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## WHISTLEBLOWING POLICY

### REASON FOR A WHISTLEBLOWING POLICY

Nikko Toys and its supply chain vendors are committed to high standards of corporate governance that encompass the ethical, moral, and legal conduct of its business. An important aspect towards ensuring the adherence of this conduct is to provide an accountability and transparency mechanism that enable individuals to voice concerns of perceived wrongdoings in a responsible and effective manner when they discover information which they believe shows serious malpractice.

As part of the company's governance practices the company has adopted a whistle blowing policy that ensures there is an avenue for employees to raise concerns in confidence and provide assurance that the party involved in the whistleblowing will be protected from reprisals, victimization, harassment or disciplinary proceedings.

### WHAT IS WHISTLEBLOWING

Whistleblowing is the confidential disclosure by an employee of any concern encountered in the workplace relating to a perceived wrongdoing which includes preventing undue influence.

The whistleblowing policy is fundamental to Nikko Toys and its supply chain vendors' integrity. It reinforces values placed on staff to be honest and outright in their dealings and conduct. It provides an avenue to properly addressing bona fide concerns that employees within the company may have, while also offering whistleblowers protection from victimization, harassment or disciplinary proceedings.

It should be emphasized that this policy is intended to assist individuals who believe they have discovered malpractice or impropriety in the company.

It is not designed to question financial, or business decisions taken by the Nikko Toys company nor should it be used to air grievances or as a platform to maliciously attack a superior for personal gain.

The company's whistleblowing policy applies to all employees of Nikko Toys and its supply chain vendors, including other stakeholders -customers, outsourced partners, agents and consultants that have dealings with Nikko Toys.

## WHISTLE BLOWING POLICY FRAMEWORK

### 1. EXPECTATIONS OF APPROPRIATE CONDUCT

Employees are forewarned upfront that Nikko Toys company expects honesty, integrity, high moral and ethical conduct from all its employees. Expectations of appropriate conduct are communicated as follows:

- All employees have to make a “Declaration of Conduct” upon employment.
- A code of conduct is also spelled out in the employees’ contract and handbook that is issued to each and every employee upon joining.
- Conduct itemized as major misconduct, amongst others are:-
  - ❖ Obtain from any third party or permit yourself to receive any bribe or secret commission or any corrupted inducement calculated to influence your duties.
  - ❖ Theft, fraud or dishonesty in connection with the business or property of Nikko Toys company or of the property entrusted to Nikko Toys company and its supply chain vendors and other stakeholders within the premises of the company/ factory.

### 2. ENSURE INDEPENDENCE AND IMPARTIALITY OF REVIEW

The channel of communicating the whistle blowing event is separate from supply chain operations outside of Headquarters of the Nikko Toys company, to ensure there are independent and internal checks.

To avoid any potential undue influence- an Independent Consultant is appointed to be directed to the factory management to check on whistleblowing reports on an annual basis. The independent consultant is impartial and is not involved in the management of the company nor factory operations. The Independent Consultant is a Certified ESG Consultant who is the subject matter expert on Governance matters.

### 3. MODE OF COMMUNICATION DISSEMINATED TO ALL EMPLOYEES

All whistle blowing communications will be directed confidentially to the Independent Consultant every quarter for reporting purpose and to seek consultation on further steps to mitigate undue influence (if any). The whistleblowing channel poster is set out in all of NikkoToys’ supply chain factory(ies) and on Nikko Toys’ website.

## REPORTING AND COMMUNICATION CHANNEL

Nikko Toys company has established a whistleblowing channel of communication for all its employees, as well as suppliers, customers, outsourced partners, agents and consultants that have dealings with the company.

Appropriate matters of concern relating to product safety and undue influence reports can be raised by e- mailing directly to **inform@nikkotoys.com**

All concerns raised will be independently assessed by an Independent ESG Consultant. Any individual making a whistleblowing report will retain his/her anonymity unless he/she agrees otherwise.

Whistleblowing Policy posters in dual language will be placed permanently in prominent and visible areas throughout the office and factory premises.