

**MODERN SLAVERY STATEMENT  
2021**



**NINTENDO AUSTRALIA PTY LIMITED**

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## Introduction

This is the second 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 2021 (FY 2021), to identify and minimise the risk of modern slavery in our business and supply chain. The actions taken were based on our plans and our learnings from the review of our operations and supply chain during the previous year.

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 17<sup>th</sup> September 2021.

## 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 2021, Nintendo Australia had a total of 91 employees.

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## Structure, Operations and Supply Chain

Nintendo Australia Pty Limited is a private company wholly owned by Nintendo Co., Ltd. of Kyoto, Japan. NAL does not own or control any other entities.

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 2021, NAL worked with over 150 suppliers, with our main expenditure being on our direct supplier, NCL, for purchase of goods for resale.

## Policies and Governance

In the fiscal year ending 31st March 2021, NAL undertook a review of the potential modern slavery risks in our operations.

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

Our objective is to identify, prevent and mitigate modern slavery risks within our operations and in our supply chain.

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.

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

## Impact of COVID-19 Pandemic on NAL Operations and Supply Chain

- We recognise the increased risks brought about by COVID-19.
- During FY 2021 most NAL employees had been working from home when directed, in line with guidelines from the relevant state governments across Australia.
- For our 'permitted/authorised' workers who were still able and willing to work from NAL premises, a COVID safe plan was implemented, COVID safe signage displayed, partitions were installed, safety practices put in place, such as temperature checks and social distancing, and personal protective equipment was provided.
- We also conducted an additional supply chain review specifically inquiring with some of our suppliers on measures taken by them to protect their employees.

- Ongoing contracts with our suppliers including a Supplier Code of Ethics Policy.

This year, we have further 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.

### Assessing Effectiveness of Actions

Nintendo has conducted a global supply chain risk assessment to determine the effectiveness of our actions. We have also established the CSR Procurement Working Group to holistically share information related to each country's CSR procurement activities as well as discussing initiatives for the group as a whole.

In addition to the above, the NAL Steering Committee and Project Team continue to work collaboratively to monitor the supply chain risk especially for products with high product or geographical risk.

The infographic is contained within a light blue rounded rectangle and features three stacked blue boxes with white text. The top box is titled 'Key Members of the NAL Steering Committee' and lists three roles: Director of Business Affairs, Legal Team, and Audit and Risk Management Team. The middle box is titled 'Key Members of the NAL Project Team' and lists two roles: General Managers and Department Managers. The bottom box is titled 'Key Advisory Members' and lists three roles: NAL Managing Director, NAL Directors Group, and NCL CSR Team.

### Assessment of Modern Slavery Risks

As this is our second year working towards a Modern Slavery Statement under the *Modern Slavery Act 2018* (Cth), our approach was to focus on action plans and our learnings from our first year review. Therefore, in this year our focus was on:

1. Suppliers rated as potentially high/medium geography/product risk in our first year review;
2. Additional suppliers were selected for review where the final assembly was conducted in countries with high geographical risk or high product risk.

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 150 suppliers, 18 new and/or existing suppliers were assessed with a 94% response rate noted. This represents over 50% of our annual supplier spend. Of the total 18 suppliers assessed:

- We noted that some of our suppliers have higher geographical risks as they operate in potentially higher risk countries.
- Additionally, we noted that there are products that have been identified by the U.S Department of Labor’s “2018 List of Goods Produced by Child Labor or Forced Labor” as having a higher product risk, such as electronics and merchandise using textiles.

### 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.

## Next Steps

1. Further extend our supply chain review to additional suppliers that were not in scope in the preceding two years.
2. Continue to 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 September 2021.



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Takuro Horie  
Managing Director (Sole Director)  
Nintendo Australia Pty Limited.  
Date: 17/09/2021