

**CHIME™**

**SLAVERY AND HUMAN  
TRAFFICKING STATEMENT**

YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

## SLAVERY AND HUMAN TRAFFICKING STATEMENT

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “Act”) and has been ratified by the Boards of Chime Group Holdings Limited, Chime Group Limited, VCCP Group LLP and CSM Sport and Entertainment LLP.

Companies in the Group that are required to issue this statement for the financial year ended 31 December 2022 are Chime Group Holdings Limited, Chime Group Limited, VCCP Group LLP and CSM Sport and Entertainment LLP, (together “we”, “our”).

The Group acts responsibly, and we conduct our business with honesty, in good faith, and in compliance with the law. We set ourselves high standards in our business practices, and expect businesses we work with to meet the same level of business ethics. We do not tolerate any form of modern slavery or human trafficking in any part of our business and are committed to carrying on our business in a manner which respects the rights of individuals in the communities in which we operate. We have taken, and are continuing to take, steps to ensure that our businesses identify risk areas in their supply chains and to implement policies and procedures to eliminate those risks.

The Board of Directors of Chime Group Holdings Limited “the Board”, assisted by the Audit Committee, are responsible for the overall strategic direction of the Group including ensuring that systems of identification and management of risk, including the risk of slavery and human trafficking in our business or supply chain, are robust and appropriate. Our internal audit and risk and compliance teams verify compliance with our operational standards and report directly to the Board.

# SLAVERY AND HUMAN TRAFFICKING STATEMENT

## **ABOUT US**

The Group provides services within two core areas: integrated communications (62.8% of operating income) and sport and entertainment (37.2%). We have two divisions:

## **COMMUNICATIONS**

### **VCCP**

VCCP is a leading global integrated advertising and marketing services group, which believes “that it only works if it all works”. Its services span Communications (advertising, direct marketing, digital communication, PR), Experience (design, build and management of digital and physical brand experience) and Distribution (media planning, buying and implementation across owned, earned and paid channels), with brand strategy and data at the centre. VCCP Business is the B2B offering of the Group, with specialist and deep expertise in technology, financial services and health.

## **SPORTS AND ENTERTAINMENT**

### **CSM Sport & Entertainment (CSM)**

CSM is a global sport and entertainment agency, offering our clients end-to-end marketing services. We bring partnerships to life for brands, rights holders and talent, by leveraging our unrivalled relationships and expertise across the industry, and create extraordinary live experiences. Driven by performance, we deliver meaningful, memorable and measurable impact for our clients. Home to 1,100+ industry leaders across 20+ locations, we believe in the power of sport and entertainment to inspire a better world.

# SLAVERY AND HUMAN TRAFFICKING STATEMENT

## OUR APPROACH

- Our Chime Group Responsible Business Code sets out the high level behaviours we require each of our agencies, our staff and our trading partners to uphold. In it we state that:

*“We will continue to strive to make a positive contribution to society and the environment by: maintaining high standards of marketing ethics; respecting human rights; respecting the environment; supporting community organisations; supporting employee development; and managing significant sustainability risks in our supply chain.”*

- Our Responsible Business Code, Know Your Clients and Suppliers Policy, Staff Code of Conduct and other policies aim to support and uphold the United Nations’ Guiding Principles on Business and Human Rights.
- Our Know Your Clients and Suppliers Policy reflects our commitment to acting ethically and with integrity in our business relationships. It sets out appropriate steps we require each of our agencies to take to ensure we understand who we do business with, and to ensure that there are no reputational or ethical issues working with a supplier.
- Our Responsible Sourcing Policy (detailed in our last report) sets out the high level principles we have adopted to ensure goods and services are procured in a responsible manner consistent with our own stated business ethics and those set out in widely recognised international standards.
- Each of our divisions have revised and adopted Ethics statements which set out - at a high level - those business activities, geographies, and industries where we will not engage with clients using a RAG system to ensure we systematically identify and manage risks as they arise.
- Set out below are the activities of each division in the last year, building upon ongoing work to monitor and reduce the risk of slavery and trafficking in our supply chains:

## SPORT AND ENTERTAINMENT:

### ASSESSMENT

We have assessed our supply base with a view to identifying high risk suppliers or areas for focus. This assessment included mapping by agency, category, spend and geography.

Suppliers used by CSM were identified as typically falling within the following categories: professional services, logistics, delivery, venue hospitality, event production services, transport and travel, cleaners, and maintenance. Goods purchased include items such as raw materials for print, merchandise, utilities, and general office equipment.

Overall, whilst the risk assessment demonstrated that most of CSM's primary tier suppliers are in low-risk countries we recognise the challenges of working both within our Middle East region (UAE, Qatar, Saudi Arabia) and delivering services for clients outside of our domiciled countries.

As such we undertake due diligence prior to working with new suppliers, and regularly review existing suppliers. This is a centralised process managed by the Shared Service Centre utilising the integrated "Workday" finance system.

### PROCESS

CSM uses a centralised onboarding process which is managed by our Shared Service Centre whereby all new suppliers are required to complete an onboarding questionnaire which includes a requirement to confirm that:

- They pay the "living wage" or local equivalent
- Employees have the right to work
- They have measures in place to ensure no discrimination as a result of protected characteristics
- That employees/workers and their contractors comply with international human rights and labour standards
- That they monitor and mitigate the risk of modern slavery
- That they address Bribery and Corruption risks

In addition, suppliers must provide confirmation of banking details and insurances appropriate to the nature of services or goods being supplied.

All new suppliers above a certain threshold are also subject to an assessment through a leading compliance tool which allows us to access data from a wide range of sources globally.

## SPORT AND ENTERTAINMENT:

### PROCESS cont'd

Through investment in technology (in particular in financial management systems and compliance software) we have been able to monitor our supply chain more effectively.

This has enabled our businesses to procure supplies more efficiently and enabled the Group to reduce the number of suppliers it buys from. This will enable us to better understand both our primary tier supply chain and also the source of supplies further down our chain and to provide assurance, to our clients and stakeholders.

### WHAT'S NEXT?

Whilst we believe that there is limited risk in our primary tier suppliers we recognise that there is still work to be done to better understand exposures further down the supply chain.

We are also conscious that whilst an IT driven centralised onboarding process provides consistency there are greater risks in some geographies.

In the year ahead we have committed to engaging a full-time procurement manager and to upgrading the existing compliance system. The new system is undergoing testing and will be live prior to the end of Q2 2023.

These enhancement will allow us to ensure all suppliers adhere to our core principles, respond to all questions and allow us to monitor their responses and seek alternatives as required.

We remain focussed on enhancing our understand of those with whom with contract and ensuring that no form of forced labour or slavery is present in our supply chain.

## COMMUNICATIONS:

### ASSESSMENT

The Communications division comprises a number of different agencies working from locations around the world. The business has considered the risk of modern slavery within the workplace and considers that the business sector, high skilled nature of the services the business provides, together with extensive people policies and management oversight and support, mean that the risk of modern slavery in the workplace is low.

Reflecting the multiple locations across the world, and the variety of services the division provides, the division has a varied supply chain. The supply chain falls into two broad categories; those supplies used directly in the provision of the division's services to clients; and the supplies procured by agencies to support the running of the business. In the former category, media and production spend are the main components. The latter category includes property services, office supplies, IT infrastructure and support, people support services, and travel and accommodation.

### PROCESS

The division has in place a compliance process used for all supplier onboarding. This provides a baseline of information about a supplier to enable agencies to identify any known risks. The process uses a market leading tool to undertake these due diligence checks and a process is in place to highlight high risks to management for a decision to be made on whether to accept a supplier.

The division has risk assessed its supply chain to identify areas of significant spend, geographic spread in the supply chain's Tier 1, and areas considered high risk.

The supplier onboarding process has been expanded in the major part of the division to obtain relevant information from suppliers about working practices and key ESG matters, and this will gradually be expanded to all agencies.

## COMMUNICATIONS:

### PROCESS cont'd

The division has commenced a process of direct engagement with key Tier 1 suppliers to understand and align business processes. The engagement seeks to ensure that at a minimum, suppliers comply with the Group's Responsible Sourcing Policy. Where suppliers are identified as being at a higher risk of modern slavery through the products or services they supply, the division will engage more directly to understand procurement practices and upstream supply chain.

### WHAT'S NEXT?

In the year ahead, the Communications division will focus upon expanding direct engagement with suppliers, building upon the work commenced in the previous year. This will include widening the number of suppliers with whom the business engages directly upon matters relating to Modern Slavery risks and the Group's Responsible Sourcing Policy.

The division will also expand and refine the supplier onboarding process, with the aim to ensure consistency in data obtained from suppliers as they are onboarded and also to expand auditing activity.

Alongside the above, the Group will work upon implementing new processes to refine and develop information sharing across the business.

The division will also develop its training of employees. Training and ensuring the application of consistent high standards remain a priority.

Joanne Parker  
Chief Operating Officer  
30<sup>th</sup> June 2023

THANK YOU

**CHIME**<sup>™</sup>