

## **Anti-Slavery and Human Trafficking Statement**

### **September 2018**

This statement is made on behalf of The Creative Assembly Limited ("TCAL") pursuant to section 54(1) of the Modern Slavery Act 2015 (the "Act") and constitutes our slavery and human trafficking statement. The statement details the action taken by TCAL up to September 2018 to prevent modern slavery and human trafficking taking place in the Company's business and supply chain.

#### **Our structure, business and operations**

TCAL is a limited liability company registered in England and Wales (registered number 03425917). TCAL is an affiliate company of SEGA Europe Limited and SEGA Publishing Europe Limited, (collectively, the "SEGA Companies"), and all 3 are UK subsidiaries of SEGA Games Co Limited, a Japanese video games company and part of the SEGA Sammy group of companies. As one of the leading interactive entertainment companies, the SEGA group cultivates creative talent worldwide with offices in America, Japan and our European HQ in London which was established in the 1980s.

TCAL is one of the UK's leading video game development studios engaged in the development of world-renowned partnerships for the creation of video game content. The games that TCAL develops are published and distributed in the UK and EMEA by the SEGA Companies. The SEGA Companies also provide merchandising, advertising, marketing and business services to TCAL.

Whereas its business is primarily PC game based, which includes a manufacturing and distribution function, the SEGA Companies also carry on a merchandising business in relation to their intellectual property portfolio and as such, deals with licensees and manufacturers of different products around the World. These relationships include hardware and packaging suppliers that manufacture the gaming consoles we publish titles for. The SEGA Companies also contract with indirect suppliers that provide a range of services including marketing and advertising services, packaging, and office supplies. In relation to our merchandising business, we have developed merchandising lines in clothing apparel, toys, stationary and publishing amongst others.

#### **Our Approach**

We strive to work to the highest professional standards and comply with all laws, regulations and rules relevant to our business. Our corporate social responsibility strategy aims to improve the impact of our business on society and the economies of the regions within which our offices are based.

Our recruitment and employment procedures include appropriate pre-employment screening of all staff to determine the right to work in the UK. We expect all employees to conduct business with honesty and integrity and we have a zero-tolerance approach to bribery and corruption. We expect the same high standards from those we work with and are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The SEGA Companies co-ordinate their approach on corporate social responsibility with their parent company, headquartered in Japan which is part of the wider SEGA Sammy group of companies.

Details of SEGA Sammy's CSR policies and strategies can be found on the main SEGA Sammy website and in our [Supply Chain CSR Development Guidebook](#); [Group Code of Conduct](#); and the [Group Management Policy](#).

Together the "SEGA CSR Policies".

The SEGA CSR Policies establish the SEGA Companies' commitment to respect the human rights of our employees, customers, suppliers and individuals in the communities in which we operate. This commitment is further described in SEGA Sammy's Group Code of Conduct. SEGA Sammy has been developing its CSR policies since 2006 and became a signatory to the UN Global Compact in 2014.

The SEGA CSR Policies define our values and continued commitment to ethical best practices and legal compliance. These policies operate to build and maintain trust and integrity through a corporate-wide commitment to ethical behaviour. Supplier responses are taken into consideration when short-listing and we make any concerns known to the supplier. Should suppliers fail to live up to our expectations or be unwilling to make any changes we may terminate our arrangements with them.

In the last year, SEGA Sammy has set up a global whistleblower system to enable anonymous reporting by employees about potential regulatory violations which protects the identity of whistleblowers. Whether reported internally or to specified law firms, these matters are investigated and rectified, and steps are taken to prevent recurrence.

At UK level, our legal team works in conjunction with our HR, licensing and procurement functions to help ensure that the aims and provisions of the Act are complied with and to manage any concerns or breaches. We also have a clear Whistleblowing Policy which is published on our intranet site: if there are any genuine concerns about any wrongdoing or breaches of law these concerns can be raised in confidence without fear of disciplinary action. Between September 2016 and now, the SEGA Companies have not received any enquiries or allegations related to modern slavery or human trafficking.

### **Key Progress in 2018**

1. **Supplier Management:** we have implemented a range of supply management tools that enable us to more closely examine our supply chain arrangements. Namely:
  - a. As part of the procurement and onboarding process, every new supplier is vetted. We carry out a risk analysis of the Tier 1 and Tier 2 suppliers based on the nature and values of the product or service. By calling for greater transparency we can ensure that the SEGA Companies and our suppliers are more accountable for the standards that they set and that we can take collaborative action in response to any identified risks.
  - b. Our Operations teams have undertaken visits to some of our key manufacturing partner's sites to see for themselves the working conditions in the factories and have to date not identified risks in the factories visited.
  - c. Although we have not identified modern slavery risks, should a risk be identified, we will work with our partners and suppliers to improve the standards in a way that does not have a detrimental impact on workforces.
  - d. Sharing our key policy documentation, which includes the SEGA Sammy Supply Chain CSR Development Guidebook and our annual modern slavery statement with each of our suppliers that enter into a contract with each SEGA Company.



2. **Risk Mapping:** alongside implementation of our Supplier Management tools, we are also risk - mapping our supply chain, and monitoring for key territorial risks which may be highlighted in resources such as the 2018 Global Slavery Index, HM Government's Annual Report on Modern Slavery, as well as from International Human Rights Organisations such as Anti-Slavery<sup>1</sup> and The Modern Slavery Helpline.
3. **Contractual Obligations:** we have strengthened the contractual obligations for our business partners to ensure that our suppliers are required to: (i) provide compliance related information; (ii) provide contractual warranties that slavery and human trafficking is not taking place in their businesses; (iii) take remedial actions for breach of the obligations related to modern slavery compliance; and (iv) include indemnity provisions and rights to terminate for breach of the SEGA CSR Policies.
4. **Global Engagement:** The SEGA Sammy Group in Japan is now working towards publicly reporting on the UK Companies efforts to report on its policies, procedures and targets, and overall performance related to tackling modern slavery. This will raise awareness and complement our efforts in this area.
5. **Voluntary Standards and Recognition:** we value partners that have voluntarily or contractually signed up to ethical trade programmes such as:
  - a. The Supplier Ethical DATA Exchange (Sedex);
  - b. Sedex Members Ethical Trade Audit (SMETA);
  - c. BSCI (Business Social Compliance Initiative);
  - d. Worldwide Responsible Accredited Production (WRAP);
  - e. Fair Labour Association; and
  - f. Responsible Supplier Charters.

#### Future Plans

1. We will continue to extend the scope of our due-diligence measures by working closely with our suppliers to understand lower tier risks, and the wider operation of their businesses and to include non-stock suppliers and service providers in our supply chain mapping strategy.
2. As our UK operation continues to grow, we will be extending our due-diligence efforts, to ensure that we have a comprehensive understanding of the new business entities that enter our supply chain.
3. As part of publication of the annual modern slavery statement, we will undertake a review of the code of conduct with each supplier to ensure a continuous improvement plan is underway and that relevant documentation is kept up to date.
4. We continue to review our entire procurement and licensing processes and will be introducing further specific measures where relevant to ensure that our obligations under the Act are passed through our supply chain.

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<sup>1</sup> <https://www.antislavery.org/about-us/>

5. Where we identify additional training needs for our staff, we will ensure that they understand the implications of the modern slavery laws and can assist us with implementing the requirements of the Act effectively.



John Ward  
Director and Chief Financial Officer  
**The Creative Assembly Limited**

28 September 2018