



# Forced Labour Report

## Digital Extremes Ltd.

For the 2024 Financial Year.

### Overview

In accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"), Digital Extremes Ltd. ("DE") is pleased to present its annual Forced Labour Report for the financial year ending December 31, 2024. This report outlines the steps that DE has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used in its business operations and supply chains. The report also provides supplementary information, as is required under the Act.

### Steps Taken to Prevent and Reduce Risks of Forced and Child Labour

During the previous financial year, DE took the following steps to prevent and reduce the risk of forced labour and child labour in our business operations and supply lines:

- Conduct a review and assessment of our import activity.
- Implemented basic due diligence processes for assessing the risk of forced labour and child labour among our suppliers.
- Reviewed select suppliers' policies and procedures concerning ethical conduct and forced/child labour.
- Implemented anti-forced labour and anti-child labour contractual clauses for our direct suppliers.
- Modified our Whistleblower Policy to explicitly address potential forced labour and child labour occurrences to ensure that complaints or concerns are promptly communicated and adequately addressed.
- Prepared and submitted our first annual Forced Labour Report under the Act in May 2024, which involved undertaking a review of our supply chains and business operations as relates to forced and child labour.

### Our Structure, Activities and Supply Chain

DE is a Canadian video game development and publishing studio headquartered in London, Ontario. It was founded in 1993 and is best known for creating the free-to-play, online



multiplayer game WARFRAME. The company is incorporated under the Business Corporations Act (Ontario) and currently has over 400 employees in Canada. DE is a wholly-owned subsidiary of Multi Dynamic Games Group, which is owned by Tencent Holdings Limited, a Chinese multinational technology conglomerate that is well known for its investment in leading gaming companies including, in addition to DE, Riot Games, Epic Games, and Ubisoft.

Our primary business is the digital development and publishing of video games for PCs, game consoles, and mobile phones. As noted above, our best known game is WARFRAME, a free-to-play action role-playing third-person shooter multiplayer online game, that has over 80,000,000 registered players. In WARFRAME, players control the Tenno, a faction of ancient warriors who have awoken from centuries of suspended animation far in the Earth's future, where they are at war with other factions in the Origin System. The Tenno use their powered Warframes, along with a variety of weapons and abilities, to complete missions.

To facilitate our gaming operations, DE partners with a select few digital distribution platforms to help deliver the games we develop to our players. We also sell WARFRAME merchandise through a third-party distributor located in the United States. In connection with our merchandise business, we contract with suppliers to produce items for the store, including character statues, vinyl records, and apparel. These items are produced primarily by suppliers in Canada and the United States.

## Forced and Child Labour Risks

DE is a video game development and publishing studio, meaning that our physical goods supply chain activity is limited. The physical goods that DE sources are for our merchandise store and work equipment for our staff.

While the nature of DE's business and its limited supply chains means that the risk of forced and child labour in our operations and direct supply chains are correspondingly limited, DE nevertheless acknowledges that no sector or activity is entirely risk free. For instance, risks may arise given the complexity of global supply chains, as our suppliers in North America may source inputs from higher risk sectors or from other suppliers located in jurisdictions with less robust protections for workers.

DE is therefore ever vigilant to the risk of forced and child labour and actively works to minimize the risk of forced and child labour in our operations. DE is also committed to partnering with businesses that share our commitment to the highest standards of business conduct. We do not knowingly enter into business with any organization that tolerates or uses any form of forced labour or child labour. We expect and require all of our suppliers to adhere to applicable human rights and employment standards laws, including those prohibiting forced and child labour, and we expect them to push these requirements down to their own suppliers



To further manage the risk of forced and child labour in our business activities and supply chains, DE relies on the processes and policies discussed below.

## Our Policies and Due Diligence Processes

DE is committed to upholding the highest standards of ethical conduct and human rights in all aspects of our business. We have the following policies and processes in place that promote compliance with the law, equal opportunities, prohibit discrimination and harassment, encourage staff to report any unethical behaviour, and foster a culture of respect and inclusion:

- **DE's Global Guide of Principles** articulates our commitment to a respectful, safe and fulfilling work environment
- Our **Whistleblower Policy** emphasizes integrity and ethical behavior in the workplace and allows employees to voice concerns and report illegal or unethical behavior without fear of reprisal, including as concerns forced or child labour
- **Pay Equity Policy** communicates to staff our commitment to providing equitable, fair wages for all of our staff.
- **Diversity in the Workplace** celebrates and welcomes the diversity of all employees, contractors, prospective employees, and others who do business with us.
- **Workplace Violence and Harassment** policies emphasize our commitment to providing a safe, productive, and healthy work environment for all our staff.

To minimize the risk of forced and child labour in our supply chains, we carefully screen and select the small number of suppliers we work through an onboarding process involving vendor due diligence assessments to identify and mitigate forced and child labour risks within our supply chains. DE also engages in supplier monitoring by assessing our annual import activity, and reviewing on an ongoing basis supplier's policies, practices, and compliance records with applicable legislation. Finally, DE also includes provisions in its contracts with direct suppliers that require compliance with all laws, including express reference to Canada's Modern Slavery Act, and that gives DE the right to terminate contracts upon breach. DE expects its suppliers to push these requirements down through their own supply chains.



## Training

At present, DE has only a few staff members involved in procurement, and therefore, dedicated training programs concerning forced and child labor have not been prioritized. Nevertheless, DE is committed to continuing to implement measures to reduce the risk of forced and child labour in our supply chains, and will consider training programs in the future as our procurement activities evolve.

## Remediation Measures

DE is not aware of any incidents of forced or child labour in its supply chains and therefore the issue of remediation has not arisen.

## Remediation of Loss of Income

DE is not aware of any loss of income suffered by the most vulnerable families as a result of steps the entity has taken to eliminate forced labour or child labour risks, and therefore the issue of remediation has not arisen.

## Assessing our Effectiveness

DE does not take specific actions to assess our effectiveness in ensuring that forced labour and child labour are not used in our business activities and supply chains. Nevertheless, DE is committed to continuing to implement measures to reduce the risk of forced and child labour in our supply chains, and will consider what processes are needed to monitor their effectiveness.

## Approval and Attestation

This report is approved and attested, as required under paragraph 11(4)(a) and subsection 11(5) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

DocuSigned by:  
  
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Name: Steve Sinclair  
Title: CEO & Director

Date: May 28, 2025

*I have the authority to bind Digital Extremes Ltd.*