

ESG REPORT: OUR IMPACT ON THE ENVIRONMENT

“WE CONTINUE TO DEVELOP INITIATIVES WHICH ENHANCE INVOLVEMENT OF OUR TEAMS WITH ENVIRONMENTAL ISSUES AND SUPPORT A REDUCED CARBON FOOTPRINT.”

OUR FOCUS FOR 2023

People and Communities

With the increasing importance of environmental issues, expand our involvement to all departments within our divisions. Raise awareness of the environmental footprint of each departments' activities across the Group.



Collecting Data

Collect material environmental data for all divisions.



Carbon Reduction

Establish sustainable environmental practices and carbon reduction plans to reduce emissions, prior to removing carbon to compensate for the remaining emissions as we journey towards net zero.



Range of Influence

As we learn more about ESG, spread this learning to a broader audience both within and outside of the Group, including engaging with our developers and key suppliers on environmental issues.



PROGRESS IN 2023

People and Communities

Within the Games Label we held monthly Green17 meetings and worked with Surfers Against Sewage with team members volunteering to clean three beaches – Blackpool, Scarborough and Skegness for a day. Within astragon, the Environmental Responsibility Team met periodically to discuss green initiatives, including a dedicated “Green Month” to address sustainability and ecological issues. One notable event was the Rhine Clean-up, in which astragon team members volunteered to clean a local section of the Rhine for a day. Within StoryToys, the partnership with Clean Coasts was used to educate their team in environmental issues and some volunteered to clean the Royal Canal for a day.

Collecting Data

We collect Scope 1, 2 and 3 data for Games Label, astragon and StoryToys. As well as analysing this data to compare internally between our divisions, we can also compare emissions with external benchmarks, and look to establish carbon reduction strategies in each area.

Carbon Reduction

New energy efficient computers were issued to all team members of the Games Label during the year, and we are reviewing office energy usage across the Group.

StoryToys have updated their Travel and Expenses Policy to encourage sustainable travel practices, while astragon have taken measures to ensure Waste from Electrical and Electronic Equipment (“WEEE”) compliance and surveyed the team to ascertain where most interest in sustainability issues lies.

We have continued to invest in carbon removal projects through our partner Supercritical in order to cover our Group Scope 1 emissions. Supercritical's experience and insights are proving very helpful in our long-term planning route to net zero.

Our energy reduction initiatives are driven by data gathered for our forthcoming energy audit with NQA.

Other Activities Supporting Environmental Good Causes

In terms of alignment with Sustainable Development Goals our focus has been addressing Sustainable Development Goal 13 (“SDG13”) Climate Change.

We recognise the importance of addressing biodiversity loss as well as emissions reductions. Hence the development of ‘Team17 Forest’ where we have sponsored the planting of 10 trees for each year the Group has been trading with our partners Make it Wild.

As well as addressing climate change and biodiversity loss, this will also be used to educate our teams about environmental issues and the importance of biodiversity. By making our investment in ‘Team17 Forest’, we are raising the profile of the importance of addressing biodiversity loss to our various stakeholders.

This year, the Games Label participated in the World Oceans Day event on Steam with *Dredge* and *Before We Leave*. In co-ordination with our development partners, we donated a percentage of the revenue generated during the five day sale to Whale and Dolphin Conservation.

Expanding our Range of Influence

This aligns with SDG 17 ‘Partnerships for the Goals’ and SDG 16 ‘Peace, Justice, and Strong Institutions’. Developing green content for our games is vital if we are to spread messages to a much broader audience. This is already happening in astragon and StoryToys, who both promote sustainable transport and other green themes in their games.



PROGRESS IN 2023 continued

During 2023 we held bi-monthly meetings with our developer partners to share what we are doing on environmental issues and to learn from initiatives they are carrying out around the world. This peer-to-peer sharing of ideas has proved useful in sharing our green initiatives and learning about environmental differences between studios around the world.

The statistics below are based on emissions data from 1 January to 31 December calculated following the Greenhouse Gas Protocol, which incorporates the Scope 2 location-based emissions methodology. The data has been collected from the business during the year and converted using the conversion factors published by the UK Government. 2022 data has been restated as we better understand our emissions, in particular our gas usage at our offices and categorisation of emissions from commuting.

The Scope 3 categories include purchased goods and services, business travel, working from home and employee commuting. Use of sold products is excluded because we are unable to calculate with any degree of accuracy the energy used by players of our games. End of life treatment of sold products, such as disposal of physically produced games, is implicitly included via the purchased good and services category.

FUTURE PLANS

We are developing a range of initiatives below which will enhance involvement of our teams with environmental issues, gather more data to meet future legislative requirements and enhance our sustainability initiatives and carbon reduction plans and range of influence.

Emissions Reduction Plans

99% of our emissions arise from the following five areas:

- Energy
- Supply chain
- Working from home and commuting
- Travel
- End of life treatment of sold product

Our focus for 2024 will continue to be on energy reductions as identified in our ISO 50001 audit through better supply chain management and travel planning. Moving forwards, the greater use of outsourcing across the Group will add a more flexible nature to our Scope 3 emissions. We anticipate supply chain emissions growing as a proportion of our Scope 3 emissions in 2024 and working from home and commuting reducing as a proportion.

Supply Chain Management

We will use our supply chain analysis to build stronger relationships with our major suppliers and monitor closely what they are doing on carbon reduction, other ‘green’ initiatives, and where they are on their carbon removal journeys.

We will also strengthen our due diligence procedures to ensure environmental credentials are considered in supplier selection.

Net Zero Planning

We will continue to work on net zero modelling in 2024 as we better understand our carbon reduction opportunities on one side of the equation and carbon removal opportunities and costs on the other side. We will involve a broader cross-section of the business teams in this process in the future.

IFRS S1 and S2 and Corporate Sustainability Report Directive

With the broadening of the range of reporting requirements on the horizon (climate change, pollution, water and marine resources, biodiversity and ecosystems, resource use and circular economy) we will put processes in place to gather the additional data required and governance procedures needed to meet the requirements of these standards. Whilst some of this legislation will not be mandatory for some time, we will commence planning to gather the data early in anticipation of future requirements.

Internal Reporting of Emissions

During 2023, we developed Power BI dashboards to summarise our emissions internally. These will be embedded within the reporting process for 2024, thereby engaging senior department heads in our journey towards net zero.

As new data points are identified the data sets will also be expanded in the future.

Scope 1, 2 and 3 Emissions

	CO2e tonnes 2023	CO2e tonnes 2022 (restated)
Scope 1	23	21
Scope 2	124	104
Scope 3	927	972
Total	1,074	1,097
Energy consumption used to calculate above emissions (kWh)	679,618	644,640
UK proportion of energy usage reported	80%	84%
Average number of employees	380	351
Intensity ratios:		
Emissions per FTE (CO2 e tonnes)	2.83	3.13
Emissions per FTE (kWh)	1,788	1,837

