

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT: PEOPLE FIRST

AN IMPORTANT YEAR OF GROWTH FOR OUR GROUP

The past year has been a truly transformational period for Team17. We have seen the addition of StoryToys to the Team17 Group, an acquisition that represented a significant expansion of the Group's operational scale and market footprint within the wider digital entertainment landscape. We have been thrilled to welcome their highly talented team into the broader Group ecosystem, and we are excited by the numerous cross-collaboration opportunities for our businesses going forwards.

314
Employees as at
March 2022
(265 as at
December 2021)

Following the Group's year end, our acquisitions of The Label and astragon in the first two weeks of 2022 mean Team17 is the largest it has ever been, with 314 employees (March 2022) spanning across seven locations in four countries. Whilst the individual identities of our subsidiaries remain distinct, the wider Group is talent-focused at its core, and universally driven by the passion of our people and the pride we share in the high-quality digital entertainment products we develop and publish.

7
Locations as at
March 2022
(4 as at 31
December 2021)

Everyone in the Team17 Group is united by a collective desire to grow a vibrant and inclusive culture where our people can thrive and enjoy creating their best work and realising their potential. We are committed to consistently reviewing and improving our employees' experience, and recognise that the importance of this will only grow as the Group continues to expand.

3
Countries as at
March 2022
(2 as at 31
December 2021)

EMBRACING THE NEW NORMAL WITH A FOCUS ON WELLBEING

Against the backdrop of continuing pandemic-related restrictions, macro-economic uncertainty, and the disruption brought to business operations both at a national and global scale, we are proud of the incredible efforts of our people who have continued to launch multiple titles whilst navigating a further challenging year.

As ever, ensuring both the physical and mental wellbeing of our people was a top priority, and we are proud of the comprehensive support we provided during a further, extended period of pandemic restrictions and remote working. As was the case in 2020, we continued to ensure the necessary infrastructure and protocols were in place to guarantee the safety and peace of mind for all Team17 employees.

The majority of our people continued to work from home for most of the year. As part of our efforts to support team members remotely, we launched our company-wide Jumpstart Fest, a two-month festival of weekly virtual entertainment events such as live virtual comedy shows, a murder mystery challenge, a professional storyteller, and a cosplay competition. This brought everyone together from across the business and provided some reprieve and fun during the drawn-out period of national lockdown at the beginning of 2021. We marked Mental Health Awareness Week with a programme of wellbeing content and activities, and we continued to provide treats by post to celebrate our successes and create a "feel-good" factor for our team members throughout the year.

Recognising that office life provides a key source of social interaction, friendship and support for our people, we were keen to resume this important social element of working at Team17, and arranged various Covid-secure social events at our studios when it was safe to welcome team members back onsite over the summer months. Our employee-led social groups have continued to thrive over the

past 12 months, both on a remote and in-person basis, and span everything from a virtual running network, to photography and board game enthusiasts' clubs.

The first few months of 2022 have been radically different to the previous two years with regard to pandemic-related restrictions, and we have been delighted to see our offices begin to return to their characteristic levels of vibrancy and fun. Whilst there is no knowing what the future holds in terms of further pandemic disruption, we feel confident that we are well prepared to overcome any additional challenges and continue to support our people to the best of our ability.

GROWTH OF SKILLS

We believe that continuing to produce brilliant games and entertainment content relies on providing opportunities for our people to learn, expand their skill-sets, and realise their full potential.

In light of this, we remain firmly committed to investing in the growth and development of all Team17 employees, and introduced a number of initiatives in 2021 to support them in achieving their career goals. These include 'Level Up,' our six-month leadership development course, and 'Kitbag,' our three-month management training programme, both of which aim to develop our next generation of leaders and managers by empowering them to think strategically, engage with their teams effectively, and instil an inclusive, trusting and inspiring work environment across the Group.

During the year, 23% of our people were promoted internally or given the opportunity to go on cross-department secondment, recognising their achievements over the course of the year and incentivising further professional development and career progression going forwards.

LISTENING TO OUR PEOPLE

As we continue to grow, we recognise more than ever the importance of listening to and acting upon our employees' views on the future direction of the business. In October 2021, we carried out our inaugural employee engagement survey for the Team17 Games Label. The results provided valuable and compelling insights into both what we are doing well, and key areas for future improvement.

The vast majority of our people said they were proud to work at Team17 and that they felt the workplace environment fostered a strong sense of belonging amongst employees. Our people also felt appropriate health and safety measures had been implemented in response to the pandemic, and that the necessary provisions were in place to support them as we transition into a post-Covid era.

Going forwards, and based on feedback from the survey, we are conscious of the need to communicate our vision for the business more effectively to our people during what continues to be a transformational period for the Group. Improving in this area is especially important as we continue to integrate Team17's newly acquired subsidiaries into the wider Group framework, and we will work to ensure the necessary systems and processes are in place to facilitate smooth communication and effective collaboration both cross-departmentally and between our affiliate companies.

Employee-led working groups, sponsored by senior leaders, have been created to focus on some of our key areas for change, and we look forward to seeing the improvements owing to their ideas and suggestions.

As well as our internal feedback channels, we have an external whistleblowing line. Our whistleblowing policy can be viewed in the Investor Relations section of our website under Corporate Policies, along with our Anti-Corruption & Bribery policy, and our Modern Slavery policy.

REWARDING OUR TALENT

In the context of ongoing nationwide labour shortages and strong industry competition for talent, we are acutely aware of the importance of rewarding and retaining our talented team members.

We continue to offer an attractive mix of market-benchmarked pay, generous company benefits, and a wealth of learning opportunities to ensure our people feel rewarded and recognised for the great work they do, and supported to further broaden their existing skill-sets and progress within the Group.

In 2021 we carried out a major review of our reward packages at the Team17 Games Label. Following our participation in the industry-wide Croner.biz salary survey at the end of 2021, we moved quickly to ensure our pay was in line with the market, and boosted our overall offering by expanding our benefits package to include BUPA Dental Care, improvements to our existing defined pension contribution plan, increased annual leave entitlement, and an improved bonus structure.

In early 2021, we provided Team17 employees with a complementary games console and free game codes for all our launched titles to ensure all team members are able to play and enjoy our games.

PERKS OF BEING A TEAMSTER

Annual Bonus Scheme

We recognise that company success is a collective achievement, which is why we offer bonuses to every employee so that we can celebrate our achievements together

25-Day Annual Leave

We believe time out from work is important for wellbeing and enables quality time on life's other priorities and interests

Hybrid and Remote Working

We offer hybrid and remote working opportunities to allow our people to balance their life at home with time in studio

BUPA Healthcare

We offer a private healthcare scheme via BUPA and will cover the premium cost of a personal plan. Our scheme covers pre-existing conditions

Subsidised Fitness

We subsidise our employees' fitness memberships, for example their local gym or climbing wall

Free Matching Shares

Every employee receives £1,000 worth of free share options upon joining the Group. We also operate a Share Incentive Plan which enables employees to purchase Shares in the Group, under our Employee Benefit Trust Fund

BUPA Dental Care

We offer a private dental scheme which can be used at BUPA, NHS and private practices across the UK

Console Loans

We offer interest-free console loans up to a value of £500 per annum

Fun Social Events

We put on an array of social events, designed to offer something for everyone, from Cosplay to Spooktacular Halloween parties

Life Insurance

We provide Life Assurance of 4x salary, in the event of death in service

Pension

We offer a generous matched pension plan to help our people save for their future financial security

Bike to Work Scheme

We provide a Bike to Work scheme that allows everyone to acquire a new bike and equipment with nothing to pay upfront

EQUALITY, DIVERSITY, INCLUSION & BELONGING

We are determined to continue to nurture our vibrant and inclusive culture by embracing different outlooks and perspectives and empowering those of all backgrounds and experience levels to have their voices heard.

25%

Female employees
(19% as at 31 December 2020)

74%

Male employees

Whilst the broader games industry continues to be male-dominated, we are proud that our Group's senior leadership team has equal male and female representation. The same is true of our Board of Executive and Non-Executive Directors.

(80% as at 31 December 2020)
1%
Non-binary
(1% as at 31 December 2020)

As at 31 December 2021, our gender mix across the Group comprised 25% female employees, 74% male and 1% non-binary. We are committed to improving our gender balance by seeking ways to sustainably increase the number of women at Team17 to at least 30% of total headcount across all levels. Our full Gender Pay Gap report (as at April 2021) can be found within the Investor Relations section of the Team17 website.

We have established a number of employee-led networks and working groups as a means to create community spaces for our people to connect and socialise. Our LGBT17+ group at the Team17 Games Label, for example, has been a great success, and we expect these networks to continue to flourish as our Group companies increasingly connect with one another over the coming months and years.

We were especially honoured to be the first company to receive the Award for Diversity at the 2021Aim Awards in October. It was a proud moment for all of us at Team17, and only strengthened our resolve to do more to reduce inequality and ensure greater representation both across our business and the broader games industry.

Community

Throughout 2021, our employee-led Charity Committee held fundraising activities and made donations on the Company's behalf to seven charitable organisations as voted for by our people.

We donated to a range of both local and global organisations working to support refugees and people with eating disorders, as well as charities helping to tackle against racism and poverty.

We have also supported the charity [Get Well Gamers](#), which donates games and consoles to hospitals and hospices, and given free game keys to content creators for charity streams.

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT: OUR IMPACT ON THE ENVIRONMENT

COMMITTED TO A SUSTAINABLE FUTURE ENVIRONMENTAL REVIEW

The methodology used to calculate our GHG is the Greenhouse Gas Protocol, a corporate accounting and reporting standard defined by the World Resources Institute and World Business Council for Sustainable Development (“WRI” and “WBCSD”). We have adopted the operational control approach to define our reporting boundary.

Team17’s green initiatives are driven by our employee led Green17 group which was established at the end of 2020.

Green17 is a group of Teamsters helping to promote and address green issues to fellow Teamsters, our suppliers, our customers, and the broader gaming community.

The group meets monthly and is committed to taking steps to reduce carbon emissions, and to engage with supply chain partners, customers, and the wider digital entertainment industry to do the same.

Quarterly email newsletters are sent to all team members on green issues.

The team recognises the need to continually evolve its processes and policies regarding environmental issues, and to routinely share the business’s progress in this area with others.

We have broadened our knowledge of green issues by attending the following:

- Green Games Summit organised by UK Interactive Entertainment (“UKIE”) in October COP26 in Glasgow
- Numerous other online events on sustainability

Partnering

We are developing a range of partnerships to move forward our Green17 agenda.

- Working with UKIE, our national trade body
- Engaged with Playing for the Planet Alliance, a global network of companies in the computer gaming industry set up by the United Nations Environment Programme
- Working with key suppliers to maximise energy, time, and resource efficiency

Initiatives to reduce energy consumption:

- Staff energy / carbon footprint survey carried out
- Rationalisation of our server rooms to match equipment size to demand
- Electric car charging points have been installed at our Wakefield studio
- A lift-sharing scheme has been set up to reduce emissions from employees’ commutes
- We have worked with Octopus EV to set up an Electric Car Salary Sacrifice scheme to promote and support lower cost electric cars for our UK team members wishing to move to all-electric vehicles

Emissions

We continue to work to improve our environmental management and reporting systems and plan to roll our policies out across the wider Group. Emissions are detailed below and show that emissions per FTE have increased this year due to the reopening of our locations for employees after the lock down restrictions in 2020:

	2021	2020
	CO2e tonnes	CO2e tonnes
Scope 1	11	10
Scope 2	99	75
Total	110	85
UK proportion of energy usage reported	100%	100%
Energy consumption used to calculate above emissions (kWh)	482,834	374,794
Average number of employees	263	232
Emissions per FTE (CO2e tonnes)	0.4	0.4
Emissions per FTE (kWh)	1,822	1,615

The statistics above are based on emissions data from 1 January to 31 December calculated following the Greenhouse Gas Protocol, which incorporates the scope 2 market-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 (<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>).

StoryToys emissions have not been included in these estimates as the energy usage since acquisition was less than 40,000 kWh.

We have worked with a team of students from Nottingham Trent University to identify potential energy-savings opportunities within the gaming sector, and hope to use this research to help inform our own energy reduction strategy over the coming year.

Our carbon footprint in our four offices is inherently quite low, however we have been looking at how we can further minimise consumption.

Our calculations do not take account of home working by employees over the lockdown period.

Scope 1 covers gas used in our offices.

Scope 2 covers electricity used in our office and studio locations.

Scope 3 covers the following areas:

- Purchased goods and services
- Use of sold product
- Business travel
- Waste
- Employee commuting
- Fuel and energy-related activities

Committed to the Woodland Trust

£7,500

With over 90% of our sales being digital, we have not included Transportation & Distribution or End of Life Treatment of Games due to lack of materiality.

Team17 has committed £7,500 to the Woodland Trust to plant a minimum of 1,280 trees. Over the course of their lifetime, the trees will collectively absorb 300 tonnes of carbon dioxide from the atmosphere. This is sufficient to cover all Team17's scope 1 & 2 emissions for 2020 and 2021, and therefore is playing a significant role in reducing the carbon footprint of our business.

We are currently working with external experts to estimate our scope 3 emissions.

We intend to carve out a path towards net zero over the course of 2022, and look forward to soon being able to share our plans and ambitions for the future.

The source for our emissions factors is <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>