

Anti-Slavery and Human Trafficking Statement September 2019

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 2019 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 World's 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.

Whilst the business is primarily PC game based, the SEGA Companies also has a manufacturing and distribution function, a merchandise licensing business related to its intellectual property portfolio, and also deals with hardware and packaging suppliers that manufacture the video game packaging and associated products for its published games. The SEGA Companies also contract with indirect suppliers that provide a range of services including marketing and advertising services, and office supplies.

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 coordinates its approach on corporate social responsibility with the 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 its employees, customers, suppliers and individuals in the communities in which they 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 to our pre-contract questionnaire are taken into consideration when short-listing and we make any concerns known to the supplier prior to any on-boarding. Should suppliers fail to live up to our expectations or be unwilling to make any changes we may terminate our arrangements with them.

SEGA Sammy has a global whistleblower system to enable anonymous reporting by employees about potential regulatory violations. Whether reported internally or to specified law firms, if any wrongdoing is reported, these matters will be investigated and rectified, and steps are taken to prevent recurrence.

At UK level, our legal team works in conjunction with the 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. The Whistleblowing Policy, available through the staff intranet enables any member of staff with genuine concerns about any wrongdoings or breaches of law to raise these concerns in confidence without fear of disciplinary action. Since the launch of our first Modern Slavery Statement in September 2016, the SEGA Companies have not received any enquiries, complaints or allegations related to modern slavery or human trafficking.

Key Progress in 2019

1. **Supplier Management:** the SEGA Companies continue to implement a range of supply management tools to more closely examine our supply chain arrangements. Where new measures that may complement the supply management tools are identified, the SEGA Companies will also seek to incorporate these into the existing programme. This year, the SEGA Companies have:
 - a. As part of the procurement and onboarding process, we continue to vet all our new suppliers. 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. Initiated discussions with senior management on whether the SEGA Companies should sign up to the Supplier Ethical Audit Exchange (Sedex), so that we can review and assess the audit information that results from audits of our supply partners. This would provide us with additional insight into our supply chains partners that use this audit framework.
 - c. Continued to keep our suppliers informed of our commitment to continuously improving our practices to identify and eliminate any slavery and human trafficking in our supply chains. We share all 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 a SEGA Company.

- d. 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.
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 Global Slavery Index, HM Government's Annual Report on Modern Slavery, as well as making use of other resources and guidance issued from International Human Rights Organisations such as Anti-Slavery¹ and The Modern Slavery Helpline.
3. **Contractual Obligations:** our suppliers must agree to certain contractual obligations when doing business with a SEGA Company. 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) provide indemnities and agree to SEGA's right to terminate for breach of the SEGA CSR Policies.
4. **Global Engagement:** The SEGA Sammy Group in Japan has now published their global report on the UK Companies efforts to tackle modern slavery, and to raise the profile of the measures and procedures in place across the business to promote proper business practices in compliance with the laws relating to modern slavery and human trafficking. The SEGA Sammy Group statement can be found [here](#).
5. **Voluntary Standards and Recognition:** we continue to value suppliers and 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.

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

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.
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

27 September 2019