



This report is prepared by MGA Entertainment (Canada) Company in accordance with Canada's *Fighting Against Forced Labour in Supply Chains Act* for the financial year ending December 31, 2023.

About MGA Entertainment (Canada) Company

MGA Entertainment (Canada) Company ("MGA Canada") is a wholly-owned subsidiary of MGA Entertainment Inc. ("MGA"). MGA Canada purchases and imports toy products for sale and distribution by its retail partners in Canada. It employs 17 individuals in Canada and does not manufacture or produce any goods.

Founded in 1982, MGA is one of the largest and fastest growing privately held toy and entertainment companies in the world, known for its commitment to creativity, quality, and innovation. Headquartered in Chatsworth, California with offices globally, MGA creates innovative, proprietary, and licensed consumer products and entertainment properties, including toys, games, dolls, apparel, consumer electronics, home décor, stationery, sporting goods, movies, and television series. The MGA family includes award-winning brands such as L.O.L. Surprise!™, Little Tikes®, Rainbow High™, Bratz®, MGA's Miniverse™, Fluffie Stuffiez™, Na! Na! Na! Surprise™, BABY born®, and Zapf Creation®.

Our Supply Chain

MGA is headquartered in Chatsworth, California, USA. Our products are produced primarily in China by a series of contract vendors, as well as our subsidiary, The Little Tikes Company in Ohio, USA. MGA has several core manufacturing partners in China and Hong Kong SAR, along with other subsidiary facilities. MGA Canada imports goods supplied to it by MGA.

Risks of Forced Labour and Child Labour Exist in All Supply Chains

MGA recognizes that forced labour and child labour are crimes and have a devastating impact on human lives, families, children and the vulnerable. As such, we are committed to ensuring the highest standards in our supply chain that do not tolerate modern slavery,

human trafficking, or any form of servitude, forced or compulsory labour and ensuring that our vendor, supplier and licensee partners (“Partners”) share in this commitment.

MGA is aware of the inherent risks of forced labour and child labour in a global supply chain. This includes geographical risks tied to the countries in which we operate, and risks tied to the upstream supply chains of our Partners.

MGA strives to conduct its business in accordance with high ethical and business standards and seeks to have its Partners conduct themselves in the same manner. MGA wants consumers to have confidence that the products bearing the MGA name are manufactured in accordance with these principles and are not made under inhumane or exploitative conditions. Adherence to these principles is mandatory for all MGA Partners.

How Our Policies, Procedures and Due Diligence Processes Help Prevent Forced Labour and Child Labour in Our Supply Chain

MGA strongly supports and endorses industry efforts to improve factory working conditions. In an effort to bring consistency to this initiative, MGA references the International Council of Toy Industries (“ICTI”) Ethical Toy Program checklist, guidance and corrective action documents, as a basis for monitoring factories in the United States, and the amfori Business Social Compliance Initiative (“BSCI”) in Europe. MGA has developed a Code Of Business Practices Agreement that reflects the principles of the ICTI Ethical Toy Program and the amfori BSCI.

MGA further expects its Partners to apply for and achieve ICTI certification by an approved third-party auditing company.

The Code of Business Practices Agreement and our manufacturing agreements include a number of provisions aimed at combatting forced labour and child labour in our supply chains, including those below:

1. **Forced Labour** - There will not be any use of forced, prison or indentured labour in the production of MGA products. All employment, including overtime, shall be on a voluntary basis.
2. **Child Labour** - The use of child labour is prohibited. No person shall be employed in a factory that produces, supplies or manufactures any MGA product at an age younger than sixteen, or younger than the age for completing compulsory education in the country of manufacture where such age is higher.
3. **Working Hours and Compensation** - Partners must comply with all applicable national and local wage and hour laws, including minimum wage laws, or shall be consistent with the prevailing industry wage standards, if higher. Employee benefits shall be provided in accord with national and local requirements. Normal working hours should not exceed forty-eight (48) hours/week with one day off in every

seven-day period. Overtime work in necessary business circumstances shall be conducted in such a way as to adequately compensate workers for all work performed beyond the normal working hour standard.

4. **Health and Safety** - Partners shall operate their facilities (and, where provided, dormitory living facilities) in such a way as to ensure that all employees have a healthy and safe working environment in compliance with all applicable laws and regulations.
5. **Abuse; Discrimination** - Partners shall treat employees with dignity and respect. No employee shall be subject to abuse, cruel or unusual disciplinary practices or discrimination in employment or hiring on the grounds of race, religion, social or ethnic origin, political affiliation, sexual orientation, age, disability or gender.
6. **Communication of Principles** - Partners will communicate these principles to employees in an appropriate oral and written fashion and will undertake efforts to educate employees about these principles on a periodic basis.
7. **Freedom of Association** - MGA recognizes all employees' rights to choose [or not] to affiliate with legally sanctioned organizations or associations in a lawful and peaceful manner without penalty or interference.
8. **Monitoring** - MGA shall have the right to conduct periodic on-site visits of working and living conditions, including audits of production records and practices and of wage, hour and payroll information maintained by Partners, to review and ensure compliance with these principles. Although MGA retains its rights to terminate its relationship if a vendor or business partner violates these principles, MGA will endeavor to work with Partners to promptly address any problems discovered in the course of its review or audit. MGA will require the implementation of an acceptable written corrective action plan for any problems found during an audit. Failure to address items in the corrective action plan may also result in termination of the business relationship.
9. **Compliance with Applicable Laws** - Partners will comply with the national laws of the country in which they are conducting business, any local laws, regulations or standards applicable to their business and the industry standards which have been established in their location; provided, however, in the event of any conflict between the provisions of any of the preceding laws, regulations, or standards and the provisions of this document, then the provision containing the higher standards shall prevail.

MGA requires signed agreements from Partners, certifying their compliance with the above code of business principles.

MGA Canada imports products sourced by MGA entities, and as such relies on the policies and procedures of MGA.

Employee Training on Forced Labour and Child Labour

MGE Canada staff are not involved in production or supply chain sourcing and rely on the training provided to MGA employees and external partners.

How We Monitor Ourselves and Our Suppliers

Our values serve as a compass for our actions and describe how we behave in the world. One of our core values is: When we say it, we do it - we are **always accountable**.

As part of this accountability, MGA's global Quality Assurance (QA) team endeavors to work with Partners to promptly address any problems discovered in the course of its review or audit. The QA team would then work with senior management and our US Legal team to address any problems discovered. MGA may require the implementation of an acceptable written corrective action plan for any problems found during an audit. Failure to address items in the corrective action plan may also result in termination of the business relationship.

MGA Canada is not aware of any instances of forced labour or child labour in its supply chain and has thus not had to remediate any such instances.

Attestation

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.

Printed Name: Elizabeth Risha

Title: Member

Date: July 12, 2024

Signature: 

I have the authority to bind MGA Entertainment (Canada) Company.