ANNUAL REPORT

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EMBRACER⁺
GROUP

SUSTAINABILITY REPORT

HYPER LIGHT BREAKER
Arc Games | Heart Machine

INTRODUCTION

At Embracer Group, sustainability is about acting in line with our values and contributing to meaningful outcomes for our stakeholders. With sustainability embedded into the business model, the Group capitalizes on opportunities while simultaneously managing risks. In addition to our own work within the group, collaboration with partners and peers to enhance industry awareness and address critical issues is relevant to the Group's business and sector. Furthermore, the Group remains responsive to global trends and challenges, ensuring strategies adapt to the changing landscape.

SUSTAINABILITY THAT SUPPORTS OUR BUSINESS

Embracer Group is a global group of creative and entrepreneurial businesses in games and entertainment. Its workforce of over 7,000 – including thousands of game developers – brings value and entertainment to gamers worldwide through an extensive portfolio of IP. Embracer creates joy, excitement, and spaces for interaction for children, young people, and adults. The commitment to enriching players' and consumer's lives with original and memorable entertainment experiences is what keeps us passionate about our work.

As a company driven by entrepreneurs, the Group's approach to business is inherently centered around empowering great people. This is also true for the sustainability work. The operative groups continue to work on their individual sustainability targets to address the most important topics to their business. The overarching Group focus is reflected in what is called the Smarter Business Framework. This is built around three pillars: Great People, Solid Work, and Our Planet. The framework reflects

Embracer's material topics, which are identified as part of the double materiality assessment on how the company's business impacts an is impacted by, people and the planet. The framework remains an essential tool as it guides the Group's work and ensures that the Group prioritize key issues, enabling operative groups continue to work on their specific sustainability agenda to add value to their business. Prioritized key issues are continuously evaluated through ongoing dialogues with employees, investors, NGOs, and other stakeholders. Compared to previous reports, this report, is structured around upcoming reporting regulations to meet necessary changes in the sustainability reporting landscape.

During another transformational year for Embracer, the Group has made further headway in risk management, while bolstering intra-group integration and collaboration regarding sustainability. Thus, the sustainability approach continues to evolve and inform decision-making at all levels in the Group, advancing its capabilities to navigate risks and opportunities.

As Embracer Group moves through this significant transformation, recognizing that certain aspects, including

HIGHLIGHTS OF THE YEAR

Focus on preparing for the Corporate Sustainability Reporting Directive (CSRD), including conducting a double materiality assessment, which maps the Group's most material sustainability matters.

Improved results in our annual employee engagement survey and an eNPS of 20.

Sustainability Policy adopted, further strengthening our commitments and delineates responsibilities.

Reduced absolute Scope 1 and 2 emissions by 19% compared to last year.

Continuous implementation of various internal control and integration processes.

Ongoing annual mandatory trainings for all employees on Privacy and Anti Corruption.

group sustainability targets and transition plans, are still being developed. Once the Group has fully established these objectives, they will be consolidated and communicated. We are using this transformational phase as an opportunity to build on the valuable sustainability work already carried out across the group. While each Operative Group continues with their objectives in areas such as corporate culture, health and safety, diversity, inclusion, and employee well-being, aligning these at group level during this phase of change has not been deemed effective. Instead, group-wide goals will be developed and activated once the organization reaches a more stable stage, ensuring long-term relevance and impact. An exception to this is Embracer's science based climate goal, where the Group's commitment to the Paris Agreement remains, i.e., to reduce our carbon emissions by 45% by 2030 compared with the base year 2021/22, although this goal is also influenced by changes within the group. Recalculations of the base year are made to reflect the current group structure and keep them as valuable tools for leading us in the right direction at the right speed.

The sustainability report is compiled on a consolidated basis for Embracer Group and all its subsidiaries. Assessments and estimates are used to report certain data points, such as scope 3 emissions where actual data was unavailable. These estimates and assessments are regularly reassessed based on experience, the development of ESG reporting, and improved data quality.

This report is inspired by the European Sustainability Reporting Standards (ESRS), meaning that the Group discloses some requirements for selected ESRS standards on a voluntary basis, namely ESRS 2 (General Disclosures) and ESRS E1 (Environment - Climate Change). The Group has started with these standards to be able to develop sufficient internal processes and routines to manage the new reporting requirements, while also being prepared for any changes to the directive through the Omnibus package. ESRS E1 also connects to Embracer's still valid climate goal. Material social and governance information is reported following principles of Embracer's previous reports and are thereby not aligned with CSRD reporting requirements. ESRS 2 was selected as the starting point, as it forms the basis for future reporting through double materiality analysis and work with impact, risk and opportunity. Embracer Group started already in 2023 and have a carefully prepared Double Materiality Assessment (DMA) to present and follow. The reason the Group chose to focus on ESRS E1 is because this standard is a reporting intensive area with massive data requirements, and that

Embracer has experience and a solid base, as reported according to the GHG protocol in past years. Therefore, from a pragmatic perspective, it makes sense for us to go ahead where there is a lot in place in terms of reporting and where data review makes us better prepared. ESRS quantitative metrics covering environmental, social, and governance factors have been assessed when applicable in this report, and due to changes in methodology in accordance with ESRS numerous metrics have no comparison from previous years. For the Annual and Sustainability Report FY 2025/26, all material ESRS will be implemented into the report following the legal requirements of the CSRD according to the Swedish ratification of the directive. References to ESRS disclosure requirements, where applicable, can be found in the [Content index](#).

SOME OF OUR COMMITMENTS

Agenda 2030: Embracer supports Agenda 2030 and the holistic approach to sustainable development established through the UN Sustainable Development Goals (SDGs). Regarding the Group's business operations, the focus is on five SDGs that are particularly relevant for the group: Quality Education (4), Gender Equality (5), Decent work and Economic Growth (8), Responsible Consumption and Production (12), and Partnership for the Goals (17).

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

SBTi Commitment: The Science Based Targets initiative (SBTi) guides Embracer Group's greenhouse gas emissions reduction planning and actions. The group has set targets in line with the SBTi, which were validated and approved in December 2023.

CSR Sweden: As a member of CSR Sweden, Embracer Group gains access to a unique platform for sharing experiences and solutions to sustainability challenges. This network helps build strong relationships and ensure sustainability efforts align with the latest requirements in human rights, anti-corruption, and environmental responsibility.

> *I see an opportunity to strengthen the foundation of our sustainability efforts during this transformative phase to collectively clarify goals and direction for the future.*

KARIN EDNER KARLSSON
Head of Sustainability, Embracer Group

AN UPDATE FROM OUR SUSTAINABILITY TEAM

INTERVIEW WITH KARIN EDNER KARLSSON
HEAD OF SUSTAINABILITY

Hi Karin! What have been Embracer Group's priorities – from a sustainability perspective – this past year?

Our work is grounded in a long-term commitment to sustainability. During another transformational year for Embracer, we have continued to move forward on this journey with a steady and structured approach. A key priority has been to strengthen the Group's internal processes and continue to build in-house expertise.

Preparing for the EU Corporate Sustainability Reporting Directive (CSRD) has been a central focus. These new requirements open up valuable opportunities to deepen and accelerate Embracer's sustainability work – not least by making us sharpen our priorities and define our impact, our risks and opportunities. As a result, also reshaping how we gather and present data across the Group's operations – a shift we are meeting with careful planning and transparency.

How does Embracer Group plan to advance its sustainability efforts?

Collaboration across the entire organization will be key in driving efforts forward. I see an opportunity to strengthen the foundation of our sustainability efforts during this transformative phase to collectively clarify goals and direction for the future.

Meeting new expectations requires shared direction and engagement. We've built a solid base – now we need to keep improving together. It's not only about compliance, but about identifying better, more resource-efficient and ethical ways to operate, generating long-term value for Embracer Group, our industry and beyond.

We are aware that the path ahead may include challenges. At the same time, the clear expectations from the board, management and across the group give us a strong foundation to maintain momentum.

How is Embracer Group strengthening its sustainability work in response to global developments?

At the Group level, we are closely monitoring global developments. While the pace of change can seem demanding, we remain focused and committed, guided by Embracer's established frameworks. Our games and entertainment contribute to imaginative experiences, community, adventure and fun, reinforcing the Group's motivation to contribute in a meaningful way. Games and entertainment influence – every day, worldwide. We face the same questions as many other industries: how to create long-term value, develop responsibly, and meet new demands from the surrounding world. However, we also have unique opportunities – the ability to reach broadly, inspire, and drive change through strong communities, content and the way we work.

Since joining in 2019, I've seen firsthand how the Group's companies approach their most important issues and seize new opportunities. Sustainability is ultimately about adaptation and improvement – one step at a time – always with relevance to our stakeholders in mind.

GENERAL INFORMATION

BUSINESS MODEL, STRATEGY AND VALUE CHAIN

### THE EMBRACER GROUP BUSINESS MODEL, STRATEGY AND VALUE CHAIN

Embracer Group is organized in three operating segments: PC/Console Games, Mobile Games and Entertainment & Services, following the spin-off of Asmodee (Tabletop Games segment) during the year. Through these operating segments, Embracer Group has strong market positions in PC, console, VR and mobile games, as well as niche positions in film and comic book publishing, including partner publishing. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. In total, the Embracer Group engages over 7,000 employees in more than 30 countries. For further information about the workforce please refer to Social information page 16. 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.

The Group's key offering relates to PC and console games, entertainment & services and mobile games. including niche services related to IP, film, comic books publishing and distribution of merchandise. These segments are well reflected in Embracer's operative groups, with PC and console games constituting the largest share (47%) of total revenue, followed by entertainment & services (29%) and mobile games (24%). Major changes in the product catalog during the year concern the removal of the operating segment related to tabletop board games, due to the distribution of Asmodee. The Group has also divested Easybrain, a large share of the operating segment related to mobile games. These changes are connected to the on-going transformation of Embracer Group which is described in detail on page ##. Over the past two years, Embracer Group has implemented efficiency measures and selective divestments to enhance profitability, cash flow, and long-term value. The successful spin-off of Asmodee was completed in February 2025. Further separations into Coffee Stain Group and Fellowship Entertainment are planned for 2025. These efforts aim to optimize operational efficiency and unlock value, allowing each entity to maximize financial targets and utilize optimal financing structures. For further details on Embracer's operative groups and segments, please refer to Operating segments page ## or Embracer's website.

With a diverse offering Embracer serves the global market within the games and entertainment industry, and reach gamers and fans across the globe, from all generations, genders and nationalities. For more information about the games industry, please refer to Games & entertainment market overview page ##. Major changes in markets and customer groups are mostly related to the divestment of the tabletop board games segment and a large part of the mobile games segment. 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 in Embracer's portfolio that are banned in any of the markets served. However, there could be restrictions and censorship related to certain markets that require the group to adapt its products to comply with applicable law when launching new products or similar.

Key elements of the business model and main value chain that affect sustainability matters encircle the development,
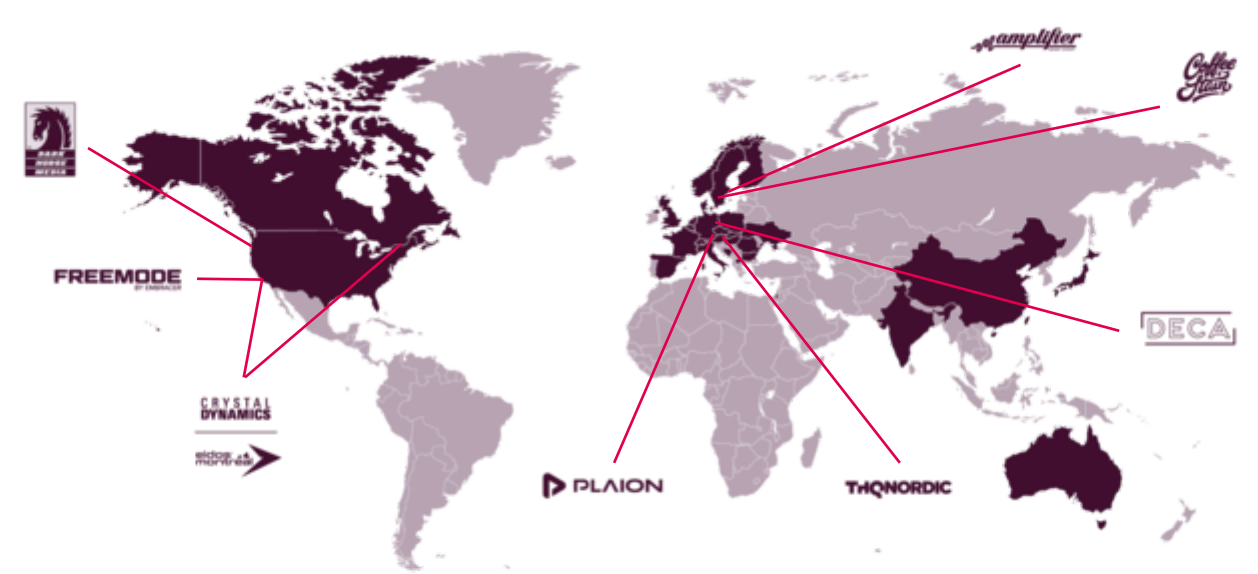
distribution, publishing and user-phase of the products, which is mostly digital. The value that Embracer creates takes place within its offices and studios and is driven by its employees that operate in the digital world of creativity, graphic design, coding, editing, licensing, publishing, distribution and more. The value is also created in close collaboration with external partners. As such, connected to the main business model and offering segments Embracer does not have a physical value chain per such, specifically related to games development and other services which take place online from development to user-phase. However, operating in a digital landscape means that both Embracer's 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 both

the energy generation and the production tiers of the electronics and IT equipment that is used. Including linked to the respective gaming equipment that Embracer's gamers and customers use. These are, however, produced outside of the Group's operations, by upstream actors of the manufacturing sectors and when these reach the end of its lifecycle, they are handled by downstream actors of the waste management and recovery sectors. This is visualized in the illustration below which outlines Embracer's value chain. Main emphasis of such illustration is placed on the Group's position in the value chain and the activities that take place within its operations at Embracer Group, and in collaboration with the closest business partners and contractors.

OUR VALUE CHAIN

■ Embracer Group in the value chain
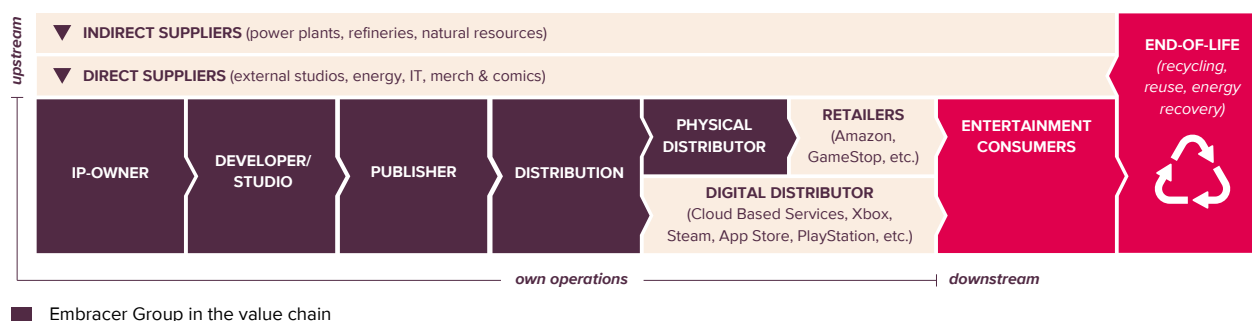
Embracer Group has a large number of external partnerships whereby Embracer acts as both licensor and licensee. Embracer Group's main business areas are IP ownership, development and publishing. Some of the operative groups also have distribution and retail businesses. Some of Embracer Group's businesses, 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.

Embracer Group's main direct business relationships are first and foremost those that have been established with all of the Group's employees and contractors. The core competencies embodied and demonstrated by employees and contractors represent a key input for delivering high-quality products within the games and entertainment industry. The physical inputs that are purchased are explained in detail on page 30, specifically under the section for Scope 3, category 1 on the Group's purchased goods and services. In connection with IP ownership and licensing, a large number of external partnerships have been established with film studios and agents, which are key relationships for all segments of the Group's operations. The extensive IP portfolio and unique licenses, alongside continuous creativity and entrepreneurship in game development, define Embracer's game releases and overall offering. This benefits gamers and customers by offering immersive experiences. It also benefits investors by securing a diversified portfolio that places the Group in a unique position to sustain operations against competitors.

With regards to sustainability matters the Group has Embracer's Smarter Business Framework that was established in 2018. It is built around three pillars: Great People, Solid Work, and Our Planet and it has been aimed to ensure that we as a Group prioritize our efforts. However, due to the on-going transformation, the framework will be adjusted to better fit the Group's new structure. Such changes will be determined by the new organization based on the impacts, risks and opportunities associated with the respective value chain, markets and offering segments. Once such updates are in place, it will be possible to provide a clearer description of the elements of the strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be implemented. For further details about the material sustainability matters and how they interact with Embracer's strategy, business model and value chain, please refer to page 7 or the respective topical sections of the Sustainability Report.

STAKEHOLDER ENGAGEMENT

INTERESTS AND VIEWS OF OUR STAKEHOLDERS

The interests and views of Embracer Group's stakeholders are of utmost importance. The Group maintains ongoing contact with its stakeholders, directly or indirectly, which for instance includes employees, non-governmental organizations (NGOs), media, industry, regulators and authorities, financial markets, gamers and other customers and suppliers.

Stakeholder dialogues are conducted internally, with the type of engagement and communication channels varying across different stakeholder categories. The table below describe methods of engagement and the respective purpose:
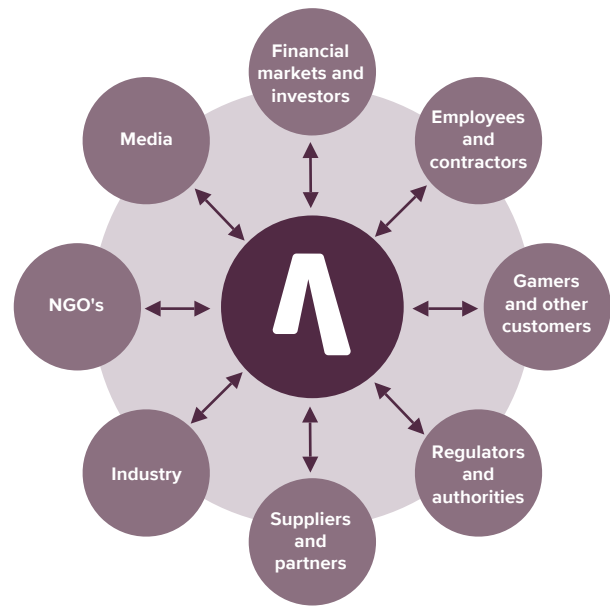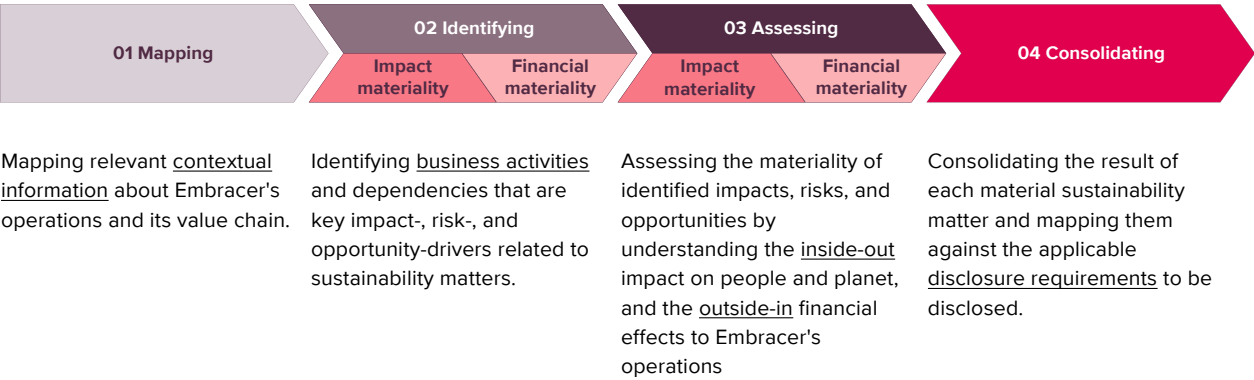
Stakeholder group	Channels for communication	Purpose for engagement
Financial markets and investors	Regular reporting, direct dialogue and response to ESG ratings as Sustainalytics, S&P Global, UN Global Compact COP, and MSCI.	Maintain alignment on Embracers sustainability strategy and targets. Attracting responsible investors. Enhancing transparency. Responses to investors and the markets queries.
Employees and contractors	Annual Employee engagement surveys, performance and development reviews and Ambassador Group meetings.	Understand sustainability matters from the perspective of employees. Promote the Smarter Business Framework.
Gamers and other customers	Community engagement, consumer studies, and engagement through social media.	Build trust. Gain insights into customers' interests concerning sustainability topics. Adaptation of product/service and of marketing strategies.
Regulators and authorities	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 and partners	Direct engagements, supplier and partner reviews, interviews 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.
Industry	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	Direct engagement, collaboration with established partnerships, and response to NGO inquiries.	Gain insights on responsible business practices from a broader perspective and form collaborations.
Media	Open and ongoing communication with media to share updates , increase transparency, and build trust.	Stay informed about changes in public discourse and market expectations. Promote openness and support transparency.

DOUBLE MATERIALITY ASSESSMENT

OUR DOUBLE MATERIALITY PROCESS

As part of the annual preparations of Embracer Group's sustainability report, a double materiality assessment is conducted to identify the impacts, risks and opportunities on sustainability matters that are material for Embracer Group to report on. The Group follows the processes prescribed by the ESRS and the related guiding documents, which can be summarized into four main steps:

01 Mapping	02 Identifying		03 Assessing		04 Consolidating
	Impact materiality	Financial materiality	Impact materiality	Financial materiality	

Mapping relevant contextual information about Embracer's operations and its value chain.	Identifying business activities and dependencies that are key impact-, risk-, and opportunity-drivers related to sustainability matters.	Assessing the materiality of identified impacts, risks, and opportunities by understanding the inside-out impact on people and planet, and the outside-in financial effects to Embracer's operations	Consolidating the result of each material sustainability matter and mapping them against the applicable disclosure requirements to be disclosed.

The details for each step are further explained below for the two materiality perspectives, including the judgements, criteria, thresholds, and assumptions that has been used to determine the materiality. Further elaboration on the assessment of climate-related impacts, risks, and opportunities is provided below. For an overview of the results and how it interacts with the strategy and business model, please refer to page 7. This is the first time we present results from a double materiality assessment, which is why no methodological changes have been made compared to previous assessments

aligned with the double materiality concept. As this is a new approach, methodologies will be continuously improved during annual reviews, and any future changes will be disclosed.

Impact materiality (Embracer Groups's impact on society and environment): In the first two steps of mapping contextual information and identifying impact-drivers, specific dependencies and business activities are listed as they occur within the Group's own operations and across the various stages of the upstream and downstream value chain. Please

refer to page 8 for an overview of the Group's key 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. This kind of screening builds an understanding of the geographies and the circumstances under which activities occur across the 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 e.g., management procedures, sector characteristics, applicable national laws, geopolitics or similar. Accordingly, the assessment considers impacts caused or contributed to within the Group's own operations, as well as those linked to the value chain, business relationships, and products. In the third step Embracer proceeded with a detailed assessment to understand the materiality. Negative impacts are prioritized based on the likelihood of occurrence and the severity to affected stakeholders, and for positive impacts 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. Impacts exceeding defined qualitative and quantitative thresholds are considered material for reporting. This means that all actual impacts with an "important" to "critical" severity are prioritized in the sustainability report, along with potential impacts that have a "significant" (or above) likelihood and severity. In contrary, the actual and potential impacts with an "informative" to "minimal" severity and/or "unlikely" likelihood are not material for reporting.

During the DMA process affected stakeholders are not consulted directly, however, the interests and perspectives of various stakeholder groups are considered by drawing insights from other ongoing stakeholder dialogues. This is done 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 assessment. External experts and other sources are consulted to support the understanding of how stakeholders may be impacted in various ways. For further details on stakeholder engagements, please refer to page 9. Overall, this process considers the principles for sustainability due diligence outlined by the OECD Guidelines and the UNGPs. The DMA is seen 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 as a salient stakeholder for environmental matters).

Financial materiality (impact on Embracer Group): Alongside the assessment of material impacts, financial aspects are looked into to understand whether there are connections between sustainability-related impacts, risks and opportunities. In such step we identify whether risks and opportunities may arise from any of the impacts and dependencies identified during the impact materiality assessment. Related to each sustainability matter, we establish an understanding about potential transitional and/or physical risks or opportunities that could trigger financial effects to the Group's operations, either negatively (risks) or positively (opportunities). For example, Embracer identifies if a given sustainability matter could cause events that impact its ongoing business activities, assets, revenues, expenditures or otherwise affecting the financial position over different time horizons. Where risks or opportunities have been identified, we assess the materiality based on the likelihood of occurrence and the anticipated magnitude of the financial effect. For magnitude. the assessment considers how financial effects could potentially impact the overall financial position. Impacts that exceed defined quantitative thresholds are

deemed material for reporting. This means that risks and opportunities with 'significant' to 'critical' magnitude in terms of potential effects on the financial position are prioritized in the sustainability report. While those with an 'informative' to 'minimal' magnitude and 'unlikely' likelihood are not material for reporting.

The financial materiality assessment is aligned with, but yet not part of, the Group-wide Enterprise Risk Management process (ERM). Embracer thereby follows the same basis for prioritization for sustainability-related risks relative to other types of business risks. An investigation is currently underway to explore how the sustainability matters addressed in the DMA could be integrated into existing tools within the overall risk management process. The Group's ERM decision-making process and the related internal control procedures, are further described in the Enterprise risk management section on page ## .

Specifically related to climate change, the Group's existing measurements of GHG emissions generated as part of the impact materiality assessment is considered. The GHG emissions in Scope 1, 2 and 3 provides insights about the impact on climate change that is caused by the Group or contributed to from Embracer's own operations, or that we are linked to via business relationships and products. The on-going transformation of Embracer Group has influenced the assessment and due to the high uncertainties, an assessment has not yet been conducted to determine how future activities or plans may impact, or be impacted by, climate change in other ways.

Related to the financial materiality assessment, both the climate-related physical and transitional risks and opportunities are evaluated. For physical risks, we have taken into consideration climate-hazardous that could potentially cause financial effects, either by impacting the Group's own operations directly or whether they derive from its value chain. For example, understanding whether future weather-related events such as storms, precipitation, heatwaves or similar could cause damage to Embracer's assets or other disruptions. For transition risks, we take into consideration whether the current business model may be exposed to transitional changes, creating implications on or impacting the investments, assets and business activities. For example, understanding whether reputational, regularity or market wide shifts could lead to changes in Embracer's expenditures (OpEx and CapEx) or revenue streams.

For the purpose of identifying and assessing climate-related impacts, risks, and opportunities we have not performed a formalized scenario analysis. It may become relevant to perform such deeper analysis and look deeper into a range of climate scenarios to better understand the exposure to physical and transition risks and opportunities over time horizons. However, as of today, we have not experienced the need to perform such a detailed assessment as part of the Group's double materiality assessment to arrive at a reasonable materiality result.

Overall, with regards to the methodologies and assumptions applied in the described process of the DMA, we recognize that professional judgement and assumptions have been used to draw conclusions. For example, due to lack of direct insights into all the specific steps and activities of Embracer's value chain, specifically related to the tiers of the upstream and downstream that go beyond direct relationships, we have leveraged external sources and sector experts to inform the analysis. This includes assumptions on activities further up the production tiers, as well as in the use-phase of the games and end-of-life stages where we currently do not have the traceability to assess direct information. Hence, we have relied on information from business partners, judgment and publicly available sources such as proxies relevant to the global gaming sector, generic industry data and reports as well as country-specific reports where relevant to build the Group's understanding.

DOUBLE MATERIALITY ASSESSMENT - RESULT
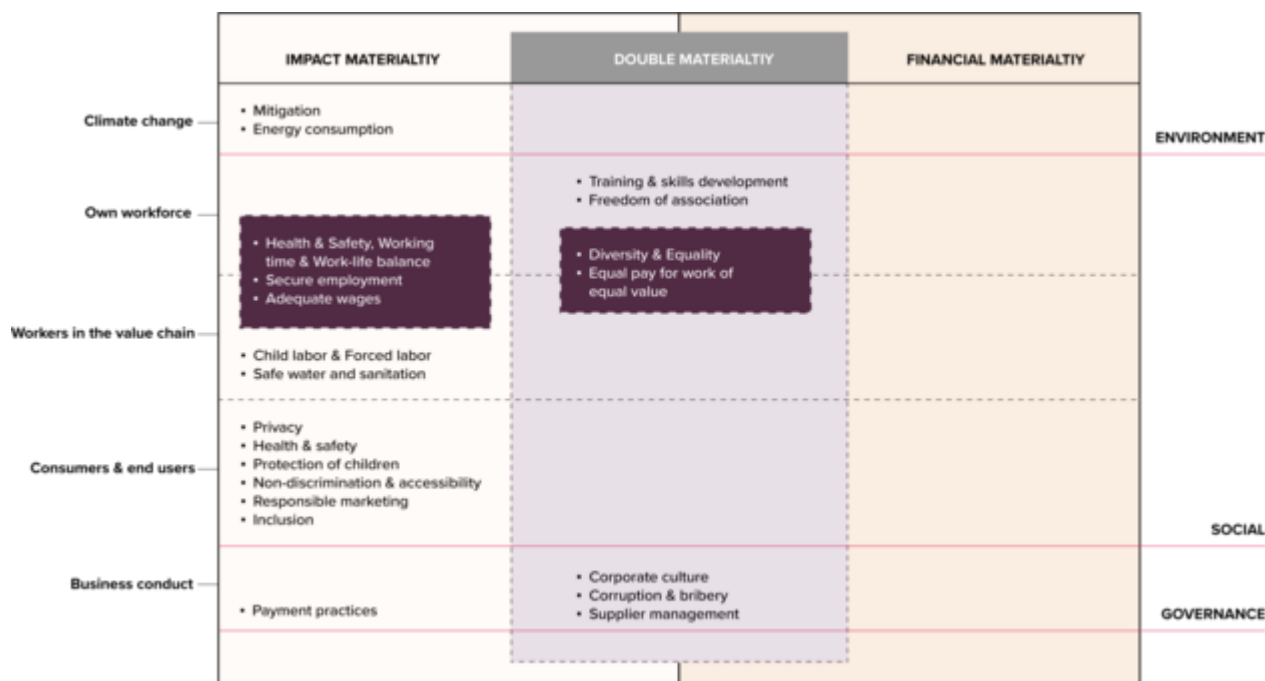
[1] No material topics were identified as having solely a financial materiality.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

OUR MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In this section we outline a summary of Embracer Group's material impacts, risks and opportunities (IROs) and how they interact with the strategy, business model, and value chain as described on page . Since this is the first time we present the Group's material sustainability matters following the double materiality approach, there are no changes to the material impacts, risks and opportunities compared to the previous reporting period. Overall, we continue to report on similar aspects of environmental, social and governance topics as in previous sustainability reports, although now in a more detailed format intended to partially follow the establishment of the ESRS framework that has inspired this year's sustainability report.

As of today, and where applicable the material impacts, risks and opportunities are covered by the ESRS Disclosure Requirements and we have not developed any entity-specific disclosures. One important note for this year's report is that we have decided to take inspiration from ESRS and disclose the requirements for selected ESRS standards on a voluntary basis, namely ESRS 2 and ESRS E1. Material social and governance topics on the other hand, are reported following principles of previous reports and are thereby not CSRD aligned. Next year we will implement all material ESRS into the report following the legal requirements of the CSRD according to the Swedish ratification of the directive. The table below provides an overview of where in the operations and value chain sustainability matters are concentrated, for a reference to the specific disclosure requirements under the relevant topical ESRS refer to Content Index.

ENVIRONMENT		
Topic	**Description of IROs**	
Climate change	**Impact Materiality:** Material	**Financial Materiality:** Not material
	Value chain: Upstream, own operation & downstream	
	At Embracer Group we are causing GHG emissions from our own operation (in Scope 1 and 2) and we are linked to GHG emissions generated both upstream and downstream (in Scope 3). These together contribute to negative impact on climate change and are mostly driven by energy-related dependencies across our entire value chain, including in the user-phase of our products. These energy dependencies are mostly related to our, and the games and entertainment industry's reliance on the latest technology to uphold business. However, climate change and related dependencies are not expected to trigger significant financial effects to our operations, neither physical nor transitional. It is thereby deemed non-material for reporting from a financial materiality perspective.		

Topic	Description of IROs	
Own workforce and workers in the value chain	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream & own operation	
	At Embracer Group, our employees are fundamental for the continuous success of our operations. This also include all the contractors that we engage. It is through our workforce that we leverage a broad range of capacities to deliver on creativity and positive impact within the games and entertainment industry. As such, the people that we employ are our most important resource. This comes with a responsibility to ensure that, while running a dynamic business which is under continuous movement, we priorities the well-being, personal development and engagement of our people. For instance, we acknowledge that our employees may sometimes work under high pressure e.g., in meeting deadlines for new launches. This means that a focus on ensuring a good and healthy working environment is key to prevent work related ill-health or similar. Additionally, in the relationships and interactions that take place between colleagues and leaders everyday there is always the risk of behavior occurring that goes against our values. We acknowledge that social dialogue, diversity, equality, inclusion and skills development are essential for retaining and attracting talent. Hence, for social sustainability matters we consider them to be material from both an impact materiality perspective and a financial materiality perspective (double materiality). The same reasoning applies to the workers in the value chain, ensuring respect for fundamental human rights and labor rights, specifically related to certain vulnerable groups . This is mainly due to increased risk factors, the activities and the locations of where these take place in the value chain. Hence, sustainability matters related to own workforce and workers in the value chain are material from both an impact materiality perspective and a financial materiality perspective.	
Consumers and end-users	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream & own operation	
	At Embracer Group, the reason for our existence 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 we can create positive impact by allowing users to temporarily disconnect from reality and engage in enjoyable 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, we also acknowledge that gaming and entertainment products could potentially have a negative impact on habits, especially if over consumed. With emphasis on particular groups and children that are more vulnerable, overconsumption could lead to health implications or even financial consequences to users. In addition, through games and entertainment we could potentially influence the perception and views of gamers in relation to various cultural and social topics depending on our storytelling. This means that diversity and inclusion in games and entertainment, as well as digital well-being are key matters to us, alongside a focus on responsible marketing, transparency, integrity, information security and privacy. Hence, sustainability matters related to consumers and end-users are material from both an impact materiality perspective and a financial materiality perspective.	

GOVERNANCE

Topic	Description of IROs	
Business conduct	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream, own operation & downstream	
	At Embracer Group we are engaging employees, consumers, and business partners all over the world. In managing a global business, we must comply with all applicable international, national and local law as one fundamental aspect of how we do business. Beyond legal compliance, matters such as business ethics and responsible corporate culture are important factors to both our own operations and for our business relationships. Additionally, the possibility to report grievances related to our operations and value chain in an anonymous and safe way is also fundamental for granting whistleblowers protection. This is also key to help us ensure that we are continuously informed about potential breaches to our own commitments and values, as well as the regulatory and voluntary frameworks that we must align with. Hence, sustainability matters related to business conduct is material from both an impact materiality perspective and a financial materiality perspective.	

We assess that the resilience of the Group's strategy and business model is strong related to Embracer's capacity to address material impacts and risks, and to take advantage of opportunities. With growing awareness, sustainability has become a crucial topic in the games and entertainment industry, encompassing both social, governance and environmental responsibility. Notably, the financial sector's dialogue is evolving, with investors increasingly seeking to invest in companies that adhere to principles of responsible business conduct. We strive to focus the sustainability efforts on the matters where we can have the greatest positive development or where we can be part of the solution and drive change. We also believe that the on-going transformation of Embracer Group will make us even better fit to manage sustainability matters as we get closer to the markets for each of the segments.

SOCIAL INFORMATION

We create great games and entertainment while simultaneously empowering Embracer Group's own workforce and striving to have a positive impact on both workers in the value chain as well as end-users. This reflects the ambition to embrace creative independence and inclusion, enable both employee and digital well-being, and support the Group's communities. By doing this, we attract and retain top talent and push for change in society.

OWN WORKFORCE AND WORKERS IN THE VALUE CHAIN

OUR PEOPLE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on the website, that outlines the Group's commitments towards the people, environment and governance. Specifically related to people, it addresses areas such as working conditions, corporate culture, Human Rights and Labor Rights. Furthermore, the Group's sustainability efforts contribute to fostering an inclusive and engaging corporate culture, where every employee should feel valued and empowered to participate actively in the company's growth and success. Ensuring leaders have the right conditions to manage teams and enhance organizational value. Additional information on commitments within these areas, are stated in the following adopted policies and steering documents: Group Human Resources Policy, Group Internal Privacy Policy, Embracer Group Code of Conduct and Embracer Group's Supplier Code of Conduct.

SECURE EMPLOYMENT AND DIVERSITY & EQUALITY

At Embracer Group, we aim to maintain a safe and inclusive workplace where all employees can grow professionally. We focus on developing employee skills and competences and monitor their well-being through performance dialogues at the individual level and other measures. Diversity and inclusion in skillsets and perspectives are key components of the approach taken to create a dynamic and inclusive workplace. We understand the challenges posed by divestment, transformations and organizational change. Yet, we strive to maintain an environment where talents are nurtured and empowered. Recognizing the importance of diversity not only in recruitment but also in retaining talented employees is of the utmost importance. Currently, 27% of Embracer's workforce are female, compared to 30% last year. The decrease is primarily linked to organizational changes, mostly related to the Asmodee spin-off. While this is a shift in the previous trend towards overall gender balance, the commitment to fostering an inclusive culture across the group remains firm. Representation in management also reflects this trend, with 23% female managers compared to 26% the previous year. Encouragingly, the share of women among employees under 30 remains comparatively higher at 30%, indicating continued progress in attracting young female talent, despite a slight decline from 34% last year. The diverse skills and perspectives that this global presence brings are invaluable to Embracer's ongoing success and serve as a source of pride within the Group.

EMPLOYEES[1] BY CONTRACT TYPE

Contract Type	Female	Male	Other	Total
		2024/25		
Permanent employees	1,369	3,692	18	5,079
Temporary employees	86	258	1	345
Non-guaranteed hours employees	5	13	0	18
Total Employees	**1,460**	**3,963**	**19**	**5,442**
Gender Distribution	**27%**	**73%**	**0%**	**100%**
Non-employees[1]	*N/A*	*N/A*	*N/A*	1,040
Total Headcount	**1460**	**3963**	**19**	**6,482**

[1] Employees are individuals who are in an employment relationship with the company according to national law or practice. Non-employees refers to individuals who are not directly employed by the company, such as contractors, and freelancers.

EMPLOYEE AGE DISTRIBUTION   **2024/25**

Age Group	Female	Male	Other	Total	Age Distribution
<30 years	441	945	10	1,396	**26%**
30-50 years	879	2,641	9	3,529	**65%**
>50 years	140	377	0	517	**9%**

EMPLOYEES BY COUNTRY   **2024/25**

Country	Female	Male	Other	Total	Country Distribution
USA[1]	298	884	7	1,189	22 %
Germany[1]	175	488	3	666	12 %
Canada	120	390	3	513	10 %
Italy	66	334	0	400	7 %
Austria	183	201	1	385	7 %
Other	618	1,666	5	2,289	42 %
Total Employees	**1,460**	**3,963**	**19**	**5,442**	**100 %**

[1] *USA and Germany represent at least 50 employees and at least 10 percent of the total number of employees.*

EMPLOYEES BY REGION   **2024/25**

Contract Type	Europe	North America	Asia Pacific	Middle East	Total
Permanent employees	3,235	1,677	120	47	5,079
Temporary employees	227	25	93	0	345
Non-guaranteed hours employees	11	0	7	0	18
Total Employees	**3,473**	**1,702**	**220**	**47**	**5,442**
Distribution by Region	**64 %**	**31 %**	**4 %**	**1 %**	**100 %**

Embracer Group AB, Karlstad

As part of Embracer Group's commitment to upholding the UN's Declaration of Human Rights, we maintain a zero-tolerance policy against all forms of discrimination and harassment within the Group. During the year, we re-conducted the annual Code of Conduct training, with 71% (72%) of employees and contractors completing it. Employees are encouraged to report breaches of Embracer's Code of Conduct to their immediate managers. Employees can anonymously report breaches using the whistleblower communication channel. In its legal sense, zero incidents falling under the legal definition of whistleblower matters, were reported and handled within the Group in the past year. 18 messages that are not assessed as whistleblower messages under the law have been reported to the Group's whistleblower system and provide us with valuable information about Embracer's global operations. The messages are managed based on the team's assessment and in consultation with the relevant units.

EMPLOYEE WELL-BEING

During the year, we have continued the efforts to develop leadership and teams within the group. Embracer's employee survey is a tool that indicates the well-being of employees in the group and how they perceive various aspects of their workplace. The employee survey forms the basis for the Group's leadership, team building and well-being work. The process includes interviews as a supplement when beneficial to even more precisely address the challenges and opportunities for improvement at each specific workplace. The initial survey in 2020/21, provided valuable insights that laid the foundation for investing in a more systematic approach. This step has since increased the priority of these issues across the group. One example of a proactive approach is PLAION, who has developed and implemented its own leadership program supported by group initiatives on leadership and team development.

In March 2025 the Group's fifth annual employee survey was performed. Over 5000 people in over 100 of Embracer's entities across the globe participated in the survey. The Global Employee Survey is based on a six-scale self-assessment format from "completely disagree" to "completely agree" that is recalculated in index points from 0 to 100, where 100 reflects the best result. With a 77% (83%) response rate in the Group the results form a solid base for analysis and conclusions made about satisfaction and engagement.

EMPLOYEE SURVEY	2020/21	2021/22	2022/23	2023/24	2024/25
Average satisfaction rate	79/100	81/100	80/100	76/100	78/100
Work environment	79/100	82/100	81/100	78/100	81/100
Collaboration	80/100	82/100	83/100	81/100	84/100
Engagement	82/100	83/100	82/100	79/100	81/100
Management culture	–	–	73/100	67/100	70/100

Despite a challenging year, with transformational changes, Embracer's latest survey indicates that we've managed to maintain a high level of employee satisfaction and engagement given the circumstances, with an increase of the average rate of 78 compared to 76 last year. This increase is consistent across the four aspect areas, which indicates that Embracer's companies are dedicated to raise and maintain the satisfaction employees have shown over the years. Enhancing the management culture remains a prioritized area with considerable room for improvement and dedicated resources. Embracer has a strong commitment to addressing this, acknowledging the significant work needed to elevate the standards. The focus includes fostering a culture that values transparency, accountability, and continuous development. By integrating these principles more deeply into operations, we aim to create an environment where all members of the organization can thrive and contribute to collective success.

The survey results indicate progress in several key areas, with the largest improvements observed in questions related to Corporate Social Responsibility, Operative Group Management and Internal Communication. Embracer's commitment to combating all forms of discrimination and harassment remains the highest-scoring area, with a score of 88. From a cultural perspective, Embracer's employees continue to demonstrate strong collaboration skills, particularly in working with colleagues from diverse cultural backgrounds, achieving a satisfaction score of 87. Moreover, mutual respect and appreciation are evident in the workplace culture. The survey also highlights areas for further development. In last year's feedback, employees expressed their expectations on internal communication had not been fully met, a score which has improved this year.

Embracer Group utilizes the Employee Net Promoter Score (eNPS) to gauge global employee well-being. The eNPS evaluates how likely employees are to recommend the company as an excellent workplace. In 2025, the eNPS was 20 compared to 17 in 2024. We acknowledge this improvement and also see opportunities for further enhancement. Consequently, additional efforts will be made to elevate this score.

The results are reported to the Board of Directors and discussed in senior management teams at both group and local levels. These findings serve as a very important guide for prioritizing future activities within the organization.

Using a traffic light system, companies that have concerning results in any key area receive support from the Parent Company. Encouragingly, companies that have received assistance in the past years have shown significant positive changes, indicating the effectiveness of this support system in driving improvement.

Employee turnover as a percentage of total employees was 20% during FY 2024/25, up from 19% the previous year. Data includes reasons for turnover and states that approximately equal numbers of employees left voluntarily as were dismissed. New hires as a percentage of total employees were 16% during FY 2024/25, the same as last year.

EMPLOYEE NEW HIRES

	Female	Male	Other	Total
	2024/25			
Total new hires	266	580	2	848
- share of total new hires	*31 %*	*68 %*	*0 %*	*100 %*
Employee New Hire Rate [1]	**18 %**	**15 %**	**11 %**	**16 %**

EMPLOYEE TURNOVER

Reason of Leaving	Female	Male	Other	Total
	2024/25			
Voluntarily	203	354	3	560
Due to dismissal	121	391	5	517
Due to retirement	3	4	0	7
Due to death in service	0	0	0	0
Total	327	749	8	1,084
- share of total turnover	*30 %*	*69 %*	*1 %*	*100 %*
Employee Turnover Rate [1]	**22 %**	**19 %**	**42 %**	**20 %**

[1] *As a share of total number of employees by gender.*

TRAINING & SKILLS DEVELOPMENT

We strive to establish a creative environment and support engaged employees continuing to develop their own skills Performance and career development reviews are formal assessments where an employee's work, skills, and contributions are evaluated to provide feedback, set goals, and encourage development. Performance reviews are used to summarize the past year, follow up on previous discussions, and lay the foundation for upcoming salary reviews. 86% of Embracer employees have participated in such reviews this year.

The Parent Company offers educational initiatives such as webinars or through the UN Global Compact Academy shared on our internal platform. Given our business model, group companies independently plan for training and skill development..

This year, Embracer Group is participating in the Swedish Government's Business Council, initiated by Minister for Migration Johan Forssell, to enhance Sweden's attractiveness to highly skilled professionals. Alongside a select group of other Swedish companies, we are committed to contributing to and developing concrete solutions that bolster Sweden's competitiveness and ability to attract international talent.

HEALTH AND SAFETY

Overall health and well-being are assessed in the employee engagement survey. The annual results, scoring 80/100 (77/100) for work-life balance, show most respondents manage a good personal and professional balance. Notably, 95% of employees within Embracers group companies are covered by health and safety management systems, established to prevent work-related injuries based on legal requirements or recognized standards or guidelines. And 73% of employees are entitled to mental health support via the company. For non-employees, this coverage extends to 30%. No work-related fatalities were registered among Embracer's employees, non-employees or other workers on undertakings sites.

Collective bargaining agreement coverage stands at 24%. 19% of Embracer Group companies confirmed the presence of a works council or a similar employee representative body at their company.

Social protection is a vital aspect of employee welfare, covering various areas of potential income loss. Our data states that, 93% of Embracer Group companies confirmed that all employees are covered by social protection against loss of income due to sickness. Additionally, 74% of companies reported that their employees are covered against loss of income due to unemployment. Coverage for employment injury and acquired disability stands at 88%, while protection against loss of income due to parental leave is at 89%. Lastly, 85% of companies stated that their employees are covered by social protection against loss of income due to retirement.

Among employees 85% are entitled to family-related leave, amounting to a total of 4627 employees. Of the total 627 employees that took family-related leave, 30% were women, 70% were men, and 4 individuals represent the employee group other gender.

COMMUNITY ENGAGEMENT

Almost half of the Group's companies report strong engagement in their local communities, through activities such as volunteer work, charity initiatives and collaborations with different organizations. During FY 2024/25 over 1,400 hours were dedicated to community involvement and over SEK 6 million was donated or sponsored for charitable causes. While these figures are lower than the previous year (9,000 hours and SEK 26 million), the decrease is largely a result of ongoing transformation efforts and cost-saving measures across the group. Despite this, the continued commitment from Embracer's companies highlights the importance placed on contributing to society, even in times of change.

> The Leadership Development program is a crucial part of our strategy to create a strong and positive leadership culture within the organization.

MIROSLAVA MORENO
Senior Director Organizational Development, PLAION

⭐ Leadership development at PLAION

In 2024, PLAION underwent a significant change in leadership. Lead.Better.Together, PLAION's global Leadership Development program, was created to further develop leadership within the organization. The program consists of six modules and focuses on developing common key competencies to more effectively contribute to achieving the organization's vision. All employees from game studios, regional distribution and partner offices, as well as film offices, are included, either online or in person.

"Acquiring new skills, knowledge, and abilities is essential not only for job performance but also for bridging the gap between where the organization is and where it needs to be" says Miroslava Moreno, Senior Director Organizational Development at PLAION. The Leadership Development program is an expression of the shared commitment, across territories and business areas, to maximizing the potential of every leader and leveraging the resources of the global organization.

Through the Vision and Values rollout workshops, a shared understanding of leadership based on core values is established—defining the behaviors that are prioritized and rewarded, as well as those that are rejected. Of course, this effort goes beyond a session; it requires a comprehensive development of employee performance reviews, hiring processes, and many other structural elements.

Another key challenge in leadership culture is diversity and inclusion. The organization's diversity landscape is particularly intriguing; some regional offices have a higher representation of women than men, while certain business areas remain predominantly male-dominated. Some regions actively create opportunities for people with disabilities, whereas others primarily hire locally, maintaining a workforce of the same nationality, language, and even age range. To address this, PLAION's Diversity, Equity and Inclusion Framework was created and an annual DE&I objective was introduced, where each employee commits to a goal. Regardless of the scale or scope — whether the impact is global or local—everyone contributes to fostering a more inclusive workplace.

To support managers in developing their leadership skills and fostering a more positive culture, PLAION's Leadership Development program provides modules consisting of a structured set of activities designed to meet specific learning targets. The modules are delivered by both internal and external trainers, as well as strategic partner organizations such as Amazon.

"In conclusion, PLAION's Leadership Development program is a crucial part of our strategy to create a strong and positive leadership culture within the organization. By investing in our leaders and promoting an inclusive work environment, we ensure that we are well-equipped to face future challenges and continue our successful journey" says Miroslava Moreno, Senior Director Organizational Development at PLAION.

⭐ Solvatten

Solvatten is a solution to clean and heat up water in a sustainable and renewable way. With the support of Embracer Group, we have distributed nearly 6,000 Solvatten kits to families in Kenya and Uganda since 2021. More than 30,000 people have gained improved living conditions in terms of personal hygiene and health and Solvatten reduces climate impact as the families use less coal and wood to heat and clean water. This saves time and money for the families and is an incredibly positive change in their daily lives. Over its lifespan, the Solvatten kits will deliver 250,000 m³ of clean water and avoid the need to cut down 300,000 trees.

Many of Kenya's rural communities depend on firewood and deforestation has been a problem for a long time. Uganda hosts the largest population of refugees in Africa and a majority of them are women and girls who are especially exposed to risks when collecting firewood. Solvatten's vision is for everyone to live a healthy and dignified life with access to clean and hot water. By supporting Solvatten, Embracer Group's helps to improve living conditions for people without clean and hot water in a sustainable and renewable way.

Oliwer Wadström
Deputy CEO Solvatten AB

> **99**
>
> *We must show that it is possible –*
> *and that everyone has a place here.*
>
> **NATALIA**
> *Chief Archivist, Embracer Games Archive*

⭐ Preserving gaming history – and building the future

EMBRACER GAMES ARCHIVE ON DONNA DAY

An initiative for inclusion and innovation

Donna Day is an annual event held during the Sweden Game Conference, an initiative that highlights female and non-binary talent in the gaming industry. Natalia, Chief Archivist at Embracer Games Archive, gave a well-received and insightful talk at this year's event. With a passion for both preserving and making gaming history accessible, she spoke about the archive's work and her own journey in a still male-dominated industry.

Natalia described how the archive, which collects and protects gaming history material from around the world, works to balance long-term archival preservation with the ability to make the content accessible to researchers, developers, and future generations. With a goal of "preserving by making available," the archive is not just an institution for history—but a resource for future innovation.

In her speech, Natalia also highlighted the importance of retrospectives as a tool – not only to understand where we

come from, but to inspire innovation. The old becomes new, and game history is given new life in future productions.

But Donna Day is more than technology and history. It is a forum for representation, community and inclusion. Natalia emphasized the importance of diversity in the games industry – both in content and in organizations – and shared Embracer's ambition to build an open and inclusive work environment where more people can identify and take their place.

She sees the future as bright, but emphasized that more visible role models are needed for young women to dare to see a career in the gaming industry as possible and realistic.

Natalia's participation at Donna Day illustrates how Embracer combines cultural heritage work with active work for diversity, equity and inclusion (DEI) – two perspectives that strengthen both the future of the industry and Embracer.

⭐ Welcome to Bloxburg: A Journey of Growth and Innovation

Coffee Stain Göteborg, a dedicated 17-person team, is responsible for the development of Welcome to Bloxburg, a life simulation game hosted on the Roblox platform. The game began as a solo developer project in 2014 and entered paid early access in 2016. Over the years, it has been supported by a small team before the studio was opened in late 2022 to expand development efforts after joining the Coffee Stain and Embracer Group family.

Welcome to Bloxburg is a life simulation and role-playing game where players create and live out their own virtual lives. In the game, players can choose from a wide range of activities — working virtual jobs to earn in-game currency, building and customizing homes or businesses, driving vehicles, socializing with other players, and exploring the town. The robust building tools and item catalog empower players to construct everything from cozy houses to cafes, hotels, or anything else they can imagine.

"While our core audience consists of teenagers, the game appeals to a broad demographic, located all around the world. We've seen players ranging from children to older adults — even entire families who play together across generations. This inclusivity is something we're incredibly proud of."

The Team behind Bloxburg
Coffee Stain Göteborg

With a diverse player base that includes many younger users, player safety is a top priority, both for the team and the Roblox platform. On the platform side, Roblox continues to keep player safety a focus and provides a comprehensive set of features. These include robust moderation systems, including automatic chat filtering, voice chat oversight, image approval for user-uploaded content, and in-game reporting tools for inappropriate messaging or user behavior. These features are handled by Roblox's moderation team and are supplemented by their platform-level parental controls that can limit player-to-player communications, access to age-appropriate content, and external links.

The team takes additional steps to safeguard players. When players join Welcome to Bloxburg, they are prompted to read and agree to community guidelines, which encourage respectful, supportive, and creative interactions. User-generated content is closely monitored. While creativity is encouraged, it is understood that systems can be exploited. Players can report other player creations they find inappropriate, and once a threshold is met, that content is temporarily hidden from other players, pending review by the internal team. If the creation is found to violate guidelines, the offending account is subject to moderation. Users who submit accurate reports are also rewarded with in-game currency for their assistance in keeping the community safe.

Areas where players can input text are restricted to reduce potential abuse. For instance, the Neighborhoods feature allows players to host private servers, which are publicly viewable by other players — but the names for these servers must be created using a preselected word bank to prevent misuse of custom text inputs. This layered approach ensures a safer experience for all players, while still encouraging self-expression and creativity.

As the gaming and digital entertainment industry rapidly evolves, and as younger audiences gain more access to technology, it is critical that developers lead by example. The team is deeply aware of the real risks that exist in online spaces, particularly regarding predatory behavior. That is why they believe games must serve not just as fun and creative outlets, but also as safe and welcoming environments. Developers, game platforms, and regulatory bodies all have a shared responsibility to stay ahead of emerging technologies that may be misused and to continually improve the systems in place to protect players of all ages.

"It's through open collaboration, transparency, and proactive safety measures that we can collectively build trust with parents and players alike. Our goal is to contribute to an industry that not only entertains but also supports the well-being and development of its players."

Karin Edner Karlsson
Head of Sustainability, Embracer Group

OUR COLLABORATIONS

DONNA DAY

For several years and also during 2024/25, Embracer Group and the operative groups Coffee Stain and Amplifier Game Invest participated as a partner at the DONNA DAY at Sweden Game Arena. DONNA DAY is a day for women, trans and non-binary, who love games, to get together, make new connections, and have fun. At the event, Embracer Group had representatives as mentors from studios to inspire women to take leading positions or start their own companies within gaming. This years theme was "Finding your place in a team and in your life".

SAFE IN OUR WORLD

We support Safe in Our World, an initiative raising awareness about mental health in the gaming industry. Embracer's employees are its greatest resource, and we want to offer the Group's companies and their employees training and other support to manage and prevent mental health issues and, at the same time, raise awareness of mental health in the Group and in the industry.

WOMEN IN GAMES

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

Read more about our collaborations and partnerships at embracer.com

CONSUMERS AND END-USERS

CONTENT IN GAMES AND ENTERTAINMENT

At Embracer Group we believe that embracing differences will create more successful, joyful, impactful, diverse and inclusive games and entertainment. The aim is to cultivate a positive environment for the Group's services, including players and end-users. It is imperative that players feel secure and respected within the platforms and communities provided by us. As individuals increasingly spend their leisure time engaging with digital games, it is crucial to ensure a healthy in-game culture. The ecosystem in which Embracer Group operates, encompassing game developers, publishers, platform providers, and users, recognizes the importance of responsible gaming to maintain a positive experience where imagination and creativity can thrive. Games and entertainment can be for everyone, regardless of background, gender, age, or ability. The broad portfolio entitles making products mirror the audience even better and increasing the accessibility to enjoy them.

INCLUSION AND PROTECTION OF CHILDREN

People play games for fun, to relax, be creative and collaborate with others, just to name a few motivators. This means playing games can have a huge positive impact on people's well-being, however, there are also risks associated with gaming and the products. Embracer is aware of these risks, and the Group's as well as the the industry´s responsibility for mitigating them.

Digital safety and well-being describe the impact of technologies and digital services on people's mental, physical, social, and emotional health. For us, digital safety and well-being means taking responsibility for a good behavior in both games, gaming communities, forums, and other platforms where Embracer's games are played and discussed. This can sometimes be challenging as Embracer Group is not always the platform owner, increasing the need to collaborate with other actors and industry organizations.

Children are more vulnerable and can therefore be exposed and targeted in the digital environment. During the year, Embracer has participated in discussions and knowledge sharing around this topic with NGOs and investors as well as the studios. These discussions have covered the risk children are facing while playing games, and how the group, together with other actors, can work together to improve digital safety so that children can experience games in a safe and meaningful way. This has led to initiating an internal project aiming to leverage the work for safety online and reduce risk. One way the industry is addressing this is through technical parental tools that exist for both PC/console and mobile games. There are tools, developed by industry organizations and industry actors, to help parents ensure a safe gaming environment for their children and encourage them to engage positively in their children's gaming experiences, fostering connection and well-being.

Embracer Group has zero tolerance for bullying, racism, sexism, and other unwanted behaviors. It is also important that games and entertainment are accessible and inclusive for a wide audience. We work on responsible gaming content to reduce negative behavior in chats and forums. 84% of the Group's studios do not use communications or in-game chat forums for most of their games, reducing the risk of toxic behavior. Additionally, 59% of internal studios are active on third-party communities, and half of the studios have a community manager to ensure chats and dialogues follow guidelines. Worth highlighting in this regard is that Embracer Group has carried out a project to ensure compliance with the EU Digital Service Act ("DSA"), which entered into force last year. The group companies in scope have worked on bolstering report functions for chats and meeting other requirements under the DSA.

PRIVACY, AI AND SAFETY

Respect and care for the Group's players' personal data is a cornerstone in how we work to ensure a good environment for them. 36% (34%) of the studios handle end-user data. During FY 2024/25, Embracer Group received five substantiated complaints regarding data privacy and two concerning cybersecurity, all of which have been addressed. Embracer Group companies are evaluated for IT, privacy and AI Governance maturity during due diligence and onboarding processes as well as through a yearly auditing program. The audits are performed both through internal as well as third party auditors. All companies are required to adopt local policies in line with Embracer Group's Internal Privacy Policy and AI Policy. In FY 2024/25 we saw significant focus on raising maturity and awareness with several group wide initiatives covering training, data sharing agreements, audit practices and templates.

AI significantly enhances game development by improving resource efficiency, intelligent behaviors, personalization, and gameplay optimization. It creates more engaging and immersive experiences tailored to each player. AI also accelerates development speed and planning. During FY 2024/25 we focused on coordinating and mapping AI use in the group to find common best practices and powerful cost effective solutions. Embracer's cornerstone principle of human empowerment through AI is more relevant than ever and continues to be be the focus moving forwards.

NON-DISCRIMINATION & ACCESSIBILITY

We believe that all people should be able to enjoy games and entertainment. Accessible games can help combat social isolation, build inclusive communities, and improve the quality of life for people with disabilities. By implementing adaptive gaming technology, the Group is making games accessible to a greater audience, thus bringing joy and inclusiveness, and enabling players with different backgrounds and abilities to play together. Of the 49 game studios that answered the question "Do you proactively work with accessibility within and to your games during the development phase?", almost 70% answered yes. The different needs addressed include challenges from both a physical, social and a cognitive perspective.

COMMUNITY ENGAGEMENT

Creating safe gaming communities involves respectful communication and treatment of players, with zero tolerance for racism, sexism, and other exclusionary behaviors. Nearly half of the Group's studios have implemented responsible gaming routines, ensuring content is inclusive. 38% of studios have diversity and inclusion protocols, acknowledging their importance to Embracer and stakeholders. Steps include

forming inclusivity panels to provide a safe space for developing inclusive products. Studios report having several channels for consumers and end-users to raise concerns or needs. These include community management like Discord servers with various channels for player interaction, news - and bug reports, support email for feedback and issues, forums on Steam and the studio or game website, as well as moderation on social media.

RESPONSIBLE MARKETING

Since Embracer Group is a provider of games and entertainment to a wide audience, transparency, responsible marketing practices and player community engagement are top priorities, especially regarding kids and youth communities. The Group's marketing practices are based on its values and applicable laws and regulations. All marketing activities are monitored, and violations of policies are dealt with promptly. All PC, console and mobile games are rated according to the Pan European Game Information (PEGI) rating system, Entertainment Software Rating Board (ESRB) or other well established rating systems. PEGI helps consumers make informed video game purchases by providing age classifications and content descriptors. The five age categories are 3, 7, 12, 16, and 18, indicating the suitability of a game based on its content. PEGI ratings consider the age suitability of a game's content, not the level of difficulty. For example, PEGI 3 games are content wise suitable for all ages, while PEGI 18 games contain violence or explicit content. Content descriptors offer further details, such as, bad language, or in-game purchases. ESRB is a similar rating providing age rating categories to suggest age suitability, content descriptors, and informs about interactive elements like user location sharing, in-game purchases, user interactions, and internet access.

In-game purchases and loot boxes enable players to buy virtual items or content. Loot boxes are a common definition for a purchase with a randomized selection of in-game items ranging from cosmetic customization to in-game equipment such as weapons, magic potions, vehicle parts, or other in-game resources, either being persistent items or consumables. The system is also known as gacha based on Japanese vending machines with various capsule toys that the purchaser gets randomly. Loot boxes and transparent pricing for in-game content are currently high on the policy agenda within the EU. Recent court rulings in EU member states such as Austria, Belgium and the Netherlands heavily restricts or even prohibits the use of loot boxes. Further, The Consumer Protection Cooperation Network (the "CPC"), which is a cooperation between the EU member states consumer protection authorities, have just launched its "Key Principles on In-game Virtual Currencies" outlining requirements for how prices must be clearly disclosed in real world currency for video games' content. Embracer Group monitors these questions closely, with support from the trade organization Video Games Europe. 86% (80%) of studios within Embracer Group do not have games that include loot boxes or similar features, and out of those studios 80% have policies or guidelines regarding this matter. Complaints related to technical issues and ad content within the mobile segment were received, addressed, and resolved. Embracer Group studious share providing various channels for consumers and end-users to raise concerns, including official website forms, Discord servers, customer service support networks, hotline numbers, and bug trackers.

GAMES PORTFOLIO BY AGE CATEGORY
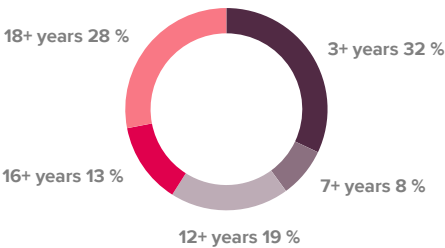
PEGI (The Pan European Game Information) is a European video game content rating system that provides age classifications and content descriptors. The chart includes Embracer's games that sold for more than 1 million SEK during FY 2024/25. This includes PC, console and mobile, both owned and external IP's. Due to updated methodology comparison to last year is not included.

GAMES PORTFOLIO BY GENRE
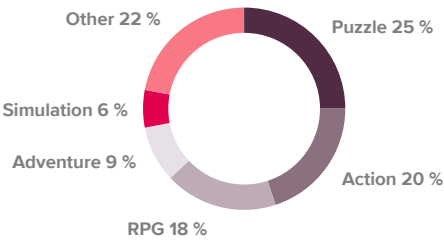
The chart visualizes a simplified overview of Embracer's total games portfolio and include Embracer's games that sold for more than 1 million SEK during FY 2024/25. This includes PC, console and mobile, both owned and external IP's. Due to updated methodology comparison to last year is not included. Genres included in 'Other' are Racing, Casual, Strategy, FPS, MMO, Music, and Sports.

ENVIRONMENTAL INFORMATION

The effects of climate change are becoming increasingly evident, and like all businesses, we have a responsibility to contribute to keeping the planet a place where all can live and thrive for generations. The gaming and entertainment industry generates emissions throughout its value chain, from game development, manufacturing, and data storage to events, travel, and packaging. By reducing Embracer Group's emissions both in operations and across the value chain, and by investing in projects that support the green transition, we can minimize the Group's environmental impact and contribute to greater awareness within the industry.

CLIMATE CHANGE

In this section we outline Embracer Group's climate-related work, focusing on the sustainability matters that are material for the group following the double materiality assessment for the financial year 2024/25. We cover in detail how we address GHG emissions in Scope 1, 2 and 3, as well as Embracer's energy dependencies. Climate-related risks and opportunities are not deemed to be material disclosures meaning the anticipated financial effects have not been quantified and are thereby omitted from the report. However, they will be included in future reports if they are considered material at that time. Please refer to page 10, and page 14, for our entire process of identifying, assessing and managing material impacts, risks and opportunities.

It is noteworthy that the on-going transformation of Embracer Group affects the reported disclosures under ESRS E1 on Climate Change. Where such contextual information is key to understand the disclosures, it is referred to directly in the text as the "transformation". Please refer to page 43 "About this Report", for further information about the transformation and how it affects the Group's disclosures.

OUR CLIMATE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on the Group's website, that outlines the Group's commitments towards the environment, people, and governance. Specifically related to climate change, it addresses areas such as climate change mitigation, renewable energy deployment and energy efficiency.

In short, Embracer's Sustainability Policy includes a commitment to mitigate the negative impact on the climate arising from the generation of GHG emissions. Specifically, to reduce Scope 1, 2 and 3 GHG emissions in alignment with the Paris Agreement, to limit global warming to 1.5°C. The general objective of such commitment is to ensure that we contribute to the global agenda of combating climate change. It is also a cornerstone for the journey towards achieving the Science-Based Targets recently adopted, which are further described under "Our Climate-Related Targets" page 27. Regarding energy, the Sustainability Policy includes a commitment to increase the share of renewable energy in Embracer's energy mix and to improve energy efficiency. The general objective of

such commitment is twofold: to mitigate the negative impact deriving from energy consumption, and to capture energy-related opportunities as well as to prevent energy-related risks such as price volatility.

The scope of the Sustainability Policy applies to the whole Embracer Group. It covers the business activities, employees, and contractors across the geographies in which Embracer and its group companies operate. It also covers expectations for how we engage with actors of the upstream and downstream in implementing policy objectives to address those impacts, risks and opportunities that derive from the value chain.

The process for monitoring compliance with these commitments in the daily business will include ensuring that both the Parent Company and group companies are informed about and follows the Group's Sustainability Policy. For instance, via policy trainings and onboarding programs. Accountability for the implementation of, and compliance with, the Sustainability Policy lies with the Head of Sustainability, which also includes responsibility for translating the commitments into actionable strategies and measurable outcomes that are embedded across daily business procedures.

Embracer Group has played a notable role in the report titled "Code, Climate, Creativity - Game Development and the Green Transition" published by the Swedish Games Industry in October 2024. By sharing the Group's climate data from 2022, Embracer Group, alongside other Swedish peers, contributed to the report and the development of the Play, Create, Calculate toolbox. This toolbox provides instructions for data collection and use of the climate calculator for high-priority and medium-priority categories, helping game companies manage their emissions more efficiently. This initiative demonstrates one way to leverage the industry to support sustainability efforts and inspire positive change.

OUR CLIMATE-RELATED TARGETS

To uphold the Group's commitments described under 'Our Climate-Related Commitment' and to manage climate-related impact, Embracer Group has set GHG emissions reduction targets that was approved by the Science-Based Targets

initiative (SBTi), and adopted by the Board, in the financial year 2023/24.

The set Science-Based target is to reduce absolute Scope 1 and 2 GHG emissions 45% by 2030 from a 2021 baseline year. It is also to reduce Scope 3 GHG emissions 51.6 % per million SEK within the same time frame. These apply to the whole Embracer Group and were developed in accordance with the Corporate Guide of the SBTi. However, considering the on-going transformation, a recalculation of the targets has been triggered. This means that, no later than FY2026/27, we must develop new targets and undergo re-validation in alignment with the SBTi procedures. Since further organizational changes are expected, the target recalculation has not been initiated. We remain committed to reducing the Group's climate impact as we have communicated and to reach the target. We are closely monitoring the changes proposed by the Science Based Targets initiative (SBTi) for corporate climate goals. These changes aim to align the standards with the latest science, address criticisms of current guidelines, and increase corporate ambitions in line with the Paris Agreement.

Overall, the data that informed the target-setting process is consistent with the methodology applied in Embracer's annual GHG inventory in accordance with the GHG Protocol, which is further described on page 30. This means that the targets, as well as the 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 we exclude any form of GHG removals, carbon credits or avoided emissions, if any, for the purpose of understanding the baseline and the performance against targets. Information on the Group's approach regarding offsetting can be found on page 32.

While the Science-Based targets are yet to be updated, we know from previous assessments that key decarbonization levers identified to achieve the targets are mostly connected to Embracer's energy-related activities. For example, to be able to reach the Group's climate-related targets for Scope 1 and 2, it is necessary to reduce the 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 Group's car fleet (88 vehicles). The decarbonization levers will be revised alongside the update of the Group's Science-based targets, mainly since the on-going transformation has led to significant changes in Embracer's Scope 3 categories. Again, please refer to page 30 for details on Embracer's total GHG emissions.

Beyond GHG reduction targets, the Group's energy consumption and energy mix is measured but have yet not adopted specific targets to monitor energy-related impacts, risks and opportunities. Such targets may be adopted over the long-term, if deemed valuable. Due to changes in methodologies and emission factors during the year, the results for Scope 1, 2 and 3 cannot be compared with the baseline data. Embracer will work to re-balance the baseline to ensure comparability for effective progress tracking.

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OUR ENERGY CONSUMPTION AND ENERGY MIX

During FY 2024/25, Embracer Group consumed a total amount of 15,427 MWh of energy, including energy derived from both non-renewable sources and renewable sources consumed in the own operations.

The total energy consumption, broken down by energy source, constitutes of 8,430 MWh of fossil energy, 226 MWh of nuclear energy and 6,771 MWh of renewable energy. This means that the share of renewables in the energy mix equals 44% (40%), and the share of nuclear equals 1% of the total energy consumption of Embracer Group. This is presented in the table below.

Energy consumption and mix (MWh)	2023/24	2024/25
6. **Total fossil energy consumption**	**9,565**	**8,430**
Share of fossil sources in total energy consumption (%)	*60 %*	*55 %*
7. **Total nuclear energy consumption**	N/A	**226**
Share of nuclear sources in total energy consumption (%)	N/A	*1 %*
8. Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	N/A	17
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	6,384	6,549
10. Consumption of self-generated non-fuel renewable energy	N/A	205
11. **Total renewable energy consumption**	**6,384**	**6,771**
Share of renewable sources in total energy consumption (%)	*40 %*	*44 %*
Total energy consumption	**15,949**	**15,427**

With regards to the total energy consumption from fossil sources and energy intensity based on net revenue, no detailed breakdown is required since Embracer Group does not have operations in High Climate Impact Sectors as defined by the EU. The detailed data points are thereby omitted.

However, with regards to the share of renewables, it includes 17 MWh from renewable energy sources in terms of fuel consumption of biofuels used in vehicles. These fuels are conventional fuels that are not actively chosen but rather fuels such as diesel that include a share of biofuels in the fuel mix due to national regulations. The total of 6,549 MWh of purchased renewable energy includes 6,083 MWh of renewable electricity, as well as 444 MWh of district heating and 22 MWh of district cooling. Moreover, as a result of the installation of solar panels at the group companies PLAION as well as THQ Nordic's Black Forest Games, Embracer Group consumed a total amount of 205 MWh of self-generated renewable energy. Other than that, we do not have any non-renewable energy production at the Group's facilities.

The figures presented in the table constitute the consolidated amounts within the entire Embracer Group. Observe that the comparative figures are the result after recalculation of the energy consumption, excluding the recently divested group companies due to the transformation. Overall, the total energy consumption of Embracer Group has decreased by 522 MWh (-3%) compared to the previous financial year. In contrast, the share of renewables in the energy mix increased by 387 MWh (+6%) compared to last year. These changes reflect Embracer's ambition and long-term commitment to energy efficiency and switch towards renewables. For more details on the GHG Emissions please refer to page .

Methodology for calculating Embracer Group's energy consumption and energy mix

The energy data is based on direct measurements of the actual energy consumption, excluding eventual offsetting, at each individual group company of Embracer Group respectively. The energy data is gathered in conjunction with the annual GHG inventory. Thus, it is the same data that is used to calculate the energy-related GHG Emissions in Scopes 1 and 2 according to the GHG Protocol as outlined under E1-6.

Reliable energy data is mostly available through direct supplier information, or the review of invoices related to the purchased or acquired electricity, district heating and district cooling. In some cases, energy consumption is obtained from monitoring systems installed directly at the facilities, or from landlords. Where energy data has been unobtainable from certain group companies, we have estimated the energy consumption and mix by using data from previous years and energy-intensity values based on number of employees and total area of facilities.

The collected raw data for energy has been converted into MWh using conversion factors from the Department for Environment, Food and Rural Affairs (DEFRA) either directly, or indirectly through ratios.

Overall, the figures provided for the energy disclosures are as complete as feasible, without the use of significant assumptions on Group level. The data has been validated internally but has not been reviewed by any external body.

OUR SCOPE 1, 2 AND 3 GHG EMISSIONS

Combating climate change by drastically reducing GHG emissions is one of the time's most important challenges to stop global warming. Embracer Group is committed to mitigate the direct climate impact from the own operation and those indirect GHG emissions connected to the development, distribution and use of the Group's digital games. We measure Embracer's total GHG emissions annually to keep track of the progress we make against the climate targets and to ensure we can uphold the commitment, as outlined on page .

In absolute values, Embracer Group emitted a total amount of 781 tCO_2e in Scope 1, 3,449 tCO_2e in Scope 2 (location-based) and 2,348 tCO_2e in Scope 2 (market-based), and 330,833 tCO_2e in Scope 3. Altogether, during FY2024/25, this equals to a total amount of 335,063 tCO_2e gross GHG emissions emitted across all Scopes 1, 2 and 3 (location-based) and 333,962 tCO_2e across all Scopes 1, 2 and 3 (market-based). This is presented in the table below, and the figures outlined are accompanied with information on inclusions and limitations for each Scope respectively.

GREENHOUSE GAS EMISSIONS

Amounts in tCO_2e	2024/25
Scope 1 GHG Emissions	
Gross Scope 1	781
Scope 2 GHG Emissions	
Gross location-based Scope 2	3,449
Gross market-based Scope 2	2,348
Significant Scope 3 GHG emissions	
Total Gross Scope 3	330,833
1. Purchased goods and services	5,032
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	749
4. Upstream transportation and distribution	1,124
6. Business travel	3,253
7. Employee commuting	2,985
9. Downstream transportation and distribution	1,763
11. Use of sold products	315,927
Total GHG emissions	
Total GHG emissions (location-based)	335,063
Total GHG emissions (market-based)	333,962

Scope 1: Out of the 781 tCO_2e Scope 1 GHG emissions, 0% originated from regulated emission trading schemes since Embracer Group is not subjected to such instruments e.g., EU ETS. The Scope 1 measurements include the GHG emissions generated from fuels and gas used in stationary combustion for heating (if any), mobile combustion from company vehicles and fugitive emissions from refrigerants used in HVAC systems. No process emissions, nor any biogenic emissions are accounted for in Scope 1 since it is not applicable to Embracer's own operations. Estimates have been used where precise data is unavailable.

Scope 2: Within Scope 2, the GHG emissions are measured following both the location-based and the market-based approach according to the GHG Protocol Scope 2 Guidance. The Scope 2 measurements, both location-based and market-based, include the GHG emissions generated at the production- and distribution-phase of the electricity, district heating, and district cooling we purchased and/or acquired in the financial year. No steam is accounted for in Scope 2 since it is not consumed by own operations, nor any biogenic emissions are accounted for in Scope 2 since bioenergy is not used.

Scope 3: With regards to the 330,833 tCO_2e in Scope 3, the measurements include those categories that were deemed a priority for us to measure based on the results of a broader Scope 3 screening performed in FY2023/24, alongside the

SBTi submission process. In such a screening the GHG emissions associated with all the 15 Scope 3 categories were calculated and analyzed. This means that, due to immateriality or non-applicability, the remaining Scope 3 categories are excluded from the Group's public disclosures of the GHG inventory. Below follows a short summary of the methodology for each of the significant Scope 3 categories.

> **3.1 Purchased goods and services** is the second largest category in Scope 3 representing 2% of total Scope 3 emissions. It is calculated using primary data obtained from suppliers, such as the actual procurement volumes in tonnes, number of units, or spend. It includes data on the purchased cloud computing and data center services, as well as office consumables, merchandise, packaging, IT equipment (computers, phones, tables etc.) and furniture. It excludes data on larger assets such as buildings, vehicles etc. Estimates have been used where precise data is unavailable. We recognize the potential for improving the data collection process regarding Embracer's physical distribution and warehousing.

> **3.3 Fuel- and energy-related activities** is calculated using the same primary or estimated data collected for Scope 1 and 2 measurements, which also is the energy data provided under E1-5. However, it applies different emission factors to determine the indirect upstream GHG emissions generated during the production phase of the energy consumed at Embracer's facilities. By including this

category, we can understand the full life-cycle GHG emissions of Embracer's energy-dependencies.

> **3.4 Upstream transportation and distribution** is calculated at company level based on tonne-km using primary data obtained from suppliers, such as the transported volume (weight), transport routes (distance) and the applicable transportation mode (vehicle). It includes data on inbound logistic services purchased for transporting goods from the Group's first-tier suppliers to the facilities. Observe that this category is only measured for the companies with significant logistic operation, and not the entire Embracer Group. Estimates have been used where precise data is unavailable.

> **3.6 Business travel** is calculated using primary data obtained from direct measurements from suppliers, such as the actual transporting routes travelled by Embracer Group employees via flight, train, taxi, bus, private cars, rental cars and by boat or similar. It includes data from domestic and international business travels conducted in the year, and the hotel nights. Estimates have been used where precise data is unavailable.

> **3.7 Employee commuting** is calculated using results obtained from employee surveys, and where data were unavailable estimations have been made using data from FY 2023/24 and the change in number of employees. Since the

calculations are based on several assumptions, we have adopted a conservative approach for the estimations used.

> **3.9 Downstream transportation and distribution** is calculated at company level based on tonne-km using primary as well as estimated data on the outbound logistics of sold products. Observe that this category is also only measured for companies with significant logistic operation, and not the entire Embracer Group.

> **3.11 Use of sold products** also continues to be guided by data from FY 2022/23. It accounts for 95% of Scope 3 and 94% of total GHG emissions. It is calculated using 100% of assumptions based on the number of sold digital games and estimates on their different platforms and consoles, average time spent on each game, energy efficiency for each console, and the electricity emissions factors for countries where the games were sold. Since the calculations are based on several assumptions, we have adopted a conservative approach for the estimations used.

GHG Intensity: With regards to GHG Emissions intensity, meaning the total GHG emissions in tCO_2e in relation to net revenue, the result was 15 tCO_2e per SEK 1 million for location-based and 15 tCO_2e per SEK 1 million for market-based. The net revenue amounts used in the denominator derives from note 3 of the financial statement.

Methodology for calculating our Scope 1, 2 and 3 GHG emissions

The GHG emission data is based on direct measurements following the operational control approach according to the Greenhouse Gas (GHG) Protocol. Hence, all figures are the consolidated figures from activities and group companies of which Embracer Group has operational control. All data is collected from each individual group company and is aggregated as a total number for the Embracer Group in this present report. The regular period reflected in the GHG Inventory is the financial year of April 2024 to March 2025, following the same principles of the Group's financial statement, hence not the same as the regular calendar year.

The comparative figures of the GHG emission results between the current and the previous reporting periods, have been recalculated. Hence, comparatives take into account the organizational transformation of Embracer Group where the group companies Asmodee and Easybrain have been divested.

All figures are outlined as gross GHG emissions, hence excluding eventual offsetting from the calculations to ensure a correct understanding of the actual GHG emissions. The GHG inventory includes emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbon (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), measured in tCO_2e using suitable emission factors. Biogenic emissions are considered and disclosed separate when applicable.

For the calculations we use emission factors from sources such as the Department for Environment, Food and Rural Affairs (DEFRA), the International Energy Agency (IEA), and Carbon Footprint LTD. Emission factors for calculating energy-related emissions are selected based on country-specific circumstances, thus using national grid-mix averages based on the location of a given emissions generating activities, for the respective group companies.

Activity data is mostly available through direct suppliers or via internal systems. Where activity data has been unable to obtain from certain group companies, we have estimated the given emission source by using data from similar group companies and calculating the GHG emissions based on intensity values, such as number of employees, facility area or revenue.

Overall, the figures provided for the Group's GHG emissions for Scope 1 and Scope 2 are as complete as feasible, without the use of significant assumptions on Group level. However, for Scope 3 the reliability is expected to be lower due to the complexity and difficulty in ensuring both data quantity and data quality related to activities of the upstream and downstream value chain. The data has been validated internally but has not been reviewed by any external body.

Embracer Group Emissions (tCO$_2$e)	2023/24	2024/25	% Change
Scope 1 & 2	5,213	4,230	-19%
Scope 1	621	781	26%
Scope 2 (location-based)	4,592	3,449	-25%
Scope 3	383,992	330,833	-14%
Total	389,205	335,063	-14%
GHG Intensity per Net Revenue (tCO$_2$e / SEK m)	**2023/24**	**2024/25**	**% Change**
Total GHG emissions (location-based) per net revenue	14	15	7%
Total GHG emissions (market-based) per net revenue	14	15	7%

GHG REMOVALS AND CARBON CREDITS

In the financial year 2024/25, Embracer Group has not actively supported any GHG removal or mitigation projects aimed at permanently remove GHG from the atmosphere. Neither have we purchased carbon credits or engaged in other activities related to GHG removals, storage or offsetting. In Embracer's climate-related policy commitment we specifically underline that reducing its climate impact should by no means involve any sort of offsetting or GHG removals as a methodology. The approach to offsetting is to not use it. Why the specific data points of this disclosure requirement are omitted.

OUR ACTIONS TO ADDRESS CLIMATE CHANGE

In the financial year, Embracer Group has not taken any specific climate change mitigation actions. Therefore, detailed information is not provided. This is attributed to the ongoing transformation, greenhouse gas reduction initiatives, and other strategic actions. For instance, the development of a climate transition plan has not yet commenced.

While acknowledging the importance of being able to provide an understanding that clearly outlines Embracer's GHG mitigation efforts, as well as compatibility with the Paris Agreement, we do not have a climate-related transition plan in place. We are preparing to adopt such transition plan and disclose it in FY 2026/27, after completing the transformation program. Alongside that we expect to concretize the actions and resources needed for its implementation. As part of that development, we aim to integrate financing via the Group's

internal Climate Fund that was established in in FY 2023/24. The purpose of the Climate Fund is specifically aimed at financing internal GHG reduction initiatives, but no funding has yet been assigned. It is expected to be a key enabler for future financial planning and emissions mitigating investments, at both the parent company-level and at individual group companies.

The same reasoning applies for the eventual development of an internal carbon pricing schemes as requested. As of today, we do not apply such approach in current decision-making procedures, but it may become relevant in the future to further incentivize action, and align decision-making with Embracer's climate-related policies and targets.

Other than that, concrete actions that have been initiated during the reporting year concern investments in system support for data gathering. The main objective is to strengthen capacities in the comprehensive data gathering, and to align methodologies for data analysis across the entire Embracer Group. Moreover, we have expanded the sustainability collaboration within the group including valuable resources with experience from GRI reporting to further strengthen the ESG data management team. We see this as preparatory actions to inform and support future mitigation actions in a systematic way, leveraging the competence in the global organization. We believe this is crucial for the success of reaching the Group's climate targets.

EU TAXONOMY

Embracer Group's primary business is to develop and publish PC, console, mobile, and VR games within the gaming and entertainment industry, which is not an economic activity covered by the taxonomy for environmental sustainability. Of the approximately 90 economic activities covered by the Taxonomy, Embracer Group has identified leasing of premises as well as acquisition and ownership of buildings as economic activities that Embracer Group conducts and that may fall within the taxonomy.

Upon closer analysis of how these activities are defined, Embracer Group concludes that the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises, are the only economic activities that Embracer Group conducts that fall within the taxonomy. Based on the above, Embracer Group reports the following information in the tables required by the EU Taxonomy on the following pages:

Turnover

None of the entities within Embracer Group conduct activities covered by the taxonomy for environmental sustainability, so the total is reported as Turnover of Taxonomy-non-eligible activities. The proportion of turnover – see Consolidated statement of profit or loss, row Net sales.

CapEx

Acquisition and ownership of buildings: Shows the proportion of Embracer Group's investments, in the balance sheet, that occur within the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises. Currently, there is no link between financial data and information about leased and owned premises that would be needed to assess taxonomy compliance, so the total is reported as non-taxonomy compliant. The proportion of CapEx – see note 15, row Investments of the year in the column Land and buildings, and note 16, Additional agreements.

OpEx

OpEx corresponds to non-capitalized short-term lease agreements (see note 16), maintenance and repair costs, and other direct costs for the day-to-day servicing of leased and owned premises. The key figure shows the proportion of such costs in Embracer Group that are within the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises and is reported in full as OpEx of Taxonomy-non-eligible activities.

Nuclear and fossil gas-related activities

None of the entities within Embracer Group conduct, finance, or are exposed to nuclear or fossil gas-related activities. The table thus applies to both individual entities and the group as a whole.

Double counting has been avoided by ensuring that only separate cost components have been included in the summation of the relevant activities.

DNSH criteria ("Does Not Significantly Harm")

Embracer Group's economic activity within leasing of premises as well as acquisition and ownership of buildings risks being negatively affected by several of the climate-related risks listed in the EU Commission's annex with technical screening criteria in relation to the taxonomy. Primarily acute risks, such as storms, floods, or landslides, can negatively impact properties, but also chronic risks, such as global warming, can affect properties during their lifetime.

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

Embracer Group's policies and guidelines (see page 39) form the basis for ensuring that the group complies with the social minimum requirements defined in relation to the EU taxonomy. In addition, the group has committed to following the OECD Guidelines for Multinational Enterprises and is working with Human Rights Due Diligence (HRDD) in line with the UN Guiding Principles on Business and Human Rights.

TAXONOMY TABLES

TURNOVER

Economic Activities (1)	Code (2)	FY 2024/25 Turnover (3)	Proportion of Turnover, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%
A. Turnover of Taxonomy eligible activities (A1+A2)		0	0%	0%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		22,370	100%						
TOTAL		**22,370**	**100%**						

TURNOVER | continued

Turnover continued

Economic activities (1)	DNSH criteria ('Does Not Significantly Harm') Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0%		
Of which Enabling	N	N	N	N	N	N	N	0%		
Of which Transitional	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								0%		
A. Turnover of Taxonomy eligible activities (A1+A2)								0%		

CapEx

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
		SEKm	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Acquisition and ownership of buildings	CCM 7.7	210	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**210**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. CapEx of Taxonomy eligible activities (A1+A2)		**210**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		3,928	95%						
TOTAL		**4,138**	**100%**						

CapEx | continued

Economic activities (1)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0%		
Of which Enabling	N	N	N	N	N	N	N	0%		
Of which Transitional	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Acquisition and ownership of buildings								6%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								6%		
A. CapEx of Taxonomy eligible activities (A1+A2)								6%		

OpEx

Economic Activities (1)	Code (2)	FY 2024/25 OpEx (3)	Proportion of OpEx, year 2023/24 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%
A. OpEx of Taxonomy eligible activities (A1+A2)		0	0%	0%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		13	100%						
TOTAL		13	100%						

OpEx | continued

Economic activities (1)	DNSH criteria ('Does Not Significantly Harm') Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0%		
Of which Enabling	N	N	N	N	N	N	N	0%		
Of which Transitional	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								0%		
A. OpEx of Taxonomy eligible activities (A1+A2)								0%		

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

SUSTAINABILITY GOVERNANCE INFORMATION

We have a solid governance foundation and are guided by strong business ethics to ensure that Embracer Group is complying with applicable laws and regulations. This framework, which includes policies and processes applicable throughout the Group, is effectively communicated across the entire organization and permeates our culture and values.

BUSINESS CONDUCT

OUR GOVERNANCE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on our website, that outlines the Group's commitments towards governance, people and the environment. Specifically related to Governance, it addresses areas such as business ethics and sustainable business operations. In concrete, it entails a commitment for Embracer Group to drive a sustainable business built on transparency, integrity, and collaboration in which all ideas on how we can improve are welcome. Additional information on our commitments within these areas, are stated in the following adopted policies and steering documents: Embracer Group Corporate Governance Policy, Embracer Group Anti-corruption Policy, Embracer Group Trade Compliance Policy, Embracer Group Tax Policy, Embracer Group Code of Conduct and Embracer Group's Supplier Code of Conduct.

OUR SUSTAINABILITY-RELATED GOVERNANCE STRUCTURE

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 at the Group-level, including for sustainability matters. The ultimate owner of sustainability is the Board of Directors while various functions and executives are involved in execution the board holds the highest-level of responsibility for ensuring that sustainability is aligned with the company's strategy, risk management and long-term value creation. The Board has delegated responsibility and decision-making for sustainability matters to the CEO, with the Board yet as ultimately responsible, which is further described below.

The Board consists of seven members. Six board members are independent non-executive members (86%), and the Group CEO is the one executive member (14%). The female representation of the Board is 43%. As of today, there is no direct representation of employees and other workers on the Board.

The Group Executive Management Team consists of six members, all of them Senior Executives (100%). These are the Group CEO, the Group CFO, the Chief of Staff, Legal and Governance, the Chief Strategic Partnerships Officer, the Group Deputy CEO who is also the CEO of the Operative Group Crystal Dynamics – Eidos, and the CEO of the Operative Group Coffee Stain. The female representation in the Group Executive Management Team is 33%.

Together, Board members and Senior executives, 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. It includes experiences from the gaming industry, game development, electronics, studio acquisitions, M&A, business transformation, divestment, reconstructions, team culture, governance, business development strategies, product management as well as other sectors such as IT, financial markets and law. For biography, please refer to the Corporate Governance Report on page or the website.

With regards to sustainability matters, the Board has appointed three board members to the Audit and Sustainability Committee. The main task of this Committee is to have an advisory role to the Board. It is accountable for ensuring the quality of external reporting, the efficiency of internal controls, audits, and risk management, as well as the continued development of the sustainability work. However, the responsibility for oversight and the continuous executive management in addressing sustainability-related impacts, risks and opportunities has been further delegated by the Group CEO to the Group CFO. Additionally, to ensure that the sustainability-related governance procedures, oversight and controls are closer to our operations, part of the responsibility to monitor and manage sustainability-related matters in the daily business, has been delegated from the CFO to the Head of Sustainability and to the individual Operative Groups.

The Head of Sustainability is responsible for coordinating engagements with other internal management-level positions with respect to specific material sustainability matters, such as HR Managers for social matters regarding own workforce and Head of Governance & Compliance for business ethics matters. In addition, the Head of Sustainability is responsible for developing and maintaining the overall strategy and agenda within Embracer's sustainability framework. This includes engaging with external stakeholders and subject-matter experts. Part of the responsibility of the Head of Sustainability is also to bridge between the Embracer Group and the Operative Groups through continuous collaboration. The purpose is to enforce the Group strategies within sustainability across all group companies (top-down), facilitating collaboration and synergies for Group wide activities and reporting processes

(bottom-up) within sustainability. The Group's sustainability team works closely with the Group CFO and all Operative Groups, both via direct contact and other forums. The Sustainability Ambassador Group is one forum, set up as a knowledge sharing network with representatives from all Operative Groups. For further information on the reporting lines on sustainability-matters to the Board, the Sustainability and Audit Committee and the Group Executive Management Team, please refer to page 37.

Overall, the Board, 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. However, the continuous monitoring and implementation to ensure progress towards these lies with the Head of Sustainability and the Operative Groups. They do so by accessing a range of internal subject matter experts that can be leveraged throughout the organization. We are also continuously working to strengthen Embracer's sustainability-related expertise to ensure successful management of our material impacts, risks and opportunities. Dedicated controls and procedures for managing sustainability-related information are underway to be established. For further information please refer to page 39. Moreover, we offer training on specific policies for all levels of the organization, from top management to employees. We also have educational initiatives via the UN Global Compact and other external training that employees can undertake.

The material impacts, risks and opportunities addressed by the Board, and its Audit and Sustainability Committee, the CEO, and Group Executive management team, are those sustainability matters outlined on page 14. These sustainability matters are interlinked with the overall business strategy, business model and value chain as described on page 7. Hence, the impacts, risks and opportunities that are associated with different aspects of Embracer's operations are considered when overseeing the strategy and in decision-making on major transactions. Please refer to page 39 for further information on how we also aim to integrate these sustainability matters into our ongoing risk management process.

With reference to the overall governance structure, our administrative, management and supervisory bodies focus on the overarching targets, while management focuses on the more detailed targets and exercising oversight of the process to manage material impacts, risks and opportunities within all ESG areas. The Executive Management Team's role is mainly to stay informed so that sustainability matters can be integrated into and considered in the overall business, strategy and financial planning. During this year we have established an internal steering committee for our CSRD Readiness project, which is led by the Head of Sustainability and includes both the CFO and the Chief of Staff, Legal and Governance. In such forums, we discuss sustainability-related matters bi-monthly and align what matters must be communicated to the Board, the CEO and the Group Executive Management Team for decision making, approval, adoption and implementation of actions. Hence, the Board and its Audit and Sustainability Committee are informed about Embracer's material impacts, risks and opportunities.

With regards to the integration of sustainability-related performance in incentive schemes, Embracer Group has no incentive schemes targeted towards the Board or senior executives. The group's guidelines for remuneration to Senior Executives as adopted by the shareholders include requirements that sustainability targets are to be included in incentive scheme structures, if such exist.

Decisions on the eventual incorporation of sustainability targets as part of incentive scheme structures lie with the Board of Directors, after proposals from the Remuneration Committee (appointed by the Board). The Remuneration Committee is the responsible body for updating, preparing, and monitoring the global terms of Embracer's compensation programs. For further information on remuneration, please refer to page ## of the Management Report.

SUSTAINABILITY ORGANIZATION AND GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The Group performs a Group-wide ERM assessment, which is updated at least bi-annually. In such processes, key risks to our operations are identified and mitigating actions as well as internal control processes are put into place. Identified risks, including sustainability-related risks, are assessed based on events that might impact the achievement of our strategic objectives. For further details on the overall Enterprise Risk Management (ERM) assessment, please refer to page ##.

In our ongoing process, the current sustainability-related risks monitored include the ability to recruit and retain talent, ensuring diversity and a good work environment, including diversity, inclusion and digital well-being in games and entertainment. It also considers aspects related to value chain management and governance. Additionally, sustainability reporting itself is one risk that is assessed alongside financial reporting risks, however dedicated controls for sustainability reporting are yet to be developed and implemented. Up until today, we have prioritized the introduction of various internal control and integration processes related to human resources-related sustainability matters, such as HR-payroll to manage fraud risks in compensation.

With regards to the process for obtaining and analyzing environmental data or other information around sustainability management procedures, we do not have an internal control system in place yet. Data needed for metrics is collected using our digital ESG platform. Through that system we collect data and do internal validation to ensure that the data delivered by the Group's companies is as complete and accurate as possible. Essentially, this means that, Embracer Group currently does not have a formalized risk management and internal control system specifically for the sustainability reporting process. However, we expect that the recent implementation of system support will align our sustainability reporting processes with other procedures applied for Embracer's financial reporting. For instance, the double materiality assessment undertaken as part of the CSRD work creates a basis for our future developed risk mapping and reporting according to the disclosure requirements of ESRS.

GROUP POLICIES

Governing documents and processes developed by the Parent Company ensure that laws, regulations and shared values concerning business ethics are communicated and followed throughout the Group. All Group policies have been developed by management at the Parent Company and subsequently adopted by the Board of Directors of Embracer Group. After the end of the FY 2024/25 the Board adopted our Sustainability Policy, where by the total number of Group policies amount to 18. The implementation phase for new policies in the operative groups consists of dialogues, workshops, guidelines, and instructions to ensure the new policies are implemented in line with the intention. The parent company monitors and evaluates implementation. To secure local implementation and alignment, the Group's policies are available in up to 17 languages. The Parent Company also follows up implementation through the internal control framework and has routines in place to receive confirmation when policies have been implemented. Embracer Group's

internal guidelines and instructions provide support and guidance in the integration of the Group policies and processes.

Embracer Group expects everyone in the Group to conduct themselves in a professional manner and act in line with the Group's Code of Conduct. The Code of Conduct is the foundation for the shared company culture and values and has been implemented in 98% of all companies within the Group according to reported data. The Code of Conduct is divided into three sections: conduct in business, conduct towards employees and colleagues, and conduct in society. Embracer Group strives for a culture based on the values trust, long-term and embracing differences.

The Information Policy is available to all employees, and we also have an Insider Q&A, which supplements the Insider Policy. Embracer's Anti-Corruption Policy has been implemented by 98% of our companies and the re-conducted annual Anti-Corruption and Anti-Bribery training was completed by 76% of our employees and contractors. During 2024/25, we have not had any confirmed incidents of corruption. Our Trade Compliance Policy aims to ensure that the Group complies with sanctions against regimes and persons. The policy requires all third parties operating in high-risk countries to be screened, and a trade compliance clause must be included in both agreements and End-User License Agreements (EULA). All operative groups have procedures in place to ensure compliance with the Trade Compliance Policy. 92% of companies reported implementation is completed, including such as licenses for the Dow Jones screening system to ensure access to updated sanctions lists.

Operative groups are required to have an appointed Compliance Officer, who is the main responsible at the operative group level for compliance and monitoring of Group policies.

WHISTLEBLOWING SYSTEM

Employees and external stakeholders, such as suppliers, can anonymously report violations of the Code of Conduct or other policies through a third-party group wide whistleblowing system. In addition to the existing Global Group Reporting channel, we have implemented 14 local reporting channels to ensure that we fulfill our obligations according to the Directive EU 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union Law and applicable rules on data protection ("the Whistleblowing Directive") as well as any specific local requirements in the EU Member States where we operate. Following relevant national legislation, the system ensures security, anonymity, and legal protection for users. This year, the system did not register any messages that were categorized as whistleblower messages. Nevertheless 18 messages were received - HR-related reports as well as other messages - through the system which have been handled through the appropriate channels. 98% (95%) of companies within Embracer Group have confirmed that all employees have knowledge of the whistleblowing system and how to use it. 71% (75%) of the companies also have a local mechanism in place that provides means to report any unethical behavior safely and anonymously.

18 GROUP POLICIES [1]

> AI Policy	64%	> HR Policy	81%	> Related Party Transaction Policy	88%
> Anti-Corruption Policy	98%	> Information Policy	85%	> Supplier Code of Conduct	83%
> Code of Conduct	98%	> Information Security Policy	87%	> Sustainability Policy [2]	—%
> Corporate Governance Policy	93%	> Insider Policy	88%	> Tax Policy	88%
> Delegation of Authority	91%	> IT Policy	80%	> Trade Compliance Policy	92%
> Enterprise Risk Management and Internal Control Policy	81%	> Privacy Policy	87%	> Treasury Policy	84%

[1] % represents Implementation rate
[2] Under implementation, hence no %

17 GROUP INSTRUCTIONS AND GUIDELINES

> Accounting Principles and Guidelines
> AI Image Guideline
> Authorization Instruction
> Business Continuity Plan
> Employee Handbook
> Enterprise Risk Management and Internal Control Guideline

> Financial Manual
> Guidelines for Non-Audit Services performed by the External Auditor of Embracer Group
> Insider Q&A
> Instruction for Cash Management and Liquidity
> IP Guidelines

> M&A Guidelines
> Onboarding and Offboarding Guidelines
> Password Guidelines
> Privacy Guidelines
> Smarter Business Framework
> Whistleblowing Guidelines

CONTENT INDEX

ABOUT THIS REPORT

OUR GENERAL BASIS FOR PREPARATION AND SPECIFIC CIRCUMSTANCES

This present sustainability report has been prepared on a consolidated basis in accordance with the consolidation approach applied for the financial statement. This means that sustainability information that relate to the following subsidiaries THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos has been consolidated into this presented report. By being included in the consolidation of this present report, the aforementioned subsidiaries are thereby exempted individual reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Major changes in what continues scope of the consolidation primarily result from the ongoing transformation of Embracer Group, for further details please refer to page ## of the Board of directors´ Report.

This sustainability report is the statutory sustainability report required by ÅRL 6 chapter §10. The transformative year, the spinoff of Asmodee and the divestments that have been carried out, have impacted the Group's data collection. Companies no longer part of Embracer Group by the end of FY 2024/25 are excluded from the process and this Sustainability report. Businesses accounting for 99% of revenue are included in the Environmental information reports as well as in the Social and Governance information. Furthermore, businesses representing 97% of headcount are part of the Environmental information reports, and 93% are included in the Social and Governance data. This discrepancy is either due to ongoing divestments or the inability to submit complete data owing to other circumstances. For segment-specific questions (game studios specific), not relevant for all companies, the response rate is 95%.

The sustainability report has been developed using the Corporate Sustainability Reporting Directive (CSRD) and underlying European Sustainability Reporting Standards (ESRS) as inspiration. The CSRD entered into force in Sweden in January 2023. However, the Swedish government has delayed its application for the largest companies by one year. As a result, although European regulations require reporting for the financial year 2024, Swedish companies can begin reporting from financial year 2025. Hence Embracer Group, as a first-wave company, has decided to issue a CSRD-inspired report for the first time this year. For further details on the concrete ESRS disclosure requirements that have been implemented into this report, please refer to the table under page 39.

The sustainability report includes material information related to impacts, risks and opportunities within Embracer Group's own operation and our upstream and downstream value chain. We have 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.

With regards to time horizons, we have 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 the case we have used estimates to fill information or data gaps, we have disclosed relevant information on such methodologies under each respective topic or data point throughout the sustainability report. Hence, all sources of estimations and outcome uncertainty are expressed in relation to the specific disclosure requirements, along with standards and protocols used for calculations. Overall, critical assumptions concern value chain information, especially with regards to the upstream and downstream tiers that occur further away our own operation, for which we lack traceability or insights. In such cases we have leveraged supplier information or relevant sector reports, country reports or other public information to enable informed conclusions to the extent possible. Critical assumptions also concern any potential impact where the concrete consequences cannot be confirmed, as well as future-oriented risks and opportunities. In case of doubt, we have applied a conservative approach and judgment consistently.

With regards to changes in preparation or presentation of sustainability information, we have disclosed changes in metrics and comparative figures from the last report, aligning them with specific disclosure requirements and the applied consolidation approach. These changes primarily result from the ongoing organizational transformation, and such is indicated under each respective disclosure requirement that it concerns.

In some cases, specific disclosures requirements have been incorporation by reference to make this Sustainability report more reader friendly. These references are outlined in table format under Content Index to enable traceability of information.

The Embracer Sustainability report covers data and information aligned with our financial year 2024/25, from April 1, 2024, to March 31, 2025.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 2-43 and that it is prepared in accordance with the Annual Accounts Act. Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, June 19, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

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