

Embracer Group's Supplier Code of Conduct

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This policy should apply to all suppliers of Embracer Group, all of Embracer Group's entities and all their respective suppliers and subcontractors. All suppliers of Embracer Group must explicitly certify that they will comply with this policy.

This policy sets the minimum standards for the Group's suppliers. These standards are based on laws, internal regulations and binding voluntary commitments, a number of international declarations and conventions and Embracer Group's corporate values. As a sustainable and responsible company, Embracer Group regards the standards in this policy as minimum levels rather than as goals for the suppliers.

If you have any questions about this policy, please contact: Embracer Group General Counsel

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1. Revision history

Date	Version	Description	Author
2022-05-31	1.0	First version adopted by the Board of Directors	Embracer Group General Counsel

2. Introduction

Embracer Group AB's ("**Embracer**") Supplier Code of Conduct (hereinafter referred to as the "**Code**") is derived from the company's philosophy and common corporate values. In all of its activities, Embracer upholds the principles of integrity, quality and social responsibility and this Code reflect our corporate responsibility and culture. We expect our suppliers, including their supply chain to operate accordingly and we intend to only do business with suppliers that comply with the requirements and expectations set out in this Code.

As a global corporation, Embracer is committed to international conventions for the environment, human rights, employment law, corruption, etc., in particular, to moral and ethical principles and of the International Charter of Human Rights, the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the labor and social standards of the International Labor Organization (ILO), and the principle of social partnership. This Code is based on the same principles.

This Code applies for all suppliers, including their supply chain, of the companies within the Group, both owned and controlled franchises, including all their respective suppliers and/or subcontractors providing services to the suppliers.

2.1 General Requirements and Compliance with Law

Every supplier must ensure full observance of all applicable laws, internal regulations and binding voluntary commitments. Each supplier is responsible for ensuring that all its employees are aware of all applicable laws and regulations related to their work activities and perform their tasks in compliance with them. Suppliers should likewise ensure that all their own suppliers and subcontractors are compliant with all applicable laws and this Code.

This Code sets minimum standards and takes precedence over less stringent national laws. The Code does not replace legislation, if there is any conflict between local law and the code, mandatory local law takes precedence. Where the requirements in the Code go beyond local standards and laws, the requirements in the Code must be followed.

2.2 Management System and Due Diligence

We encourage our suppliers to strive towards continuous improvement, and to establish, implement and maintain management systems and standards related to the areas described in the Code. Risk assessments, implemented policies, processes and routines, clearly communicated roles and responsibilities, relevant training and instructions, establishment and performance evaluation of measurable goals, along with functioning control systems, serve as the foundation for a successful implementation of the Code.

All suppliers have a responsibility to respect human rights and we expect our suppliers to have a due diligence process implemented to identify, prevent, mitigate and account for adverse human rights impacts that they may cause, contribute to or are directly linked to their operations, products or services including their supply chain. A human rights due diligence will appropriate in complexity with the size of the company, the risk of severe human rights impacts, and the nature and context of operations. The focus of the due diligence is on where the highest risks of doing harm to people are found. Acting upon human rights impacts also includes taking appropriate steps to avoid, minimize and/or mitigate them.

2.3 Monitoring

All business relations between the companies within the Group and our suppliers must be based on honesty, transparency and cooperation. By accepting the Code, the supplier commits to meeting these requirements within its own operations and their supply chain. This should be achieved by cooperating in a transparent manner with Embracer and suppliers must be able to demonstrate compliance with the requirements upon request. Embracer may verify compliance with the requirements set in the Code by a combination of mechanisms including but not limited to self-assessments and reserves the right to conduct site visits and audits at suppliers' and their subcontractor's sites, either by Embracer's own employees or by an independent third party appointed by Embracer.

Suppliers must promptly inform Embracer if they discover a violation of the Code within their own operations or the operations of their own suppliers or subcontractors. Compliance failure by a supplier, without corrective actions and remedy and/or lack of cooperation, may result in a reduction of business or termination of all agreements with the supplier and its affiliated companies (see Section 7 for more details).

If the concerns are of a sensitive nature or a serious deviation from the Code, we encourage our suppliers to report alleged wrongs through the designated whistleblowing service for the respective Embracer company. We safeguard the right to anonymity when using the whistleblowing service. When reporting, there is no need for proof, but reports must be made in good faith.

The Legal, Compliance and Governance department of Embracer will periodically audit and monitor implementation of the Code within the Group. Embracer's personnel may be required to execute periodic certifications as to compliance with the Code, as well as attend, and successfully complete, training related to the topics covered by the Code.

3. Business Ethics

3.1 Corruption and Bribery

Embracer has zero tolerance for bribery and corruption in our business, which extends to all suppliers and their supply chain. Suppliers must not engage in corrupt practices or bribery of any kind. Offering or accepting a bribe, in any form, to or from any person in either the public or private sectors, is prohibited. Embracer suppliers must practice honesty and integrity in every aspect of dealing with Embracer, their supply chain, communities and government authorities. Suppliers are required to strictly observe antitrust law and the corresponding internal regulations.

Anti-competitive agreements with competitors are forbidden, irrespective of the market position of those involved.

For more details concerning Corruption and Bribery matters please refer to the [Embracer Group Anti-Corruption Policy](#).

3.2 Preventing Money Laundering

Suppliers must refrain from participating in money laundering activities. It is expected that suppliers have due diligence processes in place to verify the identity of their partners, the plausibility of any transaction, the authority of the other party and ensure that the results of the verification are documented. This includes, specifically looking into extraordinary patterns of action or conduct and initiate required steps and notify the competent authorities in justified suspect cases.

3.3 Data Protection

The protection of personal data concerning employees, customers, suppliers, and all other stakeholders is required from suppliers. It is important that personal data is collected and processed only when it is absolutely necessary in order to perform work-related tasks. Personal data may be collected or processed only with a clear purpose and if permitted by law.

For more details concerning Data Protection matters please refer to the privacy policy for the relevant Embracer group entity.

3.4 Confidential Information

Confidential information is information that is intended for the named recipient(s) only, not for internal dissemination or external release. Suppliers with access to especially sensitive information (financial, human resources, legal, new product development, insider information on other companies, etc.) must observe strict confidentiality even internally. Suppliers should seek Embracer's advice before disclosing any such information to third parties including any regulatory or governmental agency on behalf of Embracer, or representing themselves as an agent of Embracer unless expressly authorized to do so.

For more details concerning Confidential Information matters please refer to the [Embracer Code of Conduct](#).

3.5 Utilization and Protection of Assets and Resources

The use of Embracer's assets and resources, for example, brands, trademarks, game IPs and certain confidential business-related information, by suppliers is only allowed for legitimate and authorized business purposes with permission from Embracer. Suppliers authorized to use Embracer's assets and resources must protect them from loss, damage and misuse.

4. Working conditions, Human Rights and Labor Rights

4.1 Occupational Health and Safety

Suppliers must comply with health and safety regulations and provide a safe and healthy work environment for all employees. Suppliers must have an adequate, risk-based health and safety approach, including systematically carrying out preventive safety work to eliminate unsafe working conditions and ensure compliance with health and safety rules and procedures. All work premises, including in applicable cases accommodation and canteen, must be regularly checked in order to maintain fire safety and hygiene standards. Suppliers will, as a minimum, strictly abide by applicable national health and safety laws and the health and safety provisions of collective agreements.

4.2 Equal Treatment and Non-Discrimination

Workplace discrimination is unacceptable to Embracer. Suppliers must provide a work environment of equal opportunities and mutual trust and respect. This includes promoting equal opportunities and preventing discrimination in the recruitment, promotion, training and development of employees. Examples of such include discrimination or harassment based on ethnic background, color, gender, religion or philosophy, appearance, age, sexual identity, disability or other attributes that are protected by law. Equal pay for equal work must be promoted by Embracer's suppliers.

4.3 Child Labor

Child labor is unacceptable to Embracer. Suppliers must comply with applicable national laws and international standards on minimum age requirements and avoid all forms of child labor in their operations and supply chain. Employees must not be younger than 15 years of age (or 14 if allowed by national law), or older where local law stipulates a higher minimum age. Suppliers must not engage employees under the age of 18 in hazardous work, night shifts or work that might be harmful to their health or safety.

4.4 Forced Labor

Modern slavery including forced, bonded or compulsory labor, decent-based slavery and human trafficking is unacceptable to Embracer. Suppliers are required to comply with anti-slavery laws and must not engage in any forms of forced, bonded or illegal labor, including trafficking and other forms of modern slavery. Employees of a supplier must not be required to pay any recruitment fees or other aggregate fees to obtain their employment.

4.5 Working Hours and Remuneration

Reasonable working hours, pay and remuneration is central in providing decent working conditions. Suppliers must comply with applicable laws and rules on working and resting hours, including overtime work and breaks, as well as any other applicable leave regulations such as annual, sick and parental leave. Suppliers must offer their employees fair remuneration and additional benefits based on local market conditions.

4.6 Grievance System

Suppliers should encourage employees to report violations of this Code and employees must have the right to report concerns regarding compliance with legal requirements or company policy/rules to their employer without fear of reprisal.

4.7 Freedom of Association

Suppliers must recognize and respect their employees' right to freedom of association and collective bargaining in compliance with all applicable laws and regulations. In situations where employees' right to freedom of association and collective bargaining is restricted by applicable laws and regulations, suppliers are expected to allow alternate forms of worker representations.

5. Global Trade

5.1 Respect of Trade Embargos

Suppliers must adhere to national and international laws that regulate the import, export or domestic trade of goods, technology, services, the handling of specific products, as well as capital movements and payments. Adequate procedures must be used to ensure that transactions with third parties do not violate current economic embargoes or regulations of trade, import or export controls, or regulations for the prevention of terrorism financing.

For more details concerning Trade Embargo matters please refer to the [Embracer Trade Compliance Policy Embracer Group](#).

5.2 Conflict of Interest

A conflict of interest occurs whenever an employee, subcontractor or associated person has private interests which interfere with the interests of their employer. Suppliers should have rules in place to prevent conflicts of interest within their organization and in their dealings with Embracer. Both actual conflicts of interests and the mere appearance of a conflict of interests must be avoided and reported to Embracer.

For more details concerning Conflict of Interest matters please refer to the [Embracer Trade Compliance Policy Embracer Group](#).

6. Environment

6.1 Climate Mitigation and Adaptation

The supplier should have identified its climate impact and defined a long-term climate impact phase out roadmap as well as reduction targets and plans for its operations. The supplier should have an active climate action program, aiming to reduce its carbon footprint, as well as a plan for climate adaptation.

6.2 Minimizing Environmental Impact

Protecting the environment, mitigating climate change and building circularity is of great importance to Embracer. Suppliers must actively minimize the negative impact of their operations and supply chain on the environment and society. Suppliers must comply with all applicable laws and regulations relating to the environment and share Embracer's commitment to environmental and climate protection. This means working actively to minimize the business's environmental impact and making necessary controls to ensure that the business is performed in a sustainable way.

7. Violations of this policy

Compliance failure by a supplier, without corrective actions and remedy and/or lack of cooperation, may result in a reduction of business or termination of all agreements with the supplier and its affiliated companies.

Failure to comply with this Code by Embracer personnel may result in disciplinary action by Embracer consistent with applicable laws, up to and including dismissal, depending on the facts and circumstances.

8. Appendices and Related Documents

Appendix 1: Methodology for Sustainability Risk Classification of Suppliers

Appendix 2: Standard Trade Compliance Clauses