



## **Modern Slavery Statement 2025**

This statement outlines the steps taken by The Character Group plc and its subsidiaries (the Group) to understand and minimise the potential risk of modern slavery and human trafficking throughout our business and supply chains.

The Group recognises that it has a responsibility to take a robust approach to slavery and human trafficking (which can take various forms, such as slavery, servitude, forced and compulsory labour). We expect the same high standards from all of those who we do business with.

This is the ninth Modern Slavery Statement produced by The Character Group plc and relates to actions and activities undertaken during 2025. It has been published in compliance with section 54 (1) of the Modern Slavery Act 2015 (the Act).

## **The Group Structure**

The Group is made up of the following principal trading companies, which are controlled by The Character Group plc:

- Character Options Limited
- Toy Options (Far East) Limited
- Charter Limited
- OVG-Proxy A/S
- Proxy Sweden AB
- Proxy (Far East) Limited

## **Our Supply Chain**

The Group develops over 50% of its products in-house and sells its products to over 40 countries worldwide. The Group also imports third party toy and related products to its domestic markets in the UK and Scandinavia.

The Group operates in the UK, China and Scandinavia with offices in London, Oldham, Hong Kong, Shenzhen in China and Copenhagen and maintains a permanent showroom in Los Angeles, USA. The Group operates its own warehousing and fulfillment facilities in Oldham, Greater Manchester and contracts third-party warehousing and fulfilment facilities in Sweden for distribution to its customers in Scandinavia.

We have active product suppliers in China and currently source our manufacturing requirements from 53 factories.

We have our own Quality inspection team, which travels all over mainland China, visiting and auditing each factory and inspecting and recording every shipment to our global customers.

Our supply chain includes the 6 valued freight forwarders that we utilised in the UK in the last 12 months. These freight forwarders report annually in respect of their own Modern Slavery actions and provide annual online Modern Slavery statements.

## **Risks of modern slavery**

We understand that our biggest exposure to modern slavery is in our supply chains, where we continue to undertake due diligence and audits to minimise this risk.

The Group is committed to ensuring that its suppliers adhere to the highest ethical standards.

All factories comply with recognised independent ethical audit schemes such as ICTI, SMETA or BSCI, which are acknowledged by major retailers, licensors and other stakeholders as applying high level and appropriate standards.

In the past 12 months our China supply chain has been subjected to;

60 Ethical audits undertaken by ICTI.

26 Ethical audits undertaken by SMETA.

13 Ethical audits undertaken by BSCI.

67 Ethical audits undertaken by our own trained staff.

It is a pre-requisite of our initial engagement of a factory that it has been approved under one of these ethical audit processes and assessed under our own criteria and it must be in possession of a current independent ethical audit certificate.

The certified status of factory audit results is monitored closely as part of the ongoing activities carried out by our management teams in both Hong Kong and China.

The temporary staff agencies and transport companies that we do business with form a major part of our Modern Slavery assessments in the UK to determine compliance with the Act and our own Ethical policy. There are Modern Slavery information posters displayed in our UK warehousing and packing line departments to ensure that all temporary staff working at our facilities in the UK are informed on the subject and can alert us to any possible infractions.

During 2025, we have reviewed our suppliers' procedures to establish what they have in place to detect and prevent modern slavery. As a result, we continue to see an ever-increasing awareness of the subject, commitment to the principles of the Act and the elimination of conditions that we believe would enable modern slavery and human trafficking to exist in our supply chain.

There has also been a notable increase in the number of our suppliers reporting that their staff training on the principles of Modern Slavery is compulsory and that they have anti-slavery and human trafficking policies in place.

## Policies

Compliance with the requirements set out in our Ethical Policy and Supplier Procedure Requirements Manual is mandatory for each stage of the manufacture of our products. In particular, our manual prohibits all forms of forced labour and modern slavery. In 2025, we reviewed and revised our Ethical Policy, to provide more focus on the wellbeing of the younger elements of the work force engaged in our supply chains.

We insist on a written acknowledgement and full understanding of, and compliance with, our Ethical policy and Supplier Procedure Requirements Manual and seek to identify and address any violations. Through our independent social compliance auditing program, we also look for continuous improvement.

We believe that the rights declared and set out in the Universal Declaration of Human Rights in 1948 as further developed and added to by the International Labour Organizations (ILO) Declaration on Fundamental Principles and Rights at Work (1998) and the UN Guiding Principles on Business and Human Rights (2011) are the basic, fundamental rights and freedoms that all people are entitled to. These rights should be enjoyed without regard to race, colour, religion, language, pregnancy, ancestry, age, gender, national origin, sexual orientation, gender identity, gender expression, mental or physical disability, genetic information or marital status. .

We actively engage with the vendors within our supply chain to ensure that they fully acknowledge and respect these human rights in their policies and labour practices.

An area of particular focus for our Ethical policy in the recent past is the sourcing of Mica (a naturally mined material favoured for its pearlescent effect in cosmetics), which has been required for inclusion in some products in our ranges since 2021. The Mica mining community came under scrutiny for its use of child labour, unsafe working conditions and long-term ill health effects (lack of health & safety provision). We have required that all Mica used in our products and formulations must only be purchased from ethically approved mined sources. We require that the responsible Mica initiative <https://responsible-mica-initiative.com/> protocols are followed and that the mine name and location details are provided to us, along with a recent recognised ethical audit of the mine from which the Mica materials are mined and sourced.

In 2023 and as part of our FSC Chain of Custody certification at the time, we aligned our risk assessment with the requirements of the FSC Chain of Custody standard Core Labour Requirements and propose to implement any new or amended requirements that arise from this source. The FSC standard requires:

- ❖ the abolition of child labour
- ❖ elimination of all forms of forced or compulsory labour
- ❖ elimination of discrimination in respect of employment and occupation
- ❖ respect of freedom of association
- ❖ effective recognition of the right to collective bargaining

## Staff Training

We ensure that all new staff are made aware of our ethical policy and are trained on how to identify signs of slavery and human trafficking.

### **Key Performance Indicators**

In 2025, The Character Group plc has continued to address and minimise the risk of modern slavery and human trafficking within our business and supply chain. To achieve this our teams around the world will continue to:

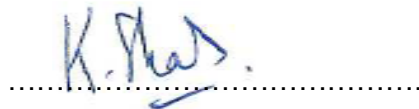
- ask questions of and monitor the organisations that we deal with to understand what measures they are implementing and operating to root out and stop slavery occurring in their own businesses and in their own supply chain.
- provide awareness training and literature to staff on the Act and inform them of the appropriate action to take if they suspect a case of slavery or human trafficking.
- review and, as appropriate, update our policies and processes.
- monitor our factories and their supply chains and prioritise any areas which are considered to pose a higher risk of modern slavery.

### **Board Approval of modern slavery statement**

This statement has been approved by the board of directors of The Character Group plc, who will review and update it annually.



Jon Diver, Joint MD  
Date: 17 December 2025



Kiran Shah, Joint MD  
Date: 17 December 2025