



2021

CORPORATE SOCIAL RESPONSIBILITY REPORT



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About This Report

This is Spin Master Corp.'s third 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. There are no substantial changes in the scope of our reporting.

This report covers calendar year 2021, from January 1, 2021 to December 31, 2021, and was released in April 2022. We have also included some forward-looking information. Please see the disclaimer at the back of the report for further details.

The most recent report prior to the 2021 Corporate Social Responsibility Report was the 2020 Corporate Social Responsibility Report, which was released in April 2021. 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 (GRI) Standards, and these are referenced in the Performance Data and GRI Content Index sections. We have also referenced the UN Sustainable Development Goals and provided some responses to the Task Force on Climate-Related Financial Disclosures recommendations, but these are not yet comprehensive as we define our approach to carbon reduction and our climate action plan.

This report has not been externally assured.

For further questions, please contact
communications@spinmaster.com

* All figures are in U.S. dollars.



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Spin Master has always had a noble purpose: to create magical play experiences for children and their families. Our commitment to this purpose has been unwavering, and in these challenging times the power of play has been one way we can make a meaningful impact in many homes around the world. We value the trust placed in Spin Master by kids and their parents and are committed to being responsible citizens and custodians of the world that these children will one day inherit.

Our Corporate Social Responsibility (CSR) strategy is anchored in four pillars: our people, our communities, our products and our environment. This past year, we continued to make progress against our goals within each of these areas. In addition to working towards current goals, we've also articulated a multi-year CSR plan, which has been shared with our Board of Directors, to ensure long-term commitments and accountability for performance.

Creating High-Quality Products

A critical part of providing children and families with magical play experiences is ensuring we produce the highest quality products. We have a solid track record of safety and have not had a product recall in well over a decade, which is a testament to our strict protocols and testing. Our teams are heavily invested in ensuring that our toys are responsibly sourced, with a robust auditing program in which 97% of our manufacturing facilities underwent an audit this past year. Our digital games and entertainment content undergo rigorous review and testing for content and privacy.

Protecting Our Environment

The issues within our pillars have remained largely consistent from when we first articulated our CSR vision two years ago with one exception: the rising concerns and impact of climate change. While external bodies have indicated that the toys and leisure products sector has a low contribution and exposure to climate change, we cannot ignore the countless stories of climate disasters and devastation around the globe. We know that we all need to do our part and are taking greater accountability for our carbon footprint in our long-term CSR plan. In 2021, we offset 100% of our Scope 1, 2 and some of our Scope 3 emissions and are committed to creating a climate action plan by the end of 2022. We remain focused on our targets for reducing waste and packaging and are actively investigating more sustainable materials for our products and packaging. Toys enjoy a long life cycle within many homes, but we know that at some point they can end up in landfill. In 2021, we instituted a toy recycling program, in partnership with TerraCycle®, in the United States and Australia and are looking to expand this program into other regions.



A critical part of providing children and families with magical play experiences is ensuring we produce the highest quality products.



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Giving the Power of Play to Kids

While giving back to our communities has always been an integral part of Spin Master, this past year we formalized and focused our philanthropic vision and mandate. Our charitable efforts are now keenly focused on giving children the opportunity to grow and learn through play. Play is an essential building block of healthy development, allowing children to discover, engage, create and solve problems.

After nearly two years of restricted social interaction and increased strain on their mental well-being, kids, more than ever, deserve to experience the joy of play. In 2021, we donated more than 170,000 toys to children globally. For some of these children in more remote parts of the world, they had never before received a toy and to see the smile on their faces is the greatest gift we could receive in return. In addition to toy donations, we also established new strategic relationships with several leading children's charities to expand access to arts programming, digital education, science, technology, engineering, arts and mathematics (STEAM) activities, and experiential learning to help ensure kids reach their full potential.

Through our charitable programming, educational investments and toy donations, we impacted close to 300,000 children globally in 2021.

Investing in Our People

Throughout the pandemic, we've continued to put the health, safety and well-being of our employees at the forefront. As a global operation, we've responded to the various waves of the pandemic, adopting a hybrid work model and giving our employees greater flexibility, while also maintaining many of the key employee support programs we introduced at the height of the pandemic. This past year, we've enhanced our employee experience on numerous dimensions, from compensation to career pathing to benefits, and our employee engagement scores indicate these changes are having a positive influence. We also took important steps towards our commitment to foster an inclusive workplace by expanding our diversity, equity and inclusion programming as well as introducing a new scholarship program to support career advancement for individuals from under-represented communities, including BIPOC, women and LGBTQIA+ students, within the fields of study for our three creative centres.

Looking back on 2021, I am incredibly grateful for the tenacity of our more than 2,000 employees globally and for the strength and resiliency of our Company. Our performance metrics run much deeper than just our financial results. We believe in doing well by doing good – the two must be interconnected to ensure that we grow our business sustainably while also investing in our people, our communities, our products and our environment.

Max Rangel
Director, Global President & CEO





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Spin Master Corp. (TSX:TOY) is a leading global children’s entertainment company, creating exceptional play experiences through its three creative centres: Toys, Entertainment and Digital Games. With distribution in over 100 countries, 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 global toy licensee for other popular properties. Spin Master Entertainment creates and produces compelling multiplatform content, through its in-house studio and partnerships with outside creators, including the preschool franchise PAW Patrol and numerous other original shows, short-form series and feature films. The Company has an established presence in digital games, anchored by the Toca Boca® and Sago Mini® brands, offering open-ended and creative game and educational play in digital environments. Through Spin Master Ventures, the Company makes minority investments globally in emerging companies and start-ups. With over 30 offices in close to 20 countries, Spin Master employs more than 2,000 team members globally.

VISION

Reimagining where
imagination can
take us.

PURPOSE

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

VALUES

We’ve Got Integrity
We Get Results
We Invent
We Collaborate
We Partner
We Are Open-Minded
We Are Entrepreneurs

AWARDS AND DISTINCTIONS

32 Toy of the Year (TOTY) Awards
Toca Life World™ iPhone App
of the Year
Sustainalytics ESG Regional
Top Rated for 2022
Greater Toronto’s Top
Employers 2022
Canada’s Best Managed Companies



2,000+
employees



230
Digital games reaching
children in 230 countries



190
Entertainment content
distributed in 190 countries



\$1.95 million
in donations in 2021¹

100
Toys and games distributed
in 100 customer markets

\$2 billion
in revenue for 2021

253 million
toys and games produced
in 2021

1 Cash donations include monetary contributions to registered charities, cost of goods of donated products and direct operational costs associated with donations.



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Creative Centres

The Company has established three creative centres
comprising Toys, Entertainment and Digital Games.



TOYS



Wheels &
Action



Activities,
Games & Puzzles
and Plush



Preschool,
Dolls &
Interactive



Outdoor



ENTERTAINMENT



DIGITAL GAMES





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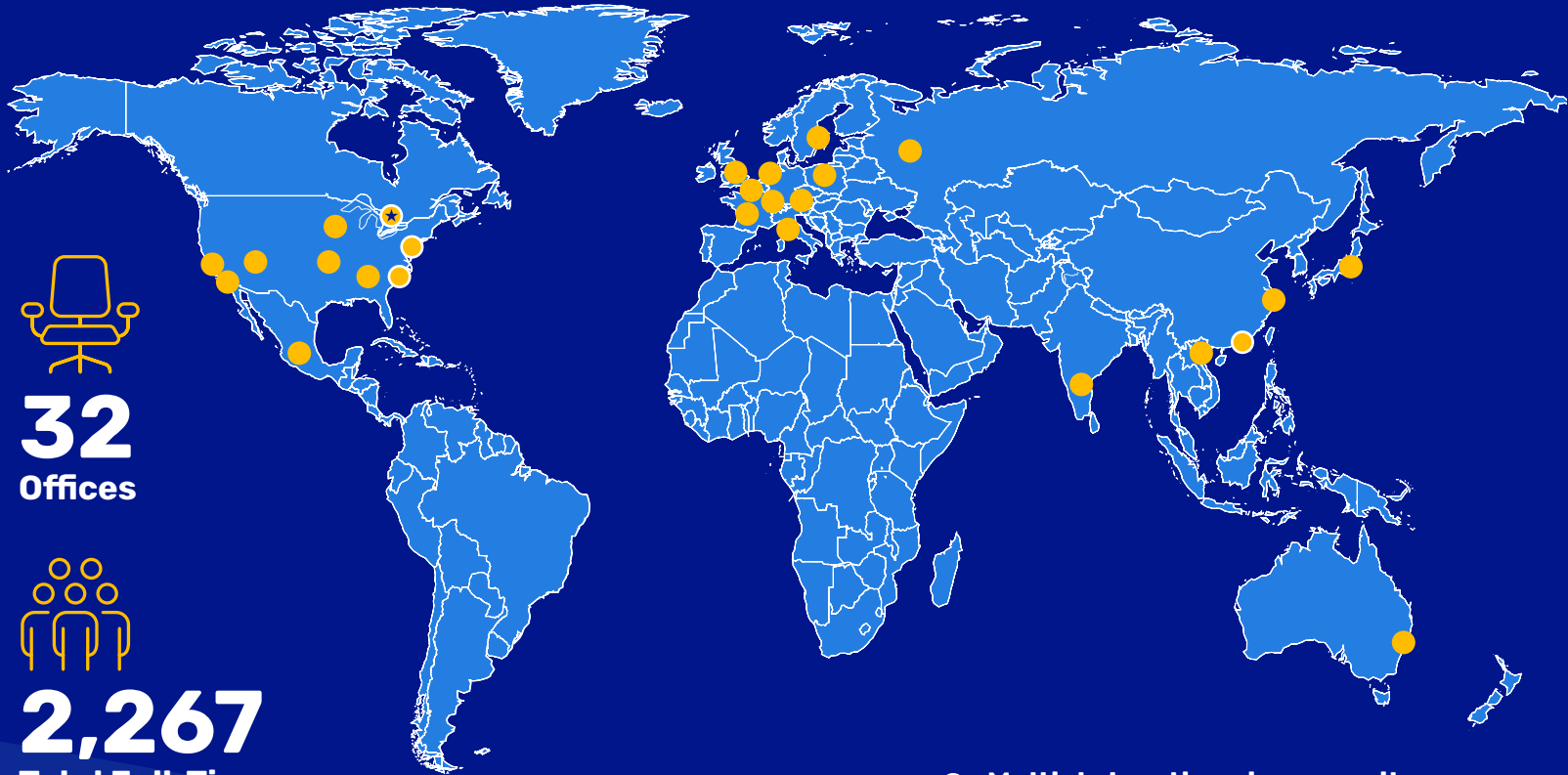
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Spin Master Global Offices



32
Offices



2,267
Total Full-Time
Employees

- Multiple locations in same city
- Represents location on global map
- ★ Headquarters

LOCATIONS

(City, Country, Multiple)

Amsterdam, Netherlands
Atlanta, U.S.
Bangalore, India
Bentonville, U.S.
Bourne End, UK
Bratislava, Slovakia
Calais, France
Dongguan, China
Hai Phong City, Vietnam
Hong Kong, China (SAR) (2)
Jiaxing, China
Las Vegas, U.S.
Los Angeles, U.S.
Mexico City, Mexico
Milan, Italy
Minneapolis, U.S.
Moscow, Russia
Munich, Germany
New York, U.S. (2)
Paris, France
Pleasanton, U.S.
Stockholm, Sweden
Sydney, Australia
Tarboro, U.S. (2)
Tokyo, Japan
Toronto, Canada (3)
Warsaw, Poland

FULL-TIME EMPLOYEES BY REGION

CANADA	ASIA	U.S.	EUROPE	MEXICO	AUSTRALIA
751	485	446	492	71	22



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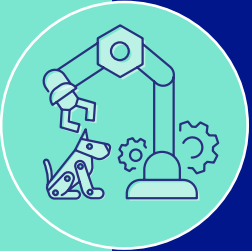
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CSR at Spin Master

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

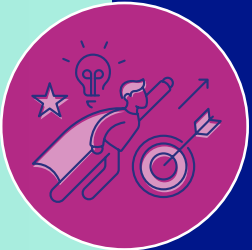
OUR PRODUCTS

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



OUR PEOPLE

Our talented team is the driving force behind our purpose of creating magical experiences for children and their families. We are committed to investing in our employees' well-being and development and to fostering an inclusive workplace where everyone can thrive, grow and ultimately have fun.



OUR COMMUNITIES

We give children in communities around the world the opportunity to grow, explore and learn through the power of play. Through our philanthropic giving, volunteering and toy donations, we are helping children to harness their creativity and develop the skills to achieve things they thought unimaginable.



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 at Spin Master

CSR Governance

We value the trust bestowed to us as a leader in the children’s entertainment industry and are committed to being responsible citizens across our CSR pillars. We have implemented an internal governance structure to ensure sound oversight and accountability.

Governance & Nominating
Committee of the Board of
Directors

Since 2020, oversight of Spin Master’s CSR has been a responsibility of the Governance & Nominating Committee of Spin Master’s Board of Directors. The Committee is responsible for reviewing and assessing the Company’s CSR strategy and multi-year plan related reporting for environmental and social matters, including donations and community investment and monitoring performance on an annual basis. This Committee provides updates to the board on environmental and social issues as necessary.

Executive CSR Governance
Committee

In 2022, we established a CSR Governance Committee at the Executive Leadership Team level. This Committee includes all members of Spin Master’s Executive Leadership Team and oversees the management and measurement of articulated CSR plans and targets. The Committee meets quarterly to review progress against our CSR plan and also evaluates emerging risks and opportunities within the CSR pillars.

CSR Committee

Our CSR Committee is 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 Executive Vice President (EVP), 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 organizations 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 Governance
Structure

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CSR Committee





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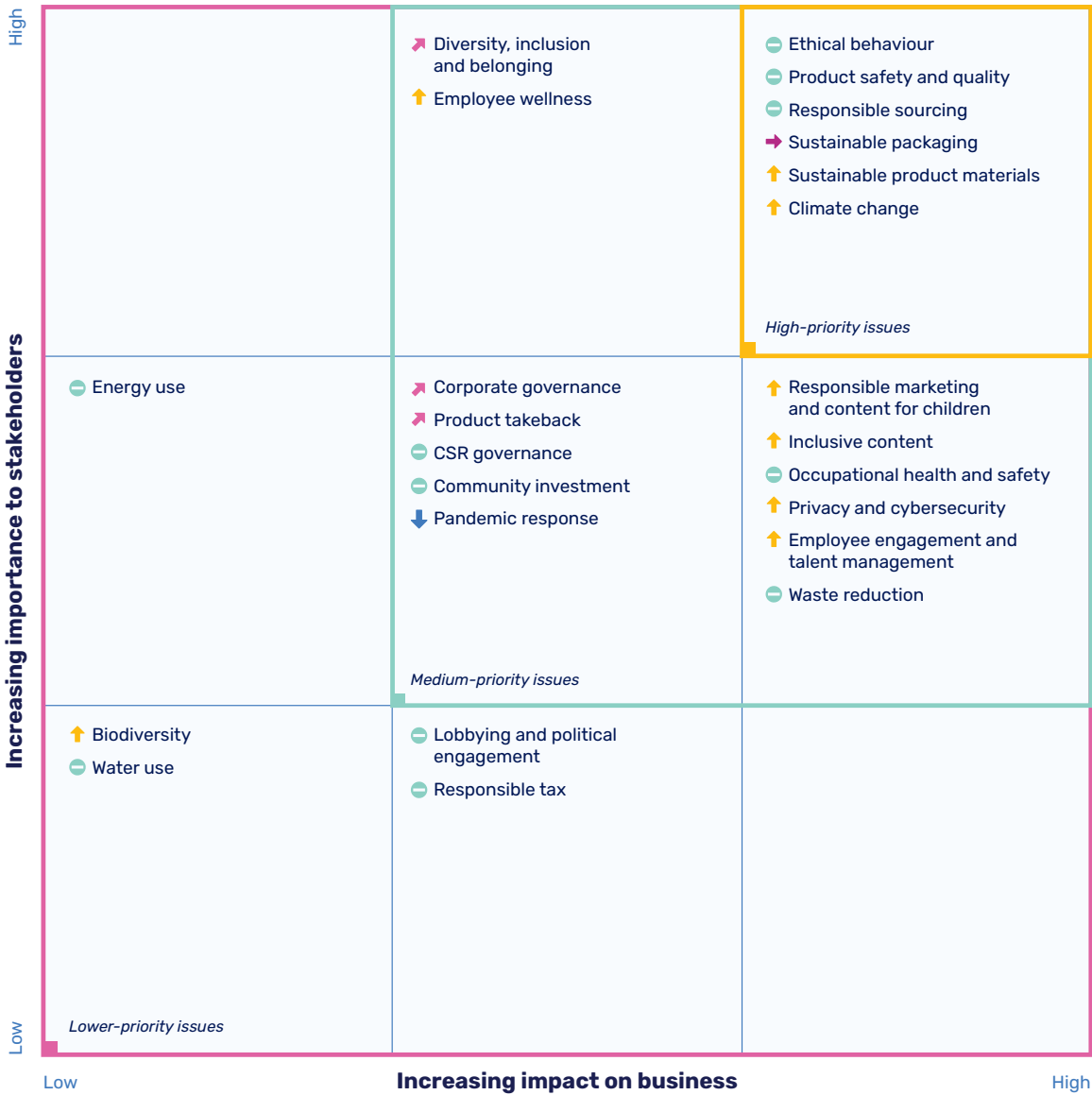
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Materiality Analysis

Our materiality analysis forms the basis of our CSR strategy by identifying which issues are the most important to our Company from an environmental, social and governance (ESG) perspective. Our last analysis was completed in 2020, and we plan to update the analysis in a more fulsome way every two to three years. For this year's report, we did a topline update using desk research of international and specialist media in order to understand and reflect some of the significant events and movements that took place over the last year. The findings were validated internally by our CSR Committee, and the adjacent chart plots out the issues based on importance to stakeholders and impact on the business. Overall, in 2021, climate change has grown in importance for us and our stakeholders. In addition, the pandemic has amplified attention on employee issues such as employee wellness, diversity, inclusion and belonging, occupational health and safety, and employee engagement and talent management.



- ➡ Steady level of interest
- ⬆ Increasing importance to stakeholders
- Increasing importance to impact on business
- Increasing importance to stakeholders and impact on business
- ⬇ Decreasing importance to stakeholders

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 short, medium and long term from a sustainability perspective. We have identified a number of the risk, mitigation measures and related opportunities.



RISK	MITIGATION	OPPORTUNITIES
The effects of climate change		
<p>Climate change will create a number of physical and regulatory risks for us (see Energy/Climate Change section and TCFD table for further details).</p> <p>Climate change-related regulatory changes affect our business in many ways. We have seen rolling blackouts in China, which have been occurring due to provincial governments needing to meet climate targets – this has led to some of our third-party facilities cutting production. Regulatory changes, including carbon taxes and zero net deforestation commitments, could potentially lead to increased cost and reduced availability for some of our key material inputs, including resin, fibre and energy.</p> <p>Extreme weather events stemming from climate change, including storms, floods and heat events, could lead to decreased reliability of our manufacturing, whether within our own facilities or our third parties (94% of our manufacturing footprint). Disruption could include damage to facilities, unsafe working conditions and damaged products. This can cause risks to the distribution and broader supply chain network and speed to market.</p>	<p>We have been measuring our carbon footprint for a number of years. Based on that information, we have been implementing efficiency measures as a standard across our properties and offsetting our self-generated carbon footprint. We have also been purchasing renewable energy certificates (see Energy/Climate Change section).</p> <p>We have been diversifying our third-party supplier factory base in multiple countries to ensure flexibility and resilience given geopolitical, economic and climate challenges.</p>	<p>Creating a climate action plan can help us innovate new products and become more efficient and resilient over time.</p>
Product quality and safety		
<p>Our industry is highly regulated, and product quality and safety are fundamental to operating in this sector. And any defects could cause significant liability and reputational risk.</p>	<p>Product quality and safety protocols, standards and controls are deeply embedded within the organization and in the industry.</p> <p>See Product Safety and Quality section for more details.</p>	<p>A constant focus on product quality and safety ensures that this mindset is part of our culture. There is a continued opportunity for Spin Master to work with the industry to continue to evolve product and safety standards.</p>



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Risks and Opportunities

RISK	MITIGATION	OPPORTUNITIES
Pandemics		
Public health incidents and public health crises, like COVID-19, could impact the continuity of our supply chain, causing disruptions for our employees, suppliers, customers and consumers. The risk of contracting diseases could lead to continued factory opening restrictions, travel restrictions, shipping and shopping restrictions, and critical infrastructure closures.	Learning from the COVID-19 pandemic, we have virtualized a significant amount of our business and put in place health and safety protocols to prevent the spread of disease. In addition, by diversifying our business geographically and diversifying the nature of business to more digital products, this offers some insulation from these disruptions.	Hybrid working has caused us to change how we work and engage with our employees. Reduced commuting and business travel has led to improved quality of life but must be balanced with the necessity of staying connected and engaging our employees.
The integrity of the supply chain		
As a trend-driven business, Spin Master depends on reliable sources of materials, efficient manufacturing and timely distribution of products. Spin Master uses a significant amount of plastic resin in its products and packaging and is looking to reduce virgin plastic in favour of sustainable alternatives where available. Availability, efficacy and cost effectiveness of these materials is essential to the future of our business. Responsible sourcing is a baseline expectation in efficient manufacturing and requires constant vigilance. As an organization that is diversifying geographies on an ongoing basis, the risk of political instability and civil unrest in some of these countries could temporarily or permanently damage the manufacturing operations of the Company or its third-party manufacturers. Failures could bring significant reputational, financial and liability risk to the Company. Supply chain disruptions, including port congestion and container availability, are a sector-wide issue and negatively affect timely distribution, an important issue with customers.	Spin Master works with its manufacturers to source input materials and we have contingency plans in place to factor disruptions and substitutions into our cost of goods sold. Supply chain disruptions are mitigated by our diversification strategy and continuing to build close to market. This requires ongoing assessment and monitoring. Expected adherence to labour standards, human rights and environmental regulation are detailed in Spin Master's Supplier Code of Conduct. We have strong infrastructure in our main countries of manufacture to monitor this adherence and we participate in the Ethical Toy Program to ensure that our performance in responsible sourcing is conducted efficiently at an industry level. Lastly, using other methods of transport for timely distribution will add cost – we have built contingency plans and flexibility into our distribution network. See Responsible Sourcing section for more details.	Working with new suppliers, or being faced with cost and supply scarcity, can bring new ideas and sources of innovation in terms of production, materials and cost.
Scarcity of specialized talent		
As an organization that hires specialized talent, it is essential for us to work collaboratively with our education system and government to create new pools of talent and ensure that our workplace is set up to attract and retain this talent.	We continue to build our programs in employee engagement and have built out partnerships and curricula with various schools including Humber College in Toronto, Fashion Institute of Technology in New York and Shenkar College of Engineering, Design and Art in Ramat Gan, Israel. More recently, we also set up scholarships for individuals from under-represented communities to enter the toy, entertainment and digital games sector. See Employee Engagement section of the report.	New talent acquisition programs will build a more diverse and robust pipeline to take on the roles of the future at Spin Master.

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



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Stakeholder Engagement

To continuously strengthen our CSR work, we regularly seek the perspectives of a variety of stakeholders identified in the map below, which provides an overview of how they 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• Green teams	<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• 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/ratings agencies	<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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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• Sustainable materials
 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 OR PARTNERS WITH SEVERAL ORGANIZATIONS, INCLUDING:

- Advertising Standards Canada
Academy of Canadian Cinema
Alliance of Canadian Cinema, Television
and Radio Artists (ACTRA)
Australian Toy Association
Boys & Girls Clubs of America
Canadian Media Producers Association
Children's Aid Foundation of Canada
Directors Guild of Canada
- Futurpreneur
ICTI Ethical Toy Program
Save the Children
Screen Actors Guild-American
Federation of Television and Radio
Artists (SAG-AFTRA)
Sustainable Packaging Coalition and
How2Recycle
TerraCycle®
The Learning Partnership
The Toy Association
- Toy Industries Europe
UNICEF
Women in Animation
Women in Film and Television
Women Drawn Together
Writers Guild of Canada
Writers Guild of America
Women in Toy, Entertainment
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World Vision



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Governance and Ethics

We are committed to conducting our business affairs with the highest standards of ethics and are dedicated to sound corporate governance. Through our governance management practices and policies we strive to ensure accountability and foster long-term value with our shareholders. We continually review our 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 act in accordance with high ethical and legal standards. To ensure we adhere to our corporate governance practices, it is a mandatory requirement for all employees and temporary and contract workers to review, understand and attest to compliance with our Governance, Risk and Compliance policies annually. 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

We are committed to treating personal information with care and respect. We take the necessary steps to protect the audiences we serve in an increasingly digital world. We have policies and practices in place to ensure inclusive and safe digital experiences and are focused on safeguarding the confidentiality, integrity and availability of sensitive data and information systems within our business.

We recognize the growing threat of cybersecurity issues around the world and regularly deploy enhanced security measures across the organization and engage with a third party to conduct regular penetration tests. In 2021, we took additional steps to protect our data by initiating a cyber liability insurance program.

We take stewardship of our customer and consumer information seriously and ensure that all data is collected in accordance with applicable regulations. We ensure compliance across our digital properties, including our websites, and are committed to working with third-party organizations to validate that we are appropriately handling secure personal information as required. More information on our Privacy Policy can be found [here](#).

We have policies and practices in place to ensure inclusive and safe digital experiences and are focused on safeguarding the confidentiality, integrity and availability of sensitive data and information systems within our business.





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Our Products

As a leading children's toy and entertainment company, we believe in creating an exceptional play and entertainment experience for children. To ensure we uphold that standard, we have a comprehensive approach to product safety and quality, responsible sourcing, responsible marketing and content for children, and inclusive content. Our industry is highly regulated and we work tirelessly to ensure we maintain the highest level of product quality and safety in everything we produce.

253M

toys and games
produced in 2021

97%

of our manufacturing
facilities underwent
an IETP/Ethical Toy
Program audit, or
equivalent, in 2021

**Zero
recalls**

in over a decade





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Product Safety and Quality

We embed stringent safety and quality standards into every product and play experience, ensuring we comply with all applicable regulations where we sell our products. 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, and we adapt accordingly.



3. Quality Testing

We take products through several iterative production pilots where they 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 a number of requirements, including:

- USA CPSC and ASTM requirements
- European Standard EN71 and the Europe Toy Safety Directive
- *Canada Consumer Product Safety Act* and associated regulations
- Mexico Norma Oficial (NOM) Mexicana certification
- International Organization for Standardization (ISO) toy safety standards
- 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. This then informs new products or helps inform current products.



Spin Master's Quality Centre of Excellence

Our Quality Centre of Excellence is responsible for product safety, integrity, legal and factory compliance, product design and execution oversight, striking a critical balance between innovation and regulation. It also 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, and results from online store scores.



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Chemicals of Concern

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 industry standards, which provide guidance on restrictions and bans for certain materials. Below, we have provided more detail on a selection of these materials and our positions on each:

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.

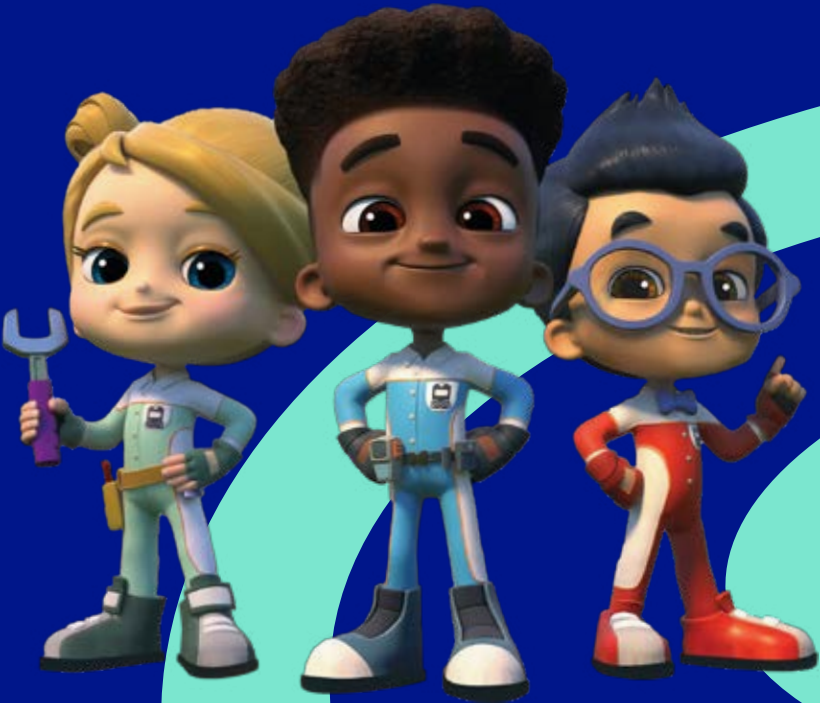
Polyvinyl chloride (PVC): PVC is found in some soft plastic toys, such as inflatable pool floats and collectible action figures, due to its safety, flexibility, durability and ability to retain colour. We have not yet identified a suitable alternative material to PVC for these products and continue to 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

We have a strong track record of product safety and quality, and we have not had any recalls, fines or settlements related to product safety in almost 15 years.

	2018	2019	2020	2021
Annual production (millions of products)	252	272	274	253
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 32 offices, distribution in over 100 customer markets and manufacturing in 10 countries in 130 facilities (SASB CN0604-B). Ninety-four percent of our production is outsourced (SASB CN0604-B). Other than our Meccano®, SwimWays® and *Kinetic Sand* brands, which are made in France and the U.S., all our manufacturing occurs in facilities owned and operated by third parties in Cambodia, China, India, Indonesia, Mexico, Netherlands, Poland, Sweden and Vietnam. We have several measures in place to 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, 76% 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). 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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Ethical Toy Program Family-Friendly Spaces
Program and Migrant Parents Training

In 2016, the ICTI Ethical Toy Program identified a need to support factory workers in China who migrate domestically to larger cities for work and live separately from their children. These children typically stay with grandparents or other family members in their rural hometowns. The Family-Friendly Factories program helps improve the lives of these workers, and one of the components of the program is called Family-Friendly Spaces (FFS), which creates factory-based childcare facilities that enable factory workers to spend more time with their children. FFS provide a safe environment for the children to play, access learning opportunities, develop social skills and spend time with their parents.

In 2021, we sponsored an FFS program for a factory in China, but in light of the pandemic, it was postponed until 2022. Still, we wanted to support workers in some way, and we instead sponsored a Migrant Parents Training program at the factory. The Migrant Parents Training program helps workers build stronger relationships with their children. The program provides practical tools to lessen the burden of workers' separation from their children by helping parents come to terms with the separation from their children, educating parents on providing support for their children and handling conflict remotely, and giving practical guidance on communications skills, along with tools and activities to strengthen the parent-child bond.

“Before training, I feel guilty for being away from my children. Now, I believe I can educate my children well even when they are not with me.

Participating worker after Migrant Parents Training

Our Performance

In 2021, despite the ongoing pandemic, we were able to audit 97% of factories that produce our toys. We did not audit one third-party factory in Sweden or our factory in France, but will do so in 2022. Both these factories have good track records for responsible sourcing and are in countries with strong labour laws and enforcement. Additionally, employees at the Calais facility are part of a labour union. At the end of 2021, we added two new third-party factories (in the Netherlands and Poland) to our manufacturing base, both of which are certified to IETP or equivalent. While we pre-screened the factories for responsible sourcing in advance, due to timing issues we were not able to execute a full audit by year's end. We will also audit these factories in 2022 to ensure they maintain a high level of responsible sourcing performance.

	2018	2019	2020	2021
Total number of manufacturing facilities	175	213 (2 owned)	156 (2 owned)	130 (2 owned)
Percentage of facilities audited to IETP or equivalent program	100%	100%	99%	97%
Number of facilities audited to IETP or equivalent program	175	213	155	126
Direct suppliers' non-conformance rate with external social responsibility audit standards	9%	8%	6%	6%
Rate of non-conformances subject to corrective action	100%	100%	100%	100%
Direct suppliers' priority non-conformance rate	6%	4%	6%	6%
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	8	7	5	2



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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 U.S. *Children's Online Privacy Protection Act* (COPPA) and the self-regulatory guidelines established by the Children's Advertising Review Unit (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) and the Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA).

Inclusive Content

Spin Master's deep understanding of play gives us a perspective to help create entertainment, toys and digital games that resonate with children. 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 and the games we create reflect positive values and role models for children and mirror the diversity of their communities.

Our entertainment content reaches audiences in more than 190 countries and 30 languages, and our digital games engage kids in more than 230 countries. We are committed to evolving our characters and storylines, games and toys to be inclusive as well as inspire children to be positive members in their communities around the world.





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Toca Boca

Diversity and inclusion are key elements of *Toca Boca*'s approach. *Toca Boca*'s mission is to let all children experience the positive power of play, and we are committed to ensuring that no child should ever feel excluded within the realm of *Toca Boca*. To ensure inclusion within each *Toca Boca* game, the development team follows three principles:

1. Defining diversity

Toca Boca has defined seven aspects of diversity most relevant for kids. The basic principle of each area is to try to avoid stereotypes and instead find norm-creative solutions.

- *Physical characteristics, cultural characteristics, functional diversity, body shape, gender, family structure and age*

2. Work with experts to cover knowledge gaps

The team has developed a Diversity Advisory Board of external advisors that can be leveraged as a sounding board during product development.

3. Create a positive team culture

The team is committed to continuously evolving the approach to diversity within gaming and fosters a culture where it is accepted to be curious, ask questions and learn about the dimensions of inclusion.



ASPECT	WHAT IS THIS?	WHAT DO WE STRIVE FOR?
Physical characteristics	Skin, hair and eye colour, hair type; in America often referred to as race	We portray people with all skin, hair and eye colours and hair types, and we do it in non-stereotypical ways. We use the whole spectrum from dark skin tones to very light skin tones when designing characters. Hair will have different colours, textures, styles and length.
Cultural characteristics	Customs, food, objects, location, clothing, language, etc.	When depicting everyday life we represent different cultural aspects of it; both when casting and choosing location for marketing material and when creating fictional worlds. We represent all cultures in a respectful manner and avoid falling into cultural appropriation.
Functional diversity	Physical, emotional and intellectual disabilities and impairments	We include atypical kids and portray them without making it their only trait. We depict people with functional diversity in positive contexts as being capable individuals.
Body shape	Height, weight and shape of the body	We portray a variety of body types in non-stereotypical ways and challenge norms.
Gender	Socially constructed characteristics of masculinity and femininity (such as norms and roles)	We portray all people, regardless of sex or gender, in a non-stereotypical way, giving everyone equal opportunities.
Family structure	Composition and membership of a family (nuclear, single parent, extended, childless, step-family, grandparent family, multicultural, etc.)	We support the ability to play family in different ways. We depict a variety of family structures and not only the heterosexual nuclear family.
Age	Socially constructed characteristics on the basis of age (activities, jobs, appearance, etc.)	We portray people of all ages in non-stereotypical ways and give them equal possibilities. We empower kids and portray older people with style and agency just as everyone else.



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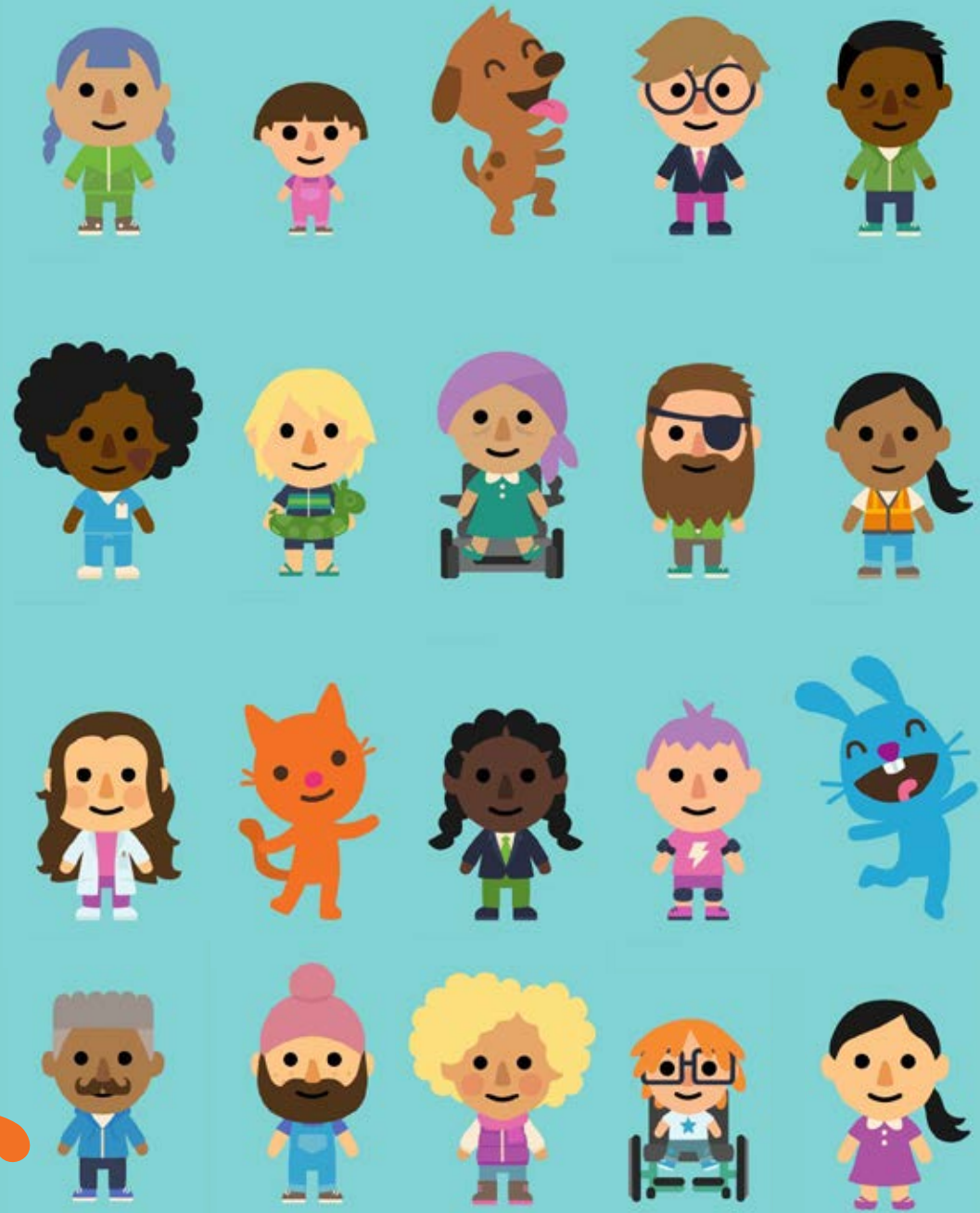
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Sago Mini

Early in 2022, Sago Mini School™, our curiosity-led learning app for three- to five-year-olds, introduced a new topic dedicated to self-discovery and social-emotional learning. In *About Me*, children start in *Character Creator*, creating their own image. With the guidance of experts, *Sago Mini* created a wide range of diverse and inclusive customization options including head coverings, wheelchairs, skin tones, birthmarks, hair textures and more. The learning module invites children to discover the benefits of meditation with a breathing break, learn to identify emotions through facial expressions and explore self-expression with creative doodling activities.





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Our People

At Spin Master, our talented team is the driving force behind our purpose of creating magical experiences for children and their families. To ensure employees reach their full potential, we continuously work to create a culture that celebrates innovation, rewards dedication and where everyone has equal access to opportunities. Over the past year, we have taken important steps to further ensure different perspectives are heard and reflected in the actions we take.

89%

Employee Engagement
Survey participation

97%

gender pay
equity achieved





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Employee Engagement

We are committed to creating a culture where everyone feels heard and included. Our annual Employee Engagement Survey and quarterly pulse checks are important vehicles for employees to help shape their experience at Spin Master. In 2021, 89% of employees participated in our Employee Engagement Survey – our highest ever response.

Overall, 2021 scores increased across almost every category year over year, a clear reflection of our work in responding to feedback and commitment to building a culture where everyone feels valued. We introduced new programs like SPIN Masters, a tool that allows colleagues to recognize one another. We also held our first-ever Employee Appreciation Week which included celebrations, activities and events for employees. Both of these programs helped to increase our scores within the areas of reward and recognition. Additionally, in response to employee requests for greater feedback on growth and development, we developed career pathing for key roles, introduced a Multi-Perspective Feedback 360 tool, and increased our focus on career development conversations. We recognize that our overall engagement score is not back to pre-pandemic levels and there are opportunities to improve. A big component of Spin Master’s culture is coming together to collaborate and innovate as a team. As we continue to return to the office in our new hybrid work model, we expect to see further improvement in overall engagement.

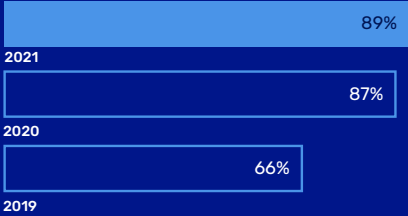
Employee Resource Groups

Our five Employee Resource Groups (ERG) allow employees from across the globe to share ideas, tackle challenging issues and foster positive change within our culture.

- **Diversity, Equity & Inclusion (DE&I):** Employees within this group help to plan cultural celebrations, advise on diversity programming and share experiences.
- **Women’s Empowerment Network:** This global group is focused on establishing connections, and providing mentorship and learning opportunities for the advancement and development of women at Spin Master.
- **Earth Buddies:** In support of our commitment to minimize our impact on the environment, the Earth Buddies Teams organize local and international sustainability events to help raise awareness and progress against our environmental goals.
- **Employee Experience:** As we continue to shape the employee experience with the goal of being an employer of choice, this group helps to gain insight and develop action plans to elevate the employee experience at Spin Master.
- **Philanthropy:** Set up to help localize our giving, these teams help advance our philanthropic vision through in-kind giving and volunteer engagements providing employees an opportunity to give back in their communities.

2021 Employee Engagement Survey

Overall participation



Overall engagement



Overall manager effectiveness



Company pride





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Learning and Development

We believe in lifelong learning and enabling growth at Spin Master and offer a range of professional development opportunities to help build knowledge and skills at work and home, including:

- **Tuition Reimbursement:** Full-time employees can take a maximum of two courses a year and be reimbursed 100% of tuition fees and course materials up to \$1,000 per course.
- **LinkedIn Learning:** We continue to maximize the LinkedIn Learning platform to easily reach our employees across the globe with current course content.
- **Leadership Essentials:** This monthly series is designed to equip people managers with learning, tools, and the support to build skills and confidence in leadership foundations in areas like Developing Your Team, Delegating & Empowering, and Leading Inclusively. These forums also allowed employees to share experiences and learn from each other.
- **Masterclass:** We piloted a program to provide subscriptions to the platform offering online learning experience from business and leadership to cooking, writing, sports and more. The pilot was so successful that we are continuing to offer this as a benefit in 2022.
- **Outschool:** To help support the children of employees during the pandemic, we provided tuition credits to Outschool, an online, innovative education platform that offers engaging, small-group classes for kids aged 3-18. Given the positive response, a credit for Outschool is now offered to all full-time employees.

Compensation and Benefits

At Spin Master, we offer competitive total reward packages, designed with our employees’ wealth, health and well-being in mind, and that reflect our commitment to being an inclusive employer. One way we can uphold this standard is by ensuring all employees are compensated equitably. In 2021, our gender-based pay equity rate across all levels globally was 97% and we are committed to achieving and maintaining close to 100% on an annual basis.

Our total reward package is tailored by region and is offered to qualified full-time employees. It 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, paid vacation and holidays, and wellness offerings (including complimentary use of the Calm app).

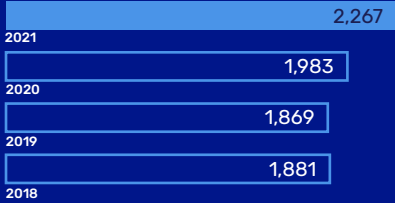
Parental leave, both paid and unpaid, is offered depending on the situation and in accordance with local laws and regulations.

We understand that a big part of the employee experience is the benefits and rewards package. To strengthen our position as an employer of choice, we will be rolling out enhanced total reward packages across a number of regions in 2022.

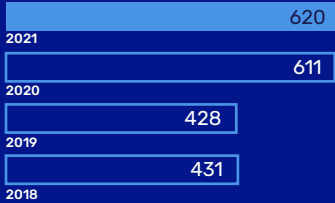
In 2021, our gender-based pay equity rate across all levels globally was 97% and we are committed to achieving and maintaining close to 100% on an annual basis.

Employee Stats

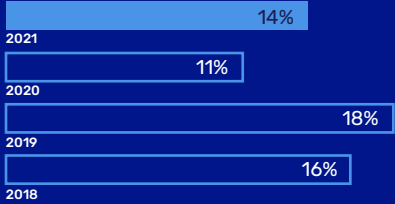
Full-Time Employees



New Hires



Voluntary Turnover Rate





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Diversity, Inclusion and Belonging

Being open-minded and valuing differences are key to our core values. We are committed to providing an inclusive workplace where employees feel supported, valued and respected.

To gain a better understanding of how we can uphold this commitment, we introduced a representation survey in 2021. The results will help to strengthen how we recruit and cultivate talent, as well as enhance our total rewards and benefits programs to better meet the needs of our employees. We will continue to share the results of future representation surveys moving forward.

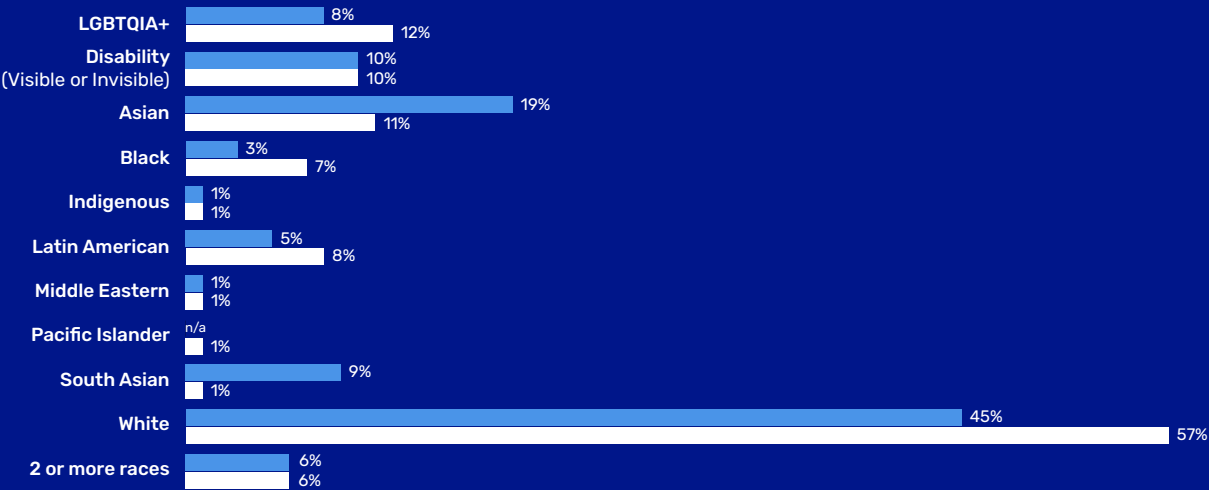
As part of our commitment to creating a safe and inclusive workplace, we completed the rollout of the unconscious bias training started in 2020 for senior management, educating leaders on mitigation strategies to adjust these automatic patterns of thinking.

Additionally, our DE&I ERG launched several new initiatives over the course of the year to advance the dialogue on fostering an open and welcoming culture. The Faces of Spin series shines a light on employees from different backgrounds in the spirit of sharing experiences and helping to promote positive change. The groups also organized a series of speakers and cultural events in conjunction with national heritage months, Pride, International Women’s Day, Mental Health Awareness Month and many more.



2021 Representation Survey

Canada United States



* Based on voluntarily provided self-identification information.



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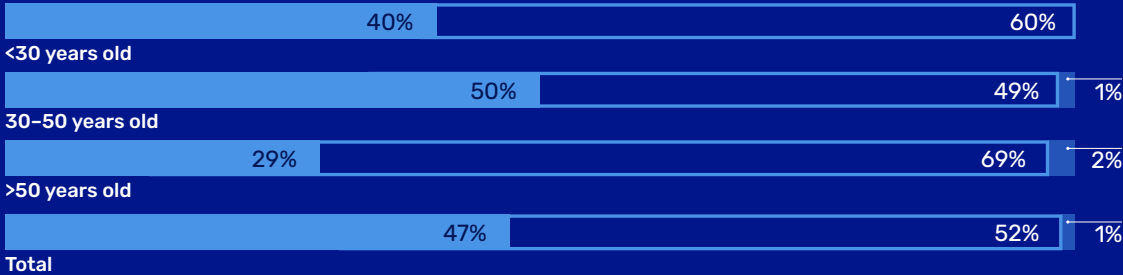
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2021 Gender Data

Female Male Undisclosed

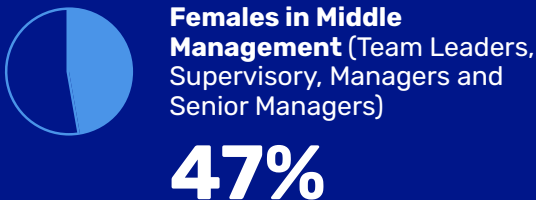
Middle Management (Team Leaders, Supervisory, Managers and Senior Managers)
(gender data by age group)



Senior Management (Directors and above)
(gender data by age group)



Gender Ratios





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Health and Safety

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

For the second year in a row, we reduced our recordable workplace incidents. In 2021, workplace incidents decreased by 20% due to the uptake of our Spin SAFE Health and Safety Program. We continued to implement further elements of the program in a number of offices, but the full implementation has been delayed due to COVID-19 related restrictions and office closures. We intend to complete this work in 2022 as we move forward with a return to the office in many locations.

To support the enhancement of health and safety education and awareness across the Company, we launched a Spin SAFE intranet site, containing relevant policies, office emergency preparedness plans and an incident tracker. Additionally, we overhauled our global incident tracking process to create standardized reporting and additional classifications. Through this enhanced data collection, we are better able to identify causes of incidents and develop actions to mitigate them in the future.

Our Performance

	2018	2019	2020	2021
Recordable workplace accidents	11	24	10	8
Deaths	1	0	0	0





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Spin Master gives children in communities around the world the opportunity to grow, explore and learn through the power of play. This past year, we focused our philanthropic programming to further that mission through charitable giving, educational investments and toy donations. Through our efforts over the course of 2021 with organizations in over 18 countries, we impacted the lives of close to 300,000 children and youth in the communities we serve and beyond.

170,000

toys donated globally

\$1.95M

in cash donations¹

18

countries reached through
our philanthropic programs



¹ Cash donations include monetary contributions to registered charities, cost of goods of donated products and direct operational costs associated with donations.



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Investing in the Future of Play

Through our philanthropic giving, Spin Master invests in charitable organizations and educational programs that help children and youth learn through play, harness their creativity and develop the skills to achieve things they thought unimaginable.

Strategic Partnerships

Last year, we launched three strategic partnerships with organizations that share our vision.

- **Boys & Girls Clubs of America (BGCA):** Investing in the growth of arts programs at five clubs, as well as two online challenges through BGCA's My Future platform (that reaches nearly 230,000 children and youth across America).
- **The Learning Partnership:** Supporting the curriculum redesign and expansion of the I3 (Investigate! Invent! Innovate!) program. Now being offered to grades 1-8, this project-based program teaches students to invent creative solutions to everyday problems.
- **Children's Aid Foundation of Canada:** Providing support to Canada's child welfare system through programs such as Ignite the Spark, which allows children to enrol in skills-building programs, and Soul Journey, an innovative mentorship and education program for Black youth.

Future of Play Scholarship Program

In 2021, we established the Future of Play Scholarship Program and awarded scholarships to seven students from equity-seeking groups/communities (including BIPOC, women and LGBTQIA+) to help fund their post-secondary education. In addition to financial support, recipients will have the opportunity to secure an internship at Spin Master as well as the potential for full-time employment upon completion of studies. All scholarships will be renewable in 2022 and Spin Master will also welcome a new cohort of students to the program.



Exploring STEAM Through DIY at Home

We coupled our passion for inspiring future generations of creators with the need to address gaps in STEAM skill development through the launch of the Future of Play website. The website offers nine kid-friendly DIY activities that give kids playful ways to experience the STEAM behind the toys they love. Children can learn key STEAM principles through fun and engaging activities at home and may become inspired to be the next generation of toy inventors, designers and engineers.





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Through the launch of our Doing Well By Doing Good platform and local philanthropy committees, we provide employees further opportunities to support causes that matter to them and to connect with the communities we serve.

Doing Well By Doing Good

In 2021, we introduced a new philanthropic and volunteerism platform: Doing Well By Doing Good. The platform allows us to showcase philanthropy, sustainability and volunteer activities globally, as well as mobilize around causes that are important to our communities. As part of the launch, we held our first-ever employee matched donation campaign, raising over \$65,000 in support of 126 different charities around the world focused on children’s education and welfare, social justice causes, Indigenous communities and the environment.



Local Philanthropy Committees

Employee-driven local philanthropy committees were established this year across North America, Europe and Asia/Pacific. Working with partners in their communities, these committees supported programs and donated toys to children in need. In total, they organized over 50 initiatives across the globe.



Supporting Entrepreneurship and Invention

Two of our core values at Spin Master are grounded in entrepreneurship and invention. In 2021, we continued program support focused on nurturing future inventors and business leaders. Through our partnership with Futurpreneur Canada, we supported 20 businesses in the Growth Accelerator program and our employees provided over 100 hours of mentorship over the course of the year. Additionally, through the Toy Invention Program, we invested in three schools with programs that help aspiring toy inventors.





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Spreading Joy Globally

While the complexities of the COVID-19 pandemic led to the postponement of Toy Movement missions abroad in 2020, we were able to deliver three toy donation missions in 2021 to the Democratic Republic of Congo, Kenya and Nicaragua. Through our partnerships with Save the Children Canada and the Dikembe Mutombo Foundation, the magic of play will reach nearly 53,000 children – some of whom have never before had the opportunity to experience the gift of a toy.

Building on our commitment to inspire children through play, we launched a new initiative this past year to deliver play kits to Child Friendly Spaces, centres set up to provide a protected space for children in areas of crisis and instability. With the support of Save the Children Canada and World Vision Canada, we donated 360 of these kits to Haiti and Mexico, giving nearly 13,000 children the opportunity to socialize and play in a safe environment. In 2022, we intend to more than double the number of play kits.

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

Donations

	2018	2019	2020	2021
In-kind donations (number)	232K	102K	460K	170K
Cash donations ¹ (\$USD)	\$720K	\$978K	\$897K	\$1.95M

We made a strategic decision in 2020 to enhance our in-kind donations to provide toys to children impacted by lockdowns and isolation. With the advent of our newly articulated philanthropic strategy in 2021, we allocated more resources to direct cash donations to support programming for children in conjunction with a return to previous levels of in-kind donations.



Answering the Call

Working with a diverse group of partners, Spin Master sought to support communities impacted by a pandemic, natural disasters, conflict and trauma. A few examples:



\$100,000

donation to UNICEF to support the vaccine rollout in India



\$10,000

donation to the Indian Residential School Survivors Society



Toy donations to children fleeing from conflict in Afghanistan and to Indigenous children impacted by the forest fires in Northern Ontario

¹ Cash donations include monetary contributions to registered charities, cost of goods of donated products and direct operational costs associated with donations.



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Global Season of Giving

The COVID-19 pandemic once again forced us to think creatively about how we celebrated the giving season and bring the holiday spirit to kids. Despite the challenges, we were able to organize several Caring & Sharing Events.

Caring & Sharing

A staple of Spin Master’s holiday giving for over a decade, 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. In 2021, we were proud to work with our charitable partners to organize three Caring & Sharing events in Toronto, Los Angeles and New York City.

Canada

Partnering with The Children’s Breakfast Clubs, Caring & Sharing was brought to three schools in the Greater Toronto Area. More than 1,100 children between the ages of 5 and 10 were able to select a Spin Master toy for themselves and one for a friend/sibling, impacting more than 2,220 children.

United States

We partnered with the Boys & Girls Clubs of America to bring Caring & Sharing to two clubs near our U.S. 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, impacting 2,000 children.

Local Giving on a Global Scale

Our Local Philanthropy Committees also got into the holiday spirit, organizing outreach events and packing up toys to donate to children in need. In total, 14 offices around the world participated in our annual global season of giving.

Giving Season Partners

CANADA	U.S.	EUROPE	ASIA/PACIFIC
The Children’s Breakfast Clubs	Boys & Girls Clubs of America	Misericordia Il y a ton sourire	Ronald McDonald House Hong Kong
The Hospital for Sick Children	Baby2Baby Deliver the Dream	Cap Energie	Toy Bank Hong Kong
WoodGreen Community Services	Variety The Children’s Charity of Southern California	Gottsegen György Országos Kardiológiai Intézet	Make-a-Wish Hong Kong
Massey Centre	Capital City Mission	Little Village	Hong Kong Society for the Protection of Children
Nellie’s Women’s Shelter	St John’s Episcopal Hospital ICARE Foundation	Home Start Wycombe Women’s Aid	Children’s Heart Foundation
Halton Women’s Place	Children’s Hunger Fund	Dash Charity Spread A Smile	Dongguan Rehabilitation Centre for the Disabled
The June Callwood Centre for Young Women	Venice Family Clinic	Alexander Devine Children’s Hospice	Changping Community Service Centre
Grandview Children’s Centre	Children’s Hunger Fund	The Brett Foundation	Jiaxing Sunshine Kindergarten Education and Rehabilitation Centre
City Street Outreach	MemorialCare Miller Children’s & Women’s Hospital Long Beach	Trelya Charity	
JIAS Toronto		John Radcliffe Hospital	
YWCA Toronto	Beach Cities Toy Drive	Rainbow Trust	Gaozhao Local Library
Toronto Fire Fighters Toy Drive		BlijfGroep	Ride for Cause India
Simcoe Muskoka Family Connexions		Samen Veilig Midden-Nederland	
The Salvation Army		Marie Dubray	
		Gemeentelijke Basisschool Blokbos	
		Stichting Jarige Jop	
		Black&white horse	
		Pomoc zo srdca	
		Bratislavské dobrovoľnícke centrum	
		Duha	
		Cesta Von	



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Our Environment

We recognize that we have a role to play in minimizing the impact of our operations on the environment and ultimately want to protect the world for the next generation to inherit. This past year, we continued our efforts to understand and mitigate our environmental footprint by examining the life cycle of our products, enhancing our climate action transparency and further diverting waste. Underpinning these efforts is growing a culture within Spin Master to reduce our carbon footprint – collectively as a company and within our own lives.

50%

planned reduction
in plastic packaging
by 2025

**10,186
metric tonnes**

of carbon offset, representing 100%
of our self-generated emissions
(Scope 1 and 2, as well as some
of Scope 3)

25

sustainability initiatives
run across our global
offices through Earth
Buddies





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Materials

We are committed to producing responsibly sourced goods that are safe and of the highest quality and to also providing more sustainable options for consumption. We have set sustainability-related targets for our packaging and have committed to evolving our product design with the environment in mind. Recognizing the need for greater collaboration and to further embed a sustainability mindset within the design process, we identified product and packaging sustainability champions across each of our major brands to share innovations and learnings in future work.

Product

In our last report, we shared some of the work that had been completed to examine the use, durability and life-cycle impacts of the materials used in our products. Plastic continues to account for most of our toy materials due to its safety, durability and ability to conform to moulds and shapes. Our product design team is actively exploring opportunities within our toy portfolio to replace virgin plastic by incorporating post-industrial and post-consumer plastics where product quality and experience can be maintained. Additionally, the teams are experimenting with thin walling, which provides opportunities to reduce overall plastic use in an item.

In fall 2022, we plan to introduce several new toys and games which will be our first to leverage these initiatives. One of these new introductions is our new Mindful Classic games line launching in the U.S. and other select countries. These beautifully designed games, including timeless favourites from Chess & Checkers to Dominoes, are made with FSC-certified wood and paper, bamboo and recycled plastic all in plastic-free packaging.

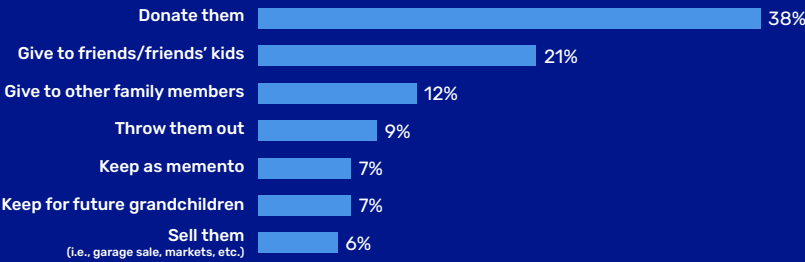


2021 Consumer Research

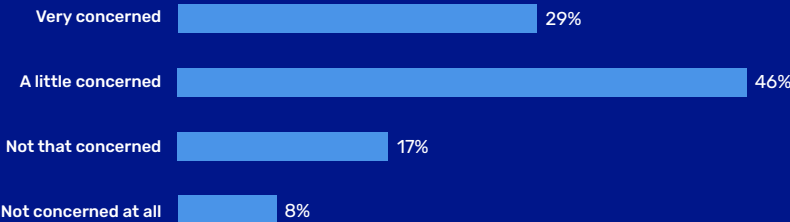
Through our own consumer research with Spin Master consumers, conducted in May 2021, we found that only 9% of consumers claim they throw out their toys when they are done with them. The research also supported a long-held belief that toys have a long lifespan in the home, being passed down to siblings, friends or to future generations.

Parents are, however, increasingly concerned about sustainable packaging options. These findings have helped to guide us to focus greater efforts on optimizing our packaging design and materials with the goal of finding more sustainable solutions.

What do parents do with toys when their kids are done with them?



Concern for sustainable packaging in toys





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Improving sustainability in our packaging remains a key area of focus in our work to minimize our environmental impacts. Our approach involves reducing the use of plastic, incorporating sustainable alternative materials and, where viable, creating packaging that is reusable.

To help better focus our packaging efforts, we conducted a comprehensive audit of materials to understand their usage across categories and within specific brands. As a result, we have been able to develop more targeted approaches to reducing plastic usage that meet the needs of individual brands and keep us moving to our goals.

Our 2025 Targets

- Reduction of plastic by 50% in our packaging
- Moving 100% of petroleum-based blister forms to sustainable alternatives
- Utilizing eco-friendly inks on 50% of packaging

Materials Usage Chart

	2018	2019	2020	2021
Packaging material (millions lbs)	71	83	84	87
Corrugate	37	41	43	44
CCNB	26	31	32	34
PET	5	5.8	5.9	6.2
Plastic – other	2.8	2.3	2.6	2.7
Miscellaneous – other	1	0.6	0.9	0.3
Retail packaging cube utilization (%)	58%	66%	67%	69%



Building on Breakthroughs

In our 2019 report, we highlighted the packaging breakthrough made with the release of the *Monster Jam*® Mega Grave Digger, where the cardboard box and plastic windows previously used were replaced with a smaller cardboard blister. Those lessons have now been rolled out across the *Monster Jam* RC line, leading to significant reductions in materials used per unit. Moreover, as seen with the Grave Digger® Freestyle Force, we’ve been able to make further progress by adjusting the positioning of the vehicle. As a result, approximately 131,000 lbs of paper material were saved in comparison to the approach shared in 2019.





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2021 Progress



**Aerobie Sonic
Fin™ Football**

The plastic window was eliminated, saving nearly 140,000 lbs of plastic and 924 barrels of crude oil.



**SwimWays Deluxe
Swim Goggles**

By switching to a trapped blister, which sandwiches a smaller piece of plastic between two paperboard cards, plastic usage was reduced by 61% in the packaging – the equivalent of 24,000 lbs of plastic and 141 barrels of crude oil.



**Hatchimals
Pixies Babysitters**

Inner plastic polybags were removed and the loose pieces were instead wrapped in the instruction sheet, saving 1,206 lbs of plastic which is the equivalent of 11.5 barrels of crude oil.



**Glamicorn
Unicorn Interactive
Purse Pets™**

Two plastic strips were used to fasten the product to the box, reducing the amount of plastic utilized in comparison to a window by 29,617 lbs of plastic and 282 barrels of crude oil.



**SwimWays Blowup
Blaster**

Creating a more efficient, plastic-free package not only reduced the amount of corrugate used but also allowed for 81% more product to fit in a shipping container, further reducing the overall carbon footprint of the product.



Air Hogs Gravitor

A concerted focus was placed on creating a more efficient package, resulting in a significant reduction in material usage – approximately 78,000 lbs of paper and 28,000 lbs of plastic.

* Our calculations are based on the assumptions of 0.4 gal of crude oil per 1 lb of plastic and 42 gal per 1 barrel of oil.



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Energy/Climate Change

Climate change continues to be a global concern, bringing on more frequent and intense drought, storms, heat waves, rising sea levels and warming oceans. While we are not in a carbon-intensive industry, we recognize that we are a global business and must continue to do our part to mitigate our impacts and adapt to a changing climate.

To make a meaningful contribution, we need to better understand our impacts and identify ways to conserve energy and reduce emissions.

Scope 1 and 2 Emissions

We saw reductions in all our categories within Scope 1 and 2. Despite reopening a number of our offices around the world, our electricity-related emissions reduced by 7.8% from 2020 primarily as a result of improvement in grid composition in jurisdictions where our footprint is largest. In fact, an examination of our leased office space showed that over 82% of our total square footage is powered by renewable or zero-emission energy sources. We have also continued to focus on our LED light conversion project, adding another six locations this past

year. Moving forward, we have established LED lighting as a baseline standard for any new office space, and we have plans to continue to convert other offices as we recognize that we cannot rely on the greening of the grid alone.

Historically, the largest single energy user in our Scope 2 emissions (owned and leased building footprint) has been our manufacturing facility in Tarboro, NC – despite comprising approximately 3% of our overall production. In February 2022, we completed the sale of the Tarboro facility, which will reduce our Scope 2 emissions by approximately 64% based on 2021 levels. The emissions will not be shifted from Scope 2 to Scope 3, as we will not be producing these products anymore, nor will we be producing the items in another facility.

Our Performance

	2019	2020	2021
Direct energy use (kWh)	12,304,863	10,574,053	13,367,218
Scope 1 emissions (tonnes CO ₂ e)	1	1	0.5
Scope 2 emissions (tonnes CO ₂ e)	4,565	5,454 ¹	5,027
Scope 3 emissions (tonnes CO ₂ e)	169,386	39,120	46,417
Total CO ₂ e (tonnes CO ₂ e)	173,952	49,583	51,444
CO ₂ e emissions/\$ million of sales	110	31.6	25.2

1 Scope 2 emissions in 2020 were under-reported as a result of miscalculation of heating usage at an owned facility. We have corrected the usage for this report and updated the Scope 2, Total CO₂e and CO₂e emissions/\$ million of sales numbers accordingly.

Scope 3 Emissions

Within Scope 3, business travel, waste-related emissions and third-party distribution centre waste declined. Going forward, we believe that business travel will likely increase as additional jurisdictions reopen, but not to pre-pandemic levels. Waste-related emissions, meanwhile, decreased due to diversion strategies being implemented at several offices and facilities. In subsequent years, we expect our overall waste emissions to continue to decrease, with the continued rollout of waste diversion initiatives and the sale of our Tarboro manufacturing facility. Lastly, consolidation with our third-party distribution centres and the transition to newer, more energy-efficient facilities helped reduce our emission levels within that category.

The largest contributor to our Scope 3 footprint is our third-party manufacturing. For this year’s report, we expanded our third-party manufacturing data collection from 78% to 94% of our overall production, and we modelled the remainder. In 2021, we saw an increase in emissions from third-party manufacturers, which we attribute primarily to the increase in fuel use for backup generators during the rolling blackouts in China. Additionally, our freight-related emissions also increased in 2021 over the previous year. Last year’s global shipping challenges, expected to continue into this year, necessitated the use of alternative and longer routes, which unfortunately contributed to higher emissions.



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Offsetting Our Carbon Impacts

We know that offsets cannot be a solution alone, and must be accompanied by meaningful reductions in carbon footprint. We have been using offsets and renewable energy certificates (RECs) as an interim measure. In 2021, we purchased enough offsets and RECs to account for 100% of our “self-generated emissions,” including Scope 1 and 2 emissions, as well as some Scope 3 emissions.

Our carbon offsets include funding two projects through Carbonfund:

Envira Amazonia Tropical Rainforest
Conservation Project

Location: Near city of Feijó in the State of Acre, Brazil

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

This project will mitigate the release of more than 12.5 million tonnes of carbon dioxide equivalent emissions, while also preserving the habitat for an extraordinary amount of biodiversity and directly benefitting local communities.

Ranchero Wind Farm

Location: Big Lake, Texas

Standard: Green-e

Ranchero Wind Farm is a 300 MW onshore wind power project that has already offset 900,000 tonnes of carbon dioxide in its first two years of operation.

We are committed to maintaining the usage of these tools as we develop a carbon reduction plan and make progress on reductions within our operations.

Energy/Climate Change

Planning for a Climate-Constrained Future

In 2021, the Sustainability Accounting Standards Board released its [Climate Bulletin](#), and it stated that physical, transition and regulatory climate risk were low for the Toys & Sporting Goods sector. However, we still believe it is prudent to assess climate risk, given the international nature of our business. We are planning to build a climate reduction plan by the end of 2022. This will include building out a number of scenarios to stress test our business into 2050.

This is also the first year that we have reported against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. We believe that reporting against the TCFD recommendations will be mandatory in many jurisdictions in the future, and in the absence of scenarios and a climate reduction plan, this is our initial foray to provide transparency in our actions and share our learnings.

For more information, please see our [TCFD table](#).





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Waste

A focus of our environment-related work in 2021 was on developing programs to help reduce waste through recycling, reusing and reducing across three critical areas: product, business operations and production.

Consumer Product Recycling

In 2021, we introduced our first-ever consumer product recycling programs in the United States and Australia. Through our partnership with TerraCycle®, any previously loved toy (excluding *Kinetic Sand* and *Orbeez™*) can be recycled rather than ending up in the landfill. Launched in April, our U.S. program has consistently grown, with the units of products returned in the fourth quarter of 2021 nearly triple those in the second quarter of 2021. We’ve also run promotions and competitions focused on getting schools to sign up and serve as a collection hub for our toys. In 2022, we will be expanding the program to include packaging, which we anticipate will further grow engagement. Our Australia program was initially focused exclusively on *PAW Patrol* products to coincide with the release of *PAW Patrol: The Movie* but will now be

expanded to mirror the U.S. program in 2022. Building on the learnings from these recycling programs, we are now committed to introducing a consumer recovery program in Canada in 2022.

In addition, we continue to participate in stewardship programs in Canada and Europe to fund recycling programs that divert waste from landfills.

Business Waste Reduction

Restrictions from the pandemic, including work-from-home mandates, continued to make it difficult to collect representative waste data from which to set accurate and impactful reduction targets. As a result, we postponed waste audits for our offices until 2022. We remain committed to setting reduction targets and a zero-waste goal by the end of 2022.

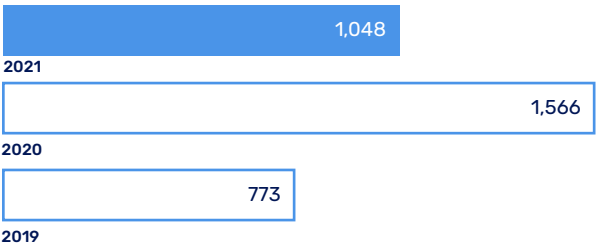
From the results of the audits that were completed prior to the pandemic, we were able to create a branded campaign for our offices called Rocky’s Recycling Campaign, using the beloved *PAW Patrol* character to drive consistency in recycling activities across our offices.

Significant progress, however, was made on efforts to roll out SmartPrint technology to reduce the amount of paper we are using. In total, SmartPrint was introduced in 15 offices, nearly doubling the original target of eight locations, and the rollout continues in 2022.

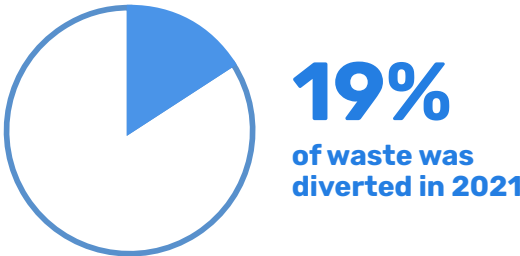
Production Waste Reduction

For production at our owned factory in Calais, France, we have made investments to divert waste generated through the manufacturing of products. Grinders have been installed next to each production machine to allow us to take excess plastic from previous production and reinject it into the manufacturing process. Where we are unable to regrind the raw materials, we work with a third-party provider to divert the waste. Through this relationship, we avoided sending 21 tonnes of plastic materials to landfills. We continue to set goals to increase our ability to reuse materials in the facility and further divert waste.

Waste Generated (metric tonnes)



Waste Diverted





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Our Earth Buddies Teams are creating a climate-conscious culture and providing a platform for those who want to champion sustainability within the Company and their own lives. Building on the successful launch of the program in 2020, we launched a dedicated Earth Buddies site on our intranet, expanded the number of teams globally and ran over 25 initiatives over the course of the year.

Changing Behaviours and Minimizing Environmental Impacts

A series of waste-free living workshops, clothing donation drives, exchange markets and upcycling competitions were organized to help give previously loved items new homes or purposes. In Europe, where energy prices continue to rise, energy usage readers were purchased to help employees adjust their habits, while saving money and the planet.

Employees in North America and Asia rolled up their sleeves for tree planting events, as well as beach and park cleanups. Additionally, plant and seed giveaways were organized in multiple offices.





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Reporting and Disclosures

In our inaugural 2019 CSR report, we incorporated the Sustainability Accounting Standards Board (SASB) framework followed by the Global Reporting Initiative (GRI) framework last year. Aligning our reporting to both the SASB and GRI frameworks allows us to demonstrate our performance on critical sustainability issues more transparently and for stakeholders to assess our impact in a consistent manner.

This year, we are expanding our reporting and disclosures to include two new frameworks: the Task Force on Climate-Related Financial Disclosures (TCFD) and the UN Sustainable Development Goals (SDGs). We see these next steps as important evolutions in how we build our CSR work and how we view its impact. Through the TCFD, we will enhance climate-related transparency, while the SDGs allow us to measure our impact in a global context.

We recognize that ESG reporting will continue to change and may soon harmonize. We will ensure our reporting and disclosure follows any future evolutions and continues to uphold our commitment to integrity and transparency.





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Performance Data

METRIC		2018	2019	2020	2021	UNIT OF MEASURE
Product	SASB reference (if applicable)					
Annual production	CN0604-A	252	272	274	253	millions of units
Number of production facilities	CN0604-B	175	213	156	130	number of facilities
Percentage outsourced	CN0604-B		96%	95%	94%	% (by units or dollar value)
Number of recalls	CN0604-01	0	0	0	0	number of recalls
Total units recalled	CN0604-01	0	0	0	0	number of units
Number of Letters of Advice (LOA) received	CN0604-02	0	0	0	0	number of letters
Number of legal and regulatory fines and settlements associated with product safety	CN0604-03	0	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%	97%	%
Number of facilities audited to IETP or equivalent program	CN0604-06	175	213	155	126	number of facilities
Direct suppliers' non-conformance rate with external social responsibility audit standards	CN0604-06	9%	8%	6%	6%	%
Rate of non-conformances subject to corrective action		100%	100%	100%	100%	%
Direct suppliers' priority non-conformance rate	CN0604-06	6%	4%	6%	6%	%
Direct suppliers' associated corrective action rate for priority non-conformances	CN0604-06	100%	100%	100%	100%	%
Number of contracts with suppliers that were terminated as a result of non-conformances	CN0604-06	8	7	5	2	number of contracts terminated



Performance Data

METRIC	2018	2019	2020	2021	UNIT OF MEASURE
Employees					
Engagement survey response rate		66%	87%	89%	%
Employee engagement percentage		77%	72%	73%	%
Manager effectiveness		74%	79%	83%	%
Number of employees	1,510	1,673	1,983	2,267	number
Number of new hires	431	428	611	620	number
Turnover	16%	18%	11%	14%	%
Overall gender ratio					ratio
Female	53%	52%	53%	51%	%
Male	47%	48%	47%	47%	%
Board level					
Female	13%	13%	20%	17%	%
Male	87%	87%	80%	83%	%
Managers					
Female, <30 years old			56%	40%	%
Male, <30 years old			33%	60%	%
Female, 30-50 years old			49%	50%	%
Male, 30-50 years old			50%	49%	%
Female, >50 years old			26%	29%	%
Male, >50 years old			74%	69%	%
Total female			47%	47%	%
Total male			52%	52%	%



Performance Data

METRIC	2018	2019	2020	2021	UNIT OF MEASURE
Employees					
Directors and above					
Female, <30 years old			33%	0%	%
Male, <30 years old			33%	100%	%
Female, 30-50 years old			44%	42%	%
Male, 30-50 years old			56%	57%	%
Female, >50 years old			36%	36%	%
Male, >50 years old			64%	64%	%
Total female			41%	39%	%
Total male			58%	60%	%
Workers under a collective bargaining agreement			<1%	<1%	%
Deaths	1	0	0	0	number of deaths
Recordable workplace accidents	11	24	10	8	number of recordable workplace accidents
Community					
Donations made (in-kind)	232,662	102,694	460,444	170,000	number of items
Donations made (includes monetary contributions to registered charities, cost of goods of donated products and direct operational costs associated with donations)	\$720,000	\$978,000	\$896,744	\$1,950,000	\$USD
Number of offices participating in Global Season of Giving	6	11	3	14	number of offices



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Performance Data

METRIC	2018	2019	2020	2021	UNIT OF MEASURE
Environment					
Packaging material	71	83	84	87	million lbs
Retail packaging cube utilization	58%	66%	67%	69%	%
Packaging material type					
Corrugate	37	41	43	44	million lbs
Clay Coated News Back (CCNB)	26	31	32	34	million lbs
Polyethylene terephthalate (PET)	5	5.8	5.9	6.2	million lbs
Plastic – other	2.8	2.3	2.6	2.7	million lbs
Miscellaneous – other	1	0.6	0.9	0.3	million lbs
Energy use	10,478,324	12,304,863	10,574,053	13,367,218	kWh
Total carbon emissions	158,972	173,952	49,583	51,444	tonnes CO ₂ e
Scope 1	0	1	1	0.5	tonnes CO ₂ e
Scope 2	4,996	4,565	5,454	5,027	tonnes CO ₂ e
Scope 3	153,976	169,386	39,120	46,417	tonnes CO ₂ e
Per unit of sales	108	110	31.6	25.2	CO ₂ e/\$ million sales
Waste generated	614	773	1,566	1,048	tonnes
Waste diverted			22%	19%	%



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SDG	PROGRAMS/INITIATIVES	LOCATION
	Toy Movement/CFS Play Kits Initiative	Spreading Joy Globally
	Future of Play Scholarship Program	Investing in the Future of Play
	I3 (Investigate! Invent! Innovate!) Program Support	Investing in the Future of Play
	Boys & Girls Clubs of America Arts Programs and MyFuture Support	Investing in the Future of Play
	Future of Play Website	Investing in the Future of Play
	Children's Aid Foundation Program Support	Investing in the Future of Play
	Labour Practice Standards Through IETP	Responsible Sourcing
	Migrant Parents Training	Responsible Sourcing
	TerraCycle®	Waste
	How2Recycle	Materials



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As a company, we have not created an in-depth carbon reduction strategy yet, however, we acknowledge that it is important to start the process and this is why we chose to report against the Task Force on Climate-Related Financial Disclosures (TCFD). We also understand that climate risk scenario analysis methods and data are still at an early stage and will be iterative, but the process will help give us direction in building our organizational resilience. In addition, we think it's helpful to provide transparency in our actions to share our learnings and to gather feedback on what we can do to improve our approach on carbon.

DESCRIPTION	OUR RESPONSE
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	The Governance & Nominating Committee specifically has oversight for the Company's strategy, performance and reporting on CSR issues.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>This year, we added an Executive Committee to oversee our CSR program. Its role is to sign off on our strategy and priorities, steward the activities, be accountable for initiatives within the CSR pillars, and provide decision-making on risks and opportunities (including climate risks and opportunities) raised by the cross-functional CSR Committee.</p> <p>Our functional CSR Committee, which has functional/technical leads from across the business, also has overlapping members with the Executive Committee who have a view of on-the-ground realities and support our implementation strategies.</p>



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DESCRIPTION	OUR RESPONSE
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<p>The effects of climate change present us with a number of risks and opportunities. We have detailed this below and within the Risks and Opportunities section of our report.</p> <p>Risks</p> <p>Policy and legal (transition) risks: As countries look to set climate targets, this could affect the reliability of our manufacturing or the cost of manufacturing. For example, rolling blackouts in provinces in China to meet climate targets may cause a reduction in manufacturing capacity. We see this occurring in the short and medium term.</p> <p>Market (transition) risks: As climate change worsens, there are likely to be more disruptions to manufacturing as well as distribution over the short, medium and long term. There will therefore be a need to shorten supply chains and manufacture closer to markets. In addition, disruptions would likely increase the cost of inputs over the short, medium and long term. Lastly, climate change may affect how products are consumed. For example, as we saw when children’s lives were upended by the pandemic, they spent more time with digital games compared to physical toys, which were available immediately instead of relying on supply chains.</p> <p>Acute physical risks: The effect of extreme weather could affect the quality of our products – for example, causing damage – and affect relationships with our customers in the short and medium term.</p> <p>Chronic physical risks: Increased heat could cause working conditions to deteriorate for those employed in physical labour.</p> <p>Opportunities</p> <p>Though there are many risks, we believe that there are a number of opportunities that arise from climate change.</p> <p>Resource efficiency: We believe that as materials become more expensive, we will better use what we have. For example, we are reusing virgin plastic waste materials in our Calais factory that would have otherwise been sent to landfill.</p> <p>New product innovation: We think that keeping sustainability in mind has helped us to innovate new products. For example, Playsponsible is our initiative to foster inclusiveness and diversity through play with toys, games and activities made responsibly and designed to make all kids feel represented. Our goal is to help inspire younger generations and appeal to a changing demographic.</p> <p>Creating more resilient operations and footprint: Toys are often a fashion- or fad-driven industry, and we believe that by undertaking a climate risk assessment, it will help us think in longer time horizons.</p>
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<p>See above. We are beginning to integrate our learnings on climate-related risks and opportunities in how we run our business, strategy and financial planning.</p>
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>We are looking to establish a climate action plan, including carbon reduction targets, by the end of 2022. Conducting climate-related scenarios will be part of the climate-related scenarios process, including RCP 2.6 (0.0-2.3°C), RCP 4.5 (1.7-3.2°C), RCP 6 (2.0-3.7°C) and RCP 8.5 (3.2-5.4°C).</p>



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DESCRIPTION	OUR RESPONSE
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Spin Master manages climate change risks as part of our broader Enterprise Risk Management program. We gather a cross-functional team within the organization to identify, assess and create plans to mitigate risks. Last year, we unpacked a more generic "CSR risk" to include climate change, and this year we are exploring climate change risk in terms of physical, transition and regulatory risks associated with our footprint. While the SASB Climate Bulletin says that our sector is less affected than others, we believe that it will still impact us, and it is essential for us to learn and iterate to make our business more resilient.
b) Describe the organization's processes for managing climate-related risks.	At this time, we are still developing our plan on managing climate-related risks. Some of the activities we have undertaken include: <ul style="list-style-type: none">• Conducting research into the latest developments on climate change and determining how they may impact our business;• Collecting information and enhancing our collection of data for our carbon footprint – Scopes 1 to 3;• Siting new offices in locations that source renewable energy or feature green attributes; and• Sourcing carbon offsets for Scope 1 and 3 and renewable energy certificates for our Scope 2 emissions to reduce our impacts.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Before we are able to identify, assess and manage climate-related risks, we will first need to set greenhouse gas emissions reduction targets and conduct a scenario analysis for our business.
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We disclose Scope 1 (owned vehicle), 2 (purchased electricity) and 3 emissions (air travel, third-party manufacturing electricity and heating, third-party distribution centre electricity and heating, ocean and ground transportation, leased office and owned manufacturing waste). We intend to establish a climate action plan that incorporates carbon reduction targets by the end of 2022, but in the meantime we have used offsets as a stop-gap measure.
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please see the Energy/Climate Change section for more details on our Scope 1 to 3 emissions.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Currently, we have set a goal to offset what we call our "self-generated" carbon footprint, which includes our direct (Scope 1 and 2) emissions and several of our Scope 3 emissions categories. We use a combination of high-quality offsets and renewable energy certificates (RECs). We realize that expectations are growing and we intend to establish a climate action plan that incorporates carbon reduction targets by the end of 2022.



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For the 2021 report, we will continue to report against the GRI Standards, and next year, will report against the new GRI Universal Standards.

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Location of information	Explanation
Organizational profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization	About Spin Master
	102-2	Activities, brands, products, and services	About Spin Master
	102-3	Location of headquarters	About Spin Master Spin Master Global Offices
	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	About Spin Master Responsible Sourcing
	102-11	Precautionary Principle or approach	CSR Governance Product Safety and Quality
	102-12	External initiatives	Key Memberships and Partnerships
	102-13	Membership of associations	Key Memberships and Partnerships
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Letter from the Global President & CEO
	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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GENERAL DISCLOSURES				
GRI Standard		Disclosure	Location of information	Explanation
Ethics and integrity				
GRI 102: General Disclosures 2016	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 (website)	
Governance				
GRI 102: General Disclosures 2016	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 and Executive CSR Governance Committee.
	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 (website)	
	102-24	Nominating and selecting the highest governance body	Management Information Circular (Corporate Governance – Nomination and Election of Directors) Governance and Nominating Committee Charter	



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GENERAL DISCLOSURES				
GRI Standard		Disclosure	Location of information	Explanation
GRI 102: General Disclosures 2016	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 (interlocking directorships) – if there was, it would be disclosed in the Management Information Circular. The Company does not track cross-shareholding with suppliers. Controlling shareholders are Ronnen Harary, Anton Rabie and Ben Varadi. We have disclosed related party transactions with one of our directors, Jeffrey I. Cohen, who is the Managing Partner at Torkin Manes LLP, which provides legal services to the Company.
	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, and members of the CSR Committee provide regular updates to the Governance & Nominating Committee and Executive CSR Governance Committee 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 Governance and Nominating 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	CSR Governance	The board annually reviews the Company’s CSR priorities.
	102-32	Highest governance body’s role in sustainability reporting	CSR Governance	The board reviews the CSR report before publication.



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GENERAL DISCLOSURES				
GRI Standard		Disclosure	Location of information	Explanation
GRI 102: General Disclosures 2016	102-33	Communicating critical concerns	Management Information Circular (Corporate Governance – Shareholder Engagement) Whistleblowing 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				
GRI 102: General Disclosures 2016	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				
GRI Standard		Disclosure	Location of information	Explanation
Reporting practice				
GRI 102: General Disclosures 2016	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 Content Index	
	102-56	External assurance	About This Report	
MATERIAL TOPICS				
200 series (Economic topics)				
Economic Performance				
GRI 103: Management Approach 2016	103-1	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	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report	



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MATERIAL TOPICS				
GRI Standard		Disclosure	Location of information	Explanation
300 series (Environmental topics)				
Materials				
GRI 103: Management Approach 2016	103-1	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	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Packaging	
Energy				
GRI 103: Management Approach 2016	103-1	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	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy/Climate Change	



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MATERIAL TOPICS				
GRI Standard		Disclosure	Location of information	Explanation
Emissions				
GRI 103: Management Approach 2016	103-1	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	
GRI 305: Emissions 2016	305-1	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	



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MATERIAL TOPICS			
GRI Standard		Disclosure	Location of information
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	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
GRI 306: Waste 2020	306-3	Waste generated	Waste
	306-4	Waste diverted from disposal	Waste
400 series (Social topics)			
Employment			
GRI 103: Management Approach 2016	103-1	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
GRI 401: Employment 2016	401-1	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



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MATERIAL TOPICS				
GRI Standard		Disclosure	Location of information	Explanation
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	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	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety	
	403-9	Work-related injuries	Health and Safety	
Training and Education				
GRI 103: Management Approach 2016	103-1	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	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development	



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MATERIAL TOPICS				
GRI Standard		Disclosure	Location of information	Explanation
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	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	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity, Inclusion and Belonging	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Communities	
	103-2	The management approach and its components	Our Communities	
	103-3	Evaluation of the management approach	Our Communities	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Our Communities	



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MATERIAL TOPICS			
GRI Standard		Disclosure	Location of information
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1	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
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Sourcing
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	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
GRI 416: Customer Health and Safety 2016	416-1	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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MATERIAL TOPICS				
GRI Standard		Disclosure	Location of information	Explanation
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1	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				
GRI 103: Management Approach 2016	103-1	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	



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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 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).

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management’s expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.



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