

# MSA STATEMENT 2020

## Introduction

This statement is made pursuant to Section 54(1) of the UK Modern Slavery Act 2015 and is published on behalf of the ABK UK businesses (as more particularly set out herein) (as "Company", "we", "our"). This statement is made in relation to the financial year 2020 ending on 31 December 2020 and sets out our approach to our human rights obligations.

## Our Structure, Business and Operations

Activision Blizzard, Inc. ("**Activision Blizzard**") is a leading global developer and publisher of interactive entertainment content and services. Activision Blizzard primarily develops and distributes content and services on video game consoles, personal computers ("**PC**"), and mobile devices through three reportable segments as follows:

- **Activision Publishing, Inc. ("Activision")** is a leading global developer and publisher of interactive software products and entertainment content, particularly for the console platform. Activision primarily delivers content through retail and digital channels, including full-game and in-game sales, as well as by licensing software to third-party or related-party companies that distribute Activision products. Activision develops, markets, and sells products primarily based on our internally developed intellectual properties, as well as some licensed properties. Activision's key product franchise is Call of Duty®, a first-person action title for the console and PC platforms, and, following the launch of Call of Duty: Mobile, the mobile platform, including for Google Inc.'s ("Google") Android and Apple Inc.'s ("Apple") iOS. Call of Duty has been the number one console franchise globally for eleven of the last twelve years, based on data from The NPD Group, GfK Chart-Track, and GSD, and our internal estimates of upfront console sales. Activision also includes activities related to The Call of Duty League, a professional esports league with city-based teams in the US and Europe, and Call of Duty Challengers, its amateur equivalent.
- **Blizzard Entertainment, Inc. ("Blizzard")** is a leading global developer and publisher of interactive software products and entertainment content, particularly for the PC platform. Blizzard primarily delivers content through retail and digital channels, including subscriptions, full-game, and in-game sales, as well as by licensing software to third-party or related-party companies that distribute Blizzard products. Blizzard also maintains a proprietary online gaming service, Blizzard Battle.net®, which facilitates digital distribution of Blizzard content and selected Activision content, online social connectivity, and the creation of user-generated content. Blizzard also includes activities related to the Overwatch League™, the first major global professional esports league with city-based teams, and its amateur counterpart, Overwatch Contenders, as well as our Major League Gaming ("**MLG**") business, which is responsible for various esports events and serves as a multi-platform network for Activision Blizzard esports content. Blizzard's key product franchises include: World of Warcraft®, a subscription-based massive multi-player online role-playing game for the PC platform; StarCraft®, a real-time strategy franchise for the PC platform; Diablo®, an action role-playing franchise for the PC and console platforms; Hearthstone®, an online collectible card franchise for the PC and mobile platforms; and Overwatch®, a team-based first-person action title for the PC and console platforms.
- **King Digital Entertainment ("King")** is a leading global developer and publisher of interactive entertainment content and services, primarily on mobile platforms, including Google's Android and Apple's iOS. King also distributes its content and services on the PC platform, primarily via Facebook. King's games are free to play; however, players can acquire in-game items, either with virtual currency or real currency, and we continue to focus on in-game advertising as a growing source of additional revenue. King's key product franchises, all of which are for the mobile and PC platforms, include: Candy Crush™, which features "match three" games; Farm Heroes™, which also features "match three" games; and Bubble Witch™, which features "bubble shooter" games. Candy Crush™ was once again the top grossing franchise in U.S. mobile app stores in 2020 according to App Annie Intelligence.

We have legal entities in the United Kingdom (the "UK") focusing on: in the case of King, development and marketing, in the case of Activision, development, sales and marketing; and for Blizzard, sales and marketing, of video games and related products. These UK-based businesses (including Activision Blizzard UK Ltd., Activision Blizzard Media Ltd., Astrapia Ltd., Central Technology North Ltd., Digital Jester Ltd., Midasplayer (Skills) Ltd., and Midasplyer.com Ltd.) are referred to in this statement as the "ABK UK businesses". There is also a logistics and warehousing business, which is based in the UK, which reports separately under Section 54(1) of the UK Modern Slavery Act 2015.

## Our Approach

### WAY2PLAY: OUR ETHICS AND COMPLIANCE PROGRAM

The 'right way to play' starts with our Code of Conduct ("Code"), which is our ethical foundation outlining our guiding principles and key ethics and compliance policies. Our Code requires that we obey all applicable laws and conduct our business with integrity, and it outlines our expectations of all employees. We have multiple other policies which support or elaborate on the principles of our Code.

We operate a robust global ethics and compliance program known as the "Way2Play" program. The Corporate Ethics & Compliance team (known as the "Way2Play" Team) creates policies, trainings, communications, and initiatives, and provides other resources that help employees navigate the "right way to play" while working at the Company. Although the core Way2Play Team is based at the Company's headquarters, the broader team extends globally and includes individuals from various offices and across the Legal team, Human Resources team, and other corporate functions.

Additionally, our "Way2Play Heroes" initiative trains and empowers carefully chosen employees, known as "Heroes", from across the Company to promote ethics and compliance in their local workplaces. Together with our Heroes, the Way2Play Team regularly engages in interactive "roadshow" trainings across the globe, specifically developed for individual locations and their needs. These ethics and compliance trainings, done in person or virtually, address the ethics and compliance needs and concerns as they arise.

We also have robust online trainings for all of our employees. Every new employee is required to take our "Way2Play Training," which is a bespoke, interactive online course covering the key concepts in the Code, including anti-bribery and anti-corruption. To help ensure continued global commitment to the Code, we also require all employees to review and acknowledge the Code on an annual basis. In addition, employees are periodically required to take additional training as ad hoc needs arise.

Building and maintaining a culture of "speaking up" is a fundamental tenet of the Way2Play Team's work. This is reinforced and reflected in all parts of the Way2Play program: our online and roadshow trainings, the Company's "speak up campaign" and the day-to-day advocacy and support provided by the global Way2Play Team and Heroes. We provide a number of ways for employees to raise concerns, including via anonymous reporting. Our trainings and speak up campaigns reinforce these various reporting mechanisms and make clear that we do not tolerate retaliation against any employee who makes a good faith report or assists in good faith in an investigation.

All reports or disclosures that come through the Integrity Line or other employee-reporting avenues are taken seriously, and we conduct timely and thorough investigations as appropriate. We do not tolerate retaliation against any employee who makes a good faith report or assists in good faith in an investigation.

### POLICIES AND BUSINESS ETHICS

Building upon the ethical foundation laid out in our Code, we have a robust set of policies that further detail and elaborate on our principles and expectations, some of which are included below. Our employees receive comprehensive training on the key policies included in the Code, as described above.

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| Anti-Bribery & Anti-Corruption Policy          | <ul style="list-style-type: none"> <li>• Code of Conduct (Anti-Corruption: Business Without Bribery section)</li> <li>• Vendor Code of Conduct (No Bribery section)</li> </ul>  |
| Anti-Discrimination & Anti-Harassment Policies | <ul style="list-style-type: none"> <li>• Code of Conduct (Harassment: Don't Do It; Diversity and Non-Discrimination: Respect Differences sections)</li> <li>• Vendor Code of Conduct (Discrimination: Respect for Individuals section)</li> </ul> |

Conflict Minerals Policy	<ul style="list-style-type: none"> <li>• Conflict Minerals Policy</li> <li>• Vendor Code of Conduct (Responsible Sourcing of Minerals section)</li> </ul>
Corporate Governance Policies	<ul style="list-style-type: none"> <li>• Corporate Governance Principles and Policies</li> </ul>
Fair Competition Policies (i.e., antitrust policies)	<ul style="list-style-type: none"> <li>• Code of Conduct (We Play Fair, Trade Associations: Participate With Care, and Compete With Integrity sections)</li> <li>• Vendor Code of Conduct (No Unfair Business Practices; Privacy sections)</li> </ul>
Human Rights Policy	<ul style="list-style-type: none"> <li>• Code of Conduct (Respect Human Rights section)</li> <li>• Vendor Code of Conduct</li> </ul>
Reporting & Non-retaliation Policy	<ul style="list-style-type: none"> <li>• Reporting and Non-Retaliation Policy</li> <li>• Code of Conduct (Retaliation: We Don't Tolerate It section)</li> </ul>
Vendor Code of Conduct	<ul style="list-style-type: none"> <li>• Vendor Code of Conduct</li> <li>• Code of Conduct ("Third Parties: Demand Integrity" section)</li> </ul>

## Due Diligence

### DUE DILIGENCE

We are committed to responsible and compliant manufacturing throughout our supply chain. Our Vendor Code of Conduct ("VCOC") (referred to above and aimed at all our vendors, suppliers, and business associates) sets out the standards we expect individuals and businesses to live up to when conducting business for and with us. Our Vendor Code of Conduct was updated to explicitly require vendors to take steps to eradicate the use of conflict minerals and associated labour in their supply chains, further protect the rights of protected categories of individuals, and to impose clearer requirements for reporting and remedy of any unlawful or unethical behaviour arising in contravention of that Code.

To detect risks as early as possible, we have also:

- established a compliance email address ([vendorcompliance@activisionblizzard.com](mailto:vendorcompliance@activisionblizzard.com)) which is included in our VCOC. This is available on our Corporate Governance Site. Our VCOC expresses our expectation that if any of our business associates become aware of actual or potential violations of the VCOC, they are expected to promptly report these concerns through this email address. Reports submitted through this email are automatically directed to the Compliance team for internal review and are escalated and/or investigated as appropriate; and
- maintained access to online watchlist databases, which we use to search for the names of potential or current vendors/partners to see if those names or similar names appear in databases, news bulletins, watch-lists and other sources that report on certain identified risk areas. Relevant matches are reviewed by the legal and compliance teams and any issues are escalated internally and investigated as appropriate.

We visit our key traditional supply chain partners on a yearly basis. Due to the ongoing international pandemic, in-person activities during 2020 were suspended in the interests of employee and supplier health and safety, and we intend to reassess our approach to supplier reviews once we are safely able to do so. In the meantime, we continue to require that key supply chain partners enter into our VCOC.

## LOOKING AHEAD

We operate in a diverse, complex and rapidly evolving industry and our business models continue to expand and evolve and we regularly review and look for ways to improve our practices. Accordingly, as our business changes we will review and look for ways to improve our practices, including our training and approach to supplier visits. Our foundational compliance policies and processes, as described above, provide a strong framework from which we can continue to evolve and grow.

We recognize that the challenge of combating modern slavery is a long-term and continuing effort and we intend to continue improving and evolving in this area.

This statement was reviewed and approved on behalf of the ABK UK businesses by Anna Malmhake, Managing Director EMEA, on 29 June, 2021.



Anna Malmhake  
Managing Director EMEA

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ENTERTAINMENT

King

