
ETHICAL SOURCING POLICY

CODE OF PRACTICE

SCHEDULE I

2 entertain Ethical Policy Code of Conduct applicable to Suppliers (the “Code”)

2 entertain conducts its business according to standards of good ethical, employment and environmental practice. 2 entertain expects its suppliers to operate on the same principles. Specifically, 2 entertain expects its suppliers (and their sub-contractors) to observe best practice and continuing improvement in the fields set out below, and in any other areas notified by 2 entertain from time to time.

1. Scope of Application of the Code

The Code affects all product published by 2 entertain cross all its brands, namely:

- Goods manufactured and sourced directly for 2 entertain.
- Goods manufactured by third parties who have been licensed to produce and distribute licensed products.

2 entertain intends this Code to be applied to all of its relevant activities including those activities of its supply chain subject to such suppliers being within 2 entertain’s reasonable control or influence. 2 entertain will, in its sole discretion, evaluate the extent of control and influence of 2 entertain and its suppliers for all parts of the supply chain.

This Code will be observed by all direct suppliers, who in turn will ensure that it is observed by their sub-contractors in the same terms.

2. International & National Laws

In applying this Code 2 entertain requires the following International Instruments (the “Conventions and Recommendations”) to be followed:

- ILO Convention 98 (Right to Organise and Collective Bargaining).
- ILO Conventions 100 and 111 & Recommendations 90 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination in employment and occupation).
- ILO Convention 138 & Recommendation 146 (Minimum Age).
- ILO Convention 135 & Recommendation 143 (Workers' Representatives Convention).
- ILO Convention 155 & Recommendation 164 (Occupational Safety & Health).
- ILO Convention 159 & Recommendation 168 (Vocation Rehabilitation & Employment/Disabled Persons).
- ILO Convention 177 & Recommendation 184 (Home Work).

Copies of the Conventions and Recommendations are available through the ILO web site (www.ilo.org).

Companies applying this code are expected to comply with national and international laws as applicable, and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection.

Each 2 entertain direct supplier shall put in place a system to identify all of the relevant Conventions and Recommendations, international, national laws and regional laws and any other requirements referenced by this Code. They will be expected to pass this information on to sub-contractors as appropriate.

3. Employment of Appropriate Workers

- a) 2 entertain requires suppliers to confirm that no forced, bonded or involuntary prison labour is used to produce goods, wholly or in part. Workers shall not be required to lodge deposits, or their identity papers, with their employers.
 - b) Suppliers shall not engage in child labour. No worker shall be employed under the minimum age established by local law or the age at which compulsory schooling ends in the country, whichever is the greater. In any event children under fifteen, or the minimum working age according to International Labour Organisation (ILO) exemptions (under Convention138) shall not be recruited or employed.
 - c) In the event of breach of Paragraph 3 (b) and within the spirit of Paragraph 12(b), the suppliers shall develop or participate in and contribute to remediation policies and programmes which provide for the transition of any child found to be performing child labour to enable that child to attend and remain in quality education until no longer a child. Management shall document their agreement to the principles of remediation even if there are no known children employed. This is without prejudice to 2 entertain's right to terminate its agreement with the supplier for breach of Clause 3(b).
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4. General Employment Practices

All suppliers must ensure that:

- a) They comply with local legislation regulating employment and working conditions.
- b) Employee working hours comply with local legislation and standards and in any event are not regularly more than 60 hours per week, broken down into 48 hours per week with overtime not exceeding 12 hours per week. Overtime shall always be voluntary and shall not be demanded on a regular basis. Each employee has, on average, at least one day off for every seven-day period.
- c) Part-time or temporary employment complies with local legislation.
- d) Employees are paid in accordance with local legislation, specifically including any minimum wage, allowances and benefits. In any event wages shall exceed the basic needs of employees. All overtime worked shall be paid at premium rates.
- e) All local legislation for sick leave, childcare, emergency leave, pregnancy leave, holiday leave, and statutory holidays must be observed.

5. Working Environment

2 entertain believes that products should be manufactured in a safe, hygienic working environment. It therefore requires that the working conditions in the places of work run by its suppliers comply with

the following standards:

- a) Suppliers shall comply with all national and local health & safety laws and with all of the relevant requirements of ILO Convention 155. Where the organisation subscribes to other codes of practice or standards on Health & Safety, these shall also be met.
 - b) Suppliers shall assign a senior management representative to be responsible for health and safety issues.
 - c) Suppliers shall establish a Health and safety Committee on which workers and/or their organisations must be represented. The Committee shall be consulted on, and allowed to participate in, investigation of Health & Safety issues.
 - d) Written health and safety policies shall apply to all work places.
 - e) Work places shall be well ventilated, with comfortable, well-lit workstations.
 - f) No employees shall be subjected to unhealthy or unsafe working conditions and all necessary safety equipment (including personal protective equipment) should be provided free of charge. Fire exits shall be adequate and well identified.
 - g) Young people under 18 shall not be expected to work at night or under potentially hazardous conditions.
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- h) No one shall be employed in potentially hazardous conditions without receiving adequate safety training and supervision. This shall include training for emergency evacuation. Records of safety training must be available for inspection. Individual workers must be able to demonstrate their understanding of the job and the ability to perform it to at least the minimum standard required by their employer. First aid training should be provided to appropriate selected individuals. All training should be repeated for new and re-assigned personnel.
 - i) The company shall provide for all personnel, clean bathrooms, access to potable water, and if appropriate sanitary food storage facilities.
 - j) Employee living quarters, and food and clothing allowance should be of a standard comparable to that provided by employers locally.

6. Respect for the Individual Worker

- a) 2 entertain requires that all its suppliers comply with management practices which recognise the dignity of the individual and the right to a workplace free of harassment, abuse and corporal punishment. The company shall not allow behaviour including gestures, language and physical contact that is sexually coercive, threatening or exploitative.
 - b) Disciplinary practices shall be clearly set out and communicated to workers. They shall not involve the use of corporal punishment, mental or physical coercion and verbal abuse. Workers shall have the right to appeal and representation at disciplinary hearings.
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7. Environmental Standards

- a) Each supplier must comply with the applicable local environmental regulations and any other standards required in writing by 2 entertain. 2 entertain is committed to sound environmental practices: it will therefore select suppliers dedicated to making continuous efforts to reduce the impact of their operations on the environment.

- b) In the area of magazine manufacture and distribution, by way of example and not by way of limitation, each supplier must take all reasonable steps to reduce waste, promote recycling, minimise pollution and ensure that all paper utilised comes from managed, sustainable, forestry.

8. Ethical Standards

2 entertain requires all its suppliers to conduct their businesses in an ethical manner. No contract will be entered into with any supplier engaged in bribery, kickbacks or the provision of gifts, favours or services to gain a competitive advantage with 2 entertain or any third party.

9. Worker Insurance

All suppliers must comply with all applicable local legislation providing health insurance, life insurance, retirement benefits and workers' compensation.

10. Equal Opportunities

All suppliers must confirm that they do not discriminate in hiring, salary, benefits, advancement, provision of training, termination or retirement (or otherwise interfere with the rights of individuals to observe tenets or practices, or to meet their needs) on the basis of; gender, race, religion, caste, age, sexual orientation, disability, union membership, political affiliation, or national or ethnic origin.

11. Freedom of Association & Collective Bargaining

- a) 2 entertain requires all its suppliers to respect the rights of their employees to freedom of association and to organise collective bargaining in a lawful and peaceful manner, in accordance with ILO Conventions 87 and 98. Suppliers shall not interfere with or attempt to dominate or control bodies representing workers, nor shall they discriminate against workers choosing to belong to them.
- b) Where the right to freedom of association and collective bargaining are restricted under law the supplier shall facilitate parallel means of lawful independent and free association and bargaining for such personnel.

12. Breach of these conditions

- a) All suppliers and sub-contractors are expected to achieve compliance with this Code within a reasonable timeframe as agreed by 2 entertain.
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- b) It is recognised that observance of some provisions of the Code may not be immediately realisable in some cases. Some suppliers may not be able to meet all requirements within a short time and in some cases they may be constrained by national law. Reasonable timeframes and the existence of any constraints not controllable by the supplier may (at 2 entertain's absolute discretion) be taken into account by 2 entertain when evaluating compliance. Where 2 entertain chooses to require corrective action from the supplier instead of terminating that supplier, failure to apply rapid corrective action with respect to certain standards (such as, but not necessarily limited to, the use of forced, bonded or involuntary prison labour, the use of physical abuse or discipline and intimidation as well as the failure to provide remediation for child labour may result in immediate termination of the contract.
- c) Where compliance is not achieved 2 entertain may at its absolute discretion terminate with immediate effect all current and future dealings between the supplier and 2 entertain and cancel all current and future orders, without any liability on the part of 2 entertain to pay any costs or damages.

13. Responsibility Documentation and Inspection

- a) Suppliers must adopt a management systems approach (including the use of policies procedures, instructions, allocated responsibilities, training, communication, monitoring non-compliance reporting etc.) to ensure that each clause of this code is implemented. This includes systems for compliance by the supplier with this Code as well as for
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monitoring compliance by the supplier's sub-contractors with this Code. There is

currently no specified management system for this Code. Suppliers are therefore free to adopt any management system approach provided that this will achieve consistent performance with respect to the Code.

- b) All suppliers must agree to maintain on file such documentation as may be needed to demonstrate compliance with the requirements of this Code of Conduct, and further agree to make such documents available for 2 entertain's inspection upon request.
- c) 2 entertain may conduct on-site inspections regularly at all facilities used to produce any product or its components, including the facilities of sub-contractors, to determine whether the requirements set out above have been met.
- d) A named senior Manager (a member of the board or equivalent) shall be given responsibility for ensuring that these requirements are understood and complied with.