

Stillfront Group

ESG questionnaire

September 2023

ESG QUESTIONNAIRE

		Questions	Answers	
General Industry		Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges	Challenge #1	Responsible gaming culture. How we assure a positive gaming experience with an inclusive and positive climate in our platforms and communities.
			Challenge #2	Data privacy and security: Operations aligned with GDPR and other applicable data protection and privacy regulations.
			Challenge #3	Decreasing our scope 3 emissions i.e. energy consumed by users when playing our games.
		Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?	<p>Stillfront is in scope for the taxonomy (listed company, size, revenue). For 2022, Stillfront was required to report on 1) the eligibility of their economic activities, 2) the environmental objectives their eligible activities substantially contribute to and 3) the alignment of their eligible activities with the applicable Do No Significant Harm ("DNSH") criteria and the Minimum Safeguards in line with Article 3. To ascertain whether Stillfront has economic activities which could be eligible for the taxonomy, we have made a thorough analysis of the business together with internal stakeholders and supported by external experts.</p> <p>By screening our business activities, we have identified that our activities as developer and publisher of games, are not covered by the Climate Delegated Act and consequently Taxonomy-non-eligible.</p>	

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E Environment	Please list the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities	Risk #1	1) Increased demand for, and shortages of, electricity. Stillfront's value chain is dependent on a digital environment.
		Risk #2	2) Increased counter-party risk. Stillfront's games are distributed by larger third-party platforms providers.
		Risk #3	3) Climate change could lead to increased costs for Stillfront for example through the increased need for office and server cooling as a result of more frequent heat waves and increased temperature over time.
		Climate-related opportunities	The disclosure of our CO2 emissions ultimately has lead to a better understanding of our emissions and made it possible for us to create a reduction plan.
	Does the firm anticipate any climate-related investments, and if so to what extent?	The identified investments relate to renewable energy for our office premises and further increase renewable energy for our cloud based server solutions.	
Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?	The main resource needed for Stillfront's operations is electricity (for our office premises, servers and for our gamers playing our games). In our climate roadmap, we have identified targets to increase renewable energy for our office premises and further increase renewable energy for our cloud based server solutions. But all in all, Stillfront does not rely on any scarce resources in its operations.		

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	Questions	Answers
E Environment <i>(continued)</i>	Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?	We don't see any business risks with our society becoming carbon-neutral. On the contrary, our value chain is digital and has a low-carbon footprint compared to many other hobbies. Our largest negative environmental impact derives from the emissions of our gamers when playing our games on mobile or browser devices. This also means that we are limited in how much we can impact these emissions, which could be seen as a risk.
	Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?	Stillfront has set near-term company-wide emission reduction targets in line with climate science and with the Science Based Targets initiative (SBTi). We are awaiting validation and approval of our near-term emission reduction targets for scope 1, 2 and 3 by the SBTi, which is expected to be received in November 2023. Proposed reduction targets are in line with the Paris agreement and the 1.5-degree goal.

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	Questions	Answers			
E Environment <i>(continued)</i>	Please list the firm’s (1-2) primary means of making a positive environmental impact or minimizing negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?	Mean #1	Our climate roadmap and action plans to reduce 1, 2 and 3 emissions. Stillfront has therefore set Science Based Targets, which were officially announced in 2022. By having an active and dedicated climate strategy Stillfront can do its share to mitigate the effects of climate change. Stillfront has developed a climate roadmap which identifies the biggest emission sources and how we will tackle them.	Corresponding SDG	Goal 13 is Climate action. To tackle climate change, nations and companies globally need to work together towards the goals set in the Paris Agreement.
		Proportion of sales directly linked to selected UN SDGs	Stillfront does not measure sales in correlation to the UN SDGs.		

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<div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">S</div> <div style="font-weight: bold; margin-bottom: 10px;">Social</div>	Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?	Stillfront does not have a history of accidents. Our employees are working from an office or home office where neither is prone to accidents. Employee satisfaction and wellbeing are key to retaining our staff. We have a shared framework of values and business principles that underpin local implementation. During 2022, no work related injuries was reported and no recordable cases of ill-health and we had zero incidents of discrimination.
	If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team	Diversity, inclusion and equality is an important topic and target for Stillfront. Our target in terms of gender balance is to strive for 40/60 at all levels within the group. In 2022: our board of directors consisted of 50 percent women and 50 percent men and our executive management team 43 percent women and 57 percent men. In our group business management team, the gender balance was 17 percent women and 83 percent men. The group in total, had 31 percent women and 69 percent men by year-end 2022, to be compared with 30 and 70 in 2021.
	Does the company conduct any other community engagement activities aside from those directly connected to the business?	Yes, our 23 studios are active in supporting the communities where they are locally present. Examples of activities can be supporting various charities mostly with focus on humanitarian aid such as supporting war zones, protection of vulnerable groups, taking action in planting trees, ocean clean-ups etc.
	How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?	Stillfront works closely with suppliers to make sure they are compliant with regulatory requirements and our code of conduct also applies to suppliers and partners. We seldom discover incidents not compliant with our code.

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S Social <i>(continued)</i>	Please list the firm’s (1-2) primary means of making a positive social impact or minimizing negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?	Mean #1	We strive to make a positive impact on people and society. We always try to make sure that gaming is not only a great social experience, but we also take responsibility for a safe, equal, and welcoming environment for everyone.	Corresponding SDG	10.2 Promote social inclusion of all
		Mean #2	Stillfront’s most important asset is human capital. We are committed to build a work culture that is including, diverse, attracts talent and is value-based.	Corresponding SDG	8.5 Decent work for all. 5.5 Ensure women’s equal opportunities for leadership
		Proportion of sales directly linked to selected UN SDGs	Stillfront does not measure sales in correlation to the UN SDGs.		

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<b style="font-size: 2em;">G Governance	<p>Do all staff members receive continuing education on anti-corruption? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?</p>	<p>Stillfront has a zero-tolerance stance against bribery, corruption and money laundering and has adopted an Anti-bribery and Anti-corruption Policy that apply to all companies and professionals of the Stillfront Group. Staff members receive continuous training on this.</p> <p>We are further committed to observing the standards of conduct set forth in applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations, including the United Kingdom Bribery Act 2010 and the United States Foreign Corrupt Practices Act.</p> <p>Our external whistleblowing system is publicly available on our website and open for both internal and external reporting. Reports can also be made by e-mail or by post. All reports stay anonymous. Cases are handled in confidence by Stillfront's Whistleblowing Team which comprises the Chairman of the Board and the General Counsel. Historically, no substantial cases have been reported.</p>
	<p>Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen</p>	<p>Stillfront Group AB (publ)'s business tax residence is in Sweden where we are incorporated. Our subsidiaries business tax residences are the jurisdiction where the respective subsidiary is incorporated.</p>
	<p>How many independent members sits on the Board of Directors?</p>	<p>All directors are independent in relation to the company, company management, and the company's major shareholders.</p>
	<p>Please state if and to what extent, the company has transactions with related parties</p>	<p>Service agreements between Stillfront and subsidiaries are concluded on arm's length basis and on market terms. There are no transactions with related parties other than ordinary remuneration/benefit payments to related parties that are employees/consultants of Stillfront.</p>

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	Questions	Answers
<p>G Governance <i>(continued)</i></p>	<p>Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?</p>	<p>The fixed salary shall be based on the individual’s experience, field of responsibility and related to the relevant market. Fixed salary shall be revised annually.</p> <p>Variable cash remuneration: the satisfaction of criteria for awarding variable cash remuneration shall be measured annually. The variable cash remuneration for an executive manager may, as the main rule, correspond to not more than fifty per cent (50%) of the fixed annual cash salary. However, the variable cash remuneration may correspond to up to one hundred per cent (100%) of the fixed annual cash salary of an executive manager if justified by remuneration structures or extraordinary arrangements in the individual case. The variable cash remuneration shall be linked to predetermined and measurable criteria such as earnings, achievements in relation to the budget, the development of the company’s share price, fulfilled sustainability goals and personal performance. Thereby, the variable cash remuneration is linked to the Company’s business strategy, long-term interests and sustainability.</p>

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<b style="font-size: 2em;">G Governance <i>(continued)</i>	Describe the company’s process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken	<p>The board of directors is responsible for Stillfront’s overall strategy, in which sustainability is integrated. The sustainability policy has been adopted by the board of directors. Our management team develops tools and processes that guide the head office and our studios. We have set up specific forums for studio representatives covering the three pillars of our sustainability framework. The EVP Communication, IR & Sustainability is heading the forums and is responsible for execution of the sustainability strategy and priorities set by the board. Our code of conduct, built upon the ten principles by United Nations Global Compact which Stillfront is signatory of, states that all professionals around the world should act as Stillfront representatives and responsible citizens. To ensure alignment on our code of conduct we conduct yearly trainings with all employees.</p> <p>Key policies Stillfront offers a shared structure of values and business principles to underpin local implementation and drive sustainability improvement in our studios. Our key policies include Code of Conduct, Sustainability, HR, Data Protection & Privacy, Anti-bribery & Anti-Corruption as well as Speak Up Procedure. The policies are assessed by the board of directors on an annual basis, and we conduct yearly policy trainings for the group’s employees. In 2022, 100 percent of our employees (excluding employees on leave) completed the policy training, provided by our legal team. For sustainability targets and results for 2022, please read our sustainability report.</p>
	Have you signed a Union agreement?	No

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PAI Numeric	Revenue (EUR)	7,058 million SEK (2022)
	Greenhouse gas emissions; Scope 1, Scope 2, Scope 3	<p>Stillfront’s total GHG emissions for 2022 was 57,394 tCO₂e to be compared with 33,173 tCO₂e in 2021. The increase of CO₂e emissions compared to the previous year is primarily driven by an increase in scope 3 emissions. This is mainly due to improved data coverage and quality where we have revised and updated our calculation methodologies, specifically for estimating Scope 3.11 Use of sold products, which impacted the emissions.</p> <p>Scope 1 includes direct emissions from fuels for heating, delivery vehicles and passenger vehicles as well as from refrigerants and totals 74 tCO₂e for 2022. The emissions in Scope 1 increased by 17 percent compared to 2021. Scope 2 includes indirect emissions from purchased energy such as electricity, district heating and district cooling. The emissions in scope 2 market-based were 493 tCO₂e for 2022. The tCO₂e emissions decreased compared to the previous year, mainly due to an increase in the procurement of renewable electricity, representing 16 percent of total energy procurement (electricity, district heating and district cooling), and 29 percent of electricity procurement (8 percent in 2021).</p> <p>Scope 3 emissions, 56,827 tCO₂e for 2022, represent 99% of Stillfront's total emissions. The category Use of sold products (gaming hours) make up 95 percent of total Scope 3 emissions. In total, Stillfront Group's Scope 3 emissions increased with 77 percent compared to 2021, mainly due to the increase in emissions from gaming hours.</p>
	Share of non-renewable energy consumption	The procurement of renewable electricity, represent 16 percent of total energy procurement (electricity, district heating and district cooling), and 29 percent of electricity procurement (8 percent in 2021).
	Share of non-renewable energy production	Not applicable

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	Questions	Answers
PAI Numeric <i>(continued)</i>	Energy consumption in GWh	Electricity 1,019 MWh
	Tons of emissions to water	0
	Tons of hazardous waste and radioactive waste generated	0
	Unadjusted gender pay gap	No
	Board gender diversity	50/50

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	Questions	Answers
PAI (Yes/No) (continued)	Fossil fuel operations	No
	Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	No
	Science Based Target	Yes
	Reports to CDP	No
	UN Global Compact Signatory	Yes
	Involved in the manufacture or selling of controversial weapons	No
	Whistle blower policy	Yes
	Supplier code of conduct	No