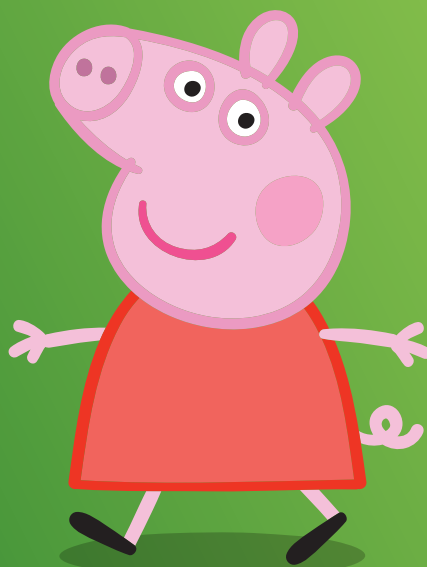




# 2019-2020 Corporate Social Responsibility Update

*with 2019 data*



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## About This CSR Update

Our 2019-2020 Corporate Social Responsibility (CSR) Update highlights our progress in key areas covering the calendar year 2019, framed by our response to the extraordinary events of 2020, including the global pandemic and social unrest in the United States.

This Update builds upon our previous full CSR Report, which can be found [here](#) and our [annual data disclosures](#), all of which should be read together for a full and accurate picture of our CSR approach and performance. The next report will be published in 2021.

For Hasbro, the Covid-19 pandemic focused our attention and resources on the health, safety and well-being of our employees, supply chains and communities around the world. At the same time, we continued to make meaningful progress across all of our CSR priority areas, including Environmental Responsibility, Product & Content Safety, Human Rights & Ethical Sourcing and Culture & Human Capital Management, including Diversity & Inclusion – all outlined in this Update.

We have prepared this CSR Update in alignment with the **Global Reporting Initiative (GRI)** Standards guidelines and the **Sustainability Accounting Standards Bureau (SASB)** Toys & Sporting Goods Industry Standard. In addition to aligning with SASB, we also sit on the SASB Advisory Board, ensuring we are part of the conversation on effective ESG disclosure. Our GRI content review can be found on [page 34](#) of this document and the SASB alignment table on [page 47](#). All of our data are reviewed and verified internally. We also verify our greenhouse gas emissions data annually using a third-party assurance provider.

Reporting and performance data include information on Hasbro's owned and operated facilities (offices and distribution centers) unless stated otherwise.

To find out more about CSR at Hasbro or to provide feedback on our reporting, please contact us at: [csr@hasbro.com](mailto:csr@hasbro.com).

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**Our purpose is to make the world a better place for all children and all families.**

## Building on Our Success and Reaching New Heights

At Hasbro, we continue to build and execute innovative, best-in-class CSR & ESG strategies and programs that resonate with our stakeholders and serve our purpose to make the world a better place for all children and all families. Hasbro's CSR strategy is based on three tenets: 1) performance, 2) thought leadership and 3) transparency.

### 2019 & 2020 Highlights



**Eliminate plastic in packaging** by end of 2022

Signed the  
**CEO **ACT!ON** FOR DIVERSITY & INCLUSION** pledge



**89%**  
of suppliers  
piloted the  
**Higg Index**  
environmental  
assessment tool

**100%**  
of suppliers  
reviewed at  
least annually  
for **human rights**  
and **ethical**  
sourcing



**eOne**  
joins the Hasbro family



**Achieved 99.7%**  
**renewable energy**  
**goal**



Global  
expansion of  
**Hasbro**  
**Toy Recycling**  
**Program**

now available in  
U.S., Canada, Brazil,  
U.K., Germany  
and France

**95%**  
employee volunteer  
participation  
globally in 2019

## 2019 & 2020 Recognitions – Celebrating Success



**2021 America's Most Just Companies**, ranked #1 in Household Goods & Apparel category

**2020 100 Best Corporate Citizens by 3BL Media** – 9th consecutive year on the list

**2020 World's Most Ethical Companies** (Ethisphere) – 9th consecutive year on list

**2020 America's Most Responsible Companies** (Newsweek) – #46/300

In 2020, Hasbro's first-in-the-industry Toy Recycling program won the **Gold Play for Change Award in the Environmental Sustainability** category at the **Toy Industries of Europe (TIE) Play for Change Awards**

100 percent on the **Human Rights Campaign's (HRC's) 2020 Corporate Equality Index**, noting Hasbro is one of America's top companies for LGBTQ+ Workplace Equality

**2019 Walmart Project Gigaton "Giga-Guru"**

**2019 100 Best Companies for Working Mothers** from Working Mother Magazine and one of the magazine's **2020 100 Best Companies for Dads**

**2019 Most Reputable U.S. Companies** (Reputation Institute) – #7/390

In 2019, Hasbro rated highest in the **Travel and Leisure Category** by the **Responsible Sourcing Network** and in the top six percent of companies reporting for our work addressing conflict minerals in the supply chain

**2019 50 Best ESG Companies** (Investor's Business Daily) – #9

**2019 Top 100 Sustainable Companies** (Barron's) – #32

**Points of Light Foundation Civic 50 – Recognizing the "Most Community Minded Companies in the United States."** Hasbro has been named to the list every year since the initiative began in 2012



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## Opening Conversation

For this momentous year, Hasbro, Inc. Chairman and CEO Brian Goldner and Rich Stoddart, member of the Hasbro Board of Directors and Chair of the Nominating, Governance & Social Responsibility Committee, sat down for a virtual chat. They shared their thinking on CSR and ESG with Kathrin Belliveau, Senior Vice President, Global Government, Regulatory Affairs and Corporate Social Responsibility.



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### How have you seen the role and importance of CSR and ESG at Hasbro change over the last few years and what is its role in 2020 and beyond?

**Brian:** It has always been clear to me that doing well includes doing good in the world and for all our constituents, though what that means is constantly evolving. In the last few years, ESG has gone from being an important consideration in our business strategy to being a central focus, integral to our success. We understand and fully appreciate that our constituents care not only about our financial performance but also about our “non-financial” performance. Said another way, for our investors, the “quality” of our business, including the contributions we make to our communities, society, and the world at large, while generating earnings, is now as important as the earnings themselves.

But it’s not just investors who expect more; all of our constituents have growing expectations, from our employees around the world to our retail customers and consumers. As seen over the past year, consumers have been able to use their voices on social media as an effective platform to examine corporate performance from an organization’s human rights practices and political stances to deforestation or waste. And our customers, from retailers to streaming services, expect us to get it right because, as their business partner, we’re also a part of their stories. Finally, our employees and prospective employees certainly want the mission and purpose of our company to be linked to ESG, and it is our responsibility to meet that expectation.

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“In the last few years, ESG has gone from being an important consideration in our business strategy to being a central focus, integral to our success.”

— Brian Goldner

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## As the first company in the toy industry to put CSR at the Board level, well over a decade ago, how important would you say the CSR agenda is to the Hasbro Board today?

**Rich:** This is simple – CSR and ESG are more important than ever, and we see our role in overseeing ESG performance on par with our other strategic and governance responsibilities and duties. The difference today is that CSR and ESG are now much more regularly and formally part of our agenda, rather than an ancillary topic. Part of the role we serve is to make sure not only that risk is being effectively managed but also that the voices and expectations of all constituents are being fully evaluated and taken into account.

At the moment, for example, we see investors placing more emphasis on issues like human capital, human rights, supply chain risks and the potential impacts of climate change. Our role is to make sure Hasbro is managing all these issues in a responsible and effective manner designed to support the creation of long-term value. Beyond the full Board, the Nominating, Governance & Social Responsibility Committee, which I am proud to chair, has specific responsibility for considering the risks and compliance requirements related to the full range of CSR topics. The Committee's remit covers oversight of areas including product safety, environmental sustainability and climate change, human rights and ethical sourcing (prohibiting all forms of forced labor, including but not limited to human trafficking and modern slavery), diversity, gender and inclusion, transparency and reporting.

And then, at Hasbro there is of course an extra dimension that is essential for us to keep focused on – and that's the purpose of making the world a better place for all children and all families. So, we as a Board also frequently return to this purpose to ensure the company strategy will ultimately leave a positive legacy for future generations.

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“And then, at Hasbro there is of course an extra dimension that is essential for us to keep focused on – and that's the purpose of making the world a better place for all children and all families...”

— Rich Stoddart

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## Under your leadership and vision, Hasbro has evolved from toy and gaming to a global play and entertainment enterprise. What does this mean for the CSR and ESG agenda at Hasbro?

**Brian:** Our mission is to create the world's best play and entertainment experiences, and our opportunity with the acquisition of eOne is huge. We recognize that we are now performing on a much bigger stage where we are able to influence culture as well as play, and we have to be even more mindful of our increased responsibility.

The priority ESG areas we are already deeply invested in tackling, like ethical sourcing, environmental sustainability, product safety and diversity and inclusion, remain relevant. That said, every one of those traditional areas of focus is going to have a wider aperture. For example, we've historically thought about workers' rights and safety primarily in the context of Hasbro employees, Hasbro-owned-and-operated facilities, and the workers in the toy and game factories in our supply chain, historically in Asia.

But today, our supply chain has expanded to embrace production in the film and television industry, from Los Angeles and Vancouver to London. Our commitment to human health and safety in this arena is just as important as our traditional ethical sourcing approach. So sourcing is now different, and product quality and safety have a new meaning in this environment.

We also recognize that, given our new audiences, our brands will be viewed through new lenses. We will need to be considerate in introducing our brands to new audiences in a way that helps them understand and love them. Ensuring the safety of our products and appropriateness of our content for the intended audience – including understanding how content is perceived by



different constituents – isn't the job of just one team: everyone at Hasbro has a critical role to play. With this exciting new opportunity for growth comes greater social responsibility.



### What are the material ESG risks that your key stakeholders care most about?

**Rich:** There are several. We couldn't be who we are without listening to our constituents. One of our most significant focus areas, and where we're seeing a lot of external attention, is the critical importance of climate change and what we're doing to not only minimize our greenhouse gas impact on the environment but also to go above and beyond to protect the environment, like the steps we have taken to prohibit sourcing of paper from endangered forests. You will see in this CSR Update and next year's CSR Report the positive environmental actions the company is taking, from carbon footprinting and reduction goals with suppliers to tackling end-of-life solutions for products.

Another key issue that investors are concerned about is human rights in the supply chain, as well as supply-chain diversification and the risk of disruption in a volatile world, from climate instability to geopolitical events. The company has made a lot of progress in these areas; for example, manufacturing in China has been carefully diversified to around 55% today from 90% a decade ago. As a U.S.-based company, Hasbro is also proud to partner with third-party suppliers to make our iconic games and toys in the United States, from MONOPOLY and MAGIC: THE GATHERING to PLAY-DOH and THE GAME OF LIFE. And at the heart of everything Hasbro does as a company is, of course, people and our management team, and investors focus on this, too, because they know exemplary leaders make exemplary companies.

### The world is still wrestling with the effects of Covid-19. What impact has the virus had on Hasbro?

**Brian:** First, I want to express my heartfelt sympathy to those people who've lost loved ones in this pandemic, a loss that can never be undone. When Covid-19 first began to unfold, at Hasbro, our first and immediate priority was to take every possible step to ensure the safety, health and well-being of our workforce and, at the same time, do our part to support our communities and supply chains.

Early in 2020, we formed a task force of leaders across the global company as part of our business continuity processes. We recognized we needed to do everything in our power to stay ahead of the impending challenges that would likely be presented by the emerging pandemic. I am proud of Hasbro's leadership and inspired by all of our teams across the world for their steadfast commitment to supporting each other, and our company and communities, through these unanticipated, uncertain times, including the work we did to convert supplier facilities to PPE operations for the production of plastic face shields for front-line health workers.

The pandemic also served to accelerate many of the major technological and workplace changes that were expected over the next five years, which all arrived in five short months, and our teams responded with agility and creativity. We've been able to find new and better ways of working with our partners and across teams. We have proven that

“We recognize that we are now performing on a much bigger stage where we are able to influence culture as well as play, and we have to be even more mindful of our increased responsibility.”

— Brian Goldner





creativity can be generated even without global travel. Our teams across the globe have thrown themselves into this new environment and found ways to make it work digitally. On a tangible level, this challenge gave us the opportunity to do things we really wanted to do at an even quicker pace. For example, we've moved from 3D maquettes (three-dimensional models) to 3D computer modeling, which is better for us and better for our partners.

Of course, it's also had a big impact on our offices and workplaces, and we all recognize now that the workplace of the future will be highly distributed. We've learned through the process that work-life integration had only gone so far and needed to go further. Other challenges may not be fully visible yet. One thing I'm focused on is the impact of remote working on mental well-being, because I believe connection to others is critical to our health. Another area that my team and I are working hard to address is ensuring that teammates who are newer to the organization feel fully connected and empowered, absent physical connectivity. We're learning fast and pushing ourselves to tune into people carefully and to adapt our methods, which is a healthy process.

Finally, our operations, global supply chain and the demand for our play and entertainment products remain strong. During these uncertain times, children and adults alike are looking for social connections and fun with family and friends. Toys and games like MONOPOLY and PLAY-DOH are bringing smiles and joy to children and families everywhere. We've seen how parents are more connected to their kids and schooling, and that the role of play has become even better understood and more important. Whether it's in toys, games or entertainment, in person or digitally, we're in a great place to help people enjoy play and their time together, now more than ever. So, despite the challenges, we're optimistic about our future.

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“Through the pandemic we've seen how parents are more connected to their kids and schooling, and that the role of play has become even better understood and more important.”

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— Brian Goldner

## How would you characterize Hasbro's response to the growing social justice movement in 2020?

**Brian:** It's been heartbreaking to see the pain across America. We believe we can play a role to help address these issues, by being open-minded and listening to the opinions of many individuals who have been affected and involved and then taking action. As these tensions developed around us in 2020, we reached out to all our employees to engage in conversations and listen to their concerns. This was so powerful to see and has re-energized our commitment to representing and including the range of people, voices and perspectives around us. We announced formal goals for Diversity & Inclusion in our 2016 CSR Report, and we've been making progress on multiple dimensions – from revamping our approach to hiring and employee retention, to broadening the composition of our leadership and workforce and evolving how we represent our products, packaging, marketing and entertainment. But the issues we are seeing have reminded us again that we still have much work to do.

## What external standards and frameworks have you and the Board decided we should seek to follow?

**Rich:** We always start with the most material ESG issues for Hasbro and then consider the relevant reporting framework – of which there are certainly many! We look to align to standards and frameworks that are meaningful to our constituents and enable us to demonstrate our positive impact in the world. The Global Reporting Initiative (GRI) is an effective and comprehensive reporting standard that helps businesses understand and communicate their impact on critical sustainability issues. The Sustainability Accounting Standards Board (SASB) framework is also of growing importance to shareholders.



While GRI frames the impact that organizations are having on the world, SASB looks at the world's impacts on the company. Aligning our reporting with both GRI and SASB provides sustainability information to investors. Additionally, we are evaluating the TCFD (Task Force on Climate-related Financial Disclosures). TCFD recommendations focus on effective disclosure of climate-related risks and opportunities across such key areas as governance and risk management, and we support these new initiatives. We are also guided by the U.N.'s Sustainable Development Goals (SDGs), which are having a global impact. At the end of the day, I do believe that harmonization will be necessary, with the adoption of one globally accepted ESG reporting standard, akin to GAAP in the financial world.

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“Nothing makes me more hopeful about the future than play, and how the simple act of play has the power to break down barriers and connect people.”

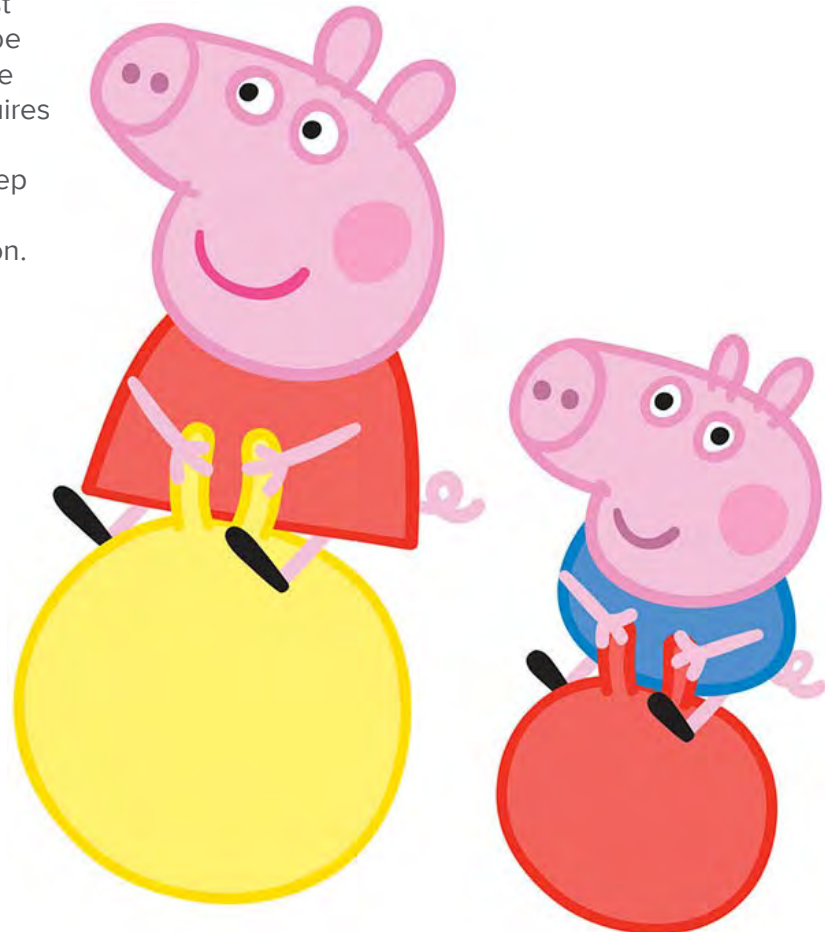
— Brian Goldner

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**Brian, you're always such an optimistic and positive leader. How do you remain so positive in such uncertain times?**

**Brian:** I draw a lot of positive strength and inspiration from our teams and our people who make Hasbro an outstanding company. They are an incredibly dedicated and passionate group of people who believe in and live up to our mission and purpose each and every day. I also take inspiration from the children, families and audiences we serve. Nothing makes me more hopeful about the future than play and entertainment, and how the simple act of play, or the inspiration from entertainment, has the power to break down barriers and connect people. I feel privileged to lead a company that has such an uplifting purpose and that can make such a positive impact on human connectivity in the world.

Hasbro's brands serve as a catalyst for good, and these next few years are likely to be among the most exciting in our company's great story. We're traveling very fast and our ambition is to be world class in all that we choose to do. This requires constant commitment and a willingness to keep improving – that's an exciting journey to be on.



# Key Topics of Conversation in 2020

## The Impact of 2020

In 2020, the Covid-19 pandemic presented an unexpected disruption to our business, from film and television production to toy and game sourcing. As we worked creatively and diligently to mitigate disruption, our first priority was to protect the health, safety and well-being of our employees, supply chains and communities around the world.

Our teams rose to the challenge with resilience. From operations to sales and marketing, we adapted to global, regional and local circumstances, supporting our stakeholders, including supply chain and retail partners.

Throughout the crisis, we have used our resources, brands and expertise to make a difference.

Throughout the crisis, we have used our resources, brands and expertise to make a difference.



# Ongoing Conversation about Material Topics

In 2017, we conducted a full materiality assessment. In the last **Full Report**, we noted that while the formal component of the process had come to an end, the process of listening to stakeholders and having conversations with our partners would be ongoing.

As part of our regular and ongoing engagement with our consumers, retailers, employees, investors, suppliers, regulators and NGOs, it is clear the material issues we identified in 2017 have only grown in importance. The following is a high-level summary of the three issues whose importance has grown the most.

This is an interim update before we complete our next full materiality assessment in 2021, which will be reported on in the 2021 CSR Report.

## ISSUES OF GROWING IMPORTANCE



**Climate Change:** In 2017, we noted that climate change was a topic to continue to monitor and address. Whether it was large-scale activism inspired by Greta Thunberg, World Economic Forum Risk Reports, investors encouraging alignment to SASB and TCFD or leading companies setting carbon zero strategies, we've seen climate change increase as a topic of importance. At the same time, Hasbro has been taking positive environmental action from working with suppliers on their energy usage and carbon footprint to tackling end-of-life challenges with product and packaging.

## Culture & Human Capital Management



**Diversity & Inclusion:** In 2017, Diversity & Inclusion was a high-priority issue. Since 2017, social movements like #MeToo and Black Lives Matter have brought greater attention to the systemic challenges faced by women and minority groups. In some markets, regulations, such as gender pay gap reporting, have also been introduced. We have re-framed the conversation as human capital, adding a cultural dimension to the subject (for more, see the **Culture & Human Capital Management** sections of this Update). We strive to combine good governance with a healthy culture to create an environment where people can do their best work. You will also read in this Update how we have responded in 2020 to rising calls for social justice and how this powerful conversation on race builds on good work previously undertaken in 2019.



**Health & Wellbeing of Employees:** Employee attraction and retention has long been a key Hasbro priority, with Employee Health & Wellness as an important area to be well managed. Over the last few years, there's been a growing willingness to discuss mental health at work. We welcome this development and look to support our colleagues' health, both mental and physical. This includes:

- Employee Wellness & Happiness Teams organized in our major offices that offer yoga, mindfulness and other programs addressing employee physical and mental health and well-being;
- Certified mental health aides in the U.K. whose role is to promote and help managers identify mental health challenges with our employees;
- Webinars designed for managers to help them identify risk factors and types of mental health issues in order to support their teams;





- A wellness check-in program to help normalize and facilitate employee conversations about mental health;
- Programs to engage employees while working remotely;
- Our commitment to flexible work arrangements to help employees with work-life balance and to take care of health needs.

## ISSUES THAT REMAIN TOP PRIORITIES



**Plastics & End-of-Life Solutions:** At Hasbro we have been working very hard on plastic innovations for many years, and it remains a critical issue for us. In this Update you will read about our industry-first Toy Recycling Program and our plastic-free packaging goals and progress.



**Human Rights & Ethical Sourcing:** We remain committed to sourcing responsibly, and Ethical Sourcing remains an issue of the highest importance for us. In this Update you will read about our 2019-20 activities with a focus on the Hasbro Ethical Sourcing Academy Forced Labor Training and Worker Well-Being Program.

For further information and the materiality matrix, see our prior full **CSR Report**.



# Culture & Human Capital Management: 2020 and the Road Ahead

We are committed to making Hasbro an exceptional, sought-after place to work, where people feel valued, respected and empowered to bring their best ideas forward. We know that when we invest in our employees – their health, well-being and professional development – our business grows even stronger.

Our workplace culture promotes opportunities for all employees to learn and grow, feel greater job satisfaction and take pride in what they do. And we know that supporting all people and promoting inclusion makes the world a better place for all. In 2020, we dedicated concerted efforts and resources to assess with fresh eyes the significant value employees bring to their positions. We believe that each and every employee has a unique and critical role to play in carrying out our mission and purpose.

As such, we were able to leverage remote working and new technologies during the pandemic shutdown to provide expanded opportunities for our employees. For example, our employee experience teams created an internal **GIG platform** to leverage the experience of those employees who may have some time during the workday to help with short-term projects, tasks and other needs. With so many working remotely, this initiative fosters cross-company collaboration and ensure our overall success, while giving employees new opportunities to learn, grow and make a difference. There are opportunities, for example, to participate in nimble, cross-disciplinary teams created to address major issues like the impact of a “hybrid” workplace model on our vibrant and engaged culture and the integration of eOne following the 2019 acquisition.

In this environment, not only do we reaffirm our commitment to each other and to our culture, we also embrace the value of actively sharing our thoughts and experiences, developing a better understanding of what diversity of thought and experience really means, and driving meaningful change.

More than reaffirming our values and advancing our position as a leading global play and entertainment company, we are excited to welcome eOne’s talented employees from around the world, who share our fundamental goals of unlocking the power and value of creativity and play, and helping to make the world a better place for all children and all families.

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We believe that each and every employee has a unique and critical role to play in carrying out our mission and purpose.

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## HUMAN CAPITAL MANAGEMENT: DIVERSITY & INCLUSION FOCUS AREAS IN 2020

We believe this moment in history will be a catalyst for lasting change in the world and at Hasbro. Here are some of the actions we've taken in 2020:

**Transparency & Accountability:** We all have a responsibility to help drive positive change at Hasbro and to use our talents, experience and influence to create a more inclusive organization globally – and potentially as a model for others. In this priority effort, we vow to maintain a dialogue and keep our employees and the public at large informed about our progress and challenges (please see [page 32](#) for more about our **D&I Initiatives**).

So far in 2020, we've held many employee forums on Diversity & Inclusion. Led by our CEO and the senior leadership team, the primary objective was to listen and provide a forum for feedback and dialogue, which generated honest discussions and brave revelations about personal experiences. We are committed to continuing these important conversations and are currently working on another series of initiatives to strengthen our dynamic and diverse culture. And we continue to update our colleagues about our commitment, our D&I teams and committees, and our progress.

**Expanding & Empowering our Employee Resources Groups (ERGs):** Our employee network and resource groups – including Diversity, Women's Leadership, PRIDE, Military Families and Career Parents – have been critical in driving our progress to date. We are in the process of expanding the networks globally, for all employees, and increasing their budgets so they can be even more effective in driving employee-led change throughout our company and communities (see more on **ERGs** on [page 33](#)).

**Integration:** We have expanded and diversified our Diversity & Inclusion Executive Steering Committee to include leaders from eOne, Wizards of the Coast, and other regions to make sure we're integrated and aligned in our D&I approach and investments, and to maximize our impact across the entire organization.

**Reviewing our Goals:** We continuously review and measure our progress against our minority and gender goals set in 2017. As a result, in 2020, we restated our minority goal to grow ethnically and racially diverse employee representation in the U.S. to 25 percent by 2025.

**Recruitment & Hiring:** We've taken several meaningful steps the past few years to help build a stronger, more diverse workforce and address unconscious bias in the hiring process, including the goal of establishing protocols to establish a 50 percent diverse interview slate for all open positions in the U.S. For more details, see **Culture & Human Capital Management** on [page 31](#).

**Training:** Unconscious bias training, to understand the subliminal social stereotypes we may be holding on to, has been a priority across the combined global organization, and we have been rolling out virtual sessions in 2020 due to our largely remote workforce during the pandemic.

**Growth & Development:** We continue to build consistency and rigor into our talent selection process and to launch additional training and mentorships to help advance the career and professional development of our employees. For example, in 2020 we reimagined our mentoring program to expand it globally in order to reach more mentees. Launching in 2021, the program will now offer group mentoring in order to grow mentee participation rates, empower mentees to select mentors through online profiles and expand mentor training and resources.



## Reaching Out During Covid-19

Despite the challenges of the worldwide pandemic, we have never been more inspired by our teams, our brands, and our mission and purpose. And we continue to use our resources to help make a difference in the communities we serve. The silver lining of our Covid-19 experience has been that people have spent even more time together and they've been deeply immersed in all aspects of our business.

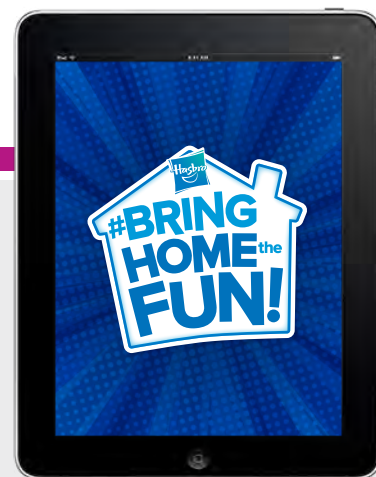
Immediately we knew we wanted to do our part to help our communities. We reached out to a partner manufacturing supplier and worked together to convert the facility – a games and PLAY-DOH manufacturing factory in Massachusetts – to a PPE operation. We worked to provide much-needed personal protective equipment (PPE) for front-line medical workers, including 250,000 plastic face shields that were donated to local hospitals, nursing homes and medical facilities.

We also created a new online program for families looking for things to do at home during Covid-19-related school closures. **The Bring Home the Fun website** features games and activities for kids and families, including for PLAY-DOH and trick shot challenges for NERF blasters.

Consistent with our longstanding history of community giving, we also donated toys and games to bring joy, learning and a sense of normalcy to families around the world. We focused additional efforts on combating childhood hunger during the pandemic while kids are out of school and supporting local food pantries and national programs like Save the Children and No Kid Hungry. For a full overview of **Hasbro's Global Philanthropy and Social Impact** click [here](#).

All of this work is being done remotely as most of our offices have remained closed or have re-opened under strict health protocols. Many employees have had to balance caregiving and work responsibilities as they work from home. To help in these circumstances, we outlined new guidelines to provide additional flexibility and reassurance during this difficult time, encouraging employees to work with their managers to find satisfactory solutions. The well-being of our employees and their families will always be our top priority.

Throughout this pandemic, we have sought to live our values and our purpose in real time, working tirelessly to support our people, adapt and reimagine our businesses and supply chains, and engage our communities and governments to help make a difference for all.



For parents, who are looking for ways to teach and entertain their kids while balancing their own remote work, the site offers mindfulness videos and parenting articles about how to teach kids about such important subjects as gratitude and purpose. The message acknowledges the fears and uncertainty that everyone faces, but also the benefits, like being home to witness a child's first steps.





# Hasbro Pandemic Response

Our commitment to safety, health and innovation distinguishes Hasbro as a trusted brand, employer of choice and stellar corporate citizen.

## Supporting Our People

- > **Health & safety workplace protocols:**
  - Interactive Employee Back-to-Work Handbook
  - Easy-to-use health screening app
  - Daily on-site temperature checks
  - Regular sanitization
  - Staggered schedules & social distancing
  - PPE distribution
- > **One-time payment to help employees with Covid-19-related expenses**
- > **Robust and regular engagement and communication with global workforce**
- > **Supporting work-at-home arrangements:**
  - Flexibility for employees with childcare needs
  - Support for vulnerable employees
  - Mental health support
  - People-manager resources to support remote team working
  - Ergonomics guidance

## Adapting Our Business & Supply Chain

- > Implementing **strict health & safety protocols in global distribution centers**
- > Providing **financial bonuses to essential workers in supply chain**
- > **Supporting major global suppliers in safe re-openings**
- > **Providing family-focused resources** through 'Bring Home the Fun', a global initiative designed to help keep kids occupied and engaged
- > **Pivoting Wizards of the Coast's in-person, tabletop gaming to online**, digital gaming and experiences
- > Innovating eOne video production by **developing state-of-the-art, self-contained content capture kits** to facilitate remote subject interviews for TV series
- > **Conducting post-production remotely** on eOne TV series, feature films and animation productions

## Engaging Our Community

- > Serving our community by launching **Hasbro Cares**, our global response to the pandemic
- > **Donating meals, toys & games** for children in need
- > **Converting our partner manufacturers to PPE operations**—producing 50,000 face shields/week for donation to frontline healthcare workers in the U.S. and Europe
- > Engaging with **local, state and national governments** to develop business **reopening strategies and guidelines**
- > Creating and implementing best practice online **Covid-19 health & safety training for U.S.-based manufacturers**, at the request of state governments





Read more about  
Hasbro Cares



Another practical example of our engagement in local communities to support public health was our partnership with the Rhode Island Department of Public Health. Combining our iconic brand characters with the state's social media channels, we helped promote a vital public health message. MR. POTATO HEAD and the PLAY-DOH Doh-Dohs have been wearing masks in support of **#MaskUpRI**. PEPPA PIG also reminded kids to wash their hands as they head back to school in order to **#CrushCovidRI**.

### As we move through the pandemic, our organization is focused on executing against core priority areas, including:

- Rethinking the path to the consumer to maintain the demand for our products, entertainment and brands.
- Working closely with our manufacturing partners, warehouses, distribution and production teams to ensure the supply of our products.
- Supporting our communities and helping our employees feel engaged and lifted up in this dynamic environment.



# Hasbro and eOne Together

Our 2019 acquisition of eOne has created a compelling growth opportunity for the combined Hasbro organization.

Over the past decade, Hasbro has charted a path to build amazing brands informed by consumer insights, brought to life by storytelling and executed everywhere consumers want to experience them. We've invested strategically – adding capabilities in digital gaming, consumer products licensing and entertainment across platforms, including film, TV and digital.

The addition of eOne accelerates these efforts, bringing brands, entertainment expertise and scale to the execution of our **Brand Blueprint** strategy. We accelerate our strategy by expanding Hasbro's brand portfolio with eOne's beloved global preschool brands – such as PEPPA PIG and PJ MASKS; adding exceptional and proven TV and film expertise; creating additional opportunities for long-term profitable growth; and extending our ability to tell stories and execute our purpose to make the world a better place for all children and all families.



By adding the story-led brands and the expertise of this global entertainment leader to our capabilities – spanning film, television, digital content and music – we expect to deliver not only strong returns but also an exceptional pipeline of both proven and new creations, like the recently introduced RICKY ZOOM. In addition, the cultural fit of the two organizations has been exceptional, generating a smooth and rapid integration.





## CONTENT RESPONSIBILITY

In today's society, parents are more connected than ever to their kids and schooling, and the benefits of play have become better understood as a key to healthy child development.

With eOne's resources to develop, own and distribute live-action film and animation content, we now have additional avenues to expand our storytelling and consumer base. However, these opportunities bring extended responsibility to provide the highest quality, appropriate content for our intended audiences.

A good example is the fantasy game DUNGEONS AND DRAGONS from our Wizards of the Coast subsidiary. D&D has become a signature Hasbro brand and exemplifies the value we can create as a toy, gaming and entertainment company. As we work to broaden the brand's entertainment reach, the tens of millions of gamers who understand its story will be joined by a larger global audience who may know little about it.

We are mindful of the influence our stories and characters can have on our audiences when we expand a brand's reach to additional entertainment platforms where we play a much more dynamic role in the storytelling. Rather than a simple translation, we consider the nature of the platform, the expectations of our intended audience, and the identity of the brand to ensure we are developing responsible and appropriate content.

### A Soldier's Heart

Hasbro seeks to use our brand power for good, and one example is our recent GI Joe comic (Issue No. 7) titled *A Soldier's Heart*, which deals directly with mental health challenges related to military service. We take this responsibility seriously, having consulted and thoroughly vetted the storyline, character actions and resources available with mental health specialists.

Readers also responded. Said one reader, who works on suicide prevention for a state office of mental health, "A Soldier's Heart' received tremendous praise for incorporating the struggles faced by active duty service members and military veterans in dealing with psychological trauma. As an office dedicated to suicide prevention through addressing the various risk factors, such as PTSD, we would like to thank you for releasing this edition that illustrates how difficult these internal battles truly are for those who defend our nation."

This is just a small example of the storytelling power we possess to help normalize conversations about mental health. "In these challenging times, we're inspired by the fact that our brands genuinely have the power to make people's lives better: sometimes by making them smile and laugh, and sometimes by simply helping them realize they aren't alone," said Michael J. Kelly, Hasbro's vice president of Global Publishing.



[Read the full story here](#)





# Performance Highlights for 2019

In 2019, Hasbro made progress across all of our CSR priorities:

- 1 Human Rights & Ethical Sourcing
- 2 Environmental Responsibility
- 3 Product & Content Safety
- 4 Culture & Human Capital Management

Highlights include industry-first initiatives such as our toy recycling program and commitment to **plastic-free packaging**. We also continue to invest in ethical sourcing and promote sustainability initiatives across our supply chain.

Our approach to chemical management has always been robust and we are now publishing in this Update a detailed **Materials and Chemical Management Policy** that reflects our robust chemical screening, specification and sourcing program. And 2019 was a milestone year for **Diversity & Inclusion (D&I)** when we elevated it as a strategic CSR Priority.



# Human Rights & Ethical Sourcing

Our well-established **Human Rights & Ethical Sourcing** program, first launched in 1993, is dedicated to ensuring that facilities involved in the production of our toys and games or licensed consumer products comply with **Hasbro's Global Business Ethics Principles**. The program is designed to provide fair and safe working conditions; treat all workers with fairness, dignity and respect; and engage with our suppliers to address safety, health and the environmental impacts of our supply chain.

At the heart of this effort is Hasbro's belief that all people are entitled to fundamental rights and freedoms and that as a global brand we are uniquely responsible for ensuring the suppliers and partners across our supply chain uphold our values. We regard the safety, well-being and dignity – of our employees and the workers in our supply chain, as well as children everywhere – as deeply held obligations. While working on these issues with partners, suppliers, third-party factories and licensees is complex, we remain vigilant in our commitment to make sure every worker in our supply chain is treated in accordance with local and international laws and our high ethical standards.

Over the years, we have continuously strengthened our Human Rights Policy to address evolving risks, from modern slavery, forced labor and human trafficking to systemic abuse and harassment of workers, and non-payment of minimum wages. In 2019, we developed a factory rating system that ties a factory's ethical sourcing performance to business incentives and consequences (see [page 22](#)).

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We regard the safety, well-being and dignity – of our employees and the workers in our supply chain, as well as children everywhere – as deeply held obligations.

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## ACCOMPLISHMENTS

In advancement of our human rights and ethical sourcing commitments in 2019, we further strengthened our program and implemented the following initiatives:

**Empowering female factory workers.** Our Worker Well-Being program, piloted in 2018, continued throughout 2019 to help empower female factory workers in our supply chain – who make up the majority of workers on the factory floor – through training on such life-enhancing skills and knowledge as nutrition, reproductive health, problem solving and financial literacy. For example, the BSR HERHealth program we launched with one supplier in China has already impacted approximately 1,175 women workers and has trained 42 managers to continue leading the program in coming years.

### **Supporting compliance through online and in-person training and engagement.**

To empower factory management to take ownership of compliance, we now require compliance or business leads at our third-party factories to participate and complete the **Hasbro Ethical Sourcing Academy**. The Academy is a 30-hour, e-learning social compliance course, which trains and reinforces Hasbro's rigorous ethical sourcing requirements. This mandatory online training is in addition to monthly in-person vendor workshops that the Hasbro Ethical Sourcing team hosts in our sourcing office locations around the world. All of our global supply chain factories also undergo mandatory, annual, unannounced and comprehensive social compliance audits, as well as follow-up audits to remediate identified issues throughout the year. In addition, as a further best practice, we conduct oversight audits on approximately 10 percent of our supply chain annually. Hasbro employees conduct oversight audits to verify that the systems used for implementing our Global Business Ethics Principles are effective. These spot checks help ensure audit process integrity and factory compliance between regular audits.



**Cross training our own operations teams.** We implemented a well-integrated education and training program for the various Hasbro teams that work closely with our suppliers, including local sourcing and quality assurance teams. Based on Ethical Sourcing Council guidelines, the training is designed to strengthen sourcing responsibility and accountability locally.

**Enhancing our Responsible Business Alliance membership.** In 2019 Hasbro achieved “Full Member” status in the Responsible Business Alliance (RBA), the world’s largest multi-industry coalition dedicated to implementing and sharing corporate social responsibility best practices across global supply chains. The RBA includes some of the largest and most reputable brands across technology, automotive, retail and consumer products sectors. As an active member, Hasbro now participates in cross-industry RBA working groups in order to support and shape the continuing evolution of the organization as well as to stay abreast of emerging issues in the fields of human rights.

**Implementing comprehensive factory performance ratings.** Introduced in 2018, Hasbro’s Ethical Sourcing Factory Rating system is designed to assess performance progress, improve conditions as needed and maintain ongoing engagement. The formalized performance assessment uses a color ratings system – green (factory is excellent), yellow (factory is fair: some remediation required) and red (factory is poor: significant remediation required).

Following each audit, suppliers receive a formal notice of their factory rating, including a requirement to send a corrective action plan (CAP) and demonstrate effective remediation in a follow-up audit. Supplier engagement is focused on short and long-term resolution of Critical Issues, and, if deemed necessary, Hasbro will assign an approved third-party consultant to support the factory’s corrective action process. If any Zero Tolerance issues are identified, the factory will be given no longer than 30 days to address them in order to be considered for continuing business.

#### Hasbro Ethical Sourcing Factory Rating System

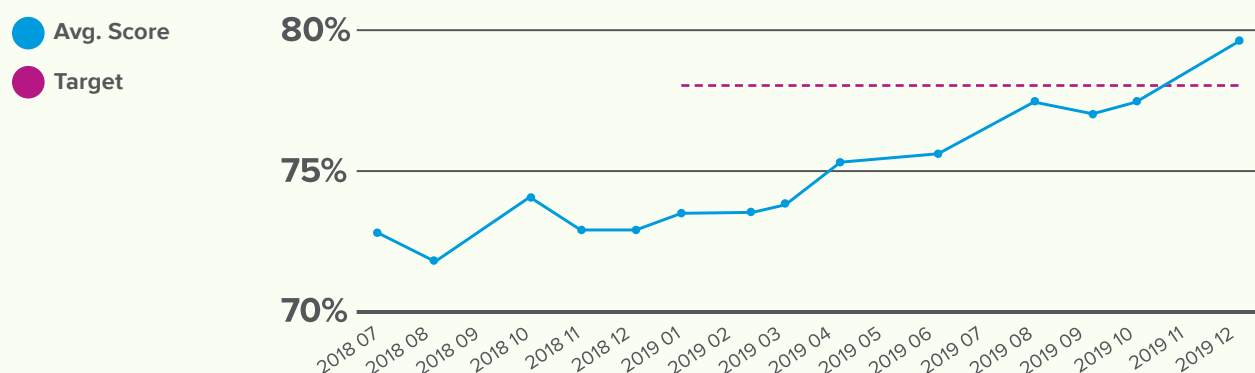
Sample Factory	Ethical Sourcing Score/Rating (0 – 100%)	Factory Approval Status
Factory “X”	90%	Preferred for business (audited every 12 months)
Factory “Y”	80% - 1 Critical Issue*	Conditional Approval (re-audited in 6-9 months)
Factory “Z”	65% - 2 Critical Issues	No orders allowed without immediate remediation (re-audited in 1-3 months)

\* A Critical Issue is one which represents a significant negative impact to individual worker rights and/or life safety, as set forth in the [Hasbro Ethical Sourcing Guide for Licensees](#).



In addition to color rating, the assessment generates an ethical sourcing score for each factory, which is tracked on a monthly basis. The chart below demonstrates the steady improvements that have been made since the **Factory Rating System** and **Ethical Sourcing Score** tracker were introduced in 2018.

## FACTORY TRACKER – AVERAGE ETHICAL SOURCING PERFORMANCE



**Establishing a worker helpline.** In order to provide workers with another avenue of communication, we have set up a dedicated worker helpline. All third-party factories are required to post Hasbro Worker Helpline signs in areas easily visible to workers, such as the cafeteria, dormitories and bathrooms, and translated into the local languages commonly understood by workers.

**Combating forced labor.** Throughout 2019, we remained vigilant in ensuring our forced labor prohibition was being enforced throughout our supply chain. One of the tools we utilize is a Vendor Forced Labor Certification, which requires that every supplier certify compliance with the Hasbro prohibition of child, forced and indentured labor and any form of worker compulsion or coercion. We also engaged in a deep analysis of labor agent use in China and conducted one-on-one calls with suppliers to discuss their practices. In cases where issues are detected, Hasbro required factories to pay back worker fees. In 2019, a factory in China and a factory in Japan repaid workers for agent fees as per Hasbro’s policy that no worker fees are allowed; we also required other factories to repay workers for improperly charged fees, including pre-job health check fees, uniform charges, and factory locker fees. In 2019, we also put in place prohibitions on the use of Uzbek and Turkmen cotton and on the use of North Korean labor.

**Ensuring conflict-free minerals.** Our ethical sourcing program also covers efforts to ensure that specific minerals (tin, tantalum, tungsten and gold or “3TG”) in our products come from conflict-free sources. The profits from mining these minerals in certain conflict locations and countries are used to finance violence and fuel humanitarian crises. After achieving a 100 percent survey response rate and a 100 percent corrective action rate from its relevant suppliers, Hasbro was recognized externally for its strong conflict minerals program. For example, in 2020, we were ranked in the top six percent of 207 companies by the independent Responsible Sourcing Network (RSN), earning the highest score in the Travel and Leisure category. For the most recent information on Hasbro’s conflict mineral program, click [here](#).





# Environmental Responsibility

We are passionate about protecting our planet and conserving natural resources for future generations. We recognize the impact our business can have on the environment and are working hard to reduce our footprint. At Hasbro, we see sustainability challenges as opportunities to innovate and to continuously improve our product design and operational efficiencies.

The long-term viability and health of our own operations and our supply chain, and the significant potential for environmental improvements, are critical to our business success. Our sustainability initiatives are guided by our Sustainability Center of Excellence, which we launched in 2016. The center brings together people from multiple functions to work across three core areas: Design for the Environment, Sustainable Supply Chain and Facilities & Culture.

## OUR ENVIRONMENTAL BLUEPRINT



In 2019, the Sustainability Center of Excellence led a number of innovative strategic initiatives to advance our progress, as described below.

## ELIMINATING PLASTIC FROM PACKAGING

Removing plastic from our packaging is the latest advancement in our more than decade-long journey to create a more sustainable future for our business and our world. After announcing plans in 2019, an experienced, cross-functional team was established to manage the complexity of phasing out plastic from new product packaging, including plastic elements like polybags, elastic bands, shrink wrap, window sheets and blister packs. Our public goal is to eliminate all plastic in packaging for new products by the end of 2022, with the exception of glue and tape, for which there is no plastic-free alternative.

We know consumers share our commitment to protecting the environment, and we want families to feel good knowing that our packaging is made from recycled or sustainably sourced paper and virtually plastic-free.





## OUR INDUSTRY-FIRST TOY RECYCLING PROGRAM

How can consumers find new life for their well-loved Hasbro toys and games? As part of our longstanding effort to reduce the environmental impact of our products, we continue to search for sustainable solutions for our toys and games at the end of their useful lives. And recycling – not a simple process for our products – has become a promising option, with Hasbro leading the way for our industry.

In 2018, Hasbro launched the first national recycling program in the United States in the toy and game business, in partnership with **TerraCycle**, a leader in product recycling outside of municipal recycling. **The Hasbro Toy Recycling Program** is designed to provide a free-of-charge, easy solution for consumers. In 2020, the **Toy Industries of Europe (TIE)** recognized our groundbreaking work and awarded Hasbro the **Gold Play for Change Award** in the environmental sustainability category.

Through our partnership with TerraCycle, consumers can send in – or in some markets bring to participating drop-off locations – their well-loved toys and games where they will find new life as materials used in the construction of play spaces, flowerpots, park benches and other innovative products. For more information on our toy recycling program, click [here](#).

Following our successful pilot program in the U.S., we expanded the program in 2019 to key markets around the world: **France, Germany, Brazil** and **Canada**. In 2020, we expanded further into the **U.K.** And we expect to expand the recycling program into additional markets in the European Union and elsewhere in 2021.

“We have a responsibility to take care of our planet for future generations, and we see expansion of our toy recycling program as a further step in our sustainability journey,” says Kathrin Belliveau, senior vice president Global Government, Regulatory Affairs and Corporate Social Responsibility. “We want consumers to know when they choose Hasbro toys and games, they can feel good that our products are of the highest quality, responsibly made and recyclable.”

## NEW TOOLS TO MEASURE THE ENVIRONMENTAL IMPACT OF OUR SUPPLY CHAIN

To further assess the environmental impact of our toy and game suppliers around the world, in 2019, we became the first toy and game company to pilot the **Higg Index**. The Higg Index was originally developed by the **Sustainable Apparel Coalition (SAC)** to measure the environmental and social impacts of the apparel, footwear and textiles industry.

Hasbro recognized the potential value of this tool and partnered with the SAC to pilot the **Higg Facilities Environmental Module (FEM)** to gain a deeper understanding of the environmental impacts of our toy and game supply chain and provide the SAC with cross-industry feedback to help expand the tool beyond the apparel industry.

We piloted the Higg FEM with almost 100 suppliers, representing approximately 89 percent of our supplier base, and collected data on key areas including environmental management systems, energy use and greenhouse gas emissions, water use, wastewater, air emissions, waste management and chemical use and management. An extremely

valuable process, it initiated a deeper collaboration with our suppliers on environmental impacts. It also served as an educational tool for our key suppliers and helped us identify and quantify macro sustainability trends.

The next steps are to conduct a deeper analysis of the data to identify best practices and opportunities for improvement and to create a supply chain sustainability roadmap. Our goals are to minimize our environmental impact and strengthen the structure and quantification of our supply chain sustainability effort.



In 2019, we continued to meet our renewable energy goal, reaching virtually 100 percent (99.7%)

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## REDUCING GREENHOUSE GAS EMISSIONS

In addition to initiatives to reduce our energy consumption and improve energy efficiency, we also support projects that increase the generation of renewable energy in the marketplace. In 2019, we continued to meet our renewable energy goal, reaching virtually 100 percent (99.7%).

Most of Hasbro's leased and owned facilities operate on the public energy grid where we do not always have a choice in selecting our source of energy. To address the greenhouse gases generated by this electricity consumption, Hasbro purchases **Renewable Energy Certificates (RECs)** which support the production of renewable energy such as wind, solar, thermal and similar renewable sources, at levels equal to what we use from the public grid. These RECs are bought in and applied to the markets where the energy is used by Hasbro facilities across the globe.

We also purchase carbon offsets to address the remaining GHG emissions generated by the use of gas and liquid fuel at our leased and owned facilities, company vehicles, all employee business air travel and the remaining small amount of emissions generated by electricity consumption at our facilities in markets where RECs are not available. Carbon offsets are similar investments to RECs, however they are not energy or market specific; instead they represent the prevention of carbon emissions by supporting reduction projects to offset emissions that may be generated from a different source.



# Product & Content Safety

From concept to consumer, we work hard every day around the globe to make sure all of our products are safe, compliant and reliable. We know product safety is essential to upholding our consumers' trust and expectations. That's why we embed quality and safety into every product and play experience, not only meeting all applicable regulations but also setting our own rigorous standards. A key part of this effort is our stringent chemical management practices, which are reflected in our newly published **Materials and Chemical Management Policy** (see [page 30](#)).

Our standards are applied at every stage of production, from design and engineering to manufacturing and packaging, and we work proactively to stay abreast of emerging product safety hazards and child play patterns – partnering with regulators and standard-setting bodies and employing industry best practices.

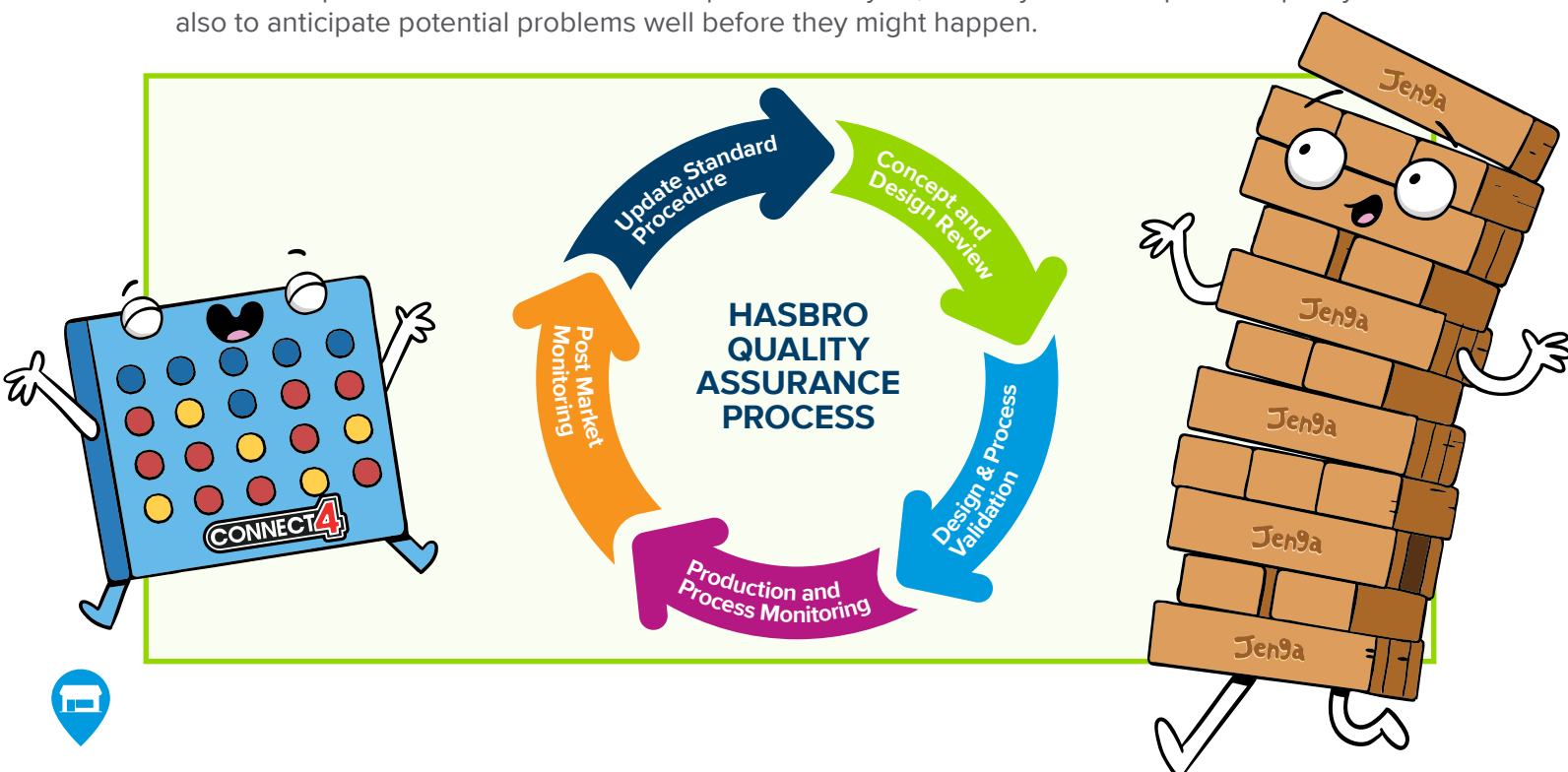
Our high standards and processes apply globally, so we can manufacture and sell our products anywhere in the world with consistently high quality and safety.

## STRENGTHENING OUR STANDARDS

In a complex world in which there are significant differences in quality regulations, we employ approximately 140 proprietary **Safety and Reliability Standards and Procedures** in our global Quality Assurance program. Our designers, engineers and quality assurance personnel use these guidelines around the world to create and test our products, combining the highest U.S., European, and international safety standards, tailored to meet our specific needs.

To ensure that third-party factories are in compliance with our requirements, we require they be pre-qualified through our Four Ticket process, monitored through onsite visits, and audited using our proprietary **Hasbro Integrated Quality Audit**. We also monitor product safety, compliance, and reliability through periodic tests and quality checks at multiple stages of the manufacturing process, conducted by third-party independent laboratories as well as by vendors' specially trained and approved staff, and by our own experts.

We put our quality assurance standards and procedures into practice through a five-step testing and review process that covers the entire product lifecycle, not only to assure product quality but also to anticipate potential problems well before they might happen.





## MEETING CHALLENGES IN 2019

A key Quality Assurance priority in 2019 was managing our transition to third-party manufacturing facilities in India and Vietnam, from a China-based supply chain with mature quality systems. Quality assurance teams worked vigorously to train workers in India and Vietnam on quality and safety in the new facilities and also to ensure testing labs were robust and up to globally recognized standards. Products continue to be produced in China representing approximately 55 percent of our global sourcing footprint in 2020, as we increasingly expand our footprint and add new geographies for production.

### Also, in the past few years we:

- Established a cross-functional **Quality Council** within **Hasbro's Global Development and Sourcing Organization** to regularly review product quality and safety issues. The Council shares quality-related Key Performance Indicators (KPIs) with the broader sourcing and development organization, lessons learned regarding designs and processes, new regulatory developments of relevance to Hasbro and new policies and procedures. The Council also addresses any specific areas of concern and provides updates on corrective actions. The ultimate objective of this information-sharing organization is to strengthen and build upon Hasbro's culture of safety and reinforce our quality commitment to "getting it right the first time, every time."
- Implemented a monthly KPI system to help assess product reliability based on direct comments from caregivers and consumers. The goal is to learn from their concerns and respond with refinements to specific product design features.
- Incorporated the Quality KPIs into a balanced scorecard used by our sourcing teams to develop holistic sourcing plans.
- Conducted over **50 quality assurance in-person training sessions** with vendors, suppliers, labs, and Hasbro employees between 2019 and 2020. **More than 480 individuals received training**, (82 Hasbro employees and 401 external partners), including **more than 1,000 hours of training** on topics ranging from Critical-To-Safety controls to Hasbro-enhanced requirements for abuse testing, safety of electronic toys and basic toy safety courses.
- Participated in **The Chemical Footprint Project**, a program of Clean Production Action, in 2019. The goal of the Project is to develop and advance the concept and practice of chemical footprinting with a focus on reducing the use of chemicals of high concern. Chemical footprints provide baseline data for evaluating performance and benchmarking progress away from certain chemicals to better alternatives in our manufacturing operations, supply chain and packaging.

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In 2019, we had no product safety fines or consumer product recalls, resulting in a recall-free product safety record for 11 consecutive years. This is a testament to our quality and safety efforts, especially in light of evolving toy safety laws, regulations and standards for lead, phthalates and chemicals.

In 2020, however, we initiated a limited product recall of two Super Soaker blasters because some of the stickers on the blasters contained lead in excess of limits. The issue arose when a supplier in India sourced decorative stickers from an unauthorized supplier, in violation of Hasbro's quality assurance requirements. Upon learning that some of the stickers' ink contained levels of lead in excess of regulatory limits, we promptly announced a recall of the blasters in all of the markets in which they were sold. There were no injuries associated with the stickers, which presented a low toxicological risk. Finally, as part of our steadfast commitment to continuous improvement, we put corrective actions in place with the manufacturer and launched re-training across all manufacturers in our entire supply chain to reinforce the importance of strict adherence to our quality assurance procedures and requirements.



## CHEMICAL MANAGEMENT

Hasbro believes that managing chemical usage in our products is part of our product safety and environmental responsibility. As part of our commitment to product safety, we carefully review, control and limit the use of chemicals of high concern in our products and packaging, with a particular focus on chemicals in those components that could be accessible to children.

### Hasbro Restricted Substances\*

Chemical Family	Examples of Prohibited Substances
<b>Lead and Heavy Metals</b>	Aluminum, Antimony, Arsenic, Barium, Beryllium, Boron, Cadmium, Chromium (Cr III and Cr VI), Cobalt, Copper, Iron, Lead, Lithium, Manganese, Mercury, Molybdenum, Nickel, Selenium, Silver, Strontium, Tin, Organic Tin, Thallium, Vanadium, Zinc
<b>Phthalates</b>	DEHP, DBP, BBP, DINP, DIDP, DNHP/DHEXP, DNOP, DIBP, DPENP/DPP, DCHP, DIHP, DMEP, DIPP, DEP, TBPH, DNHUP, 1,2-Benzenedicarboxylic Acid, Dihexyl Ester, 1,2-Benzenedicarboxylic Acid, Dipenylester 1,2-Benzenedicarboxylic Acid, Mixed Decyl and Hexyl and Octyl Diesters 1,2-Benzenedicarboxylic Acid Di-C6-10-alkyl Esters N-pentyl-isopentyl Phthalate Diisohexyl Phthalate
<b>Flame Retardants</b>	Halogenated flame retardants including but not limited to SCCP, Chlorinated Tris (TDCPP), Penta- BDE, TCEP, TBPH, HBCD, PBDEs, PBB, TRIS, TEPA, OBDE, DEDPE, HBCD
<b>Additional Restrictions on Chemicals and Families of Chemicals</b>	BPA Formaldehyde Asbestos Nitrosamines and Nitrosatable Substances Carcinogens, Mutagens and Reproductive Toxins (CMRs from CLP-Regulation (EC) No 1272/2008)) Allergenic fragrances regulated under Part III of Annex II to the Toy Safety Directive 2009/48/EC Substances with skin sensitizing concerns such as IPBC, CMI/MI, and Nickel Candidate List of SVHC published in accordance with Article 59(10) of the REACH Regulation California Prop 65 Conflict Minerals Ozone depleting substances EN71-9 Maine Safer Chemicals in Children's Products Vermont V.S.A Title 18: Chapter 38A Washington CHCC Oregon HPCCCH Phosphite-based stabilizers that contain Phenol or Nonylphenol derivatives

\* A selection of prohibited substances. Table does not cover all the substances Hasbro currently restricts the use of in its products.



Materials specification and sourcing and chemical management play a vital role in the safety, quality and environmental responsibility of our products. Building on the extensive, best-in-class work Hasbro has done in these areas, we have formalized and publicly disclosed our Materials and Chemical Management Policy. In addition to communicating our existing robust product safety practices related to chemical management, this policy creates a baseline of transparency from which we can further engage our supply chain through the measurement and reduction of environmental impacts.

## Hasbro's Materials and Chemical Management Policy

Hasbro's Materials and Chemical Management Policy guides the specification, sourcing and screening of materials and chemicals in products and packaging. This policy applies to all Hasbro products worldwide and extends to Hasbro vendors and suppliers involved in the production of our products. Additional vendor and supplier expectations are set through the Hasbro Vendor Manual and the Hasbro Sustainability Center of Excellence.

### **Materials and chemical management at Hasbro is based on the following principles and commitments:**

- The safety of children enjoying our products is our number one priority. We comply with all applicable global laws, regulations and safety standards and adopt and apply international standards where laws and regulations are less stringent.
- We proactively evaluate materials and chemicals in Hasbro's products and packaging, and we prioritize them for restriction based on published lists of chemicals of concern, retailer preferences and sound scientific analysis that reveals a potential impact to human health or the environment.
- We require our vendors and suppliers to provide bills of substance and toxicological risk assessments (where appropriate) for all materials used in our products.
- We perform chemical safety assessments of chemical constituents and formulations in products and packaging, and we strive to reduce potential hazards by replacing a chemical of concern with a less hazardous alternative where the replacement does not adversely impact other aspects of product safety.
- We work with our vendors, suppliers, product safety experts, and stakeholders to redesign products and packaging to avoid the use of chemicals of concern and to drive innovation in the development and adoption of safe and environmentally friendly alternatives.
- We support policies, standards and harmonized legislation to ensure that comprehensive hazard data are available for chemicals on the market and to eliminate or reduce known hazards. These policies, standards and legislation should be based on sound science and include assessments of relevant hazards, exposures and subsequent risks and a preference for lower-risk alternatives.

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We are committed to the above principles and integrating them into our business operations. This includes conducting assessments and defining performance goals and metrics. We look forward to reporting on our ongoing efforts in this important area.



## Culture & Human Capital Management

84%

of our employees  
say Hasbro is a great  
place to work

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85%

say they are able  
to take time off when  
necessary

The talent, dedication and diverse backgrounds of our employees are at the heart of our success, energizing everything we do, from developing innovative products to creating immersive entertainment experiences. Working together, we seek to create a culture of kinship, curiosity and innovation in which everyone feels valued and empowered to deliver their best every day.

In short, we seek to nurture an employee experience that generates both professional and personal satisfaction. Our employees are passionate about being members of our organization, and newer teammates have joined us to be a part of the Hasbro purpose to make the world a better place for all children and all families.

2020 marked an enormous test of our organization's resolve, which included the significant shift to remote working. As part of our ongoing commitment to supporting our workforce, we initiated regular and frequent communications with our employees to ensure their health, safety and welfare. We invited their feedback and have continued to learn about and respond to concerns.

For example, we provided technological tools, ergonomic support, internet capacity, mental health support and many other tools designed to support our workforce in working effectively in their homes or safely on site, if their jobs so required it. We developed engaging Covid-19 handbooks for employees returning to work in our offices around the world and implemented robust employee health and safety protocols and sanitization in our owned and operated offices and facilities globally.

In 2019, prior to Covid-19, we made substantial progress in supporting our employees. With the contributions of our 12 Employee Resource Groups (see [Employee Engagement](#) section in this Update), for example, we established well-received domestic partner benefits and a new work-life balance policy supporting flexibility to carry out work and personal responsibilities. We recognized that work-life integration had only gone so far and needed to go further.

In fact, according to a 2017 Great Places to Work survey, 84 percent of employees globally said Hasbro is a great place to work with 85 percent noting they are able to take time off when they think it's necessary. As our organization continues to grow and evolve, we remain steadfast in our ambition to be the best place our employees have ever worked.





## DIVERSITY & INCLUSION AND EMPLOYEE ENGAGEMENT

Through our commitment to Diversity & Inclusion (D&I), we aim to address obstacles in order to enable our employees to reach their full potential. We know that the more inclusive we are as a company, the stronger our business will be. And while we set goals on D&I years ago and made progress on multiple fronts, we know we still have lots of work to do.

In 2017, Hasbro elevated D&I as a strategic CSR priority that is linked to the future success of our business and the growth of our brands. The key: understanding that our employees and partners must reflect the diversity of our consumers and communities to ensure our future success.

With this understanding, in 2019 our Chairman and CEO, Brian Goldner, along with 800 other CEOs, signed on to the **CEO Action for Diversity and Inclusion** pledge, developed by the accounting firm PwC, to publicly affirm Hasbro's commitment to D&I as a fundamental value and corporate priority. In parallel with the CEO pledge, we launched the employee engagement event, "Check Your Blindspot." This event offered employees the opportunity to test their attitudes and sign a D&I/anti-bias pledge, a program that we plan to further expand in a post-pandemic environment.

**To institutionalize and further build a culture of D&I in our organization, we took a number of steps in 2019 including:**

- Establishing a D&I function responsible not only for D&I but also for talent acquisition and employee engagement.
- Launching "road show" meetings with employees across the U.S., outlining the business case for D&I to ensure company-wide alignment.
- Implementing unconscious bias training to help acknowledge subtle biases in all of us, which impact employee and management behavior, from hiring to project team selections and people management. The program includes theatrical vignettes in which relatable scenes indicating unconscious bias are acted out. In 2019, 319 employees participated in the training. By the end of 2020, nearly 1,400 employees from Hasbro and eOne are expected to participate, with continued expansion of the training through 2021.
- Setting the goal of a 50 percent diverse interview slate for all open positions in the U.S. where there is underrepresentation, with a continued commitment to always selecting the most qualified candidates to interview and for final candidate selection. Diversity in this context includes but is not limited to: race, ethnicity, gender, sexual orientation, military and abilities.

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In 2020, in the aftermath of social unrest in the U.S., we worked to build on and accelerate our progress. We hosted almost 20 individual employee listening forums, sponsored by senior executives, reaching 2,200 employees, and launched a Global Diversity, Inclusion and Belonging program, to hear directly about our employees' experiences and concerns. The valuable feedback from this engagement helped inform our progress, including refining and accelerating our D&I and unconscious bias training programs and establishing a D&I intranet site to increase communication and transparency regarding our strategy and progress. (see [page 14](#) in **Key Conversations** for further details on these 2020 initiatives).



## EMPLOYEE ENGAGEMENT

At Hasbro, there are 12 **Employee Resource Groups** (ERGs), with nearly 1,000 members, reflecting the dynamic opportunities for employee engagement. These groups give voice to member concerns, create opportunities for networking and leadership skills development, aid in employee recruitment and retention efforts, and celebrate ethnic and cultural themes important to our workforce.

In 2019, we formed the **Business Resource Group** (BRG), which provides a channel for the ERGs to consult on business decisions and programs, many related to diversity, as well as on the marketing, design and content of products. In 2020, we expect to increase participation in the BRG to help us continuously improve in our effort to become a truly diverse and inclusive company.

We look forward to our next CSR report in 2021, when we can expand on the progress of our D&I strategy and our broader inclusion goals.



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## 2019 Data Disclosures

We are pleased to provide the following key information that meets global sustainability reporting standards. Since our last comprehensive CSR report the **Global Reporting Initiative** (GRI) has moved from a holistic checklist of prescriptive reporting requirements (G4) to a modular, issue-specific approach called GRI Standards. As a result, we are able to focus our reporting on data that is most material.

For the 2019 reporting cycle, we've updated our data tables to account for this evolutionary change with relevant data and information that comply with **GRI's Core Standards**. We're also being guided by the sector standards created by the **Sustainability Accounting Standards Board** (SASB) to ensure we're meeting the disclosure needs of investors as displayed in our [2019 SASB Data table](#).

All 2019 data reported in this Update excludes information from eOne as the acquisition closed on December 31, 2019.

For 2019 environmental data, we developed an even more rigorous data collection and reporting process which resulted in the inclusion of a significant number of additional sites and an update of existing estimates. The emissions for all sites that do not report energy consumption data are estimated based on electricity and natural gas consumption per square foot of similar sites with reported data.

Although GRI and SASB are interlinked and mutually supportive, they were designed for different audiences. The GRI standards focus on the company's economic, environmental, and social impacts for a broad range of stakeholders, including investors, NGOs and others. The SASB standards focus on ESG (Environment, Social, Governance) issues that have a financially material impact. In this Update, we have identified the data points that satisfy each framework. We look forward to reporting a combined data table in 2021.

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## Corporate Governance

	2019
Number of members on Hasbro's Board of Directors	13
Number of independent members on the Board	11
Number of female directors on the Board	5
Percentage of female directors on the Board	38%

## Ethics & Compliance

	2019
Number of active employees who completed annual Code of Conduct training.	Approximately 4,500 employees
Complaints received through Hasbro's ethics helpline and mailboxes, and other sources.	57
Total number of incidents of discrimination and corrective actions taken. (GRI G4-HR3 / GRI 406)	In 2019 one charge of discrimination was filed against Hasbro with the United States Equal Employment Opportunity Commission (EEOC). We fully investigated and found no evidence of discrimination and therefore denied the claim. The EEOC issued a right to sue letter and the complainant filed a lawsuit in Rhode Island State Court bringing four different causes of action. The lawsuit was removed to federal court and the court granted Hasbro's motion to dismiss and entered judgement in favor of Hasbro. Hasbro also received a request for information from the Rhode Island Commission on Human Rights (RICHR) regarding a charge of discrimination against Hasbro. We fully investigated and found no evidence of discrimination. The RICHR found no probable cause with respect to all allegations against Hasbro.
Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices. (GRI G4-SO7 / GRI 206-1)	0
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. (GRI G4-SO8 / GRI 419-1)	0





## /// Product Responsibility (Product Safety and Responsible Marketing)

### Product Safety

	2019
Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. (GRI G4-PR2 / GRI 416-2)	0  Hasbro is proud of our product and material safety efforts and our record; as of the end of 2019, we have had no consumer product recalls or product safety fines in the past 11 years.
Percentage of significant products and service categories for which health and safety impacts are assessed for improvement. (GRI G4-PR1 / GRI 416-1)	100%

### Responsible Marketing

	2019
Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. (GRI G4-PR1 / GRI 417-3)	0
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (GRI G4-PR9 / GRI 419-1)	0



## Emissions & Energy

GREENHOUSE GAS EMISSIONS <sup>2</sup> (metric tons CO <sub>2</sub> e)	2015	2016	2017	2018	2019
<b>SCOPE 1 (DIRECT)</b>					
Asia Pacific	0	0	0	17	116
Europe	1,773	1,649	2,704	1,677	2,508
Latin America	144	129	121	75	839
U.S./Canada	3,380	3,443	3,761	3,678	2,500
<b>Total Direct</b>	<b>5,297</b>	<b>5,221</b>	<b>6,586</b>	<b>5,447</b>	<b>5,962</b>
<b>Normalized (metric tons/\$million of revenue)</b>	<b>1.19</b>	<b>1.04</b>	<b>1.26</b>	<b>1.19</b>	<b>1.26</b>
<b>SCOPE 2 (INDIRECT)</b>					
Asia Pacific	1,840	1,675	1,733	1,500	1,301
Europe	2,944	1,794	1,434	1,387	1,297
Latin America	448	466	518	612	541
U.S./Canada	4,234	4,606	4,272	4,130	3,762
<b>Total Indirect</b>	<b>9,466</b>	<b>8,541</b>	<b>7,957</b>	<b>7,629</b>	<b>6,901</b>
<b>Normalized (metric tons/\$million of revenue)</b>	<b>2.13</b>	<b>1.70</b>	<b>1.53</b>	<b>1.67</b>	<b>1.46</b>
<b>Total GHG Emissions (direct and indirect)</b>	<b>14,763</b>	<b>13,762</b>	<b>14,543</b>	<b>13,076</b>	<b>12,864</b>
<b>Total Normalized (metric tons/\$millions of revenue)</b>	<b>3.32</b>	<b>2.74</b>	<b>2.79</b>	<b>2.86</b>	<b>2.73</b>

## CO<sub>2</sub> EMISSIONS (metric tons CO<sub>2</sub>)

<b>SCOPE 1 (DIRECT)</b>					
Asia Pacific	0	0	0	17	105
Europe	1,771	1,647	2,704	1,676	2,488
Latin America	144	129	121	75	835
U.S./Canada	3,314	3,437	3,761	3,675	2,437
<b>Total Direct</b>	<b>5,229</b>	<b>5,213</b>	<b>6,586</b>	<b>5,446</b>	<b>5,865</b>
<b>Normalized (metric tons/\$million of revenue)</b>	<b>1.18</b>	<b>1.04</b>	<b>1.26</b>	<b>1.19</b>	<b>1.24</b>
<b>SCOPE 2 (INDIRECT)</b>					
Asia Pacific	1,829	1,665	1,733	1,497	1,295
Europe	2,930	1,785	1,434	1,385	1,291
Latin America	447	465	518	611	540
U.S./Canada	4,206	4,576	4,272	4,125	3,731
<b>Total Indirect</b>	<b>9,412</b>	<b>8,491</b>	<b>7,957</b>	<b>7,618</b>	<b>6,856</b>
<b>Normalized (metric tons/\$million of revenue)</b>	<b>2.12</b>	<b>1.69</b>	<b>1.53</b>	<b>1.66</b>	<b>1.45</b>
<b>Total CO<sub>2</sub> Emissions (direct and indirect)</b>	<b>14,641</b>	<b>13,704</b>	<b>14,543</b>	<b>13,064</b>	<b>12,721</b>
<b>Total Normalized</b>	<b>3.29</b>	<b>2.73</b>	<b>2.79</b>	<b>2.85</b>	<b>2.70</b>

## Other Reportable Emissions

	2015	2016	2017	2018	2019
VOC EMISSIONS <sup>3</sup>	0	0	0	0	0
NOx EMISSIONS <sup>3</sup>	0	0	0	0	0
SOx EMISSIONS <sup>3</sup>	0	0	0	0	0
TRI EMISSIONS <sup>4</sup>	De minimis	De minimis	De minimis	De minimis	De minimis

## Energy<sup>5</sup>

### ENERGY CONSUMPTION (gigajoules)

Asia Pacific	8,274	7,384	7,597	6,624	7,365
Europe	26,162	21,467	17,817	17,834	20,815
Latin America	3,047	3,132	3,433	4,000	4,642
U.S./Canada	55,723	60,980	61,122	56,441	54,326
<b>Total Electricity</b>	<b>93,206</b>	<b>92,963</b>	<b>89,968</b>	<b>84,901</b>	<b>87,148</b>
<b>Normalized (gigajoules/\$million of revenue)</b>	<b>21</b>	<b>19</b>	<b>17</b>	<b>19</b>	<b>18</b>
<b>Fuel</b>	<b>65,552</b>	<b>68,159</b>	<b>71,425</b>	<b>70,574</b>	<b>100,300</b>
<b>Total</b>	<b>158,759</b>	<b>161,122</b>	<b>161,393</b>	<b>155,475</b>	<b>187,449</b>
<b>Total Normalized (gigajoules/\$millions of revenue)</b>	<b>35.70</b>	<b>32.10</b>	<b>30.98</b>	<b>33.95</b>	<b>40</b>

### SCOPE 3<sup>6</sup> (GRI G4-EN4 / GRI 302-2)

	2019
3rd Party Distribution Centers	49,138
Ocean Freight	336,818
<b>Total</b>	<b>385,956</b>

## Water

### WATER CONSUMPTION<sup>7</sup> (U.S. million gallons)

Asia Pacific	2.1	1.7	1.9	2.1	1.7
Europe	1.9	2.0	2.1	2.0	3.5
Latin America	0.1	0.3	0.4	0.4	0.1
U.S./Canada	9.1	13.8	12.4	12.0	4.7
<b>Total</b>	<b>13.2</b>	<b>17.8</b>	<b>16.8</b>	<b>16.5</b>	<b>10.1</b>
<b>Normalized (U.S. million gallons/thousand employees)</b>	<b>2.64</b>	<b>3.30</b>	<b>3.11</b>	<b>3.12</b>	<b>1.91</b>



## Waste

NON-HAZARDOUS WASTE <sup>7</sup> (U.S. short tons)	2015	2016	2017	2018	2019
Recycling	1,128	1,589	2,448	2,270	1,052
Disposal	1,796	1,658	2,238	2,480	1,517
<b>Total</b>	<b>2,924</b>	<b>3,247</b>	<b>4,686</b>	<b>4,750</b>	<b>2,569</b>
<b>Recycled %</b>	<b>39%</b>	<b>49%</b>	<b>52%</b>	<b>48%</b>	<b>41%</b>

HAZARDOUS WASTE <sup>8</sup> (U.S. short tons)					
U.S./Canada	15	10	12	11	10
<b>Total</b>	<b>15</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>10</b>
<b>Normalized (U.S. short tons/million square feet)</b>	<b>4.77</b>	<b>2.93</b>	<b>3.76</b>	<b>3.53</b>	<b>2.69</b>
<b>Total Significant Spills</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Environmental Compliance

	2019
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. (GRI G4-EN29 / GRI 307-1)	0
Total environmental protection expenditures and investments by type. (GRI G4-EN31 / N/A)	As part of an ongoing remediation at a previously acquired site, Hasbro incurred approximately \$391,000 in investigative and remediation expenses as part of an ongoing activity associated with an environmental remediation effort in 2019.
Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms. (GRI G4-EN34 / GRI 103-2)	0

- For 2019 Environment data, we developed an even more rigorous data collection and reporting process which resulted in the inclusion of a significant number of additional sites and an update of existing estimates. The emissions for all sites that do not report energy consumption data are estimated based on electricity and natural gas consumption per square foot of similar sites with reported data.
- Direct emissions (Scope 1) include sources of stationary combustion, mobile combustion and refrigerants. Indirect emissions (Scope 2) include consumption of purchased electricity.
- Hasbro operates its facilities in accordance with all regulatory environmental requirements. Where applicable, Hasbro reports any wastes and emissions to the required local, state and federal regulatory bodies. Hasbro does not generate reportable quantities of NOx and SOx because our emissions are de minimis and below reporting thresholds, including when normalized.
- Hasbro is a de minimis emitter of substances listed in the US EPA Toxic Release Inventory (TRI). These materials do not meet the reporting threshold defined by the EPA.
- The **US Energy Information Administration Energy Conversion Calculators** and **DEFRA – UK Government GHG Conversion Factors for Company Reporting** were used to convert emissions to gigajoules.
- Scope 3 energy consumption includes electricity usage and stationary combustion for 3rd party distribution centers and ocean transportation for product shipments. Energy consumption data for 3rd party manufacturing is currently under review and is not disclosed herein.
- Data is not available for a number of operated leased facilities where Hasbro waste and water was not segregated.
- Primary hazardous waste materials generated include solvent and paint-related waste.



# /// Human Rights & Ethical Sourcing

## Human Rights

	2019
Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. (GRI G4-HR1 / GRI 412-3)	100% of third-party agreements with vendors and licensees contain human rights clauses or are subject to human rights audits.
Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (GRI G4-HR2 / GRI 412-2)	In 2019, we trained approximately 4,500 employees on Hasbro's Code of Conduct, which includes Hasbro's Human Rights Policy.
Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations. (GRI G4-HR7 / GRI 410-1)	All of Hasbro's FTE security personnel are trained every 12 months.
Total number and percentage of operations that have been subject to human rights reviews or impact assessments. (GRI G4-HR9 / GRI 412-1)	100% of our supply chain operations
Percentage of new suppliers that were screened using human rights criteria. (GRI G4-HR10 / GRI 414-1)	100%



## Ethical Sourcing

NEW SUPPLIER SCREENING	2019
Percentage of new suppliers that were screened using labor practices criteria. (GRI G4-LA14 / GRI 414-1)	100%
Percentage of new suppliers that were screened using criteria for impacts on society. (GRI G4-SO9 / GRI 414-1)	100%
Percentage of new suppliers that were screened using criteria for impacts on environment. (GRI G4-EN32 / GRI 308-1)	100%

VENDOR SOCIAL COMPLIANCE MANAGEMENT	2019
Percentage of third-party vendors required to undergo annual social compliance audit.	99% of our third-party factories are reviewed annually. The remaining 1% are audited every 18 months and represent the factories in the United States that have demonstrated their exemplary and consistent social compliance records.
Operations and suppliers identified as having significant risk for incidents of child labor. (GRI G4-HR5 / GRI 408-1)	Hasbro's ethical sourcing program informs the way we identify and assess risk in the supply chain. This includes assessing the risk of child labor.  Please see <a href="#">page 21</a> of this Update and see pages 43-51 of our <a href="#">2016 CSR Report</a> for details on the foundations of our program and our longstanding active approach to sourcing ethically in our supply chain.
Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor. (GRI G4-HR6 / GRI 409-1)	Hasbro's ethical sourcing program informs the way we identify and assess risk in the supply chain. This includes assessing the risk of forced and compulsory labor.  Please see <a href="#">page 21</a> of this Update and see pages 43-51 of our <a href="#">2016 CSR Report</a> for details on the foundations of our program and our longstanding active approach to sourcing ethically in our supply chain.
Number of third-party factories trained on Hasbro's ethical sourcing and social compliance requirements through both live in-person and online trainings.	96%
Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms. (GRI G4-SO11 / GRI 103-2)	<p><b>Hasbro tackled two significant grievances:</b></p> <p>The first was raised by a manager in a factory in Southeast Asia in relation to allegations of line employees being required to take work home to finish. This is a practice that Hasbro forbids. Following the further audit, investigation and attempts at collaboration, it became apparent that the factory was unwilling to change their practices, resulting in the termination of that factory relationship.</p> <p>The second issue identified as part of an audit and occurred in Northeast Asia. The audit uncovered issues relating to worker fees and freedom of movement/travel. Hasbro engaged with the vendor to remedy the situation setting clear requirements for repaying the fees to workers, revising contracts and other corrective actions to remedy the issue. Once the factory made the changes requested, Hasbro's audit team returned to verify the remediation and they remain in close contact with the workers to address any such grievances that may arise in the future.</p>



# /// Employees

EMPLOYEES <sup>9</sup>	2015	2016	2017	2018	2019
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## EMPLOYEES,<sup>10</sup> NEW HIRES<sup>10</sup> AND VOLUNTARY TURNOVER<sup>10</sup>

Total Employees	4,950	5,382	5,660	5,288	5,261
Employees (Age Under 30 Years Old)	—	750	829	751	702
Employees (Ages 30-50 Years Old)	—	3,589	3,682	3,526	3,519
Employees (Ages 51+ Years Old)	—	1,030	1,138	996	1,029
Female Employees	54%	55%	55%	55%	55%

Total New Hires	720	933	1,276	1,187 <sup>11</sup>	1,071
New Hires (Age Under 30 Years Old)	—	422	582	499	412
New Hires (Ages 30-50 Years Old)	—	455	576	573	533
New Hires (Ages 51+ Years Old)	—	53	118	112	125
% Female New Hires	58%	58%	56%	59%	60%

% Voluntary Turnover (by rate)	7%	7%	8%	11%	11%
% Voluntary Turnover (Age Under 30 Years Old)	—	9%	12%	14%	25%
% Voluntary Turnover (Ages 30-50 Years Old)	—	6%	8%	10%	12%
% Voluntary Turnover (Ages 51+ Years Old)	—	5%	7%	10%	6%
% Female Voluntary Turnover <sup>12</sup>		8%	9%	11%	12%



## EMPLOYEES, NEW HIRES AND VOLUNTARY TURNOVER BY REGION

2015

2016

2017

2018

2019

### U.S.

Employees	2,425	2,623	2,661	2,455	2,519
New Hires	376	631	749	703	588
Voluntary Turnover	7%	7%	6%	8%	8%

### CANADA

Employees	152	177	172	182	176
New Hires	12	28	24	30	21
Voluntary Turnover	3%	7%	8%	7%	10%

### ASIA PACIFIC

Employees	997	1,123	1,209	1,166	1,186
New Hires	166	196	208	227	215
Voluntary Turnover	8%	10%	11%	16% <sup>14</sup>	14%

### EUROPE

Employees	1,097	1,170	1,323	1,208	1,122
New Hires	121	39	235	178	204
Voluntary Turnover	6%	3%	9%	11%	14%

### LATIN AMERICA

Employees	147	152	160	145	133
New Hires	27	24	33	30	30
Voluntary Turnover	8%	9%	8%	15%	19%

### MEXICO

Employees	132	137	135	132	125
New Hires	18	15	27	19	13
Voluntary Turnover	8%	4%	12%	7%	14%

## LABOR RELATIONS<sup>13</sup>

2015

2016

2017

2018

2019

Percentage of Hasbro employees covered by unions or collective bargaining agreements globally.

9.60%





**DIVERSITY AND INCLUSION<sup>10</sup>****2015****2016****2017****2018****2019****WOMEN IN OUR WORKFORCE**

Female Employees	54%	55%	55%	55%	55%
Female Leaders/Managers <sup>14</sup>	35%	37%	38%	41%	42%
U.S. Female Employees	53%	54%	54%	55%	53%
U.S. Female Leaders/Managers <sup>14</sup>	36%	37%	38%	41%	42%

**MINORITIES IN OUR WORKFORCE (U.S.)**

Minority Employees	16%	17%	17%	18%	19%
Minority Leaders/Managers <sup>14</sup>	8%	9%	8%	10%	10%
Minority New Hires	23%	24%	25%	26%	25%

**EMPLOYEES BY ETHNIC GROUP (U.S.)**

American Indian/Alaskan	<0.1%	0.1%	0.2%	0.2%	0.2%
Asian	6%	6%	6%	7%	7%
Black or African American	2%	2%	2%	2%	2%
Hispanic/Latino	7%	7%	8%	8%	8%
Native Hawaiian or Pacific Islander	0.1%	0.2%	0.2%	0.2%	0.2%
Two or More Races	1%	1%	1%	1%	2%
White	84%	83%	83%	82%	81%



EMPLOYEE HEALTH AND SAFETY	2015	2016	2017	2018	2019
<b>INCIDENCE RATES<sup>16</sup> (PER 200,000 HOURS WORKED)</b>					
Recordable Injuries and Illness	0.84	1.00	1.11	0.89	0.30
Lost Time Injuries and Illness	0.26	0.54	0.82	0.45	0.16
Lost Work Days	1.95	5.57	8.14	7.53	2.81
Work-Related Fatalities	0	0	0	0	0

<b>INCIDENCE RATES BY REGION (PER 200,000 HOURS WORKED)</b>					
<b>Americas</b>					
Recordable Injuries and Illness	1.15	1.11	1.98	1.21	0.23
Lost Time Injuries and Illness	0.40	0.32	1.50	0.60	0.19
Lost Work Days	3.20	3.53	17.13	10.72	4.36
<b>Europe</b>					
Recordable Injuries and Illness	0.76	1.44	0.49	0.63	0.46
Lost Time Injuries and Illness	0.09	1.36	0.30	0.11	0.23
Lost Work Days	0.26	14.53	0.57	0.54	2.00
<b>Asia Pacific</b>					
Recordable Injuries and Illness	0	0.19	0.17	0.46	0.27
Lost Time Injuries and Illness	0	0.19	0.17	0.23	0.00
Lost Work Days	0	0.96	1.12	1.55	0.00

9 All reported employee data, excluding employee health and safety data, excludes employees at Boulder Media and BackFlip Studios. All 2019 data also excludes information from eOne as the acquisition closed on December 31, 2019.

10 Hasbro collects and reports U.S. employee demographics information in accordance with U.S. law. Such practice is prohibited by law in other jurisdictions. Additionally, age data is not self-reported for Japan employees and is therefore not reflected in the breakdown by age.

11 Age data not self-reported by some employees so age group breakdowns do not add up to total.

12 To be consistent with the other voluntary turnover data we report, we are reporting female voluntary turnover by rate (versus as a percentage). Due to a change in Hasbro's HR reporting systems, female voluntary turnover data by rate is not available prior to 2016.

13 This category includes certain groups of employees covered by collective bargaining agreements or works councils in Canada, France, Germany, Mexico and Spain.

14 Leaders/Managers are defined as director level and above.

15 Includes a one-time Voluntary Termination Program.

16 Hasbro reports injury rates, lost days, absenteeism and fatality information by region for direct employees; however, Hasbro does not track incidence rates information by gender nor third-party employees working at our facilities.

COMMUNITY	2015	2016	2017	2018	2019
Employee Volunteer Hours	52,230	67,245	75,051	68,870	68,312

Total Philanthropic Support (\$ millions)					
Financial Support <sup>17</sup>	4.4	4.9	6.6	4.2	2.9
Product Donations (estimated retail value)	9.7	9.5	15.9	15.7	9.2
<b>Total Philanthropic Support<sup>18</sup></b>	<b>14.1</b>	<b>14.4</b>	<b>22.5</b>	<b>20.8</b>	<b>12.1</b>

Children Impacted (\$ millions)	3.4	3.8	4.7	4.3	4.19
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<sup>17</sup> Total financial support represents the combined total of charitable company sponsorships and cash grants made during the fiscal year. The company's grant making is done through the Hasbro Children's Fund, including all matching gift grants.

<sup>18</sup> Total philanthropic support represents both financial contributions and the estimated retail value of product donations.

# 2019 SASB Data

Issue	Topic	Accounting Metric	Code	Hasbro Response
Product Quality & Safety	Chemical & Safety Hazards of Products	Number of recalls and total units recalled	CN0604-01	<p>In 2019, we had no product safety fines or consumer product recalls, resulting in a recall-free product safety record for 11 consecutive years. This is a testament to our quality and safety efforts, especially in light of evolving toy safety laws, regulations and standards for lead, phthalates and chemicals. <a href="#">(Page 28)</a></p> <p>In 2020, however, we initiated a limited product recall of two Super Soaker blasters because some of the stickers on the blasters contained lead in excess of limits. There were no injuries associated with the stickers, which presented a low toxicological risk. <a href="#">(Page 28)</a></p> <p>See the following data table in this Update. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. (GRI G4-PR2 / GRI 416-2) <a href="#">(Page 36)</a></p> <p>Please also see the following in our <a href="#">2016 CSR Report</a>:  <ul style="list-style-type: none"> <li>• Hasbro reports 'Product recalls and regulations' <a href="#">(Page 29)</a></li> <li>• GRI table: G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. <a href="#">(Page 111)</a></li> </ul> </p>
		Number of Letters of Advice (LOA) received	CN0604-02	Hasbro received <b>zero</b> Letters of Advice from the US Consumer Product Safety Commission in 2019.
		Amount of legal and regulatory fines and settlements associated with product safety	CN0604-03	<p>We work with our vendors, suppliers, product safety experts, and stakeholders to redesign products and packaging to avoid the use of chemicals of concern and to drive innovation in the development and adoption of safe and environmentally friendly alternatives <a href="#">(Page 28)</a></p> <p>In 2019, we had no product safety fines <a href="#">(Page 28)</a></p> <p>See the following data table in this Update. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. (GRI G4-PR2 / GRI 416-2) <a href="#">(Page 36)</a></p> <p>Please also see the data tables in our <a href="#">2016 CSR Report</a> section "Product Responsibility" <a href="#">(Page 111)</a>:  <ul style="list-style-type: none"> <li>• Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. (GRI G4-PR2 / GRI 416-2)</li> <li>• Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (GRI G4-PR9 / GRI 419-1)</li> </ul> </p>
		Description of processes to assess and manage risks and/or hazards associated with chemicals in products	CN0604-04	<p>Hasbro's materials and chemical management policy guides the specification and sourcing of permissible materials and chemicals in products and packaging. This policy applies to all Hasbro products worldwide and extends to Hasbro vendors and suppliers involved in the production of our products. Additional vendor and supplier expectations are set through the Hasbro Vendor Manual and the Hasbro Sustainability Center of Excellence. See the <b>Chemical Management</b> section of this Update <a href="#">(Pages 29-30)</a>. Please also see: <a href="#">2016 CSR Report</a>, throughout and <a href="#">Pages 26-28</a></p> <p>"At Hasbro, we are committed to using our product safety knowledge and experience to help develop regulatory and voluntary standards for our industry; for example, we serve on ASTM and American National Standards Institute committees. We also chair committees on product safety in Europe for CEN, the European Committee for Standardization, and internationally for ISO. Our efforts to measure, monitor, and improve material content focus on heavy metals and chemicals. We invest significant resources looking for alternatives to materials that can potentially impact human health or the environment. For example, a few years ago we removed polyvinyl chloride (PVC) from our packaging for environmental reasons."</p>
Supply Chain Management	Labour Conditions in the Supply Chain	Number of facilities audited to a social responsibility code of conduct	CN0604-05	<p>See <b>Human Rights and Ethical Sourcing</b> section of this Update. <a href="#">(Pages 21-23)</a></p> <p>See the following data tables in this Update <a href="#">(Pages 40-41)</a>:            Total number and percentage of operations that have been subject to human rights reviews or impact assessments. (GRI G4-HR9 / GRI 412-1)            Percentage of new suppliers that were screened using human rights criteria. (GRI G4-HR10 / GRI 414-1)            Percentage of new suppliers that were screened using criteria for impacts on society. (GRI G4-SO9 / GRI 414-1)            Percentage of third-party vendors required to undergo annual social compliance audit (Not GRI)</p> <p>Please also see "<a href="#">Hasbro Global Business Ethics Principles</a>" and our <a href="#">2016 CSR Report</a> <a href="#">(Pages 45-49)</a>:  <ul style="list-style-type: none"> <li>• "In 2016, we evolved our ethical sourcing compliance program by joining the Responsible Business Alliance (RBA)... and increased direct engagement with our third-party manufacturing vendors globally to educate and train them on new vendor compliance requirements and RBA audits."</li> <li>• Social, ethical and environmental performance in the supply chain.</li> <li>• On an annual basis, achieve 100% social compliance audit rate for all third-party vendor and major sub-contractor facilities, as well as 100% follow-up audit rate for all facilities with pending remediation issues</li> <li>• Require 100% vendor compliance with Hasbro Ethical Sourcing Academy</li> </ul> </p>
		Direct suppliers' social responsibility audit compliance 1) priority non-conformance rate and associated corrective action rate and 2) other non-conformance rate and associated corrective action rate	CN0604-06	<p>See <b>Human Rights and Ethical Sourcing</b> section of this Update. <a href="#">(Pages 21-23)</a></p> <p>See also the following in the 'Data Tables' section of this Update <a href="#">(Page 40)</a>:            Percentage of third-party vendors required to undergo annual social compliance audit. (Not GRI)            ""G"" - Operations and suppliers identified as having significant risk for incidents of child labor. (GRI G4-HR5 / GRI 408-1)            ""O"" - Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor. (GRI G4-HR6 / GRI 409-1)            96% - Number of third-party factories trained on Hasbro's ethical sourcing and social compliance requirements through both live in-person and online trainings.            2 - Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms. (GRI G4-SO11 / GRI 103-2)</p>
Activity Metrics		Annual Production	CN0604-A	An overview of annual performance and production in <a href="#">Hasbro's 2019 Annual Report</a> .
		Number of manufacturing facilities, percentage outsourced	CN0604-B	<p>Please see "<a href="#">Hasbro's Third-Party Vendor List</a>" on our website.</p> <p>Please also see:  <ul style="list-style-type: none"> <li>• More detail on <a href="#">Page 10</a> of <a href="#">2019 Annual Report</a></li> <li>• Sq footage of own facilities on <a href="#">Page 27</a> of <a href="#">2018 Annual Report</a> (primarily office).</li> <li>• Description of third party facilities on <a href="#">Page 9</a> of <a href="#">2018 Annual Report</a>.</li> </ul> </p>





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