

Hornby Statement on Modern Slavery and Human Trafficking

Introduction from the Board of Directors – Hornby Plc

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking. All of these have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We are committed to continually improve our practices to combat slavery and human trafficking and this statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Slavery and Human Trafficking statement for the Financial Year ending 31 March 2019.

Organisation Structure

Hornby's principal business is the development, production and supply of hobby and toy products for a global market. The Group distributes its products through a network of specialists and through its online activities and multiple retailers throughout the UK and overseas.

Hornby can trace its roots back to the early years of the 20th Century. The Company is committed to the highest standards of quality in all aspects of its business – whether this be the provision of high quality products or outstanding service to our customers. In this respect the Company is also committed to providing a safe working environment to all its employees.

Handbook & Code of Conduct

Great companies are built on integrity and trust. For Hornby to thrive and grow, we need the trust and confidence of customers, investors, employees, the communities in which we work and, at a wider level, the societies of which we are part.

Trust is earned through the achievement of consistently high standards of behaviour and care. Laws vary from country to country and compliance with the laws is necessary but rarely sufficient. A great company must have universal standards of individual and collective behaviour that are applied in every activity wherever it trades.

We publish a Handbook and Code of Conduct which is obligatory, without exception and our statement on Modern Slavery and Human Trafficking forms part of this booklet. Everyone in Hornby is accountable for upholding its requirements. Failure to observe the code is a cause for disciplinary action, which could involve dismissal. The code is based on the belief that our business must always be conducted on the basis of the highest standards of personal and corporate honesty and integrity.

The underlying philosophy of the Code of Conduct is that there should be no gap between what we say and what we do. A crucially important element of this is the commitment to an open culture where people feel secure in seeking advice and in raising concerns. Any individual who is unsure of what to do in particular circumstances or is concerned that the code is being broken, has a responsibility to speak up. The code explains the mechanisms to do this and the protections to ensure that any retaliation against those who do speak up will not be tolerated.

Our reputation, and therefore our future as a business, depends on everyone in the business taking personal responsibility for the conduct of Hornby's business.

Hornby Statement on Modern Slavery and Human Trafficking

Our Supply Chain

Our suppliers are chosen by our Supply Chain teams both in the UK and Hong Kong and they are audited to ensure that their policies and procedures comply with the Modern Slavery and Human Trafficking Act.

This ensures that those companies with whom we have a direct contract for goods and services maintain acceptable standards for their workplace and ways of working, based on a commitment to respect core labour standards set out below. We revisit and reinforce our expectation to achieve and maintain these standards within their own supply chain on a regular basis.

This is the same process we adopt whenever we choose a supply chain partner, wherever we do business.

Labour Standards and Ethical Trading

Hornby is committed to ensuring the following standards are met within our supply chain:

The Code of Practice requires that toy manufacturing companies ensure:

- a. that working hours per week, wages and overtime pay practices comply with the standards set by local law;
- b. that no one under the legal minimum age is employed in any stage of toy manufacturing;
- c. that no forced or compulsory labour is employed for the benefit of private individuals, companies or associations;
- d. that workers are free to leave once their shift ends;
- e. that equal remuneration for work of equal value shall be provided to men and women;
- f. that all workers are entitled to sick and maternity benefits as provided by local law;
- g. that there will be no discrimination in employment practices on the basis of race, colour, sex, religion, political opinion, national extraction or social origin which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;
- h. that all workers are entitled to freely exercise their rights of employee representation as provided by local law.

The Workplace

- a. that factories provide a safe working environment for their employees and comply with or exceed all applicable local laws concerning sanitation and risk protection;
- b. that the factory is properly lighted and ventilated and that aisles and exits are accessible at all times;
- c. that there is adequate medical assistance available in emergencies, and that designated employees are trained in first aid procedures;
- d. that there are adequate and well-identified emergency exits, and that all employees are trained in emergency evacuation procedure;
- e. that protective safety equipment is available and employees are trained in its use;
- f. that safeguards on machinery meet or exceed local laws;

Hornby Statement on Modern Slavery and Human Trafficking

- g. that there are adequate toilet facilities which meet local hygiene requirements, and that they are properly maintained;
- h. that there are facilities or appropriate provisions for meal and other breaks;
- i. if a factory provides housing for its employees, it will ensure that dormitory rooms and sanitary facilities meet basic needs, are adequately ventilated and meet fire safety and other local laws;
- j. that no mental or physical disciplinary practices are employed.

Hornby and its suppliers, both in Europe and the Far East, are audited regularly to ensure we meet our Modern Slavery and Human Trafficking Act obligations. Hornby have also implemented an internal audit process for manufacturing companies that supply goods or services, which will be undertaken once per year.

These audits cover areas such as pay, working hours, holidays, health and safety, working conditions and the general well being of the workforce and are carried out by both independent teams of accredited assessors and by internal audit through our QA team.

In addition to the above, members of our own team work within our suppliers premises daily when manufacturing of our product is taking place and have been clearly requested to report any welfare concerns within these sites, should they feel it is appropriate or necessary.

Compliance with the code enables Hornby to demonstrate its social responsibility towards everyone involved in the manufacture and distribution of its products.

Many of our major customers also require that their suppliers trade in an ethical manner and in some cases will send in audit teams to check adherence with their own corporate social responsibility policies before agreeing to do business with Hornby.

The Directors and senior management team of Hornby have overall responsibility for ensuring this statement complies with our legal and ethical obligations, and that all persons working for us or on our behalf in any capacity comply with it. The prevention, detection and reporting of modern slavery and human trafficking in any part of our business or supply chain is the responsibility of all persons working for us or on our behalf in any capacity (including our employees, suppliers, workers, directors, agents, distributors and all third party business partners). Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate training on it and the issue of modern slavery and human trafficking in supply chains.

Lyndon Davies
CEO