

Making a Difference

Giving Back

An Interview with Alfred J. Verrecchia,
President and Chief Executive Officer, Hasbro, Inc.

EDITORS' NOTE In his current post since 2003, Al Verrecchia has held several senior executive positions at Hasbro, Inc., including President and Chief Operating Officer; Chief Financial Officer; President, Hasbro Manufacturing Services; and Executive Vice President, Global Operations, among other key roles. Verrecchia joined Hasbro in 1965 as a Junior Accountant. He received a bachelor's, a master's, and an honorary doctor of law degree from the



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University of Rhode Island, as well as an honorary doctor of business administration degree from Johnson & Wales University. In addition to serving on Hasbro's board of directors, Verrecchia serves on the board of FM Global and is the Chairman of the Board of Lifespan, an integrated health care system that services Rhode Island and Southern New England residents. He is also Vice Chair of the Toy Industry Association.

COMPANY BRIEF Headquartered in Pawtucket, Rhode Island, Hasbro, Inc. (NYSE: HAS) is a worldwide leader in children's and family leisure-time entertainment products and services, and designs, manufactures, and markets games and toys. The company (www.hasbro.com) markets its Playskool, Tonka, Milton Bradley, Parker Brothers, Tiger, and Wizards of the Coast brands both in the United States and internationally.

How important has corporate social responsibility been to Hasbro, and how do you drive your culture of community involvement throughout the organization?

From the beginning, the Hassenfeld family embedded a culture of giving in Hasbro. So we started from a good place and we have built upon it in a number of ways. When we fill leadership positions within the company, we like to hear about the employees' involvement in the community, and we encourage them to become more involved when they join us. But it's more than that. We also support them when they become involved by giving our employees four hours paid time off per month to volunteer for any program that involves children. If our employees want to be involved in something, but they're not quite sure how to get started, people in our community relations organization will help them discover their interests, will



recommend organizations to become associated with, and will encourage the development of that association in the appropriate way. Also, if an employee gives financial support to a charitable organization, in most cases we'll match it. In addition, we have Philanthropy Day, when we take a couple of hours once a year to bring employees together to help them learn about the organizations Hasbro is involved with.

Is it challenging to put metrics into place to measure the success of your philanthropic efforts?

We want to make sure that our dollars are being used effectively, but some things are easier to assess than others. For example, when people donate their time and energy at the emergency room at Hasbro Children's Hospital, we know that, if they're playing with a child while he or she is waiting to be seen by a doctor, it makes the time go by faster. It removes some of the anxiety for the child and their family. We know we can't measure that, but we know intuitively that it's good. If we're going to make a major financial contribution, we want to understand why this particular cause is an appropriate area to spend money on, as opposed to something else, and we'll work with the proposed recipient organizations to determine that.

Do you communicate your efforts internally on a regular basis to encourage further employee engagement?

Yes, because people want to feel good about the company they work for – especially if they're building a career there. So we're constantly communicating with the employees so they know the extent of our giving. We also make sure we step up to the plate when there are disasters like the tsunami. I think that's very important. When you feel good about the place you work, your productivity is better, and in the end, the company benefits.

Have you found that young people today want to work for a company, like Hasbro, that places an emphasis on corporate citizenship?

Absolutely. When we talk to young people

about their values and the things they consider to be important, they are very concerned about what's happening in the community and how a company conducts itself. They want to work for a good company – one that is successful, that has a good reputation and a good training program, and one that's recognized in the community. When I was out looking for a job, corporate citizenship wasn't as highly publicized as it is now. But I know it is important today.

When you joined Hasbro, did you imagine you would spend your entire career with the company? What has kept you with Hasbro for so many years?

I didn't envision that happening, and I didn't know how long I would stay here. But when I came to Hasbro, I learned early on from Merrill Hassenfeld that no matter how bad things were – no matter what kind of a year we had – we always gave something back to the community. During a good year, we gave more, and during a not-so-good year, it was less, but we always gave to the community. He taught me that we come to work every day and we get a paycheck, but there are a lot of people out there who aren't as fortunate, and they need our help. So it was built into me. To be at a company for 43 years, you have to be having fun at what you do. You have to feel good about the company you're working with. And those are certainly some of the key reasons I've stayed so long.

You will soon be transitioning into the Chairman role. Is this transition a sign that you're thinking of slowing down? Or will you always need a challenge and be in the mix?

I think I will always need that challenge. I always want to be doing things and contributing in meaningful ways. I've had a wonderful career. A wonderful, young, talented executive is going to succeed me. In 2007, we had the best year in the company's history. I'm transitioning to Chairman on a high note and we have the people in place to continue building on our momentum. ●

Alfred Verrecchia at Hasbro's annual Giving Tree Campaign celebration