

Modern Slavery Act Transparency Statement for FY2023

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. 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 FY2023, 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. In each business segment, the company designated as the business management company led the way in 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 their business management companies (as of 31 March 2024).

- 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), 100 subsidiaries, and 14 affiliated companies, and does business with offices located in 27 countries and regions around the world (as of 31 March 2024). In addition, the number of consolidated employees of the Group, comprising the Company and 79 consolidated subsidiaries, is 10,248 (as of 31 March 2024).

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

<https://www.bandainamco.co.jp/about/organization.html> (Japanese)

<https://www.bandainamco.co.jp/en/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 245 suppliers, with about 605 final packaging plants in Japan, China, and Vietnam, etc. The Amusement Business has 70 suppliers, with 11 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 Bandai Namco Group have mutual respect and can work with joy and passion.

The Group recognises that corporate business activities can have an impact on human rights, and we believe it is our corporate responsibility to respect the human rights of all stakeholders involved in the Bandai Namco Group's operations. The Bandai Namco Group, guided by its Purpose 'Fun for All into the Future', which envisions a future in which entertainment enriches lives and connects people with each other, society, and the world, aims to create this future together with people all over the world. To fulfil our responsibility to respect the human rights of all stakeholders involved in our operations, we established and publicly released the 'Bandai Namco Group Human Rights Policy' in November 2023.

This policy applies to all officers and employees of the Bandai Namco Group, and it also requires the understanding, support, and compliance of all partner companies and suppliers. It emphasises promoting human rights initiatives based on the 'United Nations Guiding Principles on Business and Human Rights' and the 'Children's Rights and Business Principles'. The policy also outlines key actions such as appointing the Chief Sustainability Officer (CSO) to oversee its implementation, establishing and continuously conducting human rights due diligence, providing appropriate education to all officers and employees, consulting with outside experts, engaging in dialogue and consultation with relevant stakeholders, and disclosing information.

For more information on the 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)

In addition, we are currently working on developing a code of conduct and accompanying guidelines for our partner companies to address issues related to sustainable procurement throughout the entire supply chain, in collaboration with partners who support the provision of our products and services. In these guidelines, we are considering explicitly prohibiting forced labour, slavery, and human trafficking, using JEITA's 'Responsible Business Conduct Guidelines' as a reference.

3. Due Diligence Procedures for Businesses and Supply Chains

Systems Established

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 sustainability issues, including 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 sustainability issues, including human rights. Reports on implemented activities and future policies are given regularly to the Company's Board of Directors, and discussions are held during their meetings in order to assess and improve these efforts.

Regarding human rights, the President and Representative Director is designated as the person responsible for the Group's Human Rights Policy, while the Chief Sustainability Officer (CSO) serves as the officer in charge of promoting the policy. Together, they lead efforts to respect human rights in accordance with this policy.

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 management companies 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 whistleblowing system, each company responds in a manner appropriate to the matter based on each Group company's compliance regulations.

Status of Efforts at Each Group Company

The Group applies measures in each business segment to maintain and improve supply chain management, and implemented the following examples of measures in FY2023.

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 almost all overseas final packaging plants that manufacture products for the Japanese market (about 300 plants in FY2023). 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. Supplier conferences are also held to share information with partner companies, etc., and efforts are made to ensure that suppliers comply with laws and regulations and take measures to improve working conditions, including the prohibition of forced labour and modern slavery, etc.

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.

Bandai (Shenzhen) Co., Ltd., which provides production and quality guidance regarding major products for Europe and the U.S., conducts its business mainly in accordance with the unified standards set by ICTI for toy manufacturers. These standards include prohibitions against forced labour, human trafficking, and child labour, as part of the 'ICTI Ethical Supply Chain Program'. In addition, Bandai (Shenzhen) Co., Ltd. conducts business with plants certified by third-party organisations such as Sedex Members Ethical Trade Audit (SMETA). (All primary plants involved in the production of products for European and U.S. markets in FY2023 have been certified.)

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. The Company interviews arcade game product assembly plants with which it is starting a new transactional relationship, regarding any matters requiring verification, including the working environment. In addition, as necessary, the Company conducts audits of plants with which the Company is starting new

transactions or currently engages in transactions. (In FY2023, we conducted one audit of a plant with which the Company started new transactions and one audit of a plant with which the Company currently has transactions.)

For more information on FY2023 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

(Japanese)

https://www.bandainamco.co.jp/en/sustainability/materiality/workplace/supply-chain_labor.html (English)

4. Aspects of Business and Supply Chain Susceptible to the Risk of Slavery and Human Trafficking, and Procedures in Place to Assess and Control Such Risks

The Group has long been engaged in efforts to identify and assess negative impact on human rights, including the risk of modern slavery, within our key business operations and supply chains as part of our human rights due diligence. These efforts have been carried out with the support of third-party organisations.

In the fiscal year ended March 2024, we conducted an initial analysis, with the help of third-party organisations, focusing on human rights issues that are generally considered to have a high likelihood of occurring and that could potentially affect a large number of people within our business activities and supply chains. We are currently reviewing the results of this analysis. Moving forward, we will use these findings to further promote human rights due diligence through a risk-based approach.

In the future, we will continue to develop and implement a human rights due diligence system based on dialogue and consultation with relevant stakeholders, aimed at identifying, preventing, and mitigating negative impact on human rights related to our business activities.

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. The results of the audits indicated that there have been no reports of problems related to modern slavery or human trafficking.

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

Internal awareness posters that display the Bandai Namco Group Compliance Charter are distributed to all Group companies, including overseas bases, to ensure that employees are fully familiarised with the Charter. 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 FY2023, the Group conducted a compliance awareness survey of Group directors and all approximately 13,000 employees, as well as five e-training sessions on individual cases attended by a total of approximately 65,000 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 approach of Bandai Namco Holdings Inc. to human rights. Accordingly, we invite outside lecturers and conduct seminars on business and human rights for more than 150 people, including individuals responsible for sustainability, to enhance the understanding of our management team. In addition, we conduct online seminars on sustainability, led by outside lecturers, for all employees, aiming to raise awareness throughout the entire Group.

As for supplier training, Bandai Co., Ltd., the business management company in charge of the Toys and Hobby Business, provides suppliers with explanations of the Human Rights Policy formulated by the Group and information regarding BFAs, at supplier quality workshops that are conducted four times each year. We also conduct supplier meetings specifically focused on BFA once a year.

Bandai Spirits Co., Ltd. holds communication meetings for suppliers focusing on quality and related matters twice each year. In addition, 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.

Further, Bandai Namco Amusement Inc., the business management company in charge of the Amusement Business, actively promotes acquisition of JAIA Youth Advisor certification, with the aim of deepening knowledge and ensuring appropriate measures for the healthy development of young people. Currently, 99% of employees assigned to amusement facilities have obtained this certification.

7. Going Forward

We are currently working on developing a code of conduct and accompanying guidelines for our partner companies to address issues related to sustainable procurement throughout the entire supply chain, in collaboration with partners who support the provision of our products and services. In these guidelines, we are considering explicitly prohibiting forced labour, slavery, and human trafficking, using JEITA's 'Responsible Business Conduct Guidelines' as a reference.

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 FY2023' is factual and has been approved by the Company's Board of Directors.



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XX September 2024

(Signature of President Kawaguchi)

President and Representative Director

Bandai Namco Holdings Inc.