REIMAGINING PLAY FOR FUTURE GENERATIONS

2022 CORPORATE SOCIAL RESPONSIBILITY REPORT

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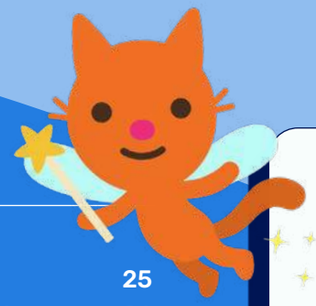


About This Report

This is Spin Master Corp.'s fourth 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 2022, from January 1, 2022, to December 31, 2022, and was released in April 2023. 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 2022 Corporate Social Responsibility Report was the 2021 Corporate Social Responsibility Report, which was released in April 2022. We continue to report on an annual cycle.

This report includes all Sustainability Accounting Standards Board (SASB) indicators for Toys and Sporting Goods. We are also reporting with reference to material indicators with the Global Reporting Initiative (GRI) Standards. Both the SASB indicators and GRI disclosures can be found in the **Performance Data** and **GRI Content Index** at the end of the report. We have also referenced the **UN Sustainable Development Goals** and provided some responses to the **Task Force on Climate-Related Financial Disclosures** Recommendations.

This report restates certain information from previous reports as it relates to Scope 1 and Scope 2 carbon emissions data. In previous reports, we categorized energy-related (electricity and heating) carbon emissions from owned facilities within Scope 2 emissions. We are now categorizing them as Scope 1 emissions in this report and will continue to do so moving forward. All previous carbon emissions reporting data has been restated accordingly.

Spin Master retained DNV Business Assurance USA, Inc. to provide independent verification of the carbon emission data within this report. Their conclusion, along with their methodology, will be posted publicly on the Company website. All other data presented in this report is based on the best information available at the time of publication and was not verified externally.

For further questions, please contact **communications@spinmaster.com**

** All figures are in U.S. dollars.*

Letter from the Global President & CEO

We began our Corporate Social Responsibility (CSR) journey in 2019 with an aspiration to continuously improve across our four pillars: our environment, our products, our people and our communities. We are proud of the progress we have made since then, particularly as it relates to setting targets and advancing towards increased transparency and enhanced governance.

As we've advanced our work within this area, we've taken the opportunity to refine our CSR vision to align more closely with our overall strategy and demonstrate the maturity to which we have progressed. Reimaging Play for Future Generations still reflects our commitment to continuous learning and our purpose of creating magical play experiences for children and families. It also represents our responsibility to uphold an inclusive culture and empower children to grow and learn through play, while acting as responsible custodians of the world these children will one day inherit.

Fostering an Inclusive Culture

Being open-minded and embracing diversity are values we hold closely as part of our Company culture. We are committed to providing an inclusive workplace where employees can learn, celebrate and support one another as a community. Our employees are the driving force behind our success and we wholly support their well-being.

We enhanced our employee benefits in 2022, increasing wellness and mental health support, providing increased vacation benefits and adding further financial support through our first-ever employee share purchase plan.

Strong leadership is vital to the development of such a culture and, this past year we invested in our leadership capabilities through two development summits for Vice Presidents and above. We intend to cascade the training to other levels of management in 2023.

We also continued to support the next generation of creators from equity-seeking groups and communities (BIPOC, LGBTQIA+ or women) in North America by welcoming the second cohort of the Future of Play Scholarship Program. In total, we provided funding to 15 new and returning students in their pursuit of post-secondary education and are committed to supporting them until the completion of their programs.

> **Our new CSR vision isn't just about what we do but how we do it. Our collaborative culture and talented employees will continue to drive the integration of CSR into our products and operations, allowing us to constantly reimagine play for future generations.**

Empowering Children to Grow and Learn through Play

Grounded in the belief that all children deserve the opportunity to grow, learn and explore through play, we partner with leading children's charities to deliver programming to help kids tap into their own creativity and develop new skills. From teaching children to solve the Rubik's Cube® to encouraging students to invent creative solutions to everyday challenges, we're inspiring and enabling kids to become the next generation of inventors, artists, animators and developers.

In 2022, we expanded the global reach of our philanthropy programs by donating more than 450,000 toys through initiatives such as The Toy Movement and our signature Caring & Sharing events. Amid the conflict in Ukraine, we also came together to provide toys and financial relief to support impacted and displaced children and families. Our employees are actively engaged in our philanthropy efforts and recorded more than 5,000 volunteer hours this past year. As a result of this collective effort, our 2022 philanthropy efforts positively impacted 610,000 children around the world.

Being Responsible Custodians

Intertwined with our commitment to the well-being of children is a sense of responsibility to ensure that we protect the world that they will one day inherit. For the first time in our history, we have completed a Climate Action Plan for the Company. The outcome of that plan will see us take well-planned steps and a commitment to a 70% reduction in our Scope 1 and 2 emissions by 2030 and a target to achieve net-zero emissions by 2050. As part of our efforts, we've also established a zero-waste target for our owned and leased facilities for 2035.

This is just a starting point: new innovations and market solutions are continually emerging to further reduce the environmental impact of our products and operations. One example is the work of our product development and packaging teams, which have been finding ways to reduce our use of virgin plastic and incorporate sustainable design into our toy portfolio. In 2022, we launched seven new toys, including a 100% recycled Baby GUND® line.

Our new CSR vision isn't just about what we do but how we do it. Our collaborative culture and talented employees will continue to drive the integration of CSR into our products and operations, allowing us to constantly reimagine play for future generations.

Max Rangel
Director, Global President & CEO

About Spin Master

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 26 offices in close to 20 countries, Spin Master employs more than 2,000 team members globally. For more information visit **spinmaster.com** or follow on **Instagram**, **Facebook** and **Twitter** @spinmaster.

Toys

Preschool, Dolls & Interactive

Activities, Games & Puzzles and Plush

Wheels & Action

Outdoor

Entertainment

Digital Games

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 iPhone App of the Year 2021
Sustainalytics ESG Industry Top-Rated for 2023
Greater Toronto's Top Employers 2023
Canada's Best Managed Companies
Fast Company's Best Places to Work for Innovators 2022

2,280
full-time employees

$2B
in revenue for 2022

230
Digital games reaching children in 230 countries

100
customer markets for toys and games

241M
toys and games produced in 2022

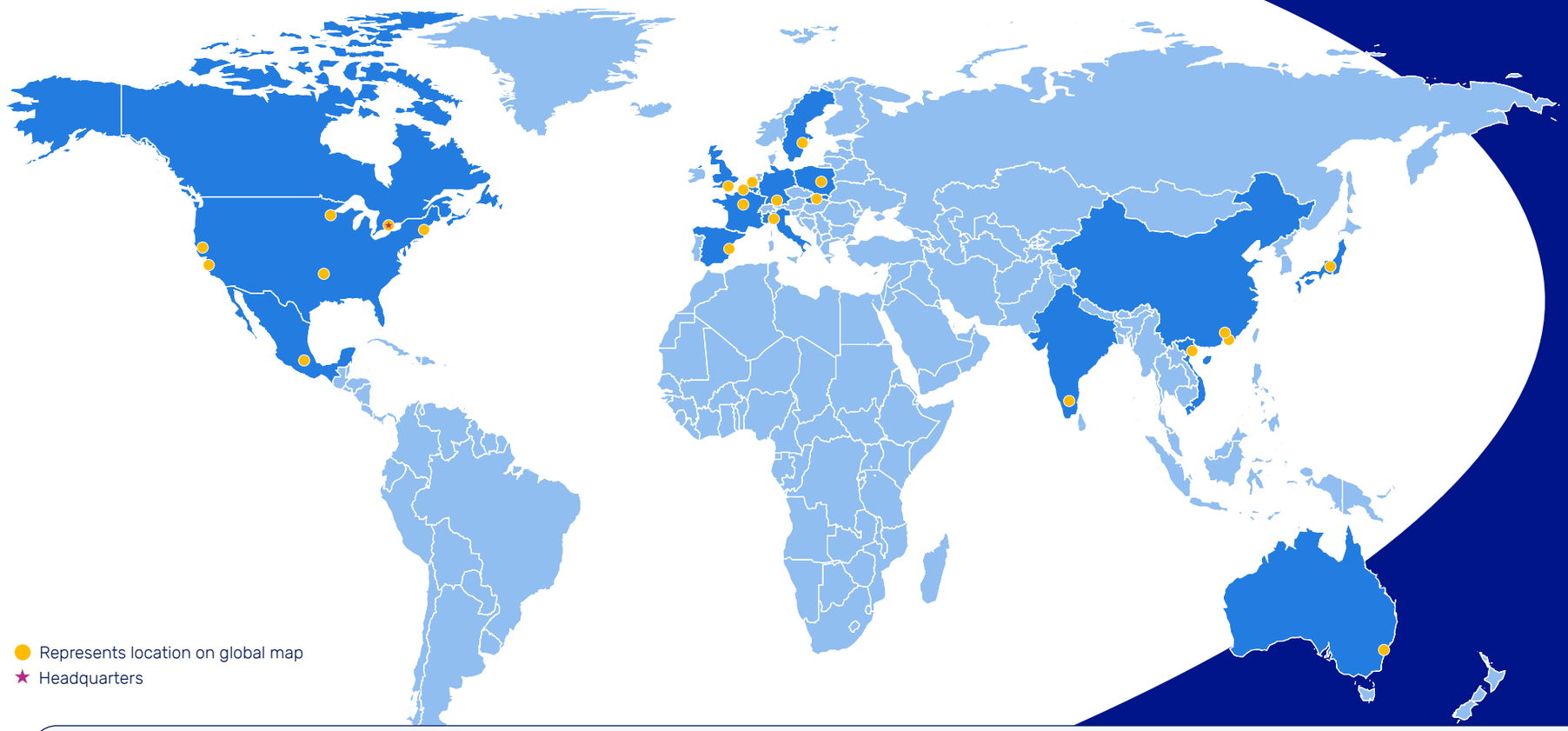
190
countries that Spin Master Entertainment properties are distributed in

4th
largest global toy manufacturer[1]

450,000
toys donated in 2022

1 Per Circana 2022 full year.

Spin Master Global Offices



Represents location on global map
★ Headquarters

26
offices

2,280
full-time employees

Full-Time Employees by Region

Canada **813**	Europe **524**
Asia **513**	Mexico **72**
U.S. **333**	Australia **25**

Locations (City, Country, Multiple)

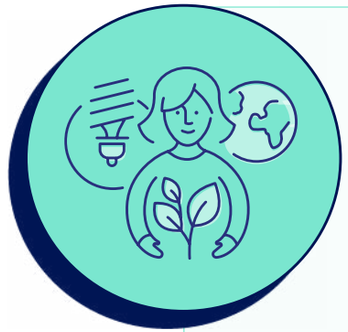
Amsterdam, Netherlands
Bangalore, India
Bentonville, U.S.
Bourne End, U.K.
Bratislava, Slovakia
Calais, France
Dongguan, China
Hai Phong City, Vietnam
Hong Kong, China (SAR)
Jiaxing, China
Los Angeles, U.S.
Mexico City, Mexico
Milan, Italy
Minneapolis, U.S.
Munich, Germany
New York, U.S.
Paris, France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

CSR at Spin Master

CSR Vision

Reimagining Everyday Play for Future Generations

Spin Master creates magical play experiences for children and their families. We foster an inclusive culture, empowering children to grow and learn through play while acting as responsible custodians of the world these children will one day inherit.



Our Environment

We are committed to minimizing the impact of our operations on the planet to ensure we protect the world for children and families today and for generations to come.

Our Products

As a leading children's entertainment company, we are committed to producing safe, high-quality and responsibly sourced products. We are striving to incorporate responsible product materials and packaging to provide consumers with more sustainable options.

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 in-kind donations, investments in educational programming, local community engagement and employee volunteerism, we are helping children harness their creativity and develop skills to achieve things they thought unimaginable.

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. In 2022, climate was added to the mandate of the board in order to strengthen oversight on environmental matters. This Committee provides updates to the board on environmental and social issues as necessary.

Executive CSR Governance Committee

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

CSR Committee

The 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, Product Development and Engineering, 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 against its CSR strategy and targets, make recommendations on initiatives to be taken and oversee their delivery. Supporting this work are two sub-committees focused on sustainability in product development and facilities. The Committee meets multiple times throughout the year, including in advance of each Executive CSR Governance Committee meeting.

CSR Governance Structure

- Governance & Nominating Committee of the Board of Directors
  - Executive CSR Governance Committee
  - CSR Committee
    - Product Sustainability Sub-Committee
    - Facilities Sustainability Sub-Committee

Materiality Analysis

Materiality analyses form the basis for our CSR strategy, by identifying which issues are the most important to Spin Master from an environmental, social and governance perspective and those that are important to stakeholders. This year, we've taken a more granular approach, looking at the importance of issues to specific stakeholder groups. We've updated the analysis using desk research from international and specialist media, bespoke consumer research, investor research and stakeholder interviews to understand and reflect emerging activities. We also validated this analysis with our Executive and CSR Committee. Overall, in 2022, we saw a sustained high interest in employee well-being issues and climate change. We have seen interest in pandemic response wane as we start to return to normal and we have set protocols in place.

RELATED PILLAR

- Governance and Ethics
- Our Products
- Our People
- Our Communities
- Our Environment

IMPACT

- ● High Impact
- ◐ Medium Impact
- ○ Low Impact

	Customers	Employees	Families	Investors/ Rating agencies	Suppliers	Communities & NGOs	Government/ Policymakers	Industry associations
High-priority issues								
Ethical behaviour	●	●	●	●	●	●	●	●
Product safety and quality	●	●	●	●	●	●	●	●
Responsible sourcing	●	●	●	◐	●	◐	◐	●
Sustainable packaging	●	●	●	●	●	◐	●	●
Sustainable product materials	●	●	●	●	●	◐	◐	◐
Climate change	●	◐	◐	●	◐	●	●	◐
Medium-priority issues								
Responsible marketing and content for children	◐	●	●	○	◐	●	●	●
Inclusive content	◐	●	●	◐	◐	◐	◐	◐
Occupational health and safety	◐	◐	○	○	○	◐	●	◐
Privacy and cybersecurity	◐	◐	●	●	○	●	●	●
Employee engagement and talent management	◐	●	○	◐	◐	◐	●	◐
Waste reduction	◐	◐	○	○	○	○	◐	○
Equity, diversity and inclusion	◐	●	◐	●	○	●	◐	○
Employee wellness	◐	●	○	○	○	◐	◐	○
Corporate governance	◐	●	○	●	◐	○	●	○
Product takeback	●	◐	◐	○	●	◐	●	●
CSR governance	○	◐	○	◐	○	○	○	○
Community investment	○	◐	◐	○	○	●	○	○
Lower-priority issues								
Lobbying and political engagement	○	○	○	◐	○	◐	●	●
Responsible tax	○	○	○	○	○	●	●	○
Energy use	○	○	○	◐	○	◐	○	○
Biodiversity	○	○	○	◐	○	◐	○	○
Water use	○	○	○	○	○	◐	○	○

Stakeholder Engagement

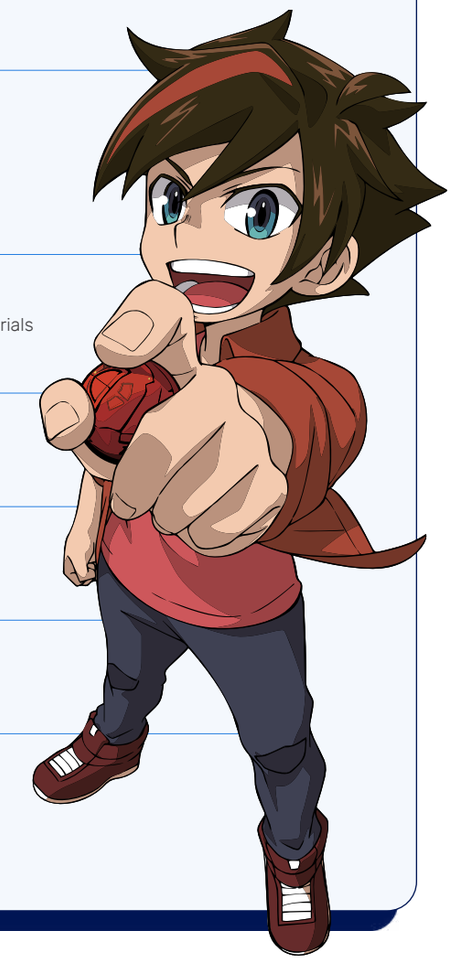
To continually strengthen our CSR work, we regularly seek the perspectives of a variety of stakeholders identified in the map below, which provides an overview of how they are engaged throughout the year.

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)
- Boys & Girls Clubs of America
- Canadian Media Producers Association
- Children's Aid Foundation of Canada
- First Responders Children's Foundation
- Futurpreneur
- ICTI Ethical Toy Program
- Let's Talk Science
- Native Child and Family Services of Toronto
- Ogimaawabiitong (Kenora Chiefs Advisory)
- Save the Children
- Screen Actors Guild–American Federation of Television and Radio Artists (SAG–AFTRA)
- Sustainable Packaging Coalition and How2Recycle
- TerraCycle®
- The Toy Association (and global affiliates)
- World Vision Canada
- Writers Guild of Canada

Stakeholder group	How they are engaged	Key topics
Employees	• Town hall meetings • Open forums • 1:1 and team meetings • Experience surveys • Training and development • Internal messaging • Green teams	• 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	• Sales team account engagement • Industry group engagement • Commercial relationships	• Product safety and quality • Responsible sourcing • Inclusive content
Families	• Focus groups • Insight team consumer preference and direct product testing • Consumer care interactions • Net promoter scores • Consumer surveys • Social media	• Product safety and quality • Privacy • Inclusive content
Investor audiences	• Investor calls/presentations • Direct engagement with analysts/lenders/ratings agencies	• Corporate governance • Financial performance • ESG topics – product safety and quality, product materials • Cybersecurity • Pandemic response
Civil society	• Media • Direct engagement • Memberships • Partnerships	• Product safety and quality • Responsible sourcing (human rights) • Product takeback • Sustainable materials
Suppliers	• Direct engagement with procurement • Site visits and audits • Supplier questionnaires • Purchasing relationships	• Product safety and quality • Pandemic response
Community	• Partnerships and outreach • Donations and sponsorships • Employee volunteerism • Memberships	• Community donations and volunteering • Pandemic response
Government	• Engagement through industry associations	• Product safety and quality • Responsible marketing and content for children • Responsible sourcing • Sustainable packaging • Privacy



Governance and Ethics

We conduct our business with the highest standards of ethics and are committed to sound corporate governance. Through our governance management practices and policies we strive to ensure accountability to our stakeholders. We regularly review our Company policies to strengthen our standards and refine our governance practices to respond to changes in the governance landscape.

As part of our review, we saw an opportunity to introduce a formal Human Rights Policy. While we have always respected internationally recognized human rights standards and have reflected our commitment throughout many of our existing policies, we felt it was necessary to create a policy to embed this responsibility through all business functions and regions. Our new **Human Rights Policy** was approved by the Governance & Nominating Committee of our Board of Directors in March 2023. Integrity is one of our core values 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, including temporary and contract workers, to annually review, understand and attest to compliance with our Governance, Risk and Compliance policies. Our standards and principles can be found in our Code of Ethics and Business Conduct. More information and detail regarding our Company policies can be found **here**.

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. Additionally, we protect our data through 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**.

OUR ENVIRONMENT

We are committed to delivering the magic of play to children and families responsibly, to preserve future generations of fun. Over the past few years, we have focused attention on understanding our environmental footprint and evaluating ways to minimize the impact of our operations. In 2022, we took significant steps to solidify our plans and to set additional targets.

60%
reduction in Scope 1 + 2 emissions in 2022

70%
reduction in Scope 1 + 2 emissions by 2030

Zero Waste
by 2035 in owned or leased facilities

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Our Climate Action Commitment 14
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Our Performance

Our Climate Action Plan and the targets within are aligned with our commitment to act as a responsible custodian of the world children will one day inherit. We continue to make progress in reducing emissions in a number of areas across our footprint.

Scope 1 and 2 Emissions

Our Scope 1 and 2 emissions decreased by 60% in 2022 in comparison to our 2019 baseline. A significant factor in this reduction was the sale of a manufacturing facility in Tarboro, NC, which closed in early February 2022. We have still accounted for all the emissions from the factory (energy and waste) until the transfer of ownership date. Additionally, the items that were produced at this factory were part of the sale and not transferred to other production facilities within our supply chain.

Our employees' return to office led to an increase in emissions within our North American operations, which account for over 50% of our employee base. We will be evaluating our North American portfolio over the next few years to determine steps for greater energy efficiency and reduced carbon emissions. This increase was offset, in part, by a reduction in energy-related emissions in our European offices, which benefitted from more efficient usage of electricity. Notably, our largest European office in Stockholm, Sweden moved into a new location that incorporates BREEAM design and operational standards, which should continue to strengthen our environmental performance in this region. Our offices in the Asia-Pacific region also saw an 8% reduction in emissions which was partially helped by the move to a newer building in one of our locations in China. Overall, the total square footage within Scope 1 and 2 powered by renewable or zero-emission energy sources in 2022 increased to 83% (from 82% in 2021). The establishment of LED lighting and other efficiency practices as a baseline standard for offices also continues to support the reduction of emissions in Scope 2.

Our Performance

	2019	2020	2021	2022
Scope 1 (Direct)	**2,565.8**	**4,438.9**	**3,837.3**	**613.2**
North America	2,064.4	3,730.0	3,215.5	**116.4**
Europe	501.0	708.8	234.2	**496.3**
Asia-Pacific	0.3	0.2	585.4	**0.5**
Scope 2 (Indirect)	**2,000.2**	**1,016.0**	**1,190.4**	**1,222.3**
North America	1,167.2	349.4	370.7	**532.5**
Europe	202.0	69.2	234.2	**152.8**
Asia-Pacific	631.0	597.4	585.4	**536.9**
Direct energy use (kWh)	12,304,863	10,574,063	13,367,218	**7,615,568**

Offsetting Our Carbon Impacts

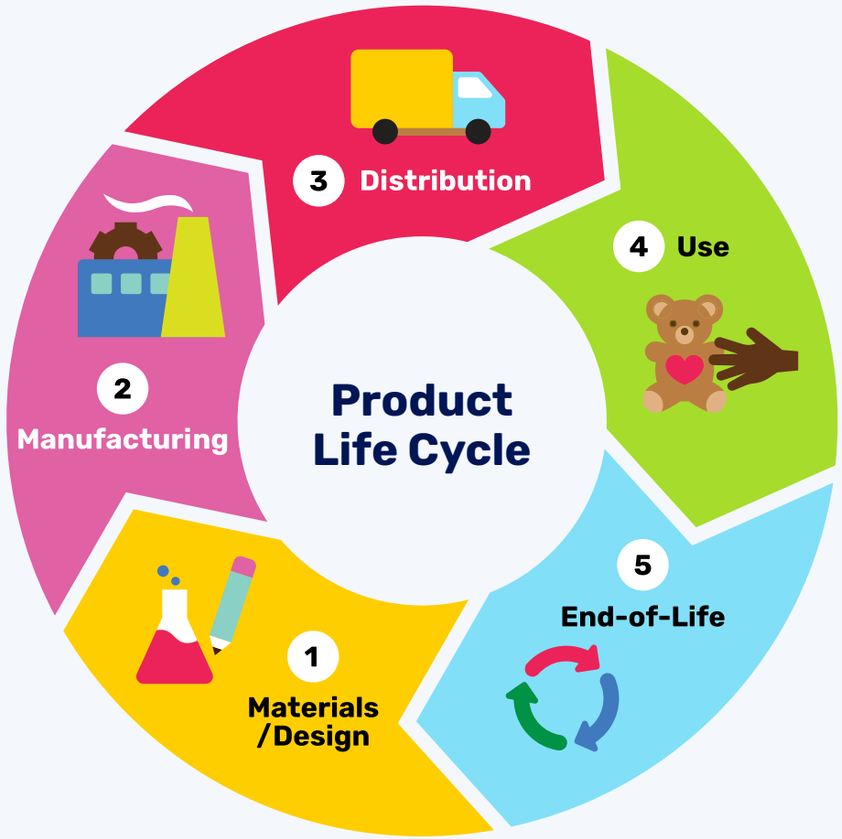
As we pursue our emission reduction targets, we will continue to offset 100% of our self-generated carbon, which includes all Scope 1 and 2 emissions, as well as some Scope 3 emissions. In 2022, our funding supported two projects through Carbonfund.

Panama Tropical Reforestation Project:

The offsets supported the effort to restore nearly 25,000 acres of forest near the Pacific Coast of Panama. The project is certified by Climate, Community and Biodiversity Standard (CCBS) and CarbonFix Standard (CarbonFix has since been acquired by the Gold Standard) and was verified by SCS Global Services and Rainforest Alliance.

Cedar Bluff Wind Farm:

Green-e Renewable Energy Certificates (RECs) were purchased to support electricity generation at an onshore wind power project in Kansas.



Our Methodology: We use the WRI GHG Protocol Corporate Standard to calculate the emissions within Scope 1, 2 and 3. The overwhelming majority of our data is collected directly from vendors and suppliers. Where raw data was not available, we used emissions intensity metrics to model the relevant carbon footprint. Our carbon emission calculations were verified by a third-party assurance.

Scope 3 Emissions

Within Scope 3, we recorded declines in emissions within three categories: freight, third-party warehousing and waste. Freight-related emissions rose over the last two years on account of global supply chain challenges that often necessitated taking less direct routes to ensure deliveries for customers. With a more predictable shipping environment and more efficient container usage (86% in 2022), we were able to lower emissions in 2022 to slightly below our performance in 2019.

Emissions within our third-party party warehouse network have consistently declined due to a continued focus on consolidating our footprint and moving into newer, more efficient facilities. The closure of our warehouse in Russia also helped lower carbon emissions. Similarly, emissions from waste within our owned and leased facilities declined due to enhanced efficiency practices and a reduction in our overall footprint. More details on our waste performance can be found in the **Waste** section.

The largest contributor to our Scope 3 footprint remains third-party manufacturing within our supply chain. We strengthened our reporting further by increasing direct data collection to 99% of our overall production, with the remaining 1% modelled. Emissions from third-party manufacturing increased in 2022, which we attribute in part to COVID-19 restrictions in China. To improve our performance over the long term, we are now starting to engage with our top suppliers to better understand their emission reduction plans and continue to explore ways to diversify our manufacturing footprint in jurisdictions with lower carbon emissions.

Emissions from air travel in 2022 increased over pre-pandemic levels with the return of trade shows, along with the need for teams spread across multiple offices and countries to connect in-person for the first time since early 2020. We do not expect that volume of travel to be sustained in 2023 and anticipate a return to pre-pandemic levels over the coming years.

Our Performance

	2019	2020	2021	2022
Scope 3 Emissions	**169,386**	**44,129**	**53,331**	**60,245**
Category 1 – Purchased Goods and Services (Tier 1 Manufacturing)	161,987	37,443	46,840[1]	**50,812**
Category 4 – Upstream Transport and Distribution (Third-party Distribution)	2,148	1,930	1,457	**932**
Category 5 – Waste (Owned and Leased) (Non-hazardous)	278	520	463	**283**
Category 6 – Business Travel (Air Travel)	1,787	953	235	**5,052**
Category 9 – Downstream Transport and Distribution (Freight)	3,186	3,283	4,336	**3,165**

1 We recalculated our Tier 1 Manufacturing emissions for 2021 as part of our effort to standardize our sources for emission factors. This led to a higher emission total than previously reported.

Our Climate Action Commitment

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. In 2022, we set out to map pathways to reduce our carbon emissions and impact on the environment. The resulting Climate Action Plan, the first in Spin Master's history, lays out progressive targets that will allow us to track our progress and uphold our commitments to future generations.

Our Net-Zero Pathway

Spin Master's commitment to the well-being of children includes the responsibility to ensure that we protect the world that they will one day inherit. Our Climate Action Plan is focused on meeting that obligation, starting with our self-generated emissions. The journey to net-zero emissions[1] within Scope 1 and 2 by 2050 will rely on several well-planned steps and initiatives, including:

- Transitioning to electric vehicles within our owned fleet
- Reducing owned manufacturing
- Upgrading leased building standards and enhancing energy efficiency
- Sourcing regionally targeted renewable energy certificates for no more than 5-10% of total emissions

Achieving our goals will require cooperation across a number of the departments and our collaborative culture will be essential to our collective success.

1 Targets are absolute and our baseline year is 2019.

70%
reduction in Scope 1 + 2 emissions by 2030

NET ZERO
commitment for Scope 1 + 2 emissions by 2050

Determining Pathways in Scope 3

In developing the Climate Action Plan, it became clear that verifiable solutions for reducing the larger components of our Scope 3 emissions to achieve a net-zero target do not yet exist. This is particularly true as it relates to the use of plastic in the manufacturing of toys due to its safety, durability and ability to conform to moulds and shapes. As a company rooted in innovation and creativity, we believe that advancements in this area are forthcoming; however, we are unable to make defined commitments until these alternatives are available broadly in the market. As a result, our plan lays out important initiatives aimed at piloting capacity building solutions within our Scope 3 footprint, including:

- Reducing the use of virgin plastic and incorporating sustainable design into our **toy portfolio**
- Collaborating with Tier 1 suppliers directly on their emissions reduction efforts
- Diversifying our supply chain to lower-carbon jurisdictions where possible
- Identifying zero-waste solutions for third-party distribution facilities

We will continue to test and learn new innovations within this area to further define our pathway within Scope 3 and support our commitment to protecting the planet for future generations.

85%
reduction in waste in owned and leased facilities by 2025

ZERO WASTE
in owned and leased facilities by 2035

Waste

In last year's report, we outlined programs focused on eliminating waste through recycling, reusing and reducing across three critical areas: product, business operations and production. The successful implementation of these programs served as the foundation of our waste targets, allowing us to pursue an 85% reduction in waste from owned and leased facilities by 2025, and a zero-waste goal by 2035.

Consumer Recycling

Our partnerships with organizations like the Sustainable Packaging Coalition, How2Recycle and TerraCycle® are important vehicles for promoting the circular economy. In 2022, we expanded our TerraCycle® program in the United States to include packaging in addition to previously loved toys. As a result, participation grew and the total volume of materials recycled through the program exceeded that of a playground. In recognition of our achievement, we will be donating a playground made of recycled plastic to a Boys & Girls Club in the U.S. in 2023.

We also made the decision to wind down our TerraCycle® program in Australia due to low participation. We have diverted the funds used to support that program to other waste-related initiatives that will have a larger environmental impact.

Business Waste Reduction

We completed waste audits in multiple facilities with our return to office. The results showed important progress, including at our Toronto HQ, which improved its waste diversion rate by 19%. Overall, the waste diversion rate within our offices was 55% in 2022. In 2023, we intend to pilot initiatives focused on incorporating circular economy practices to extend the life of used products from our offices.

OUR PARTNERS

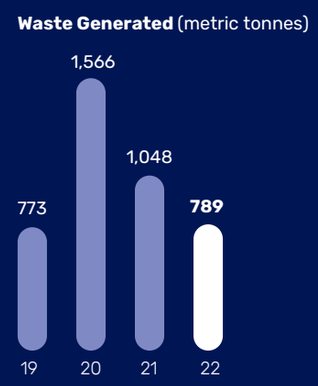
SUSTAINABLE PACKAGING COALITION® A PROJECT OF GREENBLUE

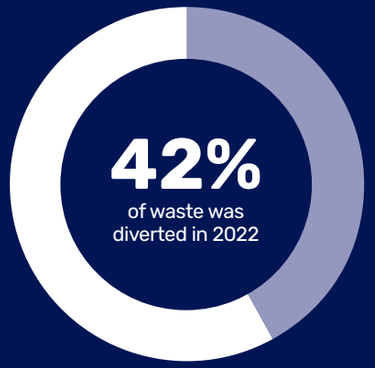
Member of How2Recycle

TERRACYCLE

Production Waste Reduction

We saw a notable reduction in our production waste in 2022, primarily due to the sale of our factory in Tarboro, N.C. Additionally, our factory in Calais, France was able to further advance its circularity initiatives, reducing the volume of waste sent to landfill by 27% and increasing its waste diversion rate to 73%. We intend to pilot initiatives focused on incorporating circular economy practices into our product disposal from distribution centres in 2023.





Changing Behaviours

Spin Master's Earth Buddies teams provide a platform for employees who are passionate about sustainability. This past year, they continued to support a culture of environmental action within the Company by organizing 37 initiatives across 11 offices. Events included rooftop gardens, sustainability markets, tree plantings, nature cleanups and waste diversion campaigns.

OUR PRODUCTS

As a leading children's entertainment company, we are committed to creating magical play experiences for children and their families. We produce responsibly sourced goods that are safe and of the highest quality while 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.

7
sustainably minded products launched

99%
of our manufacturing facilities underwent an IETP/Ethical Toy Program audit, or equivalent, in 2022

Zero
recalls in over 15 years

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Playsponsible™

Playsponsible is our commitment to being responsible custodians of the world that today's children will one day inherit. We strive to create more sustainable options within our products' lifecycles, specifically as it relates to product design and packaging, to reduce our impact on the planet

Responsible Product Design

We are continually exploring opportunities to reduce the use of virgin materials in toys through innovative methods or by incorporating recycled or responsibly sourced content. Our goal is to maintain the best play experience while finding ways to minimize our environmental impact.

In our previous report, we committed to introducing four sustainably minded products to market in 2022. Through the hard work and innovation of our designers and engineers, we exceeded that target and introduced seven sustainably designed products into the market.

Mindful Classics™ Games

In 2022, we introduced a collection of four classic games including timeless favourites such as Chess & Checkers, Jumbling Tower, Four in a Row and Dominos. Each game is made with Forest Stewardship Council (FSC) certified wood and paper, bamboo and recycled plastic, and bundled in plastic-free packaging. In total, the sustainable and recycled materials in these games eliminated the need for 55,247 lbs of virgin plastic – the equivalent of 526 barrels of crude oil.

Kinetic Sand™

In the 2021 CSR Report, we highlighted how our product engineers were experimenting with innovative techniques, such as thin walling, to reduce the use of virgin materials. This past year, we released three Kinetic Sand products that utilized thin walling, saving 201,961 lbs of plastic or 1,923 barrels of crude oil.

Baby GUND® Sustainably Soft™ Friends

Our first line of sustainably made plush animals is sourced from 100% recycled materials. Each of these three animals is crafted with luxe, ultra-soft recycled plush and fill, and packaged in sustainable materials. The use of recycled materials in these plush animals eliminated the need for 7,781 lbs of virgin plastic – the equivalent of 74 barrels of crude oil.

** 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.*

Sustainable Packaging

We are focused on maintaining the joy of unboxing new toys and games while introducing children to environmentally focused packaging. By using virgin plastic alternatives and actively seeking new approaches to reducing overall materials, we continue to evolve our packaging. Our innovative engineers and designers are also developing ways to integrate toy and game packaging into the play experience to extend the use.

Our Performance

In 2020, we set packaging targets focused on reducing the use of plastic by 2025. To advance those efforts, we directed our resources this past year on enhancing data collection to better monitor progress within each target and determining viable pathways to achieving them.

One example of our progress in reducing plastic in packaging last year is the Tech Deck™ Performance Board package, which we transitioned from a plastic tube to a paper box. In doing so, we eliminated the need for 20 grams of plastic per unit.

TARGET:

Reduction of plastic by 50% in our packaging

To meet our goal of a 50% reduction in the use of plastic in all packaging materials by 2025, we focused on three key initiatives this year.

1. We enhanced our data collection process to measure our performance on a quarterly basis, while also creating a mechanism to forecast future performance.
2. We unveiled a roadmap for meeting our targets at a corporate level and shared with each Global Brand Team (GBT) to ensure its broad implementation.
3. We are making an investment in product margin to offset additional cost implications often associated with alternatives to virgin plastics.

We continued to advance against our targets in 2022 and reduced our overall volume of plastic by 10% in 2022 versus the baseline year. We are confident that our roadmap will deliver accelerated results moving forward.

TARGET:

Utilizing vegetable or soy-based inks on 50% of packaging

We took a significant step in 2022 in terms of meeting this target. A fulsome audit was conducted to verify the use of non-mineral based inks, such as vegetable and soy-based inks, across our manufacturing footprint. As a result, we identified that 23.7% of total packaging units in 2022 are using vegetable and soy-based inks. We also took learnings from our audit to develop a strategy that ensures we are able to reach the 50% target by 2025.

TARGET:

Moving 100% of petroleum-based blister forms to sustainable alternatives

In reviewing this target this past year, we were unable to identify a clear pathway to achieving our goal by 2025 and have made the decision to narrow our focus to the two previously mentioned goals. We believe a notable amount of the work entailed in this target is already covered by the 50% plastic reduction goal and have made the decision to focus our resources on that effort. Furthermore, we believe that our goal of reducing the use of virgin materials in packaging will also impact blister forms.

Product Safety and Quality

We adhere to stringent safety and quality standards for 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 toy production, including the design, development, manufacturing and distribution-to-use phases.

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.

1. Assessment

We pull together the global product regulation framework, product histories, design, brand and consumer insights in assessing safety parameters for 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 – during which 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 several requirements, including:

a. USA CPSC and ASTM requirements
b. European Standard EN71 and the Europe Toy Safety Directive
c. Canada Consumer Product Safety Act and associated regulations
d. Norma Oficial Mexicana (NOM) certification for Mexico
e. International Organization for Standardization (ISO) toy safety standards
f. 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. These insights inform new products or help to improve current products.

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.

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 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 globally regulated within toy safety compliance.

PFAS

PFAS are a category of hundreds of chemical variants commonly referred to as "forever chemicals." Spin Master has no reportable PFAS in our products at this time. Forthcoming global, national and state regulations are focusing on (a) intentionally added PFAS; (b) categories of cookware, flame-retardant chemicals, stain- and water-resistant products; and (c) oil- and grease-resistant food contact packaging wraps. We recognize the potential for PFAS in products that are water- and stain-resistant and we are reviewing options to reduce long-term risk.

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 over 15 years.

	2019	2020	2021	2022
Annual production (millions of products)	272	274	253	**241**
Number of recalls	0	0	0	**0**
Total units recalled	0	0	0	**0**
Number of Letters of Advice (LOA)	0	0	0	**0**
Number of legal and regulatory fines and settlements associated with product safety	0	0	0	**0**

Responsible Sourcing

Spin Master is a global business with 26 offices, distribution in over 100 customer markets and manufacturing in 10 countries in 120 facilities (SASB CN0604-B). Almost 99% of our production is outsourced (SASB CN0604-B). Other than our Meccano® and Kinetic Sand brands, which are made in France, 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, environmental performance, and social compliance to the International Council of Toy Industries (ICTI) Ethical Toy Program (IETP), the latter of which is non-negotiable. In addition, 78% 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.

Our **Code of Conduct for Suppliers and Manufacturers** and **Human Rights Policy** stipulate that our suppliers must have IETP certification and vendors must be sealed by IETP or an equivalent program as outlined in the respective policies. 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**.

Family-Friendly Spaces Program

The ICTI Ethical Toy Program's (IETP) Family-Friendly Spaces (FFS) program creates factory-based childcare facilities that enable workers to migrate domestically to larger cities to spend more time with their children. FFS provide a safe environment for children to play, access learning opportunities, develop social skills and spend time with their parents. In 2022, Spin Master continued its funding to support this important program, enabling its expansion to two new factories. In 2022, the FFS program was implemented at 17 factories, benefitting nearly 800 children. Spin Master employees also had the opportunity to visit a Family-Friendly Space, delivering toys to children and seeing the impact first-hand.

We also committed to being a founding supporter of IETP's ambitious effort to grow its reach and benefit 30,000 children by the end of 2025 through the establishment of 100 FFS and supporting 50 factories in being publicly recognized as a Family-Friendly Factory (FFF). This support will also help IETP expand the FFF program to additional countries within our manufacturing footprint.

Family-Friendly Spaces teachers at a teacher training session holding gifts donated by Spin Master.

Spin Master has been a long-term supporter of the IETP Worker Well-Being Programs and were amongst the first to confirm funding to enable our 2025 ambition to support more than 30,000 children.

Worker well-being is at the heart of all we do at IETP and we are delighted to work with the team at Spin Master who share the same commitment to workers as we do."

Carmel Giblin,
President & CEO, ICTI Ethical Toy Program

Our Performance

All Tier 1 manufacturing vendors underwent an IETP or equivalent audit in 2022. The lone Tier 1 manufacturing facility within our supply chain that was not audited was our owned factory in Calais, France, which we have direct operational control over and is in a country with strong labour laws and enforcement.

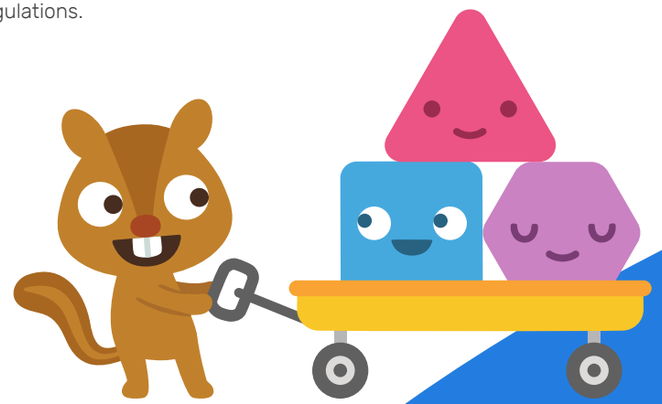
	2019	2020	2021	2022
Total number of manufacturing facilities	213 (2 owned)	156 (2 owned)	130 (2 owned)	**120 (1 owned)**
Percentage of facilities audited to IETP or equivalent program	100%	99%	97%	**99%**
Number of facilities audited to IETP or equivalent program	213	155	126	**119**
Direct suppliers' non-conformance rate with external social responsibility audit standards	8%	6%	6%	**0.3%**
Rate of non-conformances subject to corrective action	100%	100%	100%	**100%**
Direct suppliers' priority non-conformance rate	4%	6%	6%	**0.3%**
Direct suppliers' associated corrective action rate for priority non-conformance	100%	100%	100%	**99%**
Number of contracts with suppliers that were terminated as a result of non-conformance	7	5	2	**3**

Responsible Marketing and Content for Children

We value the trust that children and families place in Spin Master and our products, content and communication. To ensure we are responsibly marketing to and communicating with our users and audiences, we adhere to global and regional regulations such as the **U.S. Children's Online Privacy Protection Act** (COPPA) as well as voluntary standards such as those provided by the Children's Advertising Review Unit (CARU), and act in accordance with the Federal Trade Commission Advertising Standards.

We have supplemented regulatory compliance with our own corporate policies, including those for responsible marketing and content for children and protecting children who are involved in our entertainment, commercials, social and digital media campaigns and product development. Additionally, Spin Master employees involved in communications, marketing and customer service receive training regarding responsible marketing to children and applicable regulations.

In casting talent for our commercials, entertainment and digital content we adhere to all laws and regulations related to the employment of minors. We also follow 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

Our deep understanding of play coupled with ongoing insights from parents and children informs our approach to creating entertainment, toys and digital games that resonate. We recognize the important role our products, games and characters play in influencing children's lives and make great efforts to ensure they reflect positive values and represent diverse populations.

Spin Master Entertainment develops content that reaches audiences in more than 190 countries and 30 languages. Our team strives to create stories and deliver content that reflects the diversity of the communities we serve. We work together with production partners to ensure diverse representation both on screen and behind the scenes.

Our digital games are played by children in more than 230 countries and we take our global leadership seriously. Our digital game studio, Toca Boca, incorporates diversity and inclusion in their approach to game development with the mission to let all children experience the positive power of play, and ensuring no child should ever feel excluded within the realm of Toca Boca. Three principles are followed to ensure inclusion:

1. Defining diversity

Toca Boca has defined seven aspects of diversity most relevant for kids; avoiding stereotypes and finding 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 leverages a Diversity Advisory Board of external experts as a sounding board during product development.

3. Create a positive team culture

The team is committed to continually evolving the approach to diversity and fosters a culture in which curiosity and inquiry are encouraged to learn about the dimensions of inclusion.

OUR PEOPLE

Our employees are the driving force behind our success, and we are committed to providing an inclusive workplace where everyone feels supported, valued and respected. Over the past year, we strengthened our culture of innovation and inclusivity through investments in leadership training, enhanced benefits, a new employee share-ownership program and programming that celebrates the diversity that makes our workforce so special.

50/50
employee gender split

85%
company pride

98%
gender pay equity achieved

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Employee Engagement

By listening to and learning from our employees we can make positive changes to improve our culture and workplace. Through the feedback gathered in multiple surveys over the year, we identify opportunities to continuously improve the employee experience.

Over the last year, we saw meaningful improvements in our employee engagement results, returning to pre-pandemic levels, and employee pride, which reached the highest level since we started tracking this metric. Two key factors contributing to the positive results were the growth of employee recognition and the successful implementation of our hybrid work model, allowing employees to connect with colleagues in-office while also maintaining the flexibility to work from home when needed or desired.

Celebrating Our Employees

In 2021, we introduced two new programs to grow the culture of recognition within the Company: SPIN Masters, a tool that allows colleagues to recognize one another, and Employee Appreciation Week (EAW). We saw an incredible increase in the use of SPIN Masters in 2022, with over 30,000 recognition instances. Additionally, we elevated EAW this past year by holding in-person events and activities around the world to thank and recognize the accomplishments of our employees.

Employee Resource Groups

Our five Employee Resource Groups (ERG) allow employees from across the globe to share ideas, address challenging issues and strengthen our inclusive culture.

- Diversity, Equity & Inclusion
- Women's Empowerment Network
- Earth Buddies (Office Sustainability)
- Employee Experience
- Philanthropy

2021 Employee Engagement Survey

Learning and Development

This past year, we strengthened our offerings to support the lifelong learning and professional development of employees. In addition to our core programs, we introduced two new initiatives focused on enhancing leadership and growing innovation:

Leadership Summit

We hosted two Leadership Summits that brought together over 100 leaders (VP-level and above) from North America, Europe and Asia-Pacific to elevate their collective leadership capability and further their personal and professional development. Sessions included reflecting on leadership styles, how to multiply teams and how to create exceptional employee experiences.

Spin Talks

Spin Talks, which was introduced in 2022, is a series of in-person and virtual sessions designed to challenge employees to think differently and reach new goals. This year's speakers included prominent thought leaders on topics such as recognizing unconscious bias, championing diversity and being an innovative leader.

2,280
full-time employees

12%
voluntary turnover rate

98%
gender pay equity achieved

We are committed to achieving and maintaining close to 100% on an annual basis.

Compensation and Benefits

We design our total rewards packages to be competitive, inclusive and to meet the financial, emotional and physical well-being of employees. Our gender-based pay equity rate across all levels globally improved to 98%, maintaining our commitment to achieving a rate close to 100% on an annual basis.

Employees are provided with robust packages that include 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. Parental leave, both paid and unpaid, is offered depending on the situation and in accordance with local laws and regulations. To further strengthen our position as an employer of choice, we fortified our employee benefits this past year by increasing wellness and mental health support, providing increased vacation benefits and adding further financial support through our first-ever employee share purchase plan.

Learning and Development Programs

We offer a range of professional development opportunities to help build knowledge and skills at work and home, including:

- Tuition reimbursement for two courses a year
- LinkedIn Learning
- Masterclass
- Outschool tuition credits to access a leading children's education platform

Equity, Diversity and Inclusion

Being open-minded and embracing diversity are values we hold closely as part of our Company culture. We are committed to providing an inclusive workplace where employees can learn, celebrate and support one another as a community.

Our Inclusive Sandbox

Our annual employee representation survey continues to inform our Equity, Diversity and Inclusion (EDI) strategy by allowing us to better understand our workforce and ensure all communities feel welcome in our sandbox. Last year, we leveraged the information gathered from the 2021 representation survey to enhance the programming organized through our Women's Empowerment Network (WEN) and EDI Employee Resource Groups in conjunction with national heritage months, Pride, International Women's Day, Mental Health Awareness Month and many more. We also continued our Faces of Spin series, shining a light on employees from different backgrounds in the spirit of sharing experiences and helping to promote positive change.

We participated in the Bloomberg Gender-Equality Index to enhance our transparency on the issue, which also gave us the ability to benchmark against 485 companies globally.

Embracing a Culture of Curiosity, Contribution and Community

Honouring Asian American Pacific Islander (AAPI) Heritage month, Spin Master's Los Angeles (LA) office hosted an event with Jonathan Chang, an LA-based designer who uses illustration to enact positive social change for all communities. Following the presentation, a "Tastemakers and Changemakers" reception was held with a group of AAPI business owners who uplift their communities through their company structure and product.

"The differences that used to make me feel isolated are now the ones that make me proud. Spin Master has a rich and diverse community that helps us celebrate them."

Ashley Chun, Spin Master Employee, Los Angeles Office

Supporting Our Colleagues

Spin Master was proud to march as a company in the Toronto Pride Parade for the very first time as a sign of its strong support for the LGBTQ2AI+ community. Over 100 employees represented Spin Master at the parade, handing out toys, cards and puzzles to participants.

"I'm honoured to have marched in the 2022 Pride Toronto Parade – Spin Master's first foray into Pride celebrations! As a new employee last summer, I felt an incredible sense of belonging to work alongside dozens of volunteers spending countless hours preparing. Spin Master is leading the way in equity, diversity and inclusion in our industry, and I'm so privileged to be able to help showcase that. Happy Pride, from our sandbox to yours!"

Trenton MacDuff, Spin Master Employee, Toronto Office

Fostering Inclusivity in Our Industry

Spin Master's commitment to promoting inclusivity extends beyond the Company. Through the Spin Master Future of Play Scholarship Program and support for organizations like Women in Toys (WiT), we are helping to cultivate the next generation of diverse leaders in children's entertainment.

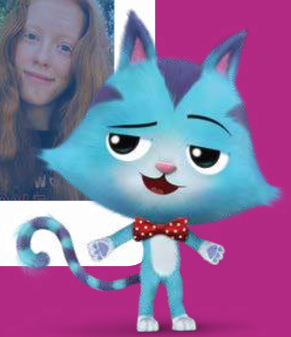
Future of Play Scholarship Program

The Future of Play Scholarship Program provides aspiring creators from equity-seeking groups and communities (BIPOC, LGBTQIA+ or women) in North America financial support to pursue post-secondary education and be a part of the next generation of creators, inventors, designers and entrepreneurs in children's entertainment. In 2022, we supported the studies of 15 students as part of our commitment to welcome eight new students every year and provide funding through the completion of their programs.

"The support from the Future of Play Scholarship has transformed my journey and provided a safe bridge between my dream future and my current reality. Thank you for all the support and encouragement that you have provided for me and for other students as well."

Sylvia Tuomaranta, 2022 Recipient, Otis College of Art and Design

2022 Future of Play Scholarship recipients.

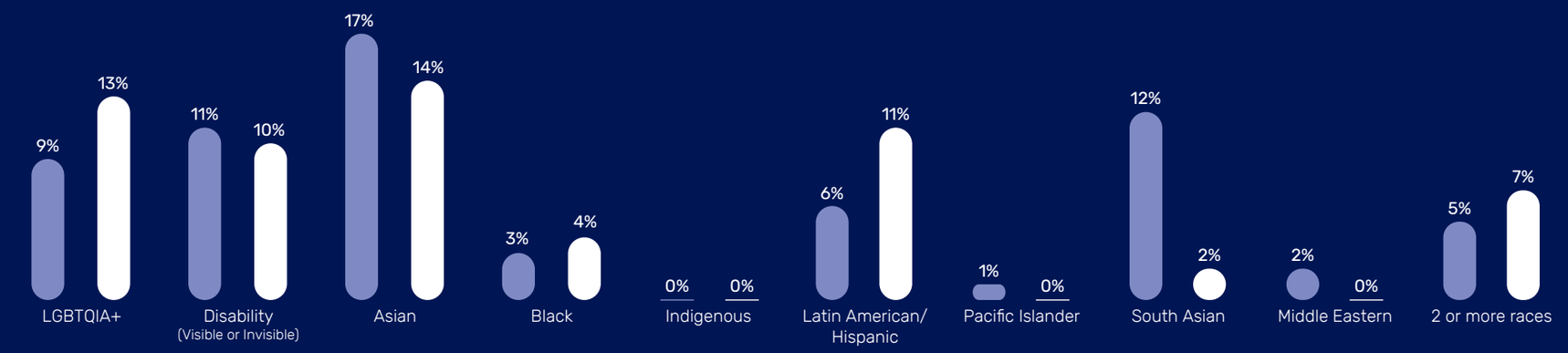


WiT Empowerment Day

Diversity of thought fuels ideas and innovation and we're passionate about helping to foster a rich and diverse inventor community. Spin Master team members served as mentors for WiT's Empowerment Day. Close to 100 female toy inventors and entrepreneurs shared their concepts and benefitted from the experience and mentorship to help take their ideas to the next level.

Our Diversity Representation

2022 Representation Survey



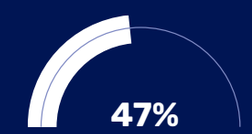
Gender Ratios

50%
Overall Female Employees

17%
Female Board Members

19%
Female Executives (EVP & up)

38%
Females in Senior Management

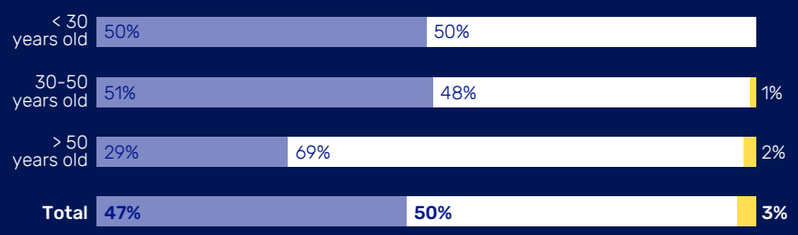


47%
Females in Middle Management

Middle Management

(Team Leaders, Supervisory, Managers and Senior Managers)

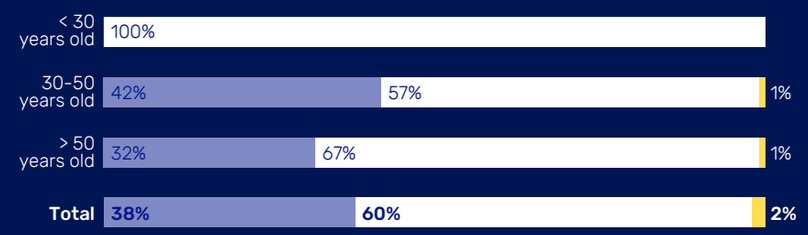
Female · Male · Undisclosed



Senior Management

(Directors and Above)

Female · Male · Undisclosed



Health and Safety

In 2022, we completed the rollout of core components of the Spin SAFE Health and Safety program across all offices, ensuring employees have access to the knowledge and resources to work safely. Moving forward, we are focused on strengthening this foundation through additional initiatives, including integrating safety training into employee onboarding.

Recordable workplace accidents increased by one in 2022, which we attribute to the fulsome return to office, greater awareness of the Spin SAFE program and the growth in our employee base. To strengthen our performance measurement given these factors and our growing employee base, we started tracking our total recordable incident rate in 2022.

Our Performance

	2019	2020	2021	2022
Recordable workplace accidents*	24	10	8	**9**
Total Recordable Incident Rate	–	–	–	**0.09**
Deaths	0	0	0	**0**

** Denotes accidents that occurred within Spin Master owned or direct-leased facilities.*

OUR COMMUNITIES

We believe that every child should have the opportunity to grow, explore and learn through play. Through our in-kind donations, investments in educational programming, local community engagement and employee volunteerism, we strive to reach those children in greatest need – no matter where they are. At the beginning of 2022, we set an ambitious target of creating a positive impact for half a million children. As a result of the incredible passion and dedication of our employees and partners, we surpassed our goal.

610,000
children impacted

450,000
toys donated

5,000+
volunteer hours

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Future of Play

We give back to our communities through initiatives that share our love of play, promote creativity and develop new skills. Our strategic partnerships and investments in educational programming help instill confidence in kids while promoting fun. In 2022, we worked with over 135 organizations in more than 30 countries to bring the magic of play to children.

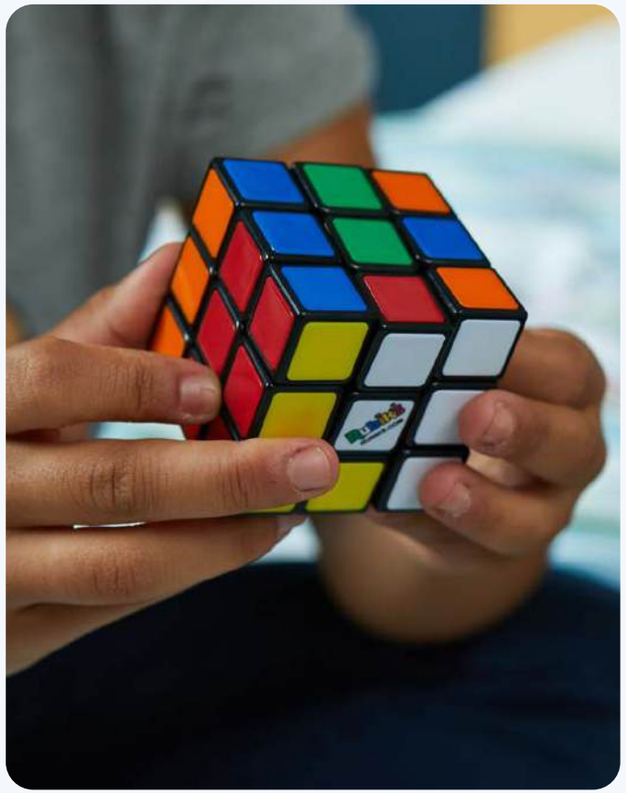
In 2022, we signed on as the National Lead Partner for the 2022 National Invention Convention, which challenges students to develop creative solutions to everyday challenges. Our support allowed the convention and associated programming to expand to grades 1–8 and grow participation across Canada by 373%.

With a culture rooted in invention and innovation, we constantly seek to grow that culture in the toy industry and beyond. We partnered with Futurpreneur Canada to support 14 businesses by providing over 48 hours of mentorship over the course of the year. Additionally, we fund the Toy Invention Program, helping aspiring inventors create something never imagined before at schools around the world.

Promoting Problem-Solving with the Rubik's Cube

Introducing children to the power of the Rubik's Cube helps develop a life-long skill that can be used to solve complex problems. We partnered with several organizations across North America in 2022 to unlock the next generation of curious minds, one cube at a time.

- We hosted two Rubik's Cube solving Master Classes with the Boys & Girls Clubs of America, impacting children in over 100 clubs as well as virtually through their My Future platform.
- We collaborated with School on Wheels to teach youth experiencing homelessness in LA to solve the Rubik's Cube.
- We partnered with Starlight Children's Foundation and Rebel Girls to provide the Rubik's Cube to children in over 100 hospitals as part of the Rebel Girls Fest 2022 Change the World kits.



Spreading Joy Globally

The Toy Movement and Child Friendly Spaces (CFS) Play Kits initiatives are designed to bring comfort and reprieve to children impacted by war, poverty and natural disasters through play. In 2022, we increased our efforts to reach more children in displaced and disadvantaged situations through the donation of nearly 200,000 toys as part of three Toy Movement and seven CFS Play Kits initiatives, which bring activities-based toys to centres set up to provide a protected space for children in areas of crisis and instability. In partnership with organizations like Save the Children Canada and World Vision Canada, these initiatives will impact over 325,000 children around the world.

Toy Movements

Somalia

Tanzania

Ukraine Relief (Hungary, Moldova, Poland, Romania and Slovakia)

CFS Play Kits Initiatives

Burundi

El Salvador

Lebanon

Malawi

Rwanda

South Africa

South Sudan

Employees in Spin Master's Bratislava office went the extra mile to welcome refugees arriving from Ukraine by hosting families, donating toys and reading to children in community centres.

Answering the Call

Amid the conflict in Ukraine, millions of children and families were forced to flee their homes in search of safety. Motivated by our guiding principle to create magic and spark joy for children, we came together to provide support for those impacted and displaced.

$100,000
donated to the Red Cross and UNICEF

100,000
toys donated for refugee children arriving in bordering countries

Additional
$43,000
raised for humanitarian relief through a matched donation campaign

Established an emergency fund
to support employees in bordering countries in need of financial assistance

"The kindergarten that my daughter attends provided support for children from Ukraine. Since I speak Russian and understand Ukrainian, I began volunteering with children to teach them basic words and phrases and provided support to teachers to help them better understand the needs of the children."

Maria Posokhina, Supply Planner, Bratislava, Slovakia

Our Culture of Giving

Spin Master employees are actively engaged in our philanthropy programs. To reinforce our culture of giving, we provide employees numerous volunteer opportunities and the ability to support causes that matter to them through matched donation campaigns.

Volunteerism

Through our employee giving platform, we regularly promote volunteer opportunities. In 2022, our employees recorded more than 5,000 hours volunteering in their communities, experiencing firsthand how our philanthropic work directly impacts the children we strive to empower. Given the level of enthusiasm and engagement, we have elevated our volunteerism program and will be rolling out more rewards and opportunities for employees in 2023.

Global Season of Giving

The end of the year marks our Global Giving Season, a time of giving back and spreading joy for those less fortunate. We work with local charities around the world to organize events to share the timeless magic of play.

Canada: Caring & Sharing returned as an in-person event for the first time in three years. Over 300 volunteers participated in this year's event, impacting more than 1,600 kids.

United States: Our offices in New York and Los Angeles organized Caring & Sharing celebrations in partnership with the Boys & Girls Clubs of America, as well as other local community events that brought toys to children in need.

Europe: Employees organized holiday parties for children that included new toys and activities for all who participated.

Asia: Employees across our offices hand-delivered toys and interacted with children in local hospitals to help spread joy during the holidays.

Donations	2019	2020	2021	2022
In-kind donations (units)	102K	460K	170K	**450K**
Cash donations[1] ($USD)	$978K	$897K	$1.95M	**$3.01M**

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

2
matched donation campaigns

172
charities supported

$118,000
raised

> **It is great that a big company like Spin Master is giving employees the opportunity to donate toys to children in need. I feel proud to be part of volunteering for this great experience."**
>
> **Aviraj Patale,** Quality Engineer, Bangalore, India

REPORTING AND DISCLOSURES

In 2022, we continue to report against the Sustainable Accounting Standards Board (SASB) Toys and Sporting Goods Standard, the Global Reporting Initiative (GRI) Universal Standards, Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations, and the UN Sustainable Development Goals (SDGs). Reporting against these frameworks allows us to demonstrate our performance on critical sustainability issues more transparently and provide stakeholders with the ability to assess our impact in a consistent manner. In FY2024, we will report against the recently approved IFRS S1 and IFRS S2 standards to uphold our commitment to transparency.

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2022 Risks and Opportunities

We see a number of risks for the business in the short, medium and long term from a sustainability perspective. Within this section we also identify the measures to mitigate risks and turn them into opportunities.

Risk	Mitigation	Opportunities
The effects of climate change		
Climate change will create a number of transition and physical risks for us.	We have been measuring our carbon footprint for a number of years, in addition to using renewable energy certificates and offsets for our Scope 1 and 2 emissions as well as some of our Scope 3 emissions. This year we continued to invest in improving our data collection, putting together a carbon reduction plan to help us achieve a 70% reduction in Scope 1 and 2 emissions by 2030 and reach net-zero by 2050. We are also working on a plan to address our Scope 3 emissions. Please see the **Our Performance** section and our **TCFD response** for more details. We have also divested our manufacturing facility in Tarboro, which has substantially reduced our Scope 1 and 2 footprints. We have been diversifying our third-party supplier factory base in multiple countries to ensure flexibility and resilience given geopolitical, economic and climate challenges.	Executing our **Climate Action Plan** will help us operate more efficiently. We also think that it will help us be more resilient in an increasingly carbon-constrained world. Lastly, we believe that new ways of working will also help us innovate new products and services.
Product quality and safety		
The toy industry is highly regulated, and product quality and safety are fundamental to operating in this sector. Any defects could cause significant liability and reputational risk among our customers and the families that we serve.	Product quality and safety protocols, standards and controls are deeply embedded within the organization and industry through programs like the Ethical Toy Program. We are proud to say that we have not had any recalls for 15 years. See the **Product Safety and Quality** section for more details on the comprehensive program we have.	A constant focus on product quality and safety ensures that this mindset is part of our culture and that we continue to build trust with our customers and families who purchase our products. In addition, this provides a continued opportunity for us to evolve product and safety standards with experts and other stakeholders in the industry.

Risk	Mitigation	Opportunities
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. Plastic resin is the primary material in Spin Master products and packaging. We are looking to reduce the amount of virgin plastic we use and to use sustainable alternatives where available. The availability, efficacy and cost effectiveness of these materials is important to the future of our business. Spin Master's business and operations could be materially and adversely affected by political instability, civil unrest, future pandemics or other public health crises, earthquakes, natural disasters, and other natural or man-made economic, political or environmental disruptions. Disruptions, and government responses to any disruption, could adversely affect Spin Master's business, financial position, sales and results of operations and may vary based on the length and severity of the disruption. Disruptions in the supply chain, including port congestion and container availability, are a sector-wide issue and may negatively affect timely distribution, an important issue with customers and consumers, and therefore our revenues.	We work closely with our manufacturers to source input materials and we have built contingency plans that factor in disruptions and substitutions into our cost of goods sold. Supply chain disruptions are partially mitigated by our geographical diversification strategy and continuing to manufacture close to our key markets. This requires ongoing assessment and monitoring. We have clearly set out our expectations for labour standards, human rights and environmental regulation within our **Code of Conduct for Suppliers and Manufacturers**, and it has been harmonized through programs such as the Ethical Toy Program. We have robust programs across our supply chain to monitor adherence and to ensure that it is conducted efficiently at industry level. Lastly, during the past few years where supply chains have been significantly disrupted, we have built contingency plans, using alternate modes of transport and accessing alternate ports to build resilience. Please see the **Responsible Sourcing** section for more information.	In working with new suppliers and regions, or being faced with cost and supply scarcity, we have found that it has brought new ideas and sources of innovation for production, materials and transport.
Scarcity of specialized talent		
The toy and entertainment industry relies on talent with a specialized skill set, which is currently in high demand. This talent is typically concentrated in specific markets outside of Canada. As a result, we need to be part of shaping the future by developing ecosystems for talent in partnership with the education system and creating attractive workplaces for talent.	We have offices in several strategic locations including Los Angeles, New York, Toronto, Paris and London. We continue to build our programs to engage employees and monitor employee satisfaction regularly. We have also 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. We have also set up scholarships for individuals from under-represented communities to enter the toy, entertainment and digital games sector. See the **Employee Engagement** and **Future of Play** sections of the report for more details.	As we continue to deepen our partnerships with educational institutions, communicate and shape curricula, and grow our presence and recruitment efforts, we believe that this will create a more diverse and workforce-ready pipeline to take on future roles at Spin Master.

Risk	Mitigation	Opportunities
Increasing transparency requirements and crackdown on greenwashing		
Over the past few years, many companies, including Spin Master, have been asked to provide more disclosure of non-financial information, which we have included in our CSR Report. Globally, several major securities regulators are moving towards more stringent regulation around the disclosure of this information due to an increase in greenwashing. This could lead to a greater possibility of litigation risk, reputational risk and increased cost of reporting over time.	We have been reporting our CSR information for three years, and we have learned a great deal during this period. We have our report reviewed by our legal team to ensure claims are defensible, and starting this year, we have moved our data collection to a third-party platform that allows for an audit trail. We have also engaged our audit firm to assess our disclosures against emerging non-financial disclosure frameworks. Lastly, we have engaged a third-party assurance organization to review our information – in this case, our carbon footprint. This will ensure that we are communicating information accurately and in line with accepted protocols.	We believe that continued strong performance on environmental, social and governance metrics provides long-term value for Spin Master, and is a proxy for good management. We will continue to improve our transparency and performance in our efforts to build trust with our stakeholders.
Global fertility rates and population trends		
Examining global population trends reveals that while the global population is increasing, birth rates are slowing. The fertility rate in many developed markets is decreasing below the replacement rate. Less children globally represents a market risk to our business, which has traditionally been on toys, entertainment and digital games for children.	We believe that play is a timeless activity. Though our major target demographic is children, over time we are diversifying our product categories to appeal to a broader audience, including in board games, digital games and licensed offerings.	We believe that changing demographic trends allows us to evolve our offerings in the realm of play and open up new market opportunities.

Our CSR Priorities

PHILANTHROPY

Helping children grow, learn and explore through play

- Impact **1/2 million children** (2022)
- Award **8 Future of Play Scholarships**
- Report **volunteer hours** (2022)

DIVERSITY AND ENGAGEMENT

Fostering an inclusive culture where everyone can thrive and grow

- Set and meet **employee engagement** targets (2030)
- Approximate **50-50 gender split** for all management levels (2025)
- Achieve and maintain close to **100% pay equity**
- Report **representation survey** results

PRODUCT AND PACKAGING

Producing the highest quality goods and developing sustainable production with our portfolio

- **50% reduction** of plastic in our packaging (2025)
- Utilize **eco-friendly inks on 50%** of packaging (2025)
- Develop **4 Responsibly made SKUs** (2022)

CLIMATE

Doing our part to mitigate our environmental impact and adapt to changing climate

- Develop a **Climate Action Plan** (2022)
- **70% reduction** in Scope 1 + 2 emissions (2030)
- Achieve **net-zero** reduction in Scope 1 + 2 emissions (2050)
- In the interim, **offset 100%** of our self-generated carbon

RESPONSIBLE SOURCING

Sourcing production in a responsible manner from suppliers who share our values and commitment to integrity

- **Audit 100%** factories
- Establish and enforce **Supplier Code of Conduct** (2020)

WASTE

Reducing waste through recycling, reusing and reducing

- Establish product **takeback program** (2021)
- **Zero landfill waste** in owned/leased facility (2035)
- **80% reduction** in landfill waste in leased/owned facilities (2025)
- Conduct **waste audits** in owned/leased facilities (2022)

Performance Data

Metric		2019	2020	2021	2022	Unit of Measure
Product	**SASB reference (if applicable)**					
Annual production	CG-TS-000.A	272	274	253	**241**	**millions of units**
Number of production facilities	CG-TS-000.B	213	156	130	**120**	**number of facilities**
Percentage outsourced	CG-TS-000.B	96%	95%	94%	**99%**	**% (by units or dollar value)**
Number of recalls	CG-TS-250a.1	0	0	0	**0**	**number of recalls**
Total units recalled	CG-TS-250a.1	0	0	0	**0**	**number of units**
Number of Letters of Advice (LOA) received	CG-TS-250a.2	0	0	0	**0**	**number of letters**
Number of legal and regulatory fines and settlements associated with product safety	CG-TS-250a.3	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	CG-TS-250a.4					
Percentage of facilities audited to ICTI Ethical Toy Program (IETP) or equivalent program	CG-TS-430a.1	100%	99%	97%	**99%**	**%**
Number of facilities audited to ICTI Ethical Toy Program or equivalent program	CG-TS-430a.1	213	155	126	**119**	**number of facilities**
Direct suppliers non-conformance rate with external social responsibility audit standards	CG-TS-430a.2	8%	6%	6%	**0.3%**	**%**
Rate of non-conformance subject to corrective action	CG-TS-430a.2	100%	100%	100%	**100%**	**%**
Direct suppliers priority non-conformance rate	CG-TS-430a.2	4%	6%	6%	**0.3%**	**%**
Direct suppliers associated corrective action rate for priority non-conformance	CG-TS-430a.2	100%	100%	100%	**99%**	**%**
Number of contracts with suppliers that were terminated as a result of non-conformance	CG-TS-430a.2	7	5	2	**3**	**number of contracts terminated**
Employees						
Engagement survey response rate		66%	87%	89%	**88%**	**%**
Employee engagement percentage		77%	72%	73%	**77%**	**%**
Manager effectiveness		74%	79%	83%	**83%**	**%**
Number of employees		1,673	1,983	2,267	**2,280**	**number**
Number of new hires		428	611	620	**515**	**number**
Turnover		18%	11%	14%	**12%**	**%**
Overall gender ratio						
Female		52%	53%	51%	**50%**	**%**
Male		48%	47%	47%	**50%**	**%**

Metric	2019	2020	2021	2022	Unit of Measure
Employees					
Board level					
Female	13%	20%	17%	**17%**	%
Male	87%	80%	83%	**83%**	%
Manager					
Female, <30 years old	–	56%	40%	**50%**	%
Male, <30 years old	–	33%	60%	**50%**	%
Female, 30-50 years old	–	49%	50%	**51%**	%
Male, 30-50 years old	–	50%	49%	**48%**	%
Female, >50 years old	–	26%	29%	**29%**	%
Male, >50 years old	–	74%	69%	**69%**	%
Total Female	47%	47%	47%	**47%**	%
Total Male	53%	52%	52%	**50%**	%
Directors and above					
Female, <30 years old	–	33%	0%	**0%**	%
Male, <30 years old	–	33%	100%	**100%**	%
Female, 30-50 years old	–	44%	42%	**42%**	%
Male, 30-50 years old	–	56%	57%	**57%**	%
Female, >50 years old	–	36%	36%	**32%**	%
Male, >50 years old	–	64%	64%	**67%**	%
Total Female	–	41%	39%	**38%**	%
Total Male	–	58%	60%	**60%**	%
Deaths	0	0	0	**0**	**number of deaths**
Recordable workplace accidents	24	10	8	**9**	**number of recordable workplace accidents**

Metric	2019	2020	2021	2022	Unit of Measure
Community					
Donations made (in-kind)	102,694	460,444	170,000	**450,000**	**number of items**
Donations made (cash)	$978,000	$896,744	$1,950,000	**$3,010,000**	**$USD**
Number of offices participating in Global Season of Giving	11	3	14	**15**	**number of offices**
Employee volunteer hours	–	–	–	**5,000**	**hours**
Environment					
Packaging material	83	84	87	**77**	**million lbs**
Retail packaging cube utilization	66%	67%	69%	**83%**	**%**
Packaging material type					
Corrugate	41	43	44	**37**	**million lbs**
Clay Coated News Back (CCNB)	31	32	34	**32**	**million lbs**
Polyethylene terephthalate (PET)	5.8	5.9	6.2	**5.4**	**million lbs**
Plastic – other	2.3	2.6	2.7	**2.4**	**million lbs**
Misc. – other	0.6	0.9	0.3	**0.2**	**million lbs**
Total carbon emissions	173,952	49,584	58,358.7	**62,079.5**	**tons CO_2e**
Scope 1	2,565.8	4,438.9	3,837.3	**613.2**	**tons CO_2e**
Scope 2	2,000.2	1,016.0	1,190.4	**1,222.3**	**tons CO_2e**
Scope 3	169,386	44,129	53,331	**60,244**	**tons CO_2e**
Per unit of sales	110.0	31.6	28.6	**31.4**	**CO_2e/$ million sales**
Waste generated	773	1,566	1,048	**789**	**tonnes**
Waste diverted	–	22%	19%	**42%**	**%**

UN Sustainable Development Goals

4. Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

PROGRAMS/INITIATIVES

Toy Movement/CFS Play Kits Initiative
See Spreading Joy Globally section

Future of Play Scholarship Program
See Fostering Inclusivity in Our Industry section

Invention Convention
See Future of Play section

Boys & Girls Clubs of America Partnership
See Future of Play section

8. Decent Work and Economic Growth

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

PROGRAMS/INITIATIVES

Labour Practice Standards through IETP
See Responsible Sourcing section

Family-Friendly Spaces Support
See Family-Friendly Spaces Program section

12. Responsible Consumption and Production

Ensure sustainable consumption and production patterns

PROGRAMS/INITIATIVES

TerraCycle®
See Waste section

How2Recycle
See Waste section

Panama Tropical Reforestation Project
See Our Performance section

15. Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

PROGRAMS/INITIATIVES

Climate Action Plan
See Our Climate Action Commitment section

Panama Tropical Reforestation Project
See Our Performance section

Task Force on Climate-Related Financial Disclosures

2022 TCFD Recommendations	
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	The Governance & Nominating Committee has oversight for the Company's strategy, performance and reporting on CSR issues, which includes climate change. See the **CSR Governance** section for more information.
b) Describe Management's role in assessing and managing climate-related risks and opportunities.	The Executive CSR Governance Committee, formed in 2022, is our executive management committee which oversees the management and measurement of our CSR plans and targets. It meets quarterly to review progress against our CSR plan, including on climate, and it evaluates emerging risks and opportunities. We also have a cross-functional CSR committee which is responsible for execution against CSR targets including climate change. It also reviews performance, makes recommendations for activities and initiatives, and flags emerging issues. The cross-functional CSR Committee contains leads from across the business. See the **CSR Governance** section for more information.
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Climate change presents Spin Master with a number of risks and opportunities. We define short term as within one year, medium term within one to five years and long term as over five years. **Transition Risks** **Policy and legal risks:** As more countries set and execute their climate targets, this could affect the reliability and/or cost of our manufacturing. For example, rolling blackouts in provinces in China to meet climate targets may cause a reduction in manufacturing capacity. Similarly, as costs and taxes are imposed on fossil fuels, which are the inputs for resin, a key product and packaging material, this will in turn increase the cost of production. We also think that there will be increased requirements for us for extended producer responsibility obligations for packaging and product materials. These are short- and medium-term risks that would lead to cost increases. **Market (transition) risks:** As climate change worsens, there are likely to be more disruptions to manufacturing and distribution over the short, medium and long term. As a result, supply chains will need to be diversified. In addition, disruptions may increase the cost of inputs over the short, medium and long term (as discussed above). Lastly, climate change may affect how products are consumed. For example, millennial and Gen Z parents are looking for more eco-friendly toys for their children. We have created products made with more sustainable materials such as the Rubik's Re-cube. Another example: during the pandemic, when supply chains were challenged, some parents turned to digital forms of entertainment for their children, which were available on demand. We see this as a strong opportunity given our increasing presence in digital games and entertainment. **Physical Risks** **Acute:** The effect of extreme weather events could affect the quality of our products and our ability to distribute them in a timely fashion. For example, monsoons in South, Southeast and East Asia can cause excessive moisture, which can affect or damage products and product packaging, leading to write-offs, transport delays, and affect our ability to deliver on our retail customers' quality needs.

Chronic: There are also certain areas, for example the Pearl River Delta in southern China, which are major areas for toy manufacturing, but are also subject to severe flood threats from watershed floods, sea level rise and storm surges. This is a reason why we have been continuing to diversify our manufacturing base.

Increased heat could cause working conditions to deteriorate for those employed in physical labour in our supply chains. Increased heat has also led to blackouts and brownouts in certain parts of the world, which would also impact the ability of our employees and supply chain to be productive or to access our systems. Droughts or inadequate water supply in areas of the world that rely on nuclear energy could make it difficult to safely operate reactors. Similarly, in areas where we may be powered by hydroelectric energy, in Canada or in certain parts of China – inadequate water supply would lead to a lack of energy production. This could be a risk in the medium and long term.

Opportunities

While there are many risks with climate change, we believe there are a number of opportunities that Spin Master can benefit from.

Resource efficiency: As materials become more expensive, we believe that we can be more efficient in our use of materials, particularly pulp and paper and plastic. For example, in using injection moulding techniques, we are able to use less plastic in the creation of action figures, and we have been able to reuse virgin plastic waste materials at our manufacturing facility in Calais. We believe that this has short-, medium- and long-term horizons.

New product innovation: With the interest in sustainability front of mind for Gen Z and millennial parents, we have used this as a way to determine product lines that would be relevant to these families. Additionally, with many of our retail customers interested in reducing their Scope 3 emissions and also offering more sustainable products, we believe that continued work in this area will position us well. We believe that this also has short-, medium- and long-term time horizons.

Creating more resilient operations and footprint: Toys are a trend-driven industry, and supply chains rely on flexibility to adjust quickly. In the past year, we have sold our Tarboro facility and have continued to move towards a model that relies more on third parties and outsourcing. We believe that this diversification of manufacturing spreads out our risk and allows us to be more resilient should certain facilities be affected by climate change. Shifts to renewable energy will support resilience for individual sites. These will have effects over medium- and long-term horizons.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

In terms of the impact of climate-related risks and opportunities on our businesses, strategy and financial planning, there are several actions we have taken to date:

- Diversifying our manufacturing base: Recognizing that climate change affects different regions of the world disproportionately, we have geographically diversified our production to third-party manufacturers, and in particular, are moving certain facilities closer to market so as to lessen reliance on long-distance transport and improve speed to market.
- Products and services: We have set goals to reduce plastic use in our packaging, and have been increasingly creating more sustainably minded product lines, made with more sustainable product materials, in order to adapt to changing market demands and to experiment with substitutes. At the moment, there are not many scalable, non-fossil fuel based resins that match the safety and quality profile required by regulations.
- Supply chain: Given the various supply chain disruptions from the pandemic and natural disasters, we have built in redundancy within our supply chain in order to be able to deliver to our customers on time. This was something we began during the pandemic and will continue to use.
- Operations: Given that our operations are fairly low impact, we recognize that we have a responsibility to ensure that we use as few resources as possible. We have created criteria for our facilities team to prioritize siting of new offices in locations that source renewable energy or feature green attributes.

We worked with a third-party consultant to assess our Scope 1 and 2 emissions reductions given our 2030 and 2050 goals and our planned actions. For Scope 3, we modelled three separate scenarios to reduce emissions – continuing with our planned actions (given existing efforts for grid decarbonization), engaging suppliers and increasing our own actions conservatively and, lastly, engaging suppliers and doubling efforts within our control. We also conducted a stress test to maximize emissions reductions without eroding shareholder value. We are still determining a feasible plan before setting our targets for Scope 3.

2022 TCFD Recommendations	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In 2022, we commissioned a third-party consultant to assess our Scope 1 and 2 targets against a net-zero pathway for 2050, considering our projected growth trajectory. We have discussed our strategies and climate risks and opportunities in previous sections.
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 (ERM) program. Our ERM Committee includes cross-functional membership from within the Company, including members of the CSR Committee, that identify, assess and create action plans to mitigate risks. We regularly monitor existing and emerging regulations related to climate change, and assess relevance to our business. The Audit Committee reviews risks identified within our organization and ensures that an effective risk management control framework has been designed, implemented and tested by our management. Our Governance & Nominating Committee of the Board of Directors has oversight of our CSR plan, which includes climate change-related concerns and integrates risks identified and mitigated. To assess the size and scope of risks, including climate-related risks, we look at financial, reputational (in the public, investors, customers, board and employees), regulatory, competitiveness (pricing, quality and raw material sourcing) and employee safety-related attributes.
b) Describe the organization's processes for managing climate-related risks.	We have defined in Risk Management how we define the materiality of specific risks. How we decide to mitigate, transfer, accept or control risks is based on the severity of identified risks.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Our Enterprise Risk Management process includes engaging stakeholders from across the organization to understand specific risks; for climate in particular, this is owned by our CSR team. We assess each risk for impact (financial, reputational, regulatory, competitiveness and safety) and probability and rank the issues, and then determine a risk appetite for each issue. We then look at existing strategies in place to mitigate risk, to move from inherent to residual risk, and then assess planned or recommended future strategies to bring residual risk to the target level of acceptable risk. To date, due to our low direct emissions, our climate-related risks were focused on mitigating reputational risk through the use of offsets and renewable energy certificates. However, with a deeper dive into our carbon footprint, and with a new carbon mitigation plan, this sets the foundation for reducing our operational emissions. We also plan to investigate further action for Scope 3 emissions. We have been monitoring changes in policy regularly as it relates to pricing of GHG emissions and emissions-reporting obligations, and litigation in other sectors – however, as an industry that is not inherently high-carbon, we do not believe that these will have a material effect on us in the short term. Over time, we do expect that there may be some increased input costs for resin – for products and packaging, and stewardship fees related to product takeback and recycling. However, to date, these fees have not been heavily focused on toys, as product turnover is not as fast as other high-consumption sectors (e.g., food.) For climate-related supply chain risk, some of the activities we undertook during the COVID pandemic to build resilience would also be applicable to natural disasters from climate change. For example, broadening our supplier base and determining other forms of transport and alternate ports to ensure that our products reach customers. We believe that these resilience measures will enable us to manage climate-related disruptions to the supply chain. In the future, we will need to more systematically plan for climate adaptation by looking at our top suppliers and their locations, to determine the type of physical risk that they might face, as well as working with the industry to help reduce climate impacts.

2022 TCFD Recommendations	
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 currently disclose Scope 1 (owned vehicles), Scope 2 (purchased electricity) and Scope 3 (air travel, purchased goods and services (emissions associated with Tier 1 suppliers), fuel and energy-related activities, waste generated in operations, business travel and downstream transport and distribution).
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See the **Our Environment** section for more details on our Scope 1, 2 and 3 greenhouse gas emissions. We have provided information on risks in preceding sections.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In 2022, we set carbon reduction targets for 2030 and 2050. We aim to reduce Scope 1 and 2 emissions by 70% by 2030, and we aim to reduce our Scope 1 and 2 emissions by over 90% by 2050. The remainder, accounting for 5-10%, represents a very limited amount of residual emissions that we would neutralize with high-quality carbon removals. We plan on doing this by transitioning to electric vehicles, upgrading our leased building standards, reducing owned manufacturing and enhancing energy efficiency in offices. For the remainder, we plan on sourcing regionally targeted renewable energy certificates. These targets are absolute and the base year we are using is 2019.

GRI Context Index

Global Reporting Initiative (GRI) provides a comprehensive framework for corporate sustainability reporting based on input from a wide range of stakeholders. The 2022 CSR Report was prepared in accordance with the GRI Universal Standards 2021. We provide the GRI Content Index below to reference our GRI reporting.

GENERAL DISCLOSURES				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
GRI 2: General Disclosures 2021	2-1	Organizational details	**About Spin Master** **Management Information Circular** (Intercorporate Relationships)	
	2-2	Entities included in the organization's sustainability reporting	**About Spin Master** **Management Information Circular** (Intercorporate Relationships)	
	2-3	Reporting period, frequency and contact point	**About This Report**	
	2-4	Restatements of information	**About This Report**	
	2-5	External assurance	**About This Report**	
	2-6	Activities, value chain and other business relationships	**About Spin Master** **Responsible Sourcing**	
	2-7	Employees	**Spin Master Global Offices** **Our People** **Learning and Development** **Our Diversity Representation**	
	2-8	Workers who are not employees	**Spin Master Global Offices** **Our People** **Learning and Development** **Our Diversity Representation**	On top of our full-time employees, Spin Master had 143 temporary and contract workers as of December 31, 2022.
	2-9	Governance structure and composition	**Management Information Circular** (Corporate Governance) **CSR Governance** **Corporate Governance** (website)	
	2-10	Nomination and selection of the highest governance body	**Management Information Circular** (Corporate Governance – Nomination and Election of Directors) **Governance and Nominating Committee Charter**	
	2-11	Chair of the highest governance body	**Position Description of Chair of the Board**	

GENERAL DISCLOSURES				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
	2-12	Role of the highest governance body in overseeing the management of impacts	**CSR Governance** **Governance and Nominating Committee Charter** **Audit Committee Charter** **Board of Directors Mandate** **Management Information Circular** (Board Mandate – Appendix A)	
	2-13	Delegation of responsibility for managing impacts	**CSR Governance**	
	2-14	Role of the highest governance body in sustainability reporting	**CSR Governance** **Governance and Nominating Committee Charter**	
	2-15	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.
	2-16	Communication of critical concerns	**Management Information Circular** (Corporate Governance – Shareholder Engagement) **Whistleblowing Policy**	Nature and total number of critical concerns cannot be reported upon due to confidentiality constraints.
	2-17	Collective knowledge of the highest governance body	**CSR Governance** **Management Information Circular** (Nomination and Election of Directors)	The VP, Communications and Corporate Citizenship, and members of the CSR Committee provide regular updates to the Governance & Nominating Committee and Executive CSR Governance Committee on CSR matters.
	2-18	Evaluation of the performance of the highest governance body	**Management Information Circular** (Assessments)	
	2-19	Remuneration policies	**Management Information Circular** (Director Compensation, Executive Compensation)	
	2-20	Process to determine remuneration	**Management Information Circular** (Director Compensation, Executive Compensation – Compensation Discussion & Analysis & 2021 Advisory Vote on Approach to Executive Compensation)	
	2-21	Annual total compensation ratio	**Management Information Circular** (Components of Compensation & Cost of Management Ratio)	Annual total compensation ratio cannot be reported upon due to confidentiality constraints.

GENERAL DISCLOSURES				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
	2-22	Statement on sustainable development strategy	**Letter from the Global President & CEO**	
	2-23	Policy commitments	**CSR Governance** **Product Safety and Quality** **About Spin Master** **Governance and Ethics**	
	2-24	Embedding policy commitments	**Human Rights Policy** **Code of Ethics and Business Conduct** **Code of Conduct for Suppliers and Manufacturers**	
	2-25	Processes to remediate negative impacts	**Human Rights Policy**	
	2-26	Mechanisms for seeking advice and raising concerns	**Governance and Ethics** **Corporate Governance** (website) **Code of Ethics and Business Conduct**	
	2-27	Compliance with laws and regulations		The Company has not identified any non-compliance with laws and/or regulations. The Company has also not identified any non-compliance with environmental laws and/or regulations.
	2-28	Membership associations	**Stakeholder Engagement**	
	2-29	Approach to stakeholder engagement	**Stakeholder Engagement**	
	2-30	Collective bargaining agreements	**Human Rights Policy**	Less than 1% of Spin Master employees are covered by a collective bargaining agreement.

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
GRI 3: Material Topics 2021	3-1	Process to determine material topics	**Materiality Analysis**	
	3-2	List of material topics	**Materiality Analysis**	
Economic performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Annual Report**	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	**Annual Report**	
	201-2	Financial implications and other risks and opportunities due to climate change	**Task Force on Climate-Related Financial Disclosures**	

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
	201-3	Defined benefit plan obligations and other retirement plans	**Management Information Circular** (Components of Compensation)	
	201-4	Financial assistance received from government	**Annual Report**	Spin Master has access to government programs, including tax credits that are designed to aid in the film and television production and distribution in Canada. See our **Annual Report** for more details.
Anti-corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Anti-Bribery and Anti-Corruption Policy**	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	**Anti-Bribery and Anti-Corruption Policy**	All of our employees must annually review, understand and attest to compliance with our Anti-Bribery and Anti-Corruption Policy.
	205-2	Communication and training about anti-corruption policies and procedures	**Anti-Bribery and Anti-Corruption Policy**	All of our employees must annually review, understand and attest to compliance with our Anti-Bribery and Anti-Corruption Policy.
	205-3	Confirmed incidents of corruption and actions taken	**Anti-Bribery and Anti-Corruption Policy**	There were no confirmed incidents of corruption in 2022.
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Anti-Bribery and Anti-Corruption Policy** **Code of Ethics and Business Conduct**	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There were no legal actions for anti-competitive behaviour, anti-trust and monopoly practices in 2022.
Materials				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Our Products**	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	**Performance Data**	
	301-2	Recycled input materials used	**Playsponsible – Responsible Product Design**	We are integrating recycled materials into some of our products but do not currently track exact volumes.
	301-3	Reclaimed products and their packaging materials	**Waste**	We operate a takeback program for product and packaging through TerraCycle® in the United States.
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Our Performance**	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	**Our Performance** **Performance Data**	
	302-3	Energy intensity	**Performance Data**	
	302-4	Reduction of energy consumption	**Our Performance**	

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
	302-5	Reductions in energy requirements of products and services	N/A	Spin Master's products are not energy intensive in their use, so this indicator is not currently reported.
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Our Performance** **Our Climate Action Commitment**	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	**Our Performance** **Our Climate Action Commitment** **Performance Data**	
	305-2	Energy indirect (Scope 2) GHG emissions	**Our Performance** **Our Climate Action Commitment** **Performance Data**	
	305-3	Other indirect (Scope 3) GHG emissions	**Our Performance** **Our Climate Action Commitment** **Performance Data**	
	305-4	GHG emissions intensity	**Performance Data**	
	305-5	Reduction of GHG emissions	**Our Performance** **Our Climate Action Commitment**	
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Waste**	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	**Waste**	
	306-2	Management of significant waste-related impacts	**Waste** **Sustainable Packaging**	
	306-3	Waste generated	**Waste** **Performance Data**	
	306-4	Waste diverted from disposal	**Waste** **Performance Data**	
	306-5	Waste directed to disposal	**Waste** **Performance Data**	

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Responsible Sourcing**	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	**Code of Conduct for Suppliers and Manufacturers** **Responsible Sourcing**	All suppliers, including new suppliers, are screened for environmental compliance.
	308-2	Negative environmental impacts in the supply chain and actions taken	**Responsible Sourcing** **Performance Data**	
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Our People**	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	**Learning and Development** **Performance Data**	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**Compensation and Benefits**	
	401-3	Parental leave	**Compensation and Benefits**	
Occupational health and safety				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	**Health and Safety**	
	403-4	Worker participation, consultation, and communication on occupational health and safety	**Health and Safety**	
	403-5	Worker training on occupational health and safety	**Health and Safety**	
	403-9	Work-related injuries	**Health and Safety**	
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Learning and Development**	
	404-2	Programs for upgrading employee skills and transition assistance programs	**Learning and Development**	We require managers to conduct two performance reviews a year for all full-time employees.
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Equity, Diversity and Inclusion**	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	**Our Diversity Representation** **Performance Data**	
	405-2	Ratio of basic salary and remuneration of women to men	**Our People**	

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Human Rights Policy** **Code of Conduct for Suppliers and Manufacturers** **Responsible Sourcing**	
Child labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Responsible Sourcing** **Statement on Modern Slavery and Transparency in Supply Chains** **Code of Conduct for Suppliers and Manufacturers**	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	**Responsible Sourcing** **Statement on Modern Slavery and Transparency in Supply Chains** **Code of Conduct for Suppliers and Manufacturers**	We have extensive auditing and monitoring programs in place to identify and mitigate risk.
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Responsible Sourcing** **Statement on Modern Slavery and Transparency in Supply Chains** **Code of Conduct for Suppliers and Manufacturers**	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	**Responsible Sourcing** **Statement on Modern Slavery and Transparency in Supply Chains** **Code of Conduct for Suppliers and Manufacturers**	We have extensive auditing and monitoring programs in place to identify and mitigate risk.
Local communities				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Our Communities**	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	**Our Communities**	
Supplier social assessment				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Responsible Sourcing**	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	**Code of Conduct for Suppliers and Manufacturers**	All suppliers, including new suppliers, are screened using social criteria.
	414-2	Negative social impacts in the supply chain and actions taken	**Responsible Sourcing** **Performance Data**	

MATERIAL TOPICS				
GRI Standard		**Disclosure**	**Location of information**	**Explanation**
Public policy				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Stakeholder Engagement**	
GRI 415: Public Policy 2016	415-1	Political contributions	**Anti-Bribery and Anti-Corruption Policy**	Spin Master does not make any political contributions.
Customer health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	**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**	
Marketing and labeling				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Responsible Marketing and Content for Children**	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	**Responsible Marketing and Content for Children**	
	417-2	Incidents of non-compliance concerning product and service information and labeling	**Responsible Marketing and Content for Children**	We had zero incidents of non-compliance concerning product and service information and labelling.
	417-3	Incidents of non-compliance concerning marketing communications	**Responsible Marketing and Content for Children**	We had zero incidents of non-compliance concerning marketing communications.
Customer privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	**Data Protection and Cybersecurity**	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**Data Protection and Cybersecurity**	

Additional notes:
Information related to GRI 207 (Tax) is currently included in our Annual Report.
GRI 302-2, GRI 303, GRI 304 and GRI 413-2 are not currently material to Spin Master.
GRI 204, GRI 410 and GRI 411 are not relevant to Spin Master.
GRI 202, GRI 203, GRI 403-2, 403-3, 403-6, 403-7, 403-8, 403-10 and GRI 404-1 are not currently tracked.
GRI 406-1 is currently confidential information.

Concept and Design: **worksdesign.com**

spinmaster.com

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 include, without limitation, statements with respect to the Company's environmental and climate change goals and targets.

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**.

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. These forward-looking statements are made as of April 5, 2023 and 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.