Sustainability statement FY 2024

Epidemic Sound Group AB (publ)

ESRS 2 IRO-2

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BP-1 General basis for preparation of sustainability statement

This is Epidemic Sound's first sustainability statement prepared in accordance with the European Sustainability Reporting Standard (ESRS), which is the standard stipulated by the EU's Corporate Sustainability Reporting Directive (CSRD). For the financial year 2024, we are not obliged to report in accordance with CSRD. However, we have chosen to adopt the fundamental structure of the ESRS and applied the disclosure requirements to the extent possible.

The sustainability statement includes references to other parts of the annual report in accordance with incorporation by reference (ESRS 1 General requirements paragraph 9.1). The sustainability statement will be integrated in the management report for the financial year 2025.

The sustainability statement has been prepared on a consolidated basis, and it is aligned with the financial scope (companies with 100% ownership) with some rules of exception. Companies that are either bought, sold or liquidated during the last six months (30th of June - 31st of December) in the reporting year will not be included in the sustainability statement. The exclusion is made to ensure ample time is provided for data collection or changes in data calculation where exceptions or modifications have been made in consolidations, calculations or reporting of data points that are stated in each disclosure requirement.

Epidemic Sound's statement covers the value chain, upstream and downstream to the level identified as material in the double materiality assessment, see section 'Strategy, business model and value chain' (SBM-1). Overall, Epidemic Sound has decided to limit the reporting to tier 1 suppliers and the first level of consumers and end-users as they are directly impacted by the business operations. In future assessments, with increased understanding and knowledge on the supply chains, a review will be conducted to assess the possibilities to increase the scope of reporting on the supply chain where it is material.

Epidemic Sound cannot disclose significant opex and/or capex were required as thresholds for what is significant is yet to be determined as well as it contains business confidential information. To protect Epidemic Sounds' intellectual property, know-how and results from innovations such information and data will be omitted and stated in the disclosure and descriptive text.

For the 2024 sustainability statement, phased-in provisions described in ESRS 1 Appendix C are applied for the following disclosure requirements: S1-13, S1-14, S1-15 and S1-17.

BP-2 Disclosures in relation to specific circumstances

Time horizons
Epidemic Sound has applied the time horizons put forth in ESRS 1 section 6.4, short-term (one year), medium-term (two to five years) and long-term (more than five years). In the climate scenario analysis time horizons have been adjusted to reflect data used in the scenario analysis, stakeholder expectations and financial planning. Applied time horizons for the climate scenario are stated in the section Environmental Information, E1.IRO-1.

Value chain estimation
Changes and estimates related to metrics are stated together with a clarification on the reason for using estimates as well as their source(s).

Source of estimation and outcome uncertainty
Sources for estimations are stated in connection with metrics where estimations have been made. For all future predictions, especially in the climate scenario analysis and the future risks and opportunities, there is a level of uncertainty attached to those statements and where more specific information is needed to understand the level of uncertainty. Overall, a level of uncertainty should always be regarded as to all future predictions.

Changes in preparation or presentation of sustainability information
This is Epidemic Sound's first sustainability statement in the format presented in the ESRS. Where possible, previous data and information have been transferred to the format of the standard. Where previous data cannot be presented in the required format, a note is provided on that fact and commented "Not available" in the data tables. Therefore, there will be gaps in the year-over-year (2023-2024) comparison in this sustainability statement.

Reporting errors in prior periods
No errors have been identified in the previous year's sustainability report. In future sustainability statements, a comment will be made on errors identified and how that will or have been corrected.

Incorporation by reference
We have made references to the annual report throughout our sustainability statement. For our sustainability statement 2025 we will further clarify all incorporations by reference as required by ESRS 1 section 9.1.

GOV-1 The role of the administrative, management and supervisory bodies

Board of Directors

The Board of Directors consists of 33% women and 67% men, see note 8 on page 55 in the management report of the annual report, where three are executive board members and three non-executive board members. We do not have a formal representative for our employees within the Board of Directors. The Board of Directors had 50% independent Board members in the reporting year.

Epidemic Sound conducts regular risk reviews in accordance with our Risk management policy governed by VP Internal Controls and Risk Management. The annual risk assessment is presented to the Audit Committee and the Board of Directors to ensure that risks are continuously monitored and managed effectively. Sustainability risks such as data privacy and security, and leadership training and employee wellbeing are included in the corporate risk register, further inclusion of sustainability risks will be assessed in 2025, for example climate risks will be reviewed and included to the extent possible.

Management team

The management team, including the Director of Sustainability, is responsible for executing the sustainability strategy and ensuring its implementation throughout the organization. The Director of Sustainability plays a key role in coordinating sustainability efforts across different departments and aligning them with the company's strategic goals.

The Director of Sustainability is leading the Sustainability Committee meeting held twice a year. The committee consists of all the Board of Directors members and Epidemic Sounds' chair is the chair of the Sustainability Committee.

On a regular basis the committee is informed of Epidemic Sounds' sustainability actions, target progression as well as information on new regulations impacting the organization. The Sustainability Committee carries the mandate to make decisions regarding sustainability such as deciding on the strategy and the results from the double materiality assessment.

Each sustainability matter is governed by an identified Department head, and they have the responsibility to set targets and actions. The targets must be connected to the strategy and identified impacts, risks and opportunities (IROs). The targets are then presented to the management team for review and approval. Monitoring of target performance is done on a six-month cadence and presented in the annual sustainability statement.

Where applicable, sustainability targets have been aligned with identified corporate risks to further ensure we address all sustainability risks in an effective and strategic way. In the case of identified gaps in the management of IROs, further assessments are made to implement management controls for those IROs.

GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Epidemic Sound has implemented a decentralized approach to sustainability and risk management. Members of the management team, Department heads and Director of Sustainability regularly monitor progress on material sustainability matters according to current policies, ambitions, targets and actions. The Board of Directors, through the Sustainability Committee, receives regular progress reports on our sustainability efforts by the Director of Sustainability. The Director of Sustainability regularly reports on progress and challenges to the Chief of Business Operations & Communications who in turn reports to the CEO and the management team.

The Board of Directors and management team currently do not have a structured framework for assessing sustainability IROs. However, most of the identified sustainability IROs are included in the enterprise risk management (ERM) framework and are governed through the ERM framework. The Board of Directors and management team may consult internal and external sustainability experts when evaluating the sustainability aspects of various decision alternatives and actions.

Policy Review and Compliance Monitoring

The General Counsel and the management team are policy custodians, and for policies with a specific focus, for example pension and insurance policy is owned and overseen by the Compensation & Benefits Specialist.

Each policy owner is responsible for overseeing implementation and updating them accordingly. In our onboarding process, and ad-hoc throughout the year, employees are enrolled in learnings for some of our key policies such as the Privacy Policy and Anti-discrimination and harassment policy. Compliance is then monitored by each policy owner and the management team.

GOV-3 Integration of sustainability-related performance in incentive schemes

Epidemic Sound does not have specific incentive schemes related to sustainability matters. The necessity for sustainability-related performance indicators is annually assessed by the Sustainability Committee.

GOV-4 Statement on due diligence

Sustainability risks and opportunities were identified in conjunction with the double materiality assessment (DMA) process. The DMA involved internal and external stakeholders, and their insights informed Epidemic Sound on assumed impact and priority of risks and opportunities.

The financial department has the responsibility of ensuring compliance with the procurement policy where one of the requirements is for significant suppliers to read and sign the Business Partner Code of Conduct (BPCoC). In the case where the supplier cannot sign the BPCoC, it is required that their Code of Conduct is provided in comparison to the BPCoC to ensure they align with the requirements put forth.

The BPCoC includes clear requirements on following international standards on wages, working hours, work environment and discrimination. In the following years, a supplier due diligence process will be developed, to ensure risks are captured and assessed. In the fall of 2024, a project was initiated to establish a sustainability due diligence process inspired by the Corporate Sustainability Due Diligence Directive.

Core element of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV – 1
	ESRS 2 GOV – 2
	ESRS 2 SBM – 3
Engaging with affected stakeholders	ESRS 2 SBM – 2
	ESRS 2 IRO – 1
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO – 1
	ESRS 2 SBM – 3
Taking actions to address negative impacts on people and the environment	Not in place – to be developed
Tracking the effectiveness of these efforts	Not in place – to be developed

GOV-5 Risk management and internal controls over sustainability reporting

Epidemic Sound aims to establish internal controls and risk management for sustainability in 2025. An overall risk mapping in 2024 identified that a majority of identified sustainability risks are included in the company risk framework, where the aim is to include all relevant sustainability risks in the corporate risk register.

For Epidemic Sound's first sustainability statement, a centralized process has been applied for collecting data and information. The Director of Sustainability has had the responsibility to collect data and information in a

manner that allows for audit from an external part. Parallel to the statement we have identified potential risks and weaknesses of the reporting process which will highlight areas to improve for the next statement as well as in the development of internal controls for the sustainability statement, similar to the annual report process.

For the sustainability statement of 2024, qualitative information has been sourced from internal systems, external sources such as suppliers, and verified by comparison to previous year's reporting. Qualitative information has been verified by internal owners of each sustainability matter. Epidemic Sound recognizes the overall risk of human error in reporting and manually calculating qualitative data and aims to minimize any errors as internal controls for sustainability reporting are developed.

SBM-1 Strategy, business model and value chain

Epidemic Sound's mission is to soundtrack the world through five clear and precise choices which keep the company focused on the task to be the 'definitive soundtrack innovations platform. For more details on our strategy see page 10 in our annual report.

Sustainability is integral to how we operate and our five focus areas in the sustainability strategy reflect the connection to our business operation and strategy. Our five focus areas for sustainability at Epidemic Sound are:

- Impact – We will aim to grow our business and revenue while minimizing our greenhouse gas emissions in line with the Paris Agreement 1.5 degrees.
- Potential – We are a workplace where everyone, regardless of gender, age, background or other protected characteristics are given opportunities to operate at their full potential
- Empower – We empower our artists to create the music they envision. Our team of music professionals will provide our artists with tools, knowledge and resources to unlock their full potential.
- Fair – With solid processes and clear governance we protect the data entrusted in us and respect our users and business partners' privacy. We conduct business with integrity and respect market practices.
- Innovation – We innovate the music industry through engaging with new laws and regulations. We are the go-to partner for artists who wish to have their music widespread and protected at the same time.

Epidemic Sounds' value chain is quite simple, yet global. Epidemic Sound owns and distributes music and sound effects through Epidemic Sound's own platform and tools as well as third-party platforms. The company employs people in Sweden, United States of America, United Kingdom, Germany, Netherlands, Norway and South Korea, with consumers and end-users from all over the world.

With Epidemic Sound's business model of restriction free music and sound effects, the company solves the end-users' need to soundtrack short content, long content, commercials, movies and stores without risking fines or blocking of their content on global platforms such as YouTube.
With the largest music and sound effects catalog of its kind, the catalog is seen and heard over 3 billion times per day, and the business impacts on a large and global scale. Epidemic Sound's main markets are North America, Europe and Asia Pacific area, see page 21 in the annual report.

The company's value chain is reflected in the double materiality assessment and overall internal governance, with identified sustainability matters spanning across the most important value chain stakeholders, such as suppliers, artists, employees and consumers and end-users. Epidemic Sound is a SaaS company, which is also reflected in the most significant procurement: software, cloud computing and hosting, professional services and hardware.

For information on operating segments, markets served, products, services and significant changes during 2024, see page 22-23 and note 3 starting on page 48, in the annual report. For details on employee headcount, see page 37 in the sustainability statement.

Part of the value chain	Key stakeholder	Inputs	Expected outputs and benefits
Upstream	Suppliers	Production of goods Professional services	Business continuity
Upstream	Artists	Music and sound effects	Upfront payments and streaming royalties for artists
Own operations	Employees	Operate and develop Epidemic Sound	Soundtracking platform of restriction-free music and sound effects Growth opportunities for employees Revenue
Downstream	Consumers and end-users	Enterprise customers, professional creators and subscribers who use our music and sound effects	Content and communications using our music and sound effects as well as tools integrated into different platforms

SBM-2 Interests and views of stakeholders

The interest and views of our stakeholders is key in creating value for consumers and end-users, developing new tools and features as well as to gain insight on what sustainability focus will accelerate business.

The stakeholder dialogues that were conducted in 2023 laid the foundation for the double materiality assessment. The stakeholder dialogues provide insights on impacts, risks and opportunities our business and industry could face, and it is a way for us to ensure our strategy focuses on what is important and has an impact on us and our stakeholders.

Our management team and Board of Directors are continuously informed on our stakeholders' views with different periodicity depending on topic and stakeholder group. Information is shared in management team meetings, department meetings and in company-wide meetings held every month.
The double materiality assessment is annually reviewed with a focus on prioritization and inclusion of sustainability matters. The assessment is recognized and approved by our management team and the Sustainability Committee.
The table details Epidemic Sound's main stakeholders, primary ways of engagement, and each stakeholder group's most important matters. The engagement method is tailored to each group based on their direct and indirect influence and relationship with Epidemic Sound. To ensure the company always includes relevant stakeholders, an evaluation will be conducted each year.

For 2024, Epidemic Sound has identified that enterprise customers are a group where further dialogue would be beneficial to our understanding of sustainability IROs.

Stakeholder engagement

Stakeholder group	Engagement method	Key sustainability matter
Employees (Own workforce)	Ongoing surveys (Office vibe and Great Place to Work®) Work environment meetings Selected interviews	Diversity, equality and inclusion Training and Development Safe and balanced workplace Climate impact and energy use
Artists	Ongoing surveys Ongoing dialogue Selected interviews	Empower our artists Protection of music
Owners and investors	Ongoing dialogue Selected interviews Sustainability committee meetings (bi-annual)	Climate impact and energy use Empower our artists Protection of music Right to privacy and responsible use of data Fair soundtracking Diversity, equality and inclusion Training and Development Safe and balanced workplace Industry engagement
Enterprise customers	Ongoing surveys Ongoing dialogue Selected interviews	Empower our artists Climate impact and energy use Right to privacy and responsible use of data

Professional creators and users	Quarterly NPS survey	Empower our artists
	Desktop analysis	Right to privacy and responsible use of data
Regulators (national and international)	Ongoing dialogue	Industry engagement
	Desktop analysis	Fair soundtracking
	Selected interviews	Right to privacy and responsible use of data

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment (DMA) conducted in 2023 and later adjusted in spring 2024 identified 23 impacts, risk and opportunities. The table presents an overview of identified IROs within environment, social and governance and how they are connected to the sustainability strategy. Sustainability matters have been aggregated where appropriate. For more details on identified IROs, see listed ESRS standards with page reference on pages 2-4, in the sustainability statement.

Ambitions, targets and actions for identified sustainability matters are reported and described under each corresponding section and our climate scenario analysis is presented in the section, E1 Climate change.

Sustainability strategy	Material sustainability matter	ESRS standard	Page
Impact	Climate impact and energy use	ESRS E1	16-27
Potential	Diversity, equality and inclusion (DE&I)	ESRS S1	28-41
	Training and Development	ESRS S1	28-41
	Safe and balanced workplace	ESRS S1	28-41
Empower	Empower our artists*	ESRS S1	28-41
Fair	Right to privacy and responsible use of data	ESRS S4	42-49

	Fair soundtracking	ESRS G1	50-53
	Protection of music*	ESRS G1	50-53
Innovation	Industry engagement	ESRS G1	50-53

* Epidemic Sound's own matter

Epidemic Sound has yet to conduct a qualitative and quantitative resilience analysis as required by ESRS 2 SMB-3 paragraph 48 (f). The ambition is to conduct a high-level analysis in 2025, when the climate transition plan is finalized. See E1 Climate change, page 16 for the company's ambitions within climate impact.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

In conjunction with the double materiality assessment, we identified IROs based on our impact on society, the economy and the environment. We also included stakeholders' expectations on Epidemic Sound, and how sustainability matters influence our business and financial performance (risks and opportunities).

Our double materiality assessment reviewed environmental, social and governance matters using industry benchmarks, stakeholder dialogues and desktop analysis as well as a review of the ESRS sustainability topics. We conducted the assessment across identified key stakeholder groups (ESRS 2 SBM-2) and value chain (ESRS SBM-1). Impact was assessed based on an inside-out perspective where we reviewed how our business activities impact people and the environment. A scale of one to five was applied to likelihood, scale, scope and remendability and we carried out the assessment on ESRS sub-sub topics as listed in the Appendix A, Application Requirement 16, in the Commission Delegated regulation (EU) 2023/2772.

Risks and opportunities (ROs) were assessed based on an outside-in perspective where we reviewed the extent people, and the environment financially affects Epidemic Sound. We applied the same scale; one to five, on likelihood and magnitude of financial impact. The scale is based on a percentual effect on turnover.

For a topic to be material it had to receive a total average score of three or above on a scale of one to five, on either impact materiality and/or financial materiality. Our Management team and Sustainability committee recognized the double materiality assessment in 2023 after a validation of the results by selected internal stakeholders. We will annually review our DMA to ensure we reflect the current and anticipated situation for our company.

In 2024 we made smaller adjustments to the DMA results to reflect changes and adjustments in our business strategy and way of operating. Matters such as office waste and work stoppages were assessed to be non-material, and we updated the financial materiality of our own topic 'Protection of music' where we raised the financial impact to further include the perspective of AI technology. The extended review resulted in 23 material sustainability matters, reduced from 35 topics.

In the DMA processes we did not identify specific activities, geographies or relationships that could result in a heightened risk of adverse impact. Our relationship with artists has been identified to have a positive impact through our business model allowing artists to receive an upfront payment and transparent streaming royalties, as well as access to resources that enable artists to grow in their creative ambitions. However, with the development of our sustainability due diligence process in the next coming years that might be revised,

and negative impacts might be identified. We will report on any changes to the assessment in the following sustainability statements.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

All material topics and Disclosure requirements that have guided the preparation of our sustainability statement for 2024 are presented on page 2-4 in this statement. In IRO-1 (page 14 in this statement) we describe the process and thresholds used to determine a topic to be material to Epidemic Sound.

The table below presents topics that were assessed as not material from a materiality impact and/or financial materiality perspective as well as a short comment as to why the topic is not material. The same process and thresholds as presented in IRO-1 (page 14 in this statement) applies here.

Topic	Comment
ESRS E2	We do not own or operate any business operations that cause significant pollution to air, water or soil. We report on our greenhouse gas emissions in ESRS E1.
ESRS E3	Our water consumption is limited to our offices and co-working spaces. We do not use water in the development of our soundtracking platform.
ESRS E4	We have assessed our offices to have a limited impact on the biodiversity or ecosystems.
ESRS E5	We do not source raw material, or other resources nor produce waste material to be included in the circular economy of our business operations.
ESRS S2	We will assess if artists are to be reported as 'Workers in the value chain' for our statement 2025.
ESRS S3	Our soundtracking platform has been assessed to not impact affected communities, nor other parts of our value chain.

Environmental information
E1 Climate change

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Epidemic Sound falls under the scope of the Corporate Sustainability Reporting Directive and must disclose to what extent the activities that Epidemic Sound carries out meet the criteria set out in the EU Taxonomy (Taxonomy). We have begun the process of assessing our business turnover, capex and opex related to our economic activities, that qualify as eligible under the Taxonomy. In 2025 we will fully report on the Taxonomy.

E1-1 Transition plan for climate change mitigation

Epidemic Sound has committed to set near-tear science-based targets. The target will focus on greenhouse gas emission reduction until 2030 and will be in line with what the scientific community has deemed necessary to limit global warming to 1.5°C above pre-industrial levels.

We are still in the process of identifying all levers and actions to reach our target. Our ambition is to publish our targets in 2025. So far, we have identified actions such as increasing the use of renewable energy in our New York office and implementing environmental factors into supplier selection to ensure we work with suppliers that are working towards minimizing their carbon footprint. We will present a more detailed plan for our mitigating actions once our targets have been set and communicated.

In our target setting process we have not identified any potential locked-in GHG emissions. Our product is music and sound effects that are accessible via our own soundtracking platform and third-party platforms and plug-in tools. In the process of recording music and sound effects and later distributing them, there are no locked-in GHG emissions.

Once our transition plan is finalized, together with our targets, we will understand what will be needed to reach our targets. Currently, our climate commitment is included in our strategy for sustainability, which is built on our business strategy. Changes to our financial planning will be clear when the transition plan is agreed upon and targets approved.

Depending on identified levers and actions, the corresponding department will be included in the implementation to ensure it corresponds to our way of working.

E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Epidemic Sound acknowledges the role we play in reducing and mitigating the impacts from climate change. We are in the process of setting climate targets that will clarify how we can do our part in this global challenge. In our double materiality assessment, we identified impacts, risks and opportunities related to climate change, and more specifically our impact on global greenhouse gas (GHG) emissions and energy use. We address them in our sustainability strategy under the area '*Impact*' where we have combined the disclosure requirements 'Energy consumption and mix' and 'Gross Scopes 1, 2, 3 and Total GHG emissions' to '*Climate impact and energy use*'.

Material sustainability matter	Climate impact and energy use
Description	We aim to grow our business with a low climate impact (GHG emissions) and move towards an operation fueled by 100% renewably sourced electricity.
Impact	Contribution to global total GHG emissions through our scope 2 and 3 emissions.
Risk	Increased costs due to lack of climate adaptation within our business operations. See our climate risks for more details.
Opportunity	Decreased costs for energy use
Value chain concentration	Across the value chain
Time horizon of impact	Medium to long-term
ESRS standard and disclosure requirement (DR)	ESRS E1-5 and E1-6

Our climate scenario analysis further explores climate risks and their actual and/or potential impact on our business operations. We have identified transition risks to have the most impact on our business as they could alter how we conduct our business based on legal requirements and changes in stakeholder perception on our business operations with relation to our efforts within climate change.

Epidemic Sound has yet to conduct a qualitative and quantitative resilience analysis as required by ESRS 2 SMB-3 paragraph 48 (f). The ambition is to conduct a high-level analysis in 2025, when the climate transition plan is finalized.

E1.IRO-1 Description of the process to identify and assess material climate-related impacts, risks and opportunities

Our main negative impact on the climate is through our procurement of goods and professional services, followed by our business travels and energy use at our offices and co-working spaces. In the disclosure requirement ESRS E1-6 on page 24 our scope 3 emissions represent approximately 99% of our total GHG emissions. The scenario analysis confirms our identified risks in climate change and energy use and mix, see the table on climate-related physical risks.

We have used climate scenarios published in 2023 by The Network for Greening the Financial System (NGFS) to identify and assess climate-related IROs. The NGFS is a group of 129 central banks and supervisors and 21 observers (as of November 24th, 2023).
We have used scenarios to identify how Epidemic Sound's business operations might be impacted under the NGFS climate scenarios. We have studied the European Central Bank (EBC) economy-wide climate stress test, as published in September 2021.

The European Central Bank stress test was developed to assess the resilience of non-financial corporates (NFCs) and euro area banks to climate risks, under various assumptions over the next 30 years.
We have used ECB's definitions of "European firms" to review potential impacts on Epidemic Sound. With the identification of the firm applicable to Epidemic Sound, we review the stress test conducted by ECB within the scenarios published by NFGS.
The NGFS describes four scenarios, where one is new ("Too little, too late"), and therefore not included in the EBC stress test. We have chosen to include the new scenario and made the assumption that the stress test would display a similar outcome if we combine the hot house world and disorderly scenario.

The same thresholds for financial impact, as used in our DMA, were applied to our scenario analysis to ensure alignment where possible. Time horizons have been altered as climate change impacts, risks and opportunities have a longer time horizon than other sustainability IROs; short-term (0-5), medium-term (5-10) and long-term (10-20) end of year.

Overall, the results from the scenario analysis showed that Epidemic Sound is categorized as a median European firm, which means that it is unlikely to see any specific physical, technology or regulatory changes under any of the scenarios. However, the prospects for the company are affected by which policy scenarios play out and by which investments will be required at each stage. It is only the hot house world scenario that will increase the climate-related risks of Epidemic Sound significantly since profitability will likely be severely (estimated to 40%) affected.

Under the orderly and disorderly scenario, Epidemic Sound will be obliged to invest in more energy-efficient equipment and solutions in either the 2020s (orderly) or 2030s (disorderly). However, the ECB regards the cost as being of limited significance.
Epidemic Sound is dependent on external stakeholders in the value chain and is limited in the actions that can be taken.

The measures Epidemic Sound have been taken to mitigate climate risks are mainly to begin the process of setting targets of GHG reduction and ensure continued use of renewable energy in our offices, where possible. The actions to be made are to increase environmental demands our suppliers and assess whether some suppliers can be switched to a supplier with a lower climate impact.

The climate scenario analysis was conducted in spring 2024, and the results were compared to the double materiality assessment (2023) to ensure alignment. No changes were made to the DMA in 2024 based on the climate scenario analysis.

The following tables set out our identified climate risks, where in the value chain they are most likely to occur and the estimated time horizons for impact.

Physical risk	Risk description	Value chain concentration	Time horizon
Chronic and Acute	**Extreme weather events** Dependence on data centers around the world and not being in control of them means that Epidemic Sound cannot control whether or not the data centers are safeguarded against extreme weather events.	Upstream	Medium to long-term
Chronic and Acute	**Weather impacts in geographies of our employees** We have employees in regions that are more affected by extreme weather events. For example, warm and cold storms in New York, and wild forest fires in California. This could negatively impact our employees' ability to conduct work and carry out their daily activities.	Own operations	Medium to long-term
Acute	**Environmental emergencies** Our supply chain could be affected by environmental emergencies and cannot deliver its products or service on time or at all. Products that are at risk are electricity suppliers, software updates and access to hardware supply.	Upstream	Long-term

Transition risk	Risk description	Value chain concentration	Time horizon
Regulatory	**Increased reporting** Rapid development of regulations (EU CSDD Directive, Norwegian Transparency Act, EU CSRD) could impact our ability to keep up with integrating requirements on time and in an effective way.	Own operations	Short-term
	Impact on revenue stream Investing in companies that are not classified as green by emerging regulations. For example, we invest in a company that is not aligned with regulation, indicating that we are not increasing in sustainable businesses.	Own operations	Long-term
Market	**Shift in stakeholder behavior** Lack of interest from investors based on poor sustainability performance or transparency. End-users lose trust in Epidemic Sound due to insufficient sustainability performance not meeting consumers and end-users' expectations. Causing loss of revenue.	Own operations Downstream	Medium-term
	Energy price and availability Energy price volatility and energy limitations for data centers and our offices, as	Upstream Own operations	Long-term

	well as for our home offices.		
	Competency Lack of broad competency in the implications of climate change and climate risk in the organization. Increased risk of not meeting stakeholder expectations and requirements.	Own operations	Medium-term
Technology	**Technology infrastructure** The infrastructure of renewable energy takes time in some regions e.g. the US, resulting in not meeting climate targets and stakeholder expectation.	Own operations	Long-term
Reputation	**Investments** Epidemic Sound might lose on investments as we are not considered "sustainable" by society and mainly our consumers and end-users.	Own operations	Long-term
	Attract and retain Low or poor reputation in our climate change performance might lead to difficulties in attracting and retention of employees.	Own operations	Long-term
	High-emitting enterprises Epidemic Sound needs to accept high-emitting enterprises as consumers	Own operations	Long-term

and end-users and are
dependent on them,
resulting in reputational
damage.

E1-2 Policies related to climate change mitigation and adaptation

Our Code of Conduct (CoC) is an overarching policy, shortly describing our way of working within all areas of sustainability. The objective of the policy is to clearly communicate with all internal stakeholders, employees and contractors, how we conduct business and where to turn in case of breaches and questions.

The CoC specifically addresses the precautionary approach, the importance of considering environmental impact when procuring goods and professional services as well as the need to always consider whether business travels are needed.

To ensure our external stakeholders follow our values, we have a Business Partner Code of Conduct (BPCoC) that is for all suppliers and business partners to read and follow. The BPCoC covers all sustainability areas and clarifies our commitment to reducing our and their greenhouse gas emissions. The BPCoC specifically addresses our expectation that our business partners will actively reduce the use of energy and materials as well as reducing waste where possible.
We encourage our business partners to set their own climate targets and monitor their climate footprint and implement measures to minimize the footprint. The CoC and the BPCoC are overseen by the management team, and it is up to each Department head and employee to ensure these are implemented and followed.

Furthermore, we have a travel policy, overseen by our People & Culture department, that applies to internal stakeholders. The travel policy clarifies that all travels must have a business purpose and are to be approved by the manager. This limits our business travel and minimizes our GHG emission from business travel and is a cost reduction measurement.
We also have internal processes and guidelines that guide us in how we, in our daily operations, minimize our climate impact via the choices we make in e.g. selection of hardware that is certified to have low energy use.

E1-3 Actions and resources in relation to climate change policies

Epidemic Sound is in the process of setting climate targets with a clearly defined transition plan. In 2024, our focus has been on improving current greenhouse gas emission calculation and data collection, to ensure we capture the entire value chain. We have begun the process of identifying how we could review the sustainability performance of our suppliers to ensure they meet our requirements regarding environmental performance. In conjunction with defining our transition plan, clear actions will be identified and planned for the next coming years.

E1-4 Targets related to climate change mitigation and adaptation

Epidemic Sound committed to setting climate targets that are aligned with the Paris agreement of 1.5 degree. The targets are near-term targets and will span from 2023 to 2030. Overall, we will have one target addressing scope 1 and 2 and one addressing scope 3 and they will include all greenhouse gases and be expressed in tonnes of CO_2eq. We have yet decided which scope 3 categorize to include in our scope 3 target as we have several options. With the targets decided a final transition plan with decarbonization actions will be presented in the sustainability statement for 2025.

E1-5 Energy consumption and mix

For the reporting year 2024 we only procured and consumed electricity, hence all data energy consumption in our own operations is electricity use.

We collect electricity consumption data on a monthly cadence. For our Stockholm and New York offices we collected data directly from invoices. For our co-working spaces, we estimate energy consumption based on the number of employees (head count) and the average energy consumption per employee at our Stockholm office. We have estimated the share (%) of fossil fuel, nuclear and renewable energy sources for our co-working spaces and the New York office. This is due to the lack of supplier specific information on the source of electricity. We have used information from the International Energy Agency (IEA) on energy sources for the United States and South Korea. For United Kingdom, Germany, Norway and Netherlands we have used AIB European Residual Mixes 2023 report.

Epidemic Sound does not operate in a high climate impact sector; therefore, we have omitted data related to high climate impact sector reporting.

Energy consumption (MWh)	2024	2023
- from fossil sources	28.4	Not available
- from nuclear sources	8.9	Not available
- from renewable sources, disaggregated by:		
Fuel consumption of biomass, biofuels etc.	0	0
Electricity from renewable sources	214.2	Not available
Consumption of self-generated non-fuel renewable energy	0	0
Total energy consumption (MWh)	251.5	254.2

- share of fossil sources (%)	11		Not available
- share of nuclear sources (%)	4		Not available
- share of renewable sources (%)	85		Not available

E1-6 Gross scopes 1, 2, 3 and Total GHG emissions

	Retrospective			
	2024	**2023**	**Base year 2023**	**% change 2024 vs. 2023**
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO2eq)	0	4.3	4.3	-100
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	Not available	Not available	Not available
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO2eq)	17.9	18	18	-1
Gross market-based Scope 2 GHG emissions (tCO2eq)	21.5	17.2	17.2	+25
Significant scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	7,937.2	7,947	7,947	-0.1
1 Purchased goods and services 2 Capital goods	7,025.8	7,098.2	7,098.2	-1
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	9.8	7.4	7.4	+32.4
5 Waste generated in operations	0.11	Not available	Not available	Not available

6 Business traveling	751.9	668.5	668.5	+12.5
7 Employee commuting and working from home	149.6	172.9	172.9	-13.5
Total GHG emissions				
Total GHG emissions (location-based) (tCO2eq)	**7,955.1**	7,969.3	7,969.3	-0.2
Total GHG emissions (market-based) (tCO2eq)	**7,958.7**	7,968.5	7,968.5	-0.1

	2024	2023	% change 2024 vs. 2023
Total GHG emissions (location-based) per net revenue (tCO2e/mSEK)	4.1	5.4	-23
Total GHG emissions (market-based) per net revenue (tCO2e/mSEK)	4.2	5.4	-23

Information on net revenue, 2023 and 2024, can be found on page 23 in the FY 2024 annual report.

Estimations, calculation methodology and notes
Scope 2.
Activity data (MWh electricity use) is collected on a monthly cadence from supplier invoices. For our Stockholm and New York offices we collected data directly from invoices. For our co-working spaces, we estimate energy consumption based on the number of employees (head count) and the average energy consumption per employee at our Stockholm office.

We have estimated the share (%) of fossil fuel, nuclear and renewable energy sources for our co-working spaces and the New York office. This is due to the lack of supplier specific information on the source of electricity. We have used information from the International Energy Agency on energy sources for the United States and South Korea. We have used AIB European Residual Mixes 2023 report, for United Kingdom, Germany, Norway and Netherlands. For our Stockholm office, we have the specific breakdown of electricity source from our supplier.

To calculate location-based emissions we have applied country specific emission factor from IEA and for our market-based emissions we have applied country specific emission factors from AIB and IEA. For the Stockholm office we have applied a supplier specific emission factor, as we procure 100% renewable electricity.

Scope 3

For scopes 3.1 and 3.2 we are not able to report them as separate categories of emissions, due to limitations in our data collection process. We use spend-data (euro spend per supplier) to calculate our scope 3.1 and 3.2 emissions. Data is collected directly from our procurement system. All suppliers are then classified according to a corresponding category in EXIOBASE[1].

Where a supplier is not directly corresponding to a category, we have applied the category "other business services". Since our spend is made in the countries where we operated, the emission factor applied from EXIOBASE is an average of the countries where we operate in.
We have applied the average conversion rate from the European Central Bank to convert our spend-data to euro, to accommodate for the emission factor (tCO2e/euro).

Scope 3.3 emissions are calculated using the same activity data as for scope 2 and then applying a transmission & distribution emission factor. The emission factor is sourced from IEA (2023) for each country where we have electricity use; offices and co-working spaces, to account for the emissions that occur due to the loss of electricity in the transmission & distribution network.

Scope 3.5 emissions are calculated using waste data from our landlord at the Stockholm office. We have applied emission factors on the generated waste treatment methods sourced from DEFRA[2] (2023).
We are not able to estimate generated waste for our offices and co-working spaces. We will evaluate the possibilities to estimate generated waste at our other locations in 2025.

Scope 3.6 emissions are calculated by our business travel booking platform. We have included all business travel and hotel nights.

Scope 3.7 emissions represent our estimated emissions from employees working from home. We have estimated the number of hours worked from home based on our majority principle, where we have assumed that employees work, on average, two days from home per week. We have then applied the number of workdays in Sweden, which for 2024 was 251 days. Further we have assumed that an employee work 8 hours a day and we have used the reported average number of FTE (see page 54 in the annual report). Finaly, we have applied the emission factor from DEFRA on home working on the total estimated FTE hours worked from home across our company.

Notes on the data table

Base year and comparative year are the same are the same in this year's statement since our climate targets have the base year 2023. Due to our up-and-coming finalization of our transition plan and approval of our climate targets, we have omitted the section "Milestones and target years". We will include that section of the table in next year's statement.

Year-over-Year (YoY) change is calculated as stated in ESRS E1 paragraph AR 48:
reporting year (N) divided by prior year (N-1).

We have assessed the full value chain to identify all significant emission sources across the value chain. Therefore, we have only reported on the scope 3 emission categories that apply to our business operations and assessment. Cloud computing and data center services (scope 3.1) are material for our operations; however, we are not able to break down emissions related to those services. We will annually evaluate the possibilities to report emissions related to cloud computing and data center services.

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[1] EXIOBASE is a global, detailed Multi-regional Environmentally Extended Supply and Use / Input Output (MR EE SUT/IOT) database
[2] DEFRA is the United Kingdom Department for Environment, Food & Rural Affairs

We will also evaluate our ability to estimate emission from the use of our product and service, scope 3.11. In 2024 we made a first try calculating scope 3.11 emission, and will evaluate in 2025, if the assumptions applied are of good quality.

We, in conjunction with our climate target setting process, have improved our greenhouse gas emission calculations. The improvements, such as increase of scope, change of emission factors, have been applied to emissions reported in 2023 and following years. Therefore, our reported GHG emissions in the sustainability statement for financial year 2023, are not comparable to those presented here.

Social information
S1 Own workforce

S1.SBM-2 Interests and views of stakeholders

Employees and non-employees
We are dependent talented, bold and creative people to soundtrack the world and our employees are key to our business success and future development.

To attract and retain our talents, and to continuously develop our employees, we regularly seek understanding on what can be improved in our physical and psychosocial workplace. Our People & Culture department supervises our efforts regarding employees and regularly schedules surveys, reviews and work environment committee meetings to collect knowledge from our employees and to share updates on our workplace to employees.

We send out an office vibe survey every second week to all employees with an Epidemic Sound email, which provides continuous updates to all managers on how their team members perceive the work environment, level of stress, feedback and leadership. We annually conduct the Great Place to Work® survey where all employees can provide even more detailed feedback on leadership, communication, physical work environment and inclusion in the workplace.

The results are used to set action plans to mitigate risk areas and further gather information on how our culture can be strengthened. Our work environment committee has quarterly meetings, where our employee representatives and employer representatives meet and discuss issues raised by employees and for Epidemic Sound to communicate and discuss updates to the workplace and gather feedback on future changes.

We continuously adopt and implement changes based on the discussions and information gathered in our different engagement methods. However, we do not foresee any of the current discussions and information to drastically change our business strategy as we continuously update our workplace and way of working so that our strategy can continue to be the foundation.

The overall responsibility of our work environment is for our CEO, who in turn has delegated the responsibility to each manager and department head to ensure our employees are safe and treated with respect. The Chief People & Culture continuously updates the management team on views and discussions raised by employees.

Artists
Epidemic Sound's operating model is restriction free music, where the artists we sign creates music and sound effects that are accessible to our consumers and end-users via our platforms and tools. We want to always deliver diverse high-quality music and sound effects, and we believe that with a diverse roster of artists, our music catalog will be equally as diverse.
Following the close partnership we have with our artists; we need and want to foster a good relationship based on transparency and equal treatment. We have identified that artists are positively impacted by Epidemic Sound due to our unique remuneration model, our offering to artists and our diversity and inclusion efforts.

Our Music Department is in constant communication and dialogue with artists on topics such as distribution opportunities, track creation and overall satisfaction with our collaborations. We conduct net promoter score surveys twice a year to collect feedback and input on how we can improve our collaboration and offer to our

artists. Our Chief Strategy Officer is part of the management team and continuously updates the management team on changes or other relevant information related to our artist.

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Social IROs vary in value chain concentration and level of effect of impact. IROs directly connected to our employees are expected to affect our strategy, business operations, as well as decision-making since they are the core of our operations. The effects are both current and anticipated, where IROs connected to, for example, employee health and safety could have a current effect on how we operate and decision-making as a result of our commitment to ensure the continued safety of our employees. Anticipated effects are, for example, lack of training opportunities could negatively impact our ability to develop new tools and functions that could limit our ability to grow and reach new markets.
However, we do not anticipate there will be drastic changes in strategy or how we operate as a result of these impacts, risks and opportunities, it is anticipated that potential changes happen over time.

In our double materiality assessment, we identified impacts, risks and opportunities related to diversity, equality and inclusion, training and development, workplace topics such as safety, work-life balance and harassment. We address them in our sustainability strategy under the area 'Potential' where we have combined disclosure requirements into sustainability matters, see table below.

For our first sustainability statement we have included artists in the standard S1 Own workforce, due to their contractual relationship with Epidemic Sound, however this will be reviewed in 2025 to ensure we correctly report on artists.

Material sustainability matter	Diversity, equality and inclusion (DE&I)
Description	We are a workplace where everyone, regardless of gender, age, background or other protected characteristics, is given opportunities to operate at their full potential.
Impact	Discrimination due to lack of training in DE&I
	A non-inclusive company culture resulting in psychosocial ill health
	Continue our DE&I efforts
Risk	Sanctions or fines due to discrimination
	Loss of talents
Opportunity	Attracting talents from a wide range
Value chain concentration	Own operation
Time horizon of impact	Short, medium and long-term
ESRS standard and disclosure requirement (DR)	ESRS S1-8
	ESRS S1-9

	ESRS S1-12
	ESRS S1-16

Material sustainability matter	Training and development
Description	Provide skill training to all employees to further innovation and internal knowledge sharing.
Impact	Equal opportunities to create value
	Ongoing learning opportunities
Risk	Loss of talent due to lack of growth opportunities
Opportunity	Retain talents
	Attract talents
Value chain concentration	Own operation
Time horizon of impact	Medium-term
ESRS standard and disclosure requirement (DR)	ESRS S1-13

Material sustainability matter	Safe and balanced workplace
Description	We ensure a safe and balanced workplace where employees' physical, psychological and social health is ensured.
Impact	Physical and psychosocial work environment
	Workplace with clear processes to minimize risk of harassment
	Work-life balance
Risk	Sick employees due to an unsafe and/or unbalance workplace
Opportunity	Attract talents
Value chain concentration	Own operation
Time horizon of impact	Short-term
ESRS standard and disclosure requirement (DR)	ESRS S1-14
	ESRS S1-15
	ESRS S1-17

Material sustainability matter	Artist diversity & inclusion
Description	Artist diversity, i.e. the inclusion of artists from a wide range of backgrounds and experiences in our pipeline and roster. This can include factors such as race, ethnicity, gender, sexual orientation, age, and disability.
Impact	Positively impact the music industry by including a wide range of artists in our roster supporting multiple artists in their careers. Increase the diversity of artists
Risk	Loss of consumers and end-users due to a lack of a wide range of music
Opportunity	Attract consumers and end-users due to the wide catalogue of music
Value chain concentration	Upstream and Own operations
Time horizon of impact	Medium to long-term
ESRS standard and disclosure requirement (DR)	Epidemic Sound own matter (S1)

Material sustainability matter	Artist equality and equal pay for work of equal value
Description	Equal opportunities for Epidemic Sound artists lie in the equal remuneration model for work delivered and performance as well as equal opportunities such as time offered in studios or other opportunities directly linked to their work for Epidemic Sound.
Impact	Artists earn a living due to our remuneration model Growth opportunities
Risk	Loss of consumers and end-users due to a lack of a wide range of music
Opportunity	Attract consumers and end-users due to the wide catalogue of music
Value chain concentration	Upstream and Own operations
Time horizon of impact	Medium to long-term
ESRS standard and disclosure requirement (DR)	Epidemic Sound own matter (S1)

Epidemic Sound employs full-time and part-time employees as well as contractors, consultants and hourly employees, all of which to different extents are impacted by our operations. For example, workplace safety measures impact on anyone that enters our workplaces, while impacts of remuneration only apply to our own employees and not non-employees.

Our identified negative impacts are concentrated on our employees and non-employees located at our offices or co-working spaces. However, we do recognize that some negative impacts could affect different sized groups, for example lack of leadership training could impact a large group while lack of specific engineering training would only directly negatively impact on our engineers. We have not identified any individual incidents or incidents where we have negative impacts, it is more widespread and applies to our whole workforce.

Impacts related to our artists are assessed to be positive as we believe that our diversity strategy related to artists and remuneration model allows artists to receive opportunities that benefit them in their own creative growth while providing competitive upfront payment as well as soundtracking bonuses and transparent streaming royalties. In Q1 2024, Epidemic Sound paid a fixed fee of USD $1,500–$8,000 per track and the fixed fee is always paid out directly to artists before the track is even made available to content creators — and is not recouped against future royalties.

We are dependent on our artists for tracks and sound effects, and we need the music and sound effects to have a high-quality as well as cover a multitude of genres and moods. The dependency on our artists is therefore both a risk and an opportunity as we are financially dependent on the music and sound effects our artists create. Our focus on artists is therefore a priority and Epidemic Sound's commitment to artists is based on four cornerstones: equitable partnership, distribution, development, and collaboration.

- Equitable partnership - payment for each track, 50/50 split on all music streaming royalties and a soundtrack bonus.
- Distribution - we offer visibility among our global network of content creators and brands
- Development - continuously work to improve our artists' creative skills through close collaboration with our A&Rs. This is offered to all artists that work with us.
- Collaboration - we offer a multitude of different ways to collaborate with other artists, for example through writing camps and seminars. Within this cornerstone is also our commitment to the mental health of our artists. We provide access to mental health services for all artists.

For more information on our commitment to artists, please see website: https://corporate.epidemicsound.com/about-us/how-we-work-with-artists/

On a high level, we do not expect our transition plan to impact on our own workforce since the majority of our GHG emissions are located in scope 3 and are dependent on improved procurement practices and selection of suppliers. The opportunity we might see that needs to be assessed is the upskilling of our procurement team and employees in general on how to select suppliers based on further GHG requirements and how to conduct our business with a reduced negative impact on the climate.

We do not have any operations that are of significant risks of forced labor nor child labor in our own operations impacting our own workforce. However, we do recognize that these risks might be present in our supply chain, hence we have a Business Partner Code of Conduct that includes these risks and how we require our supplies to ensure they are mitigated and that they report any breaches to us.

S1-1 Policies related to own workforce

Our policy framework is based on the Code of Conduct, with underlying policies and guidelines to support specific risks and impacts.
The Code of Conduct consists of six chapters, all are presented in G1-1 on page 50. The chapter 'Thriving together' and relates to our IROs connected to employees and non-employees. The chapter clarifies our commitment to diversity and inclusion with our zero tolerance to any form of discrimination against colleagues, customers or anyone whom we do business with.

We are also clear on our stans that we provide equal opportunities to all, which means that we recruit, promote, train and reward based on merits and facts. Lastly, it is clearly communicated in our CoC that we will always promote a safe and healthy workplace where we continuously work to improve the workplace and encourage employees to report any risks of illness.
To address impacts, risks, and opportunities in social matters, we have policies and guidelines in addition to our Code of Conduct.

Diversity, equality and inclusion (DE&I)
Anti-discrimination & harassment policy. The policy set out our zero-tolerance approach against any discrimination and harassment. The policy applies to all employees and non-employees. The Chief People & Culture is accountable for the policy content and implementation.

Training and development
Performance & Development (P&D) review process. Our P&D review process has clear guidance on the purpose of the reviews, and how they are conducted in a structured way and documented for future reference and discussion. The policy applies to all employees. The Director of People Management is accountable for the policy content and implementation.

Safe and balanced workplace
Work environment policy. The work environment policy describes Epidemic Sounds' expectations for a work environment that's free from risks of incidents, injuries, and illness. The policy applies to all employees and non-employees. The Director of People Management is accountable for the policy content and implementation.

Whistleblower (WB) policy. Our WB policy encourages all those who have serious concerns about suspected wrongdoings to come forward and speak up and provides guidance on how to file a report. The policy applies to all employees and non-employees. The Director of People Management is accountable for the policy content and implementation.

The Epidemic Ways of Working. Our guide, "The Epidemic Ways of Working' - describe how we implement flexible working, allowing for employees to work from home, while applying the majority principle across a month. The policy applies to all employees. The Director of People Management is accountable for the policy content and implementation.

Our policy framework governing our social material matters is aligned with international standards such as UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work. We annually review our policies to ensure continued alignment with how we operate and to adjust for identified risks.

The remedy for human rights violations within our own workforce is governed and implemented by our People & Culture department. They are responsible for our whistleblower channel; work environment committee and any actions needed to mitigate risks and implement any remedy for human rights violations identified. The Code of Conduct does not directly address forced labor and child labor in our own workforce, as these areas have not been identified as risks. However, we do address these risks in our Business Partner Code of Conduct and in our Modern Slavery Statement. We will also include them, together with other sustainability risks in our due diligence process.

Our relationship with our artists is slightly different from our other suppliers. We have a more in-depth relationship with them and offer compensation and other benefits that are specific to our artists. In the agreements with artists, we ask that they follow our terms and conditions and overall way of operating as stated in the Code of Conduct. In the case of Epidemic Sound partners with an artist that is below the age of 18, we have processes and contracts in place to ensure their rights. Our agreements with artists are confidential. However, we ensure our artists have the right to payment in accordance with our remuneration model, their right to join work-related unions and our obligation towards them in accordance with laws and regulations.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Our work environment committee (WEC), governed by our People & Culture department, aims to identify and mitigate the risks of ill health and injuries. In the committee we have our People partners representing the employer and two employee representatives selected by our employees, and one representative from each Employee Resource Group (ERG) to bring the perspective from specific employee groups that could be vulnerable. We have six ERGs that together represent all protected grounds for discrimination.

WEC meetings are held every quarter and follow a similar agenda to ensure cohesiveness. In each meeting updates are provided from the employer on how risks are mitigated and the process to follow. Each employee representative shares any insight from employees on current and/or future risks and impacts. Our Director of People Management together with the Chief People & Culture has an overall responsibility to ensure the WEC meetings are held and that the results are implemented where and when possible. The ultimate responsibility for our work environment lies with the CEO that in turn has delegated responsibility to all managers and employees to ensure a safe and inclusive workplace environment.

The effectiveness of our engagement is partly measured in our regular employee surveys and partly in our WEC meeting where the outcome of risk mitigating actions is reported and communicated.

Our Music Department has an ongoing dialogue with artists based on their creative needs as well as the needs of an individual working with Epidemic Sound. We conduct NPS surveys twice a year as well as availability surveys every quarter to continuously collect insights from our artists that help us refine and improve our offering and partnership with artists. The effectiveness of our engagement can be measured in our NPS score, the streaming revenues as well as the growth of our roster.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

We encouraged all employees and artists to reach out to our internal and external whistleblower channel in any instances of breach or suspected breach of our policy framework or other miss-conduct. Our whistleblower policy outlines the scope of our reporting channel. Topics that can be reported vary, overall topics concerning discrimination, fraud, illegal acts, misuse of company resources, breach of confidentiality and whistleblower retaliation are examples of topics that can be reported.

Our internal channel is governed by the People & Culture department. The reporting process is clarified and communicated on our intranet, and during the onboarding process. Our external reporting channel is governed by a third party that assesses the cases and forwards them to our designated recipients at Epidemic Sound. The external channel provides an option to be anonymous.

The remedy offered or planned is on a case-by-case basis where our People & Culture department assesses and implements preventive measures and takes action where appropriate. The whole process is safely documented to minimize the risk of future occurrences.

The effectiveness of our internal reporting channel is reviewed on an aggregated level yearly to evaluate the reporting process. In the case where it is assessed that more information is needed for employees to understand our reporting process, we increase our efforts to further inform on our reporting channels and processes. Regardless of which channel a stakeholder uses to file a report, retaliation is strictly prohibited and is clearly communicated in our internal guidelines and in our whistleblower policy.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

For 2024 we have, among other things, conducted our second Great Place to Work® survey that we also combined with our DE&I mapping survey. The survey was conducted by the Great Place to Work® institute and provides us with great benchmark opportunities with other employers across the globe. Further, the survey helps us make more informed decisions on how to improve and retain the Epidemic culture as we are growing. The results allow us to act more quickly on potential risks that we can identify in the results, especially combined with the DE&I mapping.

We received the Great Place to Work® certification for our Stockholm and London office, with 80% of Epidemic Sound employees considering the company to be a Great Place to Work®.
Additionally, Epidemic Sound announced an intention to sign a collective bargaining agreement for all employees in Sweden. It is anticipated that CBA will be implemented in 2025.

Finally, we continued our improvements of our office spaces, with the intent to further improve the work environment and ensure we operate office spaces that are functional and serve our needs. One of the main changes in 2024 was our sign of a new office in New York, US, that will improve the work environment for our New York based employees. We will move to the new building in Q1 2025.
Actions as it relates to our targets for 2025 are listed in the table presented under S1-5 on page 36.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The table below describes our ambitions with related targets and actions for 2025. The targets and actions cover all employees at Epidemic Sound, across all locations. The targets have been set by our People & Culture Department as they are closest to our employees. We will not, for targets and actions 2025, disclose operational expenditures and/or capital expenditures as that is business confidential.

Material matter	Ambition	Target	Action
Diversity, equality and inclusion (DE&I)	Become a mature organization in diversity, equality and inclusion (medium-term).	Assessing representation beyond gender and age	Identify ways to measure representation using current tools and platforms, such as HR system and employee surveys.
Training and development	Foster a culture of growth and empowerment through strong leadership, meaningful training, and continuous development (medium-term).	Average leadership consistent score at 8.4	Implement new leadership skills training program with focus on remote managers.
Safe and balanced workplace	We nurture an engaging culture and productive work environment (medium-term).	Company engagement score of 7.5 Voluntary turnover below 10%	Continue our office updates to improve the work environment. Ensure we continue to conduct exit interviews.

Our Music Department has an ongoing dialogue with our artists, all with the aim of further improving our collaboration and strengthen our relationship. They have defined targets and actions for 2025 based on their team targets, that is aggregated as they work with several targets at the same time. The table presents our ambition and targets for 2025.

Material matter	Ambition	Target	Action
Artist diversity & inclusion **Artist - equality and equal pay for work of equal value**	Continuously achieve an equitable and sustainable partnership with artists (long-term).	Improve diverse representation among artist signings and submissions, according to department OKRs and team initiatives.	We will not address specific actions as this is business confidential. However, our overall approach to reaching our ambition is to:
		Execute all DE&I related initiatives supporting equal opportunities, such as fair remuneration structures, access to resources and support as well as distribution opportunities.	Resource allocation to improve artist diversity in scouting and signing. Transparent and fair remuneration process. Feedback mechanisms to review progress and address inequities.

S1-6 Characteristics of the undertaking's employees

Data is reported in head count per the 31st of December 2024, and we have extracted data from our HR system. Employees have an option to self-report their preferred gender in our HR system, and this is the data we have decided to report.

Employees can select from: female, male, non-binary, not listed and prefer not to disclose. Please note, it is not required that employees select, therefore there are employees who have not provided any information on the preferred gender. In the data tables below, we have reported non-binary, not listed and employees who have not made any selection as *Other* and employees that have selected "Prefer not to disclose" are reported in *Not reported*. For 2024, 16% of employees did not report on any preferred gender.

Gender diversity within Epidemic Sound employees

Reporting year	2024
Gender	Number of employees (head count)
Female	213
Male	236
Other	93
Not reported	5
Total employees	**547**

Employees per country of operations

Reporting year	2024
Country	Number of employees (head count)
Sweden	462
United States	49
Other	36
Total employees	**547**

Employees per employment contract

Reporting year	2024			
Female	**Male**	**Other**	**Not reported**	**Total**
Number of employees (head count)				
213	236	93	5	**547**
Number of permanent employees (head count)				
211	235	88	5	**538**
Number of temporary employees (head count)				
2	1	5	0	**8**
Number of non-guaranteed hours employees (head count)				
8	4	4	0	**16**

Employee per country of operations and employment contract

Reporting year	2024			
	Sweden	United States	Other	Total
Number of employees (head count)				
	462	49	36	**547**
Number of permanent employees (head count)				
	456	49	34	**539**
Number of temporary employees (head count)				
	6	0	2	**8**
Number of non-guaranteed hours employees (head count)				
	16	0	0	**16**

S1-7 Characteristics of non-employees in the undertaking's own workforce

In 2024 we had 53 non-employees per the 31st of December 2024. The non-employees that we contract are working with our tech department and other supporting departments.

S1-8 Collective bargaining coverage and social dialogue

Epidemic Sound does not have a collective bargaining agreement in place for 2024. Therefor no employees are covered by such an agreement. However, in 2024 we signalled our intent to enter a CBA for employees in Sweden. We do have a work environment committee that covers all employees, regardless of where they are located.

In 2025, we will implement a collective bargaining agreement for all Swedish employees, and we will fully report on the data requirements for this measure in next year's statement.

S1-9 Diversity metrics

All data is per the 31st of December 2024 and is collected from our HR system. We have defined top management as employees at level 15 and upward. That is two levels from our CEO.

Gender diversity within the top management of Epidemic Sound

Reporting year	2024
Top management	Number of employees (head count)
Female	15
Male	19
Other	0
Not reported	5
Total employees in top management	**39**

Age diversity within Epidemic Sound's employees

In the table of employees per age group we are missing 2 employees (head count). This is due to limitations in data collection. We have identified the issue and will implement improvements in 2025, to ensure we are able to report on all employees per age group in next year's sustainability statement.

Reporting year	2024
Age	Number of employees (head count)
Under 30 years old	56
30-50 years old	465
Over 50 years old	24
Total employees	**545**

S1-12 Persons with disabilities

Epidemic Sound cannot report on requested data as these data points are subject to legal restrictions.

S1-13 Training and skills development metrics

Phased-in provisions described in ESRS 1 Appendix C are applied.

S1-14 Health and safety metrics

Phased-in provisions described in ESRS 1 Appendix C are applied.

S1-15 Work-life balance metrics

Phased-in provisions described in ESRS 1 Appendix C are applied

S1-15 Remuneration metrics (pay gap and total remuneration)

	2024
Pay gap	15.9%
Total remuneration ratio	5.3

The gender pay gap has been calculated as described in ESRS S1-17:

(*Average gross hourly pay level of male employees - Average gross hourly pay level of female employees*)
average gross hourly pay level of male employees.

The pay gap metric includes all employees, from all levels and countries across Epidemic Sound. Therefor the metric should be understood as a high-level gap.

The total remuneration metric has been calculated as described in ESRS S1-17:

Annual total remuneration for the undertaking's highest paid individual
Median employee annual total remuneration (excl. the highest paid individual)

The total remuneration has been calculated based on several assumptions:
- Pension calculated by base salary
- RSUs are not taken into consideration since it is conditionally vesting
- Sickness insurance not included as it depends on sick leave
- For our employees based in the US, we have only included life insurance and workers' compensation as other insurances are up to choice and vary in cover
- Bonus for our management team in 2024 is not included as it is not yet decided
- Other possible insurances that are by choice or only valid if applicable (for example parental top up) haven't been included

Note the following about the total remuneration. All employees, from all levels and countries across Epidemic Sound is included which means that e.g. the insurance cover is different in all our locations and cannot be directly compared. We have also not included insurance for Netherlands and workers compensation insurance for US as we do not, at the time of reporting, have access to that information.

For next year's sustainability statement, we will review how to report the pay gap and total remuneration metric in greater detail to allow for better understanding of the data, for example per country of operation.

S1-17 Incidents, complaints and severe human rights impacts

Phased-in provisions described in ESRS 1 Appendix C are applied.

S4 Consumers and end-users

S4.SBM-2 Interests and views of stakeholders

Data is key for us as a soundtracking platform. We use data to analyze our current offering, the performance of our services and to develop new tools and features. With the data we collect, it is highly important to protect it and ensure our consumers and end-users' right to privacy and protection of data. Consumers and end-users are any entity that uses our music and/or sound effects, for example enterprise customers, professional creators and subscribers. Our interaction with consumers and end-users differs depending on the consumer group.

We conduct regular NPS surveys that provide insights into our consumers' experience with our platform and overall interaction with us. We also carry out dialogue with enterprise customers to ensure their needs are met. The knowledge we gather is used to alter our offering, design tools and plug-ins and improve the overall experience of Epidemic Sound, therefore the input is used to inform our strategy and business model, where possible.

Regarding human rights, we communicate how data will be collected, processed and managed within our terms and conditions, terms of service as well as privacy notices and cookie policy. General terms of use, privacy notices and cookie policy can be found on our website: https://www.epidemicsound.com/policy/v2/legal/.

S4.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Our consumers and end-users are key for our business success and they trust us when they use our product, and we need to ensure that that trust is maintained and we act with integrity. As a provider of a soundtracking platform, the engagement with our consumers and end-users is centered around data and we have an obligation to protect their privacy and use data in a responsible way.

Data provides important information on improvements to our platform and for creating new tools and experiences for our users and we need to protect the data entrusted to us and respect our users', business partners' and employees' privacy. Our Director of Security together with our Data Protection Officer works diligently to minimize the risk of data breaches and inflictions on our cyber security and remedy any negative impacts it could have on affected stakeholders.

We do not anticipate there will be drastic changes in strategy or how we operate as a result of these impacts, risks and opportunities, it is anticipated that potential changes to our data protection and IT security efforts will be made on a regular basis to ensure continued safety of privacy and security.

Our business model is based on our complete ownership of our music and sound effects. This allows our consumers and end-users to use our music and sound effects in their creations and communication without restrictions. It is therefore important that they can use, within our agreed terms and conditions, the music and sound effects without the risk of demonetization or other limitations to the content they create and communicate. We believe this supports freedom of expression for our end-users.

At the same time, we want to protect the music and sound effects entrusted to us by our artists. We have a legal and moral obligation to ensure that their creations are attributed and that the music is protected from

being used in content and communication we find could have a negative impact on society and on the reputation of our brand and artists.

Material sustainability matter	Right to privacy and responsible use of data
Description	With solid processes and clear governance, we protect the data entrusted in us and respect our users and business partners' privacy.
Impact	Loss of data impacts on the rights of our employees and consumers Leverage of AI in music development
Risk	Disruption to our business continuity Loss of revenue
Opportunity	Increased trust from our internal and external stakeholders
Value chain concentration	Own operations and Downstream
Time horizon of impact	Short-term
ESRS standard and disclosure requirement (DR)	ESRS S4

Material sustainability matter	Freedom of expression
Description	Our end users should be able to use our music and sound effects, in accordance with our terms and conditions, without risking demonetization or limitation in use.
Impact	Positively impact end users' ability to freely express themselves using our music with a low risk of restrictions.
Risk	Music could be used against our terms and conditions
Opportunity	Increase customer base due to our restriction free music
Value chain concentration	Downstream
Time horizon of impact	Medium-term
ESRS standard and disclosure requirement (DR)	ESRS S4

Material sustainability matter	Protection of music
Description	Our artists trust us with their creations, and we have both a legal and moral obligation to foster that trust. At the same time, we need to ensure that our music is not used in harmful content.
Impact	Increased trust from artists.
Risk	Reputation risk due to breach of our terms and conditions.
Opportunity	Increase of consumer base following our terms and conditions ensuring music is used in content that is not harmful.
Value chain concentration	Upstream and Downstream
Time horizon of impact	Medium-term
ESRS standard and disclosure requirement (DR)	Epidemic Sound own matter (S4)

The double materiality assessment included the analysis of impact on consumers and end users as required in Disclosure requirement ESRS S4 SBM-3. The table below shows the more in-depth results from the double materiality assessment with the focus on how our product impacts our consumers and end users.

Impacted consumer / end-user	Enterprise customers
Description	Our enterprise customers use our music/sound effects in their product and/or service and communication.
Potential negative impact	Data privacy violation
Potential positive impact	Free use, within our agreed terms and conditions, of music/sound effects without the risk of fines due to infringement on laws and regulations.
Cause of impact	Enabling users to use music/sound effects in their own products and services based on our operating model, as a result of our ownership of the music and sound effects.

Impacted consumer / end-user	Creators
Description	Our professional creators
Potential negative impact	Data privacy violation
Potential positive impact	Ability to freely express their creations with minimized risks of having content blocked and/or demonetized.
Cause of impact	Enabling users to use music/sound effects in their own creations based on our operating model, as a result of our ownership of the music and sound effects.

Impacted consumer / end-user	All end-users
Description	Anyone using our music/sound effects in their creations, product/services and communication.
Potential negative impact	Freedom of expression
Potential positive impact	Freedom of expression and monetization of content as our music and sound effects are free to use within our terms and conditions.
Cause of impact	As a result of our operating model, we could negatively impact our end-user's ability to use the music/sound effects in all creations. However, we believe it also protects the reputation of our end-users as the music/sound effects they use will not be used in content that is offensive / harmful, which could impact their brand. This creates trust between us, artists and end-users.

S4-1 Policies related to consumers and end-users

Right to privacy and Responsible use of data

How we operated with regard to General Data Protection Regulation (GDPR) and Cookies is stated and explained in our Privacy policies, cookie policy and our Business Partner Code of Conduct found on our website https://www.epidemicsound.com/policy/v2/legal/. The policies outline what data we collect, how it is processed and the right to withdraw consent, and how to report breaches or other concerns regarding data management.

To ensure our employees understand our processes for data management and privacy, all employees are required to complete our 'Introduction to Security' training and 'GDPR basic- training'. In our monthly all-hands meetings, we have ad-hoc presentations and reminders from our Director of Security to continuously remind and update all employees on data and IT security. Epidemic Sound continuously updates our way of operating to new legislation and procedures to foster a secure data and IT environment. Further details on our processes cannot be externally communicated due to business confidentiality.

Epidemic Sound recognizes the leverage in use of AI technology to further improve on our user experience through development of tools and functions added to our platform, such as Soundmatch. However, Epidemic Sound's stance is clear: we both partner with artists and leverage AI, as there's power in this combination that'll continue to drive our market position as we transition to this new AI-driven paradigm. We are in a unique position to do this.

Freedom of expression

Epidemic Sound business model allows consumers and end-end users to use our music and sound effects free of restrictions. Which provides a unique opportunity to soundtrack content without the risk of demonetization or blockage on platforms such as YouTube, letting content creators freely express themselves via their content. In our agreed terms and conditions, we communicate how the music is to be used and in what instances we do not allow our music to be used, see more in the section on 'Protection of music'. In our DMA process we identified this to be a positive impact, and since it is at the core of our business model, we do not have any specific policies to further address the freedom of expression through the use of our music and sound effects.

Protection of music

Music is at the core of our business and when we acquire music our artists trust us with their creations, and we want to uphold that level of trust. We respect artists' moral rights, and we want to protect our artists and our brand from backlash from use of our music in situations where it is against our values. We have gone beyond legal requirements in adding prohibitions to where our music can be used, these can be found in our license terms. Our music cannot be used in the following types of content:

- defamatory;
- illegal or inciteful of an illegal act;
- immoral;
- racist;
- hateful;
- derogatory or discriminating against any person based on for example race, nationality, religion, ethnic identity, gender, gender identity or sexual orientation;
- that constitutes encouragement of violence or use of weapons;
- that constitutes disinformation;
- that is pornographic,
- or in a manner or context that otherwise violates any rights of anyone associated with the Licensed Works.

- in connection with sensitive subjects including:
  - political content, such as the promotion, advertisement or endorsement of any party, candidate or elected official; and
  - "adult videos" and promotion of adult entertainment venues, escort services, or the like.

Our Legal department together with our Music Department is responsible for clearly communicating our agreements and conditions with our artists and consumers and end-users to ensure we protect the music entrusted to us.

S4-2 Processes for engaging with consumers and end-users about impacts

Right to privacy and Responsible use of data
Epidemic Sound's engagement on the topic of data privacy and security is ongoing as we consciously collect data and use data in our product development. We strive to always have a clear understanding of our stakeholders' requests in terms of how we manage their data. In our data privacy policy it is clearly communicated what data we collect, how we intend to use it and what rights our stakeholders have such as right to access, right to erasure and right to restriction, more information can be found in our Privacy policy available at our corporate website: https://www.epidemicsound.com/policy/v2/legal/.

We are committed to protecting all personal data. To help maintain the security we have implemented organizational and technical measures to adequately protect it, e.g. policies, instructions, routines against unauthorized access and unnecessary retention as well as safeguards such as firewalls, fraud detection and other systems to detect unauthorized activities aimed at our website or services. We keep these measures under close review in order to keep our systems and the personal data we process safe.

Our Data Protection Officer (DPA) and Director of Security are regularly in dialogue with our stakeholders and legal communities to further update and improve our processes and procedures. The outcome of these interactions is implemented in our way of working and ongoing updates of our processes and guidelines.
In case of breaches or other safety concerns of our enterprise, the security team is notified and immediately launches an investigation per our Privacy policy and internal guidelines.
All stakeholders can report data breaches or concerns to our external reporting channel described in ESRS G1-1 on page 50.

Protection of music
Similarly to our Data privacy team, we have a team working with Digital Rights Management (DRM). DRM is one of our most powerful tools in identifying where our music is used without a licensing agreement with Epidemic Sound. Our dedicated DRM team engages with stakeholders, on a regular basis, that have been identified to use our music without authorization and initiates a dialogue with them to solve this issue. The process and details of this engagement is confidential to how we operate. There are also instances where we get information from artists or employees on where our music is used without authorization or outside of our agreed terms and conditions, this engagement is on an ad-hoc basis.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We diligently work to ensure the protection of data trusted in us and to respect the privacy of our consumers and end-users. Our approach to remedy in case of a personal data breach is to act quickly and without unnecessary delay. We are, under certain circumstances, obligated to inform the affected data subject of the breach and notify relevant authorities. In the case of a data breach, we would communicate to the data subject and provide them with information on what happened and suggest actions they can take to reduce the impact (or risk) of the data breach to them. All consumers and end-users can contact our privacy team on a dedicated email found on our website.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Our dedicated data privacy team continuously updates our processes to ensure we are managing data in a safe and secure way. Specific focus in 2024 was to finalize projects begun in 2023 related to GDPR and continue to educate our employees on data security and protection with further training sessions on data security.

Actions as it relates to our targets for 2025 are listed in the table presented under S4-5 on page 49. All actions that we undertake during the year and plan for the next coming year are always connected to our identified IROs and corporate risks to ensure we focus our efforts where we have an impact.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We continuously make efforts to ensure we protect data entrusted to us and respect the privacy of our consumers and end-users, as well as our employees. During 2024 we improved our internal processes for handling data and information via further training on data classification.

The table below provides information on our ambition (medium-term) and targets for 2025 as well as planned actions to reach our targets. Where significant operational expenditure and/or capital expenditure are required, we cannot disclose that as we have yet to define thresholds for what is significant as it varies between sustainability matters.

Material matter	Ambition	Target	Action
Right to privacy	Continue implementing a culture of privacy awareness amongst employees that goes beyond regulatory requirements (medium-term).	At least 5% of all company employees engage in the additional privacy programming during 2025	Establish a yearly privacy event to commemorate the Data Protection Day
Responsible use of data	Promote a culture of data security and awareness among all employees (medium-term).	Achieve 95% completion of annual security awareness training by 2026	Roll out a mandatory online training program and conduct regular phishing simulations
	Enhance security through a Zero Trust approach to protect sensitive data (medium-term).	Deploy Zero Trust framework across all critical systems by 2026.	Implement multi-factor authentication (MFA), continuous monitoring, and least privilege access models.

Governance information
G1 Business conduct

G1.GOV-1 The role of the administrative, supervisory and management bodies

Operational responsibility for Epidemic Sound's business conduct and culture is placed on the management team, managers and employees, with the oversight responsibility on the Board of Directors.

G1.IRO-1 Processes to identify and assess material business conduct related impacts, risks and opportunities

For identifying IROs connected to business conduct we applied the same process and thresholds as for the other topics. We have not focused on any specific transactions. The same criteria were applied throughout the DMA process. In our annual review we will assess if additional focus is needed when assessing the materiality of topics related to business conduct.

G1-1 Business conduct policies and corporate culture

Our Code of Conduct reflects our values, current business practices, risks and stakeholder expectations. The Code of Conduct has been put in place to help guide through ethical and legal situations that employees may come across while doing business, or to at least point us in
the right direction for further guidance. Our Code of Conduct applies to all employees, Board members, consultants and contractors.

The Code of Conduct describes how we operate and make decisions to continue our success and navigate difficult situations. Not only does the Code of Conduct describe these behaviors to ensure compliance with legal requirements, but they also meet high ethical standards. Through this, we promise that we are acting responsibly and playing fairly with every customer, artist, partner, and fellow employee. We rely on one another's willingness to be a force for good and always work hard to leave the world in a better place.

Managers are responsible for implementing the Code of Conduct in their respective teams and departments. However, all employees are expected to read and comply with the Code of Conduct. The Code of Conduct is part of the onboarding process. In 2025 we will roll out a global training program to ensure the Code of Conduct and other key policies are implemented through regular training. Currently, we ask that all new employees go through our training in the Code of Conduct, but with the new global training program we aim to ensure a regular training program for all employees. The Code of Conduct consists of six chapters. The chapters 'Doing business', 'Protecting what is ours' and 'Speak-up' relate to our sustainability matter 'Fair soundtracking'.
1. Our values - our four guiding principles on how we win and become a successful company
2. Thriving together - diversity and inclusion, equal opportunity employment and safe and healthy workplace
3. Doing business - anti-bribery and corruption, fair competition, conflicts of interest, international business, suppliers and partner and finally privacy and data protection
4. Taking responsibility - how we tell our story (external communications) and environment

5. Protecting what is ours - our assets, responsible use of technology (AI governance), non-public information and user and IT security
6. Speak up - how to raise a concert internally and/or externally

The Code of Conduct provides an overview of how we operate and act, however, the Code of Conduct does not cover all risks in detail and where more effective we have underlying policies, standards and procedures that state our way of working within sustainability.
These underlying policies are approved by the Board of Directors and/or Management team depending on topic and scope. In sections E1-2, S1-1 and S4-1, some of these policies and procedures are described. The Code of Conduct, Business Partner Code of Conduct and privacy policies are publicly available on our website https://www.epidemicsound.com/policy/v2/legal/. However, most of our policies are not public due to business confidentiality such as anti-discrimination and harassment and risk management policy.

Our Speak up process (also referred to as our whistleblower process) includes an internal and external process. Employees, consultants and contractors can report breaches and raise concern to our internal channel, which is a dedicated email address, they can also report directly their manager or their People Partner. An addition to this internal process, we have an external channel where both internal and external stakeholders can raise a concern that allows for anonymous reporting.

Our internal 'raise a concern' and our external process via a third-party online platform follows the same structured process. Once a report is made, the individual filing the report is informed that a report has been made and received and further informed on the process. After that an investigator is then assigned to the case and depending on the case and how it was filed, it will be the Director of People management, a People partner or an external consultant that will be assigned. An investigation is then initiated and potential risks for the individual filing the report are identified and action taken if it is needed for the safety of the individual. Measures are then made that are followed up to ensure a positive outcome. Throughout the process we document and report to avoid future occurrences.

Epidemic Sound will not tolerate any negative effects if anyone reports a concern in good faith. All forms of retaliation against an individual who has raised a concern in good faith are prohibited. There are no specific measures established to monitor risks of retaliation against reporters.

Sustainable supply chain
We run and operate a digital service and product; therefore, the bulk of our procurement comprises software, data processing services, electricity and personal related services such as pensions and consultants, besides the music and sound effects we procure.

However, we have identified that there are risks associated with procurement and to address these risks we have a procurement process put forth in our procurement policy. The policy provides a framework on how we procure software, goods and services depending on the expenditure and category of supplier. Part of the procurement requirements is to ensure our suppliers read and comply with our Business Partner Code of Conduct. Our BPCoC has a similar structure to our Code of Conduct, it consists of five chapters.
1. Thriving together - open and non-discriminatory workplace, safe and healthy workplace, forced labor, Minimum age of labor, Freedom of association and right to collective bargaining, working hours and wages
2. Caring for the environment - energy reduction, operating with all permits needed and reduction of greenhouse gases emissions
3. Doing business - anti-bribery and corruption, conflicts of interest, gifts and hospitality, fair competition and business practices, international business and money laundering
4. Protecting data and information - personal data (i.e. right to privacy) and confidential information and intellectual property

5. Outro - how to raise a concern if you are a business partner to Epidemic Sound and how we will work together to improve and our right to audit when or if needed

To improve our procurement practices we are in the process of reviewing how we ensure implementation of the BPCoC through follow-up. We do not have a set time plan for when potential improvements will be implemented as we started this review in the fall of 2024. We hope to present more information on our sustainable supply chain practices in the next statement.

G1-2 Management of relationships with suppliers

We have, over the past two years, improved and updated our procurement process. Some of the updates have been implemented to implement a procurement policy that in detail goes through the step-by-step process in which we procure goods and services. We continue to improve on our procurement process and in 2024 we began a project to oversee our process to further align with sustainability due diligence requirements.

We anticipate implementing tools and guidelines for screening suppliers and improving our implementation of our BPCoC through follow-up. One of the things we improved in 2024 was to update our BPCoC to more clearly communicate our expectations of our business partners regarding human rights, for example working hours, wage and forced labor and child labor.

G1-3 Prevention and detection of corruption and bribery

The overarching policy for governing and preventing corruption and bribery is the Code which includes guidelines on anti-corruption and bribery. All employees, contractors and consultants are to follow these guidelines. We also have a specific policy, and guidelines targeted to prevent and mitigate the risk of corruption and bribery. Our legal department is also conducting training sessions for identified high risk teams to ensure they understand our policy and procedures with regard to corruption and bribery.

G1.MDR-A.1 Actions related to business conduct

We continued to ensure training in our anti-corruption and bribery policy to all new employees, and our efforts in risk management that related to business conduct continued with further improvements. One of the main actions for 2024 was the start of our sustainability due diligence project, where we laid the foundation for the upcoming years where we will develop our process for due diligence.
Actions as it relates to our targets for 2025 are listed in the table presented under G1.MDR-T.1 on page 53. All actions that we undertake during the year and plan for the next coming year are always connected to our identified IROs and corporate risks to ensure we focus our efforts where we have an impact.

G1.MDR-T.1 Targets related to business conduct

Similar to our work with data protection, we continuously work to ensure our employees are aware of and informed on potential risks related to our business operations and how to act accordingly to our policy framework. For 2025, we will increase our ambitions and implement a global framework for how we implement our policies. As that is part of the ongoing daily operations, we have decided to focus on our anti-corruption policy implementation and our due diligence process for suppliers. The table clarifies our medium-term ambition and targets and actions we have set for 2025 related to our ambition.

Material matter	Ambition	Target	Action
Fair soundtracking	Amplify our fair business practices with improved due diligence processes for suppliers (medium-term.)	Develop and implement a sustainability due diligence process for suppliers.	Review current process to establish gaps in current processes. Develop a cross functional process.
	Ensure fair business practices according to our anti-corruption and bribery policy (medium-term).	80 % of employees enrolled in the reporting year are to complete the anti-bribery and corruption training.	Assess and improve current format for reminders. Ensuring managers are reminding teams to complete the training.

G1-4 Incidents of corruption and bribery

We did not have any recorded incidents of corruption or bribery in 2024.

G1-5 Political influence and lobbying activities

Our SVP Global Licensing & Regulatory Affairs is responsible for our lobbying activities in questions and topics concerning copyright laws and other related laws in the European Union. We do not provide any monetary contributions or other in-kind contributions that is related to political parties or lobbying activities. We are listed in EU Transparency Register; our registration number is: 404517030338-03.

G1-6 Payment practices

Our DMA identifies the importance of ensuring safe and timely payments to our suppliers, especially our SME suppliers. We will fully report on this metric in our sustainability statement for 2025 when we have a more comprehensive understanding of our processes and data collection.