

# Nintendo CSR Procurement Guidelines

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# I Nintendo's CSR Procurement

In general terms, Corporate Social Responsibility (CSR) is the responsibility a corporation embraces to improve society and the global environment. As a company in the entertainment field, Nintendo defines and undertakes CSR activities that "Put Smiles on the Faces of Everyone Nintendo Touches."

In order to provide high quality products to consumers and have them smile, we believe it is important that our production partners involved in product development, material sourcing and production are also smiling.

We understand that each production partner has already incorporated CSR values into their respective business activities based on local and regional legal requirements and social norms, as well as international principles regarding fair trade and human rights. However, we believe that even more fruitful CSR activities can be achieved when we share the same ideas and approach to CSR as our production partners. Based on this idea, we have published the Nintendo CSR Procurement Guidelines to be used as a communication tool with our production partners.

Amidst increasing social demands surrounding CSR, we aim to gain a deeper level of mutual understanding with our production partners through using the Guidelines, which outline our specific policies for production activities, to assist with understanding of Nintendo's approach to CSR procurement efforts, and through verifying the CSR efforts that our production partners are undertaking.

In addition to requiring our production partners to conduct activities in line with the intent of the Guidelines, we would also like to have the Guidelines used as a tool to communicate with Nintendo. We also ask our production partners to notify all business partners and labor-outsourcing partners (including temporary employment agencies and independent contractors) about the Guidelines. We also ask our production partners to notify all business partners and labor-outsourcing partners (including temporary employment agencies and independent contractors) about the Guidelines.

Thank you for your cooperation.

## II Nintendo CSR Procurement Guidelines

### 1. Promoting Respect for and Compliance with Human Rights

#### 1-1 Respect the rights of all persons.

##### Respect Human Rights

Production partners will respect the rights of all persons, and will not abuse workers (all directly employed personnel, including temporary, migrant, student, contract and any other type of worker), or engage in any kind of harassment or other inhumane treatment.

Inhumane treatment includes acts such as abuse, corporal punishment, sexual harassment, power harassment (harassment or intimidation by verbal abuse), and threats.

Disciplinary policies and necessary procedures in support of this policy will be clearly defined and communicated to all workers.

#### 1-2 Do not discriminate against any person.

##### Prohibit Discrimination

Production partners will not discriminate in recruiting and employment practices, and will ensure equal opportunity and fair treatment.

Discrimination is a difference in opportunity or treatment in employment, advancement, compensation, training opportunities and other benefits not based on legitimate factors such as personal ability, aptitude or performance.

Examples of discriminatory components include race, ethnicity, nationality, birthplace, color, age, sex, sexual orientation, sexual identity, disability, religion, political opinion, membership in an association or marital status.

In addition, if a medical examination or pregnancy test causes a loss of equal opportunity or fair treatment, it will be considered a discriminatory act.

#### 1-3 Do not accept under-age workers or forced labor.

##### Prohibit Child Labor

Production partners will implement appropriate and effective policies and procedures to ensure that children

who have not reached the minimum employment age are not employed, and will request the same of temporary employment agencies and independent contractors.

In general terms, child labor is the employment of children who have not reached the minimum employment age stipulated in the convention and recommendations of the International Labour Organization (ILO).

Even in countries that have no legal definitions regarding working ages, acting contrary to the minimum age convention and recommendations of the ILO is considered to be engaging in child labor. (The general rule for minimum employment age is 15 years old: ILO Convention 138.)

### Prohibit Forced Labor

Production partners will implement appropriate and effective policies and procedures to ensure that all workers are employed of their own free will and will not force workers to work, and will request the same of temporary employment agencies and independent contractors.

Forced labor includes the following examples:

- Labor in which the work is contrary to the person's will, prison labor or indentured labor
- Debt labor that limits a worker's right to freely terminate a job by requiring the repayment of debts or loans
- Slave labor performed as a result of human trafficking

Forced labor also includes the following actions:

- Denying a worker the right to quit
- Requiring a worker to deposit identification, passports or work permits with the employer
- Imposing unreasonable restrictions on entering or exiting company-provided facilities, or limiting the number of bathroom or toilet uses in such facilities

## **1-4 Observe the laws and social norms adopted in the country or region where the business activities are performed.**

### Appropriate Employment Activities and Employment Agreements

Workers will not be obligated to pay employers' or agents' recruitment fees or other related fees for their employment.

Workers will be provided with a written employment agreement in their native language based on labor laws in advance of employment, and the content of the agreement will be verbally explained such that the worker is able to understand it.

### Fair Wages

Production partners will comply with wage-related laws such as the legal minimum wage, overtime and legal benefits for all workers, and will not reduce wages unfairly. Workers will be provided with a clear wage statement to be able to verify accurate compensation for work performed.

Minimum wage refers to the minimum wage stipulated by the wage-related laws in the countries where production partners are present.

Overtime pay should be compliant with wage-related laws, and workers will be compensated for overtime at pay rates greater than regular hourly rates.

Unfair wage reductions refer to wage reductions in violation of labor laws.

Production partners will correctly calculate any reductions or tax withholding and submit it to the appropriate government agency.

### Working Hours

Research by the manufacturing industry has shown a correlation between overworking workers and a reduction in production, increased worker turnover, and increased injuries and illness.

Production partners will appropriately manage workers' working hours, holidays and vacations so that legal limits are not exceeded.

Appropriate management includes the following examples:

- The annual number of working days does not exceed the legal limit
- The number of working hours per week (or per month), including overtime, (excluding emergencies) does not exceed the legal limit
- A minimum of one day off per seven-day week
- The right to annual paid vacation as stipulated by applicable laws and regulations
- The establishment of policies, systems and procedures necessary for the administration of highly reliable records of workers' work hours (including overtime)

### Workers' Right to Organize

Production partners will respect workers' right to organize as a means to realize agreement between labor and management on issues such as the work environment and wage standards.

Respecting the right of workers to organize refers the freedom of association without retaliation, intimidation or harassment, freedom to join labor unions, freedom to public protest and the freedom to participate in workers' council meetings without retaliation, threats or harassment.

### Other Protections for Workers' Rights

Production partners will establish appropriate and effective policies and procedures related to reasonable and humane working environments and the proper treatment of workers. Production partners will record disciplinary

actions against workers in accordance with procedure, to be reviewed by management as appropriate.

### Compliance

Production partners will establish an appropriate and effective compliance process to ensure that customer requirements as well as regulations covered by these guidelines that are applicable to labor, health and safety, the environment and ethics are identified, monitored, understood and upheld.

## 2. Ensuring Occupational Health and Safety

### **2-1 Observe laws and regulations concerning occupational health and safety, and continually improve the work environment.**

#### Appoint Qualified Parties for Occupational Health and Safety

Production partners will appoint qualified people (health and sanitation supervisor, etc.) to be held responsible for occupational health and safety in the workplace, assigning the number of people as stipulated by law or an appropriate number of people if no number is stipulated by law, and establish a system for undertaking continuous improvements in occupational health and safety. Production partners will also ensure that necessary permits and licenses are always kept up-to-date.

#### Periodically Inspect and Continuously Improve the Work Environment

Qualified people (health and sanitation supervisor, etc.) will conduct periodic inspections of the workplace environment. They will also accept feedback from workers and strive for continual improvement.

Production partners will provide clear and appropriate workplace health and safety information and training in the native language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, and encourage workers to raise safety concerns.

### **2-2 Prevent work-related accidents and ensure worker safety.**

#### Machinery Safety Precautions

Production partners will take appropriate safety measures for all on-site equipment.

Appropriate safety measures refer to steps taken by management to prevent the occurrence of accidents or health problems, as indicated by the examples below:

- Use of failsafe, foolproof or interlocking safety mechanisms
- Installation of safety devices and protective barriers
- Implementation of periodic inspections and maintenance of machinery
- Provision of personal protective equipment
- Training on the use of machines and personal protective equipment

Production partners will also prepare necessary permits, licenses and inspection forms related to machinery safety, and will ensure that permits and licenses are always kept up-to-date.

#### Workplace Safety

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Production partners will ensure safety by evaluating risks related to workplace safety and through proper design, engineering and administrative controls. Administration and maintenance of workplace facilities, including those provided to workers, will be conducted according to building standards laws.

Risks associated with workplace safety include the potential for accidents or health problems occurring on the job caused by electricity or other energy sources, fire, vehicles, slippery floors, floors that may cause tripping, falling objects, etc.

Examples of proper design, engineering and administrative controls include monitoring dangerous locations with sensors, adopting automatic stop devices for when accidents occur, providing personal protective equipment, such as safety glasses, safety helmets, gloves, shoes, etc., and providing appropriate education on use of equipment or personal protective equipment.

## **2-3 Create a safe, clean workplace environment and facilities, and give consideration to worker health.**

### Workplace Health

Production partners will identify conditions in the workplace where people could be exposed to harmful objects, chemicals, noise or noxious odors, and implement appropriate countermeasures.

Examples of harmful chemical substances include soot, steam, mist and dust as well as poison, radiation and materials that can cause chronic illness (lead, asbestos, etc.). In addition, workplaces that have noise and noxious odors that exceed regulatory limits are covered in this section.

Appropriate countermeasures refer to the identification and assessment of where direct contact with these substances is likely to occur, establishment and operation of management standards, appropriate labeling of harmful chemical substances, and the provision of appropriate education and personal protective equipment for workers.

If workers will be handling harmful chemical substances, production partners will prepare necessary permits, licenses and inspection forms, will ensure that permits and licenses are always kept up-to-date, and will appropriately limit or remove dangers based on risk assessment.

Production partners will provide effective first-aid treatment and first-aid personnel to give sick or injured workers initial medical treatment. Production partners will also ensure that first-aid equipment and kits will always be ready for workers to use.

### Facility Safety and Health

Production partners will ensure the health and safety of facilities provided to workers, and will adequately maintain such facilities in accordance with international living standards.

Facilities provided to workers refer to facilities in the workplace for worker use (restrooms, water fountains, locker rooms, dining rooms/cafeterias, and other worker spaces) and facilities outside the workplace for workers (dormitories, bathrooms, etc.).

Ensuring health and safety includes maintaining safe, clean and sanitary conditions as well as ensuring fire

prevention measures, emergency escape routes (exits), ventilation, temperature control, safe drinking water, bathing and showering facilities, proper personal space and safe storage for personal items, etc.

Production partners will also prepare necessary permits, licenses and certificate forms related to health and safety, and will ensure that permits and licenses are always kept up-to-date.

### Worker Health Management

Production partners will implement proper health management for all workers.

Proper health management refers to implementing health examinations according to the standards stipulated by law and aiming for the prevention and early detection of disease for workers. Production partners will also give due consideration to the prevention of health problems resulting from overwork and care for various health issues, including mental health.

### Consider Physically Demanding Work

Production partners will clearly identify physically demanding work and provide appropriate management so that accidents or illnesses do not occur.

Physically demanding work includes not only heavy physical labor such as manually transporting heavy objects but also work that requires standing for long periods of time, or repetitive or continuous tasks performed over long periods of time such as assembly or data entry.

Examples of appropriate management include short, periodic breaks, provision of work aids, and several workers sharing and cooperating on tasks.

### Work-Related Accidents and Illnesses

Production partners will identify the status of work-related accidents and illnesses, and implement appropriate countermeasures for remedy or prevention.

Appropriate countermeasures refer to systems and policies that make it possible to encourage worker reporting, categorize and record accidents and illnesses, provide treatment when required, investigate past work-related accidents and illnesses and implement corrective measures to eliminate causes, and encourage workers to return to work (including workers' compensation).

Countermeasures may include required governmental procedures according to the stipulations of law.

### Consider and Protect Pregnant Workers

Production partners will take reasonable steps to minimize any workplace health and safety risks and include reasonable accommodations for pregnant women and nursing mothers.

## **2-4 Do not impose work that inhibits the growth of young workers.**

### Observe Laws Concerning Protection of Young Workers

Production partners will observe laws concerning the protection of young workers, including apprentices, interns and student workers, as stipulated in the countries where production partners are present.

In addition, production partners will not have workers under the age of 18 perform duties that would expose them to health or safety dangers, or hinder their growth, regardless of the legal stipulations.

Laws that protect young workers from employment that may cause loss of health, safety or morality are, for example, laws that limit night work, dangerous operations and overtime.

### Introduce Measures to Protect Young Workers

Production partners will implement measures to clearly differentiate young workers from adult workers so managers do not erroneously assign minors to tasks in violation of laws and other regulations.

## **2-5 Proactive management of the workplace and facility environment to ensure all workers can realize their full potential.**

### Maintain the Workplace and Facility Environment

Production partners will proactively maintain the workplace and facility environment so that all workers, including those with disabilities, the elderly and women, can realize their full potential.

### Religious Accommodations

Production partners will respect the religious liberties of all workers, and accommodate their religious customs appropriately.

### Improve Benefits

Production partners will strive to improve worker benefits inside and outside of the workplace in the interest of "Putting Smiles on the Faces of Everyone."

### 3. Practicing Corporate Ethics and Fair Trade

#### **3-1 Practice fair and free competition based on business activities that follow corporate ethics.**

##### Prohibit Corruption

Production partners will maintain sound and professional relations with political and government administrations, and will not give bribes or illegal political contributions.

Bribery refers to offering money, entertainment, gifts or providing other advantages or conveniences in return for some business advantage such as permits, acquisition or preservation of transactions, or acquiring non-disclosed information from a public official or equivalent persons. In addition, bribery includes entertainment or gift-giving that goes beyond social conventions even if it does not solicit any business reward.

Examples of illegal political contributions include political contributions in return for some business favor such as permits, acquisition or preservation of transactions, or acquiring non-disclosed information, and political contributions that do not follow legal processes.

##### Prohibit Abuse of Dominant Bargaining Position

Production partners will perform procurement transactions based on contracts, sincerely and fairly, and will not act to abuse their dominant bargaining positions.

Abuse of a dominant bargaining position is using one's position as a purchaser or a consignor to unilaterally determine or change transaction conditions with suppliers and others, or imposing unreasonable demands or obligations on them. In addition, laws regarding abuse of a dominant bargaining position must be observed in those countries that have these laws established.

##### Prohibit Inappropriate Payoffs or Receipts

Production partners will not accept inappropriate payments.

Acceptance of inappropriate payments refers to acts such as the examples below:

- Acts of accepting or providing money, goods or entertainment that exceed limits of social conventions
- Acts of providing profit to anti-social influences (criminal organizations, terrorist organizations, etc.) that negatively impact public order and healthy corporate activities
- Insider trading involving trading shares of the company in question based on non-public information

##### Prohibit Acts that Restrict Competition

Production partners will not engage in acts that obstruct fair and free competition.

Acts that obstruct competition include arranging the price, volume and sales region for products and services among companies in the same industry (cartel) or agreeing to who will win a bid and what the bid amount will be with other bidders (bid rigging). In addition, unfair competitive acts include illegally obtaining and using trade

secrets from another company, falsely representing products or using expressions that can mislead consumers.

#### Provide Accurate Product and Service Information

Production partners will provide accurate information regarding products and services.

The following are examples of accurate information:

- Descriptions of specifications, quality and handling methods regarding products and services are accurate
- Information regarding the substances used for parts and components used in products is accurate
- Declarations in catalogs and advertisements regarding products or services do not differ with reality, do not use expressions that can lead consumers to mistake content and do not contain content that libels or infringes on the rights of another company or individual

#### Appropriate Export Management

Production partners will maintain a clear management system and perform the appropriate export procedures regarding exporting technologies and goods that are regulated by law.

Technologies and goods regulated by law include parts, products, technologies, equipment, software, etc. for which there are regulations regarding export under laws based on international agreements. In addition, export procedures, such as those of regulatory authorities, may be required when exporting.

#### Source Appropriate Raw Materials

Production partners and supporting suppliers will not source raw materials that have been mined or collected unlawfully for the manufacture or production of any Nintendo products or components. Production partners will take steps to investigate the source of raw materials, and if it is determined that unlawfully obtained raw materials are being used, take steps to replace them with substitute materials.

#### Nintendo's Approach to Responsible Mineral Procurement

Nintendo has set a clear policy that our products will not use tin, tantalum, tungsten, gold, cobalt, and other minerals\* that fund organizations associated with child labor and other human rights violations, environmental destruction, or inhumane armed conflict.

\* Minerals from regions determined to be conflict-affected and high risk in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as minerals determined to be high risk by Nintendo from the perspective of Nintendo's corporate social responsibility.

These minerals will not be used in the manufacture or production of any Nintendo products or components. To achieve this, we have set a clear policy not to use such minerals, and we request that you perform audits upstream through the supply chain in accordance with the OECD (Organization for Economic Co-operation and

Development) Due Diligence\* Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and make available any information about smelters in the entire supply chain.

If an issue is found with the minerals being used, we ask for your cooperation in changing suppliers or otherwise taking steps to responsibly source minerals.

\* Due Diligence: Make the supply chain transparent, confirm if problems such as human rights violations exist in the origin of raw materials, and correct them if such problems are confirmed

### **3-2 Stipulate work standards and procedures, and create a mechanism for management and monitoring to ensure that the organization operates in a sound and efficient manner.**

#### Build a Management System

Production partners will build a sound and efficient management system for business operations.

This management system must include these elements:

- Appropriate and effective policies and standards, approved by senior management
- Goals, action plans and periodic evaluation of performance
- Education and training relating to these goals and action plans for management and workers
- Clear appointment of responsible parties for operating this management system and conducting periodic evaluations of performance
- A mechanism for addressing the points for improvement as determined by the performance evaluations and other means
- Records and documentation of the activities

#### Prevention and Early Detection of Illegal Actions and Misconduct

Production partners will perform activities in order to prevent illegal actions and prepare a reporting system for early detection and response.

Activities to prevent illegal actions are worker education and training as well as creating an open work environment. The following are examples of reporting systems for the early detection and response to illegal actions:

- Establish a hotline regarding illegal actions inside or outside the company to enable early detection of illegal actions by the management
- Maintain the informant's confidentiality and give proper protection against retaliation or threats
- Deal with illegal actions promptly and give feedback on the results to the appropriate informant

#### Self-Inspections/Audits

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Production partners will establish internal and third-party processes for appropriate and effective self-inspection and audit to periodically evaluate and correct anything related the requests in these guidelines pertaining to labor, health and safety, the environment and ethics.

### **3-3 Do not infringe on intellectual property rights, such as patents, copyrights or trademarks.**

#### Respect Intellectual Property

Production partners will not infringe on the intellectual property rights of third parties.

Intellectual properties include patents, utility model rights, design rights, trademarks, copyrights and trade secrets.

Production partners will perform reasonable commercial efforts customary in the industry into third-party intellectual property when developing, producing, selling, or providing products or services. Using the intellectual property of a third party without permission is infringement of intellectual property rights. In addition, illegally copying computer software or other copyrighted works is also an infringement of intellectual property rights. The illegal acquisition and use of trade secrets of a third party is also an infringement of intellectual property rights.

## 4. Maintaining the Global Environment

### **4-1 Observe the laws, regulations and agreements concerning the environment, and strive to prevent global environmental pollution.**

#### Environmental Management System

Production partners will establish and operate an environmental management system.

An environmental management system is a general management system to promote environmental activities and includes a formal structure, planned activities, allocation of responsibility, customary practices, procedures, processes and managerial resources. Environmental activities refer to the creation, implementation, achievement and maintenance of policies, and the implementation of a plan-do-check-act (PDCA) cycle to ensure continuous improvement for environmental preservation.

ISO 14001 is a representative environmental management system with third-party certification.

#### Minimizing Environmental Impacts (effluents, sludge, emissions, etc.)

Production partners will observe the laws regarding effluents, sludge, emissions, etc. in the countries production partners are present, as well as plan further improvements with voluntary standards as needed.

Voluntary standards will be established in order to reduce environmental impact beyond the standards stipulated by law. Examples of a voluntary standard include not only the prevention of an outbreak of pollution but also efforts to make further improvements such as revisions to monitoring methods, control methods and treatment methods for effluents, sludge and emissions, as well as reducing overall volumes.

#### Environmental Permits and Governmental Authorization

Governmental authorization may be required regarding environmental impact assessments and facilities handling hazardous materials, depending on the type of business and factory location. Production partners will observe local laws, and in addition to acquiring permission from the government when required, will provide the government with any requested management reports.

Depending on the chemical substances used for business, there may be a responsibility stipulated by law regarding the employment of managers who have acquired prescribed qualifications. Production partners will comply with such obligations and hire people to manage toxins and prohibited materials, specified chemical substances, dangerous materials, etc.

#### Effective Use of Resources and Energy

Production partners will establish voluntary goals in order to realize resource and energy conservation, and aim to continue the effective use of resources and energy.

Resource conservation is the effort to effectively use resources. The 3Rs\* method promotes this effort through



reducing the volume of materials used for products and the amount of waste products, and reusing resources or recycling parts.

Energy conservation is the effort to rationalize the use of heat and electric energy. By conserving energy, fuel resources such as oil, natural gas, coal and coke fuel, can be used effectively. In addition, introducing renewable energy is also an energy conservation measure. Renewable energy, which includes power generation through solar or wind power, refers to energy sources that do not deplete, originating in natural resources that spontaneously and steadily regenerate in a comparatively short time.

\* 3Rs: Reduce, Reuse and Recycle

### Reduce Emissions of Greenhouse Gases and Understand Emissions Reduction

Production partners will seek to reduce emissions of greenhouse gases and make efforts to understand greenhouse gas emissions and reductions.

Although there are various types of greenhouse gases, specifically this refers to the group of six chemicals stipulated by the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, HFCs, PFCs and SF6.

Examples of continuous reduction activities include establishing voluntary reduction goals for these six chemicals, establishing a plan, and then executing said plan.

### Consider Ecosystems and Biodiversity

When building or expanding factories and other facilities, production partners will be considerate of the impact this will have on the ecosystem and biodiversity, and minimize the load placed on the environment.

### Disclose Environmental Conservation Effort Status

Production partners will have an accurate grasp of all environmental conservation activities and data, and disclose information as required.

Examples of environmental conservation activities and related data include emissions into the air, water and soil; volume of resources consumed; volume of waste; volume of greenhouse gas emissions; and may also include any environmentally harmful results caused by facilities and results of countermeasures implemented for environmental conservation.

In order to regularly compile activity and data results, production partners will establish an internal structure and appoint a person responsible for environmental conservations activities, and continually record management indicators for environmental activities, goal achievement status and other significant items related to environmental activities.

Methods of disclosure include publishing an environmental report or reporting to interested parties as required.

## **4-2 Comply with Nintendo Green Procurement**

### Comply with Nintendo Green Procurement

With the aim of delivering safe and reliable products to consumers, Nintendo incorporates the green procurement principle into its corporate activities, which is a basis of manufacturing products that are free from harmful chemicals.

The Nintendo Green Procurement Specifications\* define the necessary management conditions and procedures for regulating harmful chemicals. Production partners will comply with these specifications.

The scope includes all products, materials for products (including support materials and maintenance parts) and indirect materials for products procured by Nintendo.

\* Nintendo Green Procurement Specifications (500-J00100)

### Manage Chemical Substances Contained in Products

Production partners will properly manage chemical substances contained in products.

Management of chemical substances contained in products refers to ensuring that the concentration of chemical substances with use restrictions placed on them by law does not exceed the specified amount as well as performing necessary labeling and chemical evaluations.

Refer to the List of Environment Related Substances\* regarding management criteria for chemical substances determined by Nintendo.

\* The List of Environmental Related Substances (500-J00101)

### Manage Chemical Substances Used in the Manufacturing Process

Production partners will properly manage chemical substances that are stipulated by local laws during the manufacturing process.

Management of chemical substances during the manufacturing process refers to monitoring chemical substances to ensure certain chemicals are not included in products as well as clarifying the volume of emissions for chemical substances emitted into the external environment, reporting to the government and reducing emissions of appropriate materials.

## 5. Product Safety Guarantee and Quality Assurance

### **5-1 Establish and seek to improve a system for product management and quality assurance that satisfies the level of safety, quality, performance and specifications required by Nintendo.**

#### Guarantee Product Safety

Production partners will use product manufacturing practices that meet safety standards stipulated by local laws as well as safety standards stipulated by Nintendo.

Production partners must consider their responsibility as manufacturers, and guarantee sufficient safety in their product designs. In addition, production partners will consider the level of safety that should be provided normally and comply with relevant laws.

Examples of laws in Japan related to product safety include the Electrical Appliances and Material Safety Act, Consumer Products Safety Act and Household Goods Quality Labeling Act. Safety standards are stipulated in the detailed regulations of the laws and by JIS. In addition, examples of overseas safety standards include UL, IEC, EN and CSA.

Ensuring product safety includes management of traceability (record of materials, parts, processes, etc.) and prompt corrective actions.

#### Quality Management System

Production partners will establish and operate a quality management system to provide products and services that gain consumers' trust and satisfaction. In addition, supplies (or services) must fulfill Nintendo requirement specifications.

A quality management system is a general management system to promote quality assurance activities and includes a formal structure, planned activities, sharing responsibility, customary practices, procedures, processes and managerial resources. Quality assurance activities refer to the creation of a quality assurance policy, and implementing, accomplishing, reviewing and maintaining measures according to that policy. It also refers to implementing a PDCA cycle to continuously improve quality assurance.

The ISO 9000 family of standards are examples of quality management systems.

### **5-2 Appropriately disclose information concerning business activities, product safety and quality.**

#### Information Disclosure

Production partners will disclose and provide information related to business activities, product safety and quality,

etc. in a timely manner when requested by Nintendo.

Information that should be disclosed or provided includes business activities, financial status and performance history as well as risk (e.g. damage caused by major disasters, an outbreak that has a negative effect on the environment or society, or the detection of serious legal violations). Whenever a major risk is disclosed, please also report the same to Nintendo.

## 6. Complete Information Management

**6-1 Properly manage all trade secrets, etc. obtained through business activities, do not use other than for business purposes and do not disclose information to any unauthorized third parties.**

### Establish an Information Management System

Production partners will establish a system that can appropriately manage information obtained from clients, third parties, etc. and prevent this information from being lost or stolen.

This includes any kind of information which is provided in paper or electrical form, products, prototypes, materials and parts, testing equipment, mold tools, drawings, know-how, personal information and information relating to technology, quality or services.

### Prevent Disclosure of Confidential Client and Third-Party Information

Production partners will strictly manage confidential information received from clients, third parties, etc.

Confidential information includes information disclosed in documents that are deemed as confidential (including data stored electromagnetically or optically) or information disclosed orally after indicating that the information was confidential.

Strict management means in addition to preventing illegal or inappropriate acquisition, use, publication and disclosure of confidential information, establishing and operating mechanisms to manage all confidential information, including establishing codes and policies with which workers must comply, and planning, measure implementation, auditing and review according to such codes and policies.

### Protect Against Attacks on Computers, Networks and Manage Electronic Storage Media

Production partners will take all required security measures in order to protect information and computer networks against attacks so there is no impact inside or outside the company. Electronic recording media also should be managed appropriately.

Examples of attacks on computers and networks include computer viruses, computer worms and spyware.

When a computer connected to the Internet becomes infected by a computer virus, etc., the client information and confidential information stored on that computer is vulnerable and may lead to attacks on the computers of other companies, leading to major losses such as business inactivity, loss of productivity and/or a loss of trust.

In addition, when electronic recording media is used inappropriately, confidential information is at risk and computer viruses may be introduced via that electronic recording media.

### Prevent Disclosure of Personal Information

Production partners will strictly manage the personal information of clients, third parties, workers within the

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company, etc.

Strict management means establishing and maintaining mechanisms that prevent illegal or inappropriate acquisition, use, publication and disclosure of personal information. This should include processes and policies that manage personal information in regards to workers or other personnel access.

## 7. Establishing Crisis Management Systems

### **7-1 Proactively prevent accidents and ensure public safety.**

#### Cooperation With Your Suppliers

Production partners will cooperate with suppliers to establish a system of shipment verification so that during transport dangerous cargo (such as drugs or explosives) cannot be added to the shipment.

### **7-2 Anticipate all possible crisis/emergency situations that may impact business activity continuity, and establish response plans.**

#### Risk Evaluation and Risk Management

Production partners will identify risks that may impact business activities and will keep apprised of the degree of impact of the various risks. To manage the identified risks, production partners will institute both procedures for legal compliance and physical controls.

#### Create a Business Continuity Plan

Production partners will create and undertake a Business Continuity Plan (BCP) that will allow prompt recovery of core services in emergencies.

BCP includes strategies to minimize damage by maintaining priority core services. It analyzes the impact on operations in the event of an emergency (any situation that might seriously injure or affect workers or core services, including natural disasters such as earthquakes, windstorms or floods, incidents of terrorism, fires, and man-caused disasters such as accidents) and sets a desired level of business continuity. It includes maintaining an operations manual for crises and performing training drills. Specifically, it includes building a contact network among the production partner's supply chain and making contingency plans, such as securing substitutes, for when an emergency makes it difficult to obtain raw materials or parts.

#### Emergency Responses

To preserve life and prevent injury, production partners will conduct a risk analysis that anticipates possible emergencies or accidents, and have in place plans and preparations for emergency responses and training for everyone in the workplace regarding emergency protocols and processes.

Emergency responses can include, for example, reporting an emergency, notifying workers, clarifying how to evacuate a premises, establishing evacuation facilities, stockpiling emergency medical supplies, installing fire detection systems, installing fire suppression equipment (such as fire extinguishers, fire hydrants and sprinklers), securing external communications lines and establishing a recovery plan. To inform everyone in the workplace about emergency responses, production partners can give emergency response training (including evacuation drills) to workers, maintain such documentation, or production partners can store or display emergency response

procedures in easily available locations in the workplace. Production partners will also designate personnel in advance who will respond in an emergency, and will provide such personnel with appropriate and effective Personal Protective Equipment (PPE), and will conduct annual training.

### **7-3 Anticipate crises or emergencies, and report them promptly.**

#### Report on Crises/Emergency Situations

Production partners will report to Nintendo any crises/emergencies that may affect business activities.

### **7-4 If there is a disaster or an accident involving infrastructure in the region or surrounding area, promptly report the state of damage and the extent of its impact.**

#### Report on Damage/Impact

If there is a large-scale disaster or an accident involving infrastructure, production partners will act promptly to report on the state of damage and the extent of its impact on business activities.



## 8. Contributing to the Community

### **8-1 Strive to contribute to the local community.**

#### Contribute to Community and Local Region

As members of society, production partners are encouraged to take voluntary initiative to contribute to the advancement of the international and local community.

Some specific examples are coordination with local authorities in emergency response, worker volunteers, support of NPO/NGO activities, donations and the transmission or provision of various information.

### III Implementation of Nintendo CSR Procurement Guidelines

1. The Guidelines are applicable to all production partners\*.
2. The Guidelines are to be used as a tool for communication with Nintendo, and assist with understanding of Nintendo's approach to CSR procurement efforts.
3. Report on your compliance with the Guidelines by filling out the Business Status Survey periodically.
4. Nintendo may conduct on-site inspections, or employ the services of a third party to conduct audits, to verify the status of CSR activity implementation based on the Guidelines. These on-site inspections/audits are for the purpose of building better partnerships with all our production partners, and we request your understanding and cooperation.
5. Based on the results of the on-site inspections and/or third-party audits, we may require production partners' cooperation in taking corrective action as quickly as possible.
6. We require that these Guidelines be provided to all business partners and labor-outsourcing partners (including temporary employment agencies and independent contractors) and require that these Guidelines or equivalent standards be applied pervasively throughout all their processes.
7. With changing times, we expect the needs of society to also change. Therefore, be advised that the Guidelines will be reviewed and revised as appropriate.

(\* Production partners: Business partners involved in the production of Nintendo products, including first-tier suppliers directly contracted with Nintendo, and cooperative factories upstream from those business partners, to which Nintendo outsources product assembly, and the suppliers of component parts and materials.)

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## References

The laws, regulations, standards, directives, international standards and guidelines below (among others) were used as reference for creating these guidelines.

The Labor Standards Act (Japan), the Labor Contract Act (Japan), RBA (Responsible Business Alliance) (formerly EICC) Code of Conduct, the Validated Audit Process (VAP) Operations Manual, the JEITA “Supply Chain CSR Procurement Guidebook” and “Supply Chain CSR Procurement Checklist,” the ILO (International Labour Organization) International Labour Standards and “Occupational Health and Safety Management System Guidelines,” the OECD (Organization for Economic Cooperation and Development) “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,” the United Nations Anti-Corruption Treaty, the United Nations Global Compact, the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ISO 14001 (EMS: Environmental Management System), OHSAS 18001 (Occupational Health and Safety Management System, Occupational Health and Safety Assessment Series), SA 8000 (Social Accountability 8000), ISO 27001 (ISMS Information Security Management System), PRTR (Pollutant Release and Transfer Register), C-TPAT (Customs-Trade Partnership Against Terrorism), ISO 9000 family of standards (Quality Management System)