

**Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act**  
**Report of Funko, Inc. for year ending December 31, 2023**

This report (the “Report”) has been published pursuant to Part 2 of the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) and is made on behalf of Funko, Inc. (“Funko”, the “Company”, “we” or “our”) which is in scope for purposes of the Act. This Report also covers the activities of Funko’s operating subsidiaries: Funko, LLC, Loungefly, LLC, Mondo Collectibles, LLC and TokenWave, LLC). This Report sets out the steps taken during the fiscal year ended December 31, 2023.

**Company Overview**

Funko, Inc (NASDAQ: FNKO, and, together with its subsidiaries covered by this report, “Funko” or the “Company”) is a leading pop culture lifestyle brand. Funko provides connection to pop culture with a product line that includes vinyl figures, action toys, plush, apparel, board games, housewares, NFTs and accessories. As one of the world’s largest proprietor of licenses, entertainment enthusiasts display their fandom through the lens of Funko products. Funko markets our product lines under three main brands, Funko, Loungefly and Mondo.

**Structure, activity and supply chains**

Funko, Inc. is a corporation incorporated under the laws of the State of Delaware, United States. Headquartered in Everett, Washington in the United States, as of December 31, 2023, Funko employed 1,269 full-time employees primarily located in North America and Europe.

Funko designs and develops its product lines in the US. Funko manufactures its goods through third party manufacturers. Most of these manufacturers are located in China, Vietnam and Cambodia. Finished goods are shipped from ports near our manufacturers to customer locations around the world or to our distribution centers in Phoenix, Arizona in the United States and Coventry in the United Kingdom for further distribution. The goods Funko sells and distributes in Canada are imported into Canada from the Phoenix distribution center or directly from contracted manufacturers in the countries mentioned above

**Policies and diligence in relation to forced labour and child labour**

Each of the Company's employees and directors are required to adhere to our Code of Business Conduct and Ethics (the “Code”), which reflects our commitment to acting ethically and with integrity in our business dealings. Under the Code, all employees and directors have a duty to report any known or suspected violation of the Code, including violations of the laws, rules, regulations or policies that apply to the Company, and can do so through various reporting channels such as their supervisors, the Company’s Chief Legal Officer, or the Company’s anonymous ethics hotline.

Further to the Code, we also ensure that our key employees are aware of any potential risk of modern slavery or human trafficking in our supply chains.

In addition, Funko has a Vendor Code of Conduct (the “Vendor Code”) which our suppliers agree to abide by. By agreeing to the Vendor Code, Funko suppliers undertake to have complementary policies and procedures to meet the requirements of the Vendor Code. The requirements include the expectation that workers manufacturing Funko goods must be the higher of (i) 15 years of age or (ii) the legal minimum age in the country of manufacture.

The Vendor Code also requires that workers manufacturing Funko goods are voluntarily employed and are not prisoners or subject to any other kind of coercion, threat, or forced labor.

Funko requires our suppliers and any manufacturer subcontractors to undergo an approval process of the factories and value-add service providers in which our intellectual property or that of our licensors appears. This approval process comprises a factory audit designed to investigate the factory's adherence to the International Labour Organization's Core Labor Standards. Appendix A sets forth the audit standards and firms that Funko accepts.

These audit standards all have common requirements that Funko suppliers and their manufacturing subcontractors all have methodologies to confirm all new workers meet minimum age requirements. In addition the audit methodologies ensure checks and interviews to determine if workers are being made to work against their will in ways that would constitute forced working conditions.

Additional to the process outlined above, all audit reports are reviewed by Funko's experienced in-house team, which has detailed familiarity with audit types, standards and industry participants. This team, located across Funko offices in the US, Hong Kong and mainland China, coordinates with suppliers on any issue identified in an audit, including, but not limited to, visiting the factory audited to speak to workers, verifying corrective actions taken or conducting additional investigation as needed.

#### **Forced labour and child labour remediation requirements**

The audit standards previously mentioned all have processes to identify and prevent forced labour or child labour from occurring.

In the event either offence is found in a factory producing Funko goods, Funko will ensure the following action takes place:

- That workers operating under conditions of forced labour be properly back paid for wages and benefits for the full amount of time they have worked in that factory.
- That those workers be given the option to leave the employ of the factory with suitable compensation as required by law or be allowed to continue employment with wages, benefits and working conditions and protections as prescribed under law or which meet the Funko Vendor Code of Conduct, whichever is higher.
- Workers operating under conditions of child labour be dismissed and provided schooling at the factories expense until completion of schooling or until they reach suitable age where they can elect to leave school and resume work at the factory. The factory would guarantee the child a future position to work when either milestone is attained. The factory will consult with the family to compensate them for the loss of income caused by the child going to school and no longer earning a wage.

#### **Forced labour and child labour risks in Funko's owned business and contracted supply chain.**

Funko deems the risk of forced and child labour in its own operations and those of its vendors outside of product manufacturing to be extremely low. For those vendors and their factories who make Funko products and where Funko intellectual property appears, the risk of such labour practices is extremely low. This is borne out through the audits that take place in those factories where neither child labour nor forced labour has been observed.

We deem the possibility of forced or child labour to be higher in those parts of our product supply chain where certain raw materials, in particular cotton, are grown. Subsequent processing of the raw materials into materials that ultimately form a Funko product may also carry risk of child or forced labour.

To address this potential risk further up the supply chain, Funko has begun reaching out to key suppliers to enquire after the sources of the commodities that they utilize in their factories. Funko expects our suppliers to hold their suppliers to ethical workplace standards that matches our Vendor Code. Through our process of enquiry, we request greater due diligence as our suppliers evaluate and understand the operations of their suppliers.

As of this diligence, Funko has never found evidence of forced or child labour in its supply chain and other vendor relationships, nor its own operations. As such, no remedial actions have ever been taken.

**Board review and Attestation**

This Report has been approved by the board of directors of the Company.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

For Funko, Inc. and its subsidiaries

Name: Cynthia Williams

Title: Chief Executive Officer and Director

Date May 29, 2024

DocuSigned by:  
*Cynthia Williams* I have the authority to bind Funko LLC.  
Signature 000074EBFA1F482...

## Appendix A

### Accepted Third Party Auditing Services:

- o Bureau Veritas Consumer Products Services (BV)
- o Intertek
- o Elevate Hong Kong Holdings Limited
- o Insite Compliance LLC
- o UL Verification Services Inc. (UL Consumer and Retail Services)
- o Social Compliance Service Asia Ltd.
- o Qima (Asia Inspection)

### Acceptable Audit Programs:

- a. Sedex Members Ethical Trade Audit (SMETA) 4 Pillar
- b. Amfori—formerly Business Social Compliance Initiative (BSCI)
- c. ICTI Ethical Toy Program
- d. Responsible Business Alliance (RBA)
- e. Social Accountability International SA8000 Standard
- f. Worldwide Responsible Accredited Production (WRAP)