



Mattel Pty Ltd.
Australian Packaging Covenant Action Plan
2016-2021

EXECUTIVE SUMMARY/ENDORSEMENT

Mattel's sustainability strategy is focused on helping the company minimize its footprint throughout the value chain and across the organization. Through this we emphasize the importance of personal commitment in business as well as everyday actions. Mattel employees around the globe are encouraged to engage in citizenship programs and contribute to actions that improve our environment.

Mattel is focused on several key areas of corporate citizenship that include mindfully creating and manufacturing our products. We continue to explore opportunities for sustainability in the design of products and packaging, work to enhance the eco-efficiencies of our facilities and distribution systems, and live our values with personal commitment through employee-inspired grassroots initiatives.

Through this strategic approach, the company is able to continually find ways to minimize our impact on the environment and implement policies and procedures that support these efforts. Mattel is a creations company that inspires the wonder of childhood, and as such our commitment to the environment is embedded into our core organizational values.

More information about our Corporate Citizenship efforts can be found on our website at: citizenship.mattel.com.

Mattel is committed to the Australian Packaging Covenant (APC). Mattel fully supports potential improvements that may help to reduce our packaging waste and our total environmental impact. We believe by working with our colleagues overseas we can actively improve on reducing our global footprint both locally and globally.



Hilda Chan
Vice President Logistics and Planning
Mattel Asia Pacific

COMPANY OVERVIEW

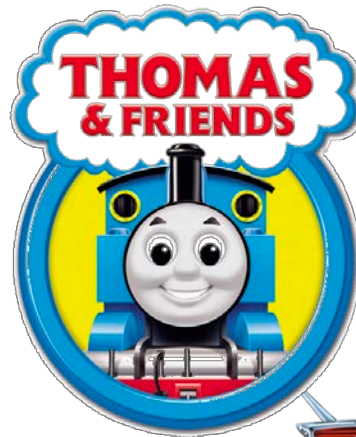
<u>Company Name:</u>	Mattel Pty Ltd
<u>Australian Head Office:</u>	658 Church Street Richmond VIC 3121
<u>Business Type:</u>	Toy Industry
<u>APC Signatory:</u>	Steven Adams VP and Country Manager – Australia/New Zealand
<u>APC Contact:</u>	Najla Espinoza Manager Logistics and Compliance – Australia Email: Najla.espinoza@mattel.com
<u>Website:</u>	www.mattel.com
<u>Packaging Chain Role:</u>	Brand Owner
<u>Primary Packaging:</u>	Display cardboard cartons, Plastic (HDPE, LDPE, PET, PP, PS)
<u>Secondary Packaging:</u>	Cardboard shippers cartons, tape (CA)
<u>Tertiary Packaging:</u>	Stretch wrap (PE), plastic strapping (PE), paper label

Today, Mattel is one of the largest toy companies in the world, but our roots are much more humble. Mattel was founded in 1945 by Elliot and Ruth Handler, who worked out of their garage workshop in Southern California, located just a few miles from our worldwide headquarters today. Elliot, an aspiring inventor and designer, took out a loan to buy tools and began making picture frames. Not wanting to waste any material scraps, Elliot turned these remnants into miniature furniture for doll houses. And that's how Mattel was born, through what today we'd call an effort in sustainability.

Mattel is a creations company that inspires the wonder of childhood. Our mission is to be the recognized leader in play, learning and development worldwide. Mattel's portfolio of global consumer brands includes American Girl®, Barbie®, Fisher-Price®, Hot Wheels®, Monster High® and Thomas & Friends®, among many others. Mattel also creates a wealth of lines and products made in collaboration with leading entertainment and technology companies. With a global workforce of approximately 31,000 people, Mattel operates in 40 countries and territories and sells products in more than 150 nations. Visit us online at www.mattel.com.

MATTEL BRANDS

Mattel's portfolio includes a wide variety brands across multiple categories including:



MATTEL LOCATIONS:

Main Mattel worldwide production locations:

- China
- Indonesia
- Malaysia
- Mexico
- Thailand

Australian locations:

- Mattel Pty Ltd
658 Church Street, Richmond VIC 3121

INBOUND PACKAGING FLOW:

- The majority of Mattel imports come from Asia.
- Products arrived pre-packing into our DHL operated Distribution Center in Victoria.
- Products are shipped in loose master cartons within shipping containers.
- A very limited portion may arrive via airfreight.
- Carton are unloaded by hand

OUTBOUND PACKAGING FLOW:

Products may be repacked to comply with our customers' Distribution Centers' requirements.
Materials used include:

- Cartons
- Plastic shrink wrap
- Tape
- Paper labels

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>1. Design - optimise packaging to achieve resource efficiency and reduce environmental impact</i>					
KPI 1 – Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging. Target: 70% of Covenant signatories with documented policies and procedures for evaluating and procuring packaging using the SPG or equivalent Target: 70% of Covenant signatories assessing 100% of new packaging and 50% of existing packaging against the guidelines	Redevelop existing sustainable packaging guidance to update information with newly available technologies and packaging concepts	Mattel Corporate	Existing Packaging Guidelines currently in use	Refine packaging guidance and improve methodology for review	December 2016
	Conduct gap analysis of sustainable packaging implementation using the APC Packaging Assessment Gap Analysis tool	Mattel Corporate	No current completed gap analysis of program	Complete 2 gap assessments to determine potential future opportunities	July 2017 (Gap Analysis 1) January 2021 (Gap Analysis 2)
	Develop system to report out on packaging efficiency savings through innovation and redesign, establish companywide KPIs for consistency	Mattel Corporate	n/a	Create a set of common KPIs across all packaging types and brands	December 2020
	Conduct training session for employee involved with the design and procurement of packaging on how to properly assess materials against the Mattel sustainable packaging guidelines	Mattel Corporate	No established cadence for training	Conduct sessions on packaging review every 2 years	July 2017

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>2. Recycling - the efficient collection and recycling of packaging</i>					
KPI 3 – Proportion of signatories with on-site recovery systems for recycling used packaging	Continue cardboard and paper recycling	Mattel Australia Management Team	Continue to record the amount of cardboard and paper sent to recycling from	All used cardboard and paper is recycled	Annual

KPI 4 – Proportion of signatories with a policy to buy products made from recycled packaging. All APC signatories will have a formal, documented policy of buying recycled products or materials			the Australia head office		
	Conduct baseline waste assessment to identify total waste quantifies, and total amount of packaging that is reused onsite or recycled	Mattel Australia Management Team	Current data recorded but not evaluated	Identify additional opportunities to reuse or recycle materials	December 2019
	Continued use of post packs with recycled content	Mattel Australia Management Team	Head office currently uses “Australia Post” post packs with 30% recycled content for 90% of post pack use	100% of post pack use has recycled content	Annual
	Continued implementation and education of Buy Recycled Policy at Mattel Australia Audit of current Buy Recycled Policy to determine areas for improvement	Mattel Australia Management Team	Policy currently in place	Increase recycled content of paper supplies Identify additional opportunities	Annual Communication January 2018

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<i>3. Product Stewardship - demonstrated commitment to product stewardship</i>					

<p>KPI 6 – Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging</p> <p>Target: 70% of Covenant signatories implementing formal policies and procedures in working with others to improve design, procurement and recovery of packaging</p>	<p>Continue waste management contracts with service providers that collect and recycle</p>	<p>Mattel Australia Management</p>	<p>Reports from service providers detailing the waste collected and recycled</p>	<p>Continue relationship with service providers to maximize collection and recycling</p>	<p>Annual</p>
	<p>Develop common objectives for packaging sustainability with key customers</p>	<p>Mattel Corporate</p>	<p>Current partnerships in place</p>	<p>Regular meetings to discuss packaging sustainability priorities</p>	<p>January 2018</p>
<p>KPI 7 – Proportion of signatories demonstrating other product stewardship outcomes</p>	<p>Continued implementation of sustainable sourcing requirements for packaging supplier with regards to sustainable forestry management practices, increase targets from existing program</p>	<p>Mattel Corporate</p>	<p>85% of packaging materials sustainably sourced or recycled content</p>	<p>95% of packaging materials sustainably sourced or recycled content</p>	<p>December 2020</p>
	<p>Continue to report existing and any new sustainability initiatives in annual APC report</p>	<p>Mattel Australia Management Team</p>	<p>Annual APC report</p>	<p>Demonstrate Mattel sustainability initiatives in annual APC report</p>	<p>Annual</p>

Performance goals and KPIs	Actions	Responsibility	Baseline data	Targets	Milestones
<p>3. Product Stewardship - demonstrated commitment to product stewardship</p>					

<p>KPI 8 – Reduction in the number of packaging items in litter</p>	<p>Exploration of implementation of consumer directed messaging on/in packaging to encourage responsible disposal</p>	<p>Mattel Corporate and Mattel Australia Management Team</p>	<p>Some research completed</p>	<p>Encourage responsible disposal/reduce litter</p>	<p>December 2018</p>
	<p>Identify annual opportunities for Australia-based employees to participate in local environmental and/or philanthropic initiatives</p>	<p>Mattel Australia Management Team</p>	<p>n/a</p>	<p>Impact litter mitigation in local community</p>	<p>Annual</p>