Valve Corporation

Disclosure of Climate-related Information in Accordance with TCFD

2025 Report

GENERAL

Valve Corporation ("Valve") is a private company based in Bellevue, WA that makes PC games, operates the Steam game distribution platform, and makes consumer electronic devices, including the Steam Deck and VR hardware, designed to expand and improve gaming on PCs.

Valve has elected to make the following climate risk disclosures in conformance with The Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) published June 15, 2017 by the TCFD. As this is the first climate risk disclosure for Valve, opportunities exist to further refine and align climate-related financial risk considerations with Valve's business strategies. At the same time, Valve is actively conducting its calculation of greenhouse gas (GHG) emissions across Scopes 1 and 2 in preparation for climate risk disclosure compliance in the upcoming years.

GOVERNANCE

Valve's Board provides overall oversight of Valve's strategic, operational, and risk-management decisions. The Board meets to review key business decisions, including those that may involve climate-related risks and opportunities. Climate-related topics are considered on an ad hoc basis when material to strategic, regulatory, or operational matters.

A cross-functional committee composed of representatives from the Finance, Legal, Facilities, and other operational functions at Valve is responsible for the consideration of climate-related issues in day-to-day operations. This committee meets regularly to assess emerging climate-related regulatory developments, evaluate climate-related risks and opportunities relevant to operations and supply chain, and review data and performance metrics related to emissions and operational resilience. As applicable, any relevant findings and recommendations from this committee will be communicated to Valve's Board.

STRATEGY

The committee plays a role in integrating climate considerations into operational and strategic decision-making. Valve has identified several key climate-related risks and opportunities that could materially influence its operations. Physical climate risks such as extreme weather events pose potential threats to data center uptime and digital service continuity, which are critical to the company's core business model. Transition risks related to changing energy and emissions regulations influence data center site selection, renewable energy sourcing, and operational cost management. Valve also faces supply chain risks stemming from climate-related disruptions that may affect the availability and logistics of hardware components and product distribution. In addition, regulatory and compliance risks are emerging from evolving environmental and digital product regulations, particularly around extended producer responsibility (EPR) and carbon disclosure requirements, which increases compliance cost and reporting complexity.

Category	**Description of Climate-related Risk or Opportunity**	**Potential Financial or Operational Impact**	**Mitigation Strategies**
Service uptime & resilience	Physical climate risks such as extreme weather or power disruptions may affect data center performance and digital service availability.	Potential increase in operational costs or service downtime.	• **Diversified location selection** • **Climate resilience requirements at operating centers** • **Disaster recovery planning**
Data center & energy use	Evolving energy and emissions regulations influence site selection, renewable energy sourcing, and energy efficiency strategies.	Operational cost management	• **Alternative vendor options** • **Internal or external regulatory tracking** • **Energy management and planning**
Supply chain & product logistics	Climate-related disruptions may affect hardware sourcing, product delivery, and logistics reliability.	Procurement volatility; potential increase in costs and production schedule impacts	• **Alternative supplier options** • **Inventory/purchase order planning** • **Logistics optimization**

Category	Description of Climate-related Risk or Opportunity	Potential Financial or Operational Impact	Mitigation Strategies
Regulatory and compliance landscape	Emerging digital, environmental, and extended producer responsibility regulations may influence product development and reporting requirements.	Compliance cost exposure and reputational risk.	• **3rd party support on compliance regulations and policies** • **Improve data metrics for easier reporting**
Product lifecycle sustainability	Incorporation of battery lifecycle management, refurbishment, and end-of-life processes reduces waste and extends asset value.	Opportunity to enhance brand reputation and reduce long-term material costs.	• **Design for alternative end of life streams** • **Established refurbishment program**

RISK MANAGEMENT

The cross-functional committee is responsible for identifying, assessing, and managing enterprise risks and by extension climate related risks. This committee integrates perspectives from Finance, Legal, Facilities, and other operational functions. This committee applies a collaborative decision-making approach, ensuring that the evaluation and prioritization of risks reflect both technical expertise and business relevance.

Enterprise and supply chain risks are assessed through a structured methodology that includes stakeholder selection, factor definition, weighting and scoring, and mitigation planning. The process begins by identifying relevant internal and external stakeholders across the value chain to capture diverse insights into potential risks. Risk factors are defined and assigned relative weights based on materiality to operations and financial exposure. Each factor is scored using a standardized matrix across stakeholder groups, producing a consolidated risk profile that supports the prioritization of mitigation actions. The results are reviewed by key stakeholders and reported to the Board when appropriate.

METRICS AND TARGETS

Valve monitors and manages climate-related performance through a combination of operational, compliance, and emissions-based indicators. Current focus areas include compliance with Extended Producer Responsibility (EPR) requirements, which ensure that packaging materials, batteries and electronics meet applicable recovery and recycling obligations and funds the future recycling of these products. These measures are intended to minimize waste generation, improve circularity, encourage sustainable practices, and reduce associated GHG) emissions across the product lifecycle.

Valve is developing a comprehensive GHG emissions inventory that covers Scope 1 (direct) and Scope 2 (indirect energy-related) emissions. The first full inventory is scheduled for completion in 2026 followed by limited assurance under the compliance requirements of California SB 253. This process is being supported by an independent third-party partner to ensure accuracy, completeness, and consistency with the Greenhouse Gas Protocol.