



YOUR BUSINESS
**IS OUR
PRIORITY
2022**

IMPACT REPORT

LETTER FROM THE PRESIDENT & CHAIR

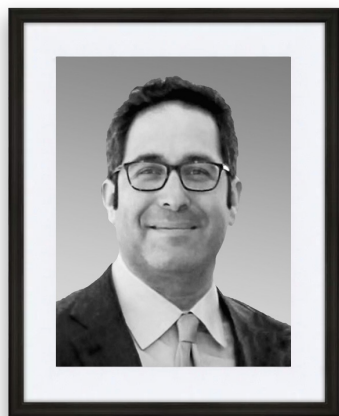


Steve Pasierb
President & CEO

Toy Fair 2020 left us buzzing, but we couldn't have predicted the pandemic rollercoaster that followed. For three years, The Toy Association stood strong, ready to support, protect, and promote our members in whatever ways were necessary.

As a nimble organization, we quickly adapted to the upheaval, not just sustaining our member services but accelerating and expanding them, placing ever-increasing demands on our staff and overcoming four cancelled major trade shows. We did what it took to keep your business moving.

We've gone above and beyond—providing COVID-19 resources, offering direct intervention, driving impactful global advocacy, and fighting threats to the toy industry. We accelerated IP protection by pushing back on counterfeits and marketplaces, introduced tech solutions for buyers and sellers, and backed everything with impactful communications for consumers, industry, and key decision-makers.



Aaron Muderick
Founder & Executive Chairman,
Crazy Aaron's

During the shipping crisis, we pushed for, and achieved passage of the Ocean Shipping Reform Act. As consumers continued to be exposed to rogue products in the e-commerce space, we took a high-profile coalition role that successfully advocated for the INFORM Consumers Act, signed into law by President Biden. We continued to be a valuable resource and voice to the Office of the U.S. Trade Representative. Knowing small batteries in household products posed a threat to children, we stood behind Congressional leadership in applying the toy industry's gold standard for battery security more broadly via the adoption of Reese's Law. Accomplishing all this and more, your association has taken countless regulatory and legislative actions at the local, state, federal, and international levels.

As 2022 shifted into fall, we united hundreds of toy companies and thousands of toy people at the Dallas Preview & Holiday Market—an emotional and business success for a community aching to be together once again.

Together, we're making huge strides—in global and domestic legislation, regulation, trade events, communication, research, education, and member services. We are delivering on the Association's mission to be a unifying force for members' creativity, responsibility, and global success, advocating for their needs and championing the benefits of play.

Your business is our priority, always.

Respectfully,

Two handwritten signatures in black ink. The signature on the left is 'Steve Pasierb' and the signature on the right is 'Aaron Muderick'.

PROTECTING YOUR BUSINESS RIGHTS

Advocating on behalf of members at every level of government across North America and globally remains a crucial pillar in our work to protect and promote the toy and play community.

FEDERAL ADVOCACY

Our commitment is to ensure Congress, the Administration, and a range of Federal agencies clearly hear and understand our industry's position on critical issues – and that existing laws and regulations are enforced and interpreted fairly. By empowering our members to add their voices to our efforts, we tackle everything from online marketplace transparency and environmental sustainability to the improvement of consumer product safety – even working in industries beyond toys to ensure children are safe.

Counterfeits and IP Protection

■ Advocated aggressively for the successful passage of the INFORM Consumers Act to combat the growth of counterfeit and infringing products sold on online marketplaces. This priority legislation for The Toy Association will become effective in June 2023 and help advance online marketplace safety.

■ Continue to advocate for the passage of our remaining legislative priority, the SHOP SAFE Act, which will further serve to protect consumers and hold online marketplaces accountable for products sold on their platforms.

Advancing Battery Safety

■ Pushed for improved battery safety beyond toys to all household products within reach of children by working closely with key bipartisan leaders in the U.S. Senate toward passage of Reese's Law. The legislation furthers battery safety for children while reaffirming the toy battery standard as the gold standard of safety for children across household products.

■ Presented with a copy of Reese's Law signed by President Biden from Senators Blumenthal and Blackburn in recognition of The Toy Association's activist role.

Shipping Crisis Action

■ The Association's board Executive Committee took the initiative to meet with the Chairman of the Federal Maritime Commission both to build understanding of the toy industry's plight and to seek direction on how we can help advocate to further empower the Commission to act.

■ As a result, collaborated with partners across consumer product industries and retailers to successfully advocate for the passage of the Ocean Shipping Reform Act (OSRA), which includes measures to tackle long-term systemic issues impacting the supply chain and U.S. ports.

Evolving Safety Standards

■ Collaborated on proposed revisions to the ASTM F963 Toy Standard, including updates to: acoustics, battery accessibility, expanding materials, heavy metals, projectiles, alignment with CPSIA on tracking labels and phthalates, and a potential new requirement for inflatable aquatic toys for children under 4.

Environmental Sustainability

■ Participated in the Downstream Users Coalition regarding the Environmental Protection Agency's proposed revisions to the Toxic Substances Control Act to include PFAS and changes to the fees rule.





STATE ADVOCACY

We identified and monitored 1,400+ pieces of legislation potentially impacting the toy industry and worked to defeat or amend measures related to your top priority issues, including:

Chemical Regulation

- Tracked nearly 100 priority chemical regulation bills across 22 states; none specific to children's products ultimately passed.
- Successfully pushed for an amendment to California's measure regulating PFAS in textiles to remove an onerous provision that would have required manufacturers of textile products to publish certificates of compliance for each product on their website.

Privacy Protection

- Tracked 400+ privacy-related bills; worked to ensure broad consumer privacy measures in Connecticut and Utah referenced the Children's Online Privacy Protection Act (COPPA).
- Secured amendments to key definitions in California's Design Code Bill, as well as other priority changes to increase industry input to the advisory committee and ensure privacy impact assessments are held confidential.

Environmental Sustainability

- Tracked activity in 30 states that considered measures for new packaging and/or product Extended Producer Responsibility (EPR).
- Worked with coalition partners to improve the packaging EPR measures that passed in Colorado and California.
- Secured key amendments to California's "Responsible Battery Recycling Act of 2022" to ensure the battery manufacturer, not the product manufacturer, is responsible for the fees and participation in a stewardship program.

Oregon's Toxic-Free Kids Act

- Following years of communication and consensus seeking, filed a suit in federal court against the State of Oregon regarding the "Phase Three" Rule of the Toxic-Free Kids Act. The ongoing suit alleges that the provision directly conflicts with the federal Consumer Product Safety and Hazardous Substances Act, which expressly preempts Oregon from implementing such requirements.

GLOBAL REACH, GLOBAL IMPACT

We identified a range of trade barriers affecting toy industry sales in international markets as part of our submission to the United States Trade Representative's 2022 National Trade Estimate report. These included new and ongoing concerns in 15 countries and regions on 23 priority topics. The following is a partial list of regulatory issues we tackled:

- International standards and coin cell batteries (*Australia*)
- Toy standards (*Armenia*)
- Reuse of packaging, extended producer responsibility (EPR), environmental labeling, mineral oil (*France*)
- EPR regulations, Toys (Quality Control) Order, packaging, plastic waste management (*India*)
- Toys and cosmetic regulations, UK Conformity Assessed Marking (*UK*)
- Scientific Committee on Health, Environmental and Emerging Risks (SCHEER) opinion on safety of titanium dioxide (TiO₂) and the presence of cobalt in toys, EPR in member states, environmental labeling (*European Union*)
- Battery chargers; various toy regulations (*Chile*)

- EPR (*Spain*)
- Toy standard, formaldehyde in processed wood (*Mexico*)
- Toy drones (*United Arab Emirates*)
- Restriction of Hazardous Substances Directive, packaging (*Saudi Arabia*)
- Toy regulation, EPR, packaging, various provincial issues (*Canada*)
- Trade barriers (*Indonesia*)

International Safety

We expanded our involvement in the International Organization for Standardization (ISO) technical committee for toy safety by:

- Advocating for the inclusion of ASTM F963 as an integral part of the development of international standards.
- Holding convenor positions on various working groups for the global toy standard.
- Serving as a liaison to the EU's toy safety standard committee.



SUPPORTING YOUR GROWTH & SUCCESS

Reconnecting in person was the theme of 2022 as the industry gathered in Dallas for our Preview and Holiday Market after a long hiatus, while our events team was hard at work on a reimagined 2023 Toy Fair in a new fall timeframe. Advancing the business of toys remains a crucial component of our work, as we strive to create refreshed opportunities for buyers, sellers, licensors, inventors, and other play professionals to build relationships, forge partnerships, place orders, and spark innovation across the toy and youth entertainment industry.

Dallas Preview & Holiday Market

- Welcomed the toy community in October for a successful marketplace event that attracted hundreds of exhibitors and buyers, including representatives from many top 25 toy retailers.
- 71,000 outlets were in attendance not including the reach of online marketplaces like Amazon, eBay, and others.
- Retail attendance grew by 21% over 2019 and distributor/importer/wholesaler attendance was up 17%.
- Announced the year's top toys and games and celebrated the industry's collective philanthropy at The Toy Foundation's Toy of the Year Awards, where 700+ attendees gathered to celebrate the winners across 17 categories of play and support TTF's mission to deliver play to children in need.

Toy Fair New York

- Established Toy Fair dates for September 30 to October 3, 2023 at the Jacob K. Javits Convention Center, and completed Toy Fair's Reimagination Project.
- As part of the Reimagination project, developed a new logo, tagline, messaging planks, website, as well as major revisions to the show floor and new approaches to on-site education under the banner of Toy Fair University.



Play Reimagined

September 30 - October 3, 2023

Jacob K. Javits Center | New York, NY

- General exhibit sales for the '23 show opened in the fall and in a matter of weeks 93% of show space was sold, outpacing any previous Toy Fair and setting the stage for a sold-out event.
- Announced new innovations, including a visual merchandising initiative that will require exhibitors to make product visible in at least 20% of their booth space; the Reimagination Awards, which will recognize the most attractive booth designs; and new showcases and pavilions to highlight global toymakers, pet products, Halloween-themed products, and more.





STRATEGY ROOTED IN OUR REASON FOR BEING

The Toy Association's forward course is based within what we and member companies agree are the three essential elements of our service and core value – the “why” for a Toy Association and “how” to deliver on our mission to be a unifying force for members’ creativity, responsibility, and global success, advocating for their needs and championing the benefits of play.

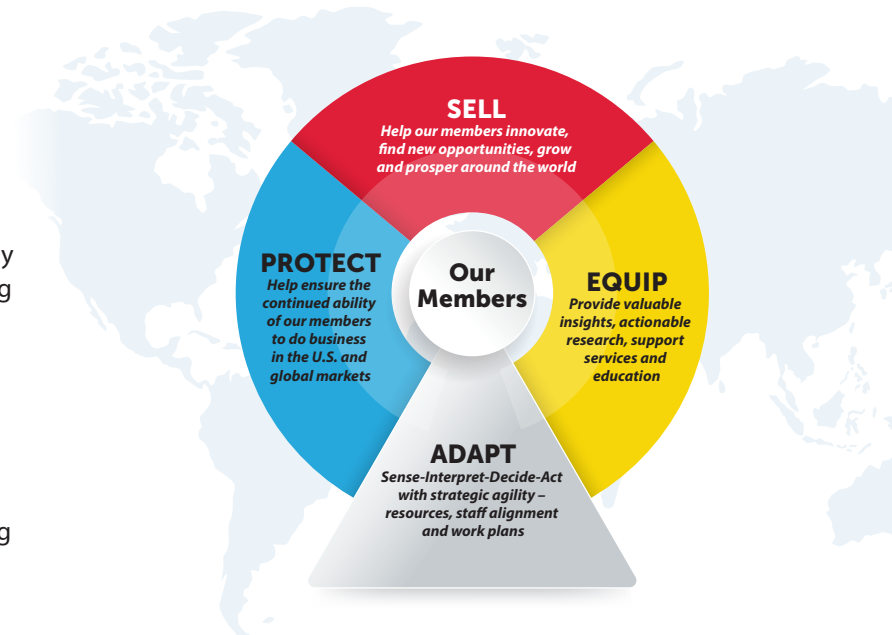
■ The three years prior to COVID-19 saw growth and increasing reach and influence for The Toy Association. We rebranded to demonstrate emphasis on play and its importance not only for children but also for all youth, families, and adults. We strengthened digital assets, launched new products and services, sold out Toy Fair capacity, and drove legislative victories.

■ This accelerated progress and depth positioned the Association to power through the pandemic without any service cuts even though four major revenue-generating trade shows had to be cancelled.

■ Organizational strength coupled with incredible challenges across the U.S. and global markets augur for our agile ability to quickly sense and respond. Our go-forward blueprint is a robust and aggressive high-level plan of priority actions; a strategy for the future knowing disruption and swift pivots should be anticipated.

■ The toy & play community will need us more than ever to meet their needs as we focus on delivering high value and impactful services and building an understanding that The Toy Association's value goes well beyond delivering success at Toy Fair.

Sell, Protect, and Equip - these are the primary sources of member value and organizing principles of our business, therefore how actions, goals and tasks are developed, prioritized, and measured.



Toy Association Credit Program

■ Brought 250 financial professionals from manufacturer members together for two meetings to learn important insights into the challenges of today's credit and collection environment, helping them to make informed credit decisions.

Educational Webinars

■ Delivered valuable content to thousands of toy professionals via 16 webinars.

■ Topics included managing compliance brand protection at Amazon; reports on the Port of LA and Port Houston; toy industry predictions from experts; trends in kids' screen time and outdoor play; holiday shopping trends in the current environment; a study of diversity and dolls; and more.

Actionable Research

■ The Toy Association and a range of partners continued to deliver insightful and actionable research and reports. Highlights included:

- The NPD Group's Global Toy Market Report - Annual 2021
- The NPD Group's Global Toy Trend Annual 2021 & YTD June 2022

- The NPD Group's Consumer Attitudes of the Toy Industry
- The American Kid Consumer 2021/2022, presented by Kidz Global
- Multiple TrendHunter reports on NFTs & Metaverse Expansion, Carbon Recapture, Social and Online Influence, Live Commerce, Gen Z Lifestyle, and STEM/STEAM
- The Economic Impact of the Toy Industry (model updated in 2022)
- Toy Sourcing: The Next 10 Years, Changes, Challenges and Opportunity! By Steve Reece, Kids Brand Insights and Toy Team Asia

Partners & Affiliations

■ Continued to serve as sustaining partner to the Canadian Toy Association (CTA) which delivers successful outcomes for the toy community, such as through its Toys for the North philanthropic program as well as efforts to provide the Canadian toy industry with business-building content and networking opportunities, including a Toy Industry Hall of Fame.

ADDITIONAL PARTNERS & AFFILIATIONS



YOUR VOICE IN THE MEDIA

From promoting members' toys in major media markets, to spreading understanding about the benefits of play, to helping members market their STEAM toys, and protecting the industry's reputation in the face of misleading claims about toy safety, we acted as the trusted voice of the industry in front of the public.

Product Safety

- Proactively communicated the toy industry's commitment to safety all year, culminating with the second annual Toy Safety Awareness Month in November, a successful social media campaign that offered parents and caregivers information on safe toy shopping, appropriate toy selection, and safe play at home.
- Surveyed U.S. parents on their knowledge of toy safety topics, including the prevalence of counterfeit toys sold online. The results generated news coverage that garnered 15.5 million views and highlighted legitimate toy companies' commitment to safety.
- Pushed back on false claims about toy safety in NGO reports; credibility and media coverage for these "dangerous toy" lists continue to decline dramatically each year.

Trends & Product Promotions

- Promoted 170+ toys from more than 100 companies across TV and print media for a total of 4,840,015,728 quality media impressions.
- Surveyed U.S. parents for feedback on the importance of sustainability, progressive ideas, and diversity/inclusion in toys, as well as other trends in play. The related news story and infographic received 5.9 million coverage views. Notable hits included Yahoo!, MSN, The NY Post, The US Sun, Newsbreak, and Moms.com.
- Announced top toy trends of 2022 in a digital presentation that featured members' products and garnered thousands of organic views. Due to demand, a Q4 trends report was released in October to shine a spotlight on TOTY winners and finalists and drum up excitement before the holidays. Notable coverage for the trends included in The Strategist/New York Magazine and the Wall Street Journal.

The Genius of Play

- Continued to reach parents, caregivers, educators, and families with new play resources and expert content to encourage daily play.
- Grew a network of Play Ambassadors – industry professionals with a desire to help broaden public awareness about the benefits of play – and offered exposure to members across social media giveaways and influencer campaigns.
- Established partnerships with like-minded organizations, including the National Afterschool Association, National Girls Collaborative Project, Women in Toys, Licensing & Entertainment, FAO Schwarz, and others.

STEAM

- Grew the STEAM Accreditation program, with the total number of accredited products totaling 126 educational toys and games.
- Released a STEAM Holiday Toy Guide and a Back-to-School STEAM Toy Shopping list featuring products that have undergone the rigorous accreditation process.



YOUR INDUSTRY'S TOY FOUNDATION

The Toy Foundation is the uniting force for the collective philanthropy of the toy industry. The direct engagement and support of Toy Association members creates opportunities to deliver comfort, joy, and the extraordinary benefits of play through programs of measurable impact and scale. TTF is your Foundation.

■ With a humanitarian challenge and lead gift of \$1 million from toy industry icon Alan Hassenfeld, TTF orchestrated a \$4.8 million emergency relief campaign to deliver the joy of play to thousands of Ukrainian refugee children and families. Your direct financial support and product donations supported relief programs within Ukraine's borders and neighboring countries, including Poland, Moldova, Romania, and Lithuania.

■ The Toy Bank stepped up as a turnkey partner helping Toy Association members manage excess inventory and corporate social responsibility programs through toy donations. Thanks to your donations, we picked up and delivered nearly \$10 million in toys to nearly 800,000 children.

■ Funded more than \$425,000 in play therapy projects at 19 children's hospitals in underserved communities through Children's Hospital Play Grants, enabling hospitals to fulfill a variety of needs that may have otherwise not been met for pediatric patient populations, including creating sensory safe spaces; offering diverse and inclusive play materials; and hosting celebratory theme days to improve patient care and treatment outcomes.

■ Hosted our annual Toy of the Year (TOTY) Awards fundraiser and raised more than \$850,000 in cash, in-kind, and product donations. The TOTY celebration, held at the Preview & Holiday Market in Dallas, highlighted TTF's key program areas in addition to celebrating the TOTY winners across 17 categories of play.

■ Launched a new strategic plan focused on deepening the impact of the industry's philanthropy and delivering measurable value and results to our partners. Key priorities include:

- Removing geographic equity barriers from The Toy Bank and connecting it to Children's Hospital Play Grants;
- Broadening the geographic reach of Play Grants for children's hospitals, strengthening emergency relief channels, and creating engagement opportunities for our partners;
- Supporting the industry's commitment to Diversity, Equity, and Inclusion (DEI) by building a pipeline of diverse, young talent to fill internship and early-career positions in the toy industry.

The Toy Foundation's

5 CORE VALUES

1

COMPASSION

Our willingness to relieve the suffering of others defines us as individuals and as an industry.

2

INTEGRITY

We act with uncompromising integrity, transparency, and commitment to our fiduciary responsibility.

3

COLLABORATION

We collaborate with others because collaboration leads to greater impact.

4

INCLUSION

Diversity leads to better outcomes, improved strategy, and more creative thinking.

5

POWER OF PLAY

Play improves lives, relationships, learning, health, and our communities.

FINANCIALS (\$ in Thousands)

STATEMENTS OF FINANCIAL POSITION as of December 31

ASSETS	2022	2021
Cash and investments	\$29,148	\$41,399
Trade show, dues and other receivables, net	100	109
Prepaid expenses and deposits	1,754	1,873
Property and equipment, net	4,049	1,251
TOTAL ASSETS	\$35,051	\$44,632

LIABILITIES & NET ASSETS

Accounts payable and other liabilities	\$6,056	\$3,141
Trade show, dues and other deferred income	12,774	15,784
TOTAL LIABILITIES	18,830	18,925
Unrestricted net assets	16,221	25,707
TOTAL LIABILITIES AND NET ASSETS	\$35,051	\$44,632

SUMMARY STATEMENTS OF ACTIVITIES

Years Ended December 31	2022	2021
Program revenue	\$8,255	\$7,791
Program expenses	11,585	10,627
Administrative expenses	3,321	2,898
OPERATING (DEFICIT)	(6,651)	(5,734)
Non-operating (loss) income	(2,835)	3,749
(DECREASE) IN NET ASSETS	\$(9,486)	\$(1,985)



2022 BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Aaron Muderick

Chair
Founder & Executive Chairman
Crazy Aaron's

Andy Keimach

Secretary-Treasurer
President
VTech Electronics North America, LLC

Sharon Price John

Executive Committee Member at Large
CEO
Build-A-Bear Workshop, Inc.

Tim Kilpin

Vice Chair
Chief Executive Officer
PlayMonster Group LLC

Kathrin Belliveau

Executive Committee Member at Large
Chief Purpose Officer
Hasbro, Inc.

Steve Pasierb

Ex officio
President & Chief Executive
The Toy Association

BOARD OF DIRECTORS

Anne Carrihill

Category Leader, Toys & Games
Amazon

Ashley Mady

President, Consumer Products
Zigazoo

Michael Rinzler

Executive Vice President
Jazwares

Geoffrey Greenberg

Co-President
Just Play, LLC

Bridgette Miller

Chief Marketing & Sustainability Officer
Melissa & Doug, LLC

Steve Totzke

President & Chief Commercial Officer
Mattel, Inc.

Chris Harrs

EVP General Counsel & Secretary
Spin Master Ltd.

Melissa Millo

Vice President, Strategy & Operations
Target

Dion Vlachos

EVP Hardlines & Retail
ViacomCBS Consumer Products

Michael Keaton

CEO
ToySmith

Andrew Quartin

CEO
Thames & Kosmos, LLC

Andrew Weiner

Chief Advisor
Toy'n Around

CHAIRPERSON'S ADVISORY BOARD

Kathleen Campisano

Global Chief Marketing Officer &
General Manager
Beacon Media Group

Ronnie Frankowski

Chief Marketing Officer
Moose Toys LLC

Paul Zadorsky

SVP International & Canada
Crayola, LLC

Filip Francke

CEO
Ravensburger North America, Inc.

Skip Kodak

Chair Emeritus
Regional President, Americas
LEGO Systems, Inc.





1375 Broadway • Suite 1001 • New York, NY 10018 | 1200 G Street NW • Suite 200 • Washington DC 20005

www.toyassociation.org