



Dear Ms. Balbin,

Thank you for your letter to our President dated 12 March 2021.

Please find our responses below to the questions included in your inquiry. We take our responsibilities to prevent forced labor and respect human rights very seriously. We would like to take this opportunity to clarify our efforts in this area.

Best regards,

Nintendo CSR Team

Nintendo Co., Ltd.

7 May 2021

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

Response:

Nintendo prohibits the use of forced and prison labor in all parts of our supply chain. No evidence of the labor conditions described in the information received by the UN has been found in our supply chain.

To prevent forced labor in our supply chain, we have long-standing Nintendo CSR Procurement Guidelines we share with all our direct suppliers and to which they must agree. These guidelines are a collection of specific requirements that must be satisfied in relation to issues such as human rights, sustainability, and ethical procurement. Prohibiting forced labor is one of those requirements, clearly described within these guidelines. We also require our direct suppliers, in place of Nintendo, to share these guidelines with secondary suppliers and below and require their agreement and compliance.

Nintendo takes its responsibility seriously and is vigilant about preventing forced labor of any kind in our supply chain. In the event conditions of forced labor were to be discovered, our policy is to discontinue the manufacturing or procurement relationship.

- 2. Please provide information as to whether your company has undertaken human rights due diligence steps, as set out in the United Nations Guiding Principles on Business and Human Rights, to identify, prevent, mitigate, and account for human rights abuses caused by or contributed to through your own activities, or directly linked to your operations, products or services by your business relationships. This includes the exercise of adequate oversight and human rights due diligence across your supply chains in order to prevent and mitigate impact on the enjoyment of human rights of Uyghur and other minority workers, including their right to freedom of movement and protection from forced labour, trafficking in persons and other contemporary forms of slavery.**

Response:

In September 2018, Nintendo formulated the Nintendo Human Rights Policy, with reference to the United Nations Guiding Principles on Business and Human Rights. This policy was adopted by a Board of Directors decision in September 2018 and not only applies to every individual employed by Nintendo, but also stipulates that we continuously ensure that our production partners are implementing socially responsible activities throughout the supply chain.

Nintendo Human Rights Policy

https://www.nintendo.co.jp/csr/pdf/Nintendo_Human_Rights_Policy_en.pdf

As has been the case in the past, we have been following our policies for selecting suppliers (including those in China) and exercising due diligence within the framework of our CSR procurement policy, which we disclose to the public. Regarding our supplier selection policy, one requirement we prioritize is to “Comply with laws and social norms, with an emphasis on human rights and environmental considerations” and this is also the point we give the greatest priority when deciding to continue a business relationship with a supplier.

In addition, our due diligence process is also described in our public Modern Slavery Transparency Statement.

Modern Slavery Transparency Statement (Section 2-2)

https://www.nintendo.co.jp/csr/pdf/ModernSlaveryTransparencyStatement_en.pdf

2-2 Due Diligence

Nintendo Co., Ltd. requires each of its production partners to complete a written CSR compliance questionnaire each year.

Based on various selection criteria, including the results of the questionnaire and the production partner's role in the supply chain, we send personnel to conduct on-site inspections of selected production partners to ascertain the current on-site situation and improvement status. In fiscal year ended 31 March 2020, we visited 13 selected production partners.

<omission>

Since fiscal year 2013, Nintendo has utilized third-party auditing to enhance transparency in the procurement process. The third-party auditing team interviews managers and workers, reviews relevant documents, inspects production facilities and dormitories, and uses a sampling method to verify employment contracts and policies to ensure that production partners comply with the Nintendo CSR Procurement Guidelines and its goals of providing safe working conditions, ensuring responsible sourcing, and avoiding modern slavery.

3. Please explain what monitoring and evaluation systems your company has in place to ensure the effectiveness of human rights due diligence steps taken to mitigate and prevent human rights abuses, including forced labour, trafficking in persons other contemporary forms of slavery as described in the letter and other related human rights violations, throughout your business operations. In particular, please provide information on whether your company has put in place “cascading” requirements that reach down to your suppliers, such as human rights risk assessments that would cover all tiers of suppliers as recommended

in the 2018 report of the Working Group to the General Assembly.

Response:

With an emphasis on building trust and deepening mutual understanding, Nintendo implements procurement activities based on the Nintendo Procurement Policy and Nintendo Production Partner Selection Policy, both of which are described in detail on our CSR site. To provide a specific guide regarding the adoption of socially responsible procurement practices throughout our supply chain, we distribute the Nintendo CSR Procurement Guidelines to all direct suppliers (in addition to the Japanese-language and English-language versions, a Chinese-language version was created in August 2019). Those suppliers are informed of and required to formally agree to these guidelines, which were created based on the RBA (Responsible Business Alliance) Code of Conduct. We also have incorporated provisions regarding compliance with these guidelines into the Basic Partner Agreement and obtain agreement from all direct suppliers for future transactions.

In addition, we also require our direct suppliers to notify upstream suppliers about our guidelines on our behalf and to require their agreement and compliance. The division in charge of on-site inspection of production partners has also established a certification system for procurement, and is continuously training members who conduct on-site inspections.

These specific guidelines are based on relevant laws and international standards that focus on topics such as respecting the human rights of workers and workplace health and safety.

Regarding the status of compliance, we use the Business Status Survey to conduct an annual survey of the status of management and CSR activities at our production partners, and will continue to do so going forward. The Business Status Survey includes questions about whether the production company has mechanisms in place to prevent forced labor, child labor, and discrimination, as well as whether these mechanisms are appropriately managed and verified. Similarly, it also contains questions about whether mechanisms exist and are appropriately managed and operated with regards to working hours, wages, and occupational health and safety. We place particular emphasis on matters related to workers' human rights and safety. If we have concerns related to a response to these questions, we directly contact the production partner and take measures including on-

site inspection, and third party audits, or additional investigation through a written survey.

In addition to these, we pay careful attention to external trends and issues, including our surrounding legal and regulatory environment, and work to appropriately mitigate risks related to our procurement activities by engaging in necessary communication and confirmation with our suppliers.

We will leverage future surveys and activities to continually strengthen our processes to verify that the topics published in our CSR Procurement Guidelines are being carried out effectively.

Note: For more information, please see Nintendo's CSR Report site.

<https://www.nintendo.co.jp/csr/en/report/partners/index.html>

4. Please explain what measures have been adopted to ensure that staff of your company as well as your business partners have adequate awareness, knowledge and tools to identify and report human rights abuses, including those alleged in the present letter, throughout your operations.

Response:

The human rights policy is described in the Compliance Manual and Code of Conduct for each country, and disseminated to our employees. This content is also introduced during training for new employees. As mentioned in our answer to the previous question, our human rights policy is posted on the Nintendo Co., Ltd. website and is available to anyone.

As noted above, the division in charge of on-site inspection of production partners has established a certification system for procurement, and is continuously training members who conduct on-site inspections.

Our production partners disseminate and must comply with the guidelines, as described earlier. In addition, on-site inspections are a valuable opportunity for our production partners to deepen understanding of the Nintendo CSR Procurement Guidelines, as well as for us to directly communicate with our production partners and deepen our understanding of their opinions on CSR activities.

Advancing CSR activities throughout our entire supply chain is a way for Nintendo to not only improve the working environment for those employed at our production sites, but also leads to improved retention rates and productivity. This provides a foundation for the production of high-quality products and, ultimately, leads to putting smiles on the faces of everyone Nintendo touches, including our consumers. We continue to work together with our production partners on the promotion of CSR activities, with a focus on communication and mutual understanding.

5. Please explain what concrete steps have been taken by your company to exercise leverage, in line with the UN Guiding Principles, in your business relationships to prevent and mitigate human rights abuses committed by businesses employing workers belonging to Uyghur and other minorities.

Response:

With an emphasis on building trust and deepening mutual understanding, Nintendo implements procurement activities based on the Nintendo Procurement Policy and Nintendo Production Partner Selection Policy, both of which are described in detail on Nintendo's CSR site. To provide a specific guide regarding the adoption of socially responsible procurement practices throughout our supply chain, we distribute the Nintendo CSR Procurement Guidelines to all direct suppliers. Those suppliers are informed of and required to formally agree to these guidelines, which were created based on the RBA (Responsible Business Alliance) Code of Conduct. We also have incorporated provisions regarding compliance with these guidelines into the Basic Partner Agreement and obtain agreement from all direct suppliers for future transactions.

In addition, the Business Status Survey, with which we confirm the status of compliance, includes questions about whether the production company has mechanisms in place to prevent forced labor, child labor, and discrimination, as well as whether these mechanisms are appropriately managed and verified. Similarly, it also contains questions about whether mechanisms exist and are appropriately managed and operated with regards to working hours, wages, and occupational health and safety.

6. Please provide information on whether your company has reported any such alleged human rights abuses in the present letter to relevant authorities,

including in countries where your company is incorporated or domiciled. Moreover, what steps has your company taken, or is considering to take, to avoid potential complicity in such alleged business related human rights abuses?

Response:

No situation has been found by our due diligence processes to date which would constitute a violation of human rights, nor have we found any instances of forced labor, therefore we have had nothing to report to relevant authorities.

We pay careful attention to external trends and issues including our surrounding legal and regulatory environment and work to appropriately mitigate risks related to our procurement activities by engaging in necessary communication and confirmation with our suppliers.

From the risks identified through our on-site inspections and third-party audits, we report any matters requiring improvement to our production partners and require corrective action. We then work with these production partners to implement that corrective action.

7. Please advise how your company provides for, or cooperates in the remediation of adverse impact on human rights of Uyghur and other minority workers through legitimate processes if it has caused or contributed to such impact. This may include establishing or participating in effective operational-level grievance mechanisms.

Please provide specific information about any procedures in place to ensure participation of workers and their representatives in the establishment and operationalization of such mechanisms.

Response:

We clearly describe our requirements for our suppliers in the section of the CSR Procurement Guidelines titled “Prevention and Early Detection of Illegal Actions and Misconduct.” In this section, we require that they perform activities to prevent illegal actions and prepare a reporting system for early detection and response.

Nintendo CSR Procurement Guidelines (Section 3-2)

https://www.nintendo.co.jp/csr/en/q_and_a/pdf/Nintendo_CSR_Procurement_Guidelines_en.pdf

- 8. Please provide information, if any, on cooperation your company may have had with local civil society actors and/or relevant state authorities to ensure that your company's grievance mechanism are aligned with the national mechanism to address such business related human rights violations.**

Response:

Nintendo Co., Ltd. has not introduced a mechanism to address human rights violations with civil society organizations or local governments. We will leverage future surveys and activities to continually strengthen our processes to verify that the topics published in our CSR Procurement Guidelines are being carried out effectively.
