

## Modern Slavery Act Transparency Statement for FY2022

Pursuant to Section 54 of the United Kingdom's Modern Slavery Act 2015, Bandai Namco Holdings Inc. (hereinafter 'the Company') has prepared the following statement with respect to measures to prevent slavery, human trafficking, and other violations of human rights in the businesses and supply chains of the Group (hereinafter 'the Group').

### 1. The Group's Organisation Structure, Business Overview, and Supply Chain

In accordance with Bandai Namco's Purpose, 'Fun for All into the Future', the Company and the Group aim to work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration.

In the fiscal year ended March 2023 (hereinafter FY2022), the Group conducted business activities under the management of the Company (head office: Minato-ku, Tokyo, Japan), which is a pure holding company, and in accordance with the IP axis strategy, which aims to maximise the value of IPs (characters and other intellectual properties) by delivering the best products and services at the best possible times. These business activities were conducted through four business segments: the Digital Business, Toys and Hobby Business, IP Production Business, and Amusement Business, and through affiliated business companies, which mainly serve a supporting role for the business segments. The business management company in charge of each business segment was primarily in charge of developing and implementing business strategies in Japan and abroad.

Below is a summary of the main business activities in each of our business segments, as well as the business management company responsible for them (as of 31 March 2023).

- Digital Business (Business Management Company: Bandai Namco Entertainment Inc.)  
Planning, development, and distribution of network content; planning, development, and sales of home gaming content, etc.
- Toys and Hobby Business (Business Management Company: Bandai Co., Ltd.)  
Planning, development, manufacture, and sales of toys, capsule toys, cards, confectionery and food products, apparel, household goods, plastic models, giveaways, stationery, etc.
- IP Production Business (Business Management Company: Bandai Namco Filmworks Inc.)  
Planning, production, and operation of animated works and other video and music content; management and operation of copyrights; discovery and development of artists; live entertainment business
- Amusement Business (Business Management Company: Bandai Namco Amusement Inc.)  
Planning, development, production, sale, and after-sales service of amusement machines; planning and operation, etc., of amusement parks, indoor playgrounds, and other amusement facilities

The Group consists of the Company (headquartered in Japan), 101 subsidiaries, and 16 affiliated companies, and does business with offices located in 26 countries and regions around the world (as of 31 March 2023). The number of consolidated employees of the Group, comprising the Company and 81 consolidated subsidiaries, is 10,563 (as of 31 March 2023).

For more information on the Group's organisational structure and business operations, please visit one of our websites below.

<https://www.bandainamco.co.jp/group/index.html> (Japanese)

<https://www.bandainamco.co.jp/en/group/index.html> (English)

The majority of the Group's manufacturing suppliers are for the Toys and Hobby Business and Amusement Business. The Toys and Hobby Business has about 260 main suppliers, with about 520 final packaging plants in

Japan, China, and Vietnam, etc. The Amusement Business has about 50 main suppliers, with nine final assembly plants in Japan and China, etc.

## **2. Group Policy on Slavery and Human Trafficking**

### Policies Related to Working Conditions and Supply Chain Management

The Group is committed to the long-term development of society and the Company by fostering a work environment in which employees and all persons associated with the Group have mutual respect and can work with joy and passion.

Based on respecting the fundamental human rights of all people, in accordance with Bandai Namco's Purpose to provide 'Fun for All into the Future', and with the goal of continuing to create a future that delivers 'Dreams, Fun, and Inspiration' to people around the world, the Group has established the Bandai Namco Compliance Charter as a fundamental principle of conduct to be observed by all officers and employees in performing any work-related activities. This Charter reflects the belief that, regardless of country or region, a company must fulfil an important universal duty to (1) uphold its social responsibility by complying with the letter and spirit of all laws, (2) pursue profit through fair and free competition, and (3) benefit society at large through its corporate activities in order to build a trusting relationship with society. The Charter also states the Company's commitment to putting employee health and safety first, as well as providing a safe, employee-friendly working environment.

Moreover, the Group has identified supply chain management as one of the components of 'Establishment of work environments that facilitate mutual respect', one of the Bandai Namco Group Material Issues designated as a theme to be addressed on a priority basis. Accordingly, the Group is working to improve supply chain management across all of its businesses.

For more information on Bandai Namco Group's efforts regarding human rights, please visit one of our websites below.

<https://www.bandainamco.co.jp/sustainability/human-rights/index.html> (Japanese)

<https://www.bandainamco.co.jp/en/sustainability/human-rights/index.html> (English)

## **3. Due Diligence Procedures for Businesses and Supply Chains**

### Systems Established

To ensure that the above policies are firmly instilled, the Group has established a Group Sustainability Committee chaired by the President and Representative Director and comprised of full-time directors and presidents of business management companies, etc. The committee is responsible for formulating and promoting policies and strategic objectives related to human rights for the Company and the Group. In addition, we have appointed a director in charge of sustainability within the Company and have established a Sustainability Management Department to oversee sustainability activities across the entire Group, in an effort to promote activities related to human rights. Reports on implemented activities and future policies are given to the Company's Board of Directors, and discussions are held during their meetings in order to assess and improve these efforts.

Further, the Group has appointed a director in charge of compliance within the Company to manage overall compliance. Moreover, in the event of a compliance violation or the potential for a violation within the Group, the Group Risk Compliance Committee, chaired by the President and Representative Director and comprised of full-time directors (including Audit & Supervisory Committee members) and others appointed by the chairperson, immediately discusses and determines the most appropriate response to the situation. Four overseas regional headquarters also provide compliance support overseas.

In addition, as countermeasures for compliance violations, each Group company has established internal regulations, and each Group company has established and operates a whistle-blowing system. These efforts are

based on the 'Bandai Namco Group Policies', which span the Group laterally. If any type of compliance violation, including such violations of human rights as forced labour or child labour, comes to light through its whistle-blowing system, each company responds in a manner appropriate to the matter based on each Group company's compliance regulations.

#### Measures to Maintain and Enhance Supply Chain Management

The Group applies measures in each business segment to maintain and improve supply chain management, as evidenced by the following examples of measures in FY2022.

Bandai Co., Ltd. (the business management company in charge of the Toys and Hobby Business) and the main company Bandai Spirits Co., Ltd. (both wholly owned subsidiaries of the Company), conducted Bandai Factory Audits (BFA), which combine a 'Quality Audit' and a 'Code of Conduct (COC) Audit', or confirmed COC items using Sedex Members Ethical Trade Audits (SMETA), International Council of Toy Industries (ICTI) reports, or other 'third-party COC standards reports', at all overseas final packaging plants that manufacture products for the Japanese market (about 270 plants in FY2022). BFAs were conducted using a proprietary 'BFA Manual', with the Bandai COC Declaration, which declares compliance with criteria related to forced labour, child labour, working hours, wages and allowances, disciplinary actions, discrimination, etc., as the basic policy. In the case of plants that have not passed the aforementioned BFA or acquired third-party certification, Bandai Spirits Co., Ltd., conducts audits in accordance with the stipulations of their proprietary 'Bandai Spirits Minimum Requirements Audit Sheet'. These audits verify requirements related to human rights.

Furthermore, Bandai (Shenzhen) Co., Ltd., which manages the production of major products for Europe and the United States, conducts its business with plants certified under the ICTI Ethical Toy Program, a unified standard set by the aforementioned ICTI for toy manufacturers and which includes the prohibition of forced labour, human trafficking, and child labour, etc., as audit items (all primary plants for products sold in Europe and the United States have obtained certification in FY2022). Supplier conferences are also held to share information with suppliers, etc., and efforts are made to ensure that suppliers comply with laws and regulations and take measures to improve working conditions, including the prevention of forced labour and modern slavery, etc.

Bandai Namco Amusement Inc. (a wholly owned subsidiary of the Company), the business management company in charge of the Amusement Business, only does business with suppliers that have been confirmed to be free of illegal activities with respect to forced labour, child labour, working hours, wages and allowances, disciplinary actions, discrimination, and environmental protection, which are evaluated before doing business with any supplier. At amusement machine product assembly plants with which the Company is starting a new transactional relationship, the plants are interviewed on aspects requiring verification, including the working environment. Plants with which the Company is starting new transactions and currently engages in transactions are audited as necessary. (Two audits of plants with which the Company currently has transactions were conducted in FY2022.)

For more information on FY2022 measures regarding the working environment in the supply chain, please visit one of our websites below.

[https://www.bandainamco.co.jp/sustainability/materiality/workplace/supply-chain\\_labor.html](https://www.bandainamco.co.jp/sustainability/materiality/workplace/supply-chain_labor.html)

(Japanese)

[https://www.bandainamco.co.jp/en/sustainability/materiality/workplace/supply-chain\\_labor.html](https://www.bandainamco.co.jp/en/sustainability/materiality/workplace/supply-chain_labor.html)

(English)

#### **4. Aspects of Business and Supply Chain Vulnerable to Slavery and Human Trafficking, and Procedures in Place to Assess and Control Such Risks**

In FY2022, the Group conducted human rights due diligence through third-party organisations in our main business operations. Among the potential human rights risks that could arise in the Group's activities, we identified a high potential human rights risk in the manufacturing sectors of the East Asia and Southeast Asia

regions. While we have previously implemented risk management for each business segment as mentioned earlier, going forward, we will build a human rights due diligence mechanism within the Group to identify, prevent, and mitigate negative impact on human rights related to the Group's business activities. This mechanism will take a risk-based approach and will be continuously implemented.

Bandai Co., Ltd., the business management company in charge of the Toys and Hobby Business, and the main company Bandai Spirits Co., Ltd. conduct audits, such as the previously mentioned BFA, or similar audits, once a year at overseas final packaging plants. Furthermore, in addition to conducting audits, Bandai Spirits Co., Ltd., separately gathers information about countries and regions with potential risks, and interviews are conducted at plants in those areas. As a result of the audits, there have been no reports of problems related to modern slavery or human trafficking.

Bandai Namco Amusement Inc., the business management company in charge of the Amusement Business, makes site visits on a regular basis to conduct interviews and on-site inspections. In addition, the Company selects key suppliers of major components and high-volume items, and performs supplier audits as needed. As a result of the audits, there have been no reports of problems related to modern slavery or human trafficking, etc.

## **5. Effectiveness of Methods Established to Prevent Slavery and Human Trafficking in Operations or Supply Chains**

Bandai Co., Ltd., the business management company in charge of the Toys and Hobby Business, and the main company Bandai Spirits Co., Ltd. conduct the aforementioned BFAs or similar audits once a year to ensure that human rights violations do not occur and that measures remain effective.

Bandai Namco Amusement Inc., the business management company in charge of the Amusement Business, conducts regular supplier audits to ensure that human rights violations do not occur and that measures remain effective.

## **6. Training**

To ensure that employees are fully familiarised with the Bandai Namco Group Compliance Charter, internal awareness posters that display Charter content are distributed to all Group companies, including overseas bases, to ensure that it is well instilled among employees. In addition, a 'Bandai Namco Group Compliance Handbook' has also been prepared and is distributed to Group directors, Audit & Supervisory Board members, and other employees. Furthermore, in FY2022, the Group conducted a compliance awareness survey of Group directors, Audit & Supervisory Board members, and other employees, as well as five e-training sessions on individual cases attended by approximately 52,000 people. Through various types of training, including for new employees, the Group also took measures to ensure that all employees are fully familiarised with the principles of the Charter. In addition, the presidents of all business companies have submitted written oaths pledging strict compliance with the Group Compliance Charter to the President and Representative Director of the Company.

We believe that the understanding of top management is important to strengthening the Group's approach to human rights. Accordingly, we conduct workshops on human rights for the directors of Bandai Namco Holdings Inc. Further, we provide seminars and e-learning sessions for our employees, focusing on themes such as sustainability, work-life balance, LGBT, and disabilities. Through these initiatives, we are fostering a culture of sustainability within the Group and working to enhance employee awareness.

As for supplier training, under the guidance of Bandai Co., Ltd., the business management company in charge of the Toys and Hobby Business, we provide suppliers with information regarding BFAs, including human rights, at supplier quality workshops that are conducted four times each year. We also conduct supplier meetings specifically focused on BFA once a year. In addition, we share information about plant audit status and information from audits conducted by other companies through a COC newsletter.

Bandai Spirits Co., Ltd. holds communication meetings for suppliers focusing on quality and related matters

twice each year. Additionally, we hold exhibitions and trade shows related to quality, etc., both in Japan and overseas, about once a year, where we exhibit and share information related to human rights as needed.

## **7. Going Forward**

In 2023, the Group plans to establish and publicly release the 'Bandai Namco Group Human Rights Policy' as a commitment to respecting the human rights of all stakeholders involved in the Group's business activities.

In addition, going forward, we will build a human rights due diligence mechanism within the Group to identify, prevent, and mitigate negative impact on human rights related to the Group's business activities. This mechanism will take a risk-based approach and will be continuously implemented.

Based on Bandai Namco's Purpose to provide 'Fun for All into the Future', the Group believes that respecting all people's fundamental human rights is essential in creating a future that delivers 'Dreams, Fun and Inspiration' to people around the world. Based on this conviction, we are committed to preventing slavery and human trafficking by ensuring that the policies outlined above are firmly instilled in all employees, and by continuing as well as improving our efforts.

## **8. Approval by the Board of Directors**

I, Masaru Kawaguchi, hereby certify that the information contained in the above 'Modern Slavery Act Transparency Statement for FY2022' is factual and has been approved by the Company's Board of Directors.

20 September 2023



Masaru Kawaguchi  
President and Representative Director  
Bandai Namco Holdings Inc.