



Playing With Purpose

2016 CORPORATE SOCIAL RESPONSIBILITY REPORT



About This Report

Our 2016 Corporate Social Responsibility (CSR) Report highlights our progress and goals for the calendar year 2016 (January 1, 2016-December 31, 2016). This report also provides supplemental information about our business, as set forth in our 2016 annual report. Reporting and performance data include information on Hasbro owned and operated facilities (offices and distribution centers) unless stated otherwise. Our most recent past report was Hasbro's 2015 CSR Report Update, available [here](#). In the future, we plan to publish a CSR bi-annual report.

We have prepared this report in alignment with the Global Reporting Initiative (GRI) G4 guidelines at the Core "in accordance" level. Our GRI content index can be found on [page 101](#) of this document. All of our data has been reviewed and verified internally. Additionally, we verify our greenhouse gas emissions data on an annual basis using a third-party provider and disclose their assurance statement in our annual CDP report. We have not pursued external assurance of our CSR Report at this time.

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

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Letter From Hasbro Chairman and CEO



2016 was a banner year for Hasbro. We continued to execute our Brand Blueprint with excellence, we grew our business with the most talented team in the industry, and we celebrated the five-year anniversary of the formation of our formal corporate social responsibility (CSR) practice. In over 120 countries, Hasbro continues to create the world's best play experiences, and every day we are connecting with more audiences more deeply than ever across a broader spectrum of toys, games, consumer products, entertainment and experiences. And with this reach comes great responsibility.

Playing with Purpose is the title of this year's Corporate Social Responsibility Report because through play and responsible business, we are making the world a better place for children and their families.

In much the same way that our business continues to transform, so has our commitment to integrate CSR throughout our business. I'm proud of the great strides we've made to strengthen our CSR performance, increase transparency, and tell the Hasbro story, which includes impactful results in many areas

of CSR, including: reducing our environmental footprint, championing human rights, sourcing our products responsibly, promoting diversity and inclusion, maintaining the highest safety standards in our industry, and making a difference for children and communities around the world.

Playing with Purpose shapes all of our CSR principles and actions. Here are just a few highlights from 2016:

- With the launch of our new Sustainability Center of Excellence, we're pursuing innovative ways to make our products and packaging, supply-chain practices and operations even more sustainable. We also achieved 100 percent renewable energy use and carbon neutrality across our owned and operated operations in the U.S. for the second straight year. Our progress on minimizing Hasbro's environmental impact helped propel Hasbro to No. 1 in *Newsweek's 2016 Green Rankings* of the 500 largest publicly traded U.S. companies.
- As part of our ongoing commitment to operate ethically and treat all people with dignity and respect, Hasbro strengthened our ethical sourcing program, including becoming the first toy and game company to join a multi-sector social compliance group dedicated to working to improve social, ethical and environmental performance in global supply chains. We require all our third-party factories and their major sub-contractors to participate in our robust ethical sourcing social compliance program.
- We also made significant strides in advancing our commitment to building an inclusive workplace where every employee can deliver their best. We continue to invest in growing our

leaders, including women, and I'm honored to serve as the executive sponsor for our Women's Leadership Network. In 2016, we added three new directors, including two women, and as of October 2017 we have a total of five female directors (42 percent) on our 12-member board. Additionally, we were delighted to be ranked among the "Best Places to Work for LGBTQ Equality" by the Human Rights Campaign with a 100 percent score on their 2017 Corporate Equality Index.

I'm proud to share these and many other examples of Hasbro's progress in the pages of our 2016 CSR Report. And I am deeply humbled that we were ranked No. 1 company on the 100 Best Corporate Citizens list for 2017 by *CR Magazine*. It's an honor that we could not have earned without the dedication, passion and ingenuity of our talented employees.

At Hasbro, we view CSR as a continuous journey, guided by our core values and principles. Our challenges along the way serve as learnings, and our progress becomes new points of departure rather than points of arrival. We look forward to continuing our journey and the invaluable work we have embarked on as we add bold new chapters to our story in the year ahead.



BRIAN GOLDNER

Chairman and Chief Executive Officer



FACTS & FIGURES

First
\$5B
revenue year in 2016

Operating in
35+
countries

Sales in
120+
countries

1.5K+
Hasbro brands

5.4K
Hasbro employees
globally

1.6K
half hours of original
programming created by
Hasbro Studios in 2016

1.1K
pieces of short-form
content created by
Hasbro Studios in 2016

2B+
times Hasbro
digital storytelling
has been viewed

30M
games produced
annually

3.8M
children impacted
by Hasbro
philanthropy in 2016





About Hasbro

Company Overview

Hasbro is a global play and entertainment company committed to *Creating the World's Best Play Experiences*. From toys and games to television, movies, digital gaming and consumer products, Hasbro offers a variety of ways for audiences to experience our iconic brands, including LITTLEST PET SHOP, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH, and TRANSFORMERS, as well as premier partner brands.

Through Hasbro Studios and its film labels, Allspark Pictures and Allspark Animation, the Company is building its brands globally through great storytelling and content on all screens.

Founded in 1923, Hasbro operates in more than 35 countries, contributing to sales in more than 120 countries. We are guided by our core values — Passion, Creativity, Integrity and Community — and our unwavering commitment to our purpose, to make the world a better place for children and their families. We believe that through our deep commitment to Corporate Social Responsibility, we are bringing meaning and purpose to play.

Our Strategy

Brand Blueprint

At the heart of our strategy is our Brand Blueprint, which serves as our framework for bringing our brands to life in new and exciting ways. Our goal is to deliver 360-degree experiences around our brands through compelling storytelling across platforms and media, innovative toys and games, digital experiences, music, publishing, location-based entertainment, and consumer products.

Share of Life

Our focus is on the Share of Life that our brands capture with consumers. As we continue to grow and extend our brands into new expressions, new categories and new experiences, we are growing our Share of Life globally.

Consumer Insights

As a Company, being close to the consumer is a guiding principle. Proprietary global insights and advanced data analytics inform all our key strategic decisions—from the stories we tell to the distribution platforms we choose, to the products and experiences we make, to the marketing strategies we execute.



Our Brand Portfolio

Brands sit at the center of everything we do, and we have an extraordinarily robust brand portfolio.

Franchise Brands: Our Franchise Brands represent our greatest opportunity for growth in revenue, operating profit and consumer engagement across the Brand Blueprint. They include LITTLEST PET SHOP, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH, and TRANSFORMERS.

Partner Brands: We have the privilege of working with the industry's best partners to develop toys and games, enhance their brand stories, and help them grow. These include STAR WARS, MARVEL, DISNEY PRINCESS and DISNEY FROZEN, as well as DREAMWORKS TROLLS, SESAME STREET, and BEYBLADE.

Hasbro Gaming: Our gaming portfolio includes more than 70 iconic brands, including OPERATION, JENGA, THE GAME OF LIFE, CANDY LAND, and PIE FACE, as well as new, innovative games such as FANTASTIC GYMNASTICS, SPEAK OUT, and TOILET TROUBLE. This category also includes MONOPOLY and MAGIC: THE GATHERING, which are Franchise Brands.

Emerging Brands: Our Emerging Brands include Challenger Brands, such as PLAYSKOOL, FURREAL FRIENDS, BABY ALIVE and G.I. JOE, which have not yet achieved Franchise Brand status, but which Hasbro believes have the potential to do so over time with investment and further development. New brands, such as HANAZUKI and STRETCH ARMSTRONG, also fall into this category.



Our Global Operations

Hasbro employs approximately 5,400 people and has operations in more than 35 countries across the world, with our corporate headquarters in Rhode Island. We leverage our marketing and business partnerships throughout North America, Europe, Latin and South America, and the Asia Pacific regions to sell in more than 120 countries.

Hasbro Studios and our film label Allspark Pictures, both located in California, are responsible for storytelling around our brands, developing content for all audiences on all screens. From films to TV to digital shorts to social media, we are fundamentally committed to storytelling.

Wizards of the Coast, a Hasbro subsidiary located in Washington, offers games and entertainment under world-renowned brands such as MAGIC: THE GATHERING, DUNGEONS & DRAGONS and DUEL MASTERS.

In 2016, Hasbro acquired Boulder Media, a leading animation studio based in Ireland. In addition to working on a variety of projects for Hasbro Studios and Allspark Pictures, Boulder Media continues to produce animated series on behalf of third-party clients.

Backflip Studios is a wholly-owned subsidiary of Hasbro that is based in Colorado. The mobile game company, which develops and publishes mobile games for iOS and Android devices, has an expansive portfolio of top-ranked games, including hit franchises such as DRAGONVALE, DRAGONVALE WORLD, PAPER TOSS and TRANSFORMERS: EARTH WARS.

Since 2016, all our products are manufactured by third-party vendors in the U.S. and around the world, with the majority of production located in the Far East. As we grow our business, we continue to look for opportunities to expand our production across regions to support our global business.

For more information about our operations and financial performance, [see Hasbro's Investor Relations website](#).

Stakeholder Engagement

Hasbro is committed to operating as an open and transparent company. Listening and collaboration are vital to our business success and Corporate Social Responsibility (CSR) efforts. We engage often with many stakeholders both inside and outside our company, based on their expertise and relevance to issues of material importance to our business. We use their feedback to improve our business and inform our evolving CSR strategy.

We regularly engage with stakeholders, both proactively and reactively, including regulators, policymakers, non-governmental organizations (NGOs), investors, retailers, suppliers, consumers and employees. Following are some examples of the various methods and tools we use to engage key stakeholders.



Who and How We Engage

REGULATORS AND POLICYMAKERS

Our Global Government and Regulatory Affairs group interacts with regulators and policymakers around the globe through company outreach, industry association activities and public policy forums. Our chief legal officer serves on The Toy Association board of directors and our senior vice president of Global Government, Regulatory Affairs and Corporate Social Responsibility is the chair of The Toy Association Federal Government Affairs Committee. Hasbro experts sit on committees of standards-setting bodies, alongside officials from regulatory agencies and NGOs.

NON-GOVERNMENTAL ORGANIZATIONS

We welcome opportunities to collaborate with NGOs on issues of public concern, including product safety, ethical sourcing and environmental impacts. Our Global Government Affairs, CSR and Quality Assurance teams are points of contact.

INVESTORS AND ANALYSTS

Our Investor Relations department, along with Hasbro senior management and our board of directors, regularly informs, updates and engages our investors and analysts on Hasbro's financial and operational performance. Other engagement channels include press releases, U.S. Securities and Exchange Commission (SEC) filings, annual report, conference calls, our [Investor Relations website](#), one-on-one meetings and calls, and special events such as Investor Update at the annual Toy Association Toy Fair in New York City.

RETAILERS

We value the input of our retailers and hold regular meetings with key customers. Our Sales and Marketing teams and senior executives serve as points of contact. Additionally, our Quality Assurance team partners with retailers on toy safety and engages them in the standards setting process.

SUPPLIERS

We communicate regularly with our third-party and licensed manufacturing vendors and seek feedback from their workers around the world. In 2016, we evolved our ethical sourcing compliance program by joining the Responsible Business Alliance (RBA) (formerly Electronic Industry Citizenship Coalition) and increased direct engagement with our third-party manufacturing vendors globally to educate and train them on new vendor compliance requirements and RBA audits. We also engage with select employees at these factories through private and confidential interviews during both third-party led and Hasbro oversight audits.

CONSUMERS

We value consumer feedback and use the comments they submit via email, our toll-free phone line, online chat, social media and written correspondence to measure satisfaction with our products. Our global FunLabs engage children and families in trying out Hasbro products in development. Consumers and the public can contact Hasbro's Global Consumer Care team [here](#).

EMPLOYEES

Our leadership on CSR is important to current and potential Hasbro employees. Employee network groups and community volunteering are among the many ways Hasbro engages and inspires employees. A variety of methods are available for our employees to raise concerns, including our global ethics helpline and two confidential mailboxes, administered by the board Audit Committee and office of the chief legal officer.

Letter From Hasbro SVP of CSR



As I celebrate my 20th year with Hasbro, I'm in awe now more than ever of our opportunity—and responsibility—to drive profound, positive change in the world. Many of the same forces that have fundamentally reshaped our industry over the past two decades—from an explosion of online games and digital entertainment experiences to the emergence of an always-connected, global consumer base and world—are also amplifying the power and reach of Hasbro's brands as a catalyst for good.

As a result, the influence of our corporate social responsibility (CSR) practice has never been greater. Powered by the belief that every day is a chance to do better, we are helping build a safer and more sustainable world through actions that also make Hasbro more nimble, efficient and worthy of our customers' and consumers' trust.

We refreshed our CSR strategy in 2016 through a materiality assessment that drew input from senior executives, business unit leaders and external stakeholders. This process confirmed that product safety, human rights and ethical sourcing, and environmental sustainability remain key priorities for Hasbro. It also helped us recognize the growing importance of diversity and inclusion to our business, employees and consumers.

In response, we're broadening Hasbro's longtime efforts to build greater inclusiveness across our

business and society, particularly in how we empower women and challenge gender stereotypes. For example, our Human Resources team is working hard to attract, source and develop a skilled and diverse workforce as well as taking steps to grow leaders in our workplace, including women, through thoughtful and innovative programs. We are also evolving our ethical sourcing program to include greater professional and personal training opportunities in our third-party factories, where the majority of factory floor workers are women.

As a mother of two teenage girls, I am deeply passionate about advancing not only gender equality and diversity, but all of Hasbro's other CSR initiatives that contribute to making the world a better place for children and their families. We're making steady progress, but we also recognize that there will always be more to achieve.

It's an honor to be leading our team which is among the most talented, passionate and dedicated group of CSR and sustainability professionals in the business world. Our work is driving measurable results across the company while also strengthening Hasbro's impact within our industry and our world.

I'm proud of the dedication that all Hasbro employees bring to advancing our CSR goals and building a safer, more sustainable world for future generations. We will continue to push ahead boldly and share our progress, as well as the lessons we're learning along the way.

A handwritten signature in black ink that reads "Kathrin Belliveau".

KATHRIN BELLIVEAU

**Senior Vice President
Global Government, Regulatory Affairs and
Corporate Social Responsibility**

CSR at Hasbro

At Hasbro, we believe that every day is a chance to do better. We strive to always act responsibly, and in doing so we find smarter ways of doing business. Our deep commitment to corporate social responsibility (CSR) reflects our desire to help build a safer, more sustainable world for future generations.



“ We believe play is central to how we live our lives,
and through play and corporate social responsibility we are
making the world a better place for children and their families.”

BRIAN GOLDNER, CHAIRMAN AND CEO

Our Approach

For us, CSR is not a destination but rather a never-ending journey to help people and communities thrive and contribute to a safer, more sustainable world. We hold ourselves to high standards in all facets of our business. But we also challenge ourselves daily to look beyond Hasbro's own interests for greater opportunities to do what's right — and create an enduring, positive impact — with every step we take.

CSR inspires and guides us to play with purpose: To take what we love most about play and entertainment — creativity, innovation, imagination — and make a difference where it matters most.

Our Priority Areas

Our CSR commitments make every part of Hasbro's business stronger. As a company committed to creating the world's best play experiences, we know we can achieve our full potential only when people and communities have what they need to achieve their full potential.



As our business grows, we encounter new opportunities to make a positive social and environmental impact. While our CSR commitments address many areas, we focus on four key priorities:

PRODUCT SAFETY

Parents and caregivers around the world trust us to create high-quality toys, games and experiences for their children. We never lose sight of our responsibility to uphold their trust by taking safety into account at every stage of our product life cycle, from design and engineering to manufacturing and packaging. In addition to meeting all relevant national and international standards, every Hasbro product must pass our own safety and quality standards—which are often tougher than global requirements—through a rigorous five-step process. We also work closely with national and international regulatory bodies to help strengthen product safety standards and promote best practices throughout our industry. [Learn more.](#)

HUMAN RIGHTS AND ETHICAL SOURCING

Treating people with fairness, dignity and respect is a core Hasbro value that we uphold through our [human rights policy](#). We champion human rights for our employees as implemented through our [Hasbro Code of Conduct](#) and other related policies. We also safeguard human rights in our supply chain through the [Hasbro Global Business Ethics Principles](#), which are the foundation of our ethical sourcing program. And our deep concern for children's rights and well-being fuels Hasbro's commitment to providing safe products as well as our many community initiatives around the world. [Learn more.](#)

ENVIRONMENTAL SUSTAINABILITY

Hasbro and our employees are passionate about protecting our planet and conserving natural resources for future generations. Guided by our Sustainability Center of Excellence, we are pursuing innovative ways to reduce the environmental impacts of our products and packaging, minimize the environmental footprint of our operations and supply chain, and encourage each other to embrace and promote environmental responsibility. Additionally, we are close to reaching our goal of 100 percent renewable energy use and carbon neutrality globally by the end of 2017. [Learn more.](#)

DIVERSITY AND INCLUSION

We're committed to creating a diverse and inclusive culture in which all Hasbro employees feel valued, respected and empowered to bring their best ideas forward. We believe that a diverse and inclusive culture helps us in building expansive and inclusive brands, and we have chosen to move beyond traditional gender and demographic stereotypes, engaging more consumers. Our commitment also extends to our supply chain where we are exploring ways to support the personal and professional growth of female factory workers who make up the majority of the worker base, with a goal of positively impacting their lives and well-being. By advancing inclusion and empowering women across our workplace, our business, and our supply chain, we believe we can help to make the world a better place for all. [Learn more.](#)

Materiality Assessment

We care deeply about many pressing issues affecting people, societies and the environment. We care about what matters to our stakeholders. And, of course, we care about the potential opportunities and risks these issues present to our business.

In 2016, we marked the fifth anniversary of our global CSR initiative by conducting a formal CSR materiality assessment to review and reaffirm our strategic priorities over the next five years.

The process involved identifying and prioritizing the economic, environmental and social issues most important to our business and to our stakeholders. We also aimed to uncover potential challenges and opportunities to inform both the development of our CSR strategic framework and the structure of this report.

We engaged an independent consultancy and used the GRI G4 reporting principles for materiality and stakeholder engagement to guide us through the following three steps:

STEP 1: REVIEW AND IDENTIFICATION

We researched and evaluated an extensive list of economic, environmental and social issues that are potentially material to our business and the toy sector. This step took into account our current CSR priorities, external stakeholders' expectations, and a broad range of non-financial reporting frameworks, standards and analyst rating criteria. We also interviewed our Senior Management Team and executives representing key regions, business units and functions across our company.

Based on our research and evaluation, we identified 35 key issues with importance to both our business and external stakeholders. Throughout our CSR report, we provide more detail on these issues and the stakeholders whom they affect.

STEP 2: PRIORITIZATION

To prioritize these issues, we conducted an internal workshop with executives and subject matter experts across our business, representing areas such as marketing, design and development, global operations, human resources, philanthropy, and investor relations, among others. We also engaged with external thought leaders representing a range of stakeholder groups to gather their views and opinions.

As a result of our discussions and reviews, we then mapped the issues on a matrix based on importance to Hasbro's business and to our stakeholders. See the accompanying illustration for more details.

STEP 3: VALIDATION

We concluded our materiality process by presenting the entire assessment and our matrix of priority issues to the Hasbro executive CSR Committee for final approval.

THE OUTCOME

The materiality assessment process reaffirmed that our strategic CSR focus areas of product safety, human rights and ethical sourcing, and environmental sustainability remain instrumental to our business and our stakeholders. This process also led us to elevate diversity and inclusion as a fourth strategic CSR focus area based on its growing importance to our business, employees and consumers.

The results are helping us focus our CSR efforts and resources in the areas where we can make the greatest positive impact both now and in the future. Furthermore, it demonstrates our commitment to the issues most important to our business and our stakeholders. By managing them well, we believe our business will be more successful and we will be doing our part to help make the world a better place for children and their families.

In addition to the formal materiality process, we continue to consider evolving material issues and new stakeholder inputs on an ongoing basis.

Social Issues

1. Ethical Sourcing
2. Human Rights
3. Philanthropy
4. Attraction and Retention of Employees
5. Marketing to Kids
6. Diversity and Inclusion

Environmental Issues

7. Natural Resources Use and Conservation
8. Plastics
9. Chemical Management

Economic Issues

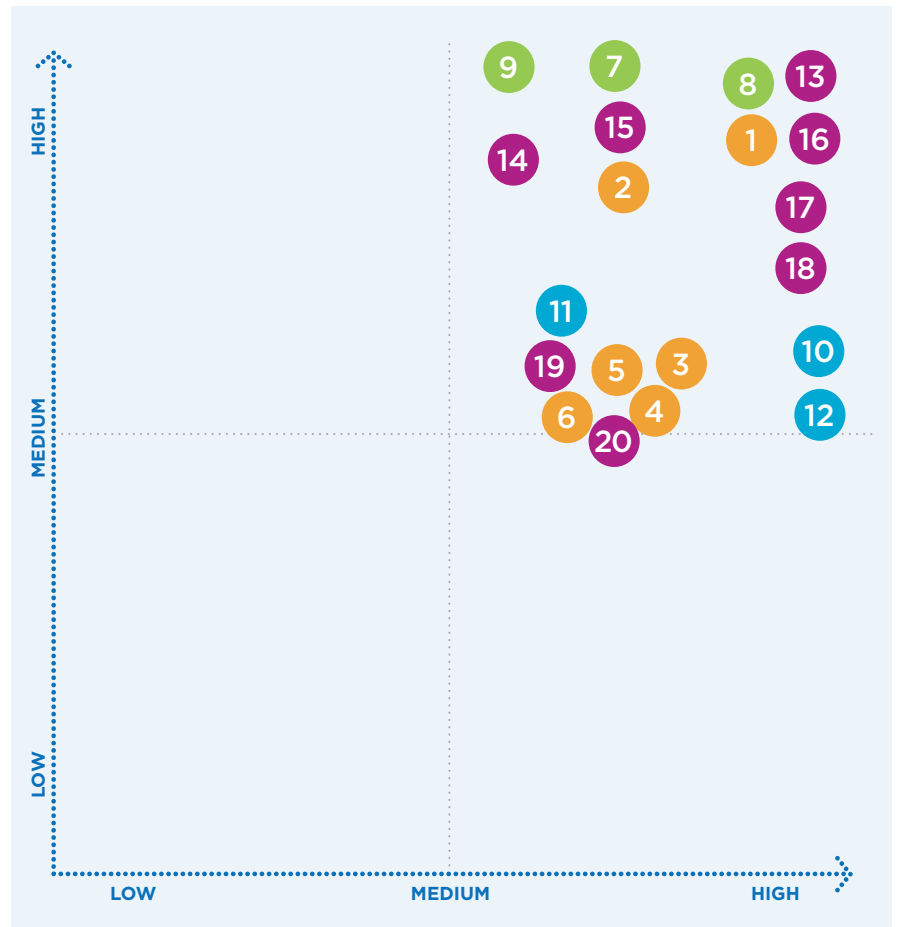
10. Long-term Financial Performance
11. Online Social Issues Campaign
12. Consumer Purchase Values

Good Business Practice Issues

13. Consumer and Retailer Satisfaction
14. Materials Innovation
15. Brand Management
16. Product Quality and Safety

Importance to stakeholders

REVISED MAPPING



Importance to Hasbro

17. Corporate Governance
18. Transparency
19. Stakeholder Management
20. Government and Regulatory Affairs

In addition to the priority CSR issues in the top right quadrant of our matrix, we also found the following issues to be valuable and worth monitoring and managing.

Social

- Conflict Minerals
- Employee Health and Wellness
- Employee Training and Education

Environmental

- Circular Economy
- Climate Change
- Eco-Products
- Life-Cycle Assessment
- Waste Management
- Water Use

Economic

- Intellectual Property Rights
- Risk Management

Good Business Practices

- Anti-corruption
- Ethics

CSR Governance

Strong, principled leadership is crucial in fulfilling our responsibilities to all of our stakeholders. Our governance starts at the top with our board of directors, and then extends to our CSR Committee — including senior management — and ultimately to our dedicated CSR team.

At the board of directors level, our Nominating, Governance and Social Responsibility Committee oversees Hasbro's CSR agenda, including product safety, environmental sustainability and climate change, human rights and ethical sourcing, responsible marketing, public policy, and philanthropy.

Our chairman and CEO chairs an internal executive CSR Committee, comprised of senior management and leadership, that sets strategic direction for CSR policies and initiatives, including climate change and environmental sustainability, and ensures their integration throughout the entire global organization. Additionally, our president, who is also a CSR Committee member, champions our Sustainability Center of Excellence leadership committee that oversees climate change and environmental sustainability issues across our global operations, supply chain, and for our products and packaging.

Our corporate CSR team, led by the senior vice president (SVP) of Government, Regulatory Affairs

and CSR, works cross-functionally to develop and implement strategic initiatives across our company and advise on key issues. The SVP briefs our CEO and board committee on corporate affairs. The CSR team stays abreast of emerging CSR issues, shapes the company's CSR agenda, and drives progress and performance across the company, including leading a materiality assessment in 2016 with participation from the CSR Committee.

CSR Policies

Our CSR commitments are guided by a comprehensive suite of corporate policies that spell out our high standards and help ensure that they are being followed across our business. We review our CSR related policies on at least an annual basis, and changes are reviewed by our board of directors. Read more about our [CSR policies](#).

On the Record

Along with publishing a biannual CSR report, we communicate regularly with our stakeholders and the public about Hasbro's CSR efforts and achievements. We strive to make our communications as transparent, comprehensive, and material to our business as possible. Our CSR Committee and senior management — including the chairman and CEO, president, chief legal officer and chief human resource officer — review these reports.



Board of Directors

Governed through Nominating, Governance and Social Responsibility Committee

CSR Committee

Chaired by Chairman and CEO

CSR Practice

Led by SVP Government, Regulatory Affairs and Corporate Social Responsibility

Hasbro ranked #3 on the 2016 “100 Best Corporate Citizens” list by Corporate Responsibility Magazine. This is the second time Hasbro has been ranked in the top five and the fifth consecutive year it has ranked in the top 25. The ranking is based on a rigorous, independent analysis of the companies in the Russell 1000 Index with over 300 environmental, social and governance data points. This prestigious recognition highlights Hasbro as one of the most transparent and responsible companies in the United States.



Engaging in Public Policy

The toy industry is subject to national and local regulations around the world that directly impact our business. We engage constructively with government agencies, regulators, non-governmental organizations (NGOs), and other bodies, on issues such as product safety, marketing to children, patent reform, and environmental requirements for operations.

Hasbro’s Global Government Affairs team directs and oversees public policy engagement, working closely with regional and country-level staff on the ground. Beginning in 2013, our Global Government Affairs team worked collaboratively with U.S. Congress and NGO partners to encourage development of one uniform national standard for chemical safety. This led in 2016 to the passage of the Chemical Safety Improvement Act (CSIA), which was the first substantial revision to chemical laws in the U.S. since 1976. The CSIA is designed to provide a unified, national approach to chemicals management, ensuring that products are uniformly safe for children across all 50 states.

In the European Union (EU), together with Toy Industries of Europe (TIE), Hasbro actively participates in the European Commission’s expert working

groups on amendments or interpretations of the Toy Safety Directive. Our work includes leading European toy industry efforts to ensure that any proposed amendments provide a high level of protection for children while also being workable, enforceable and proportionate to the risks posed. We also engage with other policy makers and regulators in developed and emerging markets around the world, from Latin America to Southeast Asia, on issues such as toy safety, chemical management, IP protection and privacy.

Hasbro does not have a U.S. Political Action Committee (PAC). All employees are free to make personal donations to candidates for political office. The Toy Association in the U.S. does have a PAC to which Hasbro executives may personally contribute. However, Hasbro’s membership dues are not used to fund this PAC.

Learn more about our [Political Activity and Lobbying Policy](#).

Governance and Ethics

We're deeply committed to conducting our business responsibly, communicating openly and acting with integrity. Our high ethical standards keep our company accountable to stakeholders and aligned with our core business values in everything we do.

2016 PERFORMANCE HIGHLIGHTS

Live Code of Conduct Training

Upgraded and expanded our compliance program, requiring all new hires based in Rhode Island to receive in-person Code of Conduct training.

Trained 5,000+ Employees

Launched electronic compliance training relating to: Code of Conduct (excluding new Rhode Island-based new hires who received in-person Code of Conduct training); Anti-corruption; Global Competition; and Mutual Respect to all 5,000+ employees between Q1 and Q4, 2016.

42%

Added two new female directors to our board in 2016. As of October 2017, we have a total of five female directors (42 percent) on our 12-member board.



Our Approach

Strong governance and ethics are a proud part of our heritage, and we constantly push ourselves to be even better. Our board of directors and our chairman and CEO set the tone for our ethical culture. Our chairman and CEO regularly communicates our values and expectations to Hasbro employees and partners. Also, Hasbro's president and chief commercial officer regularly communicate with Hasbro's global teams about the importance of doing business with integrity.

We measure success not only by our results, but also by how we achieve those results. Beyond complying with laws and regulations, we implement best practices to govern our operations, enforce a strong Code of Conduct, and continuously refine our ethics and compliance policies, processes and employee trainings.

Governing Our Company

Hasbro's senior management team, led by Chairman and CEO Brian Goldner, oversees day-to-day operations. Our board of directors is elected annually by our shareholders and appoints and oversees all executive management and business conduct. The board is guided by Hasbro's [Corporate Governance Principles](#), which they review and update annually. They also review corporate best practices every year and act as needed to further strengthen our governance framework.

Five committees assist the board: 1) Audit, 2) Compensation, 3) Executive, 4) Finance, and 5) Nominating, Governance and Social Responsibility. The latter oversees CSR governance and progress. Each committee has a [committee charter](#).

In line with our [Standards for Director Independence](#), all Hasbro board members are independent, except Chairman and CEO Brian Goldner. The [board](#) maintains a lead independent director role with independent oversight responsibilities.

As a global play and entertainment company, we strive for a board whose diversity reflects our global consumers, customers, workforce and business strategy. We appoint highly skilled and diverse directors based on their diversity of experience and thought, including: executive experience, sales and marketing, strategic planning, international business, corporate governance, risk management, corporate social responsibility, sustainability, accounting, public company corporate finance, information technology, digital gaming, legal, and regulatory affairs. In 2016, we added three new directors, including two women. As of October 2017, we have a total of five female directors (42 percent) on our 12-member board.

Our board assesses its performance annually through a self-evaluation process coordinated by the Nominating, Governance and Social Responsibility Committee. The committee analyzes and reports the results to the full board, identifies potential improvements and recommends upgrades to the board's performance, processes and operation.

We measure success not only by our results, but also by how we achieve those results.





Leading with Integrity

In 2016, the Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance, named Hasbro a World's Most Ethical Company® for the fifth year in a row.

"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.



Executive Compensation

Our executive leaders are key to Hasbro's success and the value our business creates for shareholders and other stakeholders. Our executive leaders are compensated based on the performance of Hasbro as well as their overall contribution to the achievement of our goals and strategy. The Compensation Committee of our board oversees executive compensation including the process by which pay decisions are made and the design of the reward programs. Their goal is to reward performance in the short- and long-term, aligned with shareholder returns, without excessive risk-taking. In 2016, Hasbro received a 97 percent approval rating from shareholders for our executive compensation proposal.

Enterprise Risk Management

Hasbro has a robust, company-wide risk assessment and risk management process, with oversight provided by the full board of directors and board committees serving as instrumental to the risk management process. For significant risks related to social and environmental issues, including climate change, environmental sustainability, human rights, and ethical sourcing, the Nominating, Governance

and Social Responsibility Committee has oversight for the risks and efforts to manage risks to the company in those areas. In Hasbro's [2016 Annual Report](#), the company discusses ongoing and potential risks associated with the compliance of our third-party vendors with our Global Business Ethics Principles and increasing government regulations and compliance requirements in the areas of consumer privacy, product safety, and the environment which could impact our overall financial performance, operations and reputational risk to Hasbro.

Contacting Hasbro

Additional corporate governance information is available on our [Investor Relations](#) website. Stakeholders, including investors, employees and consumers, can provide feedback to the board by writing to:

Independent Lead Director, Hasbro, Inc.
P.O. Box 497
Pawtucket, RI 02862

Ethics in Action

Ethical behavior is second nature at Hasbro. Our culture of honesty and integrity starts at the top and permeates the organization. Our robust ethics and compliance program is tailored to meet our business needs and has the full support of our chairman and CEO and the senior management team.

Hasbro's chief legal officer oversees ethics and compliance policies and processes across the organization. This role is supported by Hasbro's compliance team to help ensure we manage ethical and legal risk across the global organization. The Audit Committee of our board of directors also takes a proactive interest in ethics and compliance issues and is briefed regularly by our chief legal officer and also by our Compliance team.

Our Code of Conduct

The foundation of our ethics policy is the Hasbro Code of Conduct, which all board members, employees, agents, contractors, and officers must follow. Its purpose is to:

- Ensure we do business ethically and legally.
- Empower employees to follow our policies and raise concerns.
- Allow employees to report ethical issues without retaliation.

We update the Code of Conduct as needed to reflect new laws, regulations and Company expectations. Our Code of Conduct is provided regularly to all employees, translated into 18 of our most common languages, and the English version is publicly available [online](#).

FUN FACT

All new employees in Rhode Island receive live training when they are hired, which means we hold in-person sessions almost weekly.

Ethics and Compliance Training

All employees receive comprehensive live or electronic training on our Code of Conduct when they join Hasbro. Approximately every four years, we provide all existing employees with in-person refresher training, which ensures everyone, throughout the company, understands their ethical obligations. Our last company-wide training, in 2015, was a live, 2.5-hour course with limited class sizes to give all 5,000 plus employees the opportunity to engage and ask questions. We incorporated a scenario-based learning format and received very positive feedback from employees.



In between in-person trainings for all employees, we also provide annual electronic Code of Conduct training for all existing employees. As a result of our success from the 2015 live-training, we revised our electronic trainings in 2016 to be more interactive than previous online Code of Conduct trainings and included gamification elements to be consistent with Hasbro's focus as a global play and entertainment company.

To complement our Code of Conduct training in 2016, we identified core compliance courses, which includes: anti-corruption; fair competition; and mutual respect. We provided these interactive courses electronically to all employees and translated them into our most common languages.

In addition to our annual Code of Conduct and core compliance trainings, we also provided specialized training for specific roles. For example, we provided more in-depth anti-corruption training to leadership of certain high-risk markets, anti-trust review with our Sales teams, and Marketing training to our Global Marketing team. We recognize that our Code of Conduct and core compliance courses may not address every issue, which is why we supplement those trainings with more tailored ad hoc trainings for specific Hasbro groups.

Preventing Corruption

We do not tolerate corruption anywhere we operate. Our Code of Conduct and related policies include clear anti-corruption rules and we reinforce compliance through training and monitoring. Allegations can be reported directly to management, the Legal department or Human Resources. In addition, employees can also report their concerns through our helpline and mailboxes, which is reviewed by members of the Legal department. Investigations are conducted by experienced personnel that include members from our Legal, Human Resources and/or Internal Audit teams. To help employees navigate this potentially difficult area, we provide online training, resources and tools, including a gift and entertainment tool that streamlines global request and approval.

We work with great partners, but we recognize there are higher corruption risks in some parts of the world. In these higher risk jurisdictions, we look, in part, at the Corruption Perception Index published by Transparency International and perform systematic due diligence on business partners who will act on Hasbro's behalf. Once a partner passes our checks, we work with our regional counsels to insert appropriate contractual provisions into our agreements. In some cases, we work with and/or train partners to help them understand Hasbro's expectations of ethics and compliance, especially as it relates to our anti-corruption standards.

Ethical Training for the Real World

Our Code of Conduct training allows employees to see ethical situations from a variety of perspectives beyond their own. Our training is designed to demonstrate that ethical conduct is not always straightforward and employees must assess each situation to determine actions that best align with our Code of Conduct and ethical culture. Employees are directed to seek guidance from our Legal department if they face situations where they are unsure of the action to take.



Reporting Concerns

As part of our commitment to conducting our business with integrity, we encourage employees to raise potential ethical concerns. To encourage full and frank disclosure, we operate a global ethics helpline and two confidential mailboxes, administered by the board Audit Committee and office of the chief legal officer. Employees use these to anonymously report ethics concerns and without fear of retaliation.

The office of the chief legal officer investigates all ethics inquiries and our managers are required to report any ethical issues that arise in their business unit and region to the Legal department. Breaching our Code of Conduct can lead to disciplinary measures, including termination of employment. In a typical year through the ethics helpline and mailboxes, we receive approximately 55 complaints globally.

Our Culture of Integrity

Our ethics and compliance culture, fostered by our senior management team, differentiates Hasbro. This strong commitment and senior management's tone from the top, coupled with frequent communication and consistent training, helps ensure our employees understand our compliance expectations.

As an example, our chairman and CEO and business leaders talk about ethical conduct in large employee gatherings, such as our quarterly State of the Company addresses and Town Hall meetings. Additionally, we educate managers and employees on ethics and compliance resources, such as a hot line, compliance mailbox and policies, available to them globally and regionally. Moving forward, we plan to formalize the feedback collection process to make it easier and more effective for employees to share their feedback on our compliance efforts.



“Write to the Top”

At Hasbro, we are committed to transparency and accessibility to leadership at all levels. We provide our employees the ability to “write to the top,” where each employee inquiry is reviewed and responded to by our chairman and CEO, senior management or other business leaders, with answers posted on our global employee intranet.

Challenges and the Road Ahead

As we continue to grow our business and open new offices in locations around the world, including emerging markets, we are vigilant in our efforts to ensure our culture of ethics and compliance is cultivated and understood by all employees in these regions. In addition, we are undertaking additional due diligence requirements and, in some cases, training, of third parties who may be acting on Hasbro's behalf in higher risk markets. Ultimately, the purpose is to share our culture of compliance and to remind employees and third parties that we measure success not only by our results, but also how we achieve those results.

Product Safety

We never lose sight of the fact that product safety is essential to upholding our consumers' trust and expectations.

That's why, as creators of toys, games and entertainment content, we embed quality and safety into every product and play experience. In addition to meeting all applicable regulatory standards, we set our own rigorous standards — and then challenge ourselves to continuously improve and exceed them.

2016 PERFORMANCE HIGHLIGHTS

Zero

Hasbro had zero consumer product recalls in 2016.

Engaged in Chemical Safety Reform

Worked collaboratively with U.S. Congress and NGO partners to encourage development and passage of the Chemical Safety Improvement Act.



Our Approach

Parents and caregivers around the world trust Hasbro to make products that are not only of high quality but also safe. We believe quality and safety go hand in hand, so we follow a rigorous quality assurance process for all Hasbro products. Our quality and safety standards are applied at every stage of production, from design and engineering to manufacturing and packaging.

Our products are designed to comply with all applicable product safety requirements around the world. We work proactively to keep abreast of emerging product safety hazards, and we employ industry best practices to continuously improve our design and manufacturing processes. These high standards and processes apply to all third-party factories that make our products around the world. We partner with regulators and standard-setting bodies globally on toy safety and engage with them in the standard-setting process. In addition, we review and incorporate feedback from retailers and consumers into our product testing and improvement efforts.

Our Safety Standards

Hasbro designs products for a global market and therefore we adopt the most stringent global product safety regulations worldwide. Every Hasbro product, wherever it is manufactured, must pass two tests: (1) meet all relevant national and international standards, and (2) satisfy our own safety and quality standards, which are often tougher than global requirements.

We employ approximately 140 proprietary Safety and Reliability Standards (SRS) in our global Quality Assurance (QA) program. Our designers, engineers, and quality assurance personnel around the world use these standards to create and test our products. The SRS combine U.S., European, and international safety standards, tailored to meet our specific needs as a toy and gaming manufacturer. They

incorporate requirements set by the U.S. Consumer Product Safety Commission (CPSC), American Society for Testing and Materials (ASTM), European Committee for Standardization (CEN), and the International Organization for Standardization (ISO), and are updated as regulations and standards change.

To ensure that our third-party factories comply with our standards, we require tests and quality checks at many stages of the manufacturing process. Testing is conducted by independent, third-party laboratories as well as by vendors and Hasbro through the manufacturing process.

Senior quality assurance managers oversee our testing and audit procedures and frequently update our product safety standards to adapt to changing regulations and requirements. Monitoring evolving product safety regulations around the world is an ongoing, day-to-day process at Hasbro.

We promote a strong product safety culture wherever we operate around the world, holding regular QA training and audit education programs for employees and vendors.

FUN FACT

140

Proprietary Safety and Reliability Standards (SRS) support our global Quality Assurance (QA) program.

Commitment to Quality

We put our standards into practice through a five-step quality assurance process which requires comprehensive testing or review at every stage of our product lifecycle (see graphic).

We employ independent outside labs accredited by the U.S. Consumer Product Safety Commission (CPSC) and other applicable global regulators to test our finished products. Our aim is to embed quality and safety into each and every product, and no Hasbro product is shipped without our Quality Assurance department's final approval.



1 Product Concept

After we approve a toy or game concept for development, our specialist engineers specify in a Test Plan the design and manufacturing SRS the product must meet.

2 Design and Development

We design products and create samples according to the Test Plan and communicate product-specific requirements to our manufacturing vendors.

3 Production

Our QA teams check samples during production to ensure they meet SRS requirements and audit samples and finished toys and games throughout each shift. Independent outside labs also test our products.

4 Market Monitoring

We monitor and respond to new information on product quality or safety with a focus on consumer feedback and emerging hazards.

5 Continuous Improvement

We continuously improve our quality assurance and product safety processes and work with partners to set and comply with standards.



Age Grading Guidelines

Hasbro designs toys and games for children of all ages; however, not all our products are suitable for every child. Our toys and games are age graded using CPSC and the ISO guidelines to guide caregivers and consumers when purchasing our products and also to ensure children get the most out of their play experiences. We also often take into account historical and market data, as well as child testing, when making age grade decisions.

Partnering for Progress

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.

We support the harmonization of toy safety regulations and standards around the world. To help reach this ideal, we are actively involved with national and international regulatory bodies, such as ISO, and share information based on our practical experience to help enhance and align existing and new toy safety standards.

Materials

We take great care when choosing product materials. The materials we select to make our products must serve several purposes. They need to provide a joyful play experience, withstand reasonable wear and tear, and above all, be safe. We continually explore ways to improve the ingredients of our products, while always complying with applicable global laws and regulations.

Materials Content

Hasbro has long recognized the need to manage the use of materials used in the manufacturing process, which could be harmful to people and the environment. For years, we have set internal standards for heavy metals, including lead, which are tighter than all global regulations.

We consider health and safety factors for all materials we use throughout a product's lifecycle — from Research & Development (R&D) through manufacturing, marketing, storage and supply, use, and disposal, reuse, and recycling. The results of this analysis are reflected in the specific standards we develop for every product, through our quality assurance program.

Engaging for Chemical Safety Reform

Hasbro Government Affairs collaborated with U.S. Congress and NGOs to encourage development of one uniform national standard for chemical safety. The 2016 passage and implementation of the Chemical Safety Improvement Act (CSIA) was the first substantial revision to chemical laws in the U.S. since 1976. The CSIA is designed to provide a unified, national approach to chemicals management, ensuring products are uniformly safe for children in all 50 states.



Lead and Heavy Metals

We strive to minimize the use of lead and other heavy metals in our toys and games and go beyond global regulations for heavy metals. Our testing and inspection processes ensure our internal standards are followed and include:

- Raw material control from suppliers to third-party factories.
- Lead paint testing before paint is applied, during production and before toys leave the factory.
- Frequent, unannounced safety and quality control checks at factories by Hasbro employees and independent auditors.
- Independent, third-party testing of products.

As a further precaution, we conduct random product testing, unannounced inspections, and spot checks to ensure products meet our lead paint standards before they are shipped to retailers.

Bisphenol-A (BPA)

Consumers, NGOs and other stakeholders have raised concerns about the possible health effects of bisphenol-A (BPA) on young children. BPA is a chemical commonly used in toys to strengthen plastic products. Hasbro designs products to avoid BPA use; however, since it is possible for BPA to exist in trace amounts slightly higher than this minimum, we do not market our products as “BPA-free.”



Phthalates

Phthalates are chemicals used to soften plastics found in a wide range of consumer products. All Hasbro products comply with applicable phthalates global laws and regulations, including the REACH regulation in Europe and the U.S. Consumer Product Safety Improvement Act of 2008 (CPSIA).

Brominated Flame Retardants

Brominated flame retardants (BFRs) are commonly used in textiles and clothing, including children’s sleepwear, to reduce flammability. Hasbro does not use BFR chemicals, many of which are considered toxic. Instead, we design our products to pass regulatory flammability requirements without the use of BFRs.

Materials Research

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.

In assessing alternatives to existing materials, such as PVC, we look to balance cost effectiveness, consumer value, aesthetics, play experience, and compliance with our stringent quality and safety standards. This is a challenge as we work toward more environmentally friendly materials, but it is important to us as well as to our consumers and customers.

Read more about our initiatives to advance our environmental sustainability efforts in our products [here](#).

Product Recalls and Regulations

In 2016, we had no product safety fines or consumer product recalls, resulting in a recall-free product safety record of nearly a decade. 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 globally.

We work closely and proactively with regulators in emerging markets and around the world to understand each country's requirements and make sure we, and the third-party factories that make our products, fully comply with all applicable global regulatory standards.

Challenges and the Road Ahead

Regulators, manufacturers, retailers and even consumers know much more about potential materials hazards and supply chain risks than they did just 10 years ago. Stakeholders are increasingly sophisticated and demand more scrutiny, testing, manufacturing and transparency. Regulations globally are tougher as well and we take great care to ensure all of our products are compliant.

Keeping up with the continually evolving regulatory environment is highly complex due to the number of updated and newly introduced regulations and standards which vary by region, country, and even individual states, counties and cities. As an example, countries in Southeast Asia and Latin America promote their own toy standards. Their regulations are similar, but products must be tested by laboratories in each country where they are shipped, adding another layer of complexity and cost to the approval process.

We continue to work closely and proactively with regulators in emerging markets and around the world to understand each country's requirements and make sure we, and the third-party factories that make our products, comply. Additionally, we will work with regulators and industry and NGOs to continue promoting harmonization of global safety standards. We believe standardizing the rules in this way would be good for consumers, regulators and industry.

Another challenge is the increasingly complex requirements for reporting chemicals in products in the United States, Europe, and elsewhere. Reporting certain chemicals requires us to develop sophisticated testing and assessment methods that break down the entire composition and structure of plastics, metals, and other product ingredients. It also requires us to expand and continuously improve our chemical management and reporting systems to address the increasing frequency and expanding complexity of emerging reporting requirements.



Environmental Sustainability

At Hasbro, we are passionate about protecting our planet and conserving its natural resources for future generations.

We recognize the impact our business can have on the environment — and are working hard to reduce our footprint.

We also embrace sustainability challenges as opportunities to innovate and continuously improve our product design and the way we operate — and we are inspired by the possibilities.

2016 PERFORMANCE HIGHLIGHTS

100%

Hasbro achieved 100 percent renewable energy use and carbon neutrality across our owned and operated global operations in the U.S. for the second consecutive year and extended commitment to 100 percent renewable energy and carbon neutrality globally.

Sustainability Center of Excellence

Launched our Sustainability Center of Excellence to drive our strategic environmental blueprint across our global organization.

Sustainable Packaging Principles

Launched our Sustainable Packaging Principles to guide our packaging design and development team.



2025 ENVIRONMENTAL GOALS*



25%
reduction in
energy consumption



50%
reduction in
waste to landfill



20%
reduction in greenhouse
gas emissions



15%
reduction in
water consumption

*2025 environmental goals based on a 2015 baseline.

Our Approach

At Hasbro, we challenge ourselves every day to find new ways to embed sustainability throughout our business. This commitment has led us to evaluate every element of our business, from product and packaging design to manufacturing, logistics and operations. As we improve our environmental practices, our company grows stronger overall – through more efficient processes, lower operating costs, and a greater focus on innovation across our brands.

Our sustainability initiatives are guided by our Sustainability Center of Excellence, with a focus on reducing the environmental impacts of our products and packaging, minimizing the environmental footprint of our operations and supply chain, and encouraging our employees to embrace and promote environmental responsibility. We embrace the principles of a circular economy and manage our environmental performance through a robust set of goals and key performance indicators (KPIs). To date, we have made significant progress in cutting greenhouse gas (GHG) emissions, energy, water, and waste in our owned and operated facilities.

We are committed to achieving 100 percent renewable energy and carbon neutrality globally by the end of 2017.

Because environmental sustainability is a top priority for our company, it is managed at the highest level. Oversight for company issues related to CSR, including environmental sustainability and climate change resides with the Nominating, Governance and Social Responsibility Committee of the board. Additionally, our CSR Committee, chaired by the CEO and comprised of senior management team members, oversees all policies and initiatives related to CSR, including climate change and environmental sustainability. Our president, a CSR Committee member, leads our Sustainability Leadership Committee, which is a decision-making body for approving key sustainability strategic initiatives. Hasbro's senior vice president of Global Government, Regulatory Affairs and Corporate Social Responsibility is responsible for developing and ensuring implementation of environmental sustainability strategies, goals and initiatives throughout the company and supply chain.

Sustainability Center of Excellence

In 2016, Hasbro launched its Sustainability Center of Excellence. This important initiative marks the next phase of our sustainability journey and aims to drive our strategic environmental blueprint across our global organization with a focus on uniting our facilities and teams around the world to advance our environmental commitments.

Our center is designed to work across three core areas: Design for the Environment, Sustainable Supply Chain, and Facilities and Culture.



Design for the Environment

We believe in constantly improving our products to make them more sustainable for our consumers and the planet. We strive to achieve this by continuously innovating and rethinking how we make our products and packaging with the circular economy in mind.

“At Hasbro, we believe it’s our obligation to leave the world a better place than we found it. I’m proud of our Sustainability Center of Excellence and how it connects our work at Hasbro and our personal responsibility to being good global citizens.”

JOHN FRASCOTTI, HASBRO PRESIDENT

SUSTAINABLE MATERIALS INNOVATION

Our toys and games must be able to withstand reasonable use and abuse during play and to provide an enjoyable experience. We continually research new and existing materials to improve the sustainability of our products, while also ensuring their safety and durability, which is critical to our business. In evaluating materials to reduce their environmental impact, we collaborate with our vendors to find available materials that are cost-effective and meet the highest standards possible.

In 2016, we continued our exploration and investigation of alternate materials, including: research and development innovations, capabilities, and best practices. Our efforts included engagement with leading chemical and raw material manufacturers, academia, and companies representing a cross-section of industries. Additionally, we sought input from NGOs, sustainability experts, and our third-party vendors.

These efforts have helped us evaluate potential challenges and opportunities with sustainable material innovation, while informing our design and development and sourcing teams — ultimately helping to shape our alternate materials roadmap.

SUSTAINABLE PACKAGING

We’re proud of our leadership in packaging sustainability and have made great strides in reducing the environmental impacts of our packaging. We design and sometimes redesign our packaging with the circular economy in mind and consider a package’s entire lifecycle — from efficient and recyclable packaging design to sourcing materials that come from renewable or recycled sources.

In 2016, Hasbro’s packaging engineer team launched a set of sustainable packaging principles that define our sustainable packaging design parameters and help guide our marketing and design and development organizations throughout the development cycle.

Hasbro Recognized for Environmental Excellence

In 2016, Hasbro was ranked the No. 1 Green Company in the U.S. by Newsweek Magazine. The ranking assesses the 500 largest publicly traded companies in the United States on overall environmental performance. The recognition highlights our progress in minimizing the environmental impact of our facilities and operations.





We take pride in designing for the environment and believe that every package makes a difference. We are guided by a set of sustainable packaging principles and policies that continue to challenge our creative and engineering capabilities as we strive to create a more sustainable future for our business and our world.

1
Source With Intent

Responsibly source packaging materials and maximize renewable and/or recycled content.

2
Design for Efficiency

Design product packaging to avoid using unnecessary material.

3
Design for Distribution

Optimize shipping packaging design and materials to reduce environmental impact.

4
Design for Use & End of Life

Design for reuse or recovery of packaging materials.

2016 EXAMPLE IN ACTION
Hasbro uses PET material with 30% post-consumer recycled content across our toy and game portfolio.

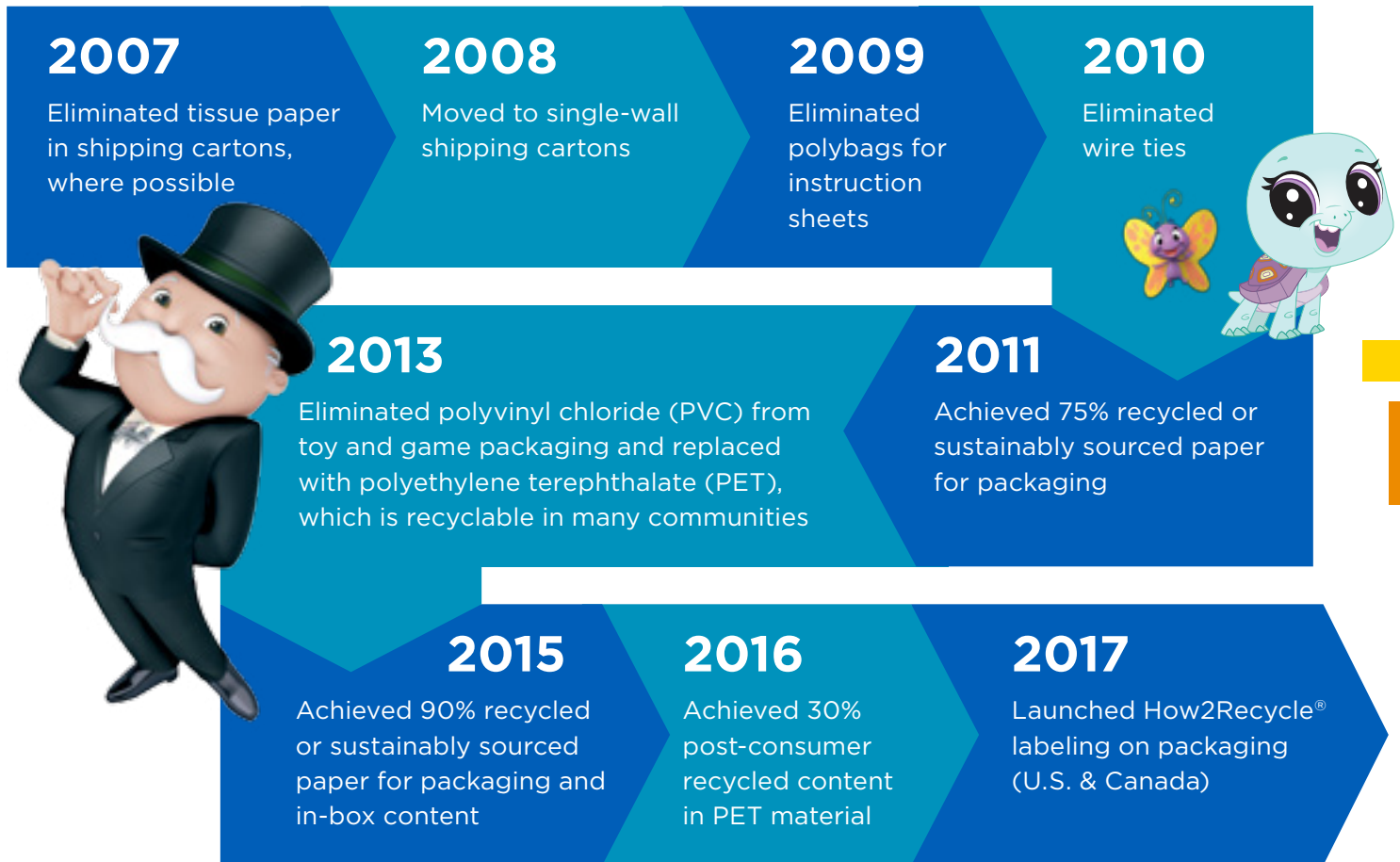
2016 EXAMPLE IN ACTION
Our classic MR. and MRS. POTATO HEAD toy packaging was re-designed. The new design, launching in Fall 2017, will use 20% less paperboard than the previous design.

2016 EXAMPLE IN ACTION
Hasbro uses shrink bundling instead of corrugated shippers where possible, which saves on shipping volume and weight.

2016 EXAMPLE IN ACTION
Hasbro became a member of the How2Recycle labeling program, which helps us to provide clear on-package recycling guidance to consumers.



OUR SUSTAINABLE PACKAGING JOURNEY



PRODUCT DISPOSAL AND TAKEBACK

As a global company that produces millions of products every year, we are committed to reducing the environmental impact of our products and packaging, which includes finding ways to help consumers responsibly dispose of them once they have reached the end of their useful life and avoid ending up in landfill.

Toy recycling presents many challenges, including the lack of recycling infrastructure, the collection and transport of used toys, consumer education, as well as recycling program feasibility and cost. While we continue to explore ways to overcome the many barriers to toy recycling, we have been committed to enhancing the recyclability of Hasbro toy and game packaging for many years.

To help our consumers with recycling toy and game packaging, we start by selecting packaging material that is recyclable in many communities. For example, in 2013, we replaced polyvinyl chloride (PVC) used in our packaging with polyethylene terephthalate (PET) which is a material that is recyclable in many communities. In 2016, we further expanded our efforts to incorporate post-consumer recycled PET in our packaging. As we consider new plastic packaging materials, recyclability is an important consideration.

Additionally, in 2016, Hasbro joined the growing How2Recycle® Label Program to educate consumers in the U.S. and Canada on packaging recyclability and began providing recycling instructions on packaging.

For product returned to Hasbro by consumers in the U.S. and Canada through our Consumer Care team we have a waste management program to recycle or responsibly dispose of the product.

Sustainable Supply Chain

As a global company that contract manufactures our products and transports them around the world using third-party partners, we recognize that the majority of our environmental impact occurs within our supply chain. We are committed to reducing the environmental footprint of our supply chain and we encourage our third-party partners, including vendors and logistics providers, to embrace a shared commitment to environmental sustainability.

IMPROVING THIRD-PARTY FACTORIES

To better understand the environmental impacts of our vendor base, we survey our direct third-party factories annually to gather information and data about their environmental management systems and performance. Our data collection efforts focus primarily on our impacts related to energy, water, and waste. Additionally, we seek to identify areas of sustainability innovation as well as areas for potential collaboration with our vendors.

The survey results indicate an increasing number of our third-party factories are ISO 14001 certified. Additionally, third-party factories have implemented energy efficiency and hazardous waste management programs, as well as manufacturing waste and water recycling programs and processes.

We require third-party factories that make our products to comply with all applicable environmental laws and regulations. Furthermore, when Hasbro establishes additional product and packaging sustainability criteria, they are incorporated into our product specifications and standards to which we hold our vendors. We monitor environmental compliance through regular audits, addressing issues as needed, and provide training to help our

vendors improve performance as part of our ethical sourcing program. Additionally, we partner with our retailers and support their sustainability initiatives through environmental impact assessments and energy efficiency audits.

ECO-EFFICIENT LOGISTICS

We contract manufacture products from all around the world with the majority coming from Asia. Our product travels great distances to serve our changing market needs that continue to evolve as our business expands and grows. We contract with a vast logistics network—including trucks, railroads, barges, airplanes, and container ships—to transport our products from factories through distribution centers to retail stores.

An important challenge we face is meeting the delivery needs of our customers and managing the costs of delivery, while keeping in mind the environmental impact of the required mode of transportation. Each mode of transportation has a different impact on the environment through their energy usage and resulting carbon emissions.

Savings Through Direct Shipping

In 2016, we began shipping product to our Russian distribution center “on-demand” to reduce excess inventory that might otherwise need to be returned to our central European distribution center, thereby reducing costs and total miles traveled.

Additionally, our global sourcing strategy has evolved from a more centralized model to a distributed model which impacts our ability to maximize container utilization. We also face regional shifts in product demand, availability of certain shipping methods, and changing production schedules which can all have an impact on the environmental footprint of our logistics operations.

To improve cost efficiency while minimizing the environmental impacts, we pursue a variety of transportation strategies, including:



Optimizing manufacturing and product delivery schedules to maximize container utilization where feasible



Shipping from the factory to the closest port when delivery time permits to minimize trucking distances



Maximizing efficiency of loading and unloading by using off-peak times to minimize container ship idling, reduce trucking during peak traffic times, and improve delivery time



Utilizing rail over trucking when possible to improve transportation energy efficiency (currently used in China, U.S., Europe, Canada, Mexico and Russia)

We also utilize third-party programs to improve the environmental footprint of our logistics operations. For example, Hasbro has been a member of the U.S. Environmental Protection Agency (EPA) SmartWay® Transport Partnership since 2012. This program helps business move products as efficiently as possible while utilizing transportation SmartWay members. While not a requirement, we have a preference to work with SmartWay carriers. In 2016, we met our goal of shipping over 90 percent of our domestic U.S. freight using SmartWay carriers.

In Southern California, we utilize the PierPass program, which relieves congestion, shortens wait times at security checkpoints and improves air quality at the ports of Los Angeles and Long Beach by encouraging off-peak activity. Reducing container movement during peak hours means fewer trucks on the road during heavy traffic periods, reducing fuel consumption and emissions. In 2016, 50 percent of our containers at these ports were moved during off-peak hours. We aim to unload as many containers as possible off-peak.

We remain committed to finding ways to optimize our logistics network to reduce our environmental impacts while meeting our business needs. In 2017, we will pilot a project to better understand the carbon footprint of our U.S. export logistics with the goal of understanding the carbon emissions of various modes of transportation to help inform future logistics strategies.

NATURAL RESOURCE CONSERVATION

Hasbro is deeply committed to conserving our use of natural resources across our global operations and sourcing natural resources sustainably for use in our products. We are proud of the strides we have made to date to reduce energy and water use at our owned and operated facilities, as well as our continued efforts to source paper sustainably for use in our products and packaging.

For information about our energy use and water consumption, read the [Hasbro Facilities and Culture](#) section in this report. Additionally, you can learn about our environmental performance in our [data dashboard](#).

Sourcing Paper Sustainably

Paper is one of the most significant natural resources used in our products and packaging and we take great care in its sourcing. Our [Paper and Forest Procurement Policy](#) ensures that the way we buy wood fiber-based materials aligns with our commitment to sustainable forest management. The policy also requires vendors to show us credible third-party certification that their raw materials are from sustainably managed forests and commits Hasbro to avoid using fiber from controversial sources. For example, we prohibit the use of mixed tropical hardwood virgin fiber in our products and packaging. Ongoing fiber testing, conducted by Hasbro as an extra verification measure, indicates that our vendors are adhering to our paper policy.

We also expect vendors to source paper with as much post-consumer recycled content as is practical and financially viable. We monitor our vendors' compliance with our policy through our company-wide quality assurance procedures.

In 2016, we maintained our goal to derive over 90 percent of paper packaging and inbox content from recycled material or from sources that practice sustainable forest management.

Hasbro Facilities and Culture

We advance our commitment to environmental sustainability by continuously looking at ways to “green” our facilities and cultivating an eco-minded culture across our global organization.

“GREENING” OUR FACILITIES

We take a comprehensive and strategic approach to managing the environmental impact of our facilities around the world. At properties we own or lease, we enhance environmental performance through these actions:

- Identify and manage environmental risks.
- Comply with all applicable laws and regulations.
- Audit for performance against regulatory and additional Hasbro requirements.
- Use energy, water and materials more efficiently.
- Minimize water discharges, greenhouse gas and other air emissions and waste disposal.
- Increase recycling and reuse waste to minimize landfill disposal.
- Establish environmental goals, KPIs and minimum standards for all offices and distribution centers.
- Institute environmentally responsible purchasing practices.
- Provide employee education and awareness programs.

Green Printing Savings

In 2016, we installed more than 120 new multi-function printing devices across our U.S. and Hong Kong offices. These secure badge-based printers allow employees to print on-demand from any printer, anytime. In coordination with the “print anywhere” printer feature, employees gained an effective way to eliminate unnecessary printing and help Hasbro save money and reduce our environmental footprint. Overall, in 2016, we achieved an environmental benefit in the reduction in paper (over 4,000 reams or 247 trees) and toner as well as an energy savings of 17,635 kWh or enough energy to power a lightbulb for 33 years straight.

Our policies and standards set minimum criteria for our operations, and each site is responsible for putting them into practice. We have standards for energy and natural resource conservation, solid waste, hazardous waste management, storm water and wastewater management and air pollution control. Our policies address areas such as vendor waste disposal and real estate acquisition and divestiture.

Energy and Greenhouse Gas Emissions

We are aware of potential physical and financial consequences of climate change on our business. These could include higher energy costs and more frequent extreme weather events that disrupt product supply chains. To minimize Hasbro's contribution to greenhouse gas (GHG) emissions, we strive to reduce energy use across our business.

Our internal energy and natural resource conservation standard requires Hasbro owned and operated facilities to document site-specific energy management and efficiency practices. We conduct energy assessments every three years at our office and warehouse facilities.

These efforts have led to improvements such as lighting upgrades, occupancy sensors, roof insulation, new door and window seals, powering down equipment when not in use, setting heating and cooling systems to optimal temperatures and converting boilers to natural gas.

We measure our GHG emissions using the [Greenhouse Gas Protocol](#), a corporate accounting and reporting standard. These external guidelines provide benchmark standards and direction for companies worldwide in preparing a comprehensive and robust GHG emissions inventory. Since 2011, we have reported our GHG emissions annually to CDP. See our [2016 CDP](#) response.

“LEED® by Design”

We believe green building design is smart design. While most of our office facilities around the world are leased and multi-tenant, when we select new office space we give strong consideration to those supporting green building standards. In the U.S., our preference is to lease in Leadership in Energy and Environmental Design (LEED®) certified buildings by the U.S. Green Building Council such as our Providence, Rhode Island, and Miami, Florida, facilities.

Additionally, we are committed to evaluating green building standards for office renovations impacting more than 40 percent of space in new or existing facilities and pursuing LEED certification, where feasible. We are proud of the renovation for our facility in Providence, Rhode Island, which earned LEED Gold certification in 2014. In 2016, Hasbro renovated a newly leased 80,000 square foot office space in a multi-tenant building in Burbank, California. This renovation was designed to meet the requirements for the LEED Silver tenant improvement certification which complements the building's existing LEED Gold certification. The Burbank office renovation features a variety of design elements that reduce energy consumption, improve air quality, and employ sustainable materials. Hasbro officially received its LEED Silver certification for the Burbank facility in 2017.



Advancing Our Commitment in Support of a Low Carbon Economy

In 2016, Hasbro achieved its goal of 100 percent renewable energy use and carbon neutrality across our owned and operated U.S. operations for the second consecutive year. In 2017, Hasbro will extend its goal to commit to 100 percent renewable energy use and carbon neutrality globally.

The new global goal builds on a longstanding commitment to climate action leadership, and Hasbro has made significant progress already to achieve the goal. Specifically, in 2016, Hasbro purchased 25,699 megawatt-hours of renewable energy certificates (RECs) to address 99.6 percent¹ of its 2016 global electricity consumption. Additionally, the company purchased carbon offsets in 2016 to address its global carbon footprint. Cumulatively, this reduction in Hasbro's carbon footprint is similar to growing 766,411 trees per year for 10 years or not using 69,513 barrels of oil.

Learn more about our 2016 renewable energy advancements in Hasbro's [2017 Renewable Energy Performance Statement](#).

¹ Renewable energy certificates (RECs) were not available in all global markets at the time of Hasbro's REC purchases.

² Hasbro's business, solid, production and chemical waste management practices are incorporated in Hasbro's solid (non-hazardous) waste management standard or hazardous waste management standard.

Waste

We aspire to generate zero waste to landfill. Reducing waste allows us to save money while shrinking our environmental impact. Our comprehensive waste policy requires managers at our owned and operated facilities to document waste management practices and procedures and communicate them to all employees. In leased facilities, waste management services are provided by builder owners or managers.

Facilities must evaluate all hazardous and nonhazardous waste streams and maintain an up-to-date recycling plan that identifies materials to be recycled or reused, methods of collection, and recycling vendors.²

We conduct comprehensive evaluations and on-site audits of all third-party vendors involved in the transportation, treatment, storage, disposal or recycling of hazardous and regulated waste. Hasbro facilities may use only approved vendors who meet our strict requirements.

Water

While operations at Hasbro facilities and offices are not water intensive, water conservation is a focus area and part of our environmental management practices. We use water primarily in restrooms and kitchens, with a small amount for irrigation and processes. Our water reduction efforts are modest since they can only generate minor improvements. We require managers at our owned and operated facilities to manage water use and develop water conservation plans to reduce consumption, where appropriate.



OUR ECO-MINDED CULTURE

We believe that our culture of creativity and innovation is key to our sustainability progress. When we engage our employees and apply their talents to help shape our sustainability efforts, our sustainability results are strongest. Our employees are passionate about the environment and we support their ambitions by providing them with opportunities to make a difference, including greening their local offices, and ways they can personally embrace sustainability at work and at home. For example, every year employees at our facilities around the world demonstrate our shared commitment to sustainability by joining together in Hasbro's "Wear Green Day" in honor of Earth Day.

Hasbro's Global Green Team is employee led and provides ways for employees to develop sustainability leadership skills and engage their fellow

colleagues in taking positive action to help the environment. In 2016, our Green Teams around the world organized numerous activities, such as community cleanup events, recycling education events, and networking parties.

Hasbro encourages employees to reduce their carbon footprint and think green when commuting to work. Sustainable commuting options can include employee pre-tax benefits account to pay for public transit, shuttle service between office and public transit, electric vehicle charging points and preferential parking, car and van pooling, and covered bicycle parking. These commuting options vary by region and facility and may be provided through company sponsored incentives, landlord provided offerings, and employee-led initiatives.

Hasbro's Global Green Teams Unlock Environmental Passion

Our Green Teams around the world bring their passion, creativity and energy to engage their Hasbro colleagues in environmental activities. In 2016, our Rhode Island Green Team hosted a "Wreath Cycle" competition that challenged individuals and teams to craft the most creative holiday wreaths made from recycled and unconventional materials. The three competition categories were "Most Retail Ready," "Most Hasbro Brand Centric," and "Most Recycled Materials." Dozens of creative wreaths were submitted by team members using a wide range of recycled materials ranging from holiday lights to Hasbro toys and office supplies. It was a great "green" holiday display filled with enthusiasm, ingenuity and determination.



Rhode Island Green Team members stand behind a display of "Wreath Cycled" items.

Challenges and the Road Ahead

As we continuously explore ways to produce more environmentally sustainable products and further embed sustainability across our business operations, we continue to face ongoing and new challenges.

Consumer awareness is growing regarding the impact consumer products and packaging can have on the environment. This growing awareness, particularly among millennial consumers, could influence their purchasing behaviors. The challenge we face in our business when exploring new materials is that they, first and foremost, must meet our stringent quality and safety standards. They must also meet our requirements for aesthetic design and consumer experience as well as comply with new and rapidly changing regulatory restrictions, including chemical restrictions. Finally, cost remains a key factor in our ability to produce innovative products at competitive prices.

Additionally, since 2002, we have made considerable improvements in energy and water conservation, reducing greenhouse emissions, and waste reduction at our owned and operated facilities. Identifying ongoing opportunities to further advance our reduction efforts is a challenge, especially when taking into account changes in our facility locations and size to support our business needs. We also operate the majority of our offices in multi-tenant leased facilities where we don't have control over the building operations. Lastly, in 2015, Hasbro sold its remaining owned and operated manufacturing facilities which significantly reduced our operational footprint and affected our progress in meeting some of our 2020 environmental goals.

Going forward, we remain committed to advancing our sustainable materials exploration efforts and reducing the environmental impacts of our products and packaging, including at the end of their useful life. We also remain committed to improving the environmental efficiency of our business operations, which includes gaining a deeper understanding of the carbon footprint across our supply chain and addressing the environmental impacts through engagement and goal-setting with third-party partners.

For Hasbro owned and operated facilities, we are restating our long-term environmental goals in 2017 to address the shift in our operational footprint and establishing the following 2025 environmental goals for our owned and operated facilities, based on a 2015 baseline year.

2025 Environmental Goals

- Reduce energy consumption by 20%
- Reduce GHG emissions by 20%
- Reduce waste to landfill by 50%
- Reduce water consumption by 15%



Human Rights and **Ethical Sourcing**

Treating people with dignity and respect and operating ethically are core values at Hasbro. We demonstrate these deep beliefs in the way we treat our employees and in the expectations and requirements we have of those with whom we do business.

2016 PERFORMANCE HIGHLIGHTS

Enhanced Ethical Sourcing Program

Joined the Responsible Business Alliance (RBA) (formerly Electronic Industry Citizenship Coalition), a leading cross-industry social compliance initiative, and held in-person and online RBA orientation sessions for vendors globally.

Piloted New Vendor Training

Piloted a new vendor onboarding training program, integrating ethical sourcing, quality assurance and factory security compliance requirements, with new vendors in Mexico.

Piloted Vendor Health & Safety Program

Piloted an innovative health and safety management systems program in a third-party factory in Turkey, designed to tackle health and safety risks.



Human Rights: Our Approach

At Hasbro, we believe all people are entitled to fundamental rights and freedoms. We regard safety, well-being and dignity – of our employees, the workers in our supply chain and children everywhere – as deeply held obligations.

Working with partners and suppliers around the world on human rights and ethical sourcing issues is complex, but we remain vigilant in our commitment to ensure everyone in our supply chain is treated in accordance with the law and our rigorous ethical requirements. Specifically, we work with our third-party factories, licensees and stakeholders to address social compliance and help ensure our products are manufactured in working conditions that are fair and safe for workers and support local communities.

Hasbro developed a comprehensive human rights framework and policy in 2013 to further ensure that we uphold our beliefs. In 2016, we strengthened our [Human Rights Policy](#) to address forced labor, modern slavery, and human trafficking.

We support the standards of fair treatment and nondiscrimination in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We work to prevent and mitigate adverse human rights impacts in our own operations and seek to positively influence our business partners' human rights actions.

Our Human Rights Policy was informed by consultations and review by key stakeholders including supply chain participants, monitoring organizations, industry leaders, governmental and non-governmental organizations and investors. We assessed and

Treating people with dignity and respect and operating ethically are core values at Hasbro.



mapped human rights risks and opportunities across our company, which ultimately led us to focus on three primary constituencies: employees, supply chain workers and children. Each of these groups is essential to Hasbro's success and we developed specific actions to meet their needs.

EMPLOYEES

We implement our employees' human rights protections through our [Guide to Corporate Conduct](#), our [Human Resources policies](#) and our [Environment, Health and Safety Policy](#). Furthermore, Hasbro employees are expected to uphold the company's commitment to human rights throughout our business operations.

CHILDREN

We see protecting children's well-being and dignity as part of our role as a global play and entertainment company. We respect children's human rights through our strong commitment to providing safe products and content, [community investments](#) in children-based initiatives, and our compliance with applicable [conflict minerals regulations](#).

SUPPLY CHAIN WORKERS

We require the following facilities involved in the production of Hasbro products or licensed products to comply with Hasbro's Global Business Ethics Principles: third-party suppliers, their major subcontractors, Hasbro owned and operated warehouses, and licensees. These facilities are expected to provide fair and safe working conditions for workers and to treat their employees with dignity and respect. We implement our human rights commitment in our supply chain through not only our [Hasbro Global Business Ethics Principles](#), which is the foundation of our ethical sourcing program, but also the [RBA social compliance program](#), which we require for all vendors, their major subcontractors, and our owned and operated warehouses. For licensees across various product categories, including footwear and apparel, we require reputable third-party social compliance audits.

Human Rights Governance

The Nominating, Governance and Social Responsibility Committee of our Board of Directors and Hasbro's executive CSR Committee, chaired by our chairman and CEO, has oversight for our Human Rights Policy. Our CSR team works closely with functional teams throughout the company to review and update the policy, as needed. Our Ethical Sourcing, CSR, Legal, and Human Resources teams monitor and work to address any alleged human rights complaints or concerns, whether from our employees or third-party factory workers.

We ensure that Hasbro employees and workers have channels to report and address human rights concerns. Our global ethics helpline and two confidential mailboxes allow employees to report issues anonymously and without fear of retaliation. For third-party factory workers, we are exploring best practices to further strengthen the anonymous grievance mechanism accessible through our social compliance program.

Employees who fail to comply with Hasbro's [Code of Conduct](#) can face disciplinary action, including termination. We will discontinue business with partners or third-party factories that are unwilling or unable to comply with our Global Business Ethics Principles.

Human Rights Training

All Hasbro employees receive human rights information as part of our Code of Conduct training. Additionally, we conduct targeted human rights trainings based on job responsibilities. For example, security personnel receive training on Hasbro's human rights policies and procedures. Security personnel employed by our third-party vendors are subject to their organizations' professional standards, which include human rights expectations.

Ethical Sourcing: Our Approach

When consumers choose Hasbro toys and games, they trust that our products are manufactured safely, under fair labor conditions and without ethical compromises. Hasbro is deeply committed to ensuring our products, components, and raw materials are obtained in ethical and responsible ways. As we move toward an expanded global sourcing model, our ethical sourcing program will remain a core focus of our business operations. We continually evaluate new approaches to adopting best practices, achieving sustainable social and environmental compliance, providing capacity building opportunities, and increasing supplier transparency.



Manufacturing in the toy industry can be challenged by short lead times, seasonal deliveries and complex inventory management systems, which requires close oversight and management of working hours across supply chains. To ensure fair worker treatment and respect, we require all Hasbro products to be manufactured in accordance with rigorous ethical standards. We combine industry best practices, strategic partnerships, and strict auditing standards to respect worker safety, well-being and dignity.

We require all of our third-party factories and licensee factories to comply with Hasbro's ethical sourcing requirements and local law, including wages, health and safety and the prohibited use of forced or child labor. In many cases, complying with Hasbro's Global Business Ethics Principles and our ethical sourcing program means factories go beyond legal requirements.

A Legacy of Firsts

For more than 20 years, Hasbro has pioneered company-wide initiatives and industry standards for better working conditions. In 1993, we implemented the industry-leading [Hasbro Global Business Ethics Principles](#), which remain in effect today. These require all factories manufacturing Hasbro products to meet applicable laws and standards for workplace issues including prohibition of forced labor and child labor, working hours, compensation, health and safety, non-discrimination, and freedom of association.

In 1994, we were the first toy company to develop a fire safety manual for factories that became the industry standard. By 1995, we were partnering with others in the industry to develop a code of conduct for factories manufacturing our products and, in 1996, the International Council of Toy Industries (ICTI) rolled out its initial Code of Business Practices.

In 2013, we were the first toy company to use the nonprofit Social Accountability International's (SAI) Social Fingerprint Assessment tool to self-assess strengths and weaknesses in our ethical sourcing program.

In 2016, Hasbro expanded its ethical sourcing commitment and collaborations beyond our industry and became the first toy and game company to join the Responsible Business Alliance, formerly the Electronic Industry Citizenship Coalition. Responsible Business Alliance (RBA) is a nonprofit group of leading companies from the retail, automobile, electronics, and other sectors working together to improve efficiency and social, ethical and environmental performance in the global supply chain.

We began requiring Hasbro third-party factories to participate in our new, robust, RBA-based audit program, including development of more detailed and comprehensive corrective action plans, root cause analyses, and implementation of management systems to achieve long-term sustainable compliance. In 2016 and into 2017, some factories remained certified under the International Council of Toy Industries (ICTI) program until the transition to RBA was completed by the vast majority of our vendors in May 2017.

We require 100 percent of our global supply chain to undergo annual RBA social compliance audits. Our 100 percent annual requirement is best-in-class and goes well beyond the RBA requirement that 25 percent of high-risk factories be audited.

Partnering With Responsible Business Alliance

The Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition, is a nonprofit coalition of electronics, retail, auto and toy companies who support the rights and well-being of workers and communities affected by the global supply chain. RBA members commit and are held accountable to a common Code of Conduct and use RBA training and assessment tools for continuous improvement in their supply chains' social, ethical and environmental responsibilities. In addition, the RBA engages and collaborates regularly with workers, governments, civil society, investors and academia to gather perspectives and expertise to drive its members to achieve the RBA mission and values of a responsible global supply chain.

As an RBA member, Hasbro is learning new best practices by partnering with the organization and its diverse, cross-sector members. Our initial goals are:

1. Determine a new vendor baseline evaluation through an initial RBA audit.
2. Help vendors develop effective corrective action plans for remediation.
3. Conduct RBA closure audits to verify remediation of issues, prioritizing critical issues, and continue to monitor through RBA annual audits and Hasbro oversight audits.
4. Develop a Hasbro social compliance rating system for factories to provide clear guidance and incentivize factory improvements.

We are currently in the process of enhancing our Hasbro Global Business Ethics Principles to reflect additional RBA standards. In addition to these standards, RBA offers an expanded platform for Hasbro to identify high-risk factories and to address issues requiring vendor remediation. We also conduct oversight audits to detect gaps in this process.

Managing Ethical Sourcing in Our Supply Chain

Ensuring social compliance in our supply chain around the world is a continuous process that requires careful monitoring. At Hasbro, our process for ensuring compliance within our factory base includes prequalification, monitoring, oversight, transparency, capacity building, and partnerships.

Our Ethical Sourcing program is designed to support our current and expanding sourcing model. We engage directly with Hasbro third-party vendors and licensees to drive social and environmental

compliance and require them to do the same within their supply chains, including auditing and monitoring of subcontractors.

Third-Party Vendors and Factories

We partner closely with our third-party vendors and factories, the majority of which are in China, and require them to adhere to our Global Business Ethics Principles. In 2015, we began expanding production in Vietnam, India and Indonesia and will continue to diversify our third-party factory base globally. We directly engage with Hasbro third-party vendors and licensees requiring them to submit acceptable audit reports and properly monitor social compliance within their supply chains (including subcontractors).

THIRD-PARTY FACTORY AUDITS

We require all third-party factories to comply with the Hasbro Global Business Ethics Principles, and also to participate in the RBA social compliance program, including RBA factory audits with an RBA approved third-party auditor. RBA audits categorize findings based on severity level from most grievous (“Priority” non-conformance) to least (“Minor” non-conformance).

Following an audit, if any Priority issue has been identified, factories must first address the Priority issues by submitting to Hasbro an acceptable corrective action plan (CAP), explaining the root cause of the findings and how the factory plans to effectively address them. Closure audits are then scheduled to verify remediation.

Priority issues which are more complex to address in a short time-frame, such as working hours, require us to partner closely and provide support to the factories toward full remediation.

Factory audits focus on a broad range of areas related to labor, health and safety, environmental, ethics, and management systems. For more details about audit areas, please refer to the [RBA social compliance program](#).

Although our ethical sourcing program includes comprehensive auditing, audits alone are not sufficient to address worker concerns. Factory workers must also have access to a grievance helpline. As we transition to RBA, a new grievance mechanism will be put in place.

CONTINUOUS IMPROVEMENT AND FACTORY RATINGS

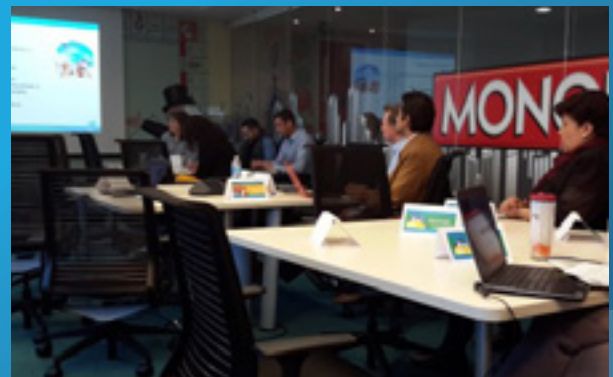
Because we know factories are not perfect workplaces, we take an approach of continuous improvement. Hasbro firmly believes in working with factories to ultimately raise standards and improve conditions for all. We are developing a social compliance rating system which will clearly define our expectations, categorize factories according to RBA audit performance, and provide timelines for follow-up audits to verify improvements made.

If, however, a factory cannot meet our standards or is unwilling or unable to remediate instances of noncompliance, we will not use the factory or, in the case of ongoing production, we will responsibly exit the factory.

Onboarding Vendors in Mexico

In 2016, Hasbro launched a pilot vendor onboarding program aimed at educating vendors and engaging in dialogue with them about Hasbro’s product quality, IP security and social compliance expectations. The goal for the pilot was to establish a strong foundation of compliance as the basis for our business relationship.

Launched in Mexico City with future Mexican vendors, during the two-day training, we explained Hasbro’s Global Business Ethics Principles and local legal requirements. To help attendees understand common violations and how to achieve sustainable compliance, they were divided into teams, given a challenge and asked to develop a compliance policy and effective compliance practices. The exercise served to clarify Hasbro’s way of working and showed attendees how to identify factory opportunity areas by sharing experiences and improvement best practices.



Licensee Factories

In addition to producing our own products, Hasbro licenses use of our brands to third-party licensees around the globe. Our licensees manufacture Hasbro-branded consumer products, including but not limited to apparel, footwear, home goods, health and beauty products, food and printed items such as coloring books. While we do not directly select licensee factories or have direct business relationships with these factories, licensee factories are required to comply with Hasbro's Global Business Ethics Principles.

Hasbro uses a proprietary, standardized online Licensing Approval System (LAS) to evaluate and process approvals for factories and the licensed products they produce. This system incorporates product quality testing and social compliance requirements. Licensees receive information on Hasbro's ethical sourcing policies and procedures through this online system.

To identify risk, we use third-party research that considers United Nations Human Development Index data points, corruption data, labor rights, economic and political freedom data and audit history. As part of our ethical sourcing program, we also maintain a Prohibited Countries List.

Prior to production, licensees are contractually obligated to submit to Hasbro current audit reports of factories under consideration for future production. Annual audits are required thereafter. If critical issues are found in the audit reports, a CAP is required to demonstrate compliance.

Oversight Audits

In addition to RBA audits for third-party factory and reputable third-party social compliance audits for licensees, 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 annual RBA audits. We conduct oversight audits at various levels of our supply chain. In 2016, we conducted oversight audits for approximately 15 percent of our third-party factories. Additionally, we conducted periodic oversight audits for licensee factories.

Social Accountability International Pilot Takes Off

In 2016, we partnered with Social Accountability International (SAI) and Rapid Results Institute to pilot the innovative "TenSquared" program in one of our third-party factories in Turkey. The program builds and coaches peer-selected teams of workers and managers to jointly develop and implement 100-day projects to achieve ambitious health and safety goals in the factory. Along the way, the program builds trust, improves worker-manager communication and stimulates collaborative problem solving.

The pilot program achieved its goal to eliminate five Occupational Health and Safety (OHS) risks and increase employee awareness of OHS to 90 percent in 100 days. The team identified areas of risks and implemented remediation actions, such as creating and distributing a quarterly worker survey to obtain input from workers and enhancing emergency procedures by distributing posters throughout the facility. Moving forward, we plan to explore other programs in different parts of the world that help to foster worker relations with management with a focus on addressing social compliance challenges.

Conflict Minerals

Ethical sourcing includes efforts to ensure that specific minerals (tin, tantalum, tungsten and gold or “3TG”) come from conflict-free sources, as profits from mining these minerals in certain locations in the Democratic Republic of Congo (DRC) and in designated surrounding countries (the “Covered Countries”) are used to finance the ongoing violence and humanitarian crisis in that region.

In 2012, the U.S. Securities and Exchange Commission (SEC) formalized the Conflict Minerals rule, which was originally mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Section 1502). Designed to further the humanitarian goal of ending violent conflict in the DRC and the adjoining region, publicly traded companies subject to the SEC rule must report annually if their products contain 3TG minerals as well as the location, if determinable, of where those minerals are mined.

These minerals are mainly used by the electronics industry but could be found in parts of our supply chain. Accordingly, we employ policies and practices to promote the sourcing of conflict-free 3TG in addition to fulfilling SEC requirements.

In accordance with the SEC rule, every year Hasbro files a conflict minerals disclosure form. As required, we conduct a Reasonable Country of Origin Inquiry (RCOI) to determine if these necessary 3TG minerals were sourced from the Covered Countries. All contract manufacturers of products believed to contain 3TG were surveyed about the source of these minerals.

Based on our RCOI, we could not determine that our necessary conflict minerals did not originate in the Covered Countries or are not from recycled or scrap sources. See our full [Conflict Minerals Report](#) for 2016. Development International (DI), a non-profit based in Germany, rated Hasbro’s conflict minerals program and gave it an 85 percent score for its combined SEC compliance and OECD conformance, which was substantially higher than scores received by industry peers.

Nevertheless, over the years, we have seen constant improvements in our supply chain. We continue to build programs and processes to increase visibility into our supply chain, identify the sources of conflict minerals used in our products, and improve capabilities within our supply chain. Our efforts include providing training on conflict minerals for contract manufacturers. We also require all vendors to obtain 3TG minerals from designated conflict-free sources.



Addressing Stakeholders Concerns in Our Supply Chain

Hasbro takes its responsibility to ensure human rights are being upheld in our supply chain very seriously. We are committed to proactively addressing worker rights issues through our ethical sourcing program. When stakeholders bring allegations of labor violations to our attention, those allegations are thoroughly investigated to determine whether claims can be validated, including through unannounced factory inspections.

In 2016, China Labor Watch released a report alleging poor labor practices at four Chinese toy factories, including references to third-party factories claimed to produce Hasbro toys. As is Hasbro's standard practice with all NGO allegations, we immediately conducted an investigation. We determined not only that none of the third-party factories named in the report was a vendor for Hasbro, but also that the toy mentioned in the report had been erroneously identified as a Hasbro product. We contacted the NGO directly and requested that they update their report, which they did in the form of a website notation.

NGOs and other organizations from time to time share information about toy factory conditions. We welcome the opportunity to work together toward the shared goal of ensuring human rights are being upheld throughout our supply chain. We believe this is a continuous journey and requires collaboration and cooperation among all stakeholders.

Challenges and the Road Ahead

In our industry, one of the biggest ethical sourcing challenges relates to the indirect sourcing of products and labor. We are proactively addressing unauthorized subcontracting by:

1. Continuously revising and reinforcing our unauthorized subcontracting policy.
2. Encouraging and rewarding vendors who notify us of production capacity or other production issues that may cause subcontracting, and partnering with Hasbro to find solutions.
3. Working toward solutions to more easily detect when unauthorized subcontracting is being performed, including unauthorized subcontractor detection audits.

We also continue to monitor evolving issues that may result in new human rights risks. For example, the practice by some factories to use agents to source labor, could increase their risk of forced labor. To better identify and address emerging risks like these, Hasbro plans to utilize the Responsible Business Alliance's (RBA) leadership practices.

As we continue to expand our global sourcing model to include new countries and regions, we will continue to look critically at our ethical sourcing program.

Diversity and Inclusion

At Hasbro, we believe that supporting all people and promoting inclusion across our business and society makes the world a better place for all. We're committed to creating a diverse and inclusive culture that helps employees know they are valued, respected and empowered to bring their best ideas forward. We celebrate diversity because we believe that rich, varied perspectives generate the best ideas, which in turn help us reflect diversity, inclusion and belonging across our brands and play experiences.

2016 PERFORMANCE HIGHLIGHTS

100%

Ranked among 2016 "Best Places to Work for LGBTQ Equality" by the Human Rights Campaign with a 100 percent score.

Top 100

Ranked among the Top 100 Adoption-Friendly Workplaces by the Dave Thomas Foundation for Adoption in 2016.

37%

In 2016, 37 percent of our leadership roles globally were held by women, a 23 percent increase compared to 2012.



Our Approach

Through our commitment to supporting diversity and inclusion, we aspire to change the perspectives and stories present in business and society today that can limit people from reaching their full potential. We know that the more inclusive we are as a company, the stronger our business will be. As a company over half comprised of women, we seek to promote a workplace culture that values and empowers women, from providing best-in-class benefits to ensuring competitive and equitable pay. While we are making great strides, we recognize there is more work to be done, including ensuring women can advance their careers and continue to grow in leadership positions at Hasbro, and we are taking measurable actions as described below.

We also know that a diverse and inclusive culture helps us build expansive and inclusive brands, moving beyond traditional gender and demographic stereotypes and engaging more consumers. Diverse and inclusive storytelling and play experiences are important to help break down barriers and challenge stereotypes in society. To align with our world view, in 2017 we extended our inclusive brand approach and began reporting our financial performance by brand categories aligned to how we manage our business instead of by traditional boy, girl, games and preschool categories.

Finally, women comprise the majority of the worker base in our industry's supply chain, and we are exploring ways to expand our ethical sourcing and social compliance program to support personal and professional growth of female factory workers, with a goal of positively impacting their well-being and lives.

By advancing inclusion and empowering women across our workplace, our business, and our supply chain, we believe we can help to make the world a better place for all.

Our Workforce and Culture

We are committed to promoting a culture of diversity, inclusion and belonging in which everyone feels valued, respected and engaged as we embrace the unique skills, experiences and talents of our global workforce. This commitment drives us as we evaluate new and effective ways to embed a culture of inclusion and belonging across our business so that it runs through every aspect of the employee experience at Hasbro, ensuring that everyone is supported to fulfill their potential.

Our culture of inclusion is based on three priorities:

1 Build a diverse workforce that reflects the consumers and communities we serve globally.

2 Foster a culture of inclusion where all employees are welcome and empowered to be themselves and make their most significant contribution.

3 Support employees in our workplace, including women, with an ongoing commitment to gender balance in leadership positions and pay equity.



Supporting Youth and Building a Diverse and Creative Pipeline

In an effort to cultivate and inspire local and diverse creative talent, Hasbro collaborates with Rhode Island School of Design (RISD) and their college access initiative, Project Open Door (POD). Students in the urban core receive after-school arts programming through support of Hasbro Children's Fund, and two students annually are named Hasbro Scholars and awarded full scholarships to RISD's immersive pre-college program. Hasbro employees also serve as volunteers, and Hasbro designers created and delivered a Design Studio for the program's summer students. Additionally, Hasbro welcomes POD graduates studying art

and design in college to apply for internships in the design and development organization at Hasbro.

Additionally, Hasbro supports AS220, a local Rhode Island forum for the arts, through a Hasbro Children's Fund investment in the AS220 Youth program which is designed to empower and prepare youth for post-secondary education, vocational training, or employment. Hasbro design and development employees mentor youth in regular sessions, providing insight and advice about pursuing a creative profession.

Building a Diverse Workforce

Diverse talent is the lifeblood of our business. The diversity of people and ideas inspire our creativity and innovation that our iconic brands are built on. Furthermore, we know that a diverse workforce enables us to better connect with and serve the needs of our consumers globally, as well as connect within the communities where we live and work.

Our U.S. minority population has grown to 17 percent in 2016, up from 15 percent in 2012, while the proportion of minority leaders and managers rose from 6 percent to 9 percent in the same period. We continue to make efforts to improve the diversity of our workforce at all levels, and while recruiting diverse candidates has proven challenging to date, we remain committed to our workforce goals, including increasing our U.S. annual hiring rate of minorities to 40 percent by 2025.

To help us in achieving our goals, we post open positions on diversity-focused job websites. In the United States, we work closely with a range of organizations to recruit minority employees and to

expand our minority focused talent pipeline. These include colleges and universities and organizations such as the U.S. Chamber of Commerce and national groups supporting minority recruitment. Since 2004, Hasbro has been a proud sponsor of the Minister's Alliance of Rhode Island's annual Martin Luther King, Jr., Scholarship, which awards \$1,000 scholarships to minority college students in Rhode Island.

We offer year-round internships providing valuable work experience and pipeline opportunities to jobs at Hasbro. Diversity-focused opportunities include six 6-month paid internships per year for urban youth through the Rhode Island Year Up® Program, a nonprofit organization that provides urban young adults with skills, experience and support to help them reach their potential through professional careers and higher education. Outside the U.S., we are developing relationships with universities in high-growth areas such as Russia, Turkey, Hong Kong, and Singapore to help us identify local talent and build our presence in communities with Hasbro facilities.

As an equal opportunity employer, we comply with the laws and regulations governing non-discrimination in employment practices in every jurisdiction where we do business. Hasbro is also a government contractor and maintains an affirmative action program to recruit and advance qualified minorities, women, persons with disabilities, and covered veterans.

TALENT DEVELOPMENT

Hasbro invests in the development of leadership talent through formal management programs, including our Management Academy and Mentoring programs. Additionally, Hasbro employee network groups organize trainings and informational opportunities. For example, the Women's Leadership Network sponsors conference attendees, speakers and roundtable discussions with Hasbro executives and Board members.

DIVERSITY AND INCLUSION FOCUS GROUPS

Diversity and inclusion is an ongoing conversation within Hasbro. We continue to gather information, both internally and externally, to develop our future direction. In 2016, focus group sessions were held in Rhode Island, Washington, and California to gain insights from our employees. The invaluable feedback and findings informs our strategic direction in 2017 and beyond.

Fostering a Culture of Inclusion

Hasbro strives to build an inclusive workplace where every employee can deliver their best. During 2017, all employees globally are being surveyed to share their perspectives about Hasbro ensuring we maintain a positive and productive work environment. Survey results will be shared with leaders, managers and employees along with accompanying action plans that support celebrating successes and addressing opportunity areas.

EMPLOYEE NETWORKS

The Hasbro Employee Network includes 15 employee-driven teams addressing a variety of diversity and inclusion related groups. These groups give employees additional voice, create opportunities for networking and leadership skills development, aid recruitment and retention, and track trends and cultural themes that are important to our employees. Read more about the Hasbro Employee Network in the [Employee section](#).

SUPPORTING WORK-LIFE INTEGRATION

We are continuously looking at ways to support the work-life integration needs of our employees through the various stages of their lives. Read more about [work-life integration](#) at Hasbro.

Supporting Our LGBTQ Employees

Hasbro was selected as one of America's top corporations for lesbian, gay, bisexual, transgender, and queer (LGBTQ) equality by earning a 100 percent score on the Human Rights Campaign's (HRC) 2017 Corporate Equality Index (CEI). The HRC is America's largest civil rights organization working to achieve LGBTQ equality and their CEI is the national benchmark for LGBTQ-related policies and practices in America's top corporations.



Playing With HEART in the Community

Hasbro's Equality Awareness Resource Team (HEART) employee network is a visible, accessible resource for LGBTQ- identified employees and allies and provides LGBTQ-focused networking, educational, and social opportunities for the Hasbro community. Annually, events are held across the United States to commemorate LGBTQ Pride. As part of the 2016 celebration, Hasbro sponsored the Kids' Zone at the Rhode Island PrideFest and brought joy to children and their families. Additionally, we continue our involvement with Youth Pride Inc., a LGBTQ youth organization hosting game nights.



Supporting Women in Our Workplace

We are committed to advancing employees to their full leadership potential with the goal of more women in leadership positions and achieving gender pay equity across our global workforce.

ADVANCING WOMEN IN LEADERSHIP

We are proud to have a workforce that is over 50 percent female, and we continue to invest in our female talent to ensure strong representation across all levels of management. We seek to develop and grow leaders in our workplace, including women, through professional skills development, management training and education, and mentoring programs.

Hasbro continues to make strides in advancing women in the workplace. In 2016, 37 percent of our leadership roles globally were held by women, a 23 percent increase compared to 2012. We aim to grow women in director and above roles globally across all business areas to 50 percent by 2025.

We also have had strong engagement efforts led by our Women's Leadership Network in the U.S. that is sponsored by Hasbro's chairman and CEO, focusing on career development, work/life integration and mentorship. They have hosted professional summits, leadership panels, and a speaker series for employees in Rhode Island.

Additionally, in 2016, we added three new directors, including two women. As of October 2017, we have a total of five female directors (42 percent) on our 12-member board. They bring essential perspectives and experience to our board.

GENDER PAY EQUITY

Hasbro is committed to equal pay for equal work and monitors overall competitiveness of pay each year. We take a comprehensive approach looking across multiple demographics to ensure competitiveness and fairness, which includes women.

Our Brands and Inclusivity

We believe in the power of brands to do good. We seek to create brands and content that embody positive attributes and messages that are embraced by our audiences around the world. By creating meaningful and relevant connections with our brands, we see endless possibilities to reach, include, and celebrate people of all backgrounds. We aspire to provide play and story experiences for children which encourage them to be who they are and all they can be. We are actively moving beyond traditional gender and demographic stereotypes across our brand portfolio and are engaging more consumers.

Expansive and Inclusive Brands and Content

Hasbro brands are stronger, more global and more diverse than ever before. We use consumer insights, storytelling capabilities and innovative toy, game and entertainment to engage consumers in immersive and inclusive experiences around the world anytime and anywhere they want. For example, we expanded our BABY ALIVE product line to include more diversity and design products and marketing for both girls and boys. In 2017, we are also adding a switch for new BABY ALIVE speaking dolls which will allow them to say “mommy” or “daddy.”

Hasbro’s ToyBox Tools: Making Play More Accessible

To make play more accessible to children with developmental disabilities, Hasbro created ToyBox Tools, a free resource for parents, teachers and caregivers to help engage children of different abilities in the joy of play. The [ToyBox Tools website](#), features a series of supportive tools, including playbooks, videos, printed instructions and play mats to demonstrate how to make play easier and more accessible for children of all abilities, including autistic children.

ToyBox Tools has been championed by a team of passionate Hasbro employees who saw a need in the community for this type of resource, and committed to using Hasbro’s unique expertise and talent to offer a solution. Expertise is provided by The Autism Project, which has a longstanding philanthropic relationship with the Hasbro Children’s Fund.



Inclusive Design and Marketing

Inclusivity is embedded within our design process. Annually, our Design and Development organization uses a set of core pillars to inspire our designers and guide our innovation. By prioritizing inclusivity in these pillars, we are encouraging our teams to create experiences that are inherently more expansive and appealing for a broader consumer base.

Additionally, we have evolved our marketing to be more inclusive and to reflect the true diversity and differing interests of our consumer base. We are expanding our efforts to include dual-gender marketing campaigns and products that reflect the modern family.

For example, we have been more inclusive in our TRANSFORMERS storytelling and introduced strong female characters such as Windblade and Victorion, which have helped to significantly grow our toy sales amongst females in the U.S. over the past few years. NERF is another example where interest by girls has dramatically increased due to our inclusive marketing efforts for a brand traditionally known as more appealing for boys.

Engaging Our Consumers

Through our consumer insights and analytics, we know that consumers want to play an authorship role in the brands they love. We value their diverse perspectives and empower our fans and consumers to play an active role in creating the future of our brands.

For example, our TRANSFORMERS fans voted to choose the next leader of CYBERTRON, and therefore, helped to shape the destiny of the entire TRANSFORMERS universe. We also completed our largest MONOPOLY Token Vote ever with more than 4.3 million votes cast from almost every country in the world.

Our fans love to create and watch fan-generated content as well. For example, 96 percent of our 6.7 billion views for NERF is content created by our consumers, who call themselves NERF Nation.

FUN FACT

In 2016, the MY LITTLE PONY brand engaged girls in the comic category more than any other brand and sold more than 3.5 million comics.



Workers in Our Supply Chain

We care deeply about the workers in our supply chain and seek to positively impact their lives and well-being. The majority of factory workers in the toy industry are predominantly women, particularly floor production workers. To help support female factory workers in our supply chain, we are evolving our ethical sourcing program to extend beyond social compliance requirements to include professional and personal training and development. In 2017 and 2018, we will visit factories in China and India to continue to evaluate the effectiveness and applicability of potential partner programs aimed at enhancing job training and life skills, such as education, management training, finance and healthcare.

Challenges and the Road Ahead

Creating globally relevant brands and play experiences requires a diverse team of employees in our locations throughout the world that reflect our customers and consumers to deliver exceptional business results. We are committed to furthering our journey toward building a workforce that is diverse, gender-balanced, and empowers employees to achieve their best.

Our people strategy is designed to address these challenges through building capabilities, creating connection, cultivating a fearless mindset and immersing recruits and employees in the Hasbro experience.

Additionally, we remain committed to continuing to develop and market our brands through a diverse and inclusive lens and are taking steps to further embed inclusivity across the consumer experience.

Finally, our efforts to extend our social compliance program deeper into our supply chain require significant and ongoing diligence. Nevertheless, we will seek to further enhance our program through impactful capacity building in our supply chain.



Responsible Marketing and Content

We embrace our responsibility to create appropriate products, entertainment and play experiences and market them responsibly. It's an important part of how we uphold our commitments to children and their families.

2016 PERFORMANCE HIGHLIGHTS

Responsible Marketing Training

Strengthened our responsible marketing efforts and developed a required marketing law training program to help our Legal department and employees comply with emerging marketing laws and regulations.

Security Planning and Cybersecurity Training

Revised our Security Incident Response Plan and delivered cybersecurity training to employees intended to help prevent social engineering attacks.



Our Approach

We market our brands to all of our audiences in a responsible and appropriate way, with special attention paid to the way we advertise and market to children. We put controls in place to ensure our product and entertainment content is appropriate and safe, and we work with our licensees to maintain the same high standards.

In addition to the physical toys and games we create, Hasbro creates content for television programming, motion pictures, mobile apps, online games and other digital products. We are diligent in offering appropriate content that respects adults' and children's privacy in these expanding channels.

Responsible marketing is an important priority at Hasbro. We are dedicated to fulfilling this commitment to children and their families, even as new technology and communication channels broaden access to content.

Marketing to Children

At Hasbro, when it comes to marketing to children we follow the principle of “compliance by design.” Meaning, during the creative process of developing marketing materials, we use our knowledge and understanding of the rules around advertising and marketing to children and their families to develop compliant materials. For example, we strive to adhere to all applicable laws and regulations, including published guidance and consent orders from the U.S. Federal Trade Commission (FTC) that apply to advertisers.

Hasbro is an active member of the U.S. Children's Advertising Review Unit (CARU), a self-regulatory industry group which sets voluntary guidelines for

companies advertising to children. We keep abreast of and adhere to CARU guidelines as well as advertising guiding principles in other regions. Finally, Hasbro has developed and implemented a Responsible Marketing and Advertising Policy that all Hasbro marketers are required to follow.

Just as important, when we develop marketing content, we consider the audience's experience, maturity level and other traits. In other words, we look at it through a caregiver's and child's eyes to ensure it is appropriate and depicts an accurate understanding of the fun of playing with Hasbro toys and games.

Online and Digital Media

Rapidly advancing technology presents tremendous opportunities and challenges to companies like Hasbro. Children have more access to computers and mobile devices than ever before, which means we must adapt CARU principles of responsible marketing to online channels. Online influencers and the native advertising issues they present add to the challenge, but we are committed to transparency and informing children when influencers are engaged to present product content on our behalf.

We aim to deliver high-quality websites, which are enjoyed by adults and children around the world and enable them to engage with their favorite characters and brands. For our kid-targeted websites in the U.S., we provide family-friendly content that complies with the U.S. Children's Online Privacy Protection Act (COPPA), which sets rules for collecting information from children under 13. We also work to comply with relevant rules for our websites in other regions.

We use best practices, as recommended by our advertising agencies, to ensure that advertisements for Hasbro products are placed only on appropriate third-party sites and regularly monitor our standards and practices in this area.

Digital Gaming and Mobile Apps

We work with our digital gaming licensees to ensure Hasbro-branded digital games are suitable for a wide audience as reflected by appropriate Entertainment Software Rating Board (ESRB) ratings. We establish internal quality guidelines for our mobile and online games, whether developed by Hasbro or our licensees. We have advertising and social media marketing guidelines in place for all our online and digital experiences.

Films and Television Programming

Since 2009, Los Angeles-based Hasbro Studios, a subsidiary of Hasbro, has produced high-quality, socially responsible, animated and live action entertainment content. Our films and television shows based on our popular brands such as TRANSFORMERS, MY LITTLE PONY and LITTLEST PET SHOP entertain children and honor the values our brands embody. For example, STRETCH ARMSTRONG features diverse characters from many different backgrounds who work together to accomplish their goals in Charter City. The characters, who are the heart of the series, are treated as equals, regardless of race or gender.

We look at our marketing content through a caregiver's and child's eyes to ensure it is appropriate and depicts an accurate understanding of the fun of playing with Hasbro toys and games.

All entertainment content, from initial concept through delivery, is reviewed with our production, creative and development teams to ensure it conforms to the highest industry standards and best practices. This robust content review process includes review of designs, scripts, storyboards and final animation for legal clearance, compliance, network broadcast standards and international cultural sensitivities.

We are mindful and conscious of the impact and influence our stories and characters can have on our audiences. For example, we might change a background to respect a cultural view, adjust a prop to be fantastical and still be child-friendly or guide the creative team on a storyline — all to make sure content is appropriate for everyone.



Global Challenges of Marketing to Children

Internationally, there is much variance and discussion over marketing to children. While the age definition of a child varies widely between countries and organizations (from “under 12” to “under 18 years”), marketing to children has been regulated for decades. Originally focused on television, print and radio advertising, regulators around the globe are now increasing their focus on digital media since most companies use these channels more frequently to communicate and market products and new technical tools constantly evolve.

In the EU, marketing to children has been a topic of ongoing discussion for years. The European toy industry developed marketing guidelines back in 1994. While most of them are still valid, Toy Industries of Europe (TIE) has recently revised them to also include digital communication. These revised guiding principles go beyond the general marketing rules of the Audiovisual Media Services (AVMS) Directive, which harmonizes marketing communications across Europe. They also aim to address the new General Data Protection Regulation (GDPR), which will be enforced in May 2018, and covers digital communication. Protecting children is key. Hasbro has been an important partner for TIE as a contributor to the revised guiding principles for the industry.

As marketing tools and techniques to consumers and children evolve, especially in the digital space, we expect further government and self-regulatory guidelines on responsible practices in the EU, U.S. and around the world. As marketing to children regulations continue to evolve, we are committed to marketing responsibly and meeting all regulatory requirements.

A Culture of Compliance

In 2016, we strengthened our responsible marketing efforts and added marketing legal expertise and resources to keep up with our growing volume of projects and changing regulations. We developed

Teaching Kids About Advertising

As a responsible advertiser, Hasbro supports media literacy programs to educate children on the intention and tools of advertising. One of the leading initiatives in Europe is “Media Smart,” an industry-funded program to educate young people, from Kindergarten age to teenagers, on media literacy skills using real advertising examples as a teaching vehicle.

The program is run through local Media Smart initiatives and each implementation reflects the local educational system and cultural differences. Teachers and educators get teaching resources, which are reviewed by independent experts, for free. Media Smart in Europe was started in the UK, with Hasbro being one of the founders of this initiative. Currently, Media Smart is available in 10 countries across Europe, including the UK, Germany, France and the Netherlands. The Brazilian Advertising Association is considering adopting the Media Smart program for Brazil.

marketing law training and require our marketing attorneys, paralegals and employees to participate in the training. We also provide internal marketing and social media guidelines and CARU guidelines to help employees comply with marketing laws and regulations.

Our legal team works with our brand teams on marketing content creation and reviews marketing claims and helps the team proactively address and prevent potential legal issues. The success of our responsible marketing efforts can be measured by the lack of any significant dispute with the FTC for more than 20 years.

Marketers Step Into Our Audiences' Shoes

Together, with the World Federation of Advertisers, we rolled out an internal online compliance training on marketing to children to Hasbro marketers around the globe. The tool includes modules on general marketing rules, toys and games-specific rules and digital advertising. Real advertising examples from various countries are provided and marketers are asked why there could be compliance issues in some markets and regions. The highly entertaining tool raises marketers' sensitivity to the boundaries in marketing to children, reflects cultural differences and encourages them to step into consumers' and childrens' shoes to see how advertising could be perceived by an unexperienced audience.

Data Privacy and Security

Respecting consumers' privacy is also a top priority for Hasbro. To maintain consumer trust and confidence, we have developed internal processes to track applicable privacy laws and regularly evaluate and, where appropriate, update our internal processes and policies to meet new regulations. Our cross-functional teams meet regularly in various capacities to discuss new issues and ensure we address them consistently and as quickly as possible. In the U.S., we also work closely with the Entertainment Software Rating Board ("ESRB"), the respected independent privacy certification organization, as well as our agencies, developers, and other third-party service providers, to help ensure compliance across our products and content.

Changing Regulations

Global data privacy and security regulations evolve constantly. In 2016, the EU adopted the General Data Protection Regulation, which is a comprehensive data protection regulation that will come into effect in May 2018. Other emerging regulations focused on: 1) online privacy, particularly children's privacy relative to connected toys; 2) digital marketing, including regulations on cookies and other tracking technologies; and 3) data transfer. Each of these impacts Hasbro's business and required us to review and improve our practices.

Data Privacy and Security

We strive to take a "privacy-by-design" approach, which means we only collect information from end users of our websites and mobile apps that we believe is reasonably necessary to fulfill consumer requests, deliver the intended product experience to consumers, or otherwise meet our legitimate business objectives. We develop privacy practices for our U.S. websites, mobile apps, and other online services that are designed to comply with all applicable privacy laws, including the Children's Online Privacy Protection Act (COPPA). We disclose these practices in our privacy policies, which are located on our websites and mobile apps.

Further, in the U.S., we have voluntarily engaged ESRB to become a valid licensee, and participating member, of the ESRB's Privacy Certified program. As members of this program, we submit our websites, mobile apps, and other online services to ESRB, who reviews and certifies that such digital products meet the requirements of its FTC-approved privacy program for the collection, use, and disclosure of online information. As a licensee of this privacy program, we are subject to regular audits and other enforcement and accountability mechanisms administered independently by the ESRB. For more information on ESRB's Privacy Certified Program, visit their [website](#).

In 2016, the New York Attorney General's office investigated several toy and media companies allegedly using third-party website tracking technologies in violation of COPPA. Hasbro cooperated fully and was the only company involved that was not fined or ordered to pay a penalty. We welcomed the opportunity to bolster our privacy practices in connection with the settlement and implemented communications and training programs to help our employees and vendors understand our policies. We more closely vet and monitor companies working on our behalf, rolled out a more stringent online privacy protection policy for ourselves and our partners, and enacted new protocols and technology to scan our online services for cookies, widgets or other tools that may violate our policies.

Ensuring data security is also critical and, in 2016, Hasbro made important strides in this area. For example, we revised our Security Incident Response Plan ("SIRP") to align with emerging practices in the U.S. As part of this revision, we brought a third party onsite to conduct an exercise and review of the SIRP, which was attended by relevant stakeholders from various Hasbro departments. We also engaged a third party to review our data retention practices. In addition, we have reviewed and implemented improvements to various other aspects of our cybersecurity program and, as part of our program, we delivered cybersecurity training to employees, including to improve their ability to identify phishing emails to protect the company against social engineering attacks.

We also work to hold our vendors accountable for data security. As part of this effort, we expanded our program that requires vendors who handle certain sensitive information to undergo a security assessment during our onboarding process. Wherever possible, we also seek to include specific contract provisions in our agreements with vendors that handle personal information on our behalf. Hasbro will continue to focus on and invest in improving its cybersecurity program to continually address threats to our business.

Finally, global compliance is important to us and we have various initiatives in process that are focused on compliance with data transfer laws and other emerging data protection laws, including the EU's General Data Protection Regulation. We will continue to make these initiatives a priority in the coming years.



Connected Toys

U.S. and European regulators are increasing scrutiny on connected toys. In 2016, we continued our efforts to design connected experiences that offer robust, engaging gameplay while employing a “privacy by design” approach.

Hasbro is committed to data privacy and security compliance. As part of this commitment, Hasbro seeks to review and, where appropriate, strengthen our policies and procedures to align with the constantly evolving technological landscape for connected toy development.

Engaging Consumers at Hasbro

Providing products that consumers cherish is a two-way process. We strive to engage the millions of children and families who buy and play with our toys and games, visit our websites and watch our television programs and motion pictures. We respond to concerns about our products and suggestions on how we can improve them. Through our global online communities, we learn about issues that matter to families and how we can help. This valuable dialogue helps us stay abreast of changes in consumer attitudes and preferences.

Giving Feedback

Our Global Consumer Care team and regional offices around the world respond to inquiries and provide information on Hasbro products. Consumer Care records and tracks consumer concerns and compliments, passing this feedback to Hasbro corporate teams.

Consumers can comment on our products via email, phone, online chat, social media and written correspondence. We use these insights in internal monthly consumer feedback reports and year-end reports.

When consumers raise potential safety concerns, we follow our global procedures and protocols developed in partnership by our Quality Assurance, Legal, and Global Consumer Care teams. Trained Consumer Care specialists respond to consumer inquiries when any product safety concern is expressed. As needed, Consumer Care specialists escalate inquiries to our Quality Assurance and Product Safety teams for review and follow-up.

“Living the Research” Through Hasbro FunLabs

Hasbro gains meaningful research and valuable insights from our Global FunLabs located in the United States, United Kingdom and Hong Kong. Our Global FunLabs add a unique dimension to our research efforts and provide us the ability to observe consumers playing and interacting with our products in a comfortable, natural environment. Insights gained from this direct interaction allow us to understand how consumers use our products and help to inform our product design decisions at various stages of the product development cycle. In addition to our Global FunLabs, our marketing and product design teams also have access to observe consumers at retail, in homes and other various places where they are playing and living — ultimately helping us to create the best play experiences that delight children and their families around the world.

Global Online Consumer Community

Hasbro uses global online communities to engage with families on an ongoing basis learning about their day-to-day lives, the issues that matter most to them, as well as what interests them. Our communities help ensure that consumers are at the heart of our strategies and development process across our toy, gaming, entertainment, licensing and digital businesses.

Our global online communities include families from around the world, providing opportunities to talk to and hear from moms, dads and kids. We are able to engage with them in many different ways – they share images and videos of their experiences, we obtain reactions to new ideas, use mobile to capture in-the-moment reactions in-store, or simply listen to the topics of conversation amongst the families to better understand what is important or topical to them. This continuous conversation is invaluable in understanding our consumers and helps guide decisions across Hasbro's Brand Blueprint.

Challenges and the Road Ahead

International regulations governing how companies collect and use information frequently change and updating our marketing practices in response can be challenging. For example, the trend toward global marketing and promotions raises a number of privacy and data security issues that need to be carefully considered and addressed, especially with respect to transferring personal information across country borders.

Furthermore, there are indications that advertising in the U.K. may be subjected to greater scrutiny in the future with respect to gender bias. In 2017, the Advertising Standards Authority (ASA), the U.K.'s independent regulator of advertising across all media, announced that it is working on the creation of standards to prevent gender stereotyping in all advertising. The ASA has specifically indicated that it believes the following types of depictions are likely to be problematic: (1) an ad that depicts family members creating a mess while a woman has sole responsibility for cleaning it up; (2) an ad that suggests a specific activity is inappropriate for boys because it is stereotypically associated with girls or vice versa; and (3) an ad that features a male trying and failing to undertake a simple, yet stereotypical "female" household task. Hasbro will evaluate the new regulation when it is promulgated to ensure compliance.



Our Employees

At Hasbro, we recognize that when we invest in our employees, our business grows even stronger. We are committed to making Hasbro an exceptional, sought-after place to work — where people feel connected to a common global vision and can actively contribute to our shared success. Our workplace culture promotes diverse opportunities for employees to learn and grow, feel greater job satisfaction, and take pride in what they do.

2016 PERFORMANCE HIGHLIGHTS

Growing Our Leaders

Launched Hasbro Management Academy, a global talent development program, and globally trained 30 percent of our managers.

Driving Performance Through Dialogue

Enhanced our myPerformance program to further emphasize and support career-development conversations between managers and employees.

Sharing Our Passion With Recruits

Launched Passion to Create, a new recruiting campaign that engages talented people through our LinkedIn pages and U.S. careers website.



Our Approach

Our talented employees are the cornerstone of our success. Their diverse backgrounds and ideas inspire everything we do from delivering great storytelling and developing amazing products and content to fostering opportunities to give back to our communities. We partner with our employees to create a culture of curiosity, passion and innovation where everyone feels valued and empowered to deliver their best every day. We know that our mission of *Creating the World's Best Play Experiences* is only possible when we work together to build successful teams, a stronger company and a better tomorrow for us all.

We are creating a more adaptable and contemporary employee experience and investing in building new capabilities across our global workforce through our people strategy — Connecting Work and Talent — which is guided by four focus areas:

- 1 Building Capability
- 2 Creating Connection
- 3 Fearless Mindset
- 4 Hasbro Experience



These focus areas are anchored in our commitments to promote the safety, health and wellness of our employees and create a more diverse and inclusive workplace. Our approach to diversity and inclusion is presented in more detail [here](#).

Building Capability

Disruption, innovation and rapid change are the new normal for business – requiring our employees to continuously learn new skills. We invest broadly in programs and experiences that help people across Hasbro to extend their capabilities.

We seek to develop world-class leaders who are highly skilled, adaptive, inspirational and connected by a common vision. Our performance management, leadership development, learning, mentoring and continuing education programs help employees learn new skills, reach their full potential, and increase their contributions to our mutual success.

Performance Management Through Ongoing Dialogue

We use myPerformance, a conversation-based approach involving managers and employees that centers on goal setting, quarterly conversations, career-development discussions and ongoing feedback. It removes the emphasis on annual performance reviews and ratings and focuses instead on high-quality, productive dialogue between employees and managers.

Learning and Mentoring

Our learning and development professionals promote growth and unlock potential in individuals and teams to help us meet current and future business opportunities. Training includes career, management and leadership development in classroom and online settings. We use both professional- and employee-developed content to explore a variety of topics, perspectives and experiences.

Launched in 2012, our first formal mentorship program was an immediate success and has since spawned hundreds of partnerships across the company annually. Each year, mentees apply for the program and, if accepted, are matched with leaders at least two levels above. The resulting 12-month partnership focuses on a development goal identified by the mentee. Participating employees hold regular check-ins with the mentor program team and meet formally and informally during the year to discuss progress.

Successful outcomes for individuals and the company include job changes, further education, network building, job shadowing and the development of tools to enhance relationships with customers, peers and leaders.

Continuing Education

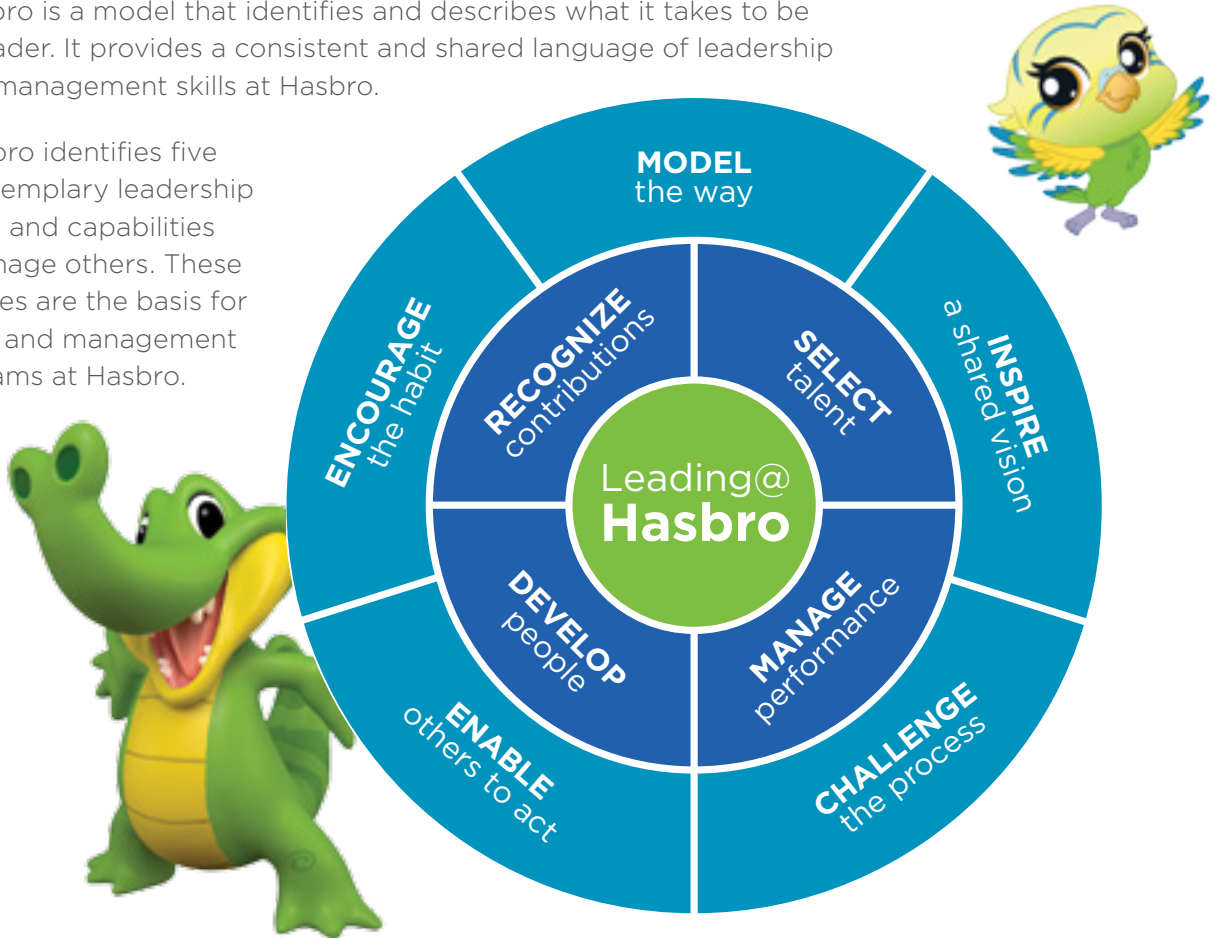
We offer tuition reimbursement programs for our U.S. employees who want to further their educational and professional goals on their own. Regular, full-time employees are eligible to receive up to \$5,250 annually. Courses must be related to current or future positions at Hasbro or be required by an approved academic program.



Building Better Leaders

Whether leading ourselves or leading others, Hasbro is dedicated to creating an environment where everyone feels valued and can achieve their personal best. Leading@Hasbro is a model that identifies and describes what it takes to be an effective leader. It provides a consistent and shared language of leadership practices and management skills at Hasbro.

Leading@Hasbro identifies five practices of exemplary leadership as well as skills and capabilities needed to manage others. These proven practices are the basis for our leadership and management training programs at Hasbro.



Additionally, through tailored classroom, on-demand learning, Yammer collaboration tools, leadership forums and online courses, our managers worldwide deepen the leadership skills and behaviors we expect of them. Our leadership development program offerings include:

HASBRO MANAGEMENT ACADEMY

The Hasbro Management Academy is a global program for managers that identifies and describes what it takes to be an effective leader at Hasbro. The program focuses on selecting talent, managing performance, developing people and recognizing contributions.

The Management Academy had the highest participation and impact of all our leadership programs with nearly 300 participants in 2016. Nominees for the academy are reviewed for global representation, level in the organization, gender and business unit representation.

HASBRO INSPIRING LEADERSHIP

Hasbro Inspiring Leadership is our foundational program and teaches what authentic leadership looks like. It demonstrates effective practices and behaviors through classroom-based learning modules and experience-based activities. Participants create a Development Action Plan and receive feedback. Afterwards, they work on a “Brand You” video showing how to put leadership theory into practice.

Culture Wizard

In 2017, we will launch Culture Wizard, a self-guided online learning platform that aims to help employees develop a more global mindset. Culture Wizard modules cover topics such as global business skills, team-building capabilities, leadership competencies and knowledge of other cultures.

Creating Connection

Our company mission is to *Create the World's Best Play Experiences*. We are also on a mission to create a culture of global connection with our internal employees and those of our external partners. Connection comes in many forms—such as technology, collaboration, relationships, networking and teaming—and through the use of data and insights to guide our decisions and actions.

Quarterly Global Leadership Calls

As Hasbro expands its business and global reach, connecting global employees is extremely important. We host quarterly global leadership calls for senior managers to connect with executives from all offices and functions in an impactful, two-way conversation. These calls promote greater transparency and a deeper understanding of company strategies and initiatives.

State of the Company

Every quarter, our CEO and senior management team meet with employees via global streaming video to report our performance for the previous quarter. We also use these meetings to celebrate successes from teams around the world, announce brand and corporate initiatives, and engage employees around our corporate strategies. These gatherings generate a lot of passion and energy and help deepen the connections among our teams.

Recognizing Our Colleagues

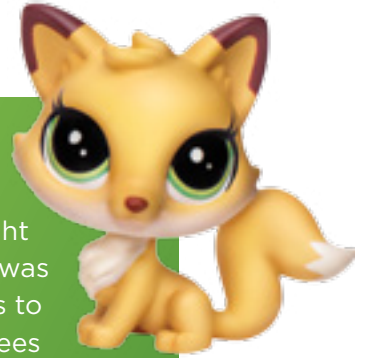
We know that recognition has a powerful impact on our employees and our culture, and we believe everyone should be responsible for recognizing each other's achievements. In 2017, we plan to launch Well Played, a fun and innovative way to drive recognition. All employees will be encouraged to use this online, real-time global recognition platform to show their appreciation and demonstrate our core values. Points awarded within the platform can then be used to help support the work of several global charitable organizations.

We also acknowledge employees' achievements through our company intranet and e-bulletin, *Hasbro Daily News*. Our awards programs, including Way to Go and Smiles, recognize people globally who go above and beyond expectations at work.

In our Rhode Island offices, we also recognize and celebrate major employee service milestones every five years through our Service Award Gift Program. In 2016, 240 employees celebrated milestone anniversaries. The Quarter Century Club, an employee network consisting of active employees and retirees, recognizes employees that have been with us for at least 25 years. Club members (including retirees) attend company-sponsored social and volunteer events. For example, annually, the group comes together through volunteer service to prepare meals in support of Rhode Island food pantries. In 2016, 13 employees were inducted into the Quarter Century Club, which has more than 590 members.

Sharing Our Stories and Inspiring Each Other

Hasbro offices host regional engagement events annually, including eight signature events at our Rhode Island offices. New to the lineup in 2016 was an in-house speaker series called Tater Talks, which connects audiences to our core values of Passion, Creativity, Integrity and Community. Employees had an opportunity to take the stage and share 12-minute personal and professional stories to surprise, engage and inspire their colleagues. To date, we have held three Tater Talks sessions on topics including Creativity, Passion, and Fear & Failure. In addition to the standing-room-only live event, Tater Talks is taped to share with our Hasbro offices globally. Survey results showed 93 percent of respondents felt inspired after attending the event.



Hasbro Employee Network

The Hasbro Employee Network includes 15 employee-driven network groups totaling more than 800 members. These groups give employees additional voice, create opportunities for networking and leadership skills development, aid recruitment and retention, and track trends and cultural themes that are important to our employees.

Each employee network group has an executive sponsor and develops its own charter. Teams meet monthly, participate in Team Hasbro volunteer activities and promote business relevance. Employee Network groups are primarily U.S.-focused, but we plan to develop templates for global expansion. The Hasbro Green Team already has groups across the U.S. and around the globe, including Colombia and Hong Kong. The Women's Leadership network is also launching a chapter in our Asia-Pacific region in 2017.

THE HASBRO EMPLOYEE NETWORK

- | | |
|---|-----------------------------------|
| Career Moms | Music Matters |
| Celebrations Team | New Employee Network |
| Diversity Team | Parents Resource Group |
| Green Team | Quarter Century Club |
| HasBook book club | Tater Talks public speaking forum |
| HEART (Hasbro's Equality Awareness Resource Team) for LGBTQ employees | Wellness Team |
| Men's Group | Women's Leadership Network |
| Military Families | |

Global Engagement Council

In 2017, we plan to launch Hasbro's first Global Engagement Council (GEC) composed of 12 employees representing all regions. Quarterly, the GEC will share best practices in engagement from inside Hasbro as well as effective practices from leading global companies. This dialogue will be invaluable as we seek to create a consistent employee experience across Hasbro, regardless of office location.

Fearless Mindset

Delivering innovative and creative experiences and stories requires that our employees anticipate the future and feel empowered to make decisions and take risks. We encourage a fearless mindset through our culture of conversations focused on coaching and developing our employees. Our efforts also include initiatives focused on infusing a greater diversity of people and ideas across our global community to help us deliver great storytelling and amazing products.

Swappportunity

New in 2016, we launched Swappportunities, an internal short-term rotation program, at our headquarters location. Swappportunities enable employees interested in trying something new to post for a short-term job rotation to cover a project or medical leave. This program is designed to empower our employees to try on new experiences and continue learning on the job.

Hasbro Experience

Our employees show tremendous pride in Hasbro as an employer, in our commitment to CSR, sustainability, and the community, and in the joy that our brands bring as we create the world's best play experiences.

Passion to Create

Our Hasbro experience begins prior to joining the company. In 2016, we launched an employment initiative, Passion to Create, that seeks to engage a community of talented people through our global LinkedIn pages and our U.S. careers website. Passion to Create gives us an attractive forum for showcasing our culture, community and talent.

Total Rewards

Hasbro is committed to recognizing and rewarding our employees with a total rewards package that includes competitive base pay, equity compensation, including performance and time-based awards as well as stock options (based on job level), annual incentives for all employees, product discounts and other comprehensive benefits, including programs that help people integrate work and life commitments. We strive to deliver effective, globally relevant and individually valued rewards that maximize our ability to motivate and retain key talent.

Competitive compensation is a cornerstone of our total rewards. We regularly review salary ratios for men and women in similar roles to help achieve internal and market competitiveness across the globe, including among managers. We review local market data at least every year to identify market gaps and revise our salary programs if needed.

Our benefits packages vary across regions and countries. Benefits also may vary depending on local legal requirements as well as the employee's position, location, and years of service with Hasbro, and depending on location may include:

Health care plans (individual, family and domestic partners), including medical, dental, and vision options

Savings and spending accounts, including Health Savings Account (HSA), and Dependent Care FSA

Retirement savings plan (e.g., 401K) with company match, plus annual company contribution

Paid vacations and holidays

Half-day Fridays year-round

Paid leave, including sick and bereavement leave

Paternity/maternity leave (paid and unpaid)

Life insurance and AD&D

Dependent and Spouse Life Insurance

Business Travel Accident Insurance

Disability insurance, including provisions for short-term and long-term

Learning and development opportunities

Childcare onsite and short-term offsite coverage (or subsidized)

Eldercare program (or subsidized)

Relocation assistance (for select positions)

On-site fitness and recreation facilities

Other competitive benefits

Other benefits and services include an Employee Assistance Program providing free and confidential counseling, an Adoption and Foster Care Assistance Program, and family educational benefits including a discretionary scholarship program for children of U.S. employees. We also offer sustainable transportation options, more details available [here](#).



Employee Health, Safety and Well-Being

We make every effort to provide safe, healthy and productive workplaces wherever we operate.

Keeping Employees Safe

We believe all accidents are preventable, and so our goal is zero workplace injuries. We continuously strive to strengthen our safety culture. As part of ensuring a safe environment, we actively engage workers — at our offices, studios, distribution warehouses, and in retail stores — in these efforts. Our process starts with clear operating practices designed to minimize risk to our employees.

We maintain a comprehensive system that includes strict health and safety standards at our facilities and operations. These standards — which are based on global best practices and regulatory requirements — include performance and accountability processes; employee education, training and communications; incident reporting and investigation; and safety inspections. In addition to meeting our internal standards, all Hasbro facilities are required to comply with local and country-level regulatory requirements.

We conduct regular audits of our owned and operated facilities to ensure compliance. We formally audit our offices every three years and our distribution facilities every five years. During the years when a formal audit is not scheduled, Hasbro site leaders at each facility must conduct self-audits, document audit findings and, if needed, take corrective action. Our technical professionals also partner with our site leaders to drive continuous improvement.

The health and safety hazards that our employees may encounter are always evolving along with our business operations. Hazards vary by facility, type of operation, and job task. They may be posed by machinery, material handling, industrial vehicles, chemicals, tools or office work. We strive to minimize workplace risk through proactive facility maintenance, machine safeguards, warning devices, personal protective equipment, administrative controls, and clear policies and training.

Employees receive awareness training and additional instruction based on their specific job responsibilities. Although most safety training is specific to the facility, we also strive to provide strategic training and guidance to help keep pace with worldwide safety issues and best practices. Our training addresses a variety of issues, including safe operating procedures, tool and machinery safety, hazard identification and control, emergency preparedness and response, and corrective and preventative actions. Through our health and safety program and training, we continue to reduce employees' exposure to conditions that could lead to work-related injuries.

OFFICE INJURY PREVENTION

In 2016, we enhanced our office ergonomics program to reduce the risk of workplace injuries. We encourage employees to report early signs and symptoms of musculoskeletal injury. We also provide workstation and job task ergonomic assessments and training; conduct material handling safety training for employees whose jobs include lifting; and implement engineering, administrative and work practice controls to address ergonomic risks. For example, in 2016 we distributed upgraded, ergonomically designed chairs and sit/stand workstations in our Rhode Island facilities to increase movement and vary working positions, which can greatly improve health.

Promoting Health and Wellness

Our employees are our greatest asset, so we use a variety of approaches across our global operations to help people maintain and improve their health and well-being.

In the United States, the Hasbro Wellness program helps prevent health issues by raising awareness of healthy lifestyles and behaviors. Led by our Employee Network Wellness Team, the program uses employee network groups, regular communication, human resources partners, surveys, external resources and innovative engagement to encourage change.

The U.S. Wellness Program centers on four elements of well-being:

1. **Movement:** Healthy Steps walking routes, on-site fitness facilities, onsite yoga and Zumba classes, and employee discounts to gyms and retailers.
2. **Happiness:** Mindfulness classes, free chair massages and global storytelling about happiness.
3. **Nutrition:** Weight Watchers at Work and quarterly Nutrition lunch and learns.
4. **Health:** Biometric screenings, quarterly blood drives, annual flu shots, cardiopulmonary resuscitation (CPR) training and educational workshops.

At our Hasbro Iberia location in Valencia, Spain, wellness efforts are led by our corporate team with strong participation from employees. Their approach to health and wellness includes:

1. **Nutrition:** Employees are offered free fruit and other healthy snacks. A healthy cooking workshop was also demonstrated in the office.
2. **Physical exercise and sports activities:** Employees have formed Hasbro football (soccer) and running teams, and exercise classes featuring Pilates and Zumba are planned.
3. **Health promotion:** A variety of health promotion services are offered, ranging from in-house sessions with a nutritionist, podiatrist and physiotherapist to mindfulness and smoking cessation programs.

Promoting Work-Life Integration

As a company dedicated to enriching play time and bringing families closer together through our products and entertainment experiences, Hasbro appreciates the importance of helping our employees integrate their work and life commitments. We offer competitive paid time-off policies including, in the United States, up to three weeks of vacation annually starting in the first calendar year after an employee is hired; an additional week off between Christmas and New Year's Day; and a shorter workday on Fridays in many locations. We also provide enhanced paid parental leave in some of our markets which exceeds the statutory requirement. For example, in the U.S. new parents, including fathers, same-sex partners and adoptive parents, are able to take up to 10 weeks of paid time off to care for and bond with their newborn or adopted child. Birth mothers also receive six to eight weeks of short-term disability, giving them a total of up to 18 weeks of paid time off. Our European employees receive at least four weeks of vacation per year, with most countries offering between 22 and 28 days.



We also offer a variety of flexible work arrangements, subject to managers' discretion. Our global flexible work programs are designed to support work and life integration while providing clear expectations for managers and employees. Individual arrangements may include flexible start and finish times, changes or reductions in work hours, and working remotely.

Labor Relations

Hasbro complies with all employee rights and laws on collective bargaining and actively seeks good relationships with employee representatives.

Unions and works councils operate at our sites in a number of countries, including France, Spain, Germany, Brazil, Mexico and Canada. We give works councils in France, Germany and other countries meeting facilities and time off to support their activities. Globally, 11.4 percent of our employees were covered by unions or collective bargaining agreements in 2016.

Challenges and the Road Ahead

Dynamic and disruptive changes in the market require us to think differently and evolve constantly. World population growth, a shrinking pool of skilled workers and lengthening lifespans will shape where and how we attract and retain talent as well as develop our existing workforce.

Our people strategy is designed to address these challenges through building capabilities, creating connection, cultivating a fearless mindset, and immersing recruits and employee in the Hasbro experience.



Our Community

We believe that making the world a better place for children and their families starts with empowering childhood at home and in the community. We stand up for children, passionately working together to create a universe where every child experiences hope, kindness and joy. Through philanthropic giving, product donations and employee volunteering, in 2016 we made a positive and lasting impact on more than 3.8 million children and families worldwide.

2016 PERFORMANCE HIGHLIGHTS

93%

of Hasbro employees were engaged in volunteer service.

3.8M

children were positively impacted worldwide.

BE FEARLESS BE KIND

Launched Hasbro's largest philanthropic initiative to date.

Global Day of Joy

Hasbro employees supported 200 causes and organizations in 41 countries, impacting 90,000 children during our annual Global Day of Joy.



Our Approach

Caring for children and contributing to the communities where we work and play are immensely important to us. We leverage our purpose-driven culture, signature initiatives and strategic partnerships to continue our more than 90-year tradition of giving back. In 2016, our philanthropic support totaled \$14.4 million and impacted 3.8 million children around the globe.

We invest our assets — financial resources, toy and game products, employee talent and time, and our beloved brands — in diverse, long-term programs in the cities and towns where we operate. We are also proud to work with [strategic nonprofit partners](#) to make the biggest impact possible.

We group our philanthropic activities into three pillars, which align with our business goals and community needs:

HOPE

Giving hope to children who need it most.

KINDNESS

Inspiring and empowering kids to have the compassion, empathy and courage to stand up for others, include everyone and take action when they see a problem.

JOY

Bringing the joy of play to children who otherwise would not have this experience.

Hasbro's philanthropic strategy and programs are managed by our Global Philanthropy and Social Impact team, working with Hasbro ambassadors in our global locations that execute programs on the ground.

Our Global Philanthropy and Social Impact team also oversees our global product donations, grantmaking through the Hasbro Children's Fund, sponsorships, cause marketing and our Team Hasbro employee volunteer program. Local Hasbro ambassadors coordinate employee events and projects in each Hasbro country office, and those teams engage with local nonprofits supported by our global giving guidelines.

We make a positive and lasting impact on children and families worldwide.

We work closely with our nonprofit partners to ensure our support is making an impact for the children they serve. We also utilize an online evaluation to measure our progress, collecting data—including the number of children reached—for each grant and product donation, as well as examples of how Hasbro’s philanthropic investments are making a difference.

Our Grantmaking

Most Hasbro grants are awarded through the Hasbro Children’s Fund (HCF), a 501(c)3 organization. Our senior vice president of Global Philanthropy and Social Impact serves as HCF’s president, and senior Hasbro executives make up its board of directors. We dedicate most of our grants to global and local nonprofit partners selected through a rigorous process to ensure long-lasting relationships that maximize benefits for children in need around the world. HCF also works closely with grantees to help build their capacity and achieve their goals.

Through the HCF, we provide annual local grants to nonprofits that deliver services to kids in need in the U.S. where we operate, including Rhode Island, Washington, Florida, Colorado and California.

To make the biggest impact for children in need, we work with global organizations that are truly inspiring. Our strategic partners include Operation Smile, SOS Children’s Villages, SeriousFun Children’s Network, Toys for Tots and Give Kids the World. We have also developed strategic partnerships for our BE FEARLESS BE KIND initiative. These partners include No Bully, Special Olympics, Ashoka, Creative Visions and generationOn. For more information on our partnerships and giving guidelines, visit our [partnerships](#) and [giving page](#).



BE FEARLESS BE KIND

BE FEARLESS BE KIND, launched in 2016, is our largest philanthropic initiative to date. It aims to empower kids to have the empathy, compassion and courage to include everyone and stand up for others.

Our goal is to help build a kinder generation. Through this initiative, we provide resources and programs that teach and inspire kids to be inclusive, appreciate each other’s differences, be compassionate toward one another and know the feeling of fulfilment that comes with making a difference. To learn more, visit [BE FEARLESS BE KIND](#).

Product Donations

Hasbro believes every child, regardless of his or her circumstances, deserves the joy of play. We donate products and financial support to hospitals, shelters and summer camps that serve or care for sick, at-risk or underserved children. In 2016, Hasbro's Gift of Play, our product donation program, brought joy to more than 1.9 million children worldwide through toy and game donations valued at \$9.5 million.

As part of this program, Hasbro donated more than 500,000 toys and games valued at \$6 million to children during the 2016 holiday season, working closely with nonprofit partners such as the U.S. Marine Corps Reserve Toys for Tots program, which provides holiday gifts for underserved children. Read more about the programs supported by our [Gift of Play program](#).

Disaster Relief

When disaster strikes, the impact can be devastating for everyone, especially children. In 2016, Hasbro launched PlayRelief, a partnership with Good 360, to provide products for children affected by disasters and engage employees in assembling shelter kits. As part of our disaster relief we also work with trusted partners on the ground to help meet needs through financial support. Toys, games and safe places to play can provide comfort for communities recovering from natural disasters or long-running conflicts. Hasbro supports such communities wherever we can around the world.

Hurricane Matthew

In 2016, Hurricane Matthew had a devastating impact on children and families in Haiti. Hasbro donated toys and games, and employees volunteered to assemble shelter kits through our PlayRelief program and employees donated through a special employee giving program. Hasbro also made two grants totaling \$100,000 to provide shelter and hunger relief for children and families, including: a \$25,000 grant to [SOS Children's Villages USA](#) to help repair damage to one of its villages in Haiti and support children impacted by the storm; and a \$75,000 grant to [Partners in Health](#) to help fight pediatric malnutrition in Haiti.

We also assisted those affected in the U.S., partnering with Toys for Toys to donate more than 10,000 Hasbro toys and games to families in North Carolina in the wake of severe flooding caused by the hurricane.



Employee Volunteerism

We strive to give our employees flexible opportunities to make a meaningful difference during work hours or after the work day has ended. Our goal is to increase our volunteer activity each year, offering employees a variety of ways to engage in our philanthropic efforts.

We encourage all employees to get involved in Team Hasbro, our global volunteer program. In addition to our annual signature program, Global Day of Joy, employees volunteer thousands of hours throughout year. Service isn't just something we do, it's part of who we are.

“What an incredible opportunity! I have worked for Hasbro for 33 years now, and I can honestly say that I am so proud of Hasbro’s commitment to community and charitable giving. Being able to see that what we create in Design & Development being used and bringing smiles to the faces of children is most rewarding.”

SENIOR DIRECTOR, DESIGN & DEVELOPMENT



Positively Impacting Communities

Hasbro has been named one of “America’s Most Community Minded Companies” by the Civic 50 since the award’s inception in 2012 and, in 2016, ranked No. 1 in the consumer discretionary industry category. The Civic 50 ranking recognizes companies for corporate citizenship, focusing on how they use their time, skills and other resources to improve the quality of life for communities.

Team Hasbro

Team Hasbro is managed from our U.S. corporate headquarters and supported by dedicated volunteer ambassadors who oversee volunteer projects across our U.S. and international offices. Our global volunteer program engages employees by using their talents and skills to benefit the children we serve.

Each country office manages its own volunteer program under Team Hasbro's guidelines. We offer employees four hours of paid time off per month to volunteer with organizations serving children. Our Dollars for Doers program magnifies the impact of employee volunteerism. We give matching grants up to \$2,500 to nonprofits where employees serve on the organization's board of directors or up to \$250 to nonprofits where employees volunteer at least 48 hours during the calendar year. In addition, the company matches gifts up to \$2,500 to institutions of higher education.

Team Hasbro also engages our extensive network of summer interns in volunteer projects that foster teambuilding. We recognize community service is important to the next generation of young professionals and integrate volunteerism into new employees' orientation programs. As part of Hasbro's Management Academy, a program to develop managers throughout the business, managers volunteer together and learn ways to incorporate Team Hasbro programs to meet their team's needs.

Read more about our employee volunteers and [Team Hasbro](#).

Global Day of Joy

Since 2012, our annual Global Day of Joy in December has empowered more than 5,000 Hasbro employees worldwide to spend the day volunteering in their local communities. This initiative empowers all of Hasbro's employees worldwide to become holiday "elves" and to immerse themselves in community service projects designed to bring joy over the holidays to children in need. In 2016, hundreds of volunteer projects took place in 41 countries and Hasbro donated more than half a million toys and games, valued at \$6 million, to organizations benefitting children. For example, teams of employees painted murals, installed a ludoteca (toy library), renovated community spaces and the entire senior management team completed a random acts of kindness challenge by adopting and holiday shopping for a family in need.

We are looking forward to celebrating our fifth annual Global Day of Joy on December 14, 2017.



Our Philanthropy in Action

HOPE: Giving hope to children who need it most



Rehabilitating Joy at Clinic in Peru

Hasbro Peru partnered with Clínica San Juan de Dios, a local orthopedic clinic that benefits children from low-income families with disabilities, to help renovate their hydrotherapy and rehabilitation areas. Hasbro Peru provided financial support, toy and game donations, and employee volunteers helped design and create the new space making the clinic more accessible and functional for children with all abilities. Hasbro Peru hosted a grand opening celebration that included a Hasbro Game Day with employees for children who have received life-changing rehabilitation services from this clinic.



SOS Children's Villages

Our partnership with SOS Children's Villages, the world's largest charity dedicated to supporting orphaned and abandoned children, and continued financial, product and volunteer support helps children in 21 villages across the globe grow up in loving homes where their essential needs are met.

KINDNESS: Inspiring youth to develop empathy and compassion



Putting Empathy into Action

Together with [generationOn](#), the youth service division of Points of Light, in 2016, we helped more than 225,000 youth put empathy into action and celebrated 10 inspiring young people as [Hasbro Community Action Heroes](#), both core elements of [BE FEARLESS BE KIND](#).

The [Rules of Kindness campaign](#) inspired students to create “Rules of Kindness” for their schools, and the [sixth annual Joy Maker Challenge](#) engaged youth worldwide to spread joy through acts of service during the holiday season. Hasbro donated a toy or game for every youth who participated, resulting in a \$1 million donation to Toys for Tots.

In partnership with Special Olympics, we helped to expand their global Unified Schools program which supports a culture of inclusion. Working with [Ashoka's #StartEmpathy](#) movement, we developed a toolkit for parents and teachers, providing them with activities to help support the development of empathy in children. On our BE FEARLESS BE KIND website, we offer parents the opportunity to learn more about the benefits of mindful meditation as well as some adult and child appropriate practices.

Using our Talents and Assets for Good

Hasbro employees offer unique creative talents and skills that we leverage to support local community partners and nonprofits. Such pro bono volunteer services include video production through our in-house production studio to help nonprofits showcase their impact. Additionally, our graphic design and film studio teams provide creative services to assist nonprofits with their branding and education programs. These include workshops for children on how our toys, games and movies are produced.

On the 2016 Global Day of Joy, we invited elementary school students from Pawtucket, Rhode Island, to our headquarters for a tour and Hasbro immersion experience. The day consisted of a hands-on activity with our toy-making model shop, a brand writing interactive workshop, an introduction to our CAKEMIX Studio's video equipment and tested new toys in our testing facility. Volunteer teams also led game creation and brand-writing workshops during our Hasbro Summer Learning Initiative program, in partnership with the United Way of Rhode Island.

Quarter Century Club

The Quarter Century Club is an employee network, consisting of active employees and retirees, that recognizes employees who have been with the company for at least 25 years. Retirees and club members participate in company-sponsored social and volunteer events. For example, annually, the group comes together through volunteer service to prepare meals in support of Rhode Island food pantries. In 2016, 13 employees were inducted into the Quarter Century Club, which has more than 590 members in the U.S.

JOY: Bringing the joy of play to children who otherwise would not have this experience

SeriousFun Children's Network

The SeriousFun Children's Network is the world's largest family of therapeutic camps for children with serious illnesses and life-threatening conditions, and our partnership supports fun and innovative programs to develop holistic wellness at camps in the U.S., Italy, U.K. and Ireland. In 2016, the entire Hasbro Italy team traveled to Camp Dynamo for an overnight volunteer immersion experience, supporting camp needs and building toy chests filled with Hasbro toys to leave in every kid's cabin. In the U.S., Hasbro hosts the CampOut program for local campers and their families. Team Hasbro volunteers "staffs camp" at our corporate headquarters, creating classic camp activities and playing oversized Hasbro games like giant versions of JENGA and PIE FACE.

Birthday Wishes

Birthday Wishes is an organization that provides birthday parties for children in homeless shelters. In Rhode Island and Massachusetts, Team Hasbro members coordinate and volunteer at monthly evening birthday parties at local shelters, handing out wrapped Hasbro toys and games to children. Team Hasbro volunteers also regularly fill goody bags for parties and create "Birthday Boxes" for families in safe shelters so that kids can celebrate their birthday regardless of where they're staying.



Give Kids the World

Give Kids the World fulfills the wishes of children with life-threatening illnesses and their families from around the world, allowing them to experience a memorable, joyful, cost-free visit to Central Florida attractions, and to enjoy the magic of the Give Kids the World Village. Hasbro has been a long-time partner of Give Kids the World and its Village, where we have built a life-sized fully accessible CANDY LAND themed Boundless Playground, created the MY LITTLE PONY themed La Ti Da Spa, and expanded the Castle of Miracles, a place where all the children leave their names on stars.

It's Christmas every week at Give Kids the World, because Hasbro sponsors the Winter Wonderland holiday celebration. Every kid gets presents from Santa Claus — their choice of Hasbro toys and games. Every family also leaves with the special edition Give Kids the World CANDY LAND game to remember all the special places and memories from their visit. Through our partnership, Hasbro sends employees on three service immersion trips annually. During their visit, employees tour the village, train and then volunteer in the spectacular parade, as Santa's real-life elves, at game stations for Winter Wonderland and as breakfast servers for families.

Challenges and the Road Ahead

Hasbro is devoted to bringing hope, kindness and joy to millions of children through our charitable programs. Our employees will join us to stand up for children as part of our philanthropy, with a goal of having 95 percent of our global workforce volunteer in their home communities. Additionally, we aim to grow our BE FEARLESS BE KIND initiative to help build an empathic generation where all kids stand up, include everyone and recognize that they have the ability to make a difference in the world.





Data Dashboard



ENVIRONMENT³

2012 2013 2014 2015 2016

EMISSIONS AND ENERGY

Greenhouse Gas Emissions⁴ (metric tons CO₂e)

SCOPE 1 (DIRECT)

	2012	2013	2014	2015	2016
Asia Pacific	72	0	0	0	0
Europe	2,800	3,341	2,691	1,773	1,649
Latin America	139	601	923	144	129
U.S./Canada	2,974	3,405	3,668	3,380	3,443
Total Direct	5,985	7,347	7,282	5,297	5,221
Normalized (metric tons/\$million of revenue)	1.46	1.80	1.70	1.19	1.04

SCOPE 2 (INDIRECT)

Asia Pacific	2,498	2,513	2,168	1,840	1,675
Europe	5,070	5,077	4,229	2,944	1,794
Latin America	467	467	467	448	466
U.S./Canada	9,387	8,847	8,220	4,234	4,606
Total Indirect	17,422	16,904	15,084	9,466	8,541
Normalized (metric tons/\$million of revenue)	4.26	4.14	3.53	2.13	1.70
Total GHG Emissions (direct and indirect)	23,407	24,251	22,366	14,763	13,762
Total Normalized (metric tons/\$million of revenue)	5.72	5.94	5.23	3.32	2.74



2012 2013 2014 2015 2016

CO₂ Emissions (metric tons CO₂)

SCOPE 1 (DIRECT)

Asia Pacific	68	0	0	0	0
Europe	2,737	3,266	2,688	1,771	1,647
Latin America	137	592	888	144	129
U.S./Canada	2,944	3,371	3,602	3,314	3,437
Total Direct	5,886	7,229	7,178	5,229	5,213
Normalized <small>(metric tons/\$million of revenue)</small>	1.44	1.77	1.68	1.18	1.04

SCOPE 2 (INDIRECT)

Asia Pacific	2,433	2,448	2,155	1,829	1,665
Europe	5,007	5,014	4,212	2,930	1,785
Latin America	465	465	466	447	465
U.S./Canada	9,318	8,781	8,156	4,206	4,576
Total Indirect	17,223	16,708	14,989	9,412	8,491
Normalized <small>(metric tons/\$million of revenue)</small>	4.21	4.09	3.50	2.12	1.69
Total CO₂ Emissions <small>(direct and indirect)</small>	23,109	23,937	22,167	14,641	13,704
Total Normalized	5.65	5.86	5.18	3.29	2.73

OTHER REPORTABLE EMISSIONS

VOC EMISSIONS⁵	8.61	9.23	7.10	0	0
NOx EMISSIONS⁶	0	0	0	0	0
SOx EMISSIONS⁶	0	0	0	0	0
TRI EMISSIONS⁷	De minimis	De minimis	De minimis	De minimis	De minimis



2012

2013

2014

2015

2016

ENERGY

Energy Consumption (gigajoules)

Asia Pacific	7,296	11,066	9,685	8,274	7,384
Europe	38,414	40,831	25,793	26,162	21,467
Latin America	2,499	3,186	3,207	3,047	3,132
U.S./Canada	103,247	95,087	93,638	55,723	60,980
Total Electricity	151,456	150,170	132,322	93,206	92,963
Normalized (gigajoules/\$million of revenue)	37	37	31	21	19
Fuel	74,910	76,518	77,263	65,552	68,159
Total	226,366	226,688	209,585	158,759	161,122
Total Normalized (gigajoules/\$million of revenue)	55.36	55.53	49.00	35.70	32.10

WATER

Water Consumption^o (U.S. million gallons)

Asia Pacific	1.9	2.2	2.2	2.1	1.7
Europe	2.6	2.5	2.3	1.9	2.0
Latin America	0.2	0.1	0.1	0.1	0.3
U.S./Canada	9.0	8.8	9.1	9.1	13.8
Total	13.7	13.6	13.7	13.2	17.8
Normalized (U.S. million gallons/thousand employees)	2.49	2.72	2.63	2.64	3.30



2012 2013 2014 2015 2016

WASTE

Non-Hazardous Waste⁸ (U.S. short tons)

Recycling	6,606	7,043	5,074	1,128	1,589
Disposal	1,420	1,706	1,830	1,796	1,658
Total	8,026	8,749	6,904	2,924	3,247
Recycled %	82%	81%	73%	39%	49%

Hazardous Waste⁹ (U.S. short tons)

U.S./Canada	26	32	31	15	10
Total	26	32	31	15	10
Normalized (U.S. short tons/million square feet)	5.42	6.73	6.22	4.77	2.93
Total Significant Spills	0	0	0	0	0

³ 2012-2014 figures include information on formerly owned and operated Hasbro manufacturing facilities which were sold in 2015.

⁴ Direct emissions (Scope 1) include sources of stationary combustion, mobile combustion and refrigerants. Indirect emissions (Scope 2) include consumption of purchased electricity.

⁵ 2012-2014 VOC emissions are from formerly owned and operated Hasbro manufacturing facilities in Massachusetts, U.S., and Waterford, Ireland. Additionally, Hasbro provided state level reporting per compliance requirements for the formerly owned and operating manufacturing facility located in Massachusetts, U.S.

⁶ 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, SOx and TRI because our emissions are de minimis and below reporting thresholds, including when normalized.

⁷ Hasbro does provide Toxic Release Inventory (TRI) data to the U.S. Environmental Protection Agency (EPA) per federal guidelines. However, as a de minimis emitter, this reported data does not meet the threshold defined by the EPA in its public information system for the results to be presented in any query through its system.

⁸ Data is not available for a small percentage of operated leased facilities where Hasbro waste and water was not segregated.

⁹ Primary hazardous waste materials generated include solvent and paint-related waste.





EMPLOYEES

2012 2013 2014 2015 2016

EMPLOYEES

Employees,¹⁰ New Hires^{10,11} and Voluntary Turnover^{10,11}

	2012	2013	2014	2015	2016
TOTAL EMPLOYEES	5,474	5,035	5,202	4,950	5,382
Employees (Age Under 30 Years Old)	—	—	—	—	750
Employees (Ages 30-50 Years Old)	—	—	—	—	3,589
Employees (Ages 51+ Years Old)	—	—	—	—	1,030
Female Employees	50%	50%	51%	54%	55%
TOTAL NEW HIRES	496	632	710	720	933
New Hires (Age Under 30 Years Old)	—	—	—	—	422
New Hires (Ages 30-50 Years Old)	—	—	—	—	455
New Hires (Ages 51+ Years Old)	—	—	—	—	53
% Female New Hires	49%	54%	58%	58%	58%
% VOLUNTARY TURNOVER	7%	10%	8%	7%	7%
% Voluntary Turnover (Age Under 30 Years Old)	—	—	—	—	9%
% Voluntary Turnover (Ages 30-50 Years Old)	—	—	—	—	6%
% Voluntary Turnover (Ages 51+ Years Old)	—	—	—	—	5%
% Female Voluntary Turnover	60%	53%	54%	58%	62%

Employees, New Hires¹¹ and Voluntary Turnover¹¹ by Region

U.S.					
	2012	2013	2014	2015	2016
Employees	2,791	2,533	2,644	2,425	2,623
New Hires	257	357	434	376	631
Voluntary Turnover	6%	12% ¹²	9% ¹³	7%	7%
CANADA					
Employees	154	155	153	152	177
New Hires	14	14	8	12	28
Voluntary Turnover	8%	6%	6%	3%	7%

2012 2013 2014 2015 2016

ASIA PACIFIC

Employees	1,004	892	920	997	1,123
New Hires	75	103	128	166	196
Voluntary Turnover	7%	7%	8%	8%	10%

EUROPE

Employees	1,276	1,222	1,227	1,097	1,170
New Hires	99	114	93	121	39
Voluntary Turnover	7%	7%	5%	6%	3%

LATIN AMERICA

Employees	144	121	138	147	152
New Hires	19	27	28	27	24
Voluntary Turnover	—	15%	6%	8%	9%

MEXICO

Employees	135	112	120	132	137
New Hires	32	17	19	18	15
Voluntary Turnover	18%	15%	7%	8%	4%

DIVERSITY AND INCLUSION

Women in Our Workforce

Female Employees ¹¹	50%	50%	51%	54%	55%
Female Leaders/Managers ^{11,14}	30%	30%	33%	35%	37%
U.S. Female Employees	48%	48%	49%	53%	54%
U.S. Female Leaders/Managers ^{11,14}	33%	33%	34%	36%	37%

Minorities in Our Workforce (U.S.)

Minority Employees	15%	15%	16%	16%	17%
Minority Leaders/Managers ¹⁴	6%	8%	8%	8%	9%
Minority New Hires	20%	17%	28%	23%	24%



2012

2013

2014

2015

2016

Employees by Ethnic Group (U.S.)

American Indian/Alaskan	<0.1%	<0.1%	<0.1%	<0.1%	0.1%
Asian	4%	5%	6%	6%	6%
Black or African American	3%	3%	3%	2%	2%
Hispanic	6%	6%	7%	7%	7%
Native Hawaiian or Pacific Islander	<0.1%	<0.1%	0.2%	0.1%	0.2%
Two or More Races	0%	1%	1%	1%	1%
White	86%	85%	84%	84%	83%

EMPLOYEE HEALTH AND SAFETY

Incidence Rates¹⁵ (per 200,000 hours worked)

Recordable Injuries and Illness	1.16	1.08	0.58	0.84	1.00
Lost Time Injuries and Illness	0.52	0.38	0.16	0.26	0.54
Lost Work Days	11.31	8.65	2.23	1.95	5.57
Work-Related Fatalities	0	0	0	0	0

Incidence Rates by Region (per 200,000 hours worked)

AMERICAS

Recordable Injuries and Illness	1.22	1.30	0.86	1.15	1.11
Lost Time Injuries and Illness	0.45	0.48	0.14	0.40	0.32
Lost Work Days	16.60	13.91	1.07	3.20	3.53

EUROPE

Recordable Injuries and Illness	1.57	1.39	1.51	0.76	1.44
Lost Time Injuries and Illness	0.74	0.56	0.34	0.09	1.36
Lost Work Days	5.63	6.39	7.74	0.26	14.53

ASIA PACIFIC

Recordable Injuries and Illness	0.44	0.11	0	0	0.19
Lost Time Injuries and Illness	0.36	0.11	0	0	0.19
Lost Work Days	2.04	0.63	0	0	0.96

¹⁰ Age data is not self-reported for Japan employees and is therefore not reflected in the breakdown by age.

¹¹ 2012 excludes Dubai, Greece, Japan, Korea, Russia and Romania. 2013 excludes Dubai, Japan and Korea.

¹² Includes a one-time Voluntary Early Retirement Program.

¹³ 2013 Voluntary Early Retirement Program concluded in 2014.

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

¹⁵ Hasbro reports injury rates, lost days, absenteeism and fatality information by region; however, Hasbro does not track incidence rates information by gender.

COMMUNITY

	2012	2013	2014	2015	2016
Employee Volunteer Hours	20,451	26,348	42,627	52,230	67,245
Total Philanthropic Support (\$ Millions)					
Financial Support ¹⁶	5.4	4.7	4.7	4.4	4.9
Product Donations (estimated retail value)	9.1	9.8	9.2	9.7	9.5
Total Philanthropic Support¹⁷	14.5	14.5	13.9	14.1	14.4
Children Impacted (\$ Millions)	3.4	3.5	3.2	3.4	3.8

¹⁶ 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.

¹⁷ Total philanthropic support represents both financial contributions and product donations.



UN Sustainable Development Goals



In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), with an aim to achieve a 2030 vision to end poverty, protect the planet, and ensure prosperity for all. Hasbro embraces the SDGs and, through our CSR commitments and actions over many years, we have been doing our part to help build a safer, more sustainable world for future generations.

Our ongoing CSR and philanthropic efforts support many, if not all, of the SDGs. However, we believe our core CSR priorities most closely align with the following SDGs: SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals). Additionally, through our philanthropic work we positively impact SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 16 (Peace, Justice and Strong Institutions).

To achieve our goals, we engage our employees and work closely with our supply chain partners, our philanthropic partners, and other external stakeholders around the world.



SDG GOAL

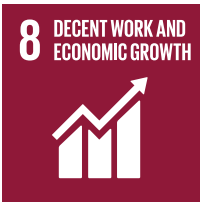
Achieve gender equality and empower all women and girls.

At Hasbro, we believe that supporting gender equality and promoting inclusion across our business and society makes the world a better place for all. As a company over half comprised of women, we seek to promote a workplace culture that values and empowers women, from providing best-in-class benefits to ensuring competitive and equitable pay. In 2016 our women in leadership roles was 37 percent globally, a 23 percent increase compared to 2012.

Our Workforce Diversity and Inclusion Goals:

- Grow women in director and above roles globally across all business areas to 50 percent by 2025.
- Increase our U.S. annual hiring rate of minorities to 40 percent by 2025.

Read more about our diversity and inclusion efforts [here](#).



SDG GOAL
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We believe that our business plays a vital role in creating economic growth and decent work environments across our business and our global supply chain. We expect all our third-party factories and licensee factories to provide fair, safe, and decent working conditions for workers and to treat their employees with dignity and respect and ensure all employment is voluntary. Additionally, our ethical sourcing program requires third-party vendors to comply with our Global Business Ethics Principles and local law—including wages, health and safety, and the prohibited use of forced or child labor—which we verify through our audit program. In 2016, Hasbro enhanced its ethical sourcing program and became the first toy and game company to join the multi-sector Responsible Business Alliance (RBA).

Our Human Rights and Ethical Sourcing Goals:

- Annually audit 100 percent of our third-party factories through Hasbro’s ethical sourcing program and partner with vendors for remediation, ensuring verification for critical compliance issues.
- Engage directly with third-party vendors through capacity building and partnerships to drive continuous improvement in social and environmental compliance.
- Evaluate opportunities to pilot worker well-being programs aimed at professional and personal training and skills development for female factory workers in 2017 and 2018.

Read more about our human rights and ethical sourcing efforts [here](#).



SDG GOAL
Ensure sustainable consumption and production patterns.

We believe in constantly improving our products to make them more sustainable for our consumers and the planet. We strive to achieve this by continuously innovating and rethinking how we make our products and packaging, with sustainable sourcing and the circular economy in mind. We have made great strides in reducing the environmental impacts of our packaging—from efficient and recyclable packaging design to sourcing materials that come from sustainable, renewable or recycled sources. Furthermore, our ethical sourcing practices include efforts to ensure that specific minerals (tin, tantalum, tungsten and gold or “3TG”) come from conflict-free sources.

In 2016, we further expanded our efforts to incorporate post-consumer recycled polyethylene terephthalate (PET) in our packaging. As we consider new packaging materials, recyclability is an important consideration. We also began providing recycling instructions on packaging to help educate consumers in the U.S. and Canada on packaging recyclability.

Our Environmental Sustainability Goals:

- Derive over 90 percent of our paper packaging and inbox content from recycled material, or from sources that practice sustainable forest management.
- Reduce waste to landfill by 50 percent by 2025, based on a 2015 baseline year.
- Reduce water consumption by 15 percent by 2025, based on a 2015 baseline year.

Read more about our environmental sustainability efforts [here](#).



SDG GOAL
Take urgent action to combat climate change and its impacts.

For decades Hasbro has been taking steps to reduce our environmental footprint and supporting the shift to a low carbon economy, including taking significant steps to minimize our contribution to greenhouse gas (GHG) emissions by increasing energy efficiency and increasing renewable energy use across our owned/operated facilities around the world. In 2015, Hasbro began using 100 percent renewable energy across our owned/operated U.S. operations.

Additionally, as paper is a significant natural resource used in our products and packaging, we are guided by our [Paper and Forest Procurement Policy](#) and ongoing commitment to derive at least 90 percent of our paper packaging and inbox content from recycled material, or from sources that practice sustainable forest management.

Our Environmental Sustainability Goals:

- Achieve 100 percent renewable energy use and carbon neutrality globally in 2017.
- Reduce energy consumption by 20 percent by 2025, based on a 2015 baseline year.
- Reduce GHG emissions by 20 percent by 2025, based on a 2015 baseline year.
- Derive over 90 percent of our paper packaging and inbox content from recycled material, or from sources that practice sustainable forest management.

Read more about our environmental sustainability efforts [here](#).



SDG GOAL
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions.

Our largest philanthropic commitment is to support the development of compassion and empathy in children through our [BE FEARLESS BE KIND](#) initiative. Through this work we are supporting the call to action to “Stand Up, Be Inclusive, and Make a Difference.” Working with issue experts and leading organizations such as No Bully and Special Olympics, our goal is to provide the tools and resources for parents and caregivers to help support the development of empathy and to make it easy for children to make a difference. Through our Hasbro Community Action Heroes and other recognition programs, we also spotlight and celebrate the work of children who have stood up for others and serve as role models to their peers.





SDG GOAL
Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Caring for children and contributing to the sustainable development of communities where we work and play are immensely important to us. We invest our assets — financial resources, toy and game products, employee talent and time, and our beloved brands — in diverse, long-term programs in the cities and towns where we operate. To complete this work, we are proud to work with strategic nonprofit partners to make the biggest impact possible. In 2016, our philanthropic support totaled \$14.4 million and impacted 3.8 million children around the globe.

Below are examples of core philanthropic partnership efforts and outcomes that touch on other SDGs.

SDG 1: End poverty in all its forms everywhere.



Through our philanthropic work we support the children who need us most around the world. For example, we support orphaned and vulnerable children to provide them with a loving home and a forever family through our multi-year partnership with SOS Children’s Villages. We support foster and homeless youth, working to improve the outcomes of their lives, in the areas where we live and work. We help children to succeed by meeting their most basic needs through our support of local food pantries that service children and families. We are also actively involved with Year Up, a yearlong workforce development program for underserved young adults, working to provide opportunities to our neediest youth through mentoring and funding.

SDG 2: Zero Hunger.



In October 2017, we launched a new partnership with UNICEF featuring the World’s Largest Lesson, which provides turn-key resources to educator to use for teaching about the SDG’s. In 2017 the World’s Largest Lesson will focus on SDG 2 (Zero Hunger) and

will provide ways to help promote sustainability through food security projects around the world. The resources and tools they provide create opportunities for children and young people to make a positive change in their local communities.

SDG 3: Ensure healthy lives and promote well-being for all at all ages.



Hasbro has long been committed to helping ensure children have the physical and mental health services they need to live their best life possible. Our commitments are both local in nature — supporting children’s hospitals where we live and work — and global, where we provide surgeries for children with cleft palates through our relationship with Operation Smile. We also provide resources to help children recover from abuse and to those that need help with developing their social skills. We understand how important joy is to the development of well-being and the impact it can have on healing. We are proud to work with long time partners Give Kids the World and the SeriousFun Children’s Network to help children with life threatening illnesses experience the joy of play.

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Our commitment to education is both wide and deep because we know it is key to the future of our youth. For example, through our partnership with City Year, we support an AmeriCorps team each year which provides assistance to an urban school, changing the educational outcomes of its students. In Rhode Island, we support the Hasbro Summer Learning Initiative, a program that provides more than 1,600 youth with the opportunity to reverse the summer learning loss typically experienced and to make significant gains in reading and in math. We also support programs that fight bullying so children can feel safe in school as well as mentorship programs and after school support for a variety of school districts.

GRI Index

The Global Reporting Initiative (GRI) provides a comprehensive framework for corporate sustainability reporting based on input from a wide range of stakeholders. Our Hasbro 2016 CSR Report was prepared in alignment with the GRI G4 guidelines at the Core 'in accordance' level. We provide the GRI Content Index below to reference our GRI reporting and to include some additional data to complement the report.

General Standard Disclosures

Location

G4-1	Statement from most senior decision maker.	Letter from our CEO
G4-2	Key impacts, risks, and opportunities.	Materiality Enterprise Risk Management

ORGANIZATIONAL PROFILE

G4-3	Name of the organization.	Hasbro, Inc.
G4-4	Primary brands, products, and services.	Form 10K
G4-5	Location of the organization's headquarters.	Form 10K
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Form 10K
G4-7	Nature of ownership and legal form.	Form 10K
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Form 10K
G4-9	Scale of the organization.	Form 10K
G4-10	Total workforce by employment contract and gender.	Data Dashboard
G4-11	Percentage of total employees covered by collective bargaining agreements.	Labor Relations
G4-12	Describe the organization's supply chain.	Managing Ethical Sourcing in Our Supply Chain
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Form 10K
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	Hasbro does not at this time employ the precautionary approach to CSR issues.

General Standard Disclosures

Location

G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Engaging in Public Policy Human Rights Ethical Sourcing Sustainable Supply Chain Responsible Marketing and Content UN Sustainable Development Goals
G4-16	<p>Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. 	Stakeholder Engagement Engaging in Public Policy Human Rights Ethical Sourcing Marketing to Children

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	All entities included in the organization's consolidated financial statements or equivalent documents and whether any of these entities is not covered by the report.	Form 10K
G4-18	Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	About this Report Materiality
G4-19	All the material Aspects identified in the process for defining report content.	Materiality
G4-20	The Aspect Boundary within the organization for each material Aspect.	Materiality
G4-21	The Aspect Boundary outside the organization for each material Aspect.	Materiality
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Hasbro has not restated information provided in previous reports in 2016.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Hasbro has not experienced any significant changes in Scope and Aspect Boundaries in 2016.

STAKEHOLDER ENGAGEMENT

G4-24	A list of stakeholder groups engaged by the organization.	Stakeholder Engagement
G4-25	The basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholder Engagement Materiality
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. The stakeholder groups that raised each of the key topics and concerns.	Stakeholder Engagement Materiality

General Standard Disclosures

Location

REPORT PROFILE		
G4-28	Reporting period for information provided.	About this Report
G4-29	Date of most recent previous report (if any).	About this Report
G4-30	Reporting cycle.	About this Report
G4-31	The contact point for questions regarding the report or its contents.	About this Report
G4-32	Report the 'in accordance' option the organization has chosen; the GRI Content Index for the chosen option and the reference to the External Assurance Report, if the report has been externally assured.	About this Report
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.	About this Report
GOVERNANCE		
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Governing Our Company CSR Governance
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR Governance
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CSR Governance
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.	CSR Governance
G4-38	Composition of the highest governance body and its committees.	Corporate Governance Governing Our Company
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Governing Our Company
G4-40	Nomination and selection process for the highest governance body and its committees.	Corporate Governance
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Corporate Governance
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance CSR Governance
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	CSR Governance

General Standard Disclosures

Location

G4-44	Highest governance body's performance with respect to governance of economic, environmental, and social topics.	Governing Our Company
G4-45	Highest governance body's role in the identification and management of economic, environmental, and social impacts, risks, and opportunities.	Enterprise Risk Management
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Enterprise Risk Management
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	CSR Governance
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	On the Record
G4-49	The process for communicating critical concerns to the highest governance body.	Contacting Hasbro
G4-51	A. The remuneration policies for the highest governance body and senior executives. B. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Executive Compensation Proxy Statement
G4-52	The process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Executive Compensation
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Executive Compensation Proxy Statement
ETHICS AND INTEGRITY		
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Our Code of Conduct
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Our Code of Conduct
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Our Code of Conduct Contacting Hasbro

Specific Standard Disclosures

Location

CATEGORY: ECONOMIC		
G4-DMA	Economic Aspects	Form 10K Governance and Ethics
ECONOMIC PERFORMANCE		
G4-EC2	Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	Energy and Greenhouse Gas Emissions
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Form 10K
MARKET PRESENCE		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Hasbro offers competitive remuneration packages in all regions. We review local market data every two years to identify market gaps and revise our salary programs if needed. Specific ratios are not available at this time.
INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure and services supported.	Our Community
PROCUREMENT PRACTICES		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	We use local vendors where relevant and economically feasible. Most of our procurement decisions by spend are made on a global/regional/national level, and local tracking is not applicable.
CATEGORY: ENVIRONMENTAL		
G4-DMA	Environmental Aspects	Environmental Sustainability
MATERIALS		
G4-EN2	The percentage of recycled input materials used to manufacture the organization's primary products and services.	Sourcing Paper Sustainability Hasbro tracks and reports the percentage of recycled materials used in paper-based products and packaging. We also use 30% post-consumer recycled PET (rPET) plastic in our packaging and in-box content. We do not currently use recycled input materials in products beyond paper and rPET plastic.
ENERGY		
G4-EN3	Energy consumption within the organization.	Data Dashboard Hasbro CDP Report 2017

Specific Standard Disclosures

Location

G4-EN4	Energy consumption outside the organization.	Hasbro's Scope 3 energy consumption totals 52,876,674 Gigajoules and includes third-party manufacturing electricity and fuel usage, however it is not verified as part of our annual third-party data verification process.
G4-EN5	Energy intensity.	Data Dashboard Hasbro CDP Report 2017
G4-EN6	Reduction of energy consumption.	Environmental Sustainability Hasbro CDP Report 2017
WATER		
G4-EN8	Total water withdrawals by source.	We source water at our owned/operated facilities from municipal water suppliers or other water utilities.
EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Data Dashboard Hasbro CDP Report 2017
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Data Dashboard Hasbro CDP Report 2017
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	Hasbro CDP Report 2017
G4-EN18	Greenhouse gas (GHG) emissions intensity.	Data Dashboard Hasbro CDP Report 2017
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Environmental Sustainability Hasbro CDP Report 2017
G4-EN21	NO _x , SO _x , and other significant air emissions.	Data Dashboard
EFFLUENTS AND WASTE		
G4-EN23	Total weight of waste by type and disposal method.	Data Dashboard
G4-EN24	Total number and volume of significant spills.	Data Dashboard
PRODUCTS AND SERVICES		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Design for the Environment
COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Hasbro did not receive any fines or sanctions for environmental noncompliance in 2016.
TRANSPORT		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Eco-Efficient Logistics Hasbro CDP Report 2017

Specific Standard Disclosures

Location

OVERALL		
G4-EN31	Total environmental protection expenditures and investments by type.	In 2016, Hasbro incurred approximately \$200,000 in investigative and remediation expenses as part of an ongoing activity associated with an environmental remediation effort.
SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Third-Party Vendors and Factories
ENVIRONMENTAL GRIEVANCE MECHANISMS		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Hasbro did not receive any grievances about environmental impacts in 2016.
CATEGORY: SOCIAL - LABOR PRACTICES AND DECENT WORK		
G4-DMA	Labor Practices and Decent Work Aspects	Our Employees Human Rights and Ethical Sourcing
EMPLOYMENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	Data Dashboard
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	Total Rewards
LABOR/MANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Minimum notice periods for certain operational changes are set forth in the applicable collective bargaining agreements. Hasbro also complies with all notice periods required by law.
OCCUPATIONAL HEALTH & SAFETY		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Data Dashboard We report injury rates, lost days, absenteeism and fatality information by region, however we do not track this information by gender.
TRAINING AND EDUCATION		
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employment category.	Performance Management Through Ongoing Dialogue
DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Data Dashboard Board of Directors

Specific Standard Disclosures

Location

EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Gender Pay Equity
SUPPLIER ASSESSMENT FOR LABOR PRACTICES		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Third-Party Vendors and Factories
LABOR PRACTICES GRIEVANCE MECHANISMS		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Reporting Concerns
CATEGORY: SOCIAL - HUMAN RIGHTS		
G4-DMA	Human Rights Aspects	Human Rights and Ethical Sourcing
INVESTMENT		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Third-Party Vendors and Factories
G4-HR2	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.	<p>Our Code of Conduct</p> <p>In 2016, we trained approximately 5,000 employees on policies and procedures concerning aspects of human rights.</p>
NON-DISCRIMINATION		
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	<p>In 2016, Hasbro received 9 internal allegations (out of 5,400 employees) across all global markets. In all cases, thorough investigations were conducted and, when appropriate, corrective actions, including disciplinary action up to and including termination, were taken, consistent with company policy and practices. Also, one charge of discrimination was filed in 2016 with the United States Equal Employment Opportunity Commission. That charge has since been resolved and closed by the Equal Employment Opportunity Commission. No litigation involving discrimination claims was filed against Hasbro in 2016.</p> <p>In 2016, third-party factories making products for Hasbro and other brands utilized the ICTI CARE program helpline which was managed through a third-party NGO. Going forward, we will be evaluating new grievance mechanisms for factory workers to utilize.</p>

Specific Standard Disclosures

Location

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights.

[Labor Relations](#)

CHILD LABOR

G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

Hasbro did not identify any operations or suppliers at risk for incidents of child labor in 2016.

[Global Business Ethics Principles](#)

FORCED OR COMPULSORY LABOR

G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

Hasbro did not identify any operations or suppliers at significant risk for incidents of forced or compulsory labor in 2016.

[Global Business Ethics Principles](#)

SECURITY PRACTICES

G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.

[Human Rights Training](#)

HUMAN RIGHTS ASSESSMENTS

G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

[Third-Party Vendors and Factories](#)

SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-HR10 Percentage of new suppliers that were screened using human rights criteria.

[Third-Party Vendors and Factories](#)

HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.

Hasbro did not receive any grievances about human rights in 2016.

Hasbro did not receive any fines for human rights issues from 2012-2016.

In 2016, third-party factories making products for Hasbro and other brands utilized the ICTI CARE program helpline which was managed through a third-party NGO. Going forward, we will be evaluating new grievance mechanisms for factory workers to utilize.

CATEGORY: SOCIAL — SOCIETY

G4-DMA Society Aspects

[CSR at Hasbro](#)

[Governance and Ethics](#)

[Our Community](#)

Specific Standard Disclosures

Location

LOCAL COMMUNITIES		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Our Grantmaking
ANTI-CORRUPTION		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Hasbro has an established a global anti-corruption program to assess risk. Policies are in place to ensure the company performs an appropriate level of due diligence of high risk third-parties who act on Hasbro's behalf. Depending upon the risk(s) identified, the Legal team will make the appropriate recommendation ranging from adding contractual protections to recommending against the use of a particular entity based on the information gathered. As part of the anti-corruption program, certain Hasbro operations are audited on an annual basis to ensure adherence with our anti-corruption policies and the results/recommendations are shared with senior management who have oversight of those operations.
G4-SO4	Communication and training on anti-corruption policies and procedures.	Ethics and Compliance Training
PUBLIC POLICY		
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Political Activity and Lobbying Policy
ANTI-COMPETITIVE BEHAVIOR		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Hasbro was not subject to any legal actions for anti-competitive behavior, anti-trust, or monopoly practices in 2016.
COMPLIANCE		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Hasbro did not receive any fines or sanctions for non-compliance in 2016.
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Third-Party Vendors and Factories
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Hasbro did not receive any grievances for impacts on society in 2016.

Specific Standard Disclosures

Location

CATEGORY: SOCIAL – PRODUCT RESPONSIBILITY

G4-DMA	Product Responsibility Aspects	Product Safety Responsible Marketing and Content
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CUSTOMER HEALTH AND SAFETY

G4-PR1	Percentage of significant products and service categories for which health and safety impacts are assessed for improvement.	Product Safety
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.	Hasbro is proud of our product and material safety efforts and our record, which includes zero consumer product recalls and no product safety fines in 2016.

PRODUCT AND SERVICE LABELING

G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Product Safety
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MARKETING COMMUNICATIONS

G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Hasbro did not have any incidents of non-compliance with regulations and voluntary codes concerning marketing communications in 2016.
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CUSTOMER PRIVACY

G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Hasbro did not receive any substantiated complaints regarding breaches of customer privacy and losses of customer data in 2016.
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COMPLIANCE

G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Hasbro did not receive any significant fines for non-compliance related to the provision and use of products and services in 2016.
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