

## Modern Slavery Statement

As part of our commitment to corporate social responsibility (CSR) and upholding responsible business practices, The Character Group plc continuously monitors and addresses workforce issues, within its global supply chain. The Character Group recognises that human trafficking, also known as modern slavery, is a serious human rights issue impacting millions of people in virtually every country and every supply chain. Human trafficking may take many forms, including forced labour, withholding of personal identity documents, indentured servitude, and sexual exploitation.

The Character Group's commitment to addressing the risk of human trafficking in our global supply chain is grounded in our Ethical Policy. The Policy details our commitment to upholding our values and respecting human rights within the supply chain. We require our supply chain to provide fair and safe working conditions for all workers and to treat their employees with dignity and respect.

Compliance with the requirements set out in our Ethical Policy and The Character Group Supplier procedure requirements manual is mandatory for all facilities involved in the manufacturing of our products and prohibits all forms of forced labor, including human trafficking and modern slavery. We require a written acknowledgement of compliance with our policy and manual from all manufacturing facilities and we seek to identify and address any violations and find opportunities for continuous improvement through our independent social compliance auditing program, which includes both third-party monitoring and our own internal random factory audits.

Recruitment of staff employed within the Character Group, whether it be on a permanent or temporary basis, is monitored and our recruitment processes reviewed on a regular basis.

The Character Group is committed to regularly reviewing and continuously improving our approach to the protection of human rights, including fighting human trafficking and modern slavery and strengthening our approach, as needed, to align with emerging laws and regulations, including the United Kingdom's (UK) Modern Slavery Act of 2015. Following the publication of our first report on our policy and approach in this important area of responsibility in December 2016, we made the following progress in with the implementation and development of our programme:

- during 2017, we engaged further with our supply chains to ensure that they had operating procedures in place to implement the Modern Slavery Act principles. The International Council of Toy Industries (ICTI) Care process, a global program specifically tailored to ensuring the highest ethical standards in production and distribution throughout the Toy Industry, has been fully adopted by The Character Group throughout its supply chain. In particular, the ICTI Care programme has been fundamental to ensuring that the factories that we work with to produce our and our business partners' products have complied (amongst other ethical concerns) with modern slavery act principles. This is achieved through a certification process requiring careful auditing and on-going monitoring of the manufacturer's processes and practices by the ICTI and its independent panel of accredited

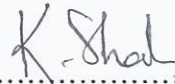
auditing firms. Further information about the ICTI Care programme can be found at: <https://www.ethicaltoyprogram.org/en/>.

We will continue to consult with various parts of our business to identify which locations and business functions are most likely to interact with entities that represent a higher risk. In taking this risk-based approach, we are focusing on the areas where we can deliver the greatest impact. Identifying higher-risk areas of our business will guide our further review of relevant policies, procedures and training to ensure that our compliance tools are working effectively to address any identified instances of slavery and human trafficking.

- during 2018, our local temporary staff agencies and local transport companies formed a major part of our UK Modern Slavery assessments. Further afield, and as an importer of consumer goods, we examined more closely our freight forwarding and shipping agents arrangements ensuring they are managing assessments for human trafficking on their operations/relationships with other parties. This process is ongoing as we grow our International markets.



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