



## Signatory Name: Mattel Pty Ltd

*The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.*

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

**5. Industry sector** (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

**6. Industry type** (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other: Toys

**7. Please indicate your organisation's reporting period:**

- Financial Year: 1 July 2014 – 30 June 2015
- Calendar Year: 1 January 2015 – 31 December 2015

**8. Was your action plan extended or updated to cover the APC transitional year (01/07/2015 -30/06/2016)?**

- Yes
- No

**Goal 1: Design**

**KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.**

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

- Yes  No

Provide details of policies and procedures

Sustainable Sourcing Principles  
Packaging Handbook

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

%

11. Have any new types of packaging been introduced during the reporting period?

- Yes  No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Develop and implement a packaging guide which includes sustainability attributes.	Mattel has guidelines for sustainable packaging that encompass such areas as material selection and design elements.  Mattel has a stated corporate goal to improve material packaging efficiency by 5% by 2015 from a 2011 baseline. We have exceeded that goal at percentages over 15%. As an example - the Fisher Price Learn with Lights Piano package was redesigned to use 40% less cardboard saving over 500,000 square feet of cardboard over two years. Please see the Mattel corporate website to find out more.
2.	Continue exploration of alternatives to eliminate all unnecessary twist ties in packaging.	Goal Achieved. Mattel has saved over 330,000kgs of material by eliminating wire twist ties.
3.	Commence review of new and existing packaging types against packaging guide.	In progress: By using our guidelines, Mattel saw an opportunity to make our packaging more recyclable by using a different material. Therefore, we started to switch our plastic packaging to PET. In 2016 all new SKUs will be free of PVC in packaging.
4.	Seek continuous improvement of master carton efficiency, shelf packaging efficiency and optimize logistics.	In 2015 we continued to evaluate packaging to improve the efficiency of our master cartoons and improve cube utilization. Examples include decreasing the size of a package to improve total units contained within one master cartoon saving on total corrugate required for master cartons.

14. Describe any constraints or opportunities that affected performance under this KPI

The high turnover in SKUs year over year allow for frequent reconsideration of options for sustainable enhancements. Through tool kits, the Mattel teams are able to identify new areas to reduce environmental impact.

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

Rating

3

Rating Comments

Well done on your progress against targets so far, it is great to see you have a policy in place and are investigating opportunities to review existing and new packing. You have mentioned product review has taken place but have indicated that 0% of product packaging was reviewed in the period.

This KPI requires 50% of existing packaging to be reviewed and 100% of new packaging, consider assessing the frequency in which reviews are undertaken to improve performance in this KPI.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Continue cardboard and paper recycling	Recycling of cardboard and paper from our Australia Distribution Center and Richmond Corporate Office totalled 1055 cubic meters

17. Describe any constraints or opportunities that affected performance under this KPI

Higher volumes in 2015 contributed to higher recycling volume. Project implemented at the Richmond office to increase recycling. The project included having individual general waste bins removed from all work stations and placing a set amount of general waste bins in the kitchen area only. This significantly reduced the amount of plastic bin liners used and encouraged individuals to recycle as the recycle bins are also located in the kitchen area. Since they had to now go to the kitchen area to throw any rubbish out, it was easier to recycle than just throwing all waste, recyclable or not in the bin at the desks. Small paper waste bins were also kept at the workstations to further encourage recycling.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

Rating

3

Rating Comments

Encouraging workplace behavioural changes in order to meet your KPI requirements is a great long term initiative to drive change. In order to substantiate the results of your actions consider measuring recycled content collected and using the findings to inform future targets.

**KPI 4: Signatories implement formal policy of buying products made from recycled packaging.**

18. Does your company have a formal policy of buying products made from recycled packaging?

- Yes  No

Provide details of policies and procedures (including names of policies/ procedures)

Mattel's Sustainable Sourcing Principles outline our efforts to increase the amount of post-consumer recycled content used in paper packaging and Mattel Australia has implemented a Buy Recycled Policy.

19. Is this policy actively used?

- Yes  No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Investigate using post packs with recycled content.	Completed. Our Richmond Corporate office uses "Australia Post" post packs (A4 & A5 envelopes) that are made using 30% recyclable content for 90% of our post pack usage. The remaining 10% of post pack usage is Australia Post Express which is sourced from sustainable forests in Australia. Our Distribution Center is also using "Australia Post" padded bags with bubble lining having a minimum of 60% recycled fiber content and 20% recycled plastic content in the bubble lining for 100% of our post pack usage.
2.	Investigate using stationary envelopes with recycled content.	All stationary envelopes purchased are PEFC certified and contain recycled content as per the Mattel Australia Buy Recycled Policy.
3.	Implement a Buy Recycled Policy at Mattel Australia to incorporate recycled content into purchasing criteria.	Buy Recycled Policy implemented at Mattel Australia and communicated to all Mattel Australia staff.
4.	Increase the percentage of business materials that are sustainability sourced.	The Australia Distribution Center continues to source copy paper that has 50% recycled content and our corporate office sources stationary that is carbon neutral and PEFC certified. Our Richmond Corporate office continues to source copy paper that is carbon neutral with 20% recycled content.

21. Describe any constraints or opportunities that affected performance under this KPI

We continuously work closely with our packaging partners to find opportunities to increase the amount of post-consumer recycled content. Based on these conversations there are times when cost, availability and quality can constrain the options. We continue to look for additional ways to implement usage of these materials.

Goal 2: Recycling

KPI 4: Signatories implement formal policy of buying packaging made from recycled products.

Rating 4

Rating Comments Well done in your performance against this KPI, recycling awareness is an underlying objective within the organisation. To improve performance in this KPI, consider setting measurable targets for recycled content to demonstrate year on year performance.

**Goal 3: Product Stewardship**

**KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.**

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

- Yes  No

Provide details of policies and procedures (including names of policies/ procedures)

Mattel's Sustainable Sourcing Principles  
Disney's SmartPackaging Initiative

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Continue waste management contracts in Australia with service providers that collect and recycle.	Australia Distribution Center and our Corporate Office waste management contracts have been continued. Cardboard and paper is collected for recycling.
2.	Participation in industry best practices forums.	As part of Mattel's Sustainable Sourcing Principles, we are committed to being part of multi-stakeholder efforts. We participate in the Sustainable Packaging Coalition and Yet 2's Sustainable Packaging group to discuss sustainable packaging challenges and opportunities with a broad group of stakeholders including government, manufacturing companies, packaging suppliers, retailers, and non-profit organizations. This participation included active attendance by a cross departmental team at each event.
3.	Continue cross-functional teams exploring sustainability for packaging.	We also work closely with our packaging suppliers to implement our Sustainable Sourcing Principles. We have started building these principles into our supplier purchase agreements and we expanded the use of Rainforest Alliance SmartSource 360 tool from our Asia packaging suppliers to the North American ones for our Mexican manufacturing plants. The tool asks for suppliers to report on and show documentation for the sustainability of their packaging. We held multiple trainings including in person and webinars to explain our principles, requirements, and encourage best practices. We also provided feedback on previous years responses and areas for improvement in supplier performance.  We continued to be active members of the Disney <i>License to Lead</i> program, which gives licensees the opportunity to be early adopters of Citizenship initiatives. Mattel led the way with our participation in the Disney SmartPackaging Initiative, a sustainable packaging measurement and design tool, and received an award as a founding member of the program.

24. Describe any constraints or opportunities that affected performance under this KPI

We continue to work with our suppliers, licensors, retailers, and other third parties to improve packaging design and recyclability. We continuously seek out these partnerships and forums for the sharing of best practices.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

Rating

4

Rating Comments

Well done on ensuring continual communication with suppliers on SPGs and reviewing existing packaging. You have demonstrated your commitment to this KPI by seeking out partnerships and forums for knowledge sharing. To further improve, it is recommended that you become more informed about options to improve the environmental performance of your supply chain. There is a reference about this here: <http://bit.ly/1fT4InL>.

**KPI 7: % signatories showing other Product Stewardship outcomes.**

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Create sustainability procurement policy addressing packaging sourcing requirements for packaging suppliers with regards to sustainable forestry management practices.	Achieved: Drafted and launched Mattel's Sustainable Sourcing Principles to increase post-consumer recycled content, avoid controversial fiber, and increase the use of certified fiber with a preference for Forest Stewardship Council (FSC).
2.	Continue to report existing and any new sustainability initiatives in annual APC report.	Completed
3.	Pilot an on-line tool to capture, track and monitor paper and wood fiber sourcing for packaging with vendor base.	Achieved. We piloted the tool and have since then moved into full scale implementation, expanding the tool to our Asia and Mexico packaging suppliers. They reported on a full year of packaging and we worked with Rainforest Alliance to review the documentation. We then share the results of this monitoring with our suppliers to enhance performance.
4.	Investigate recycling options for unwanted shipping pallets.	Improvements in container utilization have eliminated the need for shipping pallets which saves labor and energy associated with forklifts.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes  No

If yes, please give examples of other product stewardship outcomes

We continue to evaluate ways to reduce our environmental impact through additional product stewardship measures. Currently our engineering team is identifying ways to reduce energy use in many of our higher energy consuming equipment. This will directly affect the overall environmental impact of affected products.

27. Describe any constraints or opportunities that affected performance under this KPI

Current constraints exist around the availability and cost of materials with lower environmental impacts. However, with evolving technologies, there is opportunity to identify and implement new processes and materials as practicable.

Goal 3: Product Stewardship

KPI 7: % signatories showing other Product Stewardship outcomes.

Rating

4

Rating Comments

Well done, you have demonstrated a number of good sustainability related initiatives in your response. To further improve performance in this area, consider ensuring that the key sustainability activities your organisation is involved in outside of packaging are captured within your action plan and reported against. Some examples can be found here: <http://bit.ly/1gZAxzT>.

**KPI 8: Reductions in packaging items in the litter stream.**

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	Explore placing consumer directed messaging on/in packaging to encourage responsible disposal.	We currently have a few difficulties with being able to successfully place these labels on our packaging. However through the use of our design guidelines we are creating packages that are easier to recycle, including our recent transition from PVC to PET.  Additionally, we continue to support Heal the Bay through the sponsoring of the Annual Coastal Clean Up day in 2015.

29. Describe any constraints or opportunities that affected performance under this KPI

Do to our large corporate footprint, it is hard to identify one consistent recycling message and symbol. We are continuing to evaluate the feasibility of the various options.

Goal 3: Product Stewardship

KPI 8: Reductions in packaging items in the litter stream.

Rating

3

Rating Comments

You have indicated constraints with implementing package labelling. However it is still encouraging to see participation in Coastal Clean Up Day. Consider reporting on internal initiatives that are less resource intensive such as programs to manage litter in staff break out areas.

## Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

### 30. Key achievements or good news stories

Project implemented at the Richmond office to increase recycling. The project included having individual general waste bins removed from all work stations and placing a set amount of general waste bins in the kitchen area only. This significantly reduced the amount of plastic bin liners used and encouraged individuals to recycle as the recycle bins are also located in the kitchen area. Since they had to now go to the kitchen area to throw any rubbish out, it was easier to recycle than just throwing all waste, recyclable or not in the bin at the desks. Small paper waste bins were also kept at the workstations to further encourage recycling.

Through our partnerships we continue to improve the material efficiencies and sustainable enhancements of our packaging materials. Through continued collaboration of our design, development, marketing and engineering teams, we are able to find various ways to resign design packages to use fewer materials and maintain our strong on-shelf performance.

### 31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

### Summary of ratings:

KPI	2016 Rating (0-5)	2015 comparison	2014 comparison	2013 comparison	2012 comparison
KPI 1	3	3	3	4	4
KPI 3	3	3	3	3	4
KPI 4	4	4	5	4	4
KPI 6	4	4	3	3	4
KPI 7	4	3	4	3	4
KPI 8	3	3	1	2	3
<b>Average rating for this signatory</b>	<b>3.5</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.8</b>
<i>Average rating across all signatories</i>	<i>TBC</i>	<i>3.0</i>	<i>2.8</i>	<i>2.9</i>	<i>2.8</i>

Congratulations on a good report and on having improved your score since the previous reporting period, you have addressed many of the minimum requirements of the APC. You have demonstrated additional initiatives that tie in to your ability to reduce, reuse and recycle. You have some really great procedures in place to address sustainability issues up and down the supply chain. Litter reduction initiatives could be improved by assessing opportunities within the workspace to implement litter reduction activities.

To improve your score further, you may find it valuable to consider contacting the APC for information on ways to go beyond the basics and work with your peers on achieving improvements in packaging design, sustainability, recycling, and litter reduction.