

SteelSeries Group A/S

ESG report for 2021

1 January – 31 December

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Statement from the CEO

In 2021 SteelSeries turned 20 and we are immensely proud of what we have achieved in this time. We have constantly enabled gamers of all levels to push their ability to its limits and feel like a star. Much like 2020, this year has been anything but normal, however, our priorities have continued to be our people's wellbeing, innovation and ensuring the availability of our products to customers. In 2021, gaming continued to go from strength-to-strength and we are honored to be part of this unique and diverse community. We could not be more excited to continue our mission of creating the best gaming peripherals for the next 20 years and beyond.

Reflecting on the past and looking to the future, we are more committed than ever to ensuring that our market leading gaming peripherals do not come at the expense of protecting our planet's finite resources, supporting our employees and communities, and respecting human rights across our value chain. COP26 led to renewed commitments to limit global warming to 1.5C and while there was an element of compromise, there is no doubt that the world must change in order to achieve Net Zero by 2050 at the latest and protect the planet for future generations.

We firmly believe that business has a crucial role to play in this transition and we are fully committed to doing our part and will work harder than ever on reducing the impact of our products and operations over the coming years as we further incorporate sustainable design and circular principles into our core business model. We know we have further to go, but we are proud of what we have achieved in 2021. We have continued to develop our ethical and sustainable practices and embed these into our business. Our people's passion and innovation has been vital to SteelSeries' success over the last two decades and we continue to place a strong emphasis on diversity, equity and inclusion across our business and in the communities that we serve.

This year, we continue to set firm goals such as ensuring we are carbon neutral in our scope 1 and 2 emissions by 2025 at the latest and in 2022, we will map and measure our scope 3 footprint so that we can set a reduction target for our full carbon footprint in line with science. In addition, we set targets for our packaging and the materials used in our products to build on the work we have already done in this area.

This is our second year as a signatory of the UN Global Compact and we are continuing to integrate the 10 principles into our business. In a year that has been full of ambitious pledges, we know that this needs to be followed by ambitious action. Innovation has been at the center of our success for

the last 20 years and it will be the key driver of our sustainability action for years to come. I can't wait to see what the future holds.

Ehtisham Rabbani, CEO

Company profile

SteelSeries Group is a leader in gaming peripherals focused on quality, innovation and functionality. SteelSeries designs and sells gaming peripherals, including gaming headsets, keyboards, mice, mousepads and related software. In October 2021, SteelSeries announced that it had reached an agreement with GN Store Nord for the sale of SteelSeries to GN. Much like SteelSeries, sustainability is a strategic focus area for GN and the combination of the two groups will only serve to strengthen performance in this area. The deal closed in January 2022, and we expect to report our sustainability progress in a joint effort with GN Store Nord going forward.

Our products are sold through retail, e-tail, strategic distribution, directly to consumers and our software is an integrated part of our gaming experience.

SteelSeries operates on a global scale with offices in Copenhagen, Chicago, Taipei, Lille, Warsaw and Shanghai. Our products are primarily manufactured by third parties in China, Taiwan, Vietnam, Thailand, and the USA. Software is being developed in Chicago, Lille and Singapore.

Progress in the past year

Below are some of the ESG highlights from FY21:

Environmental highlights

- We achieved significant reductions in packaging size across our headset, mice and keyboard products.
- We brought our high performance Arctis 7 headset and Aerox mouse to market while using less plastic than is required to manufacture a standard headset or mouse.

Social highlights

- We conducted a company-wide employee engagement survey, expanding on the Diversity, Equity and Inclusion (DEI) survey that was first undertaken in 2020.
- We set up a companywide DEI committee to ensure all employees can share their thoughts and we continue to build a culture where people can be their authentic self.

Governance highlights

- We made all suppliers aware of our stringent supplier code of conduct and received acknowledgement from all tier 1 suppliers that they could uphold these standards.
- We rolled-out a new agreement for influencers that sets out a clear code of conduct that they must abide by.
- We developed and implemented a data ethics policy detailing our position on how to treat data ethically across the business.
- We conducted harassment training for all employees globally in line with our anti-harassment policy.

Our sustainability strategy

We truly believe that every gamer should have the chance to feel like a star. We are committed to achieving this vision, but also recognize that our activities can have both a positive and negative societal impact. Our sustainability efforts are driven by the desire to provide high quality and innovative products while minimizing our environmental footprint and being a responsible employer and corporate citizen. The SteelSeries Sustainability Policy reflects our commitment to this and our expectations of those we do business with.

Our sustainability strategy is underpinned by three focus areas: reducing our climate and environmental footprint, being an attractive and responsible employer, and ensuring responsible business conduct. For each focus area we have identified a long-term strategic direction and actions that need to be conducted in the upcoming year and beyond in order to get there. We have also mapped these initiatives to the SDGs we materially impact and the relevant underlying targets to ensure our initiatives are in line with these.

In addition to driving our own sustainability agenda, we aim to proactively act upon the development in stakeholder requirements and our operating environment. Sustainable business is of high priority to many of our stakeholders including our largest corporate customers, with a growing focus on the environmental and societal impact of the products they purchase and sell to end users. SteelSeries is also affected by increasing climate and environmental regulation in countries where our products are manufactured and sold.

In our sustainability work, we focus on the topics identified as the most relevant for SteelSeries as a company and with the largest societal impact. These priorities have been identified through a

materiality assessment of the most important sustainability topics, risks and impacts to be managed by our business. The initial assessment was conducted in autumn 2020 based on internal meetings, workshops and benchmarking within the industry. In 2021, we updated the assessment to ensure that we maintain the right topics and that our activities remain compatible with stakeholders' expectations of SteelSeries as both a company and workplace.

In the following year, we will be working on setting baselines for a wider set of sustainability KPIs in order to set more targets and drive our sustainability performance for the short-, medium- and long-term.

Our 2021 achievements and 2022 plans

Reducing our climate and environmental footprint

Sustainability achievements during 2021

- Set target on reducing direct climate impact (scope 1 and 2)
- Produced two products with lower plastic content
- Reduced single use plastic in product packaging
- Met all identified regulatory and customer environmental demands

Forward-looking sustainability goals for 2022

- Determine scope 3 baseline and commence work towards setting science-based reduction targets across all scopes
- Continue integrating sustainability considerations into product design and development process
- Start preparing lifecycle assessments for our products
- Source FSC certified packaging
- Increase consumer awareness of available recycling schemes
- Investigate ways to extend life of products and offer take back schemes



Being an attractive and responsible employer

Sustainability achievements during 2021

- Added first female member of the Board of Directors (pre-GN ownership)
- Conducted follow-up and expanded Diversity Equity & Inclusion (DE&I) survey to include employee engagement and developed initiatives based on findings
- Established a company-wide DE&I team to engage with employees on social matters

Forward-looking sustainability goals for 2022

- Set DE&I targets for company representation at different levels
- Improve scores on employee engagement survey
- Roll out training on unconscious bias to all people managers and hiring managers
- Implement new employee training platform
- Continue to support our communities through programs that aim to reduce systemic inequality within the gaming and technology industry and beyond



Ensuring responsible business conduct

Sustainability achievements during 2021

- Reviewed and implemented Code of Conduct for suppliers and influencers
- Implemented third-party whistleblower system for employees
- Further developed internal policies, guidelines and training material to promote ethical business conduct
- Harassment training repeated for all staff
- Released updated Sanctions Policy

Forward-looking sustainability goals for 2022

- Perform an initial assessment of supplier sustainability performance
- Incorporate sustainability considerations into supplier due diligence procedures
- Perform targeted training for employees in relation to key company policies and Code of Conduct
- Continue implementation of code of conduct for all employees, suppliers and influencers



Reducing our climate and environmental footprint

At SteelSeries we strive to reduce the environmental and climate impact throughout our operations and value chain. The environmental impact of our own business and operations is somewhat limited and primarily consists of the energy use and waste generated in our offices and employee travel.

Although not directly managed by SteelSeries, we acknowledge that the majority of our environmental impact lies in our upstream and downstream supply chain and we are committed to reducing this impact in partnership with relevant stakeholders. We can also influence this impact through our design decisions, for example, by reducing the size of packaging or the weight and type of materials used to manufacture our products. Building on this belief, we have reduced the packaging size for our headsets, our largest product line, by 47% since 2015. During this time we also reduced the packaging size of our keyboards and mice by 57% and 38% respectively.

The raw materials used in our products consist mainly of plastic and electronics, including certain types of minerals and precious metals. We aim to find the best ways to reduce the environmental footprint of our product designs while still delivering products that deliver the most impact to our customers and their gaming experience. In 2021 through our Aerox ultralightweight mouse, we showed that new innovations can both improve gaming performance and also reduce the impact of our products, the mouse contains 25% less plastic than a standard mouse while maintaining the highest quality expected of a SteelSeries product.

Due to the nature of our products and the industry in which we operate, regulatory restrictions and strong influence from key stakeholders have a significant impact on our environmental agenda. We want to support our customers' increasing demands for more sustainable products and we plan to do this by assessing the impacts of our best-selling products across their full lifecycle and incorporating sustainability considerations into our product development process. In addition, we will continue to adhere to strict environmental regulations in all countries where we operate. We communicate regularly with our customers and manufacturers and follow the relevant regulatory developments in all regions where we operate.

In 2021 we continued to prioritize the elimination of single-use plastics in all our packaging in addition to consciously reducing the size of our packaging. We are aiming for all new packaging to be FSC certified, 100% recyclable and single use plastic-free by 2025. In the coming years, we will

continue to use design as a mechanism to reduce material use, improve our climate footprint and implement more circular processes.

While our direct carbon emissions are small, this year we have set a target to be carbon neutral in our scope 1 and 2 emissions by 2025 at the very latest. This will be achieved with a focus on procuring renewable energy for all our offices globally. While this commitment is important, we recognize that over 95% of our total value chain emissions are scope 3 emissions. We are therefore committed to measuring our scope 3 footprint in 2022 with a plan to set a science-based reduction target before the end of 2023. We will also use lifecycle assessment to measure our product footprints and identify opportunities to further reduce their environmental impact.

Being an attractive and responsible employer

SteelSeries is a responsible employer and business partner. We are passionate about our employees and want everyone to feel at home and safe in their workplace. At SteelSeries, we treat each other with respect and we support the internationally recognized labor rights as specified in the International Labor Organization (ILO) core conventions. We respect the freedom of association of our employees and comply with local labor laws in each operating country.

SteelSeries had more than 380 employees in over 20 countries at the end of December 2021 and 321 on average throughout the year. We are dedicated to employee well-being, satisfaction, personal and professional development and equal rights and opportunities. As a knowledge-based company, we are dependent on skilled employees and our continued success relies on the ability to attract, develop and retain the right talent. We work purposefully to create an engaging workplace with good working conditions, equal opportunities, and development opportunities for our employees.

In 2021, we continued to invest in our human resources department and formalize our human resource strategy and practices. The ongoing impacts of the COVID-19 pandemic have continued to test our resilience as a company, but it has also provided us with an opportunity to promote our values and embed ways of working that provide our employees with the required flexibility based on their personal needs. We continue to monitor the impacts of COVID-19 across all of our offices and request employees to work from home when the situation demands. In cases where employees have been impacted by COVID-19 we make sure that they are supported.

Diversity, equity and inclusion

SteelSeries finds that tolerance and respect are fundamental values necessary to achieve the best working environment. At SteelSeries, all employees are appreciated for their skills, experience and individual points of view regardless of nationality, skin color, gender, age, sexual orientation, language, religion, political views or disabilities. We are committed to creating and maintaining a workplace that welcomes the exchange of experience, attitudes, and views which we consider necessary for our development.

In October 2021, we conducted a diversity, equity and inclusion survey for the second time to understand how employees view the diverse and inclusive culture we seek to create. Following a review of last year's survey, we decided to expand the scope to include more questions specifically on employee engagement to provide us with more data on how we can provide the best possible employee experience. The survey was sent to all employees globally and the results were again very positive with 84% of our employees agreeing that SteelSeries is a great place to work and 88% believing the company is headed in the right direction. The survey also identified new opportunities for improvement and these have been incorporated into an action plan that will be implemented in 2022. The updated survey will be repeated in future years to allow us to measure the progress of our initiatives in this area.

In 2021, our workforce consisted of 34.0% female, 65.7% male and 0.3% non-binary employees. The percentage of our managers that are women is 25%. Our workforce is generally young, but all age groups between 18 and 60 are represented. We are determined to increase the level of female representation across all levels of our business and will look to support other organizations seeking to increase the number of women working in the technology and gaming industry.

In 2021, building on our DE&I committee set up in the US in 2020, we created a DE&I committee with a global focus. The main areas that are discussed include diversity in terms of gender, women, LGBT+ and other members of any under-represented groups. We want to continue to foster a workplace that actively values diversity and in 2022, we plan to provide all hiring and people managers with specific DE&I training and also provide wider training to all employees.

The company achieved its goal of electing one female member to the Board of Directors. At year end, the Board now consists of five male and one female representatives. The candidates were

chosen based on their specific competencies and fit for the positions. Unfortunately, the Board was dissolved as part of the GN integration in early January 2022.

Our leadership team consists of two females and twelve males. Diversity in Management is a key priority for us as we believe it helps create a healthy working environment. We are working to achieve a more equal gender balance at all levels in the company by ways of talent development opportunities, promotions and new recruitments.

In addition to promoting an inclusive workplace, we also contribute to our local communities and to support this we provide two company-paid days off for employees to use when volunteering in the local community. We also conduct annual donations to support philanthropic organizations that support diversity and equality in the communities where we operate. In the future, we will continue to support community initiatives that are consistent with our values and that help to remove systemic inequality within the gaming industry and beyond.

SteelSeries is not a political company. However, we do take a stance for civil and human rights. We donate to charities such as Black Lives Matter and the Trevor Project alongside our employees, and we have an active employee base that supports many local causes. This year during Pride week, in collaboration with The Trevor Project, we created products in rainbow themes and “For Pride” and 100% of the proceeds from these were donated to The Trevor Project. All products were sold within days of release.

Ensuring responsible business conduct

We require all our employees and all our business partners to respect the Universal Declaration of Human Rights. SteelSeries has zero-tolerance against any form of corrupt and fraudulent behavior or human rights violations. Our code of conduct lays the foundation for our approach to business ethics and sustainability management and sets out our position and policies on the most important issues for our business. We require all employees to read and sign our code of conduct.

SteelSeries’ most material risk of violating human rights and risks associated with corrupt behavior is related to product supply chain. We recognize our responsibility to respect human rights and will always have zero-tolerance for corrupt behavior not only in relation to the Group’s own employees, but also in relation to partners, customers, suppliers, and subcontractors’ employees. In 2020, we

established a more stringent supplier code of conduct which covers our expectations and requirements related to child labor, forced labor, discrimination, anti-corruption, and bribery, among other things. During 2021 we engaged with all our major contract manufacturers to make them aware of these updated standards. Going forward we will look to further develop our approach to supplier engagement and evaluation, performing a supplier risk assessment and further incorporating environmental and human rights considerations into our supplier due diligence and onboarding processes.

In addition to our own processes, SteelSeries signs the code of conduct of certain customers such as US-based retailers and e-tailers with extensive sustainability requirements and potential audit schemes. Some of these large customers conduct sustainability audits of manufacturers that produce SteelSeries products, reviewing their social, environmental, and business ethics and processes and issuing corrective action reports.

It is our goal to always act professionally, fairly and with integrity in all our business activities and relationships. We use a variety of marketing channels to promote our products across our key markets and our expectations regarding responsible business conduct also extend to SteelSeries' business partners such as social media influencers or gamers who are expected to uphold our ethical standards. In 2021, we ensured all new influencer agreements included a conduct clause to make sure the influencers we associate with act in ways that are consistent with our values.

Our employees are encouraged to report any suspected violations of our code of conduct through our whistleblowing channel. In addition, we have set up an anonymous whistleblowing website (a.k.a. SteelSeries Speak-Up integrity line), which is hosted by an independent provider and available in multiple languages. We will continue to increase awareness of our code of conduct and encourage our employees to use this whistleblowing channel when necessary. In 2021, there were zero cases reported.

Sustainability KPIs

This report covers the relevant and material social, ethical, and environmental issues for the financial year 1 January to 31 December 2021. The report complies with the same consolidation principles and boundaries as the financial statements.

| Environmental KPIs | Accounting practice | | 2021 | 2020 |
|--|---|-------------------------|------|------|
| Energy consumption (MWh) | The use of energy from SteelSeries' own business and operations, primarily electricity and heating used in offices. | <i>Electricity</i> | 174 | 228 |
| | | <i>District heating</i> | 13 | 13 |
| | | <i>Natural gas</i> | 197 | 118 |
| Scope 1 GHG emissions (tCO ₂ e) | Direct emissions resulting from the company's own combustion of fuels. | | 36 | 22 |
| Scope 2 GHG emissions (tCO ₂ e) | Indirect emissions resulting from the purchase of electricity and district heating, in our offices. | <i>Location-based</i> | 57 | 74 |
| | | <i>Market-based</i> | 71 | 97 |

*We recognize that our direct environmental footprint is limited in comparison to the impact of the full value chain, including third party manufacturing and transportation. In 2022, we will also calculate our value chain emissions (scope 3).

| Social KPIs | Accounting practice | | 2021 | 2020 |
|--|---|--|------|------|
| Full-time equivalents | Average full-time employees (FTEs), defined as full-time employees, FTE-calculated hourly salaried employees, and FTE calculated temporary workers. | | 321 | 266 |
| Gender diversity | % share of female employees | | 34.0 | 33.6 |
| Gender diversity, Management | % share of female representatives in Management as defined by the Group | | 25.0 | 23.0 |
| Gender diversity, Board | % share of female representatives on the Board of Directors | | 16.7 | 0 |
| Rate of recordable work-related injuries | Absence rate due to work-related injuries (lost working days per employee) | | 0 | 0 |

| Governance KPIs | Accounting practice | | 2021 | 2020 |
|-----------------------------------|---|--|------|------|
| Reported whistleblowing incidents | Incidents reported in our whistleblower channel | | 0 | 0 |