

# Responsible Supply Chain Commitment Management Commitment



## Principle

Supplier shall establish and maintain management systems that are related in scope to the content of Mattel's Responsible Supply Chain Commitment. Management systems shall be designed to ensure compliance with applicable laws, regulations and Mattel's business partner requirements. When designed properly, these systems should identify and mitigate all related operational risks and facilitate corrective actions, establish preventative measures and ensure continuous improvement.

**Corporate Commitment:** Supplier shall establish formal policy statements that affirm its commitment to compliance with and continuous improvement of corporate labor, health, safety and environmental standards. Supplier shall ensure that these statements are posted in its facilities.

**Legal and Customer Requirements:** Supplier shall possess a clear process to identify, monitor and understand all applicable laws, regulations and customer requirements.

**Management Accountability and Responsibility:** Supplier shall identify company representatives responsible for ensuring implementation of the Responsible Supply Chain Commitment-related management systems and associated programs.

**Improvement Objectives:** Supplier shall have written objectives, targets and implementation plans designed to improve its labor, health, safety and environmental performance. Supplier shall demonstrate that periodic assessments of Supplier's performance are conducted to achieve Responsible Supply Chain Commitment objectives.

**Risk Assessment and Risk Management:** Supplier shall identify the environmental, health, safety and labor practice risks associated with its operations. Supplier shall determine the relative significance for each risk and implement appropriate procedural and physical measures to control the identified risks and manage regulatory requirements.

**Communication:** Supplier shall demonstrate a process for communicating clear and accurate information about Supplier and its performance, practices and expectations to management, workers and customers.

**Audits and Assessments:** Supplier shall conduct periodic self-evaluations to ensure conformity with legal and regulatory requirements, Responsible Supply Chain Commitment requirements and customer contractual requirements related to labor, health, safety and environmental responsibility.

**Corrective Action Process:** Supplier shall demonstrate a process for timely correction of deficiencies identified by internal or external assessments, inspections or investigations.

**Training:** Supplier shall provide training to management and workers that aims to implement and reinforce Responsible Supply Chain Commitment objectives.

**Documentation and Records:** Supplier is responsible for the creation and maintenance of records required for regulatory compliance and conformity to Responsible Supply Chain Commitment objectives. Supplier shall ensure that records are managed with appropriate levels of confidentiality and privacy safeguards.

**Worker Feedback and Participation:** Supplier shall possess ongoing processes to assess management's and workers' understanding of the conditions covered by this Responsible Supply Chain Commitment. Supplier shall obtain feedback from management and workers on such conditions in order to foster continuous improvement.

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# Responsible Supply Chain Commitment Ethics



## Principle

Mattel expects the highest standards of ethical conduct in business operations associated with product production and delivery. Supplier shall conduct business ethically and with integrity in its relationships, practices, sourcing and operations.

## Commitment

**Business Integrity:** Supplier shall not engage in corruption, extortion, embezzlement or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

**Responsible Sourcing of Minerals:** Supplier shall perform due diligence on its entire supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. With respect to the sourcing of all tin, tantalum, tungsten and gold contained in its products, Supplier shall determine whether those metals directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses.

Supplier shall exercise due diligence in identifying the source and chain of custody of these minerals and make their due diligence measures available upon request. Supplier shall provide proper documentation and reports for annual reporting purposes.

**Disclosure of Information:** Supplier shall accurately record information and provide visibility into its operations, policies, processes and Responsible Supply Chain Commitment -relevant records to Mattel or its designated third party. Supplier is required to disclose conditions that may be in conflict with any applicable laws or regulations and these Responsible Supply Chain Commitment, without falsification or misrepresentation, to all appropriate parties.

**Protection of Intellectual Property:** Supplier shall respect intellectual property rights and safeguard any proprietary or confidential Mattel information Supplier has in its possession. Supplier shall manage technology and trade secrets in a manner that protects all Mattel intellectual property rights and contracts.

**Whistle-blower Protection and Anonymous Complaints:** Where permitted by law, Supplier shall provide an anonymous complaint mechanism for managers and workers to report workplace grievances. Supplier shall protect whistle-blower confidentiality and prohibit retaliation.

**Community Engagement:** Supplier is encouraged to help foster social and economic development and contribute to the sustainability of the communities in which it operates.

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# Responsible Supply Chain Commitment Labor Practices



## Principle

Supplier shall commit to upholding the human rights of workers, to treat them with dignity and respect and to maintain humane working conditions within their supply chain. Special consideration shall be given to the rights of those most vulnerable to abusive labor practices, such as women, home workers, agency workers, contract, temporary and migrant workers.

## Commitment

**Forced Labor:** Supplier shall ensure all workers are providing services of their own free will. Forced, bonded, indentured and prison labor, slavery, human trafficking or physically abusive disciplinary practices shall not be tolerated. Suppliers shall not retain any form of government-issued worker identification as a condition of employment.

**Child Labor:** Supplier shall not employ or otherwise engage anyone who is either below the age of 15 or below the minimum age for completing compulsory education, or such age required by law. Workers below the age of 18 shall not be employed to work at night or with hazardous substances.

**Juvenile and Student Workers:** Supplier shall ensure that applicable legal regulations are followed in the employment of juvenile or student workers below the age of 18. Supplier shall perform adequate due diligence on identification records related to young workers and shall train these workers on safe job performance. These workers shall not be required to perform work that might jeopardize their health, safety or morals.

**Wages and Benefits:** Supplier shall compensate all workers with wages and benefits that meet or exceed minimum legal requirements or collective agreements, whichever are greater. Supplier shall compensate workers for overtime hours at the legal premium rate. Wage deductions shall not be used as a disciplinary measure.

**Working Hours:** Except in extraordinary business circumstances, Supplier shall not require workers to work more than 66 hours per week or more than the local legal requirement, whichever is fewer.

Supplier shall allow workers at least one day of rest within every 7-day period. Any overtime hours shall be consensual and limited to ensure productive and humane working conditions.

**Anti-Harassment and Abuse:** Supplier shall commit to a workplace free of harassment and abuse. Supplier shall not threaten or subject workers to harsh or inhumane treatment, including but not limited to verbal abuse, psychological abuse, mental and physical coercion and sexual harassment.

**Anti-Discrimination:** No workers shall be subject to any form of discrimination based on gender, race, ethnicity, religion, age, disability, sexual orientation, pregnancy, marital or parental status, nationality, political affiliation, trade union membership or any other status protected by law.

**Freedom of Association:** Supplier shall respect the rights of workers to associate, organize and bargain collectively in a lawful and peaceful manner without penalty or interference. Supplier shall provide open and anonymous mechanisms for workers to report grievances.

# Responsible Supply Chain Commitment Worker Health & Safety



## Principle

Supplier shall provide a safe and healthy workplace setting and take necessary steps to prevent accidents and injury arising out of or linked with Supplier operations and worker housing. Supplier shall detect, avoid and respond to potential risks to the safety and health of all workers.

## Commitment

**Occupational Health, Safety, and Incident Management:** Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls and/or administrative controls. Supplier shall implement proactive measures to protect workers against occupational injuries and illnesses, and shall respond with any necessary enhancements to those measures in the event of an incident. Supplier shall provide workers with job-related, appropriately maintained personal protective equipment and instruction on its proper use.

**Industrial Hygiene:** Supplier shall protect workers from exposures to chemicals via inhalation or skin exposures at levels that may cause health effects. Workstations and facilities shall have adequate ventilation and air circulation.

**Construction Safety:** Supplier shall protect workers from hazards associated with building design and construction or other factors that could weaken the structural integrity of the building. Proper permits shall be obtained and regular inspections conducted of Supplier's facilities.

**Fire and Emergency Prevention, Preparedness and Response:** Supplier shall identify and assess potential emergency situations and develop, implement and maintain an emergency response plan to address each situation. Unobstructed aisles, exits and stairwells and an adequate number of clearly marked, unlocked exits shall be provided for effective and orderly evacuation in case of emergency.

**Ergonomics:** Supplier shall apply ergonomic principles to protect workers from the hazards of physically demanding tasks, including manual material handling, heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks. Supplier shall reduce noise generated by the facility or equipment that has the potential to pose ongoing harm to the workers.

**Hazard Communication:** Supplier shall ensure immediate access to the Material Safety Data Sheet (MSDS) for all hazardous chemicals, and ensure all affected workers receive hazard communication training. Supplier shall inventory and label all hazardous chemical containers appropriately and ensure proper storage, handling and disposal.

**Housing and Canteens:** Supplier shall provide workers with clean and safe housing and canteens. Facilities should have adequate ventilation and circulation. Potable water shall be readily accessible. Supplier shall provide clean and private toilet and bathing facilities and shall provide each worker with living and storage space that meets all minimum legal requirements.

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# Responsible Supply Chain Commitment Environmental Protection



## Principle

Supplier shall commit to protecting our natural resources and reducing any negative impact to the environment across its operations, including air, water and waste. All required environmental permits and registrations are to be obtained, maintained and kept current, and all applicable operational and reporting requirements are to be followed.

## Commitment

**Resource Reduction:** Supplier shall limit energy, water and natural resource consumption by implementing conservation and substitution measures. Suppliers are responsible for managing, measuring and minimizing the impact of their facilities, and for maintaining all required permits and complying with applicable regulations.

**Solid and Hazardous Waste Management:** All waste materials and production by-products shall be disposed of in a legally and environmentally responsible manner. Supplier shall properly handle, separate, store, recycle, and/or dispose of hazardous and non-hazardous wastes in a manner that protects workers, contractors and the environment.

**Wastewater Management:** Supplier shall identify, analyze, monitor, control and treat wastewater generated from operations prior to its discharge or disposal. Supplier shall prevent contamination of stormwater runoff and prevent illegal discharges.

**Air Emissions Management:** Supplier shall identify, monitor, reduce, responsibly control and treat air emissions released from operations that pose a potential hazard to the environment. Supplier shall conduct routine monitoring of air emissions performance for comparison to permitted levels.

**Energy Management:** Supplier shall quantify and manage all energy consumption that produces carbon emissions and strive to reduce consumption. Supplier shall set goals for energy management, measure progress and provide annual reports for disclosure requests.

**Chemical Management:** Supplier shall properly handle, label, store and dispose of chemicals in a manner that protects workers, contractors and the environment. Records of hazardous materials disposition and written policies for the minimization shall be carefully maintained.

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