



ESG Policy

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Digital Bros S.p.A.

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VAT Number IT095

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Milan Companies House No. 290680-Vol. 7394 Chamber of Commerce 1302132

This policy is available in the Governance / Documents and Procedures section of the Company's website at www.digitalbros.com

Please consider that this is an Italian to English translation and that the Italian version shall always prevail in case of any discrepancy or inconsistency

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1. INTRODUCTION

1.1 Premise and scope of application

Digital Bros Group (“**Digital Bros**” and the “**Group**”) globally develops, publishes, markets, and distributes video games for personal computers, consoles and mobile devices through a worldwide network.

Environmental, social and governance (“**ESG**”) principles are fundamental for Digital Bros sustainable development and the creation of long-term value for all its stakeholders. Consequently, the Group has begun to incorporate its values and ESG principles into its business strategy and daily operations. Digital Bros has adopted the **ESG Policy**, outlining the Group guidelines for corporate social responsibility and sustainability. The ESG Policy integrates the [Code of Conduct](#), the [Shareholders Engagement Policy](#) and all other internal procedures and policies. The principles contained in the ESG Policy are implemented by the individual Group companies in their own policies, in compliance with local regulations and international references on sustainability.

The ESG Policy applies to all employees of the Group, including the Board of Directors, and to all those who do business with or on behalf of Digital Bros either permanently or temporarily. The ESG Policy applies to all Group relations with customers, suppliers, and other business partners.

Specific and formalized ESG objectives are integrated, where possible, into part of the variable remuneration of the Executive Directors and other Professionals Figures of the Group.

The ESG performance KPIs applied to the Group reporting and based on selected Global Reporting Initiative (GRI) Standards are attached to the ESG Policy. The ESG performance KPIs are an integral part of the ESG Policy but may be amended and integrated by the Sustainability Manager, previous consultation with the Chief Executive Officers.

1.2 Roles and responsibilities

The Board of Directors has direct oversight of the ESG Policy through the Chairman, the Chief Executive Officers, and the Chief Financial Officer, who is also responsible for Investor Relations.

1.3 Values

Digital Bros is committed to respecting human and labor rights, preserving the environment and combating climate change, fighting corruption and upholding good governance standards. The same requirements apply to the Group’s suppliers. The ESG Policy is developed around the sustainability model outlined in the Code of Conduct, which identifies the principles considered a priority and essential for the sustainable growth of the Group. These principles are:

Compliance with the laws and regulations

All directors, employees and partners must act with full transparency and in compliance with the laws and regulations in force in their territory from time to time. The Group will not start or continue any relationship with anyone not adopting this principle. The Group interest will never justify any action that does not comply with the applicable laws and regulations.

Transparency, correctness and completeness of information

The Group fosters transparency in communication, in the agreements and the disclosure of the principles to enable a fair decision-making process for all the parties involved. Truthfulness, correctness, completeness accuracy and transparency are the foundations of the Group's information and communication.

Value of the person, human rights protection and equal opportunities

The Group promotes the physical, moral and cultural integrity of individuals, ensuring its workplace culture is one of respect and dignity where everyone feels included, supported in their professional growth and sees their well-being prioritized. Digital Bros is committed to protecting and promoting human rights, by prohibiting child labor and fostering equal opportunities in a non-discriminatory work environment.

Conflicts of interest

All directors, employees and partners are required to avoid any situation and refrain from doing business that may cause a conflict between their personal and the Group's interests, potentially reducing the ability to enter into impartial and objective decisions in the interest of the Group.

Confidentiality

Digital Bros safeguards the confidentiality of information collected and does not hold confidential data except for the authorized information held in accordance with current laws and regulations. The use of such confidential information is not allowed otherwise than as provided by current laws and regulations.

Fair competition

Digital Bros adopts a fair competition approach, complies with antitrust regulations and spreads the same framework to all the Group's subsidiaries in accordance with local regulations.

2. VISION AND OBJECTIVES

The integration of ESG factors raises awareness of the risks and opportunities, optimizing the creation of long-term value for all the Group stakeholders. The ESG Policy aims to incorporate environmental, social and governance factors within the Group's operations, ensuring a responsible approach to a sustainable long-term growth.

2.1 ENVIRONMENTAL PROTECTION

Digital Bros intends to adopt a precautionary approach to environmental challenges. The Group is committed to minimizing and optimizing the direct or indirect impacts of its activities on the environment, managing the issue in compliance with current legislation and with the provisions of the main standards, guidelines and principles issued by national and international organizations. Digital Bros encourages its stakeholders to consider relevant any environmental issue and to focus, where applicable, on the following topics in conducting their business:

- Climate change and carbon footprint reduction.

Climate change and carbon footprint reduction

The video game industry has a negligible impact on the environment, as its activities are mainly digital. Most products are sold through digital marketplaces and the Group aims to progressively reduce in-store sales. Although its environmental impact is remarkably low, Digital Bros actively monitors any solution and technology that, once implemented, may reduce the Group energy consumption and the related greenhouse gas emissions, contributing to the mitigation of climate change.

The Group instructs its employees in the responsible use of resources and adequate waste disposal. Digital Bros favors digital communication channels, encouraging paperless offices, with the exception of the documentation that must also be available in paper form by Law.

The Group has begun to incentivize the use of collective transport systems to further minimize its environmental impact.

2.2 SOCIAL RESPONSIBILITY

Digital Bros aims to create a stimulating, rewarding and healthy work environment for its employees, with adequate working conditions. The Group undertakes to respect the human rights of those affected by its activities and to comply with national and local labor laws in the countries in which operates. Digital Bros

encourages its stakeholders to periodically assess ESG risks and to respect fundamental labor rights in carrying out their activities, with particular attention to:

- Responsible supply chain;
- HR management;
- Gamer satisfaction;
- Local communities;
- Innovation and digitalization;
- Human rights.

Responsible supply chain

The correct management of ESG risks is not limited to the Group but is also critical within the supply chain. The Group performs due diligence to evaluate the capacity of each supplier to do business fairly and ethically. Suppliers should operate in full compliance with the laws and regulations in place while promoting a fair working environment respectful of fundamental human rights. Group due diligence also analyses the compensation of a fair salary to the employees. The Group also undertakes to integrate the evaluation and selection of its suppliers and partners with environmental criteria, in addition to social and governance ones.

HR management

As employees are key to its sustainable growth, the Group promotes a healthy and equal work environment where everyone has the opportunity to thrive on merit.

Digital Bros rejects any discrimination based on gender, sexual orientation, race, religion, political and trade union affiliation, language, national origin, age or different ability. Equal opportunities underlie all Group HR processes, including the management, recruiting, training, professional development and the definition of remuneration and welfare systems. The Group is committed to maintaining equality in terms of the pay gap and to enhancing and embracing the diversity of its workforce which helps gain a competitive insight into a diverse and global customer base. The Group rejects any behavior that could give rise to any form of physical, sexual, psychological, verbal harassment or violence against colleagues and partners.

The Group promotes the well-being of its employees. Working hours are compliant with the provisions of the Law and the collective bargaining agreements, where in place, ensuring employees weekly rests, paid holidays and festivities, maternity/paternity leave, sick leave and any other leave to the extent permitted by the Law. The Group also favors remote working.

Digital Bros safeguard the overall health, wellness and safety of its employees and third parties through the adoption of appropriate preventive actions within the Group premises and the training in compliance with local regulations.

Gamer satisfaction

Digital Bros, in collaboration with its partners, is committed to providing safe and high-quality products to the final consumer, increasing their satisfaction through effective and fair competition, in full and absolute compliance with the Law and local regulations in force.

Local communities

Aware of its ESG responsibilities and due to its international presence, the Group is committed to developing projects capable of supporting local communities through the promotion of health and safety, education and socio-economic issues, and the protection of the environment and different cultures, effectively meeting stakeholders' expectations at the same time.

Innovation and digitalization

Innovation is a key element in the sustainable growth of the Group. Digital Bros is committed to researching new technologies aimed at making its business more efficient to satisfy the customers' needs and ensuring the continuity of operations.

Human rights

The Group constantly monitors the impact of its activities on the communities in which it operates, including, but not limited to fundamental human rights, the development of the local workforce and the treatment of local populations. Digital Bros is committed to ensuring that none of the products developed and sold are produced using child labor, prison labor or in violation of any laws prohibiting modern slavery and human trafficking.

2.3 GOVERNANCE

The Group aims to be defined by the highest ethical standards and is committed to fighting corruption in all its forms. Digital Bros encourages its stakeholders to consider relevant any governance issue and to focus, where possible, on the following topics in conducting their business:

- Governance and business ethics;
- Economic performance.

Governance and business ethics

The Group is listed on the Euronext STAR segment of Borsa Italiana and has adopted the Corporate Governance Code approved by the Corporate Governance Committee in January 2020.

Digital Bros aims to uphold the highest ethical standards in carrying out its activities, rejects any act of corruption and operates in compliance with the applicable national and international laws and regulations on the subject. Among other policies, the Code of Conduct and the Organization, Management and Control Model adopted pursuant to Italian Legislative Decree 231/2001 ensure the transparent and responsible management of Digital Bros' activities. The Group also undertakes to respect the laws and regulations in place for the reference sector (e.g., fight against active and passive corruption, fight against money laundering, compliance with tax regulations, and protection of fair competition).

Digital Bros employees, suppliers, customers and partners can report any misconduct through the [whistleblowing system](#) implemented to spread the culture of ethics and legality within the Group.

Economic performance

Digital Bros aims to create and distribute economic and financial value to all its stakeholders, to ensure their economic sustainability.

3. ADOPTION, MONITORING AND REPORTING

The Board of Directors approved the ESG Policy on June 28th, 2022.

The ESG Policy is available in Italian and English in the Governance / Documents and Procedures section of www.digitalbros.com.

The Board of Directors may periodically review the ESG Policy, in order to comply with any future regulatory, strategic or operational changes deemed relevant in terms of sustainability.

Digital Bros is committed to continuous engagement with its stakeholders on sustainability issues. The Group will periodically communicate the ESG results achieved through the Half-Year and Annual reports, the Sustainability Report and any press releases, available both on the website www.digitalbros.com and on the regulated storage mechanism Iinfo (www.linfo.it) where required by the Law.

ANNEX – Material topics and related GRIs

Category	Materiality topic	GRI
Environmental protection	Climate change and carbon footprint reduction	GRI 302-1 - Energy consumption within the organization
		GRI 306-3 - Waste generated
Social responsibility	Responsible supply chain	GRI 414-1 - New suppliers that were screened using social criteria
	HR management	GRI 401-1 - New employee hires and employee turnover
		GRI 403-9 - Work-related injuries (Group employees)
		GRI 403-9 - Work-related injuries (external employees)
		GRI 404-3 - Percentage of employees receiving regular performance and career development reviews
		GRI 405-1 - Diversity of governance bodies and employees
		GRI 405-2 - Ratio of basic salary and remuneration of women to men
		GRI 406-1 - Incidents of discrimination and corrective actions taken
	Gamer satisfaction	GRI 416-2 - Incidents of non-compliance concerning the health and safety impacts of products and services
	Human rights	GRI 408-1 - Operations and suppliers at significant risk for incidents of child labor
		GRI 409-1 - Operations and suppliers at significant risk for incidents of forced or compulsory labor
Local communities	n/a	
Innovation and digitalization	Innovation and digitalization - New titles/licenses developed	
Governance	Governance and business ethics	GRI 205-2 - Communication and training about anti-corruption policies and procedures
		GRI 205-3 - Confirmed incidents of corruption and actions taken
		GRI 417-2 - Incidents of non-compliance concerning product and service information and labeling
		GRI 417-3 - Incidents of non-compliance concerning marketing communications
	Economic performance	GRI 201-1 - Direct economic value generated and distributed
		GRI 201-3 - Defined benefit plan obligations and other retirement plans