



2020

CORPORATE SOCIAL RESPONSIBILITY REPORT





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About This Report

This is Spin Master Corp.'s second Corporate Social Responsibility (CSR) Report. Spin Master Corp. and its subsidiaries are together referred to, in this report, as the "Company" or "Spin Master." The report content was defined based on the materiality analysis that we conducted, which includes our direct operations and third-party vendors in the case of social compliance and carbon emissions.

This year, we have restated our carbon, packaging, diversity and responsible sourcing figures. Please see those sections and the Performance Data section at the back of the report for more details.

Additionally, after completing our materiality analysis, we have expanded reporting on two new topics – data privacy and cybersecurity. Otherwise, there have not been substantial changes in the scope of our reporting.

This report covers calendar year 2020, from January 1, 2020 to December 31, 2020, and was released in April 2021. We have also included some forward-looking information.

The most recent report prior to the 2020 Corporate Social Responsibility Report was the 2019 Corporate Social Responsibility Report, which was released in April 2020. We will continue with an annual reporting cycle going forward.

This report includes all Sustainability Accounting Standards Board indicators for Toys and Sporting Goods and material indicators for Global Reporting Initiative Standards, and these are referenced in the Performance Data and GRI Index sections.

This report has not been externally assured.

For further questions, please contact communications@spinmaster.com





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When we published our first Corporate Social Responsibility (CSR) Report for 2019, we couldn't have imagined that the world was on the precipice of a global pandemic that would change how we work, how we interact with each other, how we operate our business and how we go to market. With a tremendous global team effort, our business has been able to weather this storm, but not without having to make some tough decisions about our priorities and investments. While some of our CSR programs were accelerated and adapted in response to the pandemic, other priorities were temporarily paused to focus on the most pressing needs of our business and the environment in which we are operating.

When we set out our CSR vision last year, we identified four key strategic areas of focus: our **products**, our **people**, our **community** and our **environment**. We continue to align our programs and efforts within these four areas as we look to our long-term CSR strategy with intentional emphasis on material issues, including product quality and sourcing, packaging, employee experience and philanthropy. We continue to focus on strengthening our goals, meeting established targets and improving data collection to provide a clearer picture of our performance within these areas.

This year, we are advancing our CSR strategy and reporting on many dimensions. First, we conducted a materiality assessment to better identify the CSR risks, opportunities and topics that are most impactful to our key stakeholders. Second, we are incorporating GRI Standards into our report to enhance transparency. Third, we have fortified our CSR governance structure with the Governance and Nominating Committee of the Board of Directors now having official oversight of our CSR strategy.

Our People

In addition to maintaining the continuity of our operations, the health and safety of our employees has been paramount. During the first wave of the pandemic, we transitioned to a work-from-home model in many of our offices. While our IT, Facilities and HR teams supported this transition seamlessly, our employees, like many people around the world, were dealing with the blurring demands of work, family and their own health. We took several steps to support them during this unprecedented time. We increased communication with our employees, giving them more frequent updates on the business and our response to the pandemic. At the same time, we increased our listening cadence to ensure a continuous feedback loop. We also established flexible work schedules, introduced a remote work credit and fortified our mental health offerings to support employees. Many of these progressive initiatives were on the radar for Spin Master prior to the pandemic, but the circumstances helped to accelerate these efforts.



We continue to focus on strengthening our goals, meeting established targets and improving data collection to provide a clearer picture of our performance.



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Our Community

Spin Master has always been passionate about providing children with the joy of play. We know that the pressures of the pandemic have negatively affected children's mental health, and some have been denied that simple joy. At the height of the pandemic, 1.5 billion kids were out of school and they missed their friends, worried about their family and were searching for creative outlets and play experiences. Recognizing that the need for inspiration, imagination and creativity had never been greater, we rallied to increase our toy donations and found new ways to help parents keep their children educated and entertained at home. Working with charitable organizations around the globe, we donated more than 460,000 toys to children in need, providing a small dose of magic during this exceptionally bleak time. We also introduced Sago Mini School™ in April, a curiosity-led learning app for preschoolers aged 3–5, and provided limited-time free access in some regions to support parents with at-home learning.

In addition to toy donations, at the onset of the pandemic our employees felt compelled to help with the need for personal protective equipment (PPE) for front-line workers. Our product development team came up with an

ingenious solution to produce face shields using headbands from one of our popular board games, Hedbanz™. A cross-functional team of employees worked together to produce, distribute and deliver more than 450,000 face shields to hospitals, shelters, long-term care homes and First Nations communities in Canada, the US, Mexico and as far away as Japan and Israel.

Our Environment

While the challenges of COVID-19 caused us to pause some of our environmental sustainability plans, we still managed to move forward with several key initiatives outlined in detail on page 33 of this report. Last year, we made the commitment to offset 50% of our self-generated carbon footprint and we delivered on that promise with an investment in two projects in Brazil and the United States, resulting in offsetting 10,000 metric tonnes of carbon. This ended up being over 100% of our self-generated footprint in 2020. We also explored biomaterials in the search for opportunities to reduce plastic in the production of our toys. While we did not initiate an end-of-life program for toy recycling in 2020, we have committed to proceeding with a program with TerraCycle® in the United States and Australia for 2021. Reducing plastics in packaging continues to be an important goal for Spin Master and we have approved funding for greater efforts in this area this year.

Our Products

We have an unwavering commitment to provide children and families with the highest quality products and we have strict protocols and testing in place to ensure the safety of all our items. We understand the important role our products play in influencing children and we are committed to evolving our characters, storylines, games and toys to inspire and empower children. Specifically, within our entertainment series, we have introduced characters that represent the diverse society in which we live and storylines that demonstrate positive social behaviours.

While 2020 was a challenging year, we believe we are stronger coming out of it. Spin Master is known for its resiliency and entrepreneurial spirit. Time and time again we have proven our ability to bounce back and succeed. We've seen so many amazing examples of our values at play, despite the turmoil surrounding us all. This team of people, close to 2,000 globally, has been through so much and they continue to rise to every challenge. We are entering 2021 with a renewed and expanded focus on our CSR commitments, ready to make a difference within our Company, our communities and for children around the world.

While 2020 was a challenging year, we believe we are stronger coming out of it. Spin Master is known for its resiliency and entrepreneurial spirit.

Ronnen Harary
Co-Founder and Co-CEO

Anton Rabie
Co-Founder and Co-CEO



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About Spin Master

Spin Master Corp. (TSX:TOY) is a leading global children's entertainment company creating exceptional play experiences through a diverse portfolio of innovative toys, entertainment franchises and digital games. Spin Master is best known for award-winning brands PAW Patrol®, Bakugan®, Kinetic Sand®, Air Hogs®, Hatchimals®, Rubik's Cube® and GUND®, and is the toy licensee for other popular properties. Spin Master Entertainment creates and produces compelling multiplatform content, stories and endearing characters through its in-house studio and partnerships with outside creators, including the preschool success *PAW Patrol* and nine other original shows along with multiple short-form series, which are distributed in more than 190 countries. The Company has an established digital games presence anchored by the Toca Boca® and Sago Mini® brands, which combined have more than 40 million monthly active users. With close to 2,000 employees in 28 offices globally, Spin Master distributes products in more than 100 countries. The Company has established three creative centres comprising Toys, Entertainment and Digital Games.

Within the toys creative centre, we create, design, manufacture, license and market a diversified portfolio of toys, plush games and outdoor products. In addition to owned intellectual property, the Company has been entrusted as toy licensee for leaders in the entertainment world, currently including Monster Jam®, Warner Bros. Consumer Products, the DC brand and DreamWorks' *How to Train Your Dragon*.

We are constantly pushing the boundaries, reimagining products and play experiences, producing innovative products, garnering industry recognition and providing magical experiences for children around the globe. The toy teams at Spin Master have a commitment to excellence and innovation, bringing meticulous detail to each item. As a result, Spin Master's products have received numerous awards, including 115 Toy of the Year (TOTY) nominations with 32 wins across a variety of product categories, including 13 TOTY nominations for Innovative Toy of the Year.

The Company also sells entertainment content it develops through established relationships with North American and global broadcasters and streaming platforms. Spin Master's success in developing and selling original content has increased the number of new content pitches to the Company from third-party content creators.

The digital games creative centre operates primarily out of two studios, one in Toronto, Canada, and one in Stockholm, Sweden. The team develops, manages and markets digital games for children. *Toca Boca* studios create digital games and everyday products that are filled with fun and silliness that kids from any corner of the world can instantly relate to. The award-winning *Sago Mini* brand is devoted to open-ended play experiences for preschoolers worldwide. *Sago Mini* studios make toys, apps and play experiences that seed imagination and grow wonder, bringing thoughtful design to life.

For further information on our financial performance, please refer to our [annual report](#).



Company Vision

**Reimagining where
imagination can take us.**



Company Purpose

**To create never-ending
fun in an ever-growing
sandbox.**



Company Values

We've Got Integrity



We Get Results



We Invent



We Collaborate



We Partner



We Are Open-Minded



We Are Entrepreneurs



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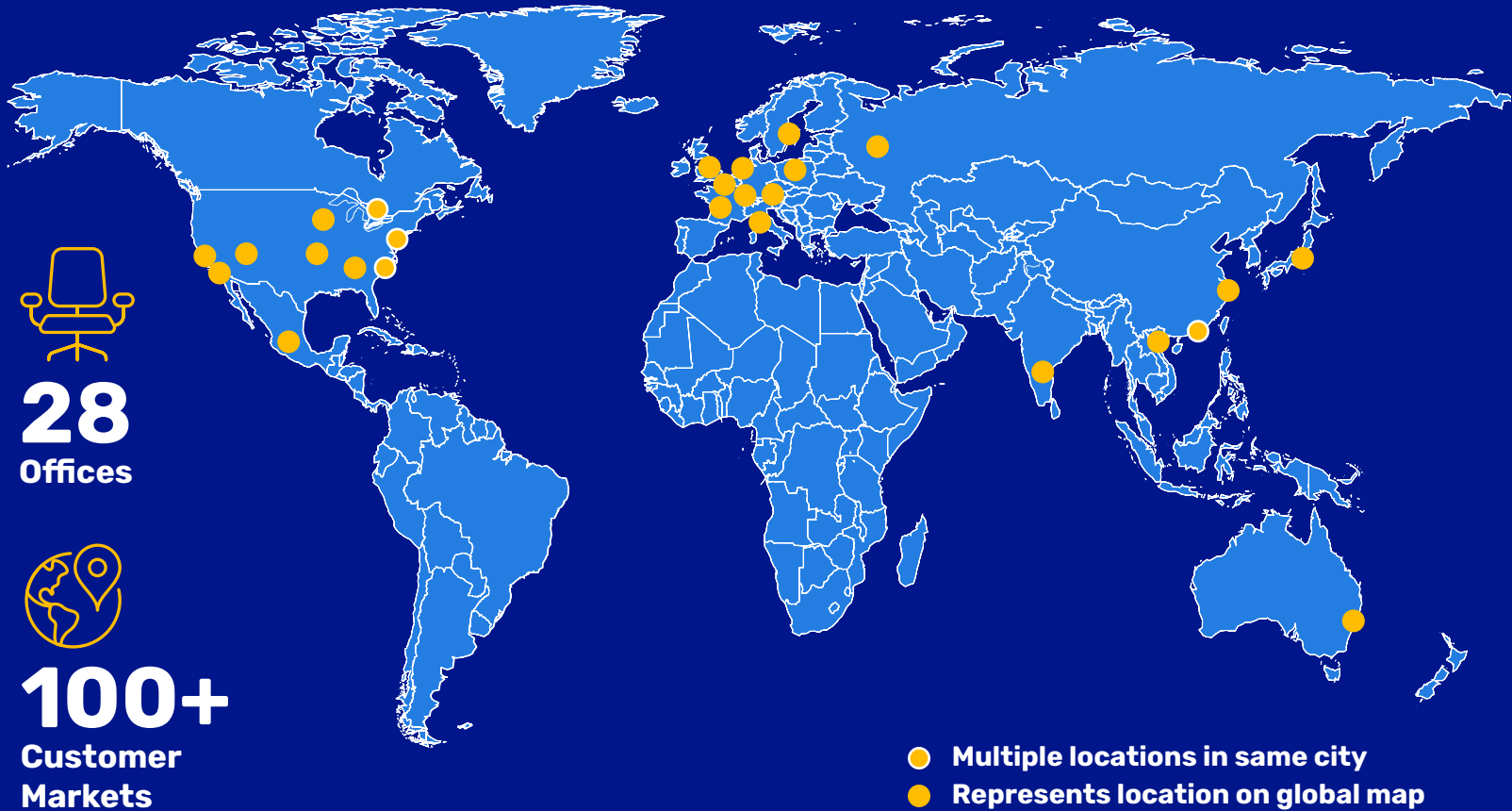
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Spin Master Global Offices



LOCATIONS

(City, Country, Multiple)

- Amsterdam, Netherlands
- Atlanta, US
- Bangalore, India
- Bentonville, US
- Bourne End, UK
- Bratislava, Slovakia
- Calais, France
- Dongguan, China
- Hai Phong City, Vietnam
- Hong Kong, China (SAR) (2)
- Jiaxing, China
- Las Vegas, US
- Los Angeles, US
- Mexico City, Mexico
- Milan, Italy
- Minneapolis, US
- Moscow, Russia
- Munich, Germany
- New York, US (2)
- Paris, France
- San Francisco, US
- Stockholm, Sweden
- Sydney, Australia
- Tarboro, US (2)
- Tokyo, Japan
- Toronto, Canada (4)
- Warsaw, Poland

FULL-TIME EMPLOYEES BY REGION

CANADA	ASIA	USA	EUROPE	MEXICO	AUSTRALIA
673	448	404	380	39	21



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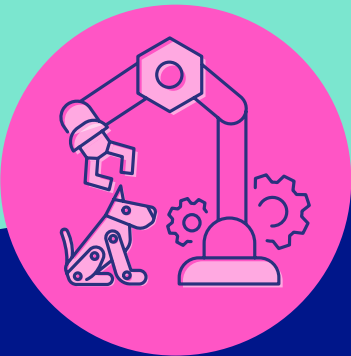
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CSR at Spin Master

CSR Vision

Spin Master brings kids and families together through the timeless magic of play. As we continue to grow our business, we seek to be an inclusive employer, enhance the communities in which we operate and minimize our environmental impacts.

CSR Strategic Focus Areas



Our Products

As a leading children's entertainment company, we operate in a highly regulated industry and are committed to the highest product quality and safety.



Our People

Our people are our key differentiator. We are committed to their development and well-being and to fostering our unique and inclusive culture.



Our Communities

Giving back is an integral part of our culture. Through philanthropic giving, volunteering and toy donations, we help enrich the lives of children and families.



Our Environment

We recognize the need to act in support of the environment and to minimize the impact of our operations, for children and families today and for generations to come.





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CSR Governance

In 2020, oversight of Spin Master’s CSR strategy was added to the responsibilities of the Governance and Nominating Committee of Spin Master’s Board of Directors. As a result, the Committee is responsible for reviewing and assessing the Company’s CSR strategy and related reporting for environmental and social matters, including donations and community investment, and monitoring its performance on an annual basis. This Committee provides updates to the board on environmental and social issues as necessary.

CSR Committee and
Sub-Committees

Spin Master has an established CSR Committee comprised of representatives from across the Company, including those with expertise in a number of disciplines including Legal, Quality Assurance/Compliance, Human Resources, Finance, Packaging, Facilities, Design, Communications and Enterprise Risk Management. The CSR Committee is led by the Vice President of Communications and Corporate Citizenship who reports into the EVP and Chief People Officer.

Committee members review the performance of the Company through a CSR lens and make recommendations on activities and initiatives to be taken by the Company. In addition, members are responsible for driving specific initiatives designed to deliver on CSR targets in conjunction with functional owners in the organization to execute programs within the four key areas of products, people, environment and community. Ultimately, the Committee drives progress for CSR initiatives and is committed to continuous improvement.

CSR Committee and Sub-Committees





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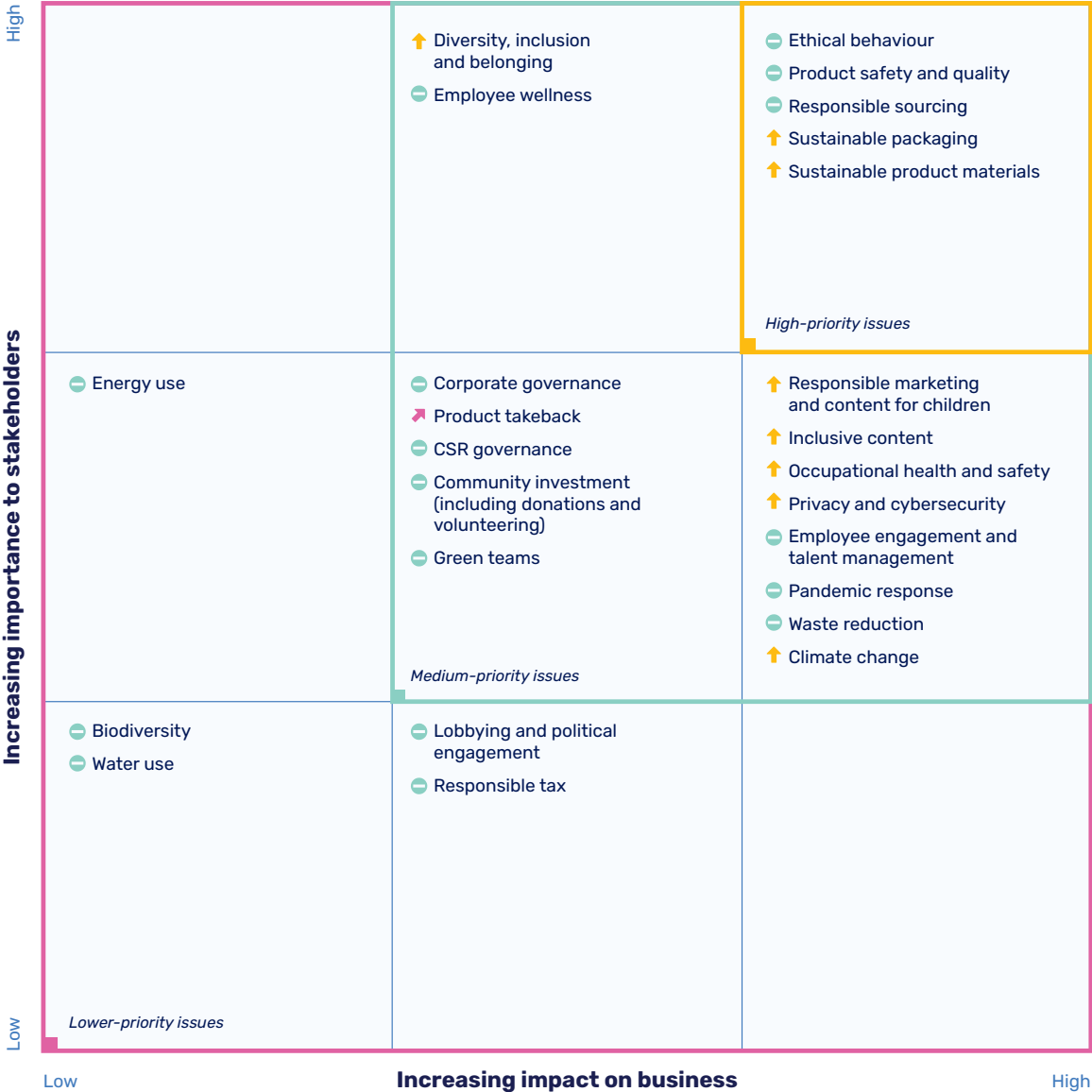
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Materiality Analysis

Our materiality analysis forms the basis for the key issues that we focus on in our CSR strategy and consequently, in our CSR report. We analyzed industry developments and environmental, social and governance (ESG) ratings/rankings and also deployed a material issues survey to key stakeholders, which were followed up with supplementary interviews and validation with our CSR Committee. Below, we have plotted the analysis by issue and stakeholder.



- Steady level of interest
- ↑ Increasing importance to stakeholders
- ↗ Increasing importance to stakeholders and impact on business

High-priority issues are issues that are critical for our business to address, medium-priority issues are issues that are evolving to become more important or steady state within our business, and lower-priority issues are those where we have a lower impact on the issue.



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Risks and Opportunities

There are several risks and opportunities that we see for the business in the near and longer term from a sustainability perspective.

Risks

Product quality and safety and responsible sourcing are fundamental for the Company and require vigilance. A failure on either of these two issues could bring significant reputational, financial and liability risk to the Company. We have a number of management systems and programs (see the Product Safety and Quality and Responsible Sourcing sections for more details) to manage these risks.

Public health incidents and public health crises, like COVID-19, could increase and could cause significant disruptions for our suppliers and customers, as well as for employees. The risk of contracting diseases could lead to continued factory opening restrictions, travel restrictions, shipping and shopping restrictions, and critical infrastructure closure. By diversifying our business geographically, and the nature of business to more digital products, this offers some insulation from these disruptions.

Changes in regulation, such as in privacy, trade laws and regulations, and environmental stewardship, will cause increased requirements for compliance and in some cases may lead to the reconsideration of our current products and operations. Spin Master monitors regulatory changes to ensure that we comply with all regulations.

For more details on other business risks, please see our most recent [annual report](#) and any subsequent interim Management's Discussion & Analysis.

Opportunities

Sustainable materials for our toys will open up new avenues of innovation for our suppliers, helping to protect our reputation, enhancing brand value and reducing our overall impact.

Engagement with employees on sustainability issues will help us achieve our sustainability goals, support employee morale, and contribute to attracting and retaining employees.

Inclusive content can help increase representation for diverse communities, foster discussion and help support positive social change.

New stakeholder partnerships will help us tackle systemic sustainability issues and support positive stakeholder and community relations.





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Stakeholder Engagement

For the development of this report, we created a stakeholder map, which involved identifying our stakeholders, their areas of interest and their level of influence, expertise, orientation, vulnerability, capacity and level of trust. We interviewed and surveyed approximately 60 internal and external stakeholders as part of the creation of this report. The table below provides an overview of how stakeholders are engaged throughout the year.

STAKEHOLDER GROUP	HOW THEY ARE ENGAGED	KEY TOPICS
 Employees	<ul style="list-style-type: none">• Town hall meetings• Open forums• 1:1 and team meetings• Experience surveys• Training and development• Internal messaging• Earth Buddies Teams• Employee resource groups	<ul style="list-style-type: none">• Employee experience – diversity, including employee engagement, learning and development, compensation and benefits, talent acquisition, inclusion and belonging, occupational health and safety, employee wellness• Pandemic response• Community support• Philanthropy• Sustainable packaging• Sustainable product materials• Waste reduction
 Customers	<ul style="list-style-type: none">• Sales team account engagement• Industry group engagement• Commercial relationships	<ul style="list-style-type: none">• Product safety and quality• Responsible sourcing• Inclusive content
 Families	<ul style="list-style-type: none">• Focus groups• Insight team consumer preference and direct product testing• Consumer care interactions• Net promoter scores• Consumer surveys• Social media	<ul style="list-style-type: none">• Product safety and quality• Privacy• Inclusive content
 Investor audiences	<ul style="list-style-type: none">• Investor calls/presentations• Direct engagement with analysts/lenders	<ul style="list-style-type: none">• Corporate governance• Financial performance• ESG topics – product safety and quality, product materials• Cybersecurity• Pandemic response



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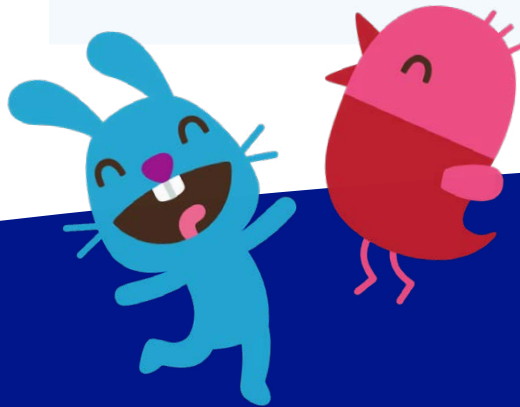
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Stakeholder Engagement

STAKEHOLDER GROUP	HOW THEY ARE ENGAGED	KEY TOPICS
 Civil society	<ul style="list-style-type: none">• Media• Direct engagement• Memberships• Partnerships	<ul style="list-style-type: none">• Product safety and quality• Responsible sourcing (human rights)• Product takeback
 Suppliers	<ul style="list-style-type: none">• Direct engagement with procurement• Site visits and audits• Supplier questionnaires• Purchasing relationships	<ul style="list-style-type: none">• Product safety and quality• Pandemic response
 Community	<ul style="list-style-type: none">• Partnerships and outreach• Donations and sponsorships• Employee volunteerism• Memberships	<ul style="list-style-type: none">• Community donations and volunteering• Pandemic response
 Government	<ul style="list-style-type: none">• Engagement through industry associations	<ul style="list-style-type: none">• Product safety and quality• Responsible marketing and content for children• Responsible sourcing• Sustainable packaging• Privacy



Key Memberships
and Partnerships

Spin Master is a member of several
organizations, including:

Advertising Standards Canada
Academy of Canadian Cinema
Alliance of Canadian Cinema,
Television and Radio Artists
(ACTRA)
Australian Toy Association
Canadian Media Producers
Association
Directors Guild of Canada

Futurpreneur
ICTI Ethical Toy Program
Save the Children
Screen Actors Guild-American
Federation of Television and
Radio Artists (SAG-AFTRA)
TerraCycle®
The Toy Association
Toy Industries Europe

Women in Animation
Women in Film and Television
Women Drawn Together
Writers Guild of America
Writers Guild of Canada
Women in Toy, Entertainment
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Governance and Ethics

We are committed to sound corporate governance and review our practices on a regular basis to ensure transparency and compliance. Through our governance management practices and policies, we strive to ensure accountability and foster long-term value with our shareholders. This past year, we reviewed several company policies with the goal of strengthening our standards and refining our governance practices to reflect changes in the governance landscape.

One of our core values is integrity and we hold ourselves and each employee accountable to operate in accordance with high ethical and legal standards. Our standards and principles can be found in our [Code of Conduct](#).



More information and detail regarding our Company policies can be found [here](#).





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Data Protection and Cybersecurity

Data protection and cybersecurity have risen in importance to our Company, our customers and our consumers as we increasingly play and operate in the digital world. At Spin Master we have protocols and programs in place to safeguard the confidentiality, integrity and availability of sensitive data and information systems. In our ongoing effort to keep Spin Master cyber-safe, we continually deploy enhanced security measures across the organization and engage with a third party to conduct regular penetration tests. Additionally, we regularly administer regular security awareness campaigns with employees globally.

We take our stewardship of our customers' and consumers' information seriously and ensure that all data is collected in accordance with all applicable regulations.

More information on our privacy policy can be found [here](#).

At Spin Master we have protocols and programs in place to safeguard the confidentiality, integrity and availability of sensitive data and information systems.





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COVID-19 Response

As the COVID-19 pandemic disrupted our daily routines both at work and at home, the Company took proactive measures to implement a work-from-home protocol for the majority of our offices. We implemented Zoom and other tools to keep everyone connected and to maintain operations globally. We increased our communications frequency and conducted weekly and monthly meetings with the senior leadership team and employees to keep everyone informed on the latest updates on the business and our response to the impact of the pandemic.

With the health and safety of our employees a top priority, we implemented a number of safety protocols in our offices and manufacturing facilities globally, including physical distancing guidelines, daily temperature/ screening checks, wayfinding signage for how to navigate the office safely and personal protective equipment (PPE). We increased cleaning services and stocked disinfectant wipes in conference rooms and common areas and installed hand sanitization stations near all high-touch point areas. Our HR and Facilities teams hosted global weekly virtual orientations for employees to review safety measures and IT provided training to support employees working remotely. We created a dedicated COVID-19 resource page on our intranet to provide employees with easy access to the latest information on COVID-19 safety guidelines and resources to support working remotely.

To better understand the impact of the pandemic on our employees, we conducted a survey, administered by a third party, to assess our employees' well-being, new remote work environment and how we can better support them. To this end, we put a number of programs in place to support employees working remotely, including flex work schedules, remote work credit and office furniture discounts with select retailers, and fortified our mental health offerings in several regions to help support

employees during this stressful and difficult time. As the pandemic has continued to evolve and impact employees, we are adding supplemental support for employees in 2021, including adding free access to live online educational classes.

Our factories in Tarboro and Calais followed the same safety protocols we put in place for our offices, with additional measures. Both factories implemented temperature screening on site, provided PPE and hand sanitizer, and all employees had to follow safety procedures before entering the facility.

Throughout the pandemic, we stayed true to our ongoing commitment to giving back to the communities where we live and work. Our employees showed amazing examples of innovation and collaboration, including the production of face shields using headbands from our popular *Hedbanz* game. We produced more than 450,000 face shields and donated them to hospitals, shelters, long-term care homes and health organizations in Canada, the US, Mexico, Japan and Israel. We also increased the volume of toy donations benefitting children globally. More information about the Company's efforts during the COVID-19 pandemic can be found within the various sections of the report.



We produced more than
450,000
face shields and donated them to hospitals, shelters, long-term care homes and health organizations in Canada, the US, Mexico, Japan and Israel.



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Our Products

As a leading children's toy and entertainment company, we operate in a highly regulated industry and are committed to the highest product quality and safety. We believe in creating an exceptional play and entertainment experience for children and we have a comprehensive approach to product safety and quality, responsible sourcing, responsible marketing and content for children, and inclusive content.



274M

Toys and games
produced in 2020.

99%

of manufacturing
facilities underwent
an Ethical Toy Program
audit in 2020.

**Zero
recalls**

The Company has not
had any consumer
recalls in over a decade.



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Product Safety and Quality

Children’s product safety is fundamental to Spin Master’s operations. We embed safety and quality into every product and play experience, ensuring we comply with all applicable regulatory standards, which are inherently stringent. Our process is illustrated below, showing how safety and quality are embedded in every aspect of our business from the design, development, manufacturing and distribution to use phases.



1. Assessment

We pull together the global product regulation framework, product histories, design, brand and consumer insight in assessing safety parameters for all of our brands and products.



2. Product Development

We refine our products based on consumer insights and the application and establishment of global and unique regional product configurations. Every country Spin Master distributes in has distinct children’s regulatory safety laws requiring government certifications or equivalent endorsements.



3. Quality Testing

We take products through several iterative production pilots where products are evaluated against safety and regulatory standards, durability and reliability, in addition to consumer focus groups. This critical step concludes in formal safety certifications by independent, accredited third-party laboratories for global product distribution and continuous manufacturing consistency. Spin Master products conform to USA CPSC and ASTM requirements, European Standard EN71 and the Europe Toy Safety Directive, the *Canada Consumer Product Safety Act* and associated regulations, Mexico Norma Oficial (NOM) Mexicana certification and associated International Organization for Standardization (ISO) toy safety standards, in addition to other regional safety standards. The Company archives laboratory certifications and makes customer-available links traceable to every individual product shipment.



4. Reviews and Surveys

To gain new insights into future product lines, reviews and surveys are completed on a regular basis through Spin Master’s Quality Centre of Excellence.



Spin Master’s Quality Centre of Excellence

is responsible for product safety, integrity and compliance, factory compliance, and product design and execution oversight. It navigates a critical balance between innovation and regulation. The Centre of Excellence connects technical expertise, legal affairs, sustainability, sales and consumer insights.

The Centre of Excellence receives continuous flows of customer and consumer feedback including information received from sales team account engagement, insight teams’ studies on consumer preferences and direct product testing, consumer care metrics such as net promoter scores and surveys, and results from online store scores.



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Product Safety and Quality

All the materials used in our products are rigorously tested for safety and product integrity. We have a regularly updated restricted substances list (RSL) of over a thousand substances based on global regulations and standards that provide guidance on restrictions and bans of certain materials. Below, we have provided more detail on a selection of these materials:

Bisphenol-A (BPA) – BPA is typically used in polycarbonate, a shatterproof plastic, in trace amounts. We follow all regulations related to BPA and do not produce any toys that would be mouthed or would touch food for children under 36 months.

Brominated flame retardants (BFRs) – Spin Master does not use any BFRs in its products. We have designed alternative methods to meet flammability requirements.

Lead – Spin Master tests for lead in all of its products and is fully compliant with all applicable regulations and standards related to safe levels of lead in products for children.

Phthalates – Phthalates have been eliminated from all of Spin Master’s products.

Polyvinyl chloride (PVC) – PVC is found in some soft plastic toys, such as inflatable pool floats and collectible action figures, due to its safety, flexibility, durability and ability to retain colour. We have not yet identified a suitable alternative material to PVC for these products and continue to test products containing PVC regularly for safety and quality compliance. In 2013, we removed PVC from all of our packaging given its lack of recyclability.

Substances of Very High Concern (SVHC) – There are no SVHC chemicals over 0.1% by weight in any of our products, as is standard practice within toy safety compliance.

Our Performance

The Company has not had any consumer recalls or fines in over a decade.

	2017	2018	2019	2020
Annual production (millions of products)	211	252	272	274
Number of recalls	0	0	0	0
Total units recalled	0	0	0	0
Number of Letters of Advice (LOA) received	0	0	0	0
Number of legal and regulatory fines and settlements associated with product safety	0	0	0	0





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Responsible Sourcing

Spin Master is a global business with offices in 28 countries, distribution in over 100 customer markets and manufacturing in nine countries in 156 facilities (SASB CN0604-B). Ninety-five percent of our production is outsourced (SASB CN0604-B). It is crucial that we make best efforts to positively impact the people and communities we touch. We have several measures in place to help ensure our products are sourced in a responsible manner from suppliers who share our values and commitment to business integrity.

We choose suppliers based on a number of criteria, including cost to market, time to market, product capacity, location logistics efficiency, engineering and technical capacity, financial health and social compliance to the International Council of Toy Industries (ICTI) Ethical Toy Program (IETP), the latter of which is non-negotiable. We also consider the suppliers' environmental performance in choosing suppliers. In addition, 70% of Spin Master's Tier 1 suppliers are ISO 9001 certified.

Spin Master has been an active participant of IETP since its inception. Through regular audits, as well as training and education, the program provides guidance on responsible supply chain practices, including audit process, business ethics, discrimination, disciplinary practices, employee representation, employment practices, environment and chemical safety, modern-day slavery, safety, underage labour, wages and working hours. We have adopted a Code of Conduct for Suppliers and Manufacturers which stipulates that our suppliers must have an IETP certification and vendors must be sealed by IETP or an equivalent program such as Workplace Conditions Assessment (WCA), Social Compliance Audit Network (SCAN), Sedex Members Ethical Trade Audit (SMETA), Business Social Compliance Initiative (BSCI) or Responsible Business Alliance (RBA,

formerly EICC). IETP and its equivalents are used widely by the industry and they allow manufacturers, brands and retailers to share, monitor and manage ethical supply chain information quickly and easily – reducing audit fatigue at the factory level and allowing everyone to operate more efficiently. We receive and manage ICTI notifications of factory audit status daily to ensure compliance and use third-party services to monitor and control vendor compliances. Spin Master requires its third-party manufacturers and distributors to comply with Spin Master's **Code of Conduct for Suppliers and Manufacturers**, which is designed to prevent products manufactured by or for the Company from being produced under inhumane or exploitative conditions and includes a bare minimum of IETP compliance. We provide further context in our **Statement of Modern Slavery and Transparency in Supply Chains**.

At the moment, Spin Master and our licensors do not formally require Tier 2 (component) or Tier 3 (raw material) IETP audits; however, exceptions are made if materials or components are or can be identified as Spin Master or licensor intellectual property.

To learn more about the ICTI Ethical Toy Program, go to ethicaltoyprogram.org.





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Responsible Sourcing

Other than our Meccano®, SwimWays® and Kinetic Sand brands, which are made in France and the US, all our manufacturing occurs in facilities owned and operated by third parties. Currently, we source our products from China, Vietnam, India, Cambodia, Indonesia, Mexico and Sweden.

Our Supply Chain During
COVID-19

Over the past few years, we have been diversifying the geographic locations of our sourcing, and throughout the pandemic we were able to avoid any significant disruption for manufacturing by working closely with our manufacturers on COVID protocols.



Our Performance

In 2020, we consolidated the number of factories from which we source our toys.

	2017	2018	2019	2020
Total number of manufacturing facilities	179	175	213 (only 2 owned)	156 (only 2 owned)
Percentage of facilities audited to ICTI Ethical Toy Program (IETP) or equivalent program	93%	100%*	100%*	99%*
Number of facilities audited to ICTI Ethical Toy Program (IETP) or equivalent program	167	234	299	188
Direct suppliers' non-conformance rate with external social responsibility audit standards	3%	7%	6%	5%
Rate of non-conformances subject to corrective action	100%	100%	100%	100%
Direct suppliers' priority non-conformance rate	1%	4%	3%	5%
Direct suppliers' associated corrective action rate for priority non-conformances	100%	100%	100%	100%
Number of contracts with suppliers that were terminated as a result of non-conformances	1	8	7	5

**These figures have been restated from last year's report. Last year, some facilities were audited more than once, therefore the figure appeared to be over 100%. This year, all facilities but two (those directly owned by Spin Master) were audited, some more than once. The two facilities owned by Spin Master are in the US and France, respectively, and are deemed to be low risk.*



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Responsible Marketing and Content for Children

As a leading global children's entertainment company, we create connections with children and families who put their trust in our products, our content and our communication. We value their trust and make great efforts to ensure that we are marketing to and communicating with them in a responsible manner. We adhere to global and regional regulations such as the US *Children's Online Privacy Protection Act* (COPPA) and the self-regulatory guidelines established by the Children's Advertising Review Board (CARU), and act in accordance with the Federal Trade Commission Advertising Standards. In addition, Spin Master has supplemented compliance with these regulations with our own corporate policies, including those for responsible marketing and content for children, and protecting children who are involved in our entertainment, commercials, digital media campaigns and product development process. We also ensure our communications, marketing and customer service employees receive training regarding responsible marketing to children and applicable regulations.

Spin Master works with several partners in casting talent for our commercials, entertainment and digital content. We follow all laws and regulations related to the employment of minors and supplement it with children's safety and rights guidelines set out by such bodies as the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA). The Company and its third-party vendors complete thorough vetting and background checks for personnel working for Spin Master that come in close contact with minors.

Inclusive Content

Spin Master's deep understanding of play gives us a unique perspective and insight that helps to create entertainment that resonates with children. Our philosophy towards creating entertainment is to prioritize

the stories and the characters first in developing our content. We know that the characters we create can become a kid's best friend and are often a part of lasting childhood memories. As such, we strive to ensure that the stories we tell depict values of teamwork and inclusiveness and the characters we create are positive role models for children.

Our entertainment content reaches audiences in more than 190 countries and 30 languages. We are committed to evolving our characters and storylines, as well as our toys, to inspire and empower children to be positive members in their communities around the world. As part of this commitment, we have created a community forum, made up of parents, early childhood educators, diversity and inclusion experts, parents and representatives from the diverse communities we serve, to better inform and guide our storytelling.





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Responsible Marketing and Content for Children

PAW Patrol

PAW Patrol, produced by Spin Master Entertainment, was built on compelling characters that are recognizable and relatable to preschoolers, reflecting people and roles (in pup form) that they see in the real world. In *PAW Patrol*'s seventh season, *Dino Rescue*, we introduced a new pup named Rex, a Bernese mountain dog. As *PAW Patrol*'s newest member, Rex is an active pup with a disability and gets around on his off-road multipurpose walking wheels. He is a dino whisperer who can understand and communicate with his dino friends. In developing the character and the storylines for *Dino Rescue*, Spin Master consulted with Bridge Multimedia, a New York City-based accessibility enterprise. Bridge provided guidance on Rex's custom wheels, how he gets around and even buckles in safely to the vehicle as they embark on their missions to ensure he was an accurate representation for children.



As a part of our commitment to representing an inclusive cast of characters, *Mighty Express* features Jubilee, a young wheelchair user who can often be seen taking charge at Central Square Station. The town of Tracksville has also been designed with accessibility in mind to allow Jubilee to travel freely with her friends.



As *PAW Patrol*'s newest member, Rex is an active pup with a disability and gets around on his off-road multipurpose walking wheels.

Mighty Express™

In September 2020, we introduced Spin Master Entertainment's first straight-to-streaming series with the Netflix original *Mighty Express*. The new animated preschool series launched in 190 countries in 30 languages. *Mighty Express* follows a team of trains and their kid best buddies navigating the vast and quirky world of Tracksville. In developing the series, we wanted kid viewers to see themselves as part of the team. *Mighty Express* portrays a cast of characters that are diverse in personality, experience and appearance. The series features a diverse group of kids, reflective of the society in which we live, that create community, embrace the spirit of inclusivity and exemplify the concept of working together.



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At the heart of our success is our incredible talent from across the world who work together as one team. In our ever-growing sandbox, we focus on attracting, developing and retaining the best talent, as well as creating a positive employee experience that drives collaboration, partnership and high performance. We strive to create a work environment that makes each and every employee feel safe, valued and included. We are committed to living by our values and cultivating a workplace that makes being open-minded and valuing differences a priority.



EMPLOYEE VALUE PROPOSITION

**Push boundaries.
Yours and ours.**

We want you to grow, experiment, create and challenge. Because when you do, we all do. Say goodbye to your comfort zone.

We win together.

We're great people. And when you become one of us, you join a winning team of the best of the best, from all corners of the globe.

Make an impact.

What you do here matters. There's nothing more rewarding than making a difference and seeing results. And when that result makes a child smile, there's nothing better.



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Employee Engagement

Spin Master is committed to a culture of continuous improvement as we find ways to become an even better organization and provide a workplace experience that is best in class. We have invested in programming and tools to better understand and improve the employee experience for team members across the globe. One initiative includes employee engagement surveys, which saw 87% of employees participate and a 72% engagement score in 2020. We believe that the lower engagement scores were due in part to the shifts in priorities we had to make given the pressures of the COVID-19 pandemic. We made the decision to invest in the well-being of our employees in 2020 and had to pause some activities within the areas of career development, training and total compensation.

The employee engagement surveys give us greater insights on the things that matter most to employees. This past year, we introduced a new reporting feature for people managers (with 5+ direct report respondents), providing them with access to their own engagement results as well as a dashboard to review aggregate insights/key drivers to help with action planning. A global people manager objective was embedded in annual goal-setting for all people leaders to create greater accountability and drive for creating an exceptional employee experience.

Given the uncertainty of living and working during a global pandemic, we enhanced our communications with employees – increasing the frequency and number of channels used to communicate important company news to keep them informed and engaged in the business. To stay connected with employees working remotely and provide real-time access to updates on the business, we held numerous face-to-face calls, hosted quarterly global town halls, and conducted weekly and monthly calls with the senior leadership team.

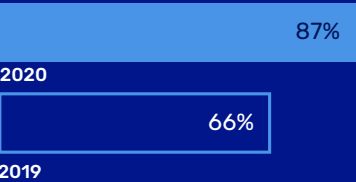


Spin Master was recognized as one of Greater Toronto's Top Employers.



2020 Employee Engagement Survey

Overall participation



Overall engagement



Overall manager effectiveness



Company pride
(I am proud to work at Spin Master)





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Learning and Development

Spin Master is committed to employees’ professional and personal development and offers a variety of opportunities for employees at all levels to improve their skills and achieve their goals. We have several streams of learning that go beyond the core compliance and business training and we continue to maximize the LinkedIn Learning platform to easily reach our employees across the globe with current course content. The LinkedIn Learning tool has supported employees and managers in adapting to a virtual business environment and supported performance management and career development. In 2020, we conducted SuccessFinder leadership assessments to provide leadership development support to all directors and above.

For employees pursuing continuing education at accredited institutions, Spin Master assists with tuition fees and course materials to a maximum of \$1,000 per course, with a maximum of two courses per fiscal year. While some of our learning and development programs were paused in 2020, they have been put back on track for deployment in 2021.

- 39% of employees logged in to the LinkedIn Learning platform as unique learners in 2020
- Top skills being learned include: Personal Development, Communication, Leadership and Career Management

Compensation and Benefits

At Spin Master, we offer competitive total compensation packages that are designed with our employees’ wealth, health and well-being in mind.

Our compensation package varies by region and includes a competitive base salary, bonuses and a range of benefits including medical, dental and vision benefits, Employee Assistance Program, life and disability insurance, short- and long-term disability leave benefits, and paid vacation and holidays. We offer additional incentives like a retirement savings program, birthday day off and an employee holiday toy program.

We offer parental leave, both paid and unpaid, depending on the situation and in accordance with local laws and regulations.

Spin Master assists with tuition fees and course materials to a maximum of \$1,000 per course, with a maximum of two courses per fiscal year.

Talent Acquisition

As we continue to shape Spin Master’s future, attracting and retaining talent remains a top priority.

In 2020, we introduced a new talent acquisition model focused on enhancing the overall employee experience from recruitment to the onboarding process to career development. We transformed our onboarding practices, using the experience as an opportunity to connect with and engage new employees. We also developed a digital library of resources that employees can access at any time.

As part of our efforts to attract and retain the best talent, we launched a new Careers website aligned to our Employee Value Proposition, improved our processes to promote talent from within the Company and continued to leverage employee referral programs, internships and new graduate hiring strategies.

Through several global partnerships, we work with universities and colleges to recruit full-time employees and interns for business, design and engineering roles in our Global Business Units. We also participate in guest lectures at a number of academic institutions, including Humber College in Toronto, Fashion Institute of Technology in New York and Shenkar College of Engineering, Design and Art in Ramat Gan, Israel, to grow our employer brand and to help strengthen our talent pipeline.



39%
of employees logged in to the
LinkedIn Learning platform
as unique learners in 2020.



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Diversity, Inclusion and Belonging

Being open-minded and valuing differences is at the core of our values and we're committed to providing an inclusive workplace where employees feel valued, respected and supported. This past year, we introduced a diversity index into our annual engagement survey to better understand our employees' perceptions on issues of fairness, inclusion and trust at Spin Master.

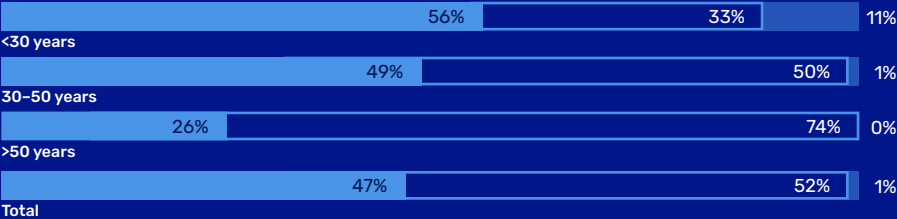
Additionally, the Company held numerous employee forums and introduced a framework to support dialogue, listen to employee experiences and reinforce our values. We established an employee resource group to allow for ongoing dialogue and education about workplace inclusion and enabled access to a broad set of education and awareness building programs through LinkedIn Learning.

In the fall of 2020, we partnered with an external firm to provide people managers with unconscious bias training designed to help people understand their unconscious biases and learn mitigation strategies to adjust these automatic patterns of thinking. We plan to have directors and above complete the training in 2021.

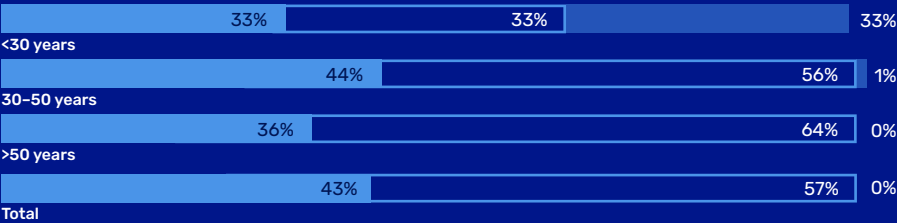
We are proud to have a workforce that is 53% female, with 43% in director roles and above. We continue to invest in programs to improve gender diversity, including our Women's Empowerment Network (WEN) focused on establishing connections and providing mentorship and learning opportunities for the advancement and development of women at Spin Master. In 2020, WEN hosted numerous events including mentorship programs focused on career development; fireside chats with business leaders; and speaker events with external experts on various topics like wellness and financial management to help support employees during the pandemic. The Company also holds a membership with Women in Toys, Licensing & Entertainment and provides free membership to all employees, giving them access to additional mentorship opportunities, webinars and networking events.

Female Male Those who have chosen not to disclose

Middle Management (Team Leaders, Supervisory, Managers and Senior Managers)



Senior Management (Directors and Above)



Gender Ratios



Overall Female
Employees
53%



Female Board
Members
20%



Female Executives
(EVP & up)
23%



Females in Senior
Management
(directors and above)
43%



Females in Middle
Management
47%





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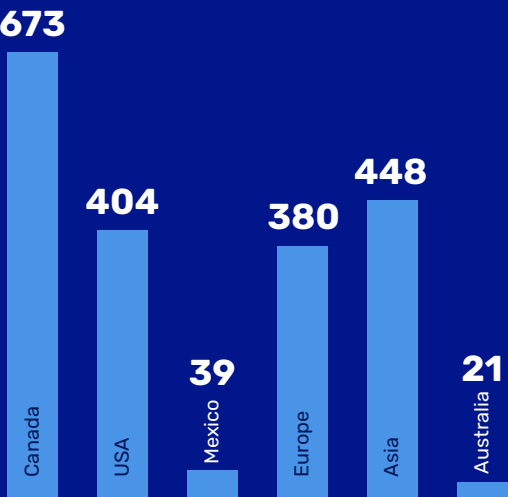
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Employee Stats



Full-time head count by region



Health and Safety

Spin Master aims to create safe, healthy and productive workplaces everywhere we operate.

Over the years, we’ve developed and refined our Spin SAFE Health and Safety Program to enforce a Secure, Accessible and Fun Environment and protect our employees from injury or occupational disease. The program requires employees to complete locally relevant health and safety training, which includes an overview of the health and safety program, emergency measures and maintaining a culture of safety. The program includes continual hazard identification, assessment, control and evaluation of our health and safety initiatives, and we make improvements on an ongoing basis.

Our Performance

We were able to reduce our recordable workplace accidents by 58% between 2019 and 2020, exceeding our target of a 50% reduction.

	2017	2018	2019	2020
Recordable workplace accidents	21	11	24	10
Deaths	0	1	0	0

At the outset of 2020, we set several goals, including:

- Global rollout of the Spin SAFE Health and Safety Program
- Reduce number of recordable incidents by 50% in 2020

While we kicked off the global rollout of Spin SAFE in 2020, the full rollout was unfortunately delayed due to COVID-19. With many employees not working in person at our offices, we had to pivot to meet more immediate needs related to pandemic response. As we adjust to external changes, we remain focused on continuing our larger health and safety transformation.

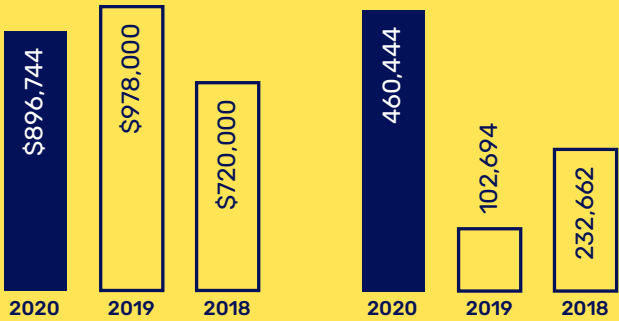
In terms of our goal to reduce the number of recordable incidents by 50%, we were able to exceed the goal and reduce our incidents by 58%. We attribute our performance to greater awareness of health and safety at Spin Master. This was especially the case in our Calais and Tarboro manufacturing facilities, where we focused our early attention in the rollout of Spin SAFE and for which staffing levels remained the same during the pandemic. In addition, we hired a dedicated safety professional at Calais, which has contributed to the reduction of incidents at the plant.





Our Community

Spin Master brings kids and kids at heart together through the timeless magic of play and giving back is an integral part of Spin Master’s history and culture. We collaborate with and support organizations whose outreach strategies focus on making an impact on children in displaced or disadvantaged situations. Our goal is to give children the opportunity to grow and learn through play, because play is powerful and is essential for healthy child development.



Cash Donations

In-Kind Toy Giving
(units)





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Toy Donations by Region

There is something magical about receiving a toy. Toys and play can inspire creativity, joy, imagination and excitement. While the pandemic presented new challenges to distributing toys, we recognized that the need had never been greater. Our teams rallied to donate more than 460,000 toys to children globally, working with more than 60 charitable organizations.

The following chart shows our toy donations by region and some examples of the children's organizations who benefitted.



Charitable Organizations by Region

REGION	NUMBER OF TOYS DONATED	CHARITABLE ORGANIZATIONS
North America	429,664	Boys & Girls Clubs of America Children's Aid Society Children's Wish Foundation The Children's Breakfast Clubs Chai Lifeline Baby2Baby The Hospital for Sick Children Camp Oochigeas Two Bit Circus Save the Children School on Wheels Capital City Mission Toys for Tots Starlight Children's Foundation
Europe	30,000	Halo Children's Foundation Centre Hospitalier de Calais The Daniella Logun Foundation Federazione Isperantzia Národný ústav detských chorôb (NÚDCH) Človek v ohrození, n.o.
Asia	1,000	Jiaxing Sunshine kindergarten (Education and Rehabilitation Centre) Society for Community Organization (partner with Rotary Club of Happy Valley HK) Children's Heart Foundation
Australia	1,630	Starlight Children's Foundation Australia Sydney Children's Hospitals Foundation Stewart House



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Caring & Sharing

Since 2010, Spin Master has partnered with children's charities for our annual Caring & Sharing holiday event. It's a highlight of the year both for the children who attend and for the employees who participate in the experience. Caring & Sharing embodies the true spirit of giving – where children can choose one toy for themselves and one to gift to a friend or sibling. Kids are also treated to fun activities, toy and game play areas, and a holiday luncheon during the event.

Caring & Sharing embodies the true spirit of giving – where children can choose one toy for themselves and one to gift to a friend or sibling.

Due to the pandemic, we had to be creative in bringing Caring & Sharing to kids, respecting the requirements for social distancing and local restrictions. As a result, the scale of these events globally was reduced, and employees were not able to participate in person. Regardless, we continued with our Caring & Sharing events from afar, working with children's charities to give kids the joy of play and bring smiles to their faces this holiday season.

Canada

In Canada, we partnered with The Children's Breakfast Clubs to bring Caring & Sharing to eight schools in the Greater Toronto Area. More than 1,750 children between the ages of 5 and 10 were able to select a Spin Master toy for themselves and one for a friend/sibling, which impacted more than 3,500 children in total.

United States

In the United States, we partnered with the Boys & Girls Clubs of America to bring Caring & Sharing to two of their clubs near our US offices in New York and Los Angeles. Kids at the clubs were able to select a toy of their choice and one for a friend/sibling, as well as enjoy snacks and entertainment. While previously we had only held an event in Los Angeles, this year we were able to build on our tradition by adding one in New York City. Together, with these events, Spin Master donated more than 6,000 toys to the Boys & Girls Clubs of America this holiday season.





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The Toy Movement

The complexities that arose from the COVID-19 pandemic fundamentally changed our ability to continue with The Toy Movement as we have in the past. Nonetheless, we adapted and worked with our partner, Save the Children, to continue our mission to deliver inspiration, imagination and joy to children around the world.

In the summer, we donated 10,000 toys and personal protective equipment to Save the Children partners in Alberta, southern and northwestern Ontario, and Manitoba to help keep children engaged and learning while they were out of the classroom and isolated at home. Toys can provide a sense of normalcy and comfort to children facing vulnerabilities during difficult times.

We also worked with Save the Children to deliver 83,433 toys to their partners in the United States in support of children facing similar situations. As a result, *GUND* plush items were distributed to Save the Children's rural education programs in 46 counties across four states.



Images courtesy of Save the Children



Staff at the Aboriginal Health Centre in Hamilton, De dwa da dehs nye>s, sort through a PPE and toy donation from Spin Master in partnership with aid agency Save the Children.

“Together, partnering with Spin Master and Indigenous communities, we have protected Indigenous families and provided children in Canada and the United States with the opportunity to learn, create and imagine, despite the difficult situations surrounding them. Spin Master’s support has helped to advance children’s rights and make a difference in the face of one of our greatest challenges yet – a global pandemic.”

Danny Glenwright, Save the Children Canada President & CEO

With many children at home isolating, Save the Children also explored ways to reach and help children virtually. Spin Master worked with Save the Children to provide online games and activities for the [Kids Hub](#), which reached over 279,000 Canadians with games, mental health supports, story time and educational resources.

For more information on The Toy Movement visit thetoymovement.org.



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Entrepreneurship

Beyond providing children with the opportunity to experience the joy of play, Spin Master also provides funding and support in other areas closely linked to the business: nurturing future inventors and business leaders.

Futurpreneur

In 2020, we continued our decade-long relationship with Futurpreneur Canada, helping Canadian entrepreneurs to grow their businesses. Each year, Spin Master provides \$125,000 to Futurpreneur Canada in conjunction with employee volunteer time to mentor select entrepreneurs on various aspects of their business from marketing to sales to supply chain management. This past year, Spin Master supported 10 businesses in partnership with Futurpreneur, providing them with expert guidance and support to help them grow their businesses. Each business selected participated in an exclusive series of meetings, workshops and networking opportunities. Given the impact of COVID-19, regular in-person sessions were conducted virtually instead. Spin Master employees volunteered 100 hours over the course of the year.

Toy Invention Program

One of Spin Master’s core values is invention and we are always on a mission to create something never imagined before. In 2014, we first launched the Toy Invention Program with the goal of nurturing and growing future generations of inventors to continue to fuel innovation within the toy industry. Our first program was in Israel through a partnership with Shenkar College. The Toy Invention Program offers students the opportunity to get professional toy invention training, including concept development and prototyping through local universities in collaboration with Spin Master. Throughout the program, Spin Master’s innovation experts provide students with advice and mentorship, creating a unique relationship between this new crop of inventors and Spin Master.

In 2021, Spin Master will expand the Toy Invention Program with the goal of creating and sponsoring two new programs in other countries.



Answering the Call for PPE

As the world struggled to respond to the first wave of the pandemic, it became clear that there was an immediate need for personal protective equipment (PPE) for front-line healthcare workers. Spin Master employees felt compelled to find a way to help with this growing need. In response, our product development team came up with an ingenious solution in just three days. Using existing headbands from the popular family guessing game *Hedbanz*, along with plastic inserts, the team created a prototype face shield to offer support for healthcare workers.

Partnering with three suppliers in Mexico, Spin Master produced more than 450,000 units that were sent to more than 200 healthcare facilities, long-term care homes and shelters in Canada, the United States, Mexico, Japan and Israel. While the project aided those on the front lines, Spin Master was able to keep these facilities open, providing employment when they otherwise may have been shut down due to local manufacturing restrictions.

“Thank you so very much for thinking of us here and for turning your toy-making machines into protective face-mask-making machines for our staff. We are so very appreciative! Twelve-hundred received yesterday and already being put to use. It is reassuring to know we can protect our staff and colleagues and patients. And again, so selfless and kind of all of you.”

Ruth Heisey, MD, Women’s College Hospital



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Our Environment

We recognize the need to protect the environment and minimize the impact of our operations, for children and families today and for generations to come. To us, that means developing sustainable product materials and packaging, taking a product's entire life cycle into consideration, using renewable sources of energy and reducing waste within our manufacturing and operations.

As ambassadors and champions of Spin Master, our employees are helping to achieve our environmental ambitions through our newly established Earth Buddies Teams as well as through our sustainability sub-committees, with a focus on carbon emissions, waste, packaging, product materials and third-party suppliers. We're pleased to share our continued progress and future goals to accelerate our actions on packaging, materials, energy, climate change and waste.



150

Spin Master employees joined our Earth Buddies Teams to implement sustainability action items in creative ways and lead regional initiatives both in the office and at home.

**10,000
METRIC TONNES**

We offset 10,000 metric tonnes of carbon in 2020, representing over 100% of our total self-generated carbon footprint. We will continue to offset 100% of our self-generated carbon footprint in 2021.

50%

planned reduction
in plastic packaging
by 2025.



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Earth Buddies Teams

A critical part of achieving our environmental goals is to engage our impassioned employees, who are our strongest advocates. To channel the growing interest from our employee base, we formed the Earth Buddies Teams.

Named after the first product that Spin Master ever produced, the Earth Buddies Teams are made up of almost 150 employees globally who are committed to acting as ambassadors in protecting the environment and embedding environmental actions across the organization and at home in their own lives. Part of the teams' activities will be to incentivize positive environmental behaviours in the future.

Some of the initiatives undertaken by the group include:



Waste reduction

We have undertaken waste audits in some offices and have created education campaigns for our employees at home and in the office.



Changing behaviours

We have issued challenges for employees such as encouraging them to walk, bike or run to work, reusing and repurposing items at home, reducing waste and undertaking other green behaviours at home.



Sustainability guest speakers

In 2021, we plan to host a speaker series featuring experts who can discuss topics related to sustainability to further broaden the horizons of our employees. These will be initiated as of Earth Month and will be continued on a bi-monthly basis and will be open to all employees globally.



Earth Buddies intranet page

In 2021, we are launching a dedicated space on our intranet for Earth Buddies Teams so that employees can share information and best practices on improving the Company's footprint.





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Sustainable Materials

Plastic accounts for the majority of toy materials globally, due to its safety, durability, and ability to take colour and conform to specific shapes. However, over the past few years, there have been many discussions in society about the continued use of non-renewable resources and their impacts on the environment.

We are committed to three principles in our selection of materials:

- Reducing the amount of plastic used in products;
- Investigating biodegradable/compostable, recycled and/or bio-based polymers in our products to reduce impacts and reliance on fossil fuels and virgin materials; and
- Simplifying product manufacturing so products can be recovered, dismantled and recycled into new products.



Sustainable Materials Portfolio

For 2020, we were focused on trialling new materials, examining new manufacturing techniques and learning about the life-cycle implications of plastic materials. We also finalized an agreement for a product takeback program.

Within our sustainable materials portfolio, we studied four areas:

DIRECTION	EFFECT	ACTIVITY
Biodegradable/ compostable plastic	Plastic degrades into carbon, with an initial focus on disposable plastic parts	We partnered with McMaster University as part of the Final Year Material Engineering Capstone project, in Hamilton, Ontario, Canada, to better understand how to replace polypropylene with biodegradable polymers through a life-cycle analysis. We replaced petroleum-based resins with biodegradable resins and this provided some scalability.
Reduction of plastic	Less plastic produced overall through design optimization	We conducted trials on thin walling and gas assisted injection moulding, both which have helped to reduce plastic use. In the case of gas assisted injection moulding, there have also been positive benefits of creating a more efficient mould process – enhanced quality and cost reduction. This is something we can use on a larger scale across many product lines. With some of our popular lines, we replaced plastic with natural fibres including bamboo fibre and wood fibre, which helped us to identify key quality and manufacturing limitations for future implementation.
Bio-based polymers	Using renewable sources of polymers instead of a petroleum-based polymer	We continue to monitor this; however, we are concerned about attaining a sufficient level of positive environmental impact.
Recycled plastics	Using plastic from a certified recycled source	At Spin Master, recycled content, recycling and circular material recovery are factors of every product and material decision we make. Toy regulations on material purity generally reduce our ability to use recycled plastic in our products. However, we continue to progress in the use of recycled plastic and paper in our packaging.



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Sustainable Materials

Partnership with TerraCycle®



In 2021, we are embarking on a multi-year relationship with TerraCycle® to provide product takeback services for two of our markets: in the US, for our toys, games and plush; and in Australia, for our *PAW Patrol* toys. TerraCycle® is an innovative recycling company that has become a global leader in recycling hard-to-recycle materials, with the mission of “Eliminating the Idea of Waste®.” Our relationship with TerraCycle® will allow consumers to send in their Spin Master toys, games and plush that they no longer need. In turn, these items will be recycled into materials used in the construction of playgrounds, park benches and decking. Over time, if the program is a success, we will expand it to other markets.

Longer term, we would like to explore ways to close the loop on plastics for toys, given that they are made of high-quality resins that could potentially be used again for other toys.

“Our relationship with TerraCycle® will allow consumers to send in their Spin Master toys, games and plush that they no longer need.

Our Future Goals

In 2021, we are conducting a more thorough inventory of our product materials, which will allow us to set targets and establish programs.





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Packaging

Packaging is an important part of protecting a product and fulfilling a need for shelf presence; however, we believe that it ultimately needs to be reduced. With packaging material and design innovation, shifts from brick and mortar purchases of toys to ecommerce, and an increasing move towards extended producer responsibility in recycling programs, we believe that there are many variables that will help us to reduce our packaging.

As we design our packaging, we first review the specifications to determine if there are opportunities to reduce total materials. Second, we determine if materials used in packaging can be recyclable, renewable or certified.

In 2020, we set several packaging targets for 2025 including:

- Reduction of plastic by 50% in our packaging
- Moving to 100% of blister forms to pulp trays
- Utilizing eco-friendly inks on 50% of packaging
- Exploring innovative packaging that results in a 100% sustainable and renewable package



SUCCESS STORY

Sago Mini product – packaging reuse

In 2020, *Sago Mini* introduced a new monthly subscription box for preschoolers with ‘make and play’ activities that teach them skills such as empathy, creative problem solving and emotional intelligence through play. We carefully designed each box so that all its contents can be played with over and over again, and at the end-of-life it can be recycled in municipal waste programs. The outer shipping box is integrated as part of the play experience – it transforms, for example, into a stage. The materials used for the *Sago Mini* box are FSC-certified and/or recycled materials wherever possible.



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SUCCESS STORY

Supercross™ plastic
packaging reduction

Within the toy industry, die-cast cars are typically packaged in plastic. When launching our new *Supercross* line, we decided that we wanted to take a different approach and develop packaging using cardboard only, building on the success of our *Monster Jam* packaging reduction in 2019. The amount of plastic used in this product line is a 98% reduction of what an identical product would have been, representing a savings of 22 tonnes of plastic or 359 barrels of oil for one year alone. In addition, we have designed the packaging so that it is part of the play experience. We hope to replicate this approach further on other product lines.

Packaging

Our Progress

Unfortunately, due to COVID, we had to shift some resources and we did not advance as quickly on our target to get to a 50% reduction in plastic use as we'd hoped. In 2021, to ensure we are on our way to meet our 2025 goal, we have set up an internal resource to start collecting baseline packaging information, set up sustainable packaging guidelines and act as a global resource to our product development teams. We will then be able to better act on and report against our sustainable packaging targets.

For our goal to move 100% of our blister forms to pulp trays, in 2020 we spent time examining alternatives and we have now updated our goal to move from 100% of petroleum-based blister forms to sustainable alternatives. We have investigated several alternatives including pulp, cardboard, corn starch and palm oil production waste, and we will continue to test alternatives for feasibility.

For our goal to use eco-friendly inks on 50% of packaging, we have been testing several alternatives and exploring implications for end-of-life disposal. However, to date the saturation levels of inks and performance has not been as strong as conventional ink. We will determine a brand-specific approach going forward on this commitment.

We have made some progress within packaging, keeping with our commitment to reduce or replace plastic.

Our goal is to
move from 100%
of petroleum-
based blister forms
to sustainable
alternatives.





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Packaging

Industry Packaging Initiatives

In 2021, we joined the Sustainable Packaging Coalition to collaborate with others in the industry on sustainable packaging solutions. We envision that the membership will help to accelerate scalable packaging solutions industry-wide and further build sustainable packaging capabilities in our organization. We have also joined the How2Recycle labelling program in 2021. The How2Recycle label program is a standardized on-package labelling system that clearly communicates recycling instructions to the public and in addition to supporting our sustainable packaging commitments, will ensure that end consumers are able to contribute to materials recovery through their municipal waste programs.

Our Performance

	2018	2019	2020
Packaging material (million lbs)	71	81	84
Corrugate	37	41	43
CCNB	26	31	31
PET	5	5.8	5.9
Plastic – other	2.8	2.3	2.6
Miscellaneous – other	1	0.6	0.9
Retail packaging cube utilization (%)	58	66	66.5

While we were able to make some headway into reducing plastic use in several key SKUs, and have reduced the ratio of plastic packaging used as a percentage of overall packaging weight, our overall use of packaging increased in 2020 due to a number of factors.

We experienced an increase in sales in particular categories that tend to be more packaging-intensive, such as those in our Girls, Boys and Collectibles categories. As part of our efforts in 2021, we will need to redouble our efforts in these categories.

Corrugate numbers have increased overall, due to a reduction in case-pack sizes for ecommerce, where the preference is to ship the product in its own container. As part of our overall action plan to meet our 2025 goals, these will form important considerations. Additionally, we participate in various stewardship programs in North America and Europe to support recycling programs for printed paper and packaging and electronic toys. In 2020, we contributed US\$550,000 to stewardship programs in these regions.



Ecommerce packaging
reduction and plastic removal

With the shift in families purchasing toys from a brick and mortar environment to online, this, in some instances, eliminates the need to create a shelf presence. As a result, we have been able to redesign the packaging of a number of key products, for example, Owleez™, PAW Patrol vehicles and our Monster Jam Grave Digger® RC, helping to eliminate plastic use and reduce paper use as well. We will see the effects of this when changes take effect in 2021.

However, we are monitoring new requirements from online retailers to surround products with polybags to facilitate efficient shipping at warehouses. We seek solutions that will minimize non-renewable resource use yet meet performance needs.



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Energy/Climate Change

The effects of the climate crisis continued in 2020, as we saw fires in the Amazon, Western US and Australia, along with many other extreme weather events. Combined with the effects of the pandemic, we continued to focus on doing our part to reduce our energy and carbon footprint.

With the pandemic, many of our office-based employees were able to work remotely, and as a result this caused a 14% reduction in energy use and a 20% reduction in our carbon footprint. We were also able to reduce our carbon footprint from business travel by 47%. The pandemic has provided an impetus for us to further consider remote working and meeting options going forward.

In 2020, we purchased carbon offsets for 10,000 metric tonnes of carbon, which ended up accounting for almost 120% of our self-generated footprint.

We were also able to progress on our LED light installations and our network port consolidation project to reduce power and heat dissipation, although at a slower pace than originally planned due to the diversion of resources from the pandemic. To date, we have completed LED light installations at 12 of 28 of our facilities and we plan to reach five additional by the end of 2021. Our network port consolidation project has been slightly delayed, with approximately 75% of the facilities now complete.

Updating Our Carbon Footprint

In 2020, we matured our carbon footprint data collection processes and enhanced the accuracy of our carbon accounting methods. We also started to collect new information, including information about our small fleet of vehicles, third-party warehouses and a greater proportion of our third-party manufacturing footprint. In previous years, we were able to collect carbon information from our top five factories by volume, and this year, we were able to collect this information from the top 25 factories, which means we have exact information for 78% of our third-party manufacturing footprint.

We restated our carbon footprint for 2018-2020, and the net result was that our historical carbon emissions have been overstated in the 2019 report. Going forward, having this exact information will provide us a stronger baseline to set reduction targets for energy/carbon. More details on the changes are included in the notes to our performance.

Our Performance

	2018	2019	2020
Direct energy use (kWh)	10,478,324	12,304,863	10,574,053
Scope 1 emissions (tonnes CO ₂ e)	0	1	1
Scope 2 emissions (tonnes CO ₂ e)	4,996	4,565	3,629
Scope 3 emissions (tonnes CO ₂ e)	153,976	169,386	39,120
Total CO ₂ e (tonnes CO ₂ e)	158,972	173,952	42,750
CO ₂ e emissions/\$ million of sales	108	110	30

- Notes:
- The figures for our carbon footprint were recalculated from 2018-2019 with more precise emission factors and applied for 2020.
 - Waste was reclassified from Scope 1 to Scope 3 emissions.
 - 2018 and 2019 figures do not include third-party distribution centres. 2020 is the first year for the inclusion of third-party distribution centres.
 - The emissions for our small vehicle fleet in Canada, the US and China were added to the 2018-2020 footprint.
 - More specific third-party manufacturing information was available for 2020 - previously an extrapolation for carbon emissions was used based on 15% of the footprint available from the top five factories. The exact information for 2020 has demonstrated that Scope 3 emissions have been overstated by almost four times from previous years compared to actual data received from our suppliers.
 - Our definition of our self-generated footprint includes Scope 1 emissions, Scope 2 emissions and Scope 3 emissions for waste, freight and air travel, which accounted for 8,386 tonnes CO₂e for 2020.

Response to Australian Bushfires

We were moved to action by the images of animals hugging their rescuers and families losing their homes in the Australia bushfires. With an office in Sydney, it was a disastrous event that hit close to our hearts. In fact, Spin Master made a \$50,000 donation to both the Australian Red Cross to assist with shelter and relief for those impacted by the fires and to the World Wildlife Fund in Australia to assist in animal care and longer-term environmental rebuilding.





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Energy/Climate Change

Reducing Our Carbon
Impacts over the
Longer Term

In 2021, we will continue to purchase a combination of Renewable Energy Certificates (RECs) and carbon offsets as an interim measure as we develop a more comprehensive climate change plan. This will include developing reduction targets and assessing different climate scenarios to determine physical and transition risk on our business in line with recommendations from the Task Force on Climate-related Financial Disclosures. In 2021, our largest office in Europe, Bratislava, will be 100% powered by renewable energy and we will complete a cost analysis for converting our five largest offices to 100% renewable energy sources for 2022.



Offsetting Our Carbon Impacts

In 2020, we purchased enough carbon offsets to account for almost 120% of our self-generated emissions, which include Scope 1 and 2 emissions, as well as some Scope 3 emissions (waste, freight, air travel). These carbon offsets include funding two projects through Carbonfund:

Envira Amazonia, Russas and
Valparaíso Projects: Saving the
World’s Largest Rainforest

Location: State of Acre, Brazil

Standard: Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standard (CCB) with Gold Distinction

Project Description: The Envira Amazonia, Russas and Valparaíso projects are protecting and conserving nearly 650,000 acres of tropical rainforests by providing payments for ecosystem services. This type of project is known as Reducing Emissions from Deforestation and forest Degradation (REDD+). In addition to providing a wide range of ecosystem services such as preserving wildlife habitat and preventing erosion, there are numerous social projects and activities designed that include: providing local communities with free agricultural extension training courses; building local health clinics, facilitating doctor and dentist visits, and distributing medicine; improving local schools and donating school supplies; and granting official land titles to local communities to strengthen their land tenure rights. In addition, the Envira Amazonia Project is one of the largest REDD+ projects in the world and is one of only a handful of forestry projects to be validated and verified with Triple Gold Distinction for exceptional climate, community and biodiversity benefits.

Alligator River Forest Conservation
Project

Location: North Carolina, USA

Standard: Climate Action Reserve (CAR)

Project Description: In select regions of North Carolina, rising commodity prices and agricultural land values have exerted considerable pressure for landowners to convert their forest holdings to row-crop agriculture. To prevent such conversion and to find viable alternative revenue streams, the project protects nearly 2,500 acres of native pine and bottomland hardwood forests. Conservation easement values, coupled with projected revenues from carbon offset sales, motivated these landowners to embark on Avoided Conversion projects, thereby maintaining these lands as forests in perpetuity. In addition to preventing the release of hundreds of thousands of tonnes of carbon stored in trees and soil, the projects deliver significant additional environmental benefits. These benefits include reduced runoff of agricultural nutrients into waterways and estuaries, as well as protection of habitat adjacent to a national wildlife refuge harbouring important populations of bear, waterfowl, shorebirds, raptors, alligators, otters, wolves, woodpeckers and migratory birds.



**In 2020, we purchased
enough carbon offsets to
account for almost 120%
of our self-generated
emissions.**



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Waste

Spin Master is committed to reducing waste across all our facilities, including our offices and owned manufacturing facilities.

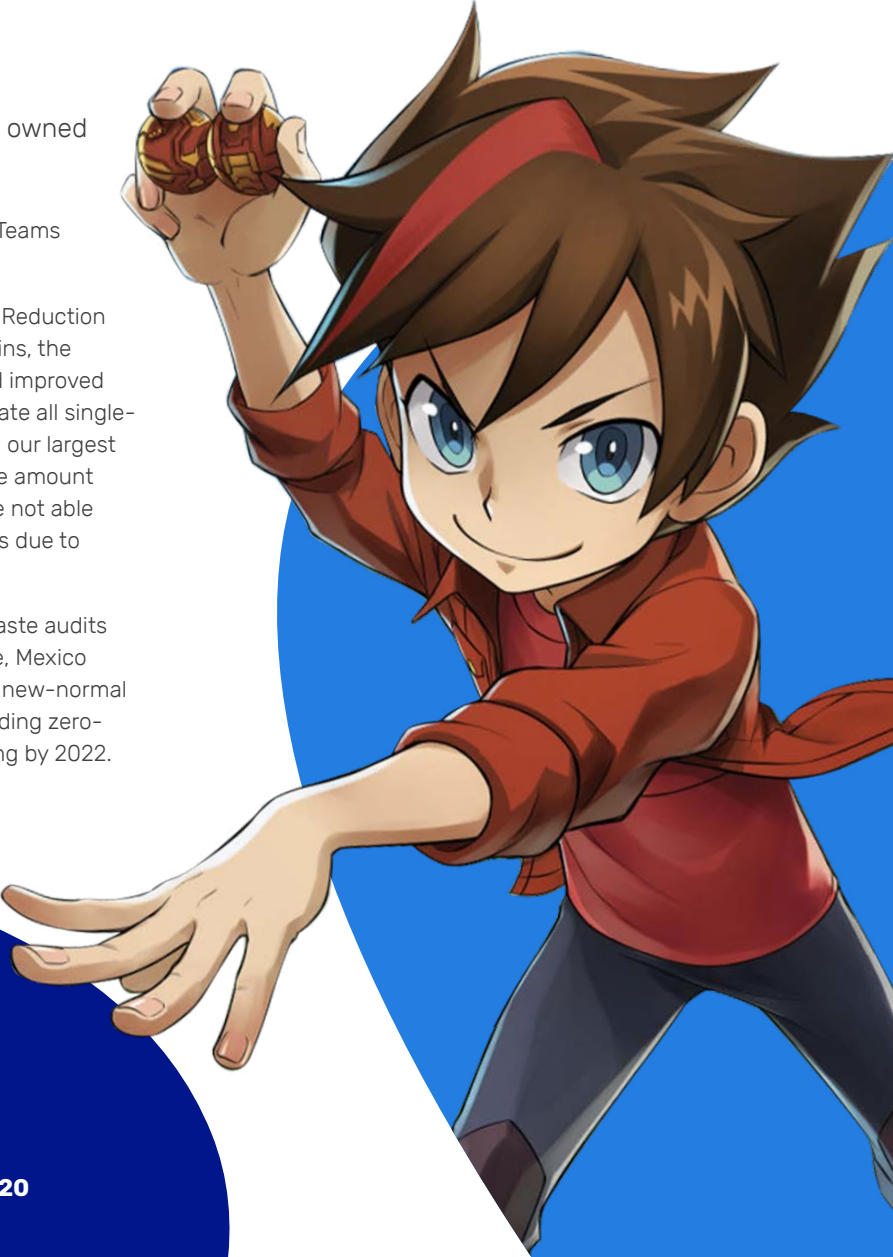
Starting in 2020, we started the process to more precisely track our waste produced and diverted at our facilities globally. The process of setting baselines was complicated by the fact that the pandemic led to abnormal conditions, with less people in our offices and a higher-than-normal scrap rate at our Tarboro facility due to the outsourcing of manufacturing material. We are hopeful that in 2021, we will have more consistent information to base our targets upon.

Last year, we set a goal to conduct a waste audit in our Toronto headquarters, which we were able to complete before the pandemic. We discovered that we were only capturing 53.0% of the total reusable and recyclable materials in our office and had a diversion rate of 34.9%. To improve these results, we have been implementing improved signage and labelling in partnership with our

landlord and working with our Earth Buddies Teams to assist in education and training.

We have also been able to execute our Waste Reduction Plan with the removal of individual garbage bins, the addition of new bins for specific locations and improved signage. We completed our initiative to eliminate all single-use plastic from our offices and we converted our largest offices to SmartPrint technology to reduce the amount of paper we are using. Unfortunately, we were not able to execute our pilot on reusing shipping boxes due to potential hygiene concerns from COVID-19.

Going forward, we are planning to conduct waste audits in Toronto, Los Angeles, New York, Bentonville, Mexico and Australia when the office population is at new-normal levels and can then set reduction goals, including zero-waste goals, which we had committed to doing by 2022.



Waste Management

Waste Generated (metric tonnes)



Waste Diverted





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Performance Data

METRIC		2018	2019	2020	UNIT OF MEASURE
Product	SASB reference (if applicable)				
Annual production	CN0604-A	252	272	274	millions of units
Number of production facilities	CN0604-B	175	213	156	number of facilities
Percentage outsourced	CN0604-B		96%	95%	% (by units or dollar value)
Number of recalls	CN0604-01	0	0	0	number of recalls
Total units recalled	CN0604-01	0	0	0	number of units
Number of Letters of Advice (LOA) received	CN0604-02	0	0	0	number of letters
Number of legal and regulatory fines and settlements associated with product safety	CN0604-03	0	0	0	number of fines and settlements
Description of processes to assess and manage risks and/or hazards associated with chemicals in products	CN0604-04				
Percentage of facilities audited to ICTI Ethical Toy Program (IETP) or equivalent program	CN0604-05	100%	100%	99%	%
Number of facilities audited to ICTI Ethical Toy Program or equivalent program	CN0604-06	234	299	188	number of facilities
Direct suppliers' non-conformance rate with external social responsibility audit standards	CN0604-06	7%	6%	5%	%
Rate of non-conformances subject to corrective action		100%	100%	100%	%
Direct suppliers' priority non-conformance rate	CN0604-06	4%	3%	5%	%
Direct suppliers' associated corrective action rate for priority non-conformances	CN0604-06	100%	100%	100%	%
Number of contracts with suppliers that were terminated as a result of non-conformances	CN0604-06	8	7	5	number of contracts terminated



Performance Data

METRIC	2018	2019	2020	UNIT OF MEASURE
Employees				
Engagement survey response rate		66%	87%	%
Employee engagement percentage		77%	72%	%
Manager effectiveness		74%	79%	%
Number of employees	1,510	1,673	1,983	number
Number of new hires	431	428	611	number
Turnover	16%	18%	10.6%	%
Overall gender ratio				ratio
Female	53%	52%	53%	%
Male	47%	48%	47%	%
Board level				
Female	13%	13%	20%	%
Male	87%	87%	80%	%
Middle management (team leaders, supervisory, managers and senior managers)				
Female			47%	%
Male			52%	%
Senior management (directors and above)				
Female			43%	%
Male			57%	%
Deaths	1	0	0	number of deaths
Recordable workplace accidents	11	24	10	number of recordable workplace accidents



Performance Data

METRIC	2018	2019	2020	UNIT OF MEASURE
Community				
Donations made (in-kind)	232,662	102,694	460,444	number of items
Donations made (cash)	\$720,000	\$978,000	\$896,744	\$USD
Number of offices participating in Global Season of Giving	6	11	3	number of offices
Environment				
Packaging material	71	83	84	million lbs
Retail packaging cube utilization	58%	66%	67%	%
Packaging material type				
Corrugate	37	41	43	million lbs
Clay Coated News Back (CCNB)	26	31	31	million lbs
Polyethylene terephthalate (PET)	5	5.8	5.9	million lbs
Plastic – other	2.8	2.3	2.6	million lbs
Miscellaneous – other	1	0.6	0.9	million lbs
Energy use	10,478,324	12,304,863	10,574,053	kWh
Total carbon emissions	158,972	173,952	42,750	tonnes CO ₂ e
Scope 1	0	1	1	tonnes CO ₂ e
Scope 2	4,996	4,565	3,629	tonnes CO ₂ e
Scope 3	153,976	169,386	39,120	tonnes CO ₂ e
Per unit of sales	108	110	30	CO ₂ e/\$ million sales
Waste generated	614	773	1,566	tonnes
Waste diverted			22%	%



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General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Organizational profile			
102-1	Name of the organization	About This Report	
102-2	Activities, brands, products, and services	About This Report	
102-3	Location of headquarters	About Spin Master	
102-4	Location of operations	About Spin Master	
102-5	Ownership and legal form	About Spin Master	
102-6	Markets served	About Spin Master	
102-7	Scale of the organization	About Spin Master	
102-8	Information on employees and other workers	About Spin Master	
102-9	Supply chain	Responsible Sourcing	
102-10	Significant changes to the organization and its supply chain	Responsible Sourcing	
102-11	Precautionary Principle or approach	CSR Governance Product Safety and Quality	
102-12	External initiatives	About This Report	
102-13	Membership of associations	Key Memberships and Partnerships	
Strategy			
102-14	Statement from senior decision-maker	Letter from Co-Founders and Co-CEOs	
102-15	Key impacts, risks and opportunities	Materiality Analysis Risks and Opportunities Annual Report (Risks Relating to Spin Master's Business)	



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Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	About Spin Master	
102-17	Mechanisms for advice and concerns about ethics	Governance and Ethics Corporate Governance	
Governance			
102-18	Governance structure	Management Information Circular (Corporate Governance) CSR Governance Corporate Governance (website)	
102-19	Delegating authority	CSR Governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Governance	
102-21	Consulting stakeholders on economic, environmental, and social topics	CSR Governance	Feedback is collected by the CSR team and Committee and provided to the board.
102-22	Composition of the highest governance body and its committees	Management Information Circular (Corporate Governance)	
102-23	Chair of the highest governance body	Corporate Governance	
102-24	Nominating and selecting the highest governance body	Management Information Circular (Corporate Governance - Nomination and Election of Directors) Nominating and Governance Committee Charter	



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102-25	Conflicts of interest	Code of Ethics and Business Conduct Management Information Circular (Interlocking directorships, Principal holders of voting shares, Interest of informed persons in material transactions) Annual Report (Related party transactions)	Guidance to avoid conflicts of interest are detailed in the Code of Ethics and Business Conduct. No board members have cross-board membership - if there was, it would be disclosed in the report. The Company does not track cross-shareholding with suppliers. Controlling shareholders are Ronnen Harary, Anton Rabie and Ben Varadi. We have reported related party disclosure requirements with one of our directors, who is a Managing Partner at Torkin Manes.
102-26	Role of highest governance body in setting purpose, values, and strategy	Board of Directors Mandate (website) Management Information Circular (Board Mandate - Appendix A)	
102-27	Collective knowledge of highest governance body	CSR Governance	The VP, CSR and Communications provides regular updates to the Nominating and Governance Committees on CSR matters.
102-28	Evaluating the highest governance body's performance	Management Information Circular (Assessments)	
102-29	Identifying and managing economic, environmental, and social impacts	Audit Committee Charter Nominating and Governance Committee Charter	
102-30	Effectiveness of risk management processes	Audit Committee Charter Management Information Circular (Board Mandate - Appendix A)	The Audit Committee reviews material enterprise risks.
102-31	Review of economic, environmental, and social topics	n/a	The board annually reviews the Company's CSR priorities.
102-32	Highest governance body's role in sustainability reporting	n/a	The board reviews the CSR report before publication.



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
102-33	Communicating critical concerns	Management Information Circular (Corporate Governance - Shareholder Engagement) Whistleblower Policy	
102-34	Nature and total number of critical concerns		This indicator cannot be reported upon due to confidentiality constraints.
102-35	Remuneration policies	Management Information Circular (Director Compensation, Executive Compensation)	
102-36	Process for determining remuneration	Management Information Circular (Director Compensation, Executive Compensation - Compensation Discussion & Analysis)	
102-37	Stakeholders' involvement in remuneration	Management Information Circular (2021 Advisory Vote on Approach to Executive Compensation)	
102-38	Annual total compensation ratio		This indicator cannot be reported upon due to confidentiality constraints.
102-39	Percentage increase in annual total compensation ratio	Management Information Circular (Co-CEO Realized/Realizable Pay and Cost of Management Ratio)	
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	
102-41	Collective bargaining agreements	n/a	Less than 1% of Spin Master employees are covered by a collective bargaining agreement.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	
102-43	Approach to stakeholder engagement	Stakeholder Engagement	
102-44	Key topics and concerns raised	Stakeholder Engagement	



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Reporting practice			
102-45	Entities included in the consolidated financial statements	Annual Information Form (Intercorporate Relationships)	
102-46	Defining report content and topic Boundaries	About This Report	
102-47	List of material topics	Materiality Analysis	
102-48	Restatements of information	About This Report	
102-49	Changes in reporting	About This Report	
102-50	Reporting period	About This Report	
102-51	Date of most recent report	About This Report	
102-52	Reporting cycle	About This Report	
102-53	Contact point for questions regarding the report	About This Report	
102-54	Claims of reporting in accordance with the GRI Standards	About This Report	
102-55	GRI content index	GRI Index	
102-56	External assurance	About This Report	
Category: Economic			
Economic Performance			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Annual Report
103-2		The management approach and its components	Annual Report
103-3		Evaluation of the management approach	Annual Report
201-1	GRI 201: Economic Performance 2016	Direct economic value generated and distributed	Annual Report



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Category: Environmental			
Materials			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Packaging
103-2		The management approach and its components	Packaging
103-3		Evaluation of the management approach	Packaging
301-1	GRI 301: Materials 2016	Materials used by weight or volume	Packaging
Energy			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Energy/Climate Change
103-2		The management approach and its components	Energy/Climate Change
103-3		Evaluation of the management approach	Energy/Climate Change
302-1	GRI 302: Energy 2016	Energy consumption within the organization	Energy/Climate Change



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GENERAL DISCLOSURES				
General Standard Disclosures		Standard Disclosure Title	Location	Explanation
Emissions				
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Energy/Climate Change	
103-2		The management approach and its components	Energy/Climate Change	
103-3		Evaluation of the management approach	Energy/Climate Change	
305-1	GRI 305: Emissions 2016	Direct (Scope 1) GHG emissions	Energy/Climate Change	
305-2		Energy indirect (Scope 2) GHG emissions	Energy/Climate Change	
305-3		Other indirect (Scope 3) GHG emissions	Energy/Climate Change	
305-4		GHG emissions intensity	Energy/Climate Change	
Effluents and Waste				
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Waste	
103-2		The management approach and its components	Waste	
103-3		Evaluation of the management approach	Waste	
306-3	GRI 306: Waste 2020	Waste generated	Waste	
306-4		Waste diverted from disposal	Waste	



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GENERAL DISCLOSURES				
General Standard Disclosures		Standard Disclosure Title	Location	Explanation
Category: Social				
Employment				
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Our People	
103-2		The management approach and its components	Our People	
103-3		Evaluation of the management approach	Our People	
401-1	GRI 401: Employment 2016	New employee hires and employee turnover	Employee Stats	
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits	
401-3		Parental leave	Compensation and Benefits	
Occupational Health and Safety				
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Health and Safety	
103-2		The management approach and its components	Health and Safety	
103-3		Evaluation of the management approach	Health and Safety	
403-1	GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Health and Safety	
403-9		Work-related injuries	Health and Safety	



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Training and Education			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Learning and Development
103-2		The management approach and its components	Learning and Development
103-3		Evaluation of the management approach	Learning and Development
404-2	GRI 404: Training and Education 2016	Programs for upgrading employee skills and transition assistance programs	Learning and Development
Diversity and Equal Opportunity			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Diversity, Inclusion and Belonging
103-2		The management approach and its components	Diversity, Inclusion and Belonging
103-3		Evaluation of the management approach	Diversity, Inclusion and Belonging
405-1	GRI 405: Diversity and Equal Opportunity 2016	Diversity of governance bodies and employees	Diversity, Inclusion and Belonging
Local Communities			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Our Community
103-2		The management approach and its components	Our Community
103-3		Evaluation of the management approach	Our Community
413-1	GRI 413: Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	Our Community



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Supplier Social Assessment			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Responsible Sourcing
103-2		The management approach and its components	Responsible Sourcing
103-3		Evaluation of the management approach	Responsible Sourcing
414-1	GRI 414: Supplier Social Assessment 2016	New suppliers that were screened using social criteria	Responsible Sourcing
Customer Health and Safety			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Product Safety and Quality
103-2		The management approach and its components	Product Safety and Quality
103-3		Evaluation of the management approach	Product Safety and Quality
416-1	GRI 416: Customer Health and Safety 2016	Assessment of the health and safety impacts of product and service categories	Product Safety and Quality
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	Product Safety and Quality



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GENERAL DISCLOSURES			
General Standard Disclosures	Standard Disclosure Title	Location	Explanation
Marketing and Labelling			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Responsible Marketing and Content for Children
103-2		The management approach and its components	Responsible Marketing and Content for Children
103-3		Evaluation of the management approach	Responsible Marketing and Content for Children
Customer Privacy			
103-1	GRI 103: Management Approach 2016	Explanation of the material topic and its Boundary	Data Protection and Cybersecurity
103-2		The management approach and its components	Data Protection and Cybersecurity
103-3		Evaluation of the management approach	Data Protection and Cybersecurity



2020 Corporate Social
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Introduction

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Our Products

Our People

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Our Environment

Performance
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CSR Report Disclaimer

Certain statements, other than statements of historical fact, contained in this document are forward-looking statements based on expectations, estimates and projections as of the date on which the statements are made in this document. The words “plans”, “expects”, “projected”, “estimated”, “anticipates”, “indicative”, “intend”, “potential”, “prospects”, “seek”, “strategy”, “targets” or “believes”, or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, identify forward-looking statements.

Forward-looking statements are necessarily based upon management’s perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this document, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking statements. Such risks and uncertainties include, among others, the factors discussed in the Company’s disclosure materials, including its most recent annual and any subsequent interim Management’s Discussion & Analysis and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available under the Company’s profile on SEDAR (www.sedar.com).

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