

INTRODUCTION

This statement is intended to fulfil the legal requirement under Section 54 of the UK Modern Slavery Act 2015, which requires the ABK UK businesses (as defined below) to produce a statement sharing their efforts to combat modern slavery in their supply chains and business operations. This statement is made in relation to the financial year 2016 ending on 31 December 2016.

OUR STRUCTURE, BUSINESS AND OPERATIONS

Headquartered in Santa Monica, California, Activision Blizzard, Inc. ("**Activision Blizzard**"), is the world's most successful standalone interactive entertainment company.

Activision Blizzard's organisational structure consists of 3 reportable operating segments:

- **Activision Publishing ("Activision")** is a leading global developer and publisher of interactive software products and entertainment content, particularly in console gaming. Activision primarily delivers content through retail and digital channels, including full-game and in-game sales, as well as licenses of software to third-party or related-party companies that distribute Activision products. Activision develops, markets, and sells products which are principally based on our internally-developed intellectual properties, as well as some licensed properties. We have also established a long-term alliance with Bungie to publish its game universe, Destiny. Activision's key product franchises include: Call of Duty[®], a first-person shooter for the console and PC platforms; Destiny, an online universe of first-person action gameplay (which we call a "shared-world shooter") for console and PC platforms; and Skylanders[®], a franchise geared towards children that brings physical toys to life digitally in the game, primarily for console platforms.
- **Blizzard Entertainment ("Blizzard")** is a leading global developer and publisher of interactive software products and entertainment content, particularly in PC gaming. Blizzard primarily delivers content through retail and digital channels, including subscriptions, full-game, and in-game sales, as well as licenses of software to third-party or related party companies that distribute Blizzard products. Blizzard also maintains a proprietary online gaming service which facilitates digital distribution of Blizzard content, online social connectivity across all Blizzard games, and the creation of user-generated content for Blizzard's games. **Major League Gaming**, our multi-platform network for Activision Blizzard e-sports content, is also a component of the Blizzard segment. Blizzard's key product franchises include: World of Warcraft[®], a subscription-based massive multi-player online role-playing game for the PC; StarCraft[®], a real-time strategy PC franchise; Diablo[®], an action role-playing franchise for the PC and console platforms; Hearthstone[®], an online collectible card franchise for the PC and mobile platforms; Heroes of the Storm[®], a free-to-play team brawler for the PC; and Overwatch[®], a team-based first-person shooter for the PC and console platforms.
- **King Digital Entertainment ("King")** is a leading global developer and publisher of interactive entertainment content and services, particularly on mobile platforms, such as Google's Android and Apple's iOS. King also distributes its content and services on online social platforms, such as Facebook and the king.com websites. King's games are free-to-play, however, players can acquire in-game items, either with virtual currency the players purchase or directly using real currency. King's key product franchises, all of which are for the PC and mobile platforms, include: Candy Crush[™], which features "match three" games; Farm Heroes[™], which also features "match three" games; Pet Rescue[™] which is a "clicker" game; and Bubble Witch[™], which features "bubble shooter" games.

Activision Blizzard also engages in other businesses, which do not represent reportable segments, including:

- the **Activision Blizzard Studios** (“**Studios**”) business, which is devoted to creating original film and television content based on our library of globally recognized intellectual properties, and which, in October 2017, released the second season of the animated TV series *Skylanders™ Academy* on Netflix; and
- the **Activision Blizzard Distribution** (“**Distribution**”) business, which consists of operations in Europe that provide warehouse, logistics, and sales distributions services to third-party publishers of interactive entertainment software, our own publishing operations, and manufacturers of interactive entertainment hardware.

Both the Activision and King operating units have legal entities in the United Kingdom (the “**UK**”) focusing on the development, marketing and sales of Activision, Blizzard, and King games (in both digital and physical formats) and related products. The Distribution business is also based in the UK. These UK-based businesses are referred to in this statement as the “**ABK UK businesses**”.

OUR APPROACH

Operating with integrity and honesty and striving to maintain the highest levels of corporate governance practices throughout our operations are fundamental aspects of Activision Blizzard’s business philosophy. As our company evolves and grows, both organically and through acquisition, we carefully monitor changes in our business operations, as well as changes in the laws and regulations in the many jurisdictions where we operate. As a result, we frequently review and refresh of many of our policies and initiatives. During 2016, the policies and initiatives we reviewed and refreshed included:

- **Company code of conduct:** Our employee Code of Conduct (“**COC**”) establishes the ethical foundation for every Activision Blizzard employee around the world and sets the expectation that our staff should follow applicable laws and report their concerns of any illegal or unethical activity through various means. The COC is distributed to all employees and we require each employee to acknowledge the COC and be bound by its terms on a yearly basis. The COC is bolstered by our Anti-Corruption and Anti-Bribery Policy and our Reporting and Non-Retaliation Policy as well as many other policies. The COC and its related policies can be viewed on the Corporate Governance section of our corporate website (“**Corporate Governance Site**”).
- **Integrity Line (a/k/a The Way2Play Hotline)** (way2play.ethicspoint.com): For many years, the Company has maintained a hotline and online reporting system through which our employees can confidentially and, if they desire, anonymously, report any concerns about the actions of others, both internally and externally. Reports submitted through the Integrity Line are automatically directed to our Chief Compliance Officer and appropriate members of the Compliance team. They are escalated and/or investigated as appropriate.
- **Company-Sponsored Social Media Policy:** Using good judgement is a key tenet of this policy, which prohibits any posts which contain inappropriate or illegal content.

DUE DILIGENCE

We are committed to responsible and compliant manufacturing throughout our supply chain. Our Vendor Code of Conduct (“**VCOC**”) (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.

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

- established a compliance email address (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 our Chief Compliance Officer and appropriate members of the Compliance team for internal review and are escalated and/or investigated as appropriate;
- registered with the Red Flag programme (<http://www.redflaggroup.com>), which runs an automated recurring search of the names of vendors/partners in the system to see if those names or similar names appear in databases, news bulletins, watch-lists and other sources that report on illegal, unethical or unsavoury activity. Relevant matches are reviewed periodically by the Compliance team and any issues are escalated internally and investigated as appropriate. We continue to keep under review how best to integrate this system into the ABK UK businesses; and
- adopted a Conflict Minerals Sourcing program to conform, in all material respects, with the framework of the *“Organisation for Economic Co-operation and Development Due Diligence guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas”* and its Supplements, specifically as it relates to our position as a “downstream” company in the supply chain of certain minerals. Our Conflict Minerals Report/Sourcing can be found on the ABK Corporate Governance Site.

Should a third party fail to live up to our expectations, or be unwilling to make any recommended changes, we may cease to engage with them.

LOOKING AHEAD

We operate in a diverse, complex and rapidly evolving industry and our business models continue to expand and evolve. Accordingly, as our business changes we will need to diligently expand our practices and procedures to vigilantly address issues relating to modern slavery in new business areas and geographies. 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 by Jeffrey A. Brown, Activision Blizzard SVP, Corporate Secretary and Chief Compliance Officer on **December 21, 2017**.