



## **Modern Slavery Act Transparency Statement for Fiscal 2018**

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 BANDAI NAMCO Group (hereinafter “the Group”).

### **1. Summary of the Group’s Organization and Businesses**

The mission of the Group is to provide “Dreams, Fun and Inspiration” through its entertainment products and services, and its vision is to become “the Leading Innovator in Global Entertainment.” In the fiscal year ended March 2019 (hereinafter fiscal 2018), 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 maximize the value of IPs (characters and other intellectual properties) by providing the best products and services at the best possible times. Moreover, the Group conducted its business activities through five business segments and through affiliated business companies, which mainly serve a supporting role for the business segments. The abovementioned business segments and their business lines are as follows. The Toys and Hobby Business plans, develops, manufactures and markets toys, capsule toys, cards, confectionery and foods, apparel, sundries, plastic models, prizes, stationery, and other products. The Network Entertainment Business plans, develops, and distributes network content and plans, develops and sells home video games. The Real Entertainment Business plans, produces, and sells amusement machines and plans and operates amusement facilities, etc. The Visual and Music Production Business plans, produces, and sells visual and music content and visual and music packaged software; and conducts live entertainment operations. The IP Creation Business plans and produces animations; conducts management and administration of copyrights; produces music related to animations; and manages and uses music and masters. The core company of each business segment led the preparation and advancement of business strategies in Japan and overseas. Further, among the abovementioned business segments, four operating companies that belong to the Toys and the Hobby Business, the Network Entertainment Business, or the Real Entertainment Business and one regional headquarters have bases in the United Kingdom and conducted business activities.

The Group comprises the Company, 106 subsidiaries, and 12 affiliated business companies (as of March 31, 2019). The number of consolidated employees of the Group, comprising the Company and 81 consolidated subsidiaries (including five consolidated subsidiaries based in the United Kingdom), is 8,360 (as of March 31, 2019). Further, in fiscal 2018, the Group recorded consolidated net sales of



¥732.3 billion, and the five consolidated subsidiaries based in the United Kingdom recorded total net sales of ¥14.5 billion.

For details about our organization and businesses, please visit one of our web sites below.

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

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

## **2. The Group's Related Policies**

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

Based on the belief that respect for the basic human rights of all people is an indispensable component of efforts to realize the abovementioned mission and vision, the Group has established the “BANDAI NAMCO Group Compliance Charter,” which sets out basic principles for conduct to which all directors, Audit & Supervisory Board members, and other employees must adhere. This charter reflects the belief that—regardless of country or region—to build a relationship of trust with society a company must fulfil an important universal duty to comply with the letter and spirit of all laws, pursue profit through fair competition, and benefit society at large through its corporate activities. In addition, the charter states its commitment to giving priority to the protection of employees' health and lives and providing safe, employee-friendly working conditions.

Moreover, “BANDAI NAMCO Group's Important CSR Themes” identifies supply chain management as a theme calling for special initiatives. Therefore, the Group has established a policy of enhancing supply chain management in a manner that reflects the characteristics of each business.

For details about the “BANDAI NAMCO Group Compliance Charter,” please visit one of our web sites below.

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

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

For details about the “BANDAI NAMCO Group's Important CSR Themes,” please visit one of our web sites below.

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



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

### **3. The Group's Measures**

#### Systems Established

To inculcate the abovementioned policies, internally the Group has appointed a director in charge of compliance, who has overall responsibility for compliance throughout the Group. Further, if there is a compliance violation or the possibility of a compliance violation in the Group, the Group Risk Compliance Committee immediately discusses and decides which course of action to take in response. This committee has overall control of compliance, is chaired by the Company's president and representative director, and comprises full-time directors, full-time Audit & Supervisory Board members, and other members designated by the chairperson. Furthermore, four overseas regional headquarters provide compliance support overseas. Regarding corporate social responsibility, internally the Group has appointed a director in charge of corporate social responsibility and advances related activities. In addition, the Group regularly convenes the Group CSR Committee, which promptly decides on matters and receives and submits reports related to corporate social responsibility. This committee comprises mainly the presidents and directors in charge of corporate social responsibility of the Company and the core companies of business segments.

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 Articles of Incorporation," 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 the company's compliance regulations.

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

In the Group, each business segment takes measures to maintain and enhance supply chain management.

To give examples of measures implemented in fiscal 2018, the core company of the Toys and Hobby Business, BANDAI CO., LTD., (a wholly owned subsidiary of the Company), conducted "BANDAI Factory Audits," which combine "New Plant Audits" and "Code of Conduct Audits," at all overseas



final packaging plants that manufacture products for Japanese market (168 companies in fiscal 2018). “BANDAI Factory Audits” \* were conducted using the “BANDAI Code of Conduct” as a basic policy which declares compliance with eight standards, including a standard prohibiting forced labour and other violations of human rights. BANDAI conducted audits based on the original “BANDAI Factory Audits Manual.” Furthermore, BANDAI (SHENZHEN) CO., LTD., a Group company which manages production of major products for the U.S. and European markets, conducts business with factories certified by the ICTI Code of Business Practices, a uniform standard for toy manufacturers established by the International Council of Toy Industries which includes prohibition of forced labour as an audit item. (In fiscal 2018, all primary production factories of major products for the U.S. and European markets with which BANDAI (SHENZHEN) CO., LTD. conducted business had been certified by the code.) In addition, together with suppliers, we are taking steps to promote legal compliance and to enhance the working environment, including the prevention of forced labor, modern slavery, etc. These steps include holding suppliers conferences, at which information is shared with suppliers, at production bases in Japan and overseas (three bases in fiscal 2018: Japan, Shenzhen, and Shanghai).

BANDAI NAMCO Entertainment Inc. (a wholly owned subsidiary of the Company), which is the core company of the Network Entertainment Business, conducts risk evaluations for major suppliers in regard to the risk of human rights violations, such as slave labor and human trafficking. At this point, the judgment is that this risk is low. In the unlikely event that this type of violation is discovered, we will respond in accordance with the above-mentioned related policies and organizational systems.

In addition, the core company of the Real Entertainment Business, BANDAI NAMCO Amusement Inc. (a wholly owned subsidiary of the Company), conducts “CSR Procurement Questionnaires” comprising seven major categories, one of which concerns the prohibition of forced labour and other violations of human rights, and only does business with suppliers for which it has confirmed the absence of illegal acts. Furthermore, in regard to confirmation items including the working environment, audits\* are conducted for amusement machine product assembly plants that are starting a new transaction relationship with BANDAI NAMCO Amusement Inc. (no new transaction relationships in fiscal 2018).

The Group discloses measures to maintain and enhance supply chain management at each business segment through integrated reports, CSR-related leaflets, and its websites.

(\* On-site confirmation and employee interviews are required items for BANDAI Factory Audits and BANDAI NAMCO Amusement’s audits)

To view the fiscal 2018 measures, please visit one of our websites below.

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

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

#### Internal Measures for Inculcation

To ensure that employees are rigorously informed about the “BANDAI NAMCO Group Compliance Charter,” the Group distributes to all Group companies, including overseas bases, posters that state the charter and which are intended for display in-house and prepares and distributes to the Group directors, Audit & Supervisory Board members, and other employees the “BANDAI NAMCO Group Compliance Handbook.” Further, in fiscal 2018 the Group conducted a compliance awareness survey of Group directors, Audit & Supervisory Board members, and other employees, and held five e-training sessions regarding individual cases, which totalled approximately 43,000 participants. In addition, the Group inculcated the principles of the charter through training for newly hired employees and various other types of internal training. 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.

#### **4. Going Forward**

The Group believes that respecting the basic human rights of all people is an indispensable component of efforts to fulfil the mission of continuing to provide “Dreams, Fun and Inspiration” and realize the vision of becoming “the Leading Innovator in Global Entertainment.” Based on this belief, the Group will prevent slavery and human trafficking by further inculcating the abovementioned policies and continuing to implement and enhance measures.

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

I, Mitsuaki Taguchi, hereby certify that the information contained in the above “Modern Slavery Act Transparency Statement for Fiscal 2018” is factual and has been approved by the Company’s Board of Directors.



September 18, 2019

A handwritten signature in black ink that reads "Mitsuaki Taguchi".

Mitsuaki Taguchi  
President and Representative Director  
BANDAI NAMCO Holdings Inc.