

Hasbro Global Modern Slavery Statement - Fiscal Year 2021

Hasbro, Inc. ("Hasbro," the "Company," "we," "us," or "our") (NASDAQ: HAS) is committed to combatting modern slavery and human trafficking across our global operations, as described in this Statement and supporting documentation. We take a continuous improvement approach to ensure our preventative and remedial efforts continue to be relevant, timely and effective. Additionally, Hasbro complies with the requirements of the California Transparency in Supply Chain (2010), UK Modern Slavery Act (2015), and the Australian Modern Slavery Act (2018). This Statement outlines our policies and actions taken to assess and address potential risks associated with modern slavery and forced labor in our supply chain, as of the end of Fiscal Year 2021.

1. Organizational Structure and Supply Chain:

[Hasbro](#) is a global play and entertainment company committed to making the world a better place for all children, fans, and families. Founded in 1923, Hasbro employs more than 6,800 employees, operates in 35 countries and contributes to sales in over 120 countries. We deliver immersive brand experiences for global audiences through consumer products, including toys and games, entertainment, and gaming. Our portfolio of approximately 1,500 brands includes MAGIC: THE GATHERING, NERF, MY LITTLE PONY, TRANSFORMERS, PLAY-DOH, MONOPOLY, BABY ALIVE, DUNGEONS & DRAGONS, POWER RANGERS, PEPPA PIG and PJ MASKS, as well as premier partner brands.

At Hasbro, we believe strong Environmental, Social and Governance (ESG) performance drives long-term value creation for all our stakeholders. As part of our ESG efforts we are committed to Corporate Social Responsibility and to building a safer, more sustainable, and inclusive company for all. For the past decade, we have been consistently recognized for our corporate citizenship, including being named one of the 100 Best Corporate Citizens by 3BL Media, one of the World's Most Ethical Companies by Ethisphere Institute, and the Civic 50 Most Community-Minded Companies in the U.S.

Our global supply chain includes approximately 75 finished goods third-party manufacturing facilities in 13 countries including China, India, Vietnam, Mexico and the United States. We also rely on subcontractors, molders and raw material suppliers. For more information on our supply chain, please view our [Third-Party Factory List 2021](#), which is publicly available and updated annually.

We continuously monitor and address labor and human rights issues, both within our direct workforce and our supply chain. We evaluate our supply chain for modern slavery risks, conduct ongoing in-depth supplier assessments for new and existing factories and implement thorough due diligence measures to address new global risks, such as institutional forced labor supported by governments or other actors. These reviews cover all aspects of the supply chain including health and safety, forced labor, child labor and other legal requirements and industry expectations.

2. Our Policies on Slavery and Human Trafficking:

We are keenly aware of the risks of modern slavery and forced labor in the global supply chain and have well-defined policies and due diligence processes to identify and remediate any instances of non-compliance, as well as a dedicated global Ethical Sourcing team. In keeping with our commitment to act with integrity, our policies help to ensure that there is no slavery or human trafficking in any part of our business or supply chains and set clear expectations for our suppliers.

Our relevant policies include:

- [Hasbro Human Rights Policy](#)
 - [Hasbro Global Business Ethics Principles](#)
 - [Responsible Business Alliance \(RBA\) Code of Conduct](#)
 - [Responsible Labor Initiative \(RLI\) Commitment on Forced Labor](#)
 - [Hasbro Guide to Ethical Sourcing for Licensees](#)
 - [Hasbro Conflict Minerals Policy](#)
 - [Responsible Recruitment and Contract Labor Policy \(new in 2021\)](#)
- Hasbro's commitment to addressing the risks of forced labor in our supply chain is grounded in our [Human Rights Policy](#). The Policy details our commitment to upholding our values and respecting human rights in our operations and business relationships, including the supply chain. We require our third-party vendors and licensees to provide fair and safe working conditions for all workers and treat their employees with dignity and respect.
 - [Hasbro's Global Business Ethics Principles \(HGBEP\)](#) and the [Responsible Business Alliance \(RBA\) Code of Conduct](#), guide our human rights and ethical sourcing practices within our global supply chain. The HGBEP standard has been approved by Hasbro senior management and the Board of Directors, is updated regularly and is communicated to the company's suppliers prior to starting any sourcing relationship as well as continually through our audit and remediation process. The Hasbro Global Business Ethics Principles are mandatory for all facilities involved in the manufacturing of our products and stipulates very clearly:

"Forced Labor - The use of forced, bonded, prison, indentured or compulsory labor in the production or manufacture of Hasbro products is prohibited. This includes modern forms of slavery, human trafficking, compulsory overtime or withholding personal papers, work permits, personal identification, or compensation. It is prohibited for factories to allow or require workers to pay employer or labor agent recruitment or other fees to obtain their employment. Workers shall not be subject to unreasonable restrictions of movement."

The Hasbro Global Business Ethics Principles incorporates the Responsible Business Alliance (RBA) Code of Conduct by reference; and in the event of a conflict, the stricter standard applies. The RBA Code provides that, "[f]orced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted." In addition to the leading RBA Forced Labor standards, the RBA Code specifies that factories adhere to "Supplier Responsibility", which includes "a process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code."

- As part of the RBA, Hasbro also is committed to the [Responsible Labor Initiative \(RLI\) Commitment on Forced Labor](#) re-iterating the requirement of ensuring voluntary work, treatment of workers free from discrimination and harsh or inhumane treatment, no worker fee policy and reimbursement to workers who have already paid fees, no holding of workers' passports, etc.

- The [Hasbro Ethical Sourcing Guide for Licensees](#) stipulates the requirements for licensee partners to effectively manage their supply chain compliance, including to prevent Forced Labor, submit third-party audits for Hasbro Ethical Sourcing approval and responsibly remediate any identified issues. Factories located in low-risk countries are required to submit a self-assessment questionnaire in order to identify foreign and/or contract labor, which would lead to further due diligence. In addition, licensees are required to complete a Forced Labor Due Diligence report ensuring that they are addressing all potential forced labor risk. The Hasbro Ethical Sourcing Guide for Licensees is referenced in all licensee agreements.
- The [Hasbro Conflict Minerals Policy](#) includes our requirement that all third-party vendors who produce Hasbro products which contain conflict minerals (tin, tantalum, tungsten and gold) complete an annual survey and only use Responsible Mineral Initiative (RMI), or London Bullion Market Association (LBMA) certified smelters.
- The [Hasbro Responsible Recruitment and Contract Labor Policy](#), developed and introduced to the supply chain in 2021, includes our requirements for the responsible recruitment, fair treatment and accountability of direct, contract and student workers in our supply chain involved in the production of Hasbro products, packaging, components and raw materials. The policy builds on our existing standards to further specify how our global supply chain partners should proactively ensure compliance, including labor agent selection, training and monitoring, as well as a requirement to notify Hasbro if they develop new relationships with labor agents or educational institutions and/or plan to contract foreign migrant labor.

3. Risk Assessment and Due Diligence:

The risk of modern slavery and human trafficking within our own organization is substantially mitigated as a result of our strict policies and procedures which integrate human rights and ethical sourcing into factory selection and ongoing business operations. The greatest risk of modern slavery and human trafficking is in our supply chain as we do not manufacture in owned facilities. However, we also evaluate human rights risk outside of the supply chain. Our 2021 comprehensive human rights assessment of Logistics, Digital Gaming and Entertainment and Film business areas, conducted by Verité, resulted in plans this year to expand our monitoring efforts, including audits of our warehouses in high-risk countries for forced labor, and strengthen human rights contract language with logistics providers.

In order to identify and mitigate risk, we undertake regular due diligence and reviews which include:

- **Annual Supply Chain Risk Assessments:** These assessments identify region-specific human rights and labor risks, including the use of labor agents and vulnerable worker populations, to help us prioritize monitoring efforts. We also review subcontractor locations, including component and material suppliers, to ensure no connection with global forced labor reports.
- **Factory selection:** All proposed factories and subcontractors are required to complete an initial Hasbro Ethical Sourcing self-assessment (RBA Self-Assessment Questionnaire), which includes questions regarding the use of labor agents, and undergo an RBA Validated Assessment Program (VAP) audit ultimately receiving an acceptable audit score and rating. Factories must immediately remediate any identified Hasbro-defined Zero Tolerance and Critical issues as well as pass a legal background check prior to receiving Hasbro orders for production. The formalized performance assessment uses a color ratings system – green (factory is excellent),

yellow (factory is fair: some remediation required) and red (factory is poor: significant remediation required), (see page 22 of the [2019-2020 Corporate Social Responsibility Update](#) and chart below for more information). For example, following a 2019 RBA VAP audit of a proposed Malaysian packaging subcontractor, we rejected the factory for production based on violations related to worker fees and holding of passports along with an unwillingness to remediate.

Hasbro Ethical Sourcing Factory Rating System

Factory Score/Rating	Factory Approval Status
86%–100% No Critical Issues	Preferred for business (audited every 12 months)
51%–85% or 1 Critical Issue	Conditional Approval (re-audited in 6-9 months)
0–50% or 1 Zero Tolerance Issue or 2 Critical Issues	No orders allowed without immediate remediation (re-audited in 1-3 months)

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

- Licensee factory due diligence:** Licensees are subject to the same standards with regards to their respective supply chains; focusing on high and medium risk countries. In addition, factories in low-risk countries are required to submit a self-assessment questionnaire to help us determine whether the facility is at-risk for forced labor and a Hasbro Ethical sourcing audit will be required to further investigate and determine compliance as well as approval for Hasbro production. All of our 1,800 plus licensees are also required to conduct due diligence and report any risk of sourcing product (whole or in-part) utilizing forced labor.

We work with industry organizations, stakeholder groups, and other brands to evaluate and address human rights and labor risks including modern slavery, human trafficking and forced labor. Our RBA and RLI membership allow us to take advantage of tools to identify and address risk as well as share best practices with other members.

4. Audits, Ongoing Verification and Evaluation:

Our Global Business Ethics Principles apply to all vendors and licensees manufacturing Hasbro and licensed products. Before beginning a relationship with Hasbro, vendors must sign onto our HGBEP requirements as a condition of their legal contract with Hasbro.

To ensure that our factories uphold our HGBEP requirements, Hasbro requires unannounced audits with third-party auditors, as well as subsequent follow-up and verification visits. We assess all finished goods and subcontractor factories as well as conduct additional annual risk-based oversight audits at least 10% of high-risk factories annually. Hasbro also retains the unilateral right to terminate its

relationship with a vendor, supplier or licensee facility in violation of the Global Business Ethics Principles.

In addition, we conducted a supply chain Tier 2 mapping and assessment, including raw material suppliers and labor agents, to gain a deeper understanding of these suppliers and associated labor and human rights risks in 2021. As a follow-up to the assessment, we will conduct audits on a representative sample of these suppliers in order to identify and address violations as well as reassess risk for sub-tiers of the global supply chain.

Our approach to managing supply chain risk is to establish and maintain long-term partners that share our values. We believe that ongoing engagement best positions us to understand issues on the ground, build strong relationships with factories, enhance transparency and collaborate to proactively address issues. We evaluate the effectiveness of our work through:

- **Compliance monitoring:** We conduct unannounced RBA VAP factory audits on all our factories at least on an annual basis, as well as Hasbro oversight audits on at least 10% of all factories tracking all related audit findings and resolutions and engaging with factories to complete comprehensive corrective action plans to address all findings. Supplier actions have included termination of fees, such as health checks and PPE, paying back workers for fees collected and translating worker contracts into the worker's native language.
- **Factory engagement on comprehensive corrective action plans** on all identified issues including forced labor, starting with root cause analysis, required of all our supply chain.
- **[Responsible Recruitment and Contract Worker Policy](#)** (instituted in 2021) requires that business partners and manufacturers take ownership of compliance by implementing Responsible Recruitment policies and procedures to effectively manage labor agents and other third-parties, pro-actively identify and resolve forced labor violations and ensure effective remedy, such as immediate pay back of worker fees. In addition, the policy requires that manufacturers notify Hasbro of any new relationships with labor intermediaries or use of foreign migrant labor.
- **Supplier Responsibility:** Hasbro requires that all suppliers communicate the RBA Code of Conduct and monitor their suppliers, including, component and raw material suppliers ensuring that compliance implementation extends throughout the supply chain
- **24/7 Free-of-Charge Worker Hotline:** Hasbro set-up a hotline for workers globally and translated into the language of the workers in each sourcing country, such as Mandarin and Spanish, to lodge grievances related to the HGBEP and required factories to post the hotline information in areas easily visible to the workers, such as canteens, dormitories and bathrooms. This hotline can be used 24/7 and is free of charge for all workers. As noted in our HGBEP, retaliation against workers of any kind is strictly prohibited.
- **Goal setting:** We set goals for factory ethical sourcing comprehensive performance based on the 90 RBA audit indicators and severity of findings. Factory performance is reviewed with suppliers regularly as part of the overall business evaluation process and tied both to follow-up audits and business consequences/incentives.
- **Assessment of feedback:** We listen to feedback from our stakeholders and supply chain partners and continuously evaluate and improve our approach to addressing supply chain issues.

Given that Hasbro's direct supply chain is mainly in China, India and Vietnam (countries which generally have lower incidences of foreign migrant labor), we identify fewer cases as well as lower fees than supply chains with significant foreign migrant labor. In 2021, our audits resulted in repayment of \$1100 in worker fees to 83 workers, in addition to the more than US \$60,000 in repayment fees to 800 workers in recent years. Through implementation of the Responsible Recruitment and Contract Labor Policy, we aim to prevent further incurrence of fees and improve factory accountability to self-monitor.

5. Training and Awareness:

We ensure that factories are made aware and properly trained on the HGBEP by regularly engaging and educating our vendors, auditors and internal teams on supply chain issues, including those related to modern slavery, human trafficking and forced labor. We do this by:

- **Internal training for our senior leaders** in sourcing, quality, and procurement departments, including regular Quality, Ethical Sourcing and Security Council meetings in order to increase understanding of the HGBEP and RBA Code, red flag early detection of forced labor, as well as program updates. We also will roll-out new e-learning training sessions for employees in 2022.
- **Regular vendor training** and engagement sessions for finished goods and high-volume subcontractors in China, India and Vietnam.
- **E-learning requirement** that all finished good factories and high-volume subcontractors are required to complete the Hasbro Ethical Sourcing Academy, a 30-hour comprehensive on-line course on ethical sourcing which includes a test after each course to measure and ensure comprehension with 100% correct answers. In 2021, we added a more advanced course that factories are now required to complete as well.
- **Annual expectations letter** to direct suppliers, including updates on strengthened Forced Labor Code language, the prohibition to use North Korean labor and reinforcement of the Responsible Recruitment Policy.

In addition, we actively engage with industry organizations (RBA, RLI), regional meetings (U.S. government panel on CAATSA, Mekong Club), expert consultants (e.g. Verité and Elevate), and other brands to stay abreast of the latest developments, issues and regulations and collaborate where possible. The Vice President of Global Sustainability and Human Rights also has been an active participant on the RBA VAP Advisory Council.

6. COVID-19 Pandemic Actions

Throughout the pandemic, we have sought to live our values and our purpose in real time, working tirelessly to support our people, adapt and reimagine our businesses and supply chains, and engage our communities and governments to help make a difference for all. With regard to our supply chain, we supported major suppliers in safe re-openings, provided training to factories on Covid Safety, ensured that factories followed local laws of paying Covid-lockdown and sick-leave wages properly, and produced a Covid-safety best practices webinar for other suppliers locally and globally to benefit. We also converted several of our partner manufacturers to PPE operations—producing 50,000 face shields/week for donation to frontline healthcare workers in the U.S. and Europe. For more information, please see pages 15 – 17 in the [2019-2020 Corporate Social Responsibility Update](#) report.

7. Governance and Internal Accountability

Responsibility for the implementation of this policy rests with our ESG and Purpose team led by the Chief Purpose Officer, who reports directly to the CEO, and managed by the Vice President of Global Sustainability and Human Rights. Oversight for these policies resides with the Nominating, Governance and Social Responsibility Committee of the Hasbro Board of Directors (“Governance Committee”), as well as with Hasbro’s executive Environmental, Social and Governance Committee. In addition, the ESG and Purpose team regularly reviews and updates this policy in close collaboration with the functional teams. The Governance Committee approved this statement on July 27, 2022.

Eradicating human trafficking requires strong action and collaboration from governments, business, international organizations, and civil society. Hasbro is committed to regularly reviewing and continuously improving our approach to human rights, including human trafficking and modern slavery, and strengthening our approach as needed, to align with emerging laws, regulations and Hasbro core values.



Chris Cocks

Chief Executive Officer (CEO)
Hasbro, Inc.