non-employees or other workers as a result of work-related injuries and work-related ill-health. The number of recordable work-related accidents as defined in national law was 8, corresponding to a rate of work-related accidents of 0.8.

(S1-14-86, -88a-c) (S1-14-AR82, -89, -91)

Reporting principles: Health and safety

The percentage of own workforce covered by H&S management systems is based on headcount of employees and non-employees, respectively, at the end of the reporting period, following applicable guidance of the ESRS and in alignment with S1-6 and S1-7. No critical limitations or assumptions were applied.

The total number of incidents associated with work-related injuries and work-related accidents during the reporting period are reported by the subsidiaries in accordance with the definitions set out by applicable national legislation.

The rate of work-related accidents is calculated, in line with ESRS guidance, as the number of accidents per one million hours worked. The total number of hours worked are based on submitted data reported by the subsidiaries for employees per 31 March 2026. No other critical limitations or assumptions were applied beyond estimating total hours worked.

These metrics are used to monitor performance related to the material sustainability matter Health and Safety.

(S1-14-MDR-M-73, -75, -76, -77a-b) (S1-14-AR80, -89, -90)

S1-16 REMUNERATION METRICS

FY 2025/26 is the first year that Embracer Group discloses comprehensive data on remuneration. The raw gender pay gap was 18.8% with an equal gap observed between females and males and between employees identifying as other and males. No adjusted gender pay gap has been calculated. The raw gender pay gap is influenced by the distribution of roles across countries and segments, where certain technical and leadership positions have a higher concentration of male employees.

The annual total remuneration ratio between the highest-paid individual in the Group and the median total remuneration of all own employees (excluding the highest-paid individual) is 1:56.

(S1-16-95, -97a-c) (S1-16-AR100, -101) (S1-16-MDR-M-77a)

Reporting principles: Remuneration

The gender pay gap is presented as the percentage difference relative to the average pay level of male employees, in line with the ESRS. The calculation includes all employees within the gender categories defined in S1-6: female, male and other. Gross hourly pay is calculated by dividing each employee's base salary and benefits in cash by total hours worked. Average gross hourly pay by gender category is then compared to the male average to determine the gender pay gaps.

The total annual remuneration ratio is calculated, as the ratio of the remuneration of the highest-paid individual to the median annual total remuneration of all employees excluding the highest-paid individual, in accordance with the ESRS. Total remuneration includes base salary, benefits in cash, benefits in kind, and the total fair value of annual long-term incentives, consistent with ESRS definitions.

Figures are compiled on a gross basis for each employee. Data is sourced from payroll systems and adjusted for purchasing power differences across countries. However, results are not adjusted for differences in role, seniority, tenure or experience, and therefore may not fully reflect underlying pay equity within comparable job categories.

These metrics are used to monitor performance related to the material sustainability matter Equal treatment.

(S1-16-97c, -99) (S1-16-MDR-M-73, -75, -76, -77a-b) (S1-16-AR98a-b, -99, 101b-c)

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

During the reporting period FY 2025/26, a total of 13 cases of work-related complaints were reported through the group's channels to raise concerns. None of the cases were confirmed incidents of discrimination or harassment, or severe human rights impacts. No fines, penalties or compensation occurred during the reporting period.

No cases have been identified concerning actual severe human rights impacts such as forced labor, human trafficking or child labor; therefore, these are deemed non-material topics for Embracer Group's own workforce. These metrics are used to monitor performance related to the material sustainability matters Equal Treatment and Harassment.

For more information on Embracer's whistleblowing system, refer to S1-3.

(S1-17-100, -102, -103a-d, 104a-b, -105) (S1-17-MDR-M-75)

WORKERS IN THE VALUE CHAIN

Phase-in provisions in accordance with Appendix C of ESRS 1

Embracer Group relies on a diverse network of business partners through the value chain to provide the resources and capabilities that support the Group's operations and offerings. These partners include platform providers, publishers, external studios, wholesalers, distributors, and manufacturers who contribute to game development, merchandise, physical games, and comic books. Embracer Group is committed to promoting fair labor conditions, human rights, and responsible business practices across the value chain, ensuring that all workers are treated with respect and that sustainability standards are upheld in every partnership.

USE OF PHASE-IN PROVISIONS IN ACCORDANCE WITH APPENDIX C OF ESRS 1

Impacts, risks and opportunities		Value chain	Description	Time horizon S	M	L
S2 WORKERS IN THE VALUE CHAIN						
Health & Safety	A	↑↓	Unsafe working conditions in the value chain can negatively affect workers' physical and mental health.	→		
Working- time	A	↑↓	Unregulated working hours and overtime in the value chain can negatively affect workers' work-life balance	→		
Adequate wages	A	↑↓	Business partners not paying adequate wages contribute to unfair working conditions and negative impacts on workers.	→		
Collective bargaining	P	↑↓	The absence of the right to collective bargaining and freedom of association can negatively affect workers' ability to protect their interests and working conditions.		→	
Equal treatment	A	↑↓	Discrimination in the value chain imposes unequal disadvantages on individuals or denies equal opportunities, resulting in unfair treatment.	→		
Harassment	P	↑↓	Potential harassment or inappropriate behavior in the value chain can negatively affect workers' safety and well-being and increase turnover risk.		→	
Diversity	P	↑↓	A lack of diversity and inclusion in the value chain can limit equal opportunities, reduce engagement and contribute to unfair treatment of workers.		→	
Forced labor & Child labor	P	↑↓	The presence of forced labor or child labor in the value chain constitutes a severe negative impact on human rights, children's development, and workers' freedom and safety.		→	
Water & Sanitation	P	↑	Lack of access to safe and clean drinking water and sanitation in the value chain negatively affects workers' health, dignity and basic living conditions.		→	

A Actual Negative Impact · A Actual Positive Impact · P Potential Negative Impact · S Short-term
Opportunity · Risk · P Potential Positive Impact · M Medium-term
↑ Upstream · Own Operations · ↓ Downstream · L Long-term

Embracer Group relies on its business partners such as platform providers, publishers, wholesalers, distributors, manufacturers, developers and game studios, to provide resources and capabilities that support the Group's operations and games and entertainment offerings. This comes with a responsibility to ensure that, while running a dynamic business that is constantly evolving, Embracer Group also considers the well-being and rights of the workers in the value chain, specifically related to certain vulnerable groups. For instance, the Group has identified that respect for fundamental human rights and labor rights are key material topics throughout the entire value chain and all business relationships. This includes aspects related to working conditions such as health and safety, working time and freedom of association for value chain workers in the game development and in the production tiers of merchandise and comic book offerings. In the same way, topics concerning diversity, gender equality, equal treatment and opportunities for all value chain workers are important. Based on the current assessment, no material negative impacts within the topics, nor global supply chain disruptions, have been identified as posing a material risk to the Group. Should such impacts arise, they could lead to additional investment needs related to supply chain management, supplier audits, and resilience. Increased risk factors across all topics mainly relate to business activities in the geographical locations of suppliers, where local context may indicate that value chain workers are not adequately protected by national laws.

(S2-SBM-3-48a, -48c-civ)

In Embracer Group's business context, it can sometimes be challenging to distinguish between value chain workers and non-employees considering that the Group has contractors that perform work under the Embracer brand. For example, individuals from external studios that are contracted by Embracer Group or the subsidiaries are considered as non-employees and are therefore covered under the S1 standard instead of the S2 disclosures in this section. Conversely, this section of the report focuses on the individuals that are working at the Group's direct business partners (first tier suppliers) such as the wholesalers or manufacturers, including individuals working at sub-suppliers further upstream that are not in a direct business relationship with Embracer Group but that are yet part of its value chain.

FY 2025/26 marks the first year that Embracer Group publishes a comprehensive sustainability report according to the ESRS and the Group is utilizing the phase-in provisions to omit the S2 standard on workers in the value chain, with full disclosures planned for FY 2026/27. This means that this year's disclosures are limited to a brief description of the topics that are material to the Group with regards to workers in the value chain, and high-level summaries of the policies, actions, targets and metrics that are in place.

(S2-BP-2-17)

To manage material impacts, risks and opportunities within these topics, Embracer Group has adopted two main policies that outline the Group's commitment towards workers in the value chain, namely the following policies:

- **Embracer Group Supplier Code of Conduct:** with one of the main objectives to outline the expectations on corporate responsibility that Embracer Group place on suppliers and business partners to ensure that the Group's commitments can be uphold across the value chain. Amongst other matters, it specifies expectations on working conditions for value chain workers related to occupational health and safety, equal treatment and non-discrimination, the protection of freedom of association, as well as the prohibition of child labor and human exploitation. Additionally, it outlines Embracer Group's methodology for classifying suppliers based on environmental, social and governance criteria using the Amfori BSCI's risk country list.
- **Embracer Group Sustainability Policy:** with one of the main objectives to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). For instance, the policy clearly states the Group's commitment to respect human and labor rights, clarifying that this means all internationally recognized rights of the International Bill of Human Rights and the fundamental instruments and core conventions of the ILO.

During FY 2025/26 no new key actions nor initiatives have been implemented related to value chain workers, beyond the general approach for supply chain management described under G1-2. In the same way, Embracer Group does not have any targets, nor metrics, related to workers in the value chain.

(S2-BP-2-17b-e)

CONSUMERS AND END-USERS

Phase-in provisions in accordance with Appendix C of ESRS 1

The well-being and integrity of gamers, referred to as end-users in ESRS terminology are central to Embracer Group's purpose and long-term success. Gamers form a global community that inspires and drives the Group's business model and strategy, motivating us to create engaging, inclusive, and responsible entertainment experiences. Embracer Group is committed to supporting digital well-being, safeguarding privacy, and promoting a safe and positive environment for all players, recognizing their vital role in shaping the future of gaming and entertainment.

USE OF PHASE-IN PROVISIONS IN ACCORDANCE WITH APPENDIX C OF ESRS 1

Impacts, risks and opportunities	Value chain	Description	Time horizon S	M	L
S4 CONSUMERS AND END-USERS					
Privacy	A ⚠ ▼	Personal data breaches caused by technical or human errors can result in harm to end-users and give rise to privacy-related risks.			→
Social inclusion	A ⚠ ▼	Discriminatory or non-inclusive content, limited accessibility or unequal access can negatively affect players and increase risks related to trust, engagement and loss of customers.			→
Protection of children	P ⚠ ▼	Children may be exposed to bullying, toxic behaviour or grooming in games and online interactions, negatively affecting their safety and well-being and increasing related trust, regulatory and reputational risks.			→
Health & safety	A ⚠ ▼	Over-consumption, lack of representation or inappropriate game content can negatively affect players' well-being and experience, increasing the risk of adverse consumer reactions and loss of customers.			→
Responsible marketing	P ⚠ ▼	Irresponsible or unclear marketing practices can negatively affect consumers and increase risks related to trust, complaints and regulatory or reputational exposure.			→

A Actual Negative Impact · A Actual Positive Impact · P Potential Negative Impact · S Short-term
Opportunity · ⚠ Risk · P Potential Positive Impact · M Medium-term
▲ Upstream · ○ Own Operations · ▼ Downstream · L Long-term

Embracer Group's purpose, directly linked to the business model and strategy, is to create great games and entertainment for our end customers. Games and entertainment create value for users by offering immersive experiences, fostering creativity, and providing opportunities for social interaction and relaxation. Within the gaming community the Group can create positive impact by offering users a safe haven, a controllable environment where they can engage in enjoyable, accessible activities. Additionally, games and entertainment can also stimulate cognitive abilities, enhance problem-solving skills, and offer a sense of achievement through challenges and rewards. However, the Group also acknowledges that gaming and entertainment products could potentially have a negative impact on habits, especially if overconsumed. With emphasis on particular groups and children that are more vulnerable, overconsumption could lead to health implications or even financial consequences for users. In addition, through games and entertainment Embracer Group could potentially influence the perception and views of gamers in relation to various cultural and social topics depending on the Group's storytelling. This means that diversity and inclusion in games and entertainment, as well as digital well-being are key matters to the Group, alongside a focus on responsible marketing, integrity and privacy.

(S4-SBM-3-48a, -48c-civ)

This section of the report describes the topics that are material to Embracer Group with regards to end-users, and provide an overview of the policies, actions, targets and metrics that are in place, utilizing the phase-in provisions to omit the full S4 standard.

As described under ESRS 2 SBM-3, through the double materiality assessment Embracer Group has identified several material topics which fall into three main sub-topics. Below we highlight a summary of these, including the actions put into place to address them:

- **Information-related impacts:** concerning privacy matters, to properly manage the impact on gamers and the associated business-related risks, Embracer Group has expanded the number of employees directly working on privacy matters in gaming and moved some of the privacy tasks from the operative groups to the Group Privacy team. In FY 2025/26, the Group continued to focus on raising maturity and awareness through training, data sharing agreements, audit practices and templates to be used by all subsidiaries.
- **Social inclusions:** concerning diversity and inclusion, non-discrimination, accessibility to products and services as well as responsible marketing practices. In this regard, Embracer Group has taken actions to promote inclusion, non-discrimination and accessibility of its games by including these matters in the Group-wide Smarter Business Sustainability Framework. At the operative groups, some studios have implemented initiatives such as adaptive gaming technology and responsible gaming routines have been introduced to support users. All PC, console and mobile games are rated using international rating systems, for example, the Pan European Game Information (PEGI) and the Entertainment Software Rating Board (ESRB) systems, specifically relating to age categories and content. The Group also monitors requirements and developing legal obligations for in-game purchases, loot boxes and similar features, with support from the trade organization Video Games Europe and the Swedish Games Industry (Dataspelsbranschen). In June of 2025, the Embracer Group Head of Sustainability took part in two panel discussions during Almedalen Week – Sweden's annual societal forum where decision-makers, organizations and businesses meet to discuss current issues. The first panel focused on innovation with the Children's Rights Compass, organized by the Prince Couple's Foundation, whilst the second panel addressed corporate sustainability efforts for 2025 and was organized by CSR Sweden.
- **Personal safety:** concerning the protection of children as well as the health and safety of gamers. With regards to the digital well-being and safety of the most vulnerable end-users, children, two of the games industry organizations in which Embracer Group participates have launched initiatives that provide parental support for both PC/computer, console and mobile games. For example, the "Seize the control" by Video Games Europe and "Fråga, Prata, Spela" by the Swedish Games Industry (Dataspelsbranschen). Furthermore, In FY 2025/26, the Minister for Social Services and the Minister for Gender Equality invited Embracer Group to discuss measures to promote children's safety in online games together with different children's rights organizations. During the year, employees of Embracer Group participated in the UN Global Compact SDG Innovation Accelerator for Young Professionals in which they contributed to the development of an initiative aimed at making online gaming safer for children, with a particular focus on countering cyber grooming, criminal recruitment and bullying in gaming environments. The initiative was presented at the UN Global Compact Leadership Summit 2026 held in New York. In FY 2025/26 Embracer Group also participated in the initiative "Children and Digital Environment", which aims to explore how a children rights perspective and wellbeing-by-design can be integrated into digital products. This includes everything from policy development and child-safe digital content to research and the development of new methods that promote children's wellbeing through digital gaming. The initiative is led by UNICEF in collaboration with, among others, the Danske Bank, AP3, Folksam and SEB. During the year, Embracer Group also developed a project in collaboration with the Prinsparets Stiftelse (The Prince Couple's Foundation). The collaboration aims to develop and share good practices to promote children's safety in gaming environments and to help bridge the gap between the gaming world and societal actors working directly with children. The ambition is to contribute to increased trust and strengthened knowledge exchange between the industry, parents, civil society and policymakers, and to support the development of more effective and long-term sustainable solutions for children's safety in gaming.

(S4-BP-2-17, -17a, -17d)

As the basis to the above actions, Embracer Group has adopted several policies that outline its commitment to manage the abovementioned material matters, namely the following policies:

- **Embracer Group Code of Conduct:** with the general objective to emphasize the Group corporate responsibility and culture by outlining its values and laws. Regarding customers, it outlines the Group's commitments to safeguarding personal data and ensuring that sensitive information is handled responsibly, particularly when artificial intelligence (AI) technologies are involved.
- **Embracer Group Sustainability Policy:** with the general objective to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). For instance, the policy describes Embracer Group's commitment to the protection of children, digital well-being and safety of its end-users, as well as responsible game content.
- **Embracer Group AI Policy:** with the general objective to establish clear guiding principles to handle benefits and risks associated with the use of AI. The policy mandates an AI Risk Assessment before the deployment of any type of AI system within the Group. Furthermore, the policy specifies an internal AI Risk Rating and procedures for addressing AI breaches, incidents, and authority investigations.
- **Embracer Group Internal Privacy Policy:** with the general objective to define and uphold data protection across the Group. In particular, the policy outlines principles for personal data protection, data subject rights, management of third-party data processors, cross-border data transfers, and procedures for handling data breaches and authority investigations.

Embracer Group has yet not adopted any targets, nor does it measure any specific metrics related to consumers and end-users as of today.

(S4-BP-2-17c-e)





METRO 2039
4A Games

SUSTAINABILITY STATEMENT

GOVERNANCE

Embracer Group aims to ensure transparency, accountability, and responsible business practices through its corporate governance framework. The Group's governance practices focus on managing key risks, overseeing sustainability initiatives, and upholding ethical standards in daily operations. Corporate governance includes established internal processes, anti-bribery and anti-corruption training, and structured engagement with relevant stakeholders, in line with internationally recognized frameworks and practices.

/ BOARD ACCOUNTABLE FOR SUSTAINABILITY,
SUPPORTED BY AUDIT & SUSTAINABILITY COMMITTEE

/ GROUP-WIDE WHISTLEBLOWING SYSTEM
IN PLACE

/ GROUP-WIDE AI POLICY
DEFINES PRINCIPLES FOR RESPONSIBLE AI USE

ESRS G1 | SUSTAINABILITY STATEMENT

BUSINESS CONDUCT

Embracer Group aims to maintain high standards of ethical business conduct across its operations and throughout the value chain. These standards inform the Group's approach to daily interactions with both internal and external stakeholders. This section of the report outlines the material topics related to business conduct, including integrity, compliance, and responsible business practices.

G1 SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities	Value chain	Description	Time horizon S	M	L
G1 BUSINESS CONDUCT					
Corporate Culture	A, Risk, Upstream, Own Operations, Downstream	Embracer Group's decentralized business model may lead to inconsistent implementation of a shared behavioral culture, constituting an actual negative impact. The ongoing implementation of internal controls in the sustainability area may result in the risk of insufficient alignment across the Group not being fully mitigated.	→		
Corruption & bribery	P, Risk, Upstream	Embracer Group's decentralized business model can result in inconsistencies in the application of a shared behavioral culture across the Group, constituting an actual negative impact on governance. This may, over time, increase the risk of misalignment in behaviors and decision-making.	→		
Management of relationships with suppliers	A, Risk, Upstream, Own Operations, Downstream	Embracer Group's decentralized approach to managing supplier relationships can lead to variations in how suppliers are engaged and assessed, constituting an actual negative impact on consistency and transparency. This may, over time, increase risks related to value-chain impacts and payment practices affecting business partners.	→		
Payment practices	P, Upstream	Delayed or non-transparent payment practices could negatively affect business partners' cash flows, in particular small and medium-sized enterprises.	→		

A Actual Negative Impact · A Actual Positive Impact · P Potential Negative Impact · S Short-term
Opportunity · Risk · P Potential Positive Impact · M Medium-term
Upstream · Own Operations · Downstream · L Long-term

Embracer Group engages employees, consumers, and business partners around the world. As a global organization, the Group is required to comply with all applicable international, national, and local laws, which constitutes a fundamental principle of its operations. Beyond legal compliance, matters such as business conduct and responsible corporate culture are also important factors to both the Group's own operations and its business relationships. Additionally, the possibility to report grievances related to own operations and value chain in an anonymous and safe way is key to ensure that Embracer Group is continuously informed about potential breaches to the Group's commitments and values, as well as the regulatory and voluntary frameworks that the Group must align with.

(G1-SBM-3-48a, -48c-civ)

G1 IRO-1 PROCESS FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As disclosed under ESRS 2 SBM-3, Embracer Group has assessed impacts, risks, and opportunities related to business conduct matters in its double materiality assessment (DMA). Information about the material topics and their connection to the Group's business model and strategy is provided in that section. In the same way, information related to the overall DMA process on how the Group identified its material topics is disclosed under ESRS 2 IRO-1, including relevant criteria for identifying and assessing business conduct matters.

No group-wide initiatives were undertaken this year, nor are any planned for the next year, as quality and product safety issues are addressed within the scope of the subsidiaries' regular operations.

(G1-IRO-1-6) (G1-MDR-A-62)

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The policies adopted within Embracer Group shape the overall company culture and values. With regards to business conduct matters, the Group has several policies in place that outline the key principles in fostering its corporate culture, and which cover key matters with respect to business conduct. The policies are the following:

(G1-1-7)

- **Embracer Group Corporate Governance Policy:** with the general objective of setting clear responsibilities for a proper steering of the business and to ensure that the corporate governance across Embracer Group complies with external regulations as well as with all other adopted internal policies and established procedures.
- **Embracer Group Code of Conduct:** with the general objective of emphasizing Embracer Group's responsibility, corporate culture and business conduct practices by outlining its values and applicable laws that the Group must comply with. The CoC also covers a range of sustainability matters which are described under the respective policy-related disclosures under the social and environmental sections of the report. It is also the CoC that includes its commitment on the protection of whistleblowers which is further described below and under S1-3 on remediation and channels to raise concerns.
- **Embracer Group Supplier Code of Conduct (CoC):** with the general objective of highlighting how Embracer Group upholds its corporate responsibility across the supply chain by placing requirements on its suppliers and business partners. The requirements placed are aligned with the Embracer Group Code of Conduct, and specifically address governance topics relating to business ethics, including the prevention of any form of corruption, bribery and money laundering. For further details on supply chain management see G1-2 below, and the S2 standard on workers in the value chain.
- **Embracer Group Sustainability Policy:** with the general objective to emphasize Embracer Group's responsibility in sustainable development and triple bottom line (ESG). On governance matters, the policy emphasizes the Group's commitment to business ethics and its approach for sustainability governance, and it refers to compliance with other internal policies. Moreover, it covers other sustainability matters, which are described under the respective policy-related disclosures under the social and environmental sections of the report.
- **Embracer Group Trade Compliance Policy:** with the general objective of providing an overview of general laws, regulations and sanctions related to export and minimum trade requirements that apply to Embracer Group. Amongst others, the policy specifies countries where business is prohibited for all subsidiaries, as well as a list of high-risk countries subject to heightened sanctions risk.
- **Embracer Group Tax Policy:** with the general objective to outline Embracer Group's basic compliance principles related to tax matters.
- **Embracer Group Anti-Corruption Policy:** with the general objective of preventing any form of corruption and bribery by setting common compliance standards for all individuals working at, or in the name of, Embracer Group. Hence, the policy is applicable to all employees and non-employees. The Group has currently not identified any specific functions at particular risk for corruption and bribery. Investigations into potential misconduct are initiated promptly and without undue delay once concerns are identified. Where concerns are handled through the whistleblowing process, investigations are carried out in accordance with the Embracer Group Whistleblowing Guidelines, which define the key steps of the investigation process and include specified timeframes for acknowledgement, follow-up and feedback. For further details on the Group's anti-corruption and anti-bribery work see G1-3 and G1-4 below.

(G1-1-10e, -10h) (MDR-P-DR65a)

All Embracer Group policies state that violation of a Group policy could lead to disciplinary action, and the main mechanism for identifying, reporting and investigating concerns is the whistleblowing mechanism described in section S1-3. This includes concerns about unlawful behavior or behavior in contradiction of the Embracer Group CoC or any other internal policy, which help to evaluate the Group's corporate culture. As mentioned under S1-3 on remediation and channels to raise concerns, the whistleblowing mechanism is available to both internal and external stakeholders and the Group provide training to its entire workforce on how to use it, including additional demonstration of the tool to staff receiving reports and investigating whistleblowing matters. Corporate culture is evaluated through regular employee surveys and stakeholder dialogues within leadership and management forums.

(G1-1-9, -10a, -10ci)

All policies are either available internally or publicly on the website and are implemented through procedures at onboarding. The Group provides policy-related training covering the entire workforce, focusing on the Embracer Group Code of Conduct and business conduct matters, including the matters described under G1-3 on anti-corruption and anti-bribery.

(G1-1-10ci, 10g) (G1-1-MDR-P-65f)

	Corporate Governance Policy	Code of Conduct	Supplier Code of Conduct	Anti-corruption Policy	Trade compliance Policy	Tax Policy	Sustainability Policy
Date of adoption	2/23/2022	23/04/2019	5/31/2022	17/09/2019	22/12/2020	23/02/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	19/09/2024	19/09/2024	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring t he policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Global Head of Tax, as well as the executive management of each operative group	Embracer Group Head of Sustainability, as well as the executive management of each operative group
Scope of the policy	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Suppliers and business partners globally	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Upsteam, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UN Convention against Corruption		> UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multination al Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership				> OECD guidelines > Part 2 of Schedule 19, Finance Act 2016	> OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	E1 - Climate Change S2 - Workers in the Value chain G1 - Business Conduct	G1 - Business Conduct	G1 - Business Conduct	G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Embracer Group sets the fundamental principles for the management and relationship with suppliers via the Embracer Group Supplier Code of Conduct (SCoC), which key content and objective is described in section S2 on workers in the value chain. Beyond the SCoC, supplier management does not sit with the Embracer Group management but is managed locally by the operative groups and group companies. In other words, they are responsible for their own respective supplier bases and must adhere to the principles of the SCoC, alongside other applicable policies and laws, whilst also considering supplier specific and local circumstances.

For example, in managing impacts or risks that are linked to a given supply chain, all suppliers are required to implement environmental and human rights due diligence procedures in their operations according to the SCoC. Subsequently, all suppliers must communicate findings to Embracer Group, including measures implemented to prevent, mitigate, and address adverse impacts and risks. In some cases, the subsidiaries seek collaboration with suppliers to support such implementation. Requirements can also be placed on the supplier to independently implement actions to address unrevealed issues, if any. Compliance with the SCoC, as well as agreed implementation measures, must be demonstrated by suppliers upon request. This can take place either through self-assessments or via onsite visits and audits conducted by representatives from the Group or by independent third parties. Non-compliance may lead to reduced business or contract termination.

(G1-2-12, -15a)

In the selection of suppliers, the SCoC specifies comprehensive requirements that all suppliers must adhere to regarding both material social matters such as working conditions, and material environmental matters such as climate change. Again, more information can be found in section S2. Overall, there is a group-wide Methodology for Sustainability Risk Classification of Suppliers that guides the selection when entering new relationships and ongoing relationships.

At present, Embracer Group does not have a policy explicitly regarding late payments. However, the Group applies standard payment terms which are described under G1-6 on payment practices.

(G1-2-14, -15b)

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Embracer Group has a systematic approach for anti-corruption and anti-bribery. Primarily, it is the Embracer Group Anti-Corruption Policy and it's corresponding training that outlines the key principles for how the Group prevents corruption and bribery from taking place, as well as how it detects, investigates and responds to allegations or incidents, if they occur. The key content and objective of the Embracer Group Anti-Corruption Policy is described under G1-1, alongside other Group-wide policies that support its content such as the Embracer Group Code of Conduct.

In short, the prevention procedures put in place include regular policy training to ensure adherence to the Group's commitments. Moreover, the Embracer Group Whistleblowing Channel, as described under S1-3, informs the ongoing work to detect cases of corruption or bribery that are subject to investigation. Embracer Group also follows up directly with the subsidiaries with regards to corruption and bribery matters. If cases arise, the appointed investigators can be either internal or external depending on what is determined most appropriate. Regardless, the investigators are always independent, separate from any function involved in any given case that is under investigation. All cases are reported to the Chairman of The Board, and their outcomes, including conclusions, findings, actions and follow-up measures to be implemented, are presented to the Board as well as to the Executive Management Team.

(G1-3-16, -18a-c)

With regards to existing policy training**,** no specific functions at risk have been identified and Embracer Group rather requires mandatory bi-annual anti-corruption and anti-bribery training for all employees and non-employees, this includes senior executives as well as other members of the administrative and management bodies who are subject to the Group's Anti-Corruption Policy. The training is conducted online and takes approximately 30-40 minutes to complete. All matters covered by the Embracer Group Anti-Corruption Policy are covered by this training program, as well as aspects related to applicable laws. Amongst others, it offers definitions of what constitutes a bribe, conflicts of interest, including how to raise concerns inter alia via the existing Whistleblowing Channels within the Group. The administrative, management and supervisory bodies are regularly informed about training completion rates and any relevant incidents.

Furthermore, the Embracer Group Anti-Corruption Policy is available in 16 different languages and is made available through the Group's website and intranet. Again, more information on Embracer Group's policies and how they are implemented can be found under G1-1.

(G1-3-20, -21a-c) (G1-3-AR4)

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

During FY 2025/26 Embracer Group had no incidents of corruption or bribery. Hence, no convictions nor fines related to violations of anti-corruption laws or anti-bribery laws took place. Nor has the Group identified any breaches to the Embracer Group Anti-Corruption Policy or any other policy related to anti-corruption and anti-bribery.

(G1-4-22, -24a-b)

Embracer Group has not set any measurable targets related to corruption and bribery, as the matter is addressed through policies and actions within the subsidiaries' regular operations. Formal target-setting is not planned as of now.

(G1-MDR-T-81, -81a, -81b-bii)

G1-6 PAYMENT PRACTICES

Embracer Group is committed to fair and timely payment practices to all suppliers, and in particular to small and medium suppliers such as studios, manufacturers and wholesalers. However, Embracer Group has not determined any standard terms with regard to payment practices, instead our principle is to follow the terms specified by our suppliers. This means that the average time it takes to pay an invoice is dependent on the differences in terms across our supplier base. In FY 2025/26 the average time to pay an invoice was 62 days across all suppliers within Embracer Group, reflecting differences in contractual payment terms. This also means that Embracer Group has no material ongoing or pending legal proceedings, lawsuits, mediation, litigation, nor arbitration, in connection with late payments.

(G1-6-31, -33a-d) (G1-6-AR16, -17)

Embracer Group has not set any measurable targets related to payment practices, as the matter is monitored through regular operational follow-up. Formal target-setting is not planned as of now.

(G1-MDR-T-81, -81a, -81b-bii)

Reporting principles: Payment practices

The methodology used to determine the average time taken to pay an invoice measures was calculated as average account payable divided by cost of goods sold (or purchases), multiplied by 360 days. No sampling, critical limitations nor assumptions were applied.

(G1-6-33d) (G1-6-MDR-M-73, -75, -76, -77a-b)

SUSTAINABILITY STATEMENT

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(IRO-2) (IRO-2-56) (IRO-2-AR19)

SUSTAINABILITY STATEMENT

LIST OF DATA POINTS FROM OTHER EU LEGISLATION

Appendix B of ESRS 2

Disclosure requirement	Related data point		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
GOV-1	21d	Board's gender diversity	■	□	■	□	7
GOV-1	21e	Percentage of board members who are independent	□	□	■	□	7
GOV-4	30	Statement on sustainability due diligence	■	□	□	□	10
SBM-1	40di	Involvement in activities related to fossil fuel activities	■	■	■	□	13
SBM-1	40dii	Involvement in activities related to chemical production	■	□	■	□	13
SBM-1	40diii	Involvement in activities related to controversial weapons	■	□	■	□	13
SBM-1	40div	Involvement in activities related to cultivation and production of tobacco	□	□	■	□	13
E1-1	14	Transition plan to reach climate neutrality by 2050	□	□	□	■	Not applicable
E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks	□	■	■	□	Not applicable
E1-4	34	GHG emission reduction targets	■	■	■	□	28
E1-5	38	Energy consumption from fossil sources disaggregated by sources	■	□	□	□	29
E1-5	37	Energy consumption and mix	■	□	□	□	29
E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	■	□	□	□	29
E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	■	■	■	□	30
E1-6	53-55	Gross GHG emissions intensity	■	■	■	□	7, 31
E1-7	56	GHG removals and carbon credits	□	□	□	■	32
E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	□	□	■	□	Phase-in
E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk	□	■	□	□	Phase-in
E1-9	66c	Location of significant assets at material physical risk	□	■	□	□	Phase-in
E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	□	■	□	□	Phase-in
E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	□	□	■	□	Phase-in
E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	■	□	□	□	Not material
E3-1	9	Water and marine resources	■	□	□	□	Not material
E3-1	13	Dedicated policy	■	□	□	□	Not material
E3-1	14	Sustainable oceans and seas	■	□	□	□	Not material
E3-4	28c	Total water recycled and reused	■	□	□	□	Not material
E3-4	29	Total water consumption in m^3 per net revenue on own operations	■	□	□	□	Not material
E4-SBM-3	16ai		■	□	□	□	Not material
E4-SBM-3	16b		■	□	□	□	Not material
E4-SBM-3	16c		■	□	□	□	Not material
E4-2	24b	Sustainable land/agriculture practices or policies	■	□	□	□	Not material
E4-2	24c	Sustainable oceans/seas practices or policies	■	□	□	□	Not material
E4-2	24d	Policies to address deforestation	■	□	□	□	Not material
E5-5	37d	Non-recycled waste	■	□	□	□	Not material
E5-5	39	Hazardous waste and radioactive waste	■	□	□	□	Not material
S1-SBM-3	14f	Risk of incidents of forced labor	■	□	□	□	38
S1-SBM-3	14g	Risk of incidents of child labor	■	□	□	□	38
S1-1	20	Human rights policy commitments	■	□	□	□	39

Disclosure requirement	Related data point		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
S1-1	21	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	☐	☐	■	☐	39
S1-1	22	Processes and measures for preventing trafficking in human beings	■	☐	☐	☐	39
S1-1	23	Workplace accident prevention policy or management system	■	☐	☐	☐	39
S1-3	32c	Grievance/complaints handling mechanisms	■	☐	☐	☐	42
S1-14	88b,c	Number of fatalities and number and rate of work-related accidents	■	☐	■	☐	48
S1-14	88e	Number of days lost to injuries, accidents, fatalities or illness	■	☐	☐	☐	Phase-in
S1-16	97a	Unadjusted gender pay gap	■	☐	■	☐	49
S1-16	97b	Excessive CEO pay ratio	■	☐	☐	☐	49
S1-17	103a	Incidents of discrimination	■	☐	☐	☐	49
S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	■	☐	■	☐	49
S2-SBM-3	11b	Significant risk of child labor or forced labor in the value chain	■	☐	☐	☐	Phase-in
S2-1	17	Human rights policy commitments	■	☐	☐	☐	Phase-in
S2-1	18	Policies related to value chain workers	■	☐	☐	☐	Phase-in
S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	■	☐	■	☐	Phase-in
S2-1	19	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	☐	☐	■	☐	Phase-in
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	■	☐	☐	☐	Phase-in
S3-1	16	Human rights policy commitments	■	☐	☐	☐	Not material
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	■	☐	■	☐	Not material
S3-4	36	Human rights issues and incidents	■	☐	☐	☐	Not material
S4-1	16	Policies related to consumers and end-users	■	☐	☐	☐	Phase-in
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	■	☐	■	☐	Phase-in
S4-4	35	Human rights issues and incidents	■	☐	☐	☐	Phase-in
G1-1	10b	United Nations Convention against Corruption	■	☐	☐	☐	Not applicable
G1-1	10d	Protection of whistleblowers	■	☐	☐	☐	Not applicable
G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	■	☐	■	☐	61
G1-4	24b	Standards of anti-corruption and anti-bribery	■	☐	☐	☐	61
(BP-2-15) (IRO-2-56)							

