

## **Slavery and Human Trafficking Statement**

### **September 2016**

This statement is made on behalf of SEGA Europe Limited ("**SEL**") 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 SEL to September 2016 to prevent modern slavery and human trafficking in SEL's business and supply chain.

SEL is a limited liability company registered in England and Wales (registered number 0166905) and is the parent company of Sega Europe Overseas Limited. SEL is the UK subsidiary of SEGA Games Co Ltd, a Japanese video games company and part of the SEGA Sammy group of companies. SEL distributes video game software in the UK and throughout EMEA. Whereas SEL's business is primarily PC game based, SEL also carries on a merchandising business in relation to its IP portfolio and as such, deals with licensees and manufacturers of different products around the World.

### **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 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. SEL co-ordinates its approach on corporate social responsibility with its parent company, headquartered in Japan, Sega Games Co Ltd 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 here "the Supply -Chain CSR Development Guidebook" "[http://www.segasammy.co.jp/english/pr/commu/pdf/csr/20141101\\_supplychain\\_csr.pdf](http://www.segasammy.co.jp/english/pr/commu/pdf/csr/20141101_supplychain_csr.pdf); "Group Code of Conduct" [http://www.segasammy.co.jp/english/pr/commu/csr/gr\\_csr.html](http://www.segasammy.co.jp/english/pr/commu/csr/gr_csr.html); and "Group Management Policy" [http://www.segasammy.co.jp/english/pr/commu/csr/gr\\_policy.html](http://www.segasammy.co.jp/english/pr/commu/csr/gr_policy.html)

Together the "**Sega CSR Policies**".

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.

### **Supplier Due Diligence**

Our procurement process includes vetting every new supplier and carrying out a risk analysis based on the nature and value of the product or service.

All our suppliers are expected to comply with all local and national laws and regulations and we ask for information about:

- Monitoring of tier 1 and 2 supply chains for unfair practices;
- Policies on fair sourcing of goods and services;
- Corporate Social Responsibility; and
- Willingness to share our values.

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 cease to engage with them.

### **Further Steps**

We are currently reviewing our entire procurement and licensing process and will be introducing specific measures to ensure that our obligations under the Act are passed through our supply chain.

These will include:

- Obtaining contractual warranties that no slavery is used anywhere in the supplier's business or by any of the suppliers in its supply chain and that all necessary processes and policies have been put into place to ensure that this remains the case;
- Obtaining a contractual right to request compliance-related information and the right to audit suppliers at our discretion;
- Adding indemnity provisions and rights to terminate for breach of the Sega CSR Policies and the Act into our contracts;
- Ensuring risk areas are documented, monitored and taken into consideration in any future contract renewals.
- assessing supply chain level information and engaging directly with suppliers to set up systems that provide reliable supply chain information, especially for the most at risk jurisdictions;
- deciding if audit outcomes suggest a need to change suppliers or a need to respond to risk(s) associated with particular supplier(s);

We will also be considering new training which will be available to all staff but made compulsory for those involved in recruiting and sourcing/managing a supply chain so that they are able to identify risk factors, understand the implications and assist us with implementing the requirements of the Act effectively. We will also hold training sessions to educate staff in the UK on Sega Sammy's CSR Policies and their application to SEL's business and common aims.



John Ward  
Director and Chief Financial Officer  
**Sega Europe Limited**