



Rovio Entertainment Corporation
Corporate Responsibility Report

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Rovio Entertainment Corporation considers responsible business models important and although the Company doesn't have an obligation to produce and report non-financial information, Rovio wants to tell about this part of its business as well. This report focuses on environmental responsibility, social responsibility and personnel, and also human rights and the prevention of corruption and bribery.

Business model

Rovio Entertainment Corporation is a global entertainment company that creates, develops and publishes mobile games, which have been downloaded over 4 billion times. The Company is best known for the global Angry Birds brand, which started as a popular mobile game in 2009, and has since evolved from games to various entertainment and consumer products in brand licensing. Today, the Company offers multiple mobile games, animations and has produced The Angry Birds Movie, which reached number one in the box office in 50 countries in the opening weekend. The sequel for the movie is in production. Rovio is headquartered in Finland and Rovio is listed on the main list of NASDAQ Helsinki stock exchange with the trading code ROVIO

Every day, millions of people play Rovio's games or are within the sphere of influence of licensed Angry Birds products. Digital gaming has become a permanent fixture of our culture and everyday operations worldwide. The gaming industry has significant social and financial impacts related not only to its entertainment value but also to the increase in innovations and technological know-how. Gaming, like all forms of entertainment, can also have negative effects. With this in mind, Rovio has been focusing more and more on responsible gaming as well as questions related to data security. Rovio strives to take corporate responsibility into consideration in all of its business development efforts.

Key aspects of corporate responsibility at Rovio include, among other things, employee satisfaction and diversity, the suitability of Angry Birds games for audiences of all ages, data protection in relation to gaming, the safety of licensed products including both manufacturing and use, partnership projects suitable for

Rovio and Angry Birds brands and the environmental impact of Rovio's own operations.

The Company will continue to develop and update its corporate responsibility goals and reporting on a regular basis, so that Rovio will be able to meet the requirements of its stakeholders as a listed company better.

Environmental responsibility

The most significant environmental impacts of the gaming industry are related to energy consumption, both in the game development stage and while gaming. Compared to other forms of digital gaming, gaming on mobile devices consumes approximately one tenth (a typical smartphone) or half (a tablet device) of the electricity consumed by a laptop computer during gaming. Console gaming consumes as much as a hundred times more electricity than mobile gaming. Rovio actively monitors the environmental impacts of the suppliers of the server capacity required by mobile games as well as the measures they take to mitigate these impacts.

Rovio strives to pay increasing attention to the environmental impact of its operations, such as the energy efficiency of business premises and the reduction of air travel. As the Company operates in an international industry, travel is part of the business. Rovio uses online meetings as much as possible and the Company was able to reduce the air travel of personnel by more than 20 percent from 2016 to 2017.

At Rovio, environmental matters are the responsibility of the CEO. Practical environmental matters related to business premises, travel and procurement are the responsibility of the person in charge of the premises in question. The environmental impacts of server capacity providers are monitored on the basis of the providers' reports. The risks of significant environmental damage due to Rovio's operations are very minimal.

Social responsibility and personnel

Satisfied employees are essential for successful business. Rovio wants to be an employer that adapts to employee's life circumstances and supports their individual growth and career development. One of Rovio's competitive advantages as an employer is our Nordic workplace culture. The work is done within normal working hours and employees are encouraged to build a healthy work-life balance, which

also helps to maintain their work ability. Rovio supports e.g. the reconciliation of work and family life by providing remote work opportunities and flexible hours.

Responsible gaming is an increasingly important focus area for Rovio's corporate responsibility. In addition to observing data protection, Rovio wants to create a safe environment for the players of its games to enjoy their gaming experience regardless of their age, although the Angry Birds games are primarily designed and marketed for adult players, they are always appropriate for all audiences. In 2017, Rovio was involved in the creation of an EU-level initiative aimed at protecting young gamers on online gaming platforms. With respect to refunds for in-game purchases that are accidental or otherwise subsequently regretted by the customer, Rovio complies with the policies and practices of the application stores.

In March 2018, Rovio joined other gaming industry operators in the Fair Play Alliance to promote a fair discussion culture and awareness of appropriate conduct related to social gaming.

The entry into force of the new EU General Data Protection Regulation (GDPR) in May 2018 will require all companies to disclose what customer information they collect. GDPR will give larger rights to the players of mobile games to know how their information is being used. Players of mobile games will also have the right to demand to see their information and have information deleted by request.

Rovio began preparing for the GDPR in late 2016 internally and actively in workshop with industry peers. In cooperation with industry peers a GDPR workshop was organized to discuss the regulations and demands of GDPR, and to evaluate the effects of GDPR to the gaming industry. The purpose of the cooperation was amongst other things to explore ways of responding to the obligations brought about by the new regulations in a way that would be consistent from the perspective of the customer, i.e. the player.

Personnel management and guiding policies

The Vice President for Human Resources is part of Rovio's management team, which means that the HR perspective is an integral aspect of decision-making at the executive level. The team leaders apply the Company's values in managing their teams, and Rovio also encourages all of its employees to independently take responsibility for their well-being and ability to cope with the demands of work.

Rovio's values provide important guidance for one's work. The Company promotes a healthy work-life balance, the use of flexible working hours and locations as well as career opportunities within the Company. Rovio places a high priority on making work rewarding and ensuring inclusivity in the workplace. Rovio complies with international ILO agreements and the labor laws valid in our countries of operation.

Rovio uses equality and non-discrimination planning to encourage diversity while also preventing discrimination on the basis of gender, age, religious beliefs, nationality, sexual orientation, parenthood or any other reason.

Rovio focuses on employee engagement in all matters concerning personnel and the Company maintains an ongoing dialog to ensure a high level of job satisfaction. Managers hold performance reviews with employees on a regular basis, and all employees complete a quarterly Pulse Survey to allow the Company to measure job satisfaction and determine which areas need further improvement.

Personnel-related key figures and targets

At the end of June 2018 Rovio had 385 employees. Of this total, 95 percent were in a permanent employment relationship and five percent were fixed-term employees. The typical reason for fixed-term employment is substitution for family leave.

About 76 percent of our employees work in the Games business unit, approximately eight percent in the Brand Licensing business unit, and about six percent in Hatch Entertainment. The remaining 10 percent work in other functions and administration. Of Company employees, 70 percent are male and 30 percent are female. The percentage of females among Rovio's employees is substantially higher than the industry average. Rovio's employees represent 37 different nationalities. Most of Rovio's employees are under 45 years of age: of all employees, 46 percent are aged under 35, and 54 percent are between the ages of 35 and 62.

Rovio's employees have access to extensive occupational health care services that are complemented by comprehensive insurance coverage. Occupational healthcare focuses on preventive measures and aims to maintain good work ability. Rovio employees have access to sports and cultural benefits, and the Company provides financial support to voluntary cultural and sporting clubs organized by Rovio employees.

All of Rovio's employees have the opportunity to participate in online training as well as classroom training, and the Company also covers the costs of Finnish and English language courses as necessary. Each supervisor has the authority to make independent decisions on training for employees who justify their training needs. Instead of arranging separate training for managers and employees, Rovio gives everyone the opportunity to participate in the same training.

Personnel-related risks and their management

There is a great deal of competition for high-end talent in gaming industry, and employee turnover is typically high. Through Rovio's remuneration system, the Company aims to offer competitive pay while also ensuring that working at Rovio is meaningful and in line with the agreed-upon job description. There are no barriers to career development and increasing one's expertise at Rovio. In the Games business unit in particular, it is possible for employees to try working in different teams.

Human rights and the prevention of corruption and bribery

Rovio is committed to respecting human rights and promoting their fulfillment and protection in its operations. Rovio's Code of Conduct lays down the Company's ethical operating guidelines and applies to all Company employees and board members regardless of their country of operation, seniority or business unit. Every person to whom the Code of Conduct applies has the obligation to ensure that they understand the guidelines and comply with the Code of Conduct at all times.

Rovio also has an anti-corruption and anti-bribery policy (Rovio Anti-Bribery Policy) that applies to gifts, hospitality and conflicts of interest. Rovio has a zero tolerance to corruption and when it comes to gifts and hospitality, Rovio adheres to the principle of equity. Its employees may never accept or give money as a gift.

Rovio has a Whistleblower tool in place. Reporting of any activities or perception related to corruption or any unethical behavior can be submitted using this tool. In order to ensure proper documentation and confirm the date and time when the incident occurred, any notifications are submitted using an electronic form in which the whistleblower details the breach or misuse that has come to their attention. The notification is submitted only to the head of legal matters and includes the contact information of the whistleblower. No such notifications were submitted to the tool during the reference period.

The Angry Birds brand is currently licensed by approx. 300 partners around the world. Rovio has separate Partner Code of Conduct for these partners, in which Rovio requires all partners to practice responsible business and comply with national and international laws and regulations. Rovio also requires that all partners agree to comply with Rovio's Partner Code of Conduct, and that regular audits of Rovio's partners are conducted. Rovio's licensing partners are also obligated to comply with the product safety requirements the Company has set.

No significant deviations from contractual provisions were observed in the audits carried out in 2017 and in first half of 2018. Approximately 70 factories were audited in 2017 by reviewing third-party reports. Rovio did not make any factory visits of its own.

Rovio's risk management policy is described on the Company's website at <https://www.rovio.com/investors/governance/corporate-governance#risk>