

MODERN SLAVERY STATEMENT
2020



NINTENDO AUSTRALIA PTY LIMITED

Introduction

This is the first Modern Slavery Statement by Nintendo Australia Pty Limited as required by the *Modern Slavery Act 2018* (Cth) (“the Act”).

Being part of a global company with the ultimate goal of “Putting Smiles on the Faces of Everyone it Touches”, we realise the importance of responsible workplace and environmental policies and practices.

The purpose of this statement is to outline the actions we took during the fiscal year ending 31st March 2020 (FY 2020), to identify and minimise the risk of modern slavery in our business and supply chain.

The Modern Slavery Statement has been reviewed and approved by the principal governing body for the reporting entity who is the sole director, Mr. Takuro Horie. This statement was reviewed and approved on 23rd December 2020.

Business Overview

Nintendo Australia Pty Limited (“NAL”), headquartered in Melbourne, was established in 1994 and serves as base of operations for Nintendo in Australia. Our registered office is at 804 Stud Road, Scoresby VIC 3179 Australia.

Our parent company, Nintendo Co., Ltd. (“NCL”) of Kyoto, Japan, manufactures and markets hardware and software for its Nintendo Switch system.

As at 31st March 2020, Nintendo Australia had a total of 94 employees.

Structure, Operations and Supply Chain

Nintendo Australia Pty Limited is a private company wholly owned by Nintendo Co., Ltd. of Kyoto, Japan.

The principal activities of NAL consist of importing, distributing and marketing of Nintendo electronic games and equipment within Australia and exported to New Zealand.

In the fiscal year ending 31st March 2020, NAL worked with over 180 suppliers, with our main expenditure being on our direct supplier, NCL, for purchase of goods for resale.

Policies and Governance

OPERATIONS	
Purchase of goods for resale	<ul style="list-style-type: none"> Procurement of Nintendo Hardware/Software/Accessories from NCL
Product Packaging & Printing	<ul style="list-style-type: none"> Printing and packaging before delivery to retailers: <ul style="list-style-type: none"> Sleeves, boxes, and cases Cartons
Assembly & Warehousing	<ul style="list-style-type: none"> Inhouse packaging at the NAL warehouse, sometimes this is subcontracted Warehouse product on site
Distribution to retailers	<ul style="list-style-type: none"> Freight companies deliver our products to our customers across Australia and New Zealand
Repairs	<ul style="list-style-type: none"> Inhouse repairs and service of our products
Sales and Marketing	<ul style="list-style-type: none"> Media & Advertising (including website) Gifts with purchase/Merchandise for distribution to our consumers
Other Activities	<ul style="list-style-type: none"> Purchase of office and IT equipment Miscellaneous other services

In the fiscal year ending 31st March 2020, NAL undertook a review of the potential modern slavery risks in our operations.

Our priority was to assess whether there are adequate internal policies and procedures in place to minimise the risk of any forms of slavery in our business.

Our pre-existing NAL Code of Conduct outlines the ethical values and standards of behaviour which are expected of all employees of NAL in their daily business activities, customer and work relationships and related social activities.

NAL's Whistle-blower Policy establishes a system for reporting disclosures of misconduct or any improper state of affairs or circumstances by employees of NAL and emergency/public interest disclosures. The system enables such disclosures to be made to key positions within NAL, or in extreme situations, directly to external agencies or NCL.

To reduce the risk of modern slavery, the following measures are part of our recruitment process:

- All employees of NAL are bound and protected by written employment contracts in compliance with employment law.
- We use reputable employment agencies when sourcing temporary staff who are bound to comply with our Code of Ethics.

Assessment of Modern Slavery Risks

As this is our first year working towards a Modern Slavery Statement under the *Modern Slavery Act 2018* (Cth), our approach was to primarily focus on our direct suppliers associated with our core business operations.

An overall review was also conducted for our indirect suppliers required to operate the business.

We created a risk assessment program to assess our human rights risk exposure using tools such as the 2018 *Global Slavery Index* published by the Minderoo Foundation and the U.S Department of Labor's 2018 List of goods produced by child labor or forced labor. We were mindful of the risk indicators highlighted in the "2018 Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities", including:

1. Product and Services risks – certain products and services may have high modern slavery risks because of the way they are produced, provided, or used.
2. Geographical Risks - some countries may have higher risk of modern slavery.
3. Entity Risks - some entities may have modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

As part of the supply chain review, out of over 180 suppliers, 17 new and/or existing suppliers were assessed with a 94% response rate noted. This represents almost 10% of our supply chain (equating to 40% of our annual supplier spend). Of the total suppliers assessed:

- 70% are Australian based including final assembly of products and services supplied.
- For 30% of the suppliers, the country of final assembly was overseas.
- More than 80% of our suppliers have inherently low risks based on the risk indicators above and
- Less than 20% of the suppliers operate in potentially higher risk industries and countries.

Due Diligence and Mitigation Processes

Steps that we have taken to assess and mitigate risk in our supply chain include:

- Development of a risk management program using human rights risk indicators.
- Conducting supplier surveys specially designed to validate supplier workplace practices.
- Supplementary supplier surveys to evaluate the impact of COVID 19 on supplier operations.
- Working with NCL to evaluate supplier risks.
- Ongoing contracts with our suppliers including a Supplier Code of Ethics Policy.

In addition to the above, while addressing the reporting criteria for the Modern Slavery Statement, a Steering Committee and Project Team have been implemented at NAL to obtain the necessary information. We have also gathered a senior management team to further assist in the process.

In doing so, we have raised awareness within the organisation and conducted education with our employees on the preventative and proactive measures to be taken in creating continuous improvement for this matter. Not only the Project Team members, but all employees have received training and are aware of the obligations the company has under the Act.

Key Members of the NAL Steering Committee

- Director of Business Affairs
- Legal Team
- Audit and Risk Management Team

Key Members of the NAL Project Team

- General Managers
- Department Managers

Key Advisory Members

- NAL Managing Director
- NAL Directors Group
- NCL CSR Team

Next Steps

1. Extend our supply chain review to additional suppliers that were not in scope this year.
2. Provide further training for our staff to empower them to identify potential risks especially during the supplier selection process.
3. Further investigate suppliers where potential for human rights risk was identified.
4. Continued monitoring of suppliers where low potential for human rights risk was identified.

Nintendo's commitment to corporate social responsibility extends beyond the supply chain process. To find out more about Nintendo's CSR, please read the CSR Report on NCL's corporate website: <https://www.nintendo.co.jp/csr/en/index.html>.

This Statement has been approved by the Sole Director of Nintendo Australia Pty Limited in December 2020. This Statement has been revised on 25th March 2021, to reflect the signature of the Managing Director.



Takuro Horie
Managing Director (Sole Director)
Nintendo Australia Pty Limited.
Date: 25/03/2021