



2013 CORPORATE SOCIAL RESPONSIBILITY REPORT



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Play

We play safe; we play fair. We never stop pushing to develop high quality products and content, protect workers' rights and safety, and ensure our materials are ethically sourced. The joy of play, and our role in bringing that joy to future generations, requires nothing less.



Create

We create stories that matter. Because stories shape who we are and what we do. We give kids a way to create their own unique stories through play. And Hasbro's story gets stronger every day with each step we take to reduce our environmental footprint and operate more sustainably.



Thrive

We grow and thrive together. As our business prospers and more people around the world embrace Hasbro toys, games, and entertainment experiences, we share our success by making Hasbro a more fulfilling place to work and giving back to communities.



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Corporate social responsibility (CSR) at Hasbro is powered by our belief that every day is a chance to be better. Joy, creativity, and problem solving – the things we love most about play – inspire us to make a positive and enduring difference in the world. Thinking and acting responsibly guides us toward smarter ways of doing business. It unlocks new opportunities to improve how we design, create, manufacture, and market our iconic brands.

Our deep commitment to CSR reflects our desire to help build a safer, more sustainable world for future generations. Product safety is one of our highest priorities, and we're taking ambitious steps to reduce our environmental footprint. We also have a long and proud tradition of encouraging our suppliers to operate responsibly and adopt best practices, respecting human rights, and empowering children through our global giving programs.

Our Priorities

As part of Hasbro's CSR strategic planning process, we evaluate our business model and operations for opportunities to improve – spanning product safety, environmental sustainability, ethical sourcing, diversity, responsible marketing, ethical conduct, caring for our employees, and supporting local communities. While we remain committed to each of these important CSR priorities, we put our strongest focus on product safety, environmental sustainability, and ethical sourcing – the three areas that are most material to our business and our stakeholders. Acting on these CSR priorities inspires employee creativity and innovation and connects us to consumers. They are a critical part of Hasbro's approach to doing business.

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1 Product Safety

Our toys, games, and other products are enjoyed and treasured by children and families around the world, frequently as an integral part of family play experiences and memories.

The safety of our products is vital to our consumers, fundamental to our business, and taken into account in every step of our value chain. Our reputation and business success hinge on the safety and quality of our products. Hasbro's strong safety efforts have received recognition, and we continue to collaborate with organizations within and outside our industry on best practice. Governments and policymakers value our expertise and seek our insight on product safety. We are actively involved with national and international regulatory bodies, such as the International Organization for Standardization (ISO), that work to enhance and align existing and new toy safety standards.

Our commitment to children's safety is evident across our portfolio; no Hasbro product has been recalled in more than five years. We believe harmonization of global safety standards would be easier for the toy industry to navigate than the current patchwork of standards across countries, regions, and U.S. states, and we work with regulators, industry, and nongovernmental organizations (NGOs) toward this end.

Read [here](#) for more information.

2 Environmental Sustainability

As a global company, we understand that our operations have an impact on the environment, and we strive to do our part to help build a sustainable world. We are committed to protecting natural resources and shrinking the environmental footprint of every aspect of our business, from operations and product development to manufacturing and packaging.

As part of our efforts to address climate change – a major global challenge – we are proud to have achieved our goals for reducing Scope 1 and 2 greenhouse gas emissions from our operations a full two years ahead of schedule. We have committed to further reduce these emissions by 20 percent from 2012 levels by 2020 and are making progress in measuring the Scope 3 emissions generated by our supply chain.

Finding further reductions within our operations and across our supply chain will be challenging. By the end of 2014, we plan to establish annual energy efficiency and GHG reduction plans for our key China-based supplier factories, which will result in reduced Scope 3 emissions over time. We will also extend our efforts to reduce the life cycle impacts of products and packaging, and begin to explore potential product take-back opportunities during 2014.

See [here](#) for more information.

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3 Ethical Sourcing

Treating our global employees fairly – with dignity and respect – is a core Hasbro value and an indispensable part of our long-term success. We promote the same value for factory personnel at our third-party and licensee factories. The Hasbro Code of Conduct, Hasbro's Global Business Ethics Principles, and the International Council of Toy Industries (ICTI) Code of Business Practices guide our ethical programs for both Hasbro-owned and non-owned manufacturing facilities. In 2013, we developed goals and key performance indicators to guide our progress in this critical area.

In 2014 and beyond, we will continue to expand and diversify our third-party factory base beyond our current focus in China. To meet our commitments to ethical sourcing in these new regions, we will leverage our experiences and ethical sourcing practices and process and focus on industry collaboration, supplier monitoring, and partnerships.

See [here](#) for more information.

Our efforts to address these priorities stem from the way we see the world. We push ourselves to think differently and come up with smarter ways of doing business. By focusing innovation and investment in these areas, we can build a better business – where play meets purpose, and inspiration unlocks possibilities.

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Letter from our CEO



We're a company that is passionate about storytelling. We express our creative spirit through our toys, games, and entertainment experiences—from the fun-filled worlds children create while playing with Hasbro toys to the stories told by TRANSFORMERS, MY LITTLE PONY, and other Hasbro franchise brands across traditional and new media formats, including television, movies, digital, and online.

But while we love to create compelling and engaging experiences for kids and families globally, we're even more passionate about creating meaning within our own story.

We believe every day is a chance to be better. We demonstrate this through our values and actions as a company. In our commitment to maintain the highest safety standards in our industry. In our efforts to reduce the environmental impact of our operations and products. In our work to build a sustainable supply chain that protects the safety, well-being, and dignity of workers. In our desire to expand the inclusiveness and reach of our brand stories and products. And through our investments in our employees, our workplace, and the communities we are honored to serve.

This Corporate Social Responsibility (CSR) report provides a detailed look at the progress Hasbro made throughout 2013 in our three key CSR priorities—product safety, environmental responsibility, and ethical sourcing—in addition to areas like human rights, responsible marketing, philanthropy, and more. It also communicates our vision for the future, which includes ambitious, measurable goals for reducing our energy and water use, greenhouse gas emissions, and landfill waste by 2020, among other important CSR targets.

We've made great gains in each of these areas over the past year, and I look forward to sharing these stories.

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As a result of these and other accomplishments, Ethisphere Institute once again named Hasbro one of the World's Most Ethical Companies®, and Corporate Responsibility Magazine ranked Hasbro one of the 100 Best Corporate Citizens. We're tremendously proud of this recognition and the responsibility that comes with it.

Our CSR journey is ongoing. It started more than 90 years ago, when we began creating the play experiences that consumers have come to trust across generations and geographies. It has continued as we have grown into a global branded play leader and reaffirmed our commitment to act responsibly and operate with the utmost integrity in every circumstance.

And it will endure in the future, as our franchise brands introduce new entertainment and storytelling opportunities—and as new CSR challenges present themselves.

Through it all, we will continue to honor the trust that parents and caregivers place in us by maintaining the highest ethical standards and refusing to compromise on the issues that matter most to the global Hasbro community.

Our stories make up who we are. By living our values and acting with purpose, we continue to evolve our own story—striving to uphold Hasbro's commitment to make every day better than the last.



Brian Goldner

President and Chief Executive Officer

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Letter from Our Vice President of CSR



Children are at the center of Hasbro's world, and also of mine.

As a mother of two young girls who is also tasked with oversight of Hasbro's toy safety, compliance, and corporate responsibility efforts, my personal and professional priorities overlap with Hasbro's. We both believe every day is a chance to be better.

Like parents, Hasbro sees joy, creativity, and problem solving as the building blocks to making a positive and enduring difference in the world. Thinking and acting responsibly are at the heart of how we design, manufacture, and promote our iconic brands. Just as parents want to foster an environment in which their children can grow and thrive, Hasbro wants to help build a safe and sustainable world for future generations—a goal that is reflected in our deep commitment to corporate social responsibility (CSR).

Hasbro's CSR priorities—product safety, environmental sustainability, and ethical sourcing—focus on the issues that matter most to our business, consumers, and other stakeholders. In all three areas, we are making good progress. Our safety record is exemplary, with no product recalls since 2008. Maintaining [best-in-class safety practices](#) for our industry remains a top priority. We met our 2012 goals for reducing greenhouse gas emissions, waste, and water early, and we have set [new goals for 2020](#). And as our third-party manufacturing base diversifies, we have established robust key performance indicators to help us continue to practice sound [ethical sourcing](#).

More than ever before, CSR is a critical part of Hasbro's approach to doing business. In 2013, we established a formal [human rights policy](#) centered on the needs of employees, supply chain workers, and children. Building on the success of our environmental targets,

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we are also developing key performance indicators for all CSR issues, including employee diversity and inclusion, a vital component of our CSR efforts. We are proud to boast a global workforce that is more than 50 percent female, and we are working hard to improve [diversity](#) at management levels. In doing so, we are nurturing a culture of responsibility across the company based on shared values and teamwork.

I am deeply proud and excited to help lead these efforts as we further define our story, and I look forward to reporting back on future progress.



Kathrin Belliveau

Vice President, Global Government Affairs,
Corporate Social Responsibility and Compliance About Hasbro

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About Hasbro

Company Profile

Hasbro is a global branded play company dedicated to helping children and families fulfill their fundamental need for play through our world-class brands. Since our founding in 1923, Hasbro has remained at the forefront of industry innovation. We:

- Launched our first toys, doctor and nurse kits, in the 1940s
- Introduced the first toy to be advertised on television: MR. POTATO HEAD!
- Created the first action figure in G.I. JOE
- Secured our leadership position in the gaming space, from MONOPOLY to THE GAME OF LIFE
- Built our own storytelling and content-creation capabilities through feature films and television entertainment

Hasbro's Blueprint for Growth



Our strategy is to build on what we are already doing well: to re-imagine, re-invent, and re-ignite our portfolio of brands and also deliver innovation through new brand toy and game product innovation, digital gaming, entertainment, and lifestyle licensing. This immersive approach allows children and families to enjoy Hasbro brands anytime and anywhere.

Much of our forward-looking growth strategy involves creating innovative, integrated, multi-platform brand experiences and delivering these through entertainment, including television and feature films, digital gaming, and out-licensing. In 2013, Hasbro acquired a majority stake in Backflip Studios, a mobile game developer, in order to extend our brands into mobile gaming.

Hasbro's growth will come from investing where we can secure the greatest return – on our franchise and partner brands – and from further penetrating emerging markets and growing our presence in these countries. We have built a powerful and profitable business

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in emerging markets and expect them to support our business growth. Most of Hasbro's toy products are manufactured by third-party vendors. However, we do own two manufacturing facilities, located in Massachusetts, U.S. and Waterford, Ireland, which manufacture most of our board games. We employ approximately 5,000 people worldwide, about 2,500 of whom are located in the United States.

Hasbro's Brand Portfolio

Hasbro develops its brands with an emphasis on its Franchise Brands across all aspects of the brand blueprint. This involves developing the essence of the brand, through characters and storylines, placing the brand at the center of the brand blueprint, and building innovative toys and games, immersive entertainment on all screens, digital media, including mobile gaming, and all aspects of lifestyle licensing. The objective is to create an entire brand experience that consumers can enjoy across the brand blueprint. We apply our branded-play strategy across our brand portfolio, including to our Challenger Brands, brands that have not yet achieved Franchise Brand status, Gaming Mega Brands, key Partner Brands, and New Brands.

FRANCHISE BRANDS Franchise Brands are those that exhibit the greatest opportunities for execution across our entire brand blueprint, have the greatest long-term revenue and profit potential across all segments of the blueprint, and deliver the best return on our investments.

CHALLENGER BRANDS Challenger Brands are brands we believe, with investment and time, have the potential to reach Franchise Brand status.

GAMING MEGA BRANDS Gaming Mega Brands comprise well-known games that have the highest potential to reach Franchise Brand status.

PARTNER BRANDS Key Partner Brands include products developed under long-term licenses from key partners.



For more information about our financial performance in 2013, [see Hasbro's Form 10-K and Annual Report](#).

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Human Rights

The safety, well-being, and dignity of our employees – and workers throughout our supply chain – directly influence our day-to-day operations and how we are viewed by the outside world. The well-being and safety of children is also closely linked to the success of our company.

Recognizing this, we developed a comprehensive approach to human rights in 2013. Our [policy](#) formalizes our belief that respecting human rights is essential to Hasbro's ability to continue creating value for shareholders and supplying consumers with the highest quality play products. In 2014, we are undertaking a gap analysis to identify potential challenges to implementing the new policy globally.

Our Approach

At Hasbro, we believe that all people are entitled to fundamental rights and freedoms. We support the standards of fair treatment and non-discrimination in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work¹, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

We work to prevent or mitigate adverse human rights impacts from our own operations and positively influence the human rights actions of our business partners.

The development of our [Human Rights Policy](#) was informed by consultations with key stakeholders. These included participants in our supply chain, monitoring organizations, industry leaders, governmental and nongovernmental organizations, and investors. We also assessed and mapped human rights risks and opportunities across the company.

This analysis 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 have developed specific actions to meet their needs.

¹ If there are any inconsistencies between the ILO Principles and the ICTI Code of Business Practices ("Code"), then the Code shall govern.

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HUMAN RIGHTS AT HASBRO

EMPLOYEES

We implement our human rights commitments to employees through our [Guide to Corporate Conduct](#), our [human resources policies](#), and our [Environment, Health and Safety Policy](#). Hasbro employees are also responsible for upholding the company's commitment to human rights across our business operations.

SUPPLY CHAIN WORKERS

We require our third-party suppliers and licensees to provide fair and safe working conditions for all workers and to treat their employees with dignity and respect. We implement our human rights commitment in our supply chain through our [Global Business Ethics Principles](#) and through the [International Council of Toy Industries \(ICTI\) Code of Business Practices](#).

CHILDREN

We believe that the well-being of children globally is inextricably linked to the success of our company. Our commitment to respecting the human rights of children is implemented through:

Our [community investments](#) to support children-based initiatives

Our compliance with all applicable [conflict minerals regulations](#).

Human Rights in Our Supply Chain

Advancing our human rights practices is a journey of continuous improvement. We are committed to working with our vendors to meet or exceed applicable laws and regulations everywhere Hasbro does business. We also require factories to go beyond legal requirements to be in alignment with our Global Business Ethics Principles and the International Council of Toy Industries (ICTI) Code of Business Practices.

We are committed to monitoring, assessing, and investigating risks or allegations in our supply chain to prevent or, if found, remediate any violations. To ensure success, we will train and communicate with stakeholders, including employees, vendors, and licensees regarding our commitments and expectations. Each year, we screen our suppliers against a range of criteria including on the environment, labor practices, and human rights. We target these efforts on suppliers in China, screening 100 percent of third-party factories annually. As our supply chain expands geographically, we will expand our screening efforts accordingly.

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Human Rights Governance

Human rights are a priority for us and are managed accordingly. Oversight for our Human Rights Policy lies with the Nominating, Governance, and Social Responsibility Committee of the Board of Directors and Hasbro's executive Corporate Social Responsibility (CSR) Committee. Our CSR team also works closely with functional teams across the company to review and update the policy, as needed. Our human resources, legal, CSR, and quality assurance teams monitor and address human rights complaints, whether from a direct employee or a worker in a third-party factory.

It is important to Hasbro that employees and workers have channels to report and address human rights concerns. For example, Hasbro's global ethics helpline and two confidential mailboxes provide channels for employees to report issues anonymously and without fear of retaliation. The confidential ICTI CARE helpline is available to workers in our third-party factories.

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

CSR Policies

Governance and Ethics

[Corporate Code of Conduct](#)

[Governance Principles](#)

Human Rights

[Human Rights Policy](#)

Ethical Sourcing

[Global Business Ethics Principles](#)

[Conflict Minerals Policy](#)

Environmental Sustainability

[Environment, Health, and Safety Policy](#)

[Paper and Forest Procurement Policy](#)

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About This Website and Report

This publication is Hasbro's second Corporate Social Responsibility Report; the first was published in 2011. The content covers performance at our owned, and operated facilities (offices, distribution centers, and factories) in fiscal year 2013, ended December 29, 2013, as in our Form 10-K, unless stated otherwise. In the future, we plan to publish a CSR report bi-annually.

Material Issues

The CSR issues most material to Hasbro's business performance are discussed in [Our Priorities](#). We identified these through engagement with stakeholders, including consumers and industry organizations, and by benchmarking our activities and responsibilities against other companies within and outside of our industry. In addition, we evaluated these CSR issues based on potential risk to our business and future regulatory developments. We manage these material issues across all our company-owned operations, and, as noted, outside the organization in partnership with third-party manufacturers, industry peers, and consumers.

Global Reporting Initiative

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 99](#) of this document. All of our data has been reviewed and verified internally. We have not pursued external assurance of our CSR report at this time.

Contact

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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GOVERNANCE AND ETHICS

Our Approach

Hasbro takes pride in being a responsible company – it is part of our culture and heritage. Operating with high ethical standards and a strong Code of Conduct keeps our company accountable to stakeholders and aligned with our core business values. We comply with all relevant laws and conduct our business with honesty and integrity.

As a global branded play company, Hasbro relies on a reputation for delivering safe, quality products and content to children and families everywhere. We have a straight-forward strategy for being an ethical company. This includes following industry best practices in how we govern our operations, and implementing policies, processes, and training across the company that give our employees the guidance they need to behave ethically at all times. Our Board of Directors and Chief Executive Officer (CEO) set the tone for our ethical culture.

Embedding good governance is of utmost importance to our leadership and stakeholders, including investors, consumers, advocacy organizations, and employees.

“Hasbro’s fundamental mission is to bring joy and play to children and their families around the world. For more than 90 years, Hasbro has offered Brands and play experiences that consumers have come to trust across generations and geographies. To honor this trust, we focus on acting responsibly and operating with the utmost integrity. Setting a global standard of ethical behavior was developed and honed in our business from the very beginning and, to this day, children’s safety, care and well-being remain at the forefront of every decision we make.”

Brian Goldner, Hasbro President and CEO

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Governing Our Company

The foundation of our ethics policy is the Hasbro Code of Conduct, which all Board members, employees, and officers must follow. Read more about our Code [here](#).

Leadership

Hasbro's senior management team, headed by the CEO, oversees all daily operations. Our Board of Directors, elected annually by our shareholders, appoints and oversees Hasbro's executive management and the conduct of our business. The Board is guided by Hasbro's [Corporate Governance Principles](#).

Five committees assist the Board: (1) Audit, (2) Compensation, (3) Executive, (4) Finance, and (5) Nominating, Governance, and Social Responsibility. The latter committee oversees CSR governance and progress, described below. The charters for all five committees are available [here](#).

The Board reviews corporate best practices annually and decides whether action is needed to further strengthen our governance framework. In 2013, we introduced a "claw-back" policy that allows us to recover incentive-based compensation from relevant executives if the company is forced to submit an accounting restatement due to non-compliance with financial regulations. In 2014, we introduced an overboarding policy that states that no Director shall serve on the Board of Directors of more than a total of three public companies (excluding Hasbro's board) and/or registered investment fund families. We also introduced a majority vote standard which requires each director/nominee in a contested election to tender a written resignation to the Board prior to the election that provides if the nominee receives less than a majority of the votes cast, the Board may accept that director's resignation.

Additionally, we take all shareholder proposals seriously. A proposal requesting that Hasbro's suppliers submit sustainability reports was soundly defeated at our 2013 annual shareholders meeting due to Hasbro's robust CSR reporting and leadership. Other steps we have taken to promote more sustainable practices in our supply chain include working with suppliers to establish annual energy efficiency and GHG reduction plans for our key China-based third-party factories.

In line with our [Standards for Director Independence](#), all Hasbro Board members are independent, with the exception of CEO Brian Goldner. You can read more about our Board [here](#).

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How We Compensate Executives

Our executives are crucial to Hasbro's success and the value our business creates for shareholders and other stakeholders. In compensating them, we follow two principles.

First, we pay for performance. If Hasbro fails to achieve business and financial goals, the value of our executives' overall compensation package is reduced. We implement this principle by using variable compensation elements, such as cash management incentive plan awards and equity awards.

Second, we primarily reward overall performance by Hasbro rather than individual executive performance. This approach boosts teamwork and is implemented by heavily weighting management incentive plan awards and equity awards to achieving overall corporate goals.

Our Board Compensation Committee, which oversees this process, works to reward excellent past performance and maximize future performance without encouraging excessive risk taking. At our annual shareholder meeting in May 2014, for the first time, Hasbro's compensation practices were not approved by a majority of voting shareholders in a non-binding, advisory vote. The Committee carefully considered the results of the vote, engaged with shareholders to understand specific concerns with respect to the executive compensation program, and conducted a comprehensive review of the terms of the Original Employment Agreement between the Company and the CEO. Upon review of the Agreement, and recognizing both the concerns of shareholders and the Board's continued support for Hasbro's CEO, the Board and our CEO renegotiated specific terms of the Agreement, which can be found [here](#).

Our [proxy statements](#) are available online.

Risk Management

Hasbro has a robust, company-wide risk management process, with oversight provided by the Board's Audit Committee. We constantly review our risk profile across all relevant issues and make plans to mitigate risk when appropriate.

Contacting Hasbro

You can find more corporate governance information on our [Investor Relations pages](#). Stakeholders, including investors, employees, and consumers can provide feedback to the Board by writing to:

c/o Presiding Director, Hasbro, Inc.,
P.O. Box 495
Pawtucket, Rhode Island 02860.

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Managing CSR

We strive to act responsibly across a wide range of social and environmental issues because our customers, shareholders, and employees expect no less, and we expect no less of ourselves.

To demonstrate this commitment, we have elevated CSR oversight to the Board committee level – an approach we believe to be an industry first. The Nominating, Governance, and Social Responsibility Committee has wide-ranging oversight duties, including of environmental and social impacts, risks, and opportunities. Its oversight areas range from ethical conduct and transparency to environmental sustainability and climate change, ethical sourcing, public policy matters, responsible marketing practices, philanthropy, and our obligations to the communities in which we operate.

In 2013, human rights and climate change were added to the Committee's charter, reflecting the growing importance of these issues for our industry and global economies in general.

Embedding CSR Across Our Organization

Under the Committee's direction, and with the strong leadership of our CEO and support of our senior management team, CSR is being increasingly embedded throughout the company.

Our CEO chairs an internal executive CSR Committee, comprised of the CSR team and senior management that sets strategic direction for CSR policies and initiatives, and ensures their integration throughout the entire corporation. Our Chief Development Officer, a CSR Committee member, oversees climate change and environmental sustainability issues across our global operations, including supply chain, and for our products and packaging.

Our corporate CSR team, headed by the Vice President of Global Government Affairs, Corporate Social Responsibility and Compliance, works closely with internal organizations including quality assurance, environment, health and safety, ethical sourcing, community relations, and product design and development. Together, they develop and implement programs, partnerships, and initiatives, setting up inter-departmental working groups to explore and advise on key topics such as human rights where needed. Monthly, the Vice President reports to the CEO on a variety of regulatory, government, and corporate affairs issues. At least once a year, the CSR team reports to the CSR Committee on progress and changes that may lie ahead, and the VP briefs the Board committee.

In addition, the Board committee regularly briefs the full Board of Directors on any significant ethical, social, and environmental issues. We assess social and environmental risks facing the company as part of our general enterprise risk management process.

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On the Record

We publish a bi-annual CSR report as well as regular updates to communicate with stakeholders and the wider public about our efforts, challenges, and achievements in this area. We strive to make these as transparent, comprehensive, and material to our business as possible. Our full CSR reports are reviewed by the CSR Committee and senior management including the CEO, Chief Financial Officer, Chief Operating Officer, and Chief Legal Officer.

Ethics in Action

Ethical behavior is second nature at Hasbro, with senior leaders instilling a culture of integrity across the organization. For example, our CEO communicates with employees on ethical issues and dilemmas via the company intranet and our ethics hotline and mailbox through which employees raise concerns that are checked daily. We also train managers and employees in all legal and ethical issues relevant to their day-to-day work environment.



A RECOGNIZED LEADER

Since 2012, Hasbro has been named a World's Most Ethical Company® by the Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance.

Meeting Compliance

Hasbro's Chief Legal Officer oversees ethics and compliance policies and processes across the organization. This role is supported by Hasbro's compliance practice to help ensure we manage legal and regulatory risk across the global organization. The Audit Committee of our Board of Directors also takes a proactive interest in compliance and ethics issues and interacts frequently with the compliance and ethics teams.

In 2014, we are updating our compliance program, including our Code of Conduct, to address new areas of importance and to ensure ethics is delivered consistently across the global organization.

As we look to expand both operations and sales into emerging and developing markets, it is a significant challenge to ensure our standards are upheld and adhered to in these countries. Areas where this is a concern include toy safety, social compliance, and bribery and corruption.

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WRITE TO THE TOP

Our CEO is committed to transparency and personally reviews questions about the company brought to him by employees via a “write to the top” inbox. We use this inbox to generate Q&A dialogue with the CEO, which we post to our employee intranet.

Our Code of Conduct

Hasbro’s Code of Conduct, in place since 1991, is the cornerstone of our ethics program and applies to all employees worldwide as well as our Board of Directors. 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 whenever needed due to new laws or regulations in areas ranging from bribery to marketing. In recent years we also revised how we define discrimination in line with corporate best practice. In 2014, we are revising the Code and translating the new version into 15 languages. In 2015, we will roll out classroom employee training on the updated Code across the globe in addition to our standard online training.

You can read our Code of Conduct in full [here](#).

Preventing Corruption

We do not tolerate corruption in any location where we operate. Our Code of Conduct includes clear anti-corruption rules, and we reinforce compliance through related training and vigilance. Violations are reported through our helpline and mailbox (see below), and investigations conducted by legal, human resources, and/or internal audit. To help employees navigate this potentially difficult area, we provide online training and intranet information, including a gift and entertainment tool that pre-approves certain activities.

Ethics Training

All employees receive comprehensive training on our Code of Conduct when they first join Hasbro. Every four years, we retrain 100 percent of employees in the Code’s provisions and plan to do so in 2015.

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In addition, all Hasbro managers complete at least one ethics training course a year, tailored to their role, as well as periodic online training in our Code. Classes cover a wide range of topics such as anti-trust, anti-corruption, and fostering mutual respect on teams. We also provide specialized ethics training for relevant employees addressing likely risk factors in their location. Across Hasbro, managers reinforce the importance of legal compliance and strong ethics continually in regular workplace forums such as sales meetings.

Reporting Concerns

As part of our commitment to continuously improve, we want to hear about any concerns our employees have. 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 report ethics concerns anonymously and without fear of retaliation.

The General Counsel's office investigates all ethics inquiries and our managers are required to report any ethical issues that arise in their jurisdictions to the Legal Department. Breaching our Code of Conduct can lead to disciplinary measures, including termination of employment.

In a typical year, our helpline and mailbox receive about 40 complaints globally.

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, NGOs, and others, 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. In 2013, our U.S. engagement focused on advocating for Toxic Substances Control Act (TSCA) reform, which would provide one uniform regulatory framework as opposed to a patchwork of state regulations, and for patent reform.

In the European Union (EU), we actively participated in the development of the Toy Safety Directive's chemical provisions, which entered legal force in July 2013. These strict new safety requirements ban the use in toys of substances that are carcinogenic, mutagenic, or toxic to reproduction. Hasbro helped lead the European toy industry's efforts to ensure that the final proposals provided a high level of protection to children, while being proportionate to the risks posed, workable and enforceable. We also succeeded in advocating for the directive to allow the use of nickel in electrical conductors.

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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 U.S. Toy Industry Association does have a PAC, to which Hasbro executives may personally contribute. However, it is important to note that Hasbro's membership dues to the association are not used to fund the PAC.

Engaging Stakeholders

Hasbro is an open and transparent company, and we want to hear from all our stakeholders. Listening and collaboration are vital to our business success and our 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 agenda.

The CSR team engages both proactively and reactively with stakeholders, from investors to shareholders, retailers, government officials, and NGOs.

Below is a snapshot of how we communicate with our key stakeholders and highlights of our engagements. As well as the channels described below, all internal and external stakeholders can contact us via csr@hasbro.com.

“My interactions with Hasbro’s executive team and investor relations staff reinforce the high standards set out for the organization. Hasbro shares have been my “top pick” in the children’s products industry, because your commitment to responsible business practices enhances the solid financial position and shareholder mindedness of the larger company.”

Stephanie Wissink, Senior Research Analyst, Piper Jaffray

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Our Key Stakeholders

Investors and Analysts

Our Investor Relations department regularly informs, updates, and engages our investors and analysts on Hasbro's financial and operational performance. Other engagement channels include press releases, SEC filings, conference calls, our Investor Relations website, one-on-one meetings, and calls and special events such as Investor Day at the annual Toy Industry Association (TIA) Toy Fair in New York City.

HIGHLIGHTS

In 2013, Hasbro hosted two Investor Days, one in New York and one in Rhode Island, participated in several Investor Roadshows and held several hundred one-on-one meetings and calls with investors globally. Additionally, throughout the course of the year, the Investor Relations team engaged with our largest shareholders to understand and address concerns related to executive compensation.

For more on how we engage investors, see our [Investor Relations website](#).

Regulators and Policymakers

Our Global Government Affairs group interacts with regulators and policymakers around the globe, through company outreach or industry association activities and in public policy forums. Our Chief Operating Officer serves on the TIA Board of Directors and our Vice President of Global Government Affairs, Corporate Social Responsibility and Compliance is the 2014 Chair of the TIA Federal Government Affairs Committee. Hasbro experts also sit on committees of standards setting bodies, alongside officials from regulatory agencies and NGOs.

HIGHLIGHTS

In 2013, Hasbro began chairing a committee of the International Standards Organization (ISO) tasked with harmonizing ISO and other product standards on age grading of toys.

Employees

Our leadership on CSR is important to existing and potential Hasbro employees. Employee Network Groups and volunteering in the community are among the many ways Hasbro engages and inspires employees. To raise concerns, employees can use our confidential hotline and mailboxes, or write directly to a Board member.

HIGHLIGHTS

In 2013, we far exceeded our goal of engaging 50 percent of employees in volunteer service with local nonprofits. Across 35 countries, 75 percent of employees donated more than 26,000 hours of their time during the year, including on our first annual [Global Day of Joy](#) volunteering event.

Read more on [employee engagement](#).

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Suppliers

We communicate regularly with our third-party and licensed manufacturing vendors around the world and their workers. In 2013, for example, Hasbro management met with all global suppliers to discuss upcoming conflict mineral rule requirements. Employees at these factories can report concerns to Hasbro through the [ICTI CARE helpline](#). We also conduct private interviews with workers at third party factories.

HIGHLIGHTS

In 2013, we worked successfully with suppliers to prequalify and audit 100 percent of new factories making Hasbro products, meeting our goal of ensuring that all sites manufacturing our products are prequalified in line with our environmental and social policies.

Read more on [our CSR work with suppliers](#).

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 also engage children and families in trying out Hasbro products in development. Consumers and the public can contact [Hasbro's Consumer Cares Department](#) [here](#).

HIGHLIGHTS

In 2013, we launched a successful elite line of NERF toys for girls – NERF Rebelle – following more than two years of exploratory Funlab research and hands-on play involving consumers.

Learn more about how we get feedback and inspiration from [consumers](#).

Nongovernmental Organizations (NGOs)

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 serve as points of contact.

HIGHLIGHTS

In 2013, we used the nonprofit Social Accountability International's Social Fingerprint Assessment tool to self-assess our ethical sourcing program. The area for greatest improvement was the "complaint management and resolution" category, which we are working to address.

Read more [here](#).

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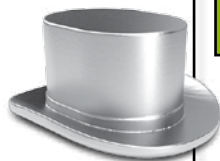
PRODUCT SAFETY

Our Approach

Hasbro's consumers trust us to make toys and games that not only bring joy to their children and families, but are also of the highest quality. We embrace our responsibility to provide a safe environment for entertaining millions of consumers around the world.

At Hasbro, quality and safety are closely aligned. We incorporate safety into product design, reinforced by a strict testing protocol. "Total Quality," our quality assurance and safety mantra, guides our path—from design to engineering through manufacturing and incorporating feedback from consumers and retailers. This sterling quality assurance process results in strong safety outcomes.

Our products are compliant with all applicable global legal and regulatory standards, and we employ industry best practices to continually improve our design and manufacturing processes wherever feasible. These high standards and processes apply both to our own factories and the third-party factories that make our products around the world.



SAFETY MATTERS

Children's safety is always our top priority; no Hasbro product has been recalled in more than five years.

Challenges

Different countries, regions, and U.S. states have different regulations and standards for toys and games. Some ban certain chemicals while others allow them and product testing requirements vary across borders. This global proliferation of toy safety laws and regulations prevents alignment among standards addressing materials of concern such as lead, phthalates, and chemicals. Hasbro works with regulators and industry and non-governmental organizations (NGOs) to promote 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 very sophisticated testing methods that break down the entire DNA of plastics, metals, and other product ingredients.

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Making Products Safely

Quality and safety are Hasbro hallmarks that go hand in hand.

Our rigorous quality assurance systems and safety standards influence our products at all stages, from design and engineering to manufacturing and packaging. We also incorporate feedback from consumers and retailers into product testing and improvement.

Our Safety Standards

Hasbro adopts the most stringent government regulations worldwide, since we design products for a global market. Every Hasbro brand product, wherever it is manufactured, must pass two tests, meeting all relevant national and international standards, and our own safety and quality control standards, which are often tougher than legal requirements.

We employ 160 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 toys and games 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 over time as regulations change.

To ensure that our owned and third-party factories comply with these rules, we require tests and quality control checks at many stages of the manufacturing process, including by independent laboratories.

A global technical committee of senior quality assurance managers oversees these audits of our day-to-day operations and frequently updates product safety standards to adapt to changing regulations and requirements. Monitoring evolving regulations around the world is a day-to-day process at Hasbro.

We promote a strong product safety culture in our facilities around the world, holding regular QA training and audit education programs for relevant employees.

Our Promise and Practice: Total Quality

We put our standards into practice through a five-step quality assurance process we call Total Quality. This requires comprehensive testing or review at every stage - during design, development, production, and after sale (see graphic).

We also employ independent outside labs accredited by the U.S. Consumer Product Safety Commission (CPSC) and other applicable global regulators to test our finished products. And no product manufactured by Hasbro is shipped without the final approval of our Quality Assurance Department. The end result for consumers? Quality and safety embedded into each and every product.

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Hasbro has had zero product recalls in more than five years. We closely track product safety issues and monitor our compliance with relevant regulations and voluntary codes, reporting incidents to the CPSC, Health Canada and other global regulators as required by law.

Five Steps to Total Quality



STEP 1: PRODUCT CONCEPT

Once toy or game concepts are approved for development, our specialist engineers specify in a Test Plan the design and manufacturing safety and reliability criteria (SRS) the product must meet.

STEP 2: DESIGN AND DEVELOPMENT

Products are designed and samples created according to the Test Plan. The product-specific regulations are relayed to our manufacturing vendors.

STEP 3: PRODUCTION

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

STEP 4: MARKET MONITORING

We conduct field service audits and inspections of our products at retailers' customer return centers and respond to any new information on product quality or safety, including consumer feedback.

STEP 5: CONTINUOUS IMPROVEMENT

We continuously look to improve our internal quality assurance and safety processes and work with partners to improve standards.

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Partnering for Progress

Our safety efforts go beyond our own laboratories and factories. We also help develop regulatory and voluntary standards for our industry. For example, Hasbro senior managers serve on committees organized by the [ASTM](#) and the [American National Standards Institute](#). We also chair committees on product safety in Europe for CEN and internationally for ISO. Hasbro shares information with these organizations based on our practical experience, to help harmonize toy safety regulations and standards around the world. We are actively involved with national and international regulatory bodies, such as the International Organization for Standardization (ISO), that work to enhance and align existing and new toy safety standards.

AGE GRADING GUIDELINES

For children to get the most out of toys and games, they need age appropriate products. While Hasbro designs toys and games for children of all ages, not all of our products are suitable for every child.

To guide parents, caregivers, and teachers, we assign age grades to our products, using CPSC guidelines. We also often take into account historical and market data when making age range decisions.

Since there is nothing like real life observation, we also operate FunLabs at our U.S. headquarters and our U.K. site, where we invite children to play with Hasbro products and observe how they use them in a test environment.



Material Usage

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 therefore take great care when choosing materials and continually look to improve the ingredients of our products, and always comply with all applicable global laws and regulations. In assessing alternatives to existing materials, such as PVC, we look to balance cost effectiveness, consumer value, play experience, and compliance with our stringent quality and safety standards, which can be a challenge as we try to introduce more environmentally friendly materials.

Read more about our initiatives to address environmental concerns around product materials [here](#).

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Material 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 life – from R&D through manufacture, marketing, storage and supply, use, and disposal, reuse, or recycling. The results of this analysis are reflected in the specific standards we develop for every product, through our Total Quality process.

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, for environmental reasons, we removed PVC from our packaging and are exploring PVC alternatives for Hasbro products. (For more information, read [here](#)).

Lead and Heavy Metals

We strive to minimize the use of lead and other heavy metals in our toys and go beyond global regulations in the amount of lead content we allow. Hasbro's testing and inspection processes ensure our internal standards are followed. These 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 imported from China

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

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 that is commonly used in toys to strengthen plastic products. Hasbro listened to and acted on these concerns. We now design products to avoid the use of BPA. However, since it is possible BPA may exist in trace amounts slightly higher than this minimum, we do not describe our products as "BPA-free."

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Phthalates

Phthalates are chemicals used to soften plastics that are 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 brominated flame retardant chemicals, many of which are considered toxic. Instead, we design our products in ways that pass regulatory flammability requirements without the use of BFRs.

Recalls and Regulations

Hasbro is proud of our product and material safety efforts and our record, which includes zero product recalls in more than five years.

However, the global proliferation of toy safety laws and regulations presents a challenge as we seek to maintain and improve our material safety efforts. In particular, there is a lack of harmonization among standards addressing lead, phthalates, and chemicals.

While our products comply or exceed all applicable global regulatory standards, Hasbro advocates for aligned global safety standards that would better serve the industry, regulators, and consumers.

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ENVIRONMENTAL SUSTAINABILITY

Our Approach

As a global company that produces millions of products every year, we recognize that our business has an impact on the environment. Our commitment to environmental sustainability has led us to evaluate and reconsider every element of our business – from product and packaging design to manufacturing, logistics, and operations – in search of opportunities to continuously improve. 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.

At Hasbro, we focus the bulk of our environmental sustainability efforts in two complementary areas: minimizing the environmental footprint of our operations and supply chain, and reducing the environmental impacts of our products and packaging. We also engage our employees, consumers and communities to promote a culture of environmental responsibility. Our efforts are guided by a robust set of goals and key performance indicators (KPIs). For example, we continually look to introduce new business processes and design practices that reduce the natural resources we use and the waste we generate.

Hasbro is especially proud to be an industry leader in curbing greenhouse gas (GHG) emissions. We are open about our efforts and have been formally reporting environmental performance since 2001 when we first committed to reduce our greenhouse gas (GHG) emissions.



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We met our initial goal in 2007 and, the following year, set an even higher target for 2012: reducing Scope 1 and 2 global GHG emissions² by 10 percent compared with 2008 levels². We surpassed this target two years ahead of schedule and achieved a 32 percent reduction by the end of 2012. Since then, we have continued to set and achieve ambitious targets to improve the environmental performance of our global operations and products, including for water and waste. Our progress, and Hasbro's latest, 2020 sustainability goals are shown below.

Charting Our Progress and Path Forward²

Reduce Scope 1 and Scope 2 global GHG emissions by 10 percent by 2012 compared to a 2008 baseline.

PROGRESS

Surpassed two years early, and achieved a 32 percent reduction.

Reduce non-hazardous waste to landfill by 15 percent by 2012 compared to a 2008 baseline.

PROGRESS

Achieved a 37 percent reduction.

Reduce water use by 15 percent by 2012 compared to a 2008 baseline.

PROGRESS

Achieved a 31 percent reduction.

Eliminate polyvinyl chloride (PVC) from packaging beginning in 2013, for all new toy and game products.

PROGRESS

Eliminated PVC from our toy and game packaging in 2013.

Derive 90 percent of paper and board packaging from recycled material or sources that practice sustainable forest management by 2015.

PROGRESS

Achieved 85 percent, and on track to meet 90 percent target.

² Sustainability targets are based on absolute performance numbers.

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2020 Sustainability Goals

By end of 2020:

- Reduce Scope 1 and 2 GHG emissions from owned/operated facilities by 20 percent from 2012 levels.
- Reduce waste to landfill at owned/operated facilities by 50 percent from 2012 levels.
- Reduce water consumption at owned/operated facilities by 15 percent from 2012 levels.
- Reduce energy consumption by 25 percent from 2012 levels.

Managing Environmental Performance

At Hasbro, environmental sustainability is a top priority, managed at the highest level.

Our CSR Committee, chaired by the CEO and comprised of senior management team members, oversees all policies and initiatives related to CSR, including environmental sustainability. Our Chief Development Officer oversees climate change and environmental sustainability related issues across our global operations, including supply chain, and for our products and packaging. Hasbro’s Senior Vice President of Global Quality Assurance is responsible for implementing environmental sustainability goals and initiatives throughout the company and supply chain. In addition to these leadership positions, Hasbro maintains several high-level, company-wide working groups that focus on developing and implementing environmental performance initiatives. These include:

- **Product and Packaging Sustainability Group** – focused on sustainable product and packaging design, chaired by the Chief Development Officer
- **Global Operations Sustainability Group** – focused on operations and supply chain, chaired by the Senior Vice President of Global Quality Assurance
- **Energy Conservation Committees** – a management leadership group focused on energy reduction initiatives at each Hasbro owned and -operated factory
- In addition, site-based, employee-led Green Teams focus on engaging employees and implementing site-specific environmental improvements

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Operations and the Environment

We are always looking for ways to reduce the environmental impact of our two Hasbro-owned factories – in East Longmeadow, Massachusetts, and Waterford, Ireland – and our more than 50 owned and leased properties around the world. Our efforts focus primarily on energy consumption, GHG emissions, waste, and water use.

Greening Our Facilities

Given the scope and scale of our operations, we take a comprehensive and strategic approach to managing our environmental impacts. At properties that we own or lease, we enhance environmental performance through the following steps:

- Identify and manage environmental risks
- Comply with all applicable laws and regulations
- Audit for performance against regulatory and company 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, key performance indicators, and minimum standards for all offices, manufacturing facilities, and distribution centers
- Institute environmentally responsible purchasing practices
- Provide employee education and awareness programs

Hasbro has a robust series of policies and standards that set minimum criteria for all operations, and each site is responsible for putting them into practice. Our two owned and operated factories have implemented the leading international Environmental Management Systems (EMS) standard ISO 14001, which requires independent certification.

Surprise Audit Gives Hasbro Factory a Clean Bill of Health

In 2013, the Massachusetts Department of Environmental Protection (MassDEP) conducted an unannounced regulatory environmental inspection of our factory in Massachusetts. The comprehensive inspection covered the factory, warehouses, and areas where we accumulate and store waste. The inspectors found zero violations and instances of non-compliance, a significant achievement that underlines our commitment to upholding the highest environmental standards.

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In 2013, we earned LEED® Gold certification for our newly renovated facility in Providence, Rhode Island. The facility features a host of design improvements that reduce energy consumption, improve air quality, and employ sustainably sourced materials. For example, modifications to the building's air handling units have reduced power consumption by an average of 70 percent compared to the previous system configuration.

Green Teams in Action



Our Green Teams around the world employ Hasbro's passion and creativity to engage colleagues. For example, the Colombia Green Team, based in Bogota, stimulated interest in recycling by creating a fun internal game – “Eco” TWISTER – to educate employees on what to recycle. They also created an employee challenge for most items recycled at the site, which helped strengthen the staff's commitment to recycling in the workplace.

Conserving Energy and Reducing Emissions

Hasbro recognizes climate change is a significant environmental concern for the global community. The physical consequences of climate change and the financial consequences of an evolving regulatory framework could potentially present significant impacts on our business. These may include increased energy costs and the likelihood of more frequent extreme weather events that disrupt product supply chains. In an effort to minimize Hasbro's contribution to greenhouse gas (GHG) emissions, we are acting to reduce energy use across the business.



CLIMATE ACTION

We met and exceeded our 2012 greenhouse gas emissions reduction goal two years early. We have set a new goal for 2020, to reduce Scope 1 and 2 emissions by 20 percent.

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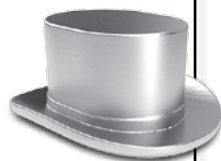
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Our energy policy requires all owned and operated facilities worldwide to document site-specific energy management and efficiency practices, and communicate them to employees. We also conduct energy assessments of our factories every two years, and every three years at our research and development, and warehouse facilities.

These have led, for example, to lighting upgrades, installing occupancy sensors and roof insulation, replacing door and window seals, ensuring equipment is powered down when not in use, setting heating and cooling systems to optimal temperatures, and converting boilers to natural gas. Hasbro has also invested in energy-saving manufacturing equipment, including all-electric injection molding machines that are 70 percent more efficient than the hydraulic machines they replaced.

In 2013, we set a target to evaluate green building standards for renovations impacting more than 40 percent of space in new or existing facilities.



MORE LIGHT, LESS ENERGY

When installing a new Heidelberg printing press at our factory in Ireland, in late 2012, we took advantage of the renovation project to replace fluorescent lighting with LED panels. The result was a 67 percent drop in power consumption - and brighter lighting!

In 2008, we set a goal to reduce Scope 1 (direct) and Scope 2 (indirect) global emissions at our owned and operated facilities by 10 percent from 2008 levels by 2012. We achieved a 32 percent reduction, and have committed to further reduce Scope 1 and Scope 2 emissions by 20 percent from 2012 levels by 2020. In addition, we aim to reduce energy consumption at these facilities by 25 percent from 2012 levels by 2020.

We are committed to sourcing renewable energy, such as wind and solar power, when and where it is cost effective.

“Hasbro has made great strides in reducing greenhouse gas emissions. Their commitment to reducing carbon pollution demonstrates that efforts to address climate change are repaid by saving money and energy, while supporting more livable and resilient communities, and a healthier, better protected environment.”

Janet McCabe, Acting Assistant Administrator, U.S. Environmental Protection Agency,
Office of Air and Radiation

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Reporting Leader

Hasbro was proud to be an early corporate leader in reporting our climate impact. As a charter member of the U.S. Environmental Protection Agency (EPA) Climate Leaders program, we started reporting GHG emissions from our U.S. operations in 2002 and globally in 2007. In 2011 we began reporting our GHG emissions to the CDP. [See Hasbro's 2014 CDP response here.](#)

We measure our GHG emissions using the [Greenhouse Gas Protocol](#), a corporate accounting and reporting standard. This external set of guidelines provides benchmark standards and direction for companies worldwide in preparing a comprehensive and robust GHG emissions inventory.

We are also making progress in measuring Scope 3³ – supply chain – GHG emissions, collecting data for parts of our vendor manufacturing, transportation, warehousing, distribution centers, and business travel footprint. Most Hasbro products are manufactured in China. In 2011, we began accounting for Scope 3 emissions for product shipments from factories in China to our U.S. and E.U. markets. In 2012, we also accounted for product shipments to Asia Pacific and Latin America markets. We were unable to collect Scope 3 emissions data for transportation in 2013 due to a change in shipment coordinating companies, but resumed doing so in 2014.

We are partnering with key China-based supplier factories to establish annual energy efficiency and GHG reduction plans by the end of 2014, which we expect will result in reduced GHG emissions over time.

Visit our [Data Dashboard](#) for our energy consumption and greenhouse gas emissions data.

Reducing Waste



WINNING ON WASTE

Between 2008 and 2012, Hasbro reduced the amount of waste sent to landfill by 37 percent.

Reducing waste is good business. It allows us to save money while also shrinking our environmental impact. Our comprehensive waste policy requires managers at our owned and operated factories and other facilities to document waste management practices and procedures and communicate these to all employees. Facilities must also evaluate all hazardous and non-hazardous waste streams, and identify and document all recyclable or reusable materials.⁴

³ Scope 3 emissions are defined as other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity.

⁴ 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.

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Hasbro has been part of the U.S. EPA WasteWise program for 20 years. We use the program's management practices and tools to track non-hazardous waste and recycling efforts for our U.S. facilities and to categorize waste and recycling streams to help identify opportunities for improvement. On a global basis, we require facilities to maintain an up-to-date recycling plan that identifies materials to be recycled or reused, methods of collection, and recycling vendors.

Additionally, Hasbro conducts a comprehensive evaluation and on-site audit of all third-party vendors involved in the transportation, treatment, storage, disposal, or recycling of hazardous and regulated waste. Only approved vendors that meet Hasbro's strict requirements can be used by a Hasbro facility.

In 2008, Hasbro set a goal to reduce non-recycled non-hazardous waste by 15 percent by 2012. We surpassed this goal, reducing the amount of waste sent to landfill by 37 percent compared with the 2008 baseline. In 2013, we set an ambitious new goal to reduce the quantity of waste sent to landfills from owned and operated facilities by 50 percent from 2012 levels by 2020. In addition, we generate zero waste to landfill from our manufacturing processes at our U.S. and Ireland factories.

While we did increase our recycling rate for non-hazardous waste at our owned and operating facilities to 82 percent, we did not quite meet our 2012 goal of 90 percent. The difference was primarily due to a larger-than-expected reduction in the amount of recyclable waste generated by our office, distribution, and manufacturing facilities. Although the amount of waste sent to landfill was lower in 2012, a larger percentage of our waste reduction came from recyclable waste.

Visit our [Data Dashboard](#) for our non-hazardous and hazardous waste data, including recycling rates.

Giving Waste New Life

In 2013, we instituted a waste plastic shrink film collection program at our Massachusetts factory and collected 50,805 pounds of plastic shrink film for sale and off-site recycling. We also collected 1,530 pounds of recyclable plastic banding material for off-site recycling. Manufacturing waste material, including paper and chipboard, is sent back to our chipboard vendor's manufacturing mill for repurposing back into chipboard and paper, which we then purchase. In 2013, our Massachusetts factory processed 7.8 million pounds of manufacturing operations' waste paper and waste chipboard for recycling.

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Conserving Water



EVERY DROP COUNTS

Between 2008 and 2012, Hasbro reduced water use at our owned and operated facilities by 31 percent.

Hasbro's operations are not very water intensive. However, water conservation is an integral part of our approach to environmental sustainability. Each Hasbro-owned and -operated facility worldwide is responsible for managing its water use and taking actions to reduce consumption. For example, at our Massachusetts factory we have a water recycling process through which we recycle water used in injection molding by recirculating water for non-contact process cooling. This process saves approximately 5,400 gallons of water per year.

We surpassed a 2008 goal to reduce water use at our owned and operated facilities by 15 percent by 2012, instead achieving a 31 percent reduction. Our new target aims to reduce water consumption by an additional 15 percent from 2012 levels by 2020. By the end of 2015, Hasbro will also partner with China-based supplier factories to establish annual water conservation plans.

Visit our [Data Dashboard](#) for our water consumption data.

Improving Logistics

As a global company, our products are transported thousands of miles from factories through distribution centers to retail stores. We contract with a vast logistics network, which includes trucks, railroads, barges, and container ships, and requires large quantities of energy and produces related GHG emissions. We work closely with our carriers and manufacturers to minimize this impact.

Hasbro continues to achieve emissions reductions through transportation initiatives including container load maximization, off-peak loading and unloading, use of the closest port, and a shift to rail in China, the United States, Europe, Canada, Mexico, and Russia. At the same time, regional shifts in demand for our products, the availability of certain shipping methods, and production schedules present considerable challenges to further shrinking our logistics footprint.

In 2012, Hasbro joined the U.S. EPA SmartWay Transport Partnership, which helps businesses move products in the most efficient manner possible. Since 2004, SmartWay partners have eliminated 51.6 million metric tons of carbon dioxide (CO₂), in the process saving more than 120 million barrels of oil and \$16.8 billion in fuel costs. In 2013, 96

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percent of Hasbro's domestic U.S. freight was shipped via SmartWay providers, and we continue to strive to exceed our goal of 90 percent annually. As a manufacturing supplier, we also report shipping volume by transportation carrier to SmartWay.

In 2013, Hasbro continued to use Southern California's PierPASS program, which relieves congestion, shortens waiting times at security checkpoints, and helps improve air quality at the ports of Los Angeles and Long Beach in California 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. During the year, 88 percent of our containers at these ports were moved during off-peak hours.

With our business growing into countries like Russia and Turkey, Hasbro will conduct a complete European transportation network study in 2014 to identify where we can improve efficiencies.



A simple way to cut transport costs and emissions is to use fewer trips. With this in mind, in 2013 Hasbro launched a "milk runs" program – loading products from several factories in a single container – in China for shipments going to the United States, Canada, and Europe. This program eliminates the need to have multiple trucks going to our consolidator, and then a single truck leaving the consolidator for the port. Instead, one truck takes a container from one warehouse to another, and then takes the full container directly to the port. We plan to implement "milk runs" for Latin America and Asia Pacific markets in 2014 and 2015.

Improving Third-Party Factories

In keeping with our values, Hasbro seeks to conduct business with third-party vendors that share a commitment to environmental sustainability. We require third party factories that make our products to comply with all applicable environmental laws. We also monitor and address environmental issues at supplier factories through regular audits and on-site assessments and provide training to help our [suppliers](#) improve performance.

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Products and the Environment

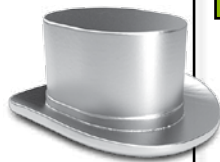
For years Hasbro has been hard at work to reduce the environmental impacts of our products and packaging, including our use of natural resources. We are proud of the strides we have made to date and remain committed to developing innovative ways to reduce packaging, maximizing the use of recycled materials, and upholding our commitment to sustainable sourcing. We also conduct screening level life cycle assessments (LCAs) on specific products to identify ways to reduce the environmental impact across key product categories.

Eliminating PVC from Packaging

In 2013, Hasbro eliminated polyvinyl chloride (PVC) from our toy and game packaging. In its place, we now use polyethylene terephthalate (PET) which is a material most commonly used in single-serve plastic bottles. PET is a packaging material that is recyclable in many communities. By switching to PET, we hope to encourage consumers to recycle more packaging where municipal recycling services and facilities exist.

Packaging Process

In 2013, Hasbro began using a streamlined LCA to evaluate packaging design choices. The results of these assessments are being evaluated for potential implementation, and our packaging team has the ability to analyze different packaging options using LCA software to identify further opportunities for improvement.



SOURCING SUSTAINABLY

At least 85 percent of paper and board packaging used by Hasbro has come from recycled material or from sources that practice sustainable forest management.

In 2010, we eliminated the use of wire ties in packaging, making our packages easier to open. This change also saved approximately 34,000 miles of wire in the first year—more than enough to circle the Earth. We have also eliminated the plastic bags that toy and game instructions had been wrapped in, removing 800,000 pounds of material worldwide from our waste stream annually. By the end of 2013, all product packaging has a product to package ratio of no more than 5 to 1 by volume. Establishing this maximum threshold ensures that we prevent over packaging, and reduce waste.

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As members of the Australia Packaging Covenant, a voluntary government and industry initiative working to reduce the environmental effects of packaging, we publicly report against eight performance indicators, including the implementation of sustainability guidelines for packaging design and procurement, and on-site packaging recovery and recycling efforts.

Reducing Packaging



Hasbro's Packaging Engineering team makes sustainability a priority. For example, we introduced new packaging for our Nerf Weather Blitz football that reduced the corrugated packaging weight for this product by 34 percent. The images above illustrate this transformation with the older packaging on the left, and the new packaging that replaced it on the right.

Sustainable Sourcing and Recycled Content

As a large global manufacturer, we can help influence our supply chain to incorporate environmental best practices. In 2011, Hasbro issued a [Paper and Forest Procurement Policy](#), which 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. We utilize a third-party testing lab, Integrated Paper Services, Inc., to regularly test paper used in our product packaging to ensure it meets this stringent policy. Ongoing fiber testing indicates that our suppliers are adhering to the policy.

We also expect suppliers to source paper with as much post-consumer recycled content as is practical and financially viable. We have communicated this to our suppliers and monitor their compliance in our company-wide quality assurance procedures.

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As of 2013, at least 85 percent of paper and paperboard packaging used by Hasbro has come from recycled material or from sources that practice sustainable forest management. By 2015, we will reach 90 percent. Both of our owned and operated facilities have achieved certification from the Forest Stewardship Council® (FSC®), verifying that their systems for tracking and handling materials meet FSC® requirements.

Product Materials

The safety and durability of our products and packaging is critical to our business. Our toys and games must be able to withstand reasonable use and abuse during play and to provide an enjoyable experience. At the same time, we recognize that certain materials present environmental concerns. In evaluating materials to reduce their environmental impact, the challenge remains identifying cost effective alternatives that meet the highest standards possible.

Practicing Printing Green



Our owned and operated U.S. factory in Massachusetts, which makes many Hasbro board games and puzzles, has received green certification for its printing processes by the nonprofit Sustainable Green Printing Partnership (SGP). To receive SGP Certification, we must go well beyond compliance with applicable local, state, and federal laws, and commit to continuous improvements in sustainability. Additionally, the factory uses vegetable-based printing inks and water-based coating in its printing processes for game and puzzle components, boxes, and instructions.

Eliminating PVC in Packaging

In 2013, we eliminated polyvinyl chloride (PVC) from our toy and game packaging. Although PVC from packaging is recyclable in principle, it is not readily recycled because collection networks and processing facilities are limited.

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Product Life Cycle

To understand the environmental impact of our products, we must consider all stages of their life cycle, from the acquisition of raw materials to disposal or recycling. With this in mind, Hasbro has begun conducting screening level life cycle assessments (LCA) or “hotspot analyses” on select products. A screening LCA provides a high level view of our products’ environmental footprint so we can understand the source of the most significant impacts.

We established a goal to conduct screening level LCAs for product categories that represent 50 percent of product revenues by the end of 2015. By the end of 2014, Hasbro will also explore product take-back programs.

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ETHICAL SOURCING

Our Approach

When customers choose Hasbro toys and games, it's an act of trust that our products are manufactured safely, under fair labor conditions, and without ethical compromises. We honor this trust by requiring 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 the safety, well-being, and dignity of workers. To make this happen, we work in partnership with our third-party factories and licensees. All factories must comply with Hasbro's requirements in areas including wages, health and safety, and the prohibited use of forced or child labor. At a minimum, we require all factories to be compliant with local laws. However, in many cases, complying with [Hasbro's Global Business Ethics Principles](#) and the [ICTI Code of Business Practices](#) require sites to go beyond legal requirements.

The toy manufacturing industry faces challenges due to numerous factors, including short lead times, seasonal deliveries, and complex inventory management systems, which can contribute to long working hours across supply chains. We strive to achieve high ethical standards in all factories that manufacture Hasbro products; we believe this is essential to our long-term growth. We partner with factories on implementing best practices, and we support training that helps build capacity and promotes ethical performance.

For 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 forced labor, child labor, working hours, compensation, health and safety, abuse and discrimination, and freedom of association. In 1994, we were the first toy company to develop a fire safety manual for factories that ended up becoming 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 the years following, Hasbro has continued to work in partnership with ICTI and other organizations to continue advancing working conditions internationally. All of our third-party factories in locations where the ICTI Care program operates are required to adhere to ICTI's standards.

Ensuring compliance by third-party factories around the world is a continuous process that requires careful monitoring. At Hasbro, our process for ensuring compliance includes prequalification, monitoring, oversight of our factory base, transparency, capacity building, and partnerships.

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Strategic Goals

In 2013, we developed a set of goals and key performance indicators to guide and measure our progress in this critical area. Our overarching vision is to practice sound ethical sourcing principles throughout the supply chain by engaging with factory management and internal and external stakeholders.

Charting Our Progress and Path Forward

Ensure that all third-party factories producing Hasbro product are prequalified and only source products from qualified factories.

PROGRESS

100% of new third-party factories were prequalified.

Ensure comprehensive factory monitoring that identifies areas of non-compliance and timely remediation.

PROGRESS

100% of third-party factories were audited through the ICTI CARE program or equivalent system.

Drive for transparency and communication throughout the supply chain.

PROGRESS

Disclosed list of core third-party vendors and factories in China and ICTI CARE Seal of Compliance levels.

Complied with U.S. SEC Dodd-Frank Act disclosure requirement and published Conflict Minerals report online.

Ensure that our business partners have the tools and knowledge needed to meet Hasbro's Global Business Ethics Principles on an ongoing basis.

PROGRESS

Hasbro has ethical sourcing meetings with 100% of new vendors' management teams prior to any audits or production taking place.

Hasbro supports capacity-building initiatives through ICTI CARE.

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Engage with strategic stakeholders to further inform our approach to improving workplace conditions.

PROGRESS

Developed a [Human Rights Policy](#) in 2013 that outlines our commitment, along with our human rights focus areas, implementation strategies, and governance structure.

Completed a Social Accountability International (SAI) [Social Fingerprint Self Assessment](#).

Ongoing [partnerships](#) with ICTI CARE, GSCP, and SPLiCE.

Looking Ahead

In 2014 and beyond, we will diversify our third-party factory base beyond our current geographic focus in China. This will present new challenges and opportunities in meeting our commitment to ethical sourcing. As we have in Asia, we will seek business relationships with third-party vendors who will partner with us to improve working conditions and share our commitment to continuous improvement.

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Our Partners

As a global company we face challenges that are both unique to our industry and shared across sectors. We believe that working in partnership with other companies and stakeholders is key to our success in building an ethical supply chain.

This approach is demonstrated through our support of ICTI CARE. ICTI CARE was founded in 1995 by Hasbro and our industry peers to develop a single, unified code of business practices through the International Council of Toy Industries. Through ICTI CARE, we have worked to improve conditions for toy factory workers through innovative partnerships, stakeholder engagement, monitoring, education, and training.

ICTI CARE focuses primarily on China, Hong Kong, and Macau where approximately 80 percent of the world's toys are manufactured. ICTI CARE conducts audits on factories seeking its Seal of Compliance, which verifies that a workplace meets standards consistent with International Labor Organization conventions and the requirements of national law. Hasbro requires all third-party toy factories, in regions where the ICTI program operates, to achieve and maintain the ICTI Seal of Compliance.

Hasbro has played an active role in the growth of ICTI CARE, which has worked with more than 2,200 factories, representing about 1.4 million workers. Hasbro employees have also served on ICTI CARE's Foundation Governance Board and currently serve on the Technical Advisory Committee. We support the organization's efforts to address challenges including geographic expansion.



We also look to form partnerships outside the toy industry to help us identify best practices for managing ethical sourcing issues. In 2008, we joined the Global Social Compliance Programme (GSCP), a partnership of multinational retailers and brands that seek to improve working and environmental conditions across global supply chains through a consensus based approach. Our Senior Vice President of Global Quality Assurance serves on the Executive Board.

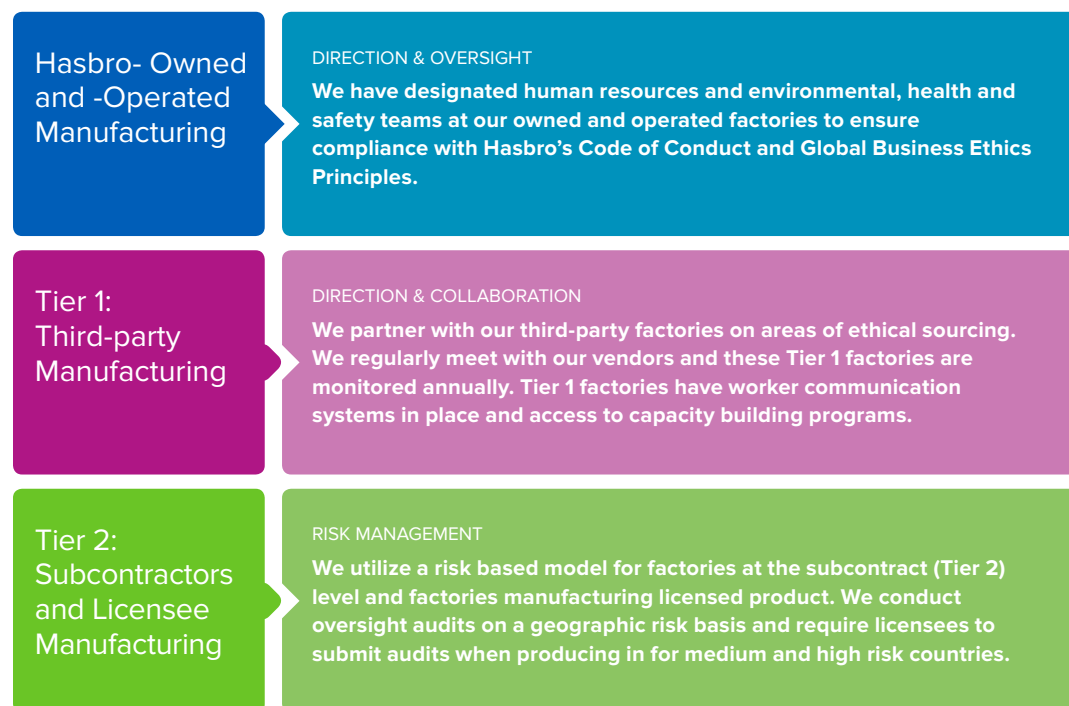
Hasbro has also been involved in the Society of Product Licensors Committed to Excellence (SPLiCE) since its founding in 2004. SPLiCE supports trademark brand licensors that seek to develop and share best practices for promoting and enhancing brand integrity.

We are also members of BSR, a nonprofit network of more than 250 companies that works to create a just and sustainable world. Through BSR, we learn about and share best practices in ethical sourcing and supply chain management. In 2013, we engaged with BSR to develop our Human Rights Policy.

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About Our Supply Chain



There are currently three tiers of manufacturing factories around the world; Hasbro owned and operated, third-party vendors and factories, and licensee factories.

Hasbro-Owned and -Operated Factories

We have two owned and operated factories, and they are located in East Longmeadow, Massachusetts, and Waterford, Ireland. These sites, part of our top-tier supply chain, have dedicated human resources teams and environmental, health and safety experts who implement Hasbro's Code of Conduct and Global Business Ethics Principles. The workforce at these locations has regular training on our ethics and safety standards.

Third-Party Factories

We maintain close partnerships with our third-party vendors and factories, the majority of which are located in China, and require that they adhere to our Global Business Ethics Principles. In addition, third-party factories located in ICTI CARE jurisdictions must comply with its program. In 2013, we identified additional factories outside China where we expect to begin production during 2014. A list of Hasbro-owned and -operated factories and third-party vendors and factories is available [here](#).

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Licensee Factories

In addition to producing our own products, Hasbro out-licenses use of our brands to licensee partners around the globe. They manufacture Hasbro branded products, like apparel, footwear, home goods, health and beauty products, food, and printed items including coloring books. While we do not directly select licensee factories or have a direct business relationship with them, we require licensee factories to meet 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 also receive information on Hasbro's ethical sourcing policies and procedures through this online system.

Licensees are contractually obligated to submit preproduction audits for factories in countries considered to be at medium and high risk of ethical violations and annual audits thereafter for Hasbro's review. To identify risk, we utilize third-party research that takes into consideration United Nation Human Development Index data points, corruption data, labor rights, and economic and political freedom data, as well as audit history. The latest risk assessment, conducted in 2012, guides our approach to factory monitoring and permitted source countries.

Audit Practices and Oversight

Hasbro-Owned Factory Audits

We conduct full and comprehensive audits of our owned and operated factories every three years. The most recent audits, conducted in December of 2012, found that both factories had strong compliance practices, with only some minor areas for improvement.

Third-Party Factory Audits

Hasbro requires third-party factories located in regions where the ICTI CARE program operates to obtain and maintain the ICTI Seal of Compliance, which must be renewed annually. ICTI CARE issues Seals based on levels of compliance. Class A, B, and C Seals indicate varying levels of employee working hours. For those factories not achieving A or B Seals, we work with these partners through ICTI's Continuous Improvement Process.

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If a third-party audit reveals significant non-compliance, the factory is put on probation and is required to correct the non-compliance. During probation, factories are subject to regular unannounced audits by ICTI CARE-accredited firms to verify improvements have been made. ICTI CARE audits focus on the following areas:

- Working hours
- Wages and compensation
- Child labor
- Forced labor and prison labor
- Disciplinary practices
- Discrimination
- Employee representation
- Facilities
- Fire prevention
- Environmental, health and safety
- Employee welfare (dormitories, cafeteria services, medical)

Although ICTI has a comprehensive auditing program, audits alone are not sufficient to address worker concerns. Therefore, factory workers are also provided access to a help-line that serves as a confidential grievance mechanism.

To review a breakdown of the seal levels for the 51 factories in China that account for approximately 82 percent of Hasbro's toy and game production, visit our [Data Dashboard](#).

Oversight Audits

In addition to the audits conducted by ICTI CARE and by our licensing partners, Hasbro employees conduct additional oversight audits to verify that the systems for implementing our Global Business Ethics Principles are effective. These spot checks help ensure the integrity of the audit process and that factories maintain compliance between regular ICTI audits. We conduct oversight audits in various levels of our supply chain.

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Our Audit Process at Work



In 2012, Hasbro conducted an initial audit of a new factory in China for an existing third-party vendor and found that factory managers were employing temporary workers, hired through a third-party agent. This resulted in a number of violations of our Global Business Ethics Principles, and our audit team immediately involved top-level management from Hasbro and top-level management from the vendor. Management worked closely together to address the problems. As a result, in 2013 follow-up audits confirmed compliance with our requirements, allowing Hasbro to place purchase orders.

Corrective Action Plans (CAP)

Following social compliance audits, corrective action plans (CAP) are developed to address any violations that are found. The process for verification of the CAP varies depending on the nature of the non-compliance. In some cases a desktop review is required (i.e. factory policy must be reviewed) but in other cases, ICTI will send in third-party auditors again to verify that corrective actions have been taken. A CAP typically includes the following procedures:

- Description of the noncompliance violation
- Action plan to address the violation and prevent future occurrences
- Person accountable for action plan and anticipated completion dates
- Documentation needed to support the corrective action

A follow-up audit will then be conducted to ensure the CAP has been implemented. We recognize that factories are not perfect workplaces and take an approach of continuous improvement. Hasbro firmly believes in working with factories to ultimately raise standards and improve conditions for all. If, however, a factory cannot meet our standards or is unwilling or unable to remediate instances of non-compliance we will not utilize the factory, or in the case of ongoing production, we will terminate our relationship with the factory.

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Rating Our Social Performance

We are always looking for ways to improve our supply chain engagement and performance. In 2013, we used Social Accountability International's (SAI) Social Fingerprint Assessment tool to self-assess strengths and weaknesses in our ethical sourcing program. We scored highly in the assessment on vendor base and formal risk assessment, and lower on complaint management and resolution. In response, and in an effort to improve performance, we examined worker access to the ICTI CARE hotline in Hasbro's supply chain and identified opportunities for reporting enhancements which we believe will improve Hasbro's visibility into worker issues and resolutions. We also established a [Human Rights Policy](#), which strengthens our commitment to reporting and to addressing stakeholder concerns.

Conflict Minerals

Ethical sourcing includes avoiding the use of conflict minerals, including those financing the ongoing violence and humanitarian crisis in the Democratic Republic of Congo (DRC).

Understanding Our Responsibility

In 2012, the U.S. Securities and Exchange Commission (SEC) finalized the Conflict Minerals rule, which was originally mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Section 1502), in an effort to further the humanitarian goal of ending violent conflict in the DRC and the adjoining region, which is partly funded by the mining of conflict minerals. As a result, publicly traded companies governed by the U.S. SEC must report annually on whether their products contain minerals (tin, tantalum, tungsten and gold or "3TG") that were sourced in the DRC or a neighboring country.

These minerals are mainly used by the electronics industry but could be found in our supply chain. We have implemented policies and practices to identify conflict minerals and their sources, and to meet U.S. SEC requirements.

In accordance with the U.S. SEC rule, Hasbro provided a conflict minerals disclosure form, confirming that in 2013 we manufactured, and contracted to manufacture, products containing 3TG. We also conducted a Reasonable Country of Origin Inquiry (RCOI) to determine if these necessary conflict minerals were sourced from African countries covered by the U.S. SEC rule. All direct suppliers and third-party contract manufacturers of products believed to contain 3TG were surveyed about the source of these minerals.

Based on our RCOI, we were unable to determine that our necessary conflict minerals did not originate in the Covered Countries or are not from recycled or scrap sources.

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Vendor Support Training

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 to improve capabilities within our supply chain. Our efforts include providing training on conflict minerals for active and new vendors, and encouraging vendors to source from smelters designated as conflict free.

You can view our public disclosure on conflict minerals [here](#).

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We market our brands to our consumers in a responsible and appropriate manner. We pay close attention to how we market and advertise our products. Our goal is to do so responsibly, especially to children, and to protect online users' rights. Beyond the physical toys and games we create, our responsibilities to consumers extend to the entertainment content we provide through our television programming, motion pictures, and digital and online gaming and media. As the ways children and adults access entertainment continues to expand, Hasbro is committed to offering content that is appropriate and that respects privacy.

To keep our consumers' trust and confidence, we have internal processes in place to oversee content development and meet applicable privacy laws. To this end, we work closely with our licensees and with respected independent privacy monitoring organizations.

Marketing to Children

Internationally, there is much debate 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 TV, print, and radio advertising, regulators are now targeting digital media since most companies are using digital media more frequently to communicate and market products. In the European Union, for example, the new Data Protection Regulation as well as the review of the Unfair Commercial Practices Directive are expected to address aggressive marketing to children, including in-app purchases and consumer profiling techniques.

Meanwhile, companies have developed numerous self-regulatory codes to demonstrate a commitment to responsible advertising. The most widely acknowledged of these is the ICC code, which specifically covers communications with children. Globally, more than 100 countries have adopted national self-regulatory codes regarding marketing to children, which are enforced by local self-regulatory organizations and participating industries.

As the ways that companies communicate with consumers and children continue to evolve, we expect to see further development of government and self-regulatory guidelines on responsible practices.

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Television Programming

Since 2009, Los Angeles-based Hasbro Studios, a subsidiary of Hasbro, has made high-quality, socially responsible, animated and live action entertainment content. Based on our popular brands, such as TRANSFORMERS, MY LITTLE PONY, and LITTLEST PET SHOP, our TV shows seek both to entertain children and honor the values embodied by our brands. For example, THE ADVENTURES OF CHUCK AND FRIENDS focuses on the importance of teamwork, character building, and problem solving in an entertaining format that appeals to preschoolers.

Knowing that our programs are watched by children of all ages, our producers marry innovation with content so that the content is appropriate for everyone. Television scripts are reviewed by a Hasbro Studios producer, brand teams, a script clearance company, and legal counsel.

Fun and Friendship with MY LITTLE PONY



For more than 30 years, the MY LITTLE PONY message that friendship truly is magical has resonated with consumers and elevated the brand to pop culture status—transcending both age and gender.

The MY LITTLE PONY brand supports socially relevant messages of acceptance, friendship, tolerance and celebrating differences, which appeal to children, parents and fans of all ages and encourages the ability to feel comfortable and empowered with our own unique personas. Whether you're fun like Pinkie-Pie, super smart like Princess Twilight Sparkle, kind like Fluttershy, honest like Applejack, adventurous like Rainbow Dash or caring like Rarity, the land of Equestria is a place where everyone is valued and respected.

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Online and Digital Media

Our growing portfolio of digital and online content, including “digital shorts” (short digital videos), video games and websites, provides information and entertainment for families and children of all ages. In 2013, Hasbro acquired a majority stake in Backflip Studios, a mobile game developer, in order to extend our brands into mobile gaming.

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

We set high standards for our websites, which are enjoyed by adults and children around the world who want to engage with their favorite characters and brands. Our objective is to ensure that all content is family friendly and that our kid-targeted websites comply with the U.S. Children’s Online Privacy Protection Act (COPPA), which sets rules for collecting information from children under 13.

How We Meet Government Regulations

Hasbro takes its responsibilities to adhere to laws and regulations governing advertising, entertainment, and digital content very seriously. In the fast-moving world of advertising, digital technology, and entertainment, we seek to implement best practices by working with developers, regulatory agencies, and licensees.

We are guided by regulations set by the U.S. Federal Trade Commission (FTC), which oversees advertising and enforces related legislation. Hasbro is also an active, fee-paying member of the Children’s Advertising Review Unit (CARU), which sets voluntary guidelines for companies on advertising to children. Hasbro’s legal department closely reviews our advertising to make sure it meets CARU, FTC, and our internal advertising guidelines.

Our digital licensees, who make Hasbro branded products such as digital games and apps, also play a crucial role in meeting Hasbro’s compliance goals. We require them by contract to make these products compliant with applicable laws. When laws change significantly, we work with our licensees to ensure they respond appropriately.

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Promoting Online Privacy

Our Privacy Approach

We value our consumers' trust and work hard to keep that trust by protecting the privacy of the children and families who use our online entertainment.

Our privacy policy for our U.S. websites and mobile apps is driven by compliance with the Children's Online Privacy Protection Act (COPPA). We voluntarily certify our sites as "COPPA-compliant" through an FTC-approved COPPA safe-harbor certification provider (the "provider").

Since 2008, the provider has issued annual compliance certifications for Hasbro.com as well as our individual sites.⁵ This process involves the provider's review of Hasbro's self-audit of our privacy processes, followed by Hasbro's remediation of any identified concerns.

In 2013, the U.S. government made changes to COPPA in response to the proliferation of mobile applications used by children. To meet the new rules, Hasbro, together with our provider, reviewed our websites and mobile apps and made changes as necessary to our analytics services and to social media sharing in our apps. We also supported our licensees as they worked to do the same.

Data Gathering from Consumers and Children

Respecting our consumers' online privacy is a priority for Hasbro. Our policy is to collect only information from online and mobile users that we believe to be reasonably necessary to fulfill consumers' requests and our legitimate business objectives. We also clearly explain how we will use the personal information people provide.

Our online privacy policy, approved by the provider, describes the kind of information Hasbro collects online and how it is gathered, used, and shared.

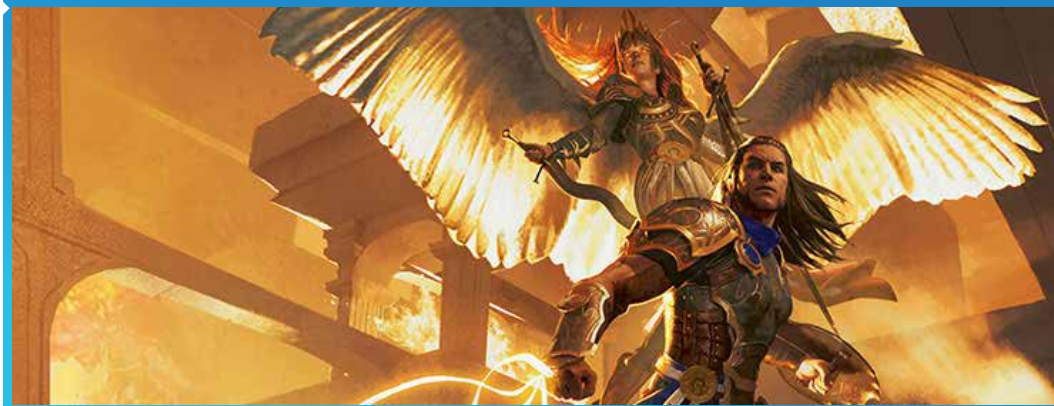
When engaging online with children under the age of 13, we emphasize brand engagement and entertainment over marketing and commercial offers and limit the amount of information we collect. Most of our online games and other interactions do not require personal information, instead using usernames and passwords.

⁵ In 2013, Hub Television Networks - The Hub - took over ownership of Hubworld.com and Hasbro no longer oversees the site's compliance.

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Wizards Conjures Best Practice



Hasbro's games subsidiary Wizards of the Coast, maker of gamers' favorite MAGIC: THE GATHERING, has adopted a best practice "privacy by design" mentality for its online games and websites. Users encounter only limited use of cookies, and Wizards has established a formal process for identifying and approving all cookies planted on its site. To avoid intrusive monitoring of players' habits, the company uses only analytic tools that monitor site and games use and does not engage in persistent behavioral analysis.

You can read their updated privacy policy [here](#).

Privacy Challenges

Hasbro strives to respond responsibly to the continually evolving relationship between online and digital entertainment, user privacy, and advertising.

International regulations governing how companies collect and use information change frequently, and staying on top of updating our marketing practices in response can be challenging. The trend toward global marketing and promotions also raises a number of privacy and data security challenges, especially with respect to the transfer of personal information across country borders.

Hasbro recognizes that privacy and data security are of great importance and interest to consumers and regulators. We are committed to reviewing our online and digital entertainment policies and practices in line with the evolving needs and expectations of our stakeholders.

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Engaging Consumers

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

Hasbro is committed to promoting products to our young audience in a responsible manner. We have controls in place to ensure that the content of all products, online activities, and television programming is appropriate and safe. For more information, see [Product Safety](#) and [Responsible Marketing](#).

Giving Feedback

Consumers can reach and engage us via the following channels:

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

Consumers can also make comments 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 procedures and protocols developed by our Quality Assurance, Legal, and Consumer Care teams. Trained Consumer Care specialists respond to consumer inquiries where any kind of product safety concern is expressed. As needed, Consumer Care specialists will escalate inquiries to our Quality Assurance and Product Safety teams for their review and follow-up.



GLOBAL FUNLABS: THE SCIENCE OF PLAY

Every year, thousands of children have fun in our Global FunLabs from the United States to the United Kingdom to China. Our designers, marketers, and engineers watch in an observation room as children and their families react to products in development. Understanding how children use early prototypes provides our design and development teams with invaluable insights that improve final designs. In 2013, Hasbro launched a successful line of NERF Toys for girls – NERF Rebelle – following two years of exploratory Funlab research and hands-on play with the developing product.

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Online Consumer Community

Hasbro uses a global online community to gain valuable insights on issues that matter to families and children such as child development and parenting topics. The feedback we receive from the parents, experts, and children who take part helps guide the direction of product development across our toy, gaming, entertainment, licensing, and digital businesses.

Our online community includes Hasbro Kid and Family Hot Spot, which engages 450 families from the United States, United Kingdom, Canada, and Australia with children aged between one and 12 years old. We conduct about 365 activities a year with these families, getting their feedback about our brands and products, and hearing about their lives. These ongoing relationships yield deeper consumer insights that help to guide decisions across Hasbro's brands.

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OUR EMPLOYEES

Our Approach

Hasbro has a 91-year history of making lives better through our products, and we strive to create a similarly positive experience for our 5,000 employees around the world. Their creativity and enthusiasm are vital to our success. Throughout our global operations, we seek to attract and retain diverse and talented employees who are as imaginative, creative, and curious as the children who play with our toys.

We want our employees to be highly engaged and motivated. To achieve this, we provide wide-ranging opportunities for learning and development through Hasbro University's online and classroom training programs. We foster a culture of open, two-way communications, where senior managers communicate frequently about company strategy and our progress. We compensate and reward our employees competitively, invest in their well-being and health, and maintain the highest safety standards in our offices and facilities worldwide.

Our performance review process is aligned with our business goals and includes quarterly conversations between managers and their employees. Managers are expected to conduct regular one to one sessions with their staff and to ensure all employees have annual objectives. In support of this we conduct staff surveys in many locations, offer a frequently used 360 degree performance review tool, provide mentors for promising individuals, and offer both internal and external coaching sessions. In 2013, we also introduced two new initiatives – "BuildmyBrand" and "myPerformance" – to improve and personalize our development and performance review processes.

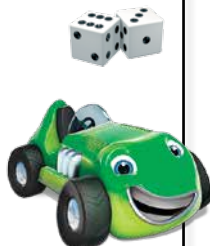
AWARDS AND RECOGNITION

Celebrating success helps to engage and motivate our employees and keeps us striving to achieve more as a company.

Employees' achievements around the world are regularly acknowledged through the company's intranet and e-bulletin, Hasbro Daily News.

We also have several awards programs to celebrate individual and team achievements. These include "Way to Go," which recognizes employees who go above and beyond expectations through their actions at work. Initially U.S.-focused, this program will expand globally in 2014.

Our Inny (short for innovation) Awards celebrate the many ingenious ways in which our dedicated employees create and bring to market the best possible toys, games, and entertainment products. The awards are presented by members of the senior management team during our global all-hands employee meetings and are further recognized on the company intranet.



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Our Global Team

Hasbro's brands provide toy and game product innovation, digital gaming, entertainment, and lifestyle licensing, that enable children and families to enjoy Hasbro brands anytime and anywhere.

Hasbro sells toys and games, and provides motion picture and online experiences to consumers worldwide, with operations in North America, South America, Latin America, Europe, and Asia Pacific. We own two facilities, located in East Longmeadow, Massachusetts, and Waterford, Ireland, which manufacture most of our board game products. Most of Hasbro's toy products are manufactured by factories owned by third-party vendors.

In 2013, we employed more than 5,000 people either full-time or part-time, half of whom were women, and half of whom were in the United States. We implemented cost-reduction measures laid out during fiscal year 2012 that included an early retirement offering for our U.S. employees, streamlined operations/product lines, and a reduction in our global workforce. The goal is to achieve \$100 million in underlying cost savings by end of 2015.

For more information about our hiring and turnover rates, visit our [Data Dashboard](#).

Supporting Diversity and Inclusion

We believe an inclusive culture is good for business, fostering the creativity and innovation that our iconic brands rely on.

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.

We track the percentage of women in our workforce globally, and of minority employees in the United States. We are proud to have a workforce that is 50 percent female, and we continue to invest in our female talent to ensure strong representation across all levels of management. Our U.S. minority population has remained steady at 15 percent for three years through 2013, while the proportion of minority leaders and managers rose from 6 percent in 2012 to 8 percent in 2013.

We continue to make efforts to improve the diversity of our workforce at all levels. In 2014, we are developing a set of goals and key performance indicators to guide and measure our performance on diversity and inclusion.

Visit our [Data Dashboard](#) for more information about diversity in our workforce.

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“Diversity is realized not in theory or numbers, but in how an organization conducts itself relative to the acceptance, elevation, and relevance of diverse points of view, skin color, race, sexual orientation, and lifestyle. Hasbro scores high on all of these fronts; the company has an open-door policy, even at the highest level and encourages and embraces varying points of view based on its employees’ professional and personal experiences.”

Hasbro Employee

Attracting Diverse Talent

We work hard to attract and keep the most talented people in our competitive industry. We post open positions on diversity-focused job websites and host regular career fairs at Hasbro headquarters in Rhode Island.

In the United States, we work closely with a wide range of organizations to recruit minority employees. These include several colleges and universities as well as organizations such as the U.S. Chamber of Commerce and national groups that support minority recruitment. For example, in April 2014, a Senior Vice President represented Hasbro on a leadership panel at Hampton University as part of our MBA talent recruitment efforts for summer internship programs. Since 2004, Hasbro has also 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.

Talented graduate and undergraduate business students looking to get their start at Hasbro can apply for year-round internships that provide valuable work experience and possible job prospects. Diversity-focused opportunities include six six-month paid internships a year for urban youth through the Rhode Island Year Up Program, a nonprofit organization that provides urban young adults with the skills, experience, and support that empowers them to reach their potential through professional careers and higher education.

Beyond the United States, we are developing relationships with universities in high growth areas such as Russia, Turkey, and Singapore to help us identify local talent and build our presence in communities with Hasbro facilities.

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Nurturing Networks

The Hasbro Employee Network comprises numerous employee-driven teams totaling more than 800 members. These groups are designed to give employees a voice, create opportunities for individuals to network and develop additional leadership skills, aid recruitment and retention, and track trends and cultural themes important to our employees. Each team has an executive sponsor and develops its own charter. Teams meet monthly and participate in Team Hasbro volunteer activities, as well as promoting business relevance. While the Employee Network groups are primarily U.S.-focused, we intend to develop templates for global expansion. The Hasbro Green Team already has groups in Colombia and Hong Kong.

HEART (Hasbro's Equality Awareness Resource Team), established in 2013, is the company's first LGBT network. In its first year, HEART formed partnerships with Youth Pride Inc. (YPI) and the LGBT College Resource Group to develop community outreach activities, as well as securing Hasbro as a corporate sponsor for Rhode Island Pride. As of May 2014, HEART had 48 members. Their focus is on creating an inclusive and respectful environment for LGBT employees, promoting internal networking and community outreach, and driving business value.

Our other Employee Networks include: Career Moms, Celebrations Team, Creativity Team, Diversity Team, Green Team, HasBook (a book club), Men's Group, Military Families, Music Matters, New Employee Network, Parents Resource Group, Quarter Century Club, Ribbon Club (raises awareness for "ribbon initiatives" like breast cancer and heart disease), Tater Talks (a public speaking forum), the Wellness Team, and the Women's Leadership Network. See highlights from four of these teams below.

Promoting Business Relevance

Employees from our core diversity and inclusion groups – the Diversity Team, HEART and the Women's Leadership Team – are key contributors to the development of our diversity and inclusion goals and key performance indicators. Activities organized by these networks also contribute to our culture of inclusivity, both within Hasbro and through outreach partnerships and community events. For example, in 2013 HEART hosted its first Hasbro Game Night with Youth Pride Inc. Fifteen youths from YPI participated in the community-building event.

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Giving Employees a Voice: Employee Network Highlights

- The Career Moms Group creates an environment for new moms to explore, collaborate, and support each other on issues related to work-life integration, flexible work solutions, and managing healthy lifestyles. Initiatives include working to share insights and research across the organization. For example, they worked with our internal Global Consumer Insights team to share findings from a study on modern parenting and provide feedback on product concepts and marketing in quarterly roundtables with the PLAYSKOOL global brand team.
- The Green Team aims to inspire a culture of environmental responsibility by influencing their colleagues' behavior through awareness and educational opportunities. Activities in 2013 centered on Hasbro's month-long celebration of Earth Day, and included tips for employees on recycling and green living.
- The Music Matters Network showcases the diverse individual and collective musical styles and talent at Hasbro through internal events. Music matters bands also join in external events such as the annual Fortune Corporate Battle of the Bands.
- The Women's Leadership Network is one of our biggest, with more than 250 members. Hasbro's CEO is the network's Executive Sponsor. Activities in 2013-2014 included supporting the Women in Toys industry network and creating professional development networks with the consultancy Advancing Women's Excellence (AWE) in partnership with our Learning and Development team. The network's mission is to help Hasbro women with professional development through networking events, external professional summits, leadership panels, an internal and external speaker series, as well as volunteer initiatives.

Training and Development

Few industries are as fast moving as the toy and entertainment sectors. Our continued success depends on a motivated and high-performing workforce with the right skills for today and for the future. We believe in rewarding loyalty and promoting talent from within. Hasbro also provides regular, in-depth performance evaluation to support growth opportunities at every level.

Improving Performance, Fulfilling Potential

Hasbro invites every employee to "build his or her own brand" and to continually develop personally and professionally. "BuildmyBrand" is a personal development framework used to help employees have open conversations about performance and development and establish individual goals or plans. It has a joint focus on the present and the future, and encourages users to consider what they can do to develop themselves, learn more and potentially grow their opportunities at Hasbro.

Based on feedback from managers and employees, we also reinvented our formal approach to performance management in 2012, introducing "myPerformance." This

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dialogue-based approach includes quarterly quality conversations between employees and their managers focused on evaluating progress against goals, setting new goals, providing feedback and coaching, and identifying strengths and opportunities for further learning and development.

The aim of this new approach is to move away from traditional performance management language toward a more contemporary and positive conversation that employees want to join.

Employees need practical, skills-based support to fulfill their potential, and we provide this through a learning culture of:

- Experience on the job
- Coaching, mentoring, and feedback from managers, peers, and networks
- Formal learning and training experiences

Learning and Mentoring

Creativity is sparked at Hasbro University. Its dedicated staff of learning and development professionals seek to promote professional growth and unlock the potential of individuals and teams to meet current and future business opportunities. Training includes career, management and leadership development in both classroom and online settings.

To deepen our learning culture, we introduced myCareer Week at Hasbro headquarters and expanded our formal mentoring and coaching program. The goal of myCareer Week is to encourage and empower employees to direct their own careers and build networks at Hasbro. Employees choose from classroom-based and large group programs and may take advantage of organized networking events. The initiative is proving popular with 1,400 registrations for myCareerWeek in 2012, and 1,500 in 2013. In 2014 and beyond, we plan to expand the myCareer Week idea to offer programming year-round.

Hasbro launched its first formal mentor program in 2012 and it was an immediate hit! As of 2013, the annual mentor program has created 120 partnerships across the company. Each year, mentees apply for the program and, if accepted, are matched with a leader two levels above. The resulting 12-month partnership focuses on a development goal the individual has identified. Mentees and mentors hold check-ins with the mentor program team and meet both formally and informally during the year to discuss progress.

This now annual program is already generating successful outcomes for both individuals and the company. These include job changes, further education, network building, job shadowing, and the development of new tools to enhance relationships with customers, peers, and leaders.

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Mentoring Matters: What Our Employees Say

“It [helped] me to address and assist in conflict management which wasn’t the case until I entered the program.”

“I’ve been introduced to more people in the past month than I have in the past six years.”

“I made significant organizational changes for my group.”

“It helped me with my regular reporting relationships.”

“I got to know a part of the business through an employee’s perspective.”

“It gave me a sense of employee challenges – I was able to help [them] through some tough issues.”

Supporting Continued Education

Hasbro offers tuition reimbursement programs to employees looking to further their educational and professional goals independently. Regular, full-time employees in Rhode Island and Massachusetts are eligible for reimbursement of up to \$5,250 annually. Courses must be related to current or future positions within Hasbro or be required by an approved academic program. We also offer an Executive MBA Scholarship Program through Northeastern University. The 16-month program is open for application from employees across all business functions with 10 or more years of professional experience, and offers skills development that can later be leveraged to make a positive impact at Hasbro. Since 2007, more than 15 individuals have received scholarships, including three in 2013.

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Building Better Leaders

For our employees to work as one team, they need strong and fair leadership. From our Chief Executive Officer (CEO) down, we foster a responsible, inclusive, and ethical approach to management. Through tailored classroom and online courses, our managers worldwide deepen the skills and behaviors we expect of them. Programs include:

- **Essentials of Managing People** – interactive activities and simulated work scenarios designed to equip managers with the tools, techniques, and mindset necessary to lead high-performing teams
- **Situational Leadership** – learning and exercises enabling managers to effectively communicate in order to increase team competence and retain talent
- **Connect and Coach** – career guidance pilot program that connects mid-level leaders to senior leaders through six-months of mentorship

To develop our highest potential future leaders, Hasbro offers two global development programs in which our most senior management acts as teachers and mentors.

- **Hasbro Inspiring Leadership Program** – Our foundational leadership program that teaches what leadership looks like. The program focuses on effective practices and behaviors employed by authentic leaders through a combination of classroom-based learning modules and experience-based activities. Participants create a Development Action Plan and receive feedback. Afterwards, participants work on a “Brand You” video that demonstrates how they have put this leadership theory into practice.
- **High Performance Leadership** – Our leadership development course that immerses high-potential candidates in a challenging global market. Participants develop a brand strategy that they implement at their local office and present to the CEO and senior management team. Leaders have participated in countries including Bulgaria, China, Turkey, Russia, and the United Arab Emirates.

“It’s an honor to be a part of a program committed to not only maximizing my long-term career potential at Hasbro, but also to improving the development of Hasbro leaders in the long-term.”

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Employee Safety, Health and Wellbeing

The safety and well-being of our employees is just as important to us as the safety of the children and consumers who play with our toys and games (see [Product Safety](#)). Hasbro is committed to providing safe, healthy, and productive workplaces globally. Our approach is that every accident is preventable and our goal is an injury-free workplace.

Keeping Employees Safe

We have implemented strict safety standards at all our facilities and operations, based on global best practice and regulatory requirements. These standards cover all areas of employee health and safety, including performance and accountability processes, employee education, training and communications, incident reporting and investigation, and safety inspections. In addition to our internal standards, all Hasbro facilities are required to meet local and country requirements.

We ensure compliance through regular audits of our owned and operated facilities. Our manufacturing, distribution, and office facilities are audited on a rotating basis every two, three, and five years, respectively. See [here](#) for more information about our audit practices, including of third-party-owned factories in Asia.

The health and safety hazards encountered by our employees vary by facility, type of operation, and job task, and may be posed by machinery, material handling, operating industrial vehicles, working with chemicals and tools, or office work. Through careful design of our products and facilities, as well as safeguards, warning devices, personal protective equipment, administrative controls, and clear policies and training, we work to eliminate workplace risk. For example:

- Managers, supervisors, and team leaders must complete incident investigation training
- Employees who work with, or who may be exposed to, live electrical circuitry must complete specific training every two years
- Employees who handle hazardous waste must complete annual training

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SAFETY STARS

In 2013, our Ireland factory received OHSAS 18001:2007 certification for health and safety management.

Our Massachusetts factory received the National Safety Council Award of Excellence for Commercial Vehicle Safety, recognizing a seven-year record of incident-free driving. Additionally, our Massachusetts factory has been certified by the U.S. Department of Labor as an OSHA Voluntary Protection Program (VPP) Star facility since 2002. This certification recognizes facilities that maintain the highest level of safety and health excellence.

Avoiding Office Injuries

We take multiple approaches to preventing ergonomic injuries, such as sprains and repetitive stress, among our employees. All Hasbro offices document ergonomic practices and procedures, and communicate this advice to employees. Whenever we add a new process or activity, we assess potential hazards and conditions that might lead to musculoskeletal injuries.

We also ask employees to report any symptoms immediately so they can get treatment and take steps to avoid a more serious injury. We provide ergonomics training such as proper lifting techniques to employees whose jobs involve risk factors such as repetitive motion, excessive force, awkward body postures or positions, or vibration.

In 2013, our global recordable injuries and illness rate and lost time injury rate continued on a downward trend. The rate of lost workdays also fell by more than 23 percent and we maintained our record of zero work related fatalities.

Visit our [Data Dashboard](#) for more information on global and regional injury and illness rates.

Promoting Health and Wellness

Nurturing a healthy workforce is about much more than simply preventing injuries.

Recognizing this, we offer the Hasbro Wellness Program, led by our Employee Network Wellness Team. This comprehensive initiative focuses on prevention by raising employee awareness of healthy lifestyles, which in turn leads to positive health outcomes and behaviors. Tools used to effect change include: employee networks, regular communication, HR partners, program flexibility, surveys and external resources, and innovative engagement efforts.

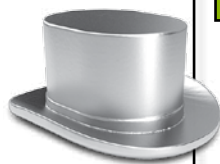
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Examples of U.S. activities include:

- Fitness challenges, personal training, and biometrics screenings (offering \$100 incentive to participants) at Hasbro headquarters
- Mindfulness meditation classes
- Chair massage and office yoga
- Nutrition workshops
- Healthy lunch partnership with our vendor, Sodexo
- Quarterly wellness lunch and learns
- Employee discounts at local fitness centers
- Quarterly blood drives

Moving forward, we will continue to run a broad range of wellness events as well as build a well-being strategy, establish and track take-up metrics, create a wellness toolkit with a global focus, and develop a storytelling tool.



HASBRO HAS A GOOD HEART

In February 2014, the American Heart Association honored Hasbro with a Gold Fit-Friendly Workplace Seal. This award recognizes companies that promote a healthy workplace and culture of wellness.

Engaging our Employees

Open communication at every level of Hasbro promotes greater employee satisfaction and more effective management. We believe that success requires a culture where information is shared quickly and effectively, feedback is honestly given, and employees feel confident to talk freely with colleagues and managers.

Our focus on two-way communication starts right from the top. For example, we encourage employees at our quarterly State of the Company meetings to pose questions to our senior leaders. Monthly “Lunches with Leadership” give employees around the world similar opportunities to discuss all aspects of the business with Hasbro’s most senior executives. Departmental meetings are held regularly, and senior managers meet with their teams quarterly to provide updates about our business and discuss departmental achievements and goals.

Our long-term objective for employee engagement is to improve communication and global connections across the organization, and to promote employees’ understanding of our corporate strategy and how they contribute to it.

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“I feel connected to Hasbro’s mission and goals and I appreciate the time that Senior Management spends sharing information with me at the global town halls and State of the Company Meetings.”

Hasbro Employee

Listening and Learning

We use *Fortune* magazine’s Great Places to Work application survey as a means to gather feedback from our employees about different aspects of working at Hasbro such as training and development opportunities, work-life balance, rewards, and benefits. In 2013, our employees told us they value our philanthropic activities, our culture of community, and our year-round half-day Fridays. The feedback has also helped us identify a need to focus more on work/life balance, employee recognition, and career development.

Focus groups are an important tool for us to learn what concerns and motivates our employees, especially about changes in their working conditions or benefits. For example, focus group feedback helped us develop the Hasbro Employee Network and our Alternative Work Guidelines. Other listening mechanisms include Employee Roundtables, “Lunch and Learns” and an open-door communications policy.

Promoting Work-Life Balance

As a company dedicated to enriching play time and bringing families closer together through our products, Hasbro appreciates the importance of helping our employees maintain a good work/life balance. We offer competitive paid time off policies including, in the United States, up to three weeks of vacation annually, beginning in the first calendar year after an employee is hired, an additional week off between Christmas and New Year, and a shorter working day on Fridays in many locations. We also provide paid parental leave in all U.S. and European locations for parents taking care of a newborn or newly adopted child. 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 Alternative Work Guidelines are designed to support flexibility 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. The guidelines help provide flexibility for unforeseen events, such as bad weather or a sick family member, but also for more formal arrangement to meet individuals’ needs and help promote better work-life balance.

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Rewarding Employees

We enhance Hasbro's reputation as a fun place to work by offering comprehensive benefits and services. We offer benefits to regular, full-time and part-time employees who work at least 30 hours a week.⁶ Core benefits include:

- Health care plans, including medical, dental, and vision options
- Savings and spending accounts, including Health Savings Account (HSA), Health Care Flexible Spending Account (FSA), Limited Purpose FSA, and Dependent Care FSAA comprehensive range of life insurance plans, including options for dependents
- Provision for short-term and long-term disability
- Retirement savings plan

Other benefits and services include our Adoption and Foster Care Assistance Program, an Employee Assistance Program providing free and confidential counseling, and a Stock Purchase Program.

We also offer employees competitive remuneration packages. Average salary ratios for men and women in similar level roles are internally competitive across the globe, including among managers. We review local market data every two years to identify market gaps and revise our salary programs, if needed.

Recognizing Hard Work and Loyalty

Recognizing that hard work and innovation keeps us ahead of the competition, we recognize and reward our employees for their contributions to Hasbro's success. Every employee's compensation package includes a pay-for-performance element, including merit-based increases and variable bonus programs linked to the performance of the company, region, business or individual. U.S. employees can view their total rewards and benefits on an online portal.

Throughout the year, we celebrate individual and company success through events and [awards](#).

In our Rhode Island offices, we also recognize and celebrate major employee service milestones every five years through our Service Award Gift Program. In 2013, 237 employees celebrated milestone anniversaries. The Quarter Century Club recognizes employees that have been with us for at least 25 years. Club members (including retirees) attend company-sponsored social and volunteer events. In 2013, 19 employees were inducted into the Quarter Century Club, which has more than 540 active members.

⁶ Participation in Hasbro's benefits is generally available to regular, full-time and part-time employees who work a minimum of 30 hours per week. Exceptions are noted and other eligibility criteria may apply, including enrollment within specified time periods.

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Employee Recognition



Hasbro's Retail Management Organization (RMO) works hard to offer customer service above and beyond expectations. Becky Scroggs – an RMO representative from Florida – is one inspiring example of the team's dedication.

When a customer was unable to find FUR-REAL FRIENDS HOP 'N CUDDLE bunnies (Easter gifts for her daughters) at her local store, Becky checked stores in the area until she located the elusive bunnies in another town. Becky then surprised and delighted the customer by delivering the two bunnies to her at work, all in time for Easter.

In a follow-up letter, the customer praised the "beautiful display by someone who really loves their job and cares for the people involved." Becky received a Way to Go Award for going above and beyond the call of duty!

Labor Relations

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

We support employees from their first day at Hasbro until after their last, providing severance terms that are equal or better than the local legal requirements. Based on individual need, we also provide additional outplacement services and support, such as counseling.

Unions and works councils operate at our sites in a number of countries, including the United States, Ireland, China, France, Spain, and Germany. Production workers at our two owned and operated factories, in the United States and Ireland, are represented by unions or works councils with whom we maintain strong, collaborative labor-management relations, and a positive two-way dialogue. Works councils in France, Germany and other countries are given meeting facilities and time off to support their activities. Globally, 8.4 percent of our employees were covered by unions or collective bargaining agreements in 2013.

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OUR COMMUNITY

Our Approach

As our business prospers and more people around the world embrace Hasbro toys, games, and entertainment experiences, we share our success by giving back to communities. We focus our philanthropic giving, product donations, and employee volunteering on activities that provide hope and empower children and young people around the world. These activities build upon our strengths as a company, and reflect our belief that Hasbro can make a positive and lasting difference in the lives of children.

We group our philanthropic activities into three pillars, which align with our business goals and the priorities of our key stakeholders:

- **Hope:** Giving hope to children who need it most
- **Play:** Bringing the joy of play to children who otherwise would not have this experience
- **Service:** Empowering youth through service

For more information about our philanthropy, volunteerism, and impact, visit our [Data Dashboard](#).

Charting Our Progress and Path Forward

Impact 3 million children through our charitable programs.

PROGRESS

Exceeded – made a difference for more than 3.5 million children worldwide.

Stem children's loss of academic skills and knowledge over summer vacation in two U.S. locations.

PROGRESS

Ongoing – impressive gains have been made by the Hasbro Summer Learning Initiative (HSLI).

- Rhode Island: students at participating sites improved by an average of 30 percent in both literacy and math.
- Springfield, Massachusetts: 81 percent of participating students improved or maintained results in reading fluency and comprehension.

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Engage 50 percent of employees in volunteer service.

PROGRESS

Achieved - 75 percent participation in 2013.

Engage Hasbro offices across the globe in supporting local causes related to children.

PROGRESS

Achieved – engaged Hasbro sites across 35 countries and supported 179 local causes and organizations throughout the year.

Build a global youth service movement that reaches 500,000 youth through partnership with generationOn.

PROGRESS

Exceeded – at the end of 2013, generationOn reached more than 750,000 youth worldwide.

Goals for 2014

Impact 3.5 million children in 2014 through our charitable programs.

Continue to stem children's loss of academic skills and knowledge and social connection over summer vacation in Rhode Island and Massachusetts.

In new markets, engage Hasbro in the community's philanthropic efforts.

Engage 80 percent of global workforce in volunteer service in their communities.

Increase generationOn's reach to 800,000 youth through technology improvements and capability building and help children do more than 100,000 acts of joy this holiday season.

Learn more about our philanthropic initiatives in our [2013 Corporate Philanthropy Report](#).

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Philanthropy

Caring for children and contributing to the communities where we work and play is important to us. We use our assets – financial resources, products, employee talent and time, and our beloved brands – to invest in diverse, long-term programs in the cities and towns around the world where we operate. We measure progress by the impact of our philanthropic, volunteer, and community partnership activities.

2013 Giving: By the Numbers

\$4.7M

in financial
contributions

\$9.8M

worth of products
donated (estimated
retail value)

3.5M

children reached

Hasbro's philanthropic strategy and programs are managed by our corporate Community Relations department, working with liaisons in our global locations that execute programs on the ground.

Community Relations also oversees our global product donations, our grant making through the Hasbro Children's Fund, sponsorships, cause marketing, and our Team Hasbro employee volunteer program. Local liaisons coordinate employee events and projects in each country, and each Hasbro office engages with local nonprofits under our global giving guidelines.

Our Approach to Grant Making

Most grants are awarded through the Hasbro Children's Fund (HCF), a 501(c)3 organization. Our Vice President of Community Relations serves as HCF's president, and its Board of Directors is made up of senior Hasbro executives. We select global and local nonprofit partners through a rigorous process designed to ensure long-lasting strategic 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.

Our strategic partners include Operation Smile, SOS Children's Villages, Hasbro Children's Hospital, Points of Light Institute, SeriousFun Children's Network, Toys for Tots, and Give Kids the World. You can read more about our work with these inspiring global organizations [here](#).

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We also provide grants through the HCF to nonprofits in the communities where we live and work in the United States – the state of Rhode Island; Springfield, Massachusetts; Renton, Washington; and Los Angeles, California. These grants support programs that deliver:

- Stability for children in crisis
- Physical and mental health services for children
- Security against hunger
- Support for youth education
- High-quality, out-of-school-time programming
- Initiatives that empower youth through service

For more information on our giving guidelines, please visit our [Giving page](#).

Our Impact

In 2013, we achieved or exceeded many of our Community goals, reported [here](#) in more detail. We use online evaluation reports to measure our progress, collecting data—including the number of children reached—for each grant and product donation. In 2013, we were one of 12 companies that took part in a pilot program to measure the impact of philanthropic support with the London Benchmarking Group and the Association of Corporate Contributions Professionals.

Our Partners

Our efforts to improve the lives of children around the world are made possible by the excellent work of our nonprofit partners. We are proud to work with these [organizations](#) on programs that are designed to strategically integrate elements from each of our core philanthropic pillars - the sparkle of hope, the joy of play, and the power of service - to make a meaningful difference in children's lives everywhere. Just a few highlights of our work together are shown below.

We also collaborate on community issues with industry groups including: the Association of Corporate Contributions Professionals (ACCP), London Benchmarking Group (LBG), Boston College Center for Corporate Citizenship, Billion+ Change, Points of Light Corporate Service Council, and the Committee Encouraging Corporate Philanthropy (CECP).

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generationOn: Helping Children Change the World



At Hasbro, we are proud to be nurturing a global youth service movement. Founded in 2010 with a \$5 million commitment from Hasbro Children's Fund, generationOn is the youth service division of the Points of Light. Its mission is to inspire, equip, and mobilize kids, teens, and families to take actions that change the world and themselves through service.

In 2013, our support helped generationOn:

- Inspire, equip, and mobilize more than 750,000 kids and teens to make their mark on the world through service, service learning and leadership development
- Recognize six amazing youths as [Hasbro Community Action Heroes](#)
- Inspire kids and teens worldwide to complete more than **90,000 acts of joy** during the holiday season
- Celebrate the charitable work of five young Hollywood stars through [Variety's generationOn Power of Youth Award](#)
- Engage kids and teens to raise more than 1.4 million meals for hungry children through its "What Will You Bring to the Table?" campaign

Learn more about our work with [generationOn](#).

"The Hasbro Children's Fund has been an exemplary partner for generationOn, investing time, talent, and treasure to establish our infrastructure and advance our mission. Because of Hasbro, generationOn has engaged millions of kids, teens and families around the world over the past five years, proving that young people can make their marks and drive solutions to complex social issues affecting us all."

Daniel Horgan, Executive Director
generationOn

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SOS Children's Villages: A Global Relationship



It takes a team of dedicated and passionate employees to make a global community partnership successful. Established in 2008, our global relationship with SOS Children's Villages is such an example, helping to provide stable family environments for orphaned and vulnerable children on four continents where Hasbro operates.

Employees across nine countries have volunteered in their local SOS Villages by giving their time, donating toys and games, or making financial contributions. Additionally, the Hasbro Children's Fund assists individual SOS Villages through financial support that provides food, clothing, education, and medical care for local children.

In 2013, the Hasbro Colombia team opened a second "toy library" at the SOS Village in Bogota, which serves more than 600 underprivileged children, while the team in Peru helped establish a local village's first toy library in Lima. During our Global Day of Joy, the Hasbro Russia team delivered hundreds of toys and games for orphaned children and hosted a memorable Game Day at their local SOS Children's Village near Moscow.

"What makes the partnership between SOS Children's Villages and Hasbro so special are the lasting relationships that have been built around the world. We've seen teams of Hasbro employees, from Colombia to Russia, truly become part of the SOS family through deliveries of toys and games, hosting field days, and the creation of amazing playspaces. Most importantly, this tremendous partnership has helped to establish strong bonds with the children in each of these villages and will no doubt play an important role that will help shape their future."

Lynn Croneberger, Chief Executive Officer
SOS Children's Villages-USA

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The Hasbro Summer Learning Initiative: Helping Our Neighbors Avoid Summer Learning Loss

Many students lose their academic skills and knowledge over summer break. When they return to school they often have to play catch up. Research suggests that two-thirds of the achievement gap between low-income and middle-income children stems from unequal access to summer learning.

The Hasbro Summer Learning Initiative in Rhode Island began in 2012 as a partnership with United Way of Rhode Island. In 2013, a \$200,000 grant from the Hasbro Children's Fund helped expand the program to 15 sites around the state. Partnering with United Way of the Pioneer Valley, Hasbro also funds a similar program in the Springfield, Massachusetts, area.

The initiative draws on best practices for summer learning programs, offering kids five full-day sessions per week for six weeks in an academic environment with a summer camp atmosphere. Qualified schoolteachers who follow topics aligned with the curriculum taught in the enrolled children's schools. Each site also has a generationOn service club led by middle or high school youth focused on local service projects.

In 2013, more than 2,000 students across Rhode Island and Massachusetts participated in the Hasbro Summer Learning Initiative. The results were impressive, with assessments taken at the beginning and end of summer showing that 80 percent of the children participating having experienced significant gains in literacy and math skills.

Read more about this impactful program in our [2013 Corporate Philanthropy Report](#).

Product Donations

Hasbro believes that every child, regardless of his or her circumstances, deserves the gift of play. In 2013, Hasbro's Gift of Play, our global product donation program, brought joy to more than 1.5 million children worldwide through toy and game donations valued at \$9.8 million.

Around the world, we donated products as well as financial support to hospitals, shelters, and summer camps that serve or care for sick, at-risk, or disadvantaged children. Hasbro also donated more than \$3 million in toys and games during the holiday season, working closely with nonprofit partners such as the U.S. Marine Corps Reserve Toys for Tots program, which provides holiday gifts for disadvantaged children.

Read more about the programs supported by our [Gift of Play program](#).

Disaster Relief Efforts

When disaster strikes, the impact can be devastating for everyone, especially children. Toys, games, and safe places to play can provide comfort to communities recovering from

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natural disasters or long-running conflicts. Hasbro supports such communities wherever we can around the world. During 2013, our efforts ranged from the southern United States to the Philippines and Syria.

In Moore, Oklahoma, we added Hasbro toys for local children to a relief truck loaded with blankets, water, and other necessities for tornado victims.

After the destruction by Typhoon Haiyan in the Philippines, a Hasbro grant helped build and run a safe Child Friendly Space for displaced children. Funded in part by employee contributions to SOS Children's Villages, the facility provided food, clothing, psychological support, and a haven from the devastation wreaked by the storm.

We also strive to brighten the lives of children caught in the crossfire of conflict zones. During the year, in partnership with Mercy Corps, we sent more than 10,000 toys and games to Syrian children in the Za'atari refugee camp in northern Jordan. Watch this touching [video](#) produced by the Mercy Corps team to learn more.

Using Our Talents and Assets for Good

Hasbro employees offer a unique set of creative talents and skills that we leverage to support local community partners and nonprofits in our communities. Such pro-bono volunteer services include offering 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.

Employee Volunteering

We encourage all our employees to get involved in Team Hasbro, our volunteer program. Our goal is to increase our volunteer activity each year, offering employees a variety of ways to engage in our philanthropic efforts.

2013 Volunteer Summary

26k

Employee volunteer
hours

75%

Percentage of
employees who
volunteered

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In December 2013, we launched our inaugural [Global Day of Joy](#), with more than 3,200 employees across 35 countries volunteering their time to support local community organizations.

Our Approach

Team Hasbro is managed from our corporate headquarters in Rhode Island and supported by dedicated Ambassadors, who help to coordinate and manage volunteer projects across our U.S. and international offices. We focus on building a global volunteer program that 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 children. Our Dollars for Doers program magnifies the impact of our employees' volunteer efforts by providing 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 have volunteered at least 48 hours during the calendar year.

Three signature [employee volunteer programs](#) – Game Day, Operation Playspace, and Playful Painters – apply Hasbro's skills and resources to maximize our positive impact on children in need. These are growing in popularity, with participation increasing by 170 percent between 2012 and 2013.

- **Game Day** - individuals or employee teams volunteer by donating and playing Hasbro games with hospitalized or underprivileged children.
- **Playful Painters** - employees use their creative talents by designing murals for children's organizations.
- **Operation Playspace** – volunteer teams make a difference for local child-focused nonprofits by recreating spaces as safe, imaginative Hasbro-themed play areas.

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.

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Hasbro's First Global Day of Joy



On December 6, 2013, more than 3,000 Hasbro employees across the world helped spread holiday joy to tens of thousands of underserved children through community service projects in our first annual global day of service. From our corporate headquarters in Rhode Island to offices across Latin America, Europe, and Asia Pacific, employees armed with toys, games, paintbrushes, and more volunteered with more than 100 charitable organizations. The impact was tremendous, including:

- 3,200 employee participants
- 35 countries
- 119 volunteer projects
- 82,000 children impacted
- 11,500 total volunteer hours
- 90 percent of Hasbro sites involved

“This event had a double impact - helping those less fortunate than myself and fostering a real team spirit amongst Hasbro employees.”

Volunteer, Hasbro United Kingdom

“My wife and I were thinking about becoming foster parents, and learning more about this organization (Treehouse) that provides for the needs of foster kids and families was a powerful reinforcement.”

Wizards of the Coast Volunteer, Renton, Washington, United States

Read more about the Global Day of Joy in our [2013 Corporate Philanthropy Report](#).

Volunteering for Our Partners

To maximize our giving impact to partner nonprofit organizations, we look to align employee volunteer activities with grants made through the Hasbro Children's Fund. In 2013, 97 percent of the organizations our employees donated time to received other philanthropic support from Hasbro.

For example, Team Hasbro hosted Game Days with the SeriousFun Children's Network during its Family Weekend program at Camp Korey (Washington), Hole in the Wall Gang Camp (Connecticut) and Barretstown Camp (Ireland). Employees in Los Angeles also worked

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with the Painted Turtle Camp to wrap and deliver toys. SeriousFun Children's Network is a longstanding philanthropic partner, and Hasbro Children's Fund also donated \$100,000 to support these Family Weekend programs. In addition, we donated more than 8,500 toys and games to 10 other SeriousFun Camps in 2013.

Read more [here](#).

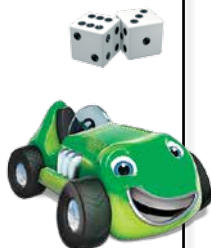
Through generationOn, we offer U.S. employees opportunities to join in service projects with their children. Hasbro's CEO also volunteers as the chair of generationOn's annual benefit in New York City.

The Team Hasbro intranet portal includes a calendar of volunteer projects with sign-up opportunities throughout the year. Employees can also use a link to search the www.allfor-good.org site for additional volunteer opportunities close to their home.

SUPPORTING HASBRO CHILDREN'S HOSPITAL YEAR ROUND

Our employees routinely volunteer at the Hasbro Children's Hospital in Rhode Island by participating in Game Days, barbecues for kids, or delivering toys to patients. Every year, we lend one of our iconic brands to serve as a theme for the hospital's annual fundraising ball. In 2013, the "PLAY-DOH Ball" raised more than \$1 million, a record amount for the hospital.

"It was amazing to see the impact that one toy could make on a child," said one employee, "I volunteered in the oncology outpatient unit - so these children would come into the hospital for chemo treatments but did not have to stay overnight. I played with one four-year-old girl for nearly the whole morning. We played all different kinds of games while she was receiving her chemo treatment. To be able to take her mind off of the scary things happening and just play some games for a few hours was one of the most rewarding volunteer programs I have ever been a part of."



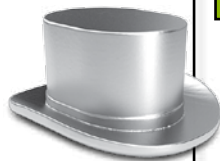
Recognizing Volunteers

We are incredibly proud of the great work our volunteers do for children around the world. To celebrate and recognize these efforts, we produce videos and feature their stories on our intranet and in our annual [Corporate Philanthropy Report](#).

In 2013, Hasbro was recognized as one of "America's Most Community Minded Companies" by the Civic 50. This recognition is a direct result of the passion and commitment of our employees and their contributions to local communities.

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SHARING JOY

Experience the seasonal goodwill in this [video](#) of the annual holiday party, hosted by Hasbro and Adoption Rhode Island, for the children they serve in foster care.

Hasbro Heroism



Our Hasbro Hero award celebrates the dedication and commitment of one employee who makes an extraordinary difference for children in his or her community.

Each year, employees around the world nominate colleagues for their service and our internal Hope Committee selects a winner. Our 2013 recipient, Jonathan Kaplinsky from Colombia, was chosen for his impressive success in continually engaging his entire office in charitable efforts. He led initiatives ranging from designing toy libraries for SOS Children's Villages to coordinating a holiday party for local children receiving care from Operation Smile.

Our CEO Brian Goldner presented Jonathan with an award and donation to his chosen charity during a quarterly company meeting.

Jonathan reflected, "The toy libraries we worked to create helped bring education and hope to children in need. The children were able to more easily find and read books of their interest, watch documentaries, receive any class, or just sit and talk about any topic."

Giving back is a big part of Jonathan's life. He donates hundreds of hours of his time each year and founded a nonprofit organization that helps Colombian writers publish their work and earn a wage.

"In many countries, life does not give people the same opportunities to succeed," Jonathan said. "Thanks to Hasbro, I can do my job without leaving my community work behind."

Read more about our Hasbro Hero [here](#).

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DATA DASHBOARD

Ethical Sourcing

Third Party Factories Audit Overview

Toy and game

All of our third party factories, located where the ICTI CARE program operates, are required to maintain a Seal of Compliance from the ICTI CARE program. The following chart provides a breakdown of the seal levels for the 46 factories in China that account for approximately 80% of Hasbro's toy and game production in the Far East.

NUMBER OF FACTORIES (2013)

SEAL CLASS AND DEFINITION

41

71.2% of sourcing

Class A Seal: The first and highest attainable seal level. Class A Seal is awarded to a factory that has been audited, with no critical defects found and has committed to transparency. Factories are found to have workers laboring no more than 66 hours per week.⁷

4

1.5% of sourcing

Class B Seal: The second level seal. Class B Seal is awarded to a factory that has been audited with no critical defects found and has committed to transparency. Factories are found to have workers laboring 72 hours per week or less, but more than 66 hours per week.⁸ This level may be achieved at an initial audit or as part of a Continuous Improvement Process (CIP) through which the factory aims to reduce working hours.



⁷ Class "A" factories working a minimum of 40 weeks at less than or equal to 66 hours per week; and seasonal overtime with a maximum of 12 weeks greater than 66 hours per week but less than or equal to 72 hours per week.

⁸ Class "B" factories work less than or equal to 72 working hours per week on a normal basis with a maximum of three occasions of work more than 72 hours per week.

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5.3% of sourcing

Conditional Seal: The third level Seal. Conditional Seal indicates that a factory has been audited with no critical defects found and has committed to transparency. The factory is found to have workers laboring more than 72 hours per week and is working through a Continuous Improvement Plan (CIP) to reduce working hours.



4.4% of sourcing

Probation: Factories found to have major areas of non-compliance identified are put on probation and a corrective action plan is established. Factories on probation are monitored on a quarterly basis to ensure corrections are fully implemented.

If a factory is on probation, Hasbro receives commitment to improvement from the factory and actively works with the factory to ensure all areas of non-compliance are corrected.

TOTAL FACTORIES



82.4% of sourcing



For a complete list of Hasbro owned and operated factories and Hasbro's third party vendors and factories, click [here](#).

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Environment

ENERGY AND EMISSIONS

Greenhouse Gas Emissions⁹ metric tons CO₂e



	2011	2012	2013
INDIRECT (SCOPE 2)			
Asia Pacific	2,508	2,498	2,513
Europe	4,075	5,070	5,077
Latin America	345	467	467
U.S./Canada	12,756	9,387	8,847
Total Indirect	19,684	17,422	16,904
Normalized (metric tons/\$ million of revenue)	4.59	4.26	4.14

	2011	2012	2013
DIRECT (SCOPE 1)			
Asia Pacific	64	72	0
Europe	3,576	2,800	3,341
Latin America	139	139	601
U.S./Canada	3,877	2,974	3,405
Total Direct	7,656	5,985	7,347
Normalized (metric tons/\$ million of revenue)	1.79	1.46	1.80

TOTAL EMISSIONS	27,340	23,407	24,251
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TOTAL NORMALIZED (metric tons/\$ million of revenue)	6.38	5.72	5.94
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CO₂ Emissions metric tons CO₂



	2011	2012	2013
INDIRECT (SCOPE 2)			
Asia Pacific	2,443	2,433	2,448
Europe	4,025	5,007	5,014
Latin America	344	465	465
U.S./Canada	12,662	9,318	8,781
Total Indirect	19,474	17,223	16,708
Normalized (metric tons/\$ million of revenue)	4.54	4.21	4.10

	2011	2012	2013
DIRECT (SCOPE 1)			
Asia Pacific	61	68	0
Europe	3,496	2,737	3,266
Latin America	137	137	592
U.S./Canada	3,839	2,944	3,371
Total Direct	7,533	5,886	7,229
Normalized (metric tons/\$ million of revenue)	1.76	1.44	1.77

TOTAL EMISSIONS	27,007	23,109	23,937
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TOTAL NORMALIZED (metric tons/\$ million of revenue)	6.30	5.65	5.87
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⁹ Direct emissions (Scope 1) include sources of stationary combustion, mobile combustion and refrigerants. Indirect emissions (Scope 2) include consumption of purchased electricity.

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ENERGY AND EMISSIONS

Energy Consumption gigajoules



	2011	2012	2013
ELECTRICITY	166,406	173,953	150,170
FUEL	77,059	74,910	76,518

	2011	2012	2013
TOTAL	243,465	248,863	226,688

TOTAL NORMALIZED (gigajoules/\$ million of revenue)	56.80	60.80	55.60
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WATER

Water Consumption U.S. million gallons



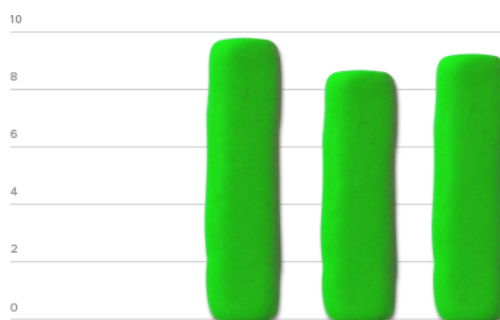
	2011	2012	2013
ASIA PACIFIC	3.5	1.9	2.2
EUROPE	2.5	2.6	2.5
LATIN AMERICA	0.2	0.2	0.1
U.S./CANADA	10.1	9	8.8

	2011	2012	2013
TOTAL	16.3	13.7	13.6

TOTAL NORMALIZED (gigajoules/\$ million of revenue)	2.76	2.49	2.72
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EMISSIONS

VOC Emissions¹⁰ U.S. short tons



	2011	2012	2013
TOTAL	9.69	8.61	9.23

Additionally, Hasbro provides state level reporting per compliance requirements for our owned and operated manufacturing facility located in Massachusetts, United States.

Hasbro does provide Toxic Release Inventory (TRI) emission 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.

¹⁰ Locations for VOC emissions are the Hasbro owned and operated factories in Massachusetts, U.S. and Waterford, Ireland.

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WASTE¹¹

Non-Hazardous Waste

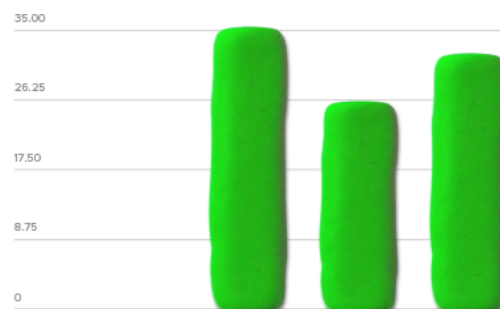
U.S. short tons



	2011	2012	2013
RECYCLING	7,143	6,606	7,043
DISPOSAL	1,498	1,420	1,706
TOTAL	8,641	8,026	8,749
RECYCLED	83%	82%	81%

Hazardous Waste¹²

U.S. short tons



	2011	2012	2013
TOTAL	35	26	32
TOTAL NORMALIZED (gigajoules/\$ million of revenue)	7.39	5.51	6.78
TOTAL SIGNIFICANT SPILLS	0	0	0



¹¹ Data includes office, distribution, and manufacturing facilities. Data is not available for a small percentage of operated leased facilities, where Hasbro waste and water was not segregated.

¹² Primary hazardous waste materials generated include solvent and paint related waste.

Note: Figures include information on Hasbro owned and operated facilities (offices, distribution centers and factories) unless stated otherwise.

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Employees

OUR EMPLOYEES

Employees, New Hires¹³ and Voluntary Turnover¹³

U.S. short tons



Employees, New Hires¹³ and Voluntary Turnover¹³ by Region

U.S.	2011	2012	2013
ALL EMPLOYEES	3,155	2,791	2,533
NEW HIRES	307	257	357
VOLUNTARY TURNOVER	—	6%	12% ¹⁴
CANADA			
ALL EMPLOYEES	154	154	155
NEW HIRES	9	14	14
VOLUNTARY TURNOVER	—	8%	6%
ASIA PACIFIC			
ALL EMPLOYEES	1,031	1,004	892
NEW HIRES	111	75	103
VOLUNTARY TURNOVER	—	7%	7%
EUROPE			
ALL EMPLOYEES	1,276	1,276	1,222
NEW HIRES	114	99	114
VOLUNTARY TURNOVER	—	7%	7%
LATIN AMERICA			
ALL EMPLOYEES	105	144	121
NEW HIRES	5	19	27
VOLUNTARY TURNOVER	—	—	15%
MEXICO			
ALL EMPLOYEES	154	135	112
NEW HIRES	22	32	17
VOLUNTARY TURNOVER	—	18%	15%

13 2011 excludes Brazil, Colombia, Dubai, Greece, Japan, Korea, Peru, Russia and Romania. 2012 excludes Dubai, Greece, Japan, Korea, Russia and Romania. 2013 excludes Dubai, Japan and Korea.

14 Includes a one-time Voluntary Early Retirement Program.

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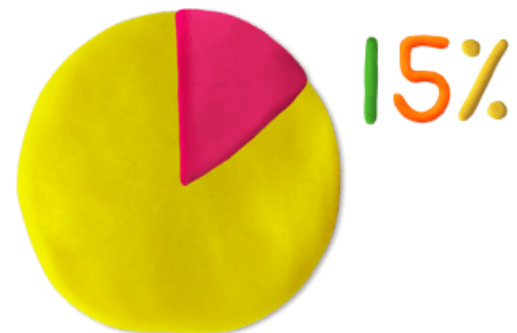
DIVERSITY AND INCLUSION

Women in our Workforce



	2011	2012	2013
FEMALE EMPLOYEES¹⁵	51%	50%	50%
FEMALE LEADERS / MANAGERS^{15,16}	31%	30%	30%
U.S. FEMALE EMPLOYEES	48%	48%	48%
U.S. FEMALE LEADERS / MANAGERS¹⁶	31%	33%	33%

Minorities in our Workforce U.S.



	2011	2012	2013
MINORITY EMPLOYEES	15%	15%	15%
MINORITY LEADERS / MANAGERS¹⁶	6%	6%	8%
MINORITY NEW HIRES	19%	20%	17%

EMPLOYEE HEALTH AND SAFETY

Employees by Ethnic Group

U.S.

	2011	2012	2013
AMERICAN INDIAN/ ALASKAN	0.1%	<0.1%	<0.1%
ASIAN OR PACIFIC ISLANDER	4.2%	4.4%	4.8%
BLACK/NOT HISPANIC ORIGIN	3.4%	3.3%	2.9%
HISPANIC	6.0%	5.7%	6.2%
NATIVE HAWAIIAN	<0.1%	<0.1%	<0.1%
WHITE/NOT HISPANIC ORIGIN	86.1%	86.3%	85.4%
OTHER/UNKNOWN	0.2%	0.1%	0.7%

Incidence Rates

per 200,000 hours worked

	2011	2012	2013
RECORDABLE INJURIES AND ILLNESS	1.46	1.16	1.08
LOST TIME INJURIES AND ILLNESS	0.58	0.52	0.38
LOST WORK DAYS	11.61	11.31	8.65
WORK RELATED FATALITIES	0	0	0

¹⁵ 2011 excludes Brazil, Colombia, Dubai, Greece, Japan, Korea, Peru, Russia and Romania. 2012 excludes Dubai, Greece, Japan, Korea, Russia and Romania. 2013 excludes Dubai, Japan and Korea.

¹⁶ Leaders/Managers are defined as director level and above.

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EMPLOYEE HEALTH AND SAFETY

Incidence Rates by Region

per 200,000 hours worked

	2011	2012	2013
AMERICAS			
RECORDABLE INJURIES AND ILLNESSES	1.44	1.22	1.3
LOST TIME INJURIES AND ILLNESSES	0.36	0.45	0.48
LOST WORK DAYS	17.29	16.60	13.91
EUROPE			
RECORDABLE INJURIES AND ILLNESSES	2.76	1.57	1.39
LOST TIME INJURIES AND ILLNESSES	1.87	0.74	0.56
LOST WORK DAYS	11.84	5.63	6.39
ASIA PACIFIC			
RECORDABLE INJURIES AND ILLNESSES	0.10	0.44	0.11
LOST TIME INJURIES AND ILLNESSES	0.10	0.36	0.11
LOST WORK DAYS	0.15	2.04	0.63



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Community

26,348

Employee Volunteer Hours

	2011	2012	2013
EMPLOYEE VOLUNTEER HOURS	18,531	20,451	26,348

\$14.5

Total Philanthropic Support¹⁷ million

	2011	2012	2013
FINANCIAL SUPPORT ¹⁸	7.3	5.4	4.7
PRODUCT DONATIONS (estimated Retail Value)	8.5	9.1	9.8
TOTAL PHILANTHROPIC SUPPORT	15.8	14.5	14.5

3.5

Children Impacted million

	2011	2012	2013
CHILDREN IMPACTED	4.1	3.4	3.5

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

¹⁸ 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 Fund, including all matching gift grants.

Global Reporting Initiative 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 2013 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 Letter
G4-2	Key impacts, risks and opportunities.	CSR at Hasbro
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization.	Hasbro, Inc.
G4-4	Primary brands, products and services.	CSR at Hasbro
G4-5	Location of the organization's headquarters.	Form 10-K
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 10-K
G4-7	Nature of ownership and legal form.	Form 10-K
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Form 10-K
G4-9	Scale of organization.	Form 10-K
G4-10	Total workforce by employment contract and gender.	Data Dashboard
G4-11	Percentage of total employees covered by collective bargaining agreements.	Engaging our Employees
G4-12	Describe the organization's supply chain.	About Our Supply Chain
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Form 10-K
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.
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Human Rights Human Rights in Our Supply Chain Our Partners Improving Logistics Reducing Waste

G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Our Partners Making Products Safely
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 10-K About this Website and Report
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 Website and Report
G4-19	All the material Aspects identified in the process for defining report content.	Material Aspects are listed in this index.
G4-20	The Aspect Boundary within the organization for each material Aspect.	Addressed throughout
G4-21	The Aspect Boundary outside the organization for each material Aspect.	Addressed throughout
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 2013.
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 2013.
STAKEHOLDER ENGAGEMENT		
G4-24	A list of stakeholder groups engaged by the organization.	Engaging Stakeholders
G4-25	The basis for identification and selection of stakeholders with whom to engage.	Engaging Stakeholders
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.	Engaging Stakeholders Hasbro did not undertake stakeholder engagement specifically as part of the report preparation process.
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.	Engaging Stakeholders
REPORT PROFILE		
G4-28	Reporting period for information provided.	About this Website and Report
G4-29	Date of most recent previous report (if any).	About this Website and Report

G4-30	Reporting cycle.	About this Website and Report
G4-31	The contact point for questions regarding the report or its contents.	About this Website and 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 Website and Report
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.	About this Website and 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
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Managing CSR
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.	Managing CSR
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
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Governing our Company
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.	Governing our Company
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Managing CSR
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.	Governing our Company
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Governing our Company
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.	Managing CSR

G4-49	The process for communicating critical concerns to the highest governance body.	Managing CSR
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.	Governing our Company
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.	Governing our Company
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.	Governing our Company

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

SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC

G4-DMA	Economic Aspects	Form 10-K 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.	Conserving Energy and Reducing Emissions
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Rewarding Employees

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. Average salary ratios for men and women in similar level roles are internally competitive across the globe, including among managers. 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.	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.	Sustainable Sourcing and Recycled Content Hasbro tracks and reports the percentage of recycled materials used in paper-based products and packaging. We do not currently use recycled input materials in products beyond paper.
Energy		
G4-EN3	Energy consumption within the organization.	Data Dashboard CDP Report
G4-EN6	Reduction of energy consumption.	Conserving Energy and Reducing Emissions
Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Data Dashboard CDP Report Assurance Statement
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Data Dashboard CDP Report Assurance Statement

G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Conserving Energy and Reducing Emissions
Effluents and Waste		
G4-EN23	Total weight of waste by type and disposal method.	Data Dashboard
Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Products and 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 2013.
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.	Improving Logistics Transporting members of our workforce is included in our Scope 3 greenhouse gas emissions, available in our CDP report . Hasbro tracks Scope 3 greenhouse gas emissions from transporting goods and materials. Due to a change in vendors in 2013, we are not able to fully report this information for 2013, but plan to continue reporting this information in the future.
Overall		
G4-EN31	Total environmental protection expenditures and investments by type.	In 2013, Hasbro incurred approximately \$100,000 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.	Engaging Stakeholders
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 2013.

CATEGORY: SOCIAL

LABOR PRACTICES AND DECENT WORK

G4-DMA Labor Practices and Decent Work Aspects [Our Employees](#)
[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. [Rewarding Employees](#)

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 and 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. [Employees](#)

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](#)

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. [Rewarding Employees](#)

Supplier Assessment for Labor Practices

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria. [Ethical Sourcing](#)

Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	In 2013, there were no grievances filed at either Hasbro-owned manufacturing facilities.
HUMAN RIGHTS		
G4-DMA	Human Rights Aspects	Human Rights 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.	Human Rights in Our Supply Chain
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.	Our Code of Conduct Employee training on policies and procedures concerning aspect of human rights was approximately 4,400 in 2013.
Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	In 2013, Hasbro received only a few claims of discrimination, and, in all cases, investigations and corrective actions, including disciplinary action up to and including termination, were taken, consistent with company policy and practices. Also, two court cases were filed in 2013. It is the company's policy not to comment on ongoing litigation. Third-party factories making products for Hasbro and other brands utilize the ICTI CARE program helpline which is managed through a third-party NGO.
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 2013.

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 risk for incidents of forced or compulsory labor in 2013.
Security Practices		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	All of Hasbro's security personnel receive training on Hasbro's human rights policies and procedures through our Code of Conduct training. Security personnel employed by our third party vendor are subject to their organization's professional standard, which includes human rights expectations.
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	About Our Supply Chain
Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	About Our Supply Chain
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	<p>Hasbro did not receive any grievances about human rights in 2013.</p> <p>Third-party factories making products for Hasbro and other brands utilize the ICTI CARE program helpline which is managed through a third-party NGO.</p>
SOCIETY		
G4-DMA	Society Aspects	CSR at Hasbro Governance and Ethics Community
Local Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Our Approach to Grant Making
Anti-corruption		
G4-SO4	Communication and training on anti-corruption policies and procedures.	Engaging in Public Policy
Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Engaging in Public 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 2013.
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 2013.
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Engaging Stakeholders
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 2013.
PRODUCT RESPONSIBILITY		
G4-DMA	Product Responsibility Aspects	Product Safety Responsible Marketing
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.	Recalls and Regulations
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
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 2013.

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 2013.
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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 fines for non-compliance related to the provision and use of products and services in 2013.
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