1. I have heard that there was a data breach on a VTech website – can you confirm if this is true?

We can confirm that on November 14 HKT an unauthorized party accessed VTech customer data on our Learning Lodge app store customer database and Kid Connect servers. Learning Lodge allows our customers to download apps, learning games, e-books and other educational content to their VTech products. Kid Connect allows parents using a smartphone app to chat with their kids using a VTech tablet.

2. What website was affected?

VTech's Learning Lodge app store customer database was affected and VTech Kid Connect servers accessed. As a precautionary measure, we have suspended Learning Lodge, the Kid Connect network and the following websites temporarily whilst we conduct a thorough security assessment.

- www.planetvtech.com
- www.lumibeauxreves.com
- www.planetvtech.fr
- www.vsmilelink.com
- www.planetvtech.de
- www.planetvtech.co.uk
- www.planetvtech.es
- www.proyectorvtech.es
- www.sleepybearlullabytime.com
- de.vsmilelink.com
- fr.vsmilelink.com
- uk.vsmilelink.com
- es.vsmilelink.com

3. How did you find out about the breach?

- We received an email from a journalist asking about the incident on November 23 EST. After receiving the email, we carried out an internal investigation and detected some irregular activity on our Learning Lodge website on November 14 HKT.
- We immediately conducted a comprehensive check of the affected site and have taken thorough actions against future attacks.

4. When did you find out about the breach?

November 24 HKT

5. Why did you not inform customers and the public earlier?

After confirming the facts surrounding the unauthorized access to our customer database, we informed our customers as swiftly as possible on November 27 HKT.

6. How many customers are affected?

In total 4,854,209 customer (parent) accounts and 6,368,509 related kid profiles worldwide are affected, which includes approximately 1.2 million Kid Connect parent accounts. In addition, there are 235,708 parent and 227,705 kids accounts in PlanetVTech. Kid profiles unlike account profiles <u>only</u> include name, gender and birthdate.

7. Could you provide a breakdown of number of people affected by each country?

Upon detailed investigation, the breakdown of Learning Lodge customers by country is as follows:

Country	Parent Accounts	Child Profiles
United States	2,212,863	2,894,091
France	868,650	1,173,497
United Kingdom	560,487	727,155
Germany	390,985	508,806
Canada	237,949	316,482
Others	168,394	223,943
Spain	115,155	138,847
Belgium	102,119	133,179
Netherlands	100,828	124,730
Republic of Ireland	40,244	55,102
Latin America	28,105	36,716
Australia	18,151	23,096
Denmark	4,504	5,547
Luxembourg	4,190	5,014
New Zealand	1,585	2,304

8. How could the hackers have hacked into your system so easily? Regretfully our database was not as secure as it should have been. Upon discovering the breach, we immediately conducted a comprehensive check of the affected site and have taken thorough actions against future attacks.

9. Can you confirm that the hacker has taken photos and chats of children and their parents on Kid Connect, as reported by Motherboard?

As the investigation is on-going, we cannot confirm at this stage. However, we can confirm these images are encrypted by AES128.

10. There are also claims that chat logs and audio files on Kid Connect were leaked. Can you confirm this as well? Why did you store chat logs, and other data, on your servers, rather than just locally on devices?

As the investigation is on-going, we cannot confirm at this stage. However, audio files are encrypted by AES128, whereas chat logs are not encrypted. Kid Connect is similar to a WhatsApp service. Our security protocols require that only undelivered messages are stored temporarily in our server. These messages are set to expire in 30 days.

What does this mean for me?

11. Where are those affected customers located?

Our database includes customer data from the following countries: USA, Canada, United Kingdom, Republic of Ireland, France, Germany, Spain, Belgium, the Netherlands, Denmark, Luxembourg, Latin America, Hong Kong, China, Australia and New Zealand.

12. What kind of information is stored in the database?

- Parent account information including name, email address, secret question and answer for password retrieval, IP address, mailing address, download history and encrypted password.
- Kids profiles include name, genders and birthdates.
- Encrypted Learning Lodge's contents including, Kid Connect's profile photos, undelivered Kid Connect messages, bulletin board postings and Learning Lodge content (ebooks, apps, games etc).
- Download sales report logs.
- Progress logs to track kids games, for parents' reference.
- It <u>does not</u> contain any credit card information. VTech does not process nor store any customer credit card data on the Learning Lodge website. To complete the payment or check-out process of any downloads made on the Learning Lodge website, our customers are directed to a secure, third party payment gateway.
- It <u>does not</u> contain any personal identification data (such as ID card numbers, Social Security numbers or driving license numbers).

13. Was any credit card information stolen?

No, our Learning Lodge website database <u>does not</u> contain any credit card information and VTech does not process or store any customer credit card data on the Learning Lodge website. To complete the payment or checkout process of any downloads made on the Learning Lodge website, our customers are directed to a secure, third party payment gateway.

14. Why do you need this customer information?

Learning Lodge allows our customers to download apps, learning games, e-books and other educational content to their VTech products. Customers need to set up an account for such transactions. The information is used to identify the customer and track their downloads. As customer safety and privacy are of utmost importance to us, we are making all necessary adjustments to our system security, which will include only storing such information as is required for our customers to download and enjoy our services. All other information will be deleted from our servers.

15. Is there anything I can do to better protect myself?

Whilst all personal customer passwords are encrypted, even encrypted data can be susceptible to skilled hackers, so we are advising you to

immediately change your passwords on any other sites that may use the same email, secret question and answer, and password combination.

16. What is VTech doing to protect data stored on Kid Connect?

The Kid Connect service has been temporarily suspended. We are reviewing our security protocols and will delete all unsent messages before we restart the service.

17. How can I change my password or delete my Learning Lodge account and personal data stored on your servers?

As an precautionary measure, we have temporarily suspended Learning Lodge and Kid Connect service along with a number of other websites to conduct a thorough security assessment and whilst we implement additional security protocols. We will advise our customers of further action when the websites are ready to be reactivated.

18. When can we expect that Learning Lodge will be online again? Should I then register again?

We are working as fast as possible to resume our service. We will advise our customers of further action when the websites are ready to be reactivated.

19. Is it safe for my kids to play with the toys with Learning Lodge app? Could the hacker reach my kids through the devices, trace their activity or location?

Our investigation to date suggests the breach is on the server, not on the device itself. There is no evidence to suggest the toys are not safe at this time. We will continue to investigate and share more information as it becomes available.

20. Has there been any customer data found leaked on the internet?

We have no evidence that any of the data has been used or distributed criminally. Whilst all personal customer passwords are encrypted, even encrypted data can be susceptible to skilled hackers, so we are advising you to immediately change your passwords on any other sites that may use the same email, secret question and answer, and password combination.

What VTech is doing to make it right?

21. What are VTech doing to protect their customer information?

Upon discovering the breach we immediately conducted a comprehensive check of the affected site and have taken thorough actions against future attacks.

The investigation continues as we look at additional measures to strengthen our Learning Lodge database and Kid Connect security. We are committed to protecting our customer information and their privacy, to ensure against any such incidents in the future. Our Privacy Statement can be found <u>here</u>.

22. Have VTech informed their customers?

Yes, we have communicated the breach with our customers and the general public. We have posted a statement on our website <u>https://www.vtech.com/en/media/press-releases</u>. We will add additional notices when appropriate.

Email has been set up to handle any enquiries as follows:

- US: vtechkids@vtechkids.com
- Canada: toys@vtechcanada.com
- France: explora_park@vtech.com
- Germany: downloadmanager@vtech.de
- Netherlands: exp@vtech.com
- Spain: informacion@vtech.com
- UK: consumer_services@vtech.com
- Australia and New Zealand: enquiriestoys_aunz@vtech.com
- Hong Kong: corporate_mail@vtech.com
- Other countries and regions: corporate_mail@vtech.com

23. Will you suspend Kid Connect as well?

Kid Connect together with Learning Lodge and a number of other websites have been suspended since November 29th Hong Kong time.

24. What other measures have VTech taken?

- We have temporarily suspended the Learning Lodge website, Kid Connect and a number of other sites to ensure that our customer data is safe from any further attacks.
 - www.planetvtech.com
 - www.lumibeauxreves.com
 - www.planetvtech.fr
 - www.vsmilelink.com
 - www.planetvtech.de
 - www.planetvtech.co.uk
 - www.planetvtech.es
 - www.proyectorvtech.es
 - www.sleepybearlullabytime.com
 - de.vsmilelink.com
 - fr.vsmilelink.com
 - uk.vsmilelink.com
 - es.vsmilelink.com
- When these websites are reactivated we intend for them to have the most up to date security protocols in our industry.
- To achieve this we are in the process of engaging an independent third party security consultancy firm who will work with our engineers to complete a thorough forensic investigation and help us to design a new more secure approach to our data security.
- We are also taking this opportunity to identify and review all aspects of how we handle customer information and make recommendations for how we can improve our data security processes.

25. Have VTech reported the case to any authorities? Are you being investigated?

We have appointed data security legal specialists who are in the process of liaising with local authorities. We are committed to learning from this incident - making the necessary improvements to our network security to ensure that our customers can continue to enjoy our products, safe in knowledge that their data is secure.