We Believe
Play Matters
Messages from Leadership
Letter from the CEO 2
Letter From the Senior Vice President, Corporate Responsibility 3

Our Approach to Reporting 4

Our Company 6

Our Products 14

Our People 24

Sustainability 30

Social Impact 42

GRI Index 52
At Mattel, play matters.

We are committed to creating safe, high-quality and innovative toys in a responsible and ethical manner.
LETTER FROM THE CEO

Since Mattel’s very first days 67 years ago in a Southern California garage workshop, our growth has been fueled through an unmatched spirit of innovation that is wholly devoted to children and play.

As we publish this Global Citizenship Report, I’m excited to offer a glimpse into Mattel at play, to show you that we believe play matters. Because we are a company that makes toys for children, it is intrinsic to our future success and continued growth that we conduct our business with the utmost integrity. It goes beyond the business and directly to the well-being of children. Children come first in all we do – it’s our responsibility to make quality products that children love and parents trust. It’s about “Playing Responsibly.”

In leading Mattel, I feel a deep sense of responsibility in carrying forward the company’s long-standing commitment to corporate responsibility and citizenship. During my 12 years at the company, Mattel has made impressive progress in many facets of the business. As we continue to foster that same spirit of innovation that took root in our company so many years ago, I’m excited to share some of our core targets and goals in this report. Taking these next steps will benefit not only our business, but also our partners and consumers, as well as the people who work here at Mattel.

Despite the economic challenges of the past several years, Mattel stayed true to our core values and did not compromise how we do business. We did, however, face financial realities that required us to explore more efficient practices. I believe this mindset of continuous improvement and “lean thinking” is one of the positive learning moments to come out of the past couple of years. Moving forward, we will continue to look for opportunities for efficiency across our business.

I believe that our commitment to corporate responsibility will nurture and expand our culture of innovation, because the people at Mattel believe in the power of doing things right, improving processes, solving problems and saving resources.

We believe that transparency improves performance and builds trust. At Mattel, we are committed to sharing how we are improving our business, as well as the lessons we are learning along the way. As we publish our fourth Global Citizenship Report – this time including a web version with videos – we are excited to share our stories, highlight our achievements and open the dialogue around our challenges.

It’s important to share progress with our many stakeholders, and this report is a key way we accomplish this. We want to hear your thoughts about our progress and challenges, and encourage stakeholder feedback through the channels we have established. Please share your feedback with us through our survey at corporate.mattel.com or send an email to global.citizenship@mattel.com and share what’s important to you.

“I believe that our continued commitment to corporate responsibility will nurture and expand our culture of innovation at Mattel, because the people at our company believe in the power of doing things right, improving processes, solving problems and saving resources.”

Bryan G. Stockton
Chief Executive Officer
We know that transparency builds trust in our brands and encourages us to make continuous improvements for the current and future generations on whom our business focuses.

As we publish our fourth Global Citizenship Report, We Believe Play Matters, we’re excited to be able to bring our stakeholders rich web content in addition to the written report. I think you’ll discover that at Mattel, we embrace and are always energized by the ability to play such a positive role in the lives of children, and our commitment to “Playing Responsibly” reflects this important value.

We take pride in the progress we’ve made in our corporate responsibility efforts thus far as well as the strides we’ve made in the past few years to improve data-driven goal setting and decision making. The rigorous metrics and measurement systems that we’ve established have helped us accelerate this progress. As the saying goes, we can only manage what we measure. This shift has positioned the Corporate Responsibility Team to better communicate the value of our quality, social and environmental initiatives across the company. I believe that improving how corporate responsibility metrics are infused in business decision-making is the single most important factor in determining our ability to accelerate our responsible growth.

With this foundation in mind, we’re looking ahead and focusing on key areas where we know we can make a significant impact – from ethical manufacturing, social compliance in our factories and enhancing sustainability efforts across our business, to strengthening the foundation of our company through sound governance and sharing the impacts of our social impact programs.

The launch of our new sustainability goals, for example, will sharpen our efforts to reduce the environmental impact of our internal operations, and includes such targets as reducing carbon emissions by 40% by 2015. Looking beyond our own operations, the implementation of our Sustainable Sourcing Principles will encourage others in our supply chain to partner with us to increase the amount of recycled or sustainably sourced materials in our packaging to 85% by year end 2015.

Thank you for taking the time to learn more about Mattel. I hope that the stories, achievements and challenges profiled here serve to open a dialogue that will help us nurture and expand our culture of innovation at Mattel. We look forward to your feedback through our survey at corporate.mattel.com or send an email to global.citizenship@mattel.com.

Lisa Klein
Senior Vice President, Corporate Responsibility
This report has been developed to provide information to our diverse stakeholders about our corporate responsibility strategies and initiatives.
As with our three previous reports, in 2004, 2007 and 2009 respectively, we have endeavored to conform to the Global Reporting Initiative (GRI) Sustainability Reporting Framework. This report applies the GRI 3.1 guidelines and presents our performance and quantitative data for calendar years 2009 through 2011. Information on major initiatives underway in 2012 is also included.

As such, the information provided in this report reflects a specific period in time and should be understood to be current only as of the date of release, October 22, 2012. Moving forward, we intend to continue reporting at least triennially.

We have drawn the reporting boundary to include worldwide operations that are owned, operated or directly managed by Mattel. We also have included information about our efforts to engage our supply chain partners. All monetary figures are reported in U.S. dollars unless otherwise stated.

As a global company we recognize that a host of issues can touch our business. The foundation of our reporting process begins with an evaluation of issues that can touch our business. The world of business and the environment in which it operates is constantly changing. We are often faced with complex issues that we did not foresee when we set goals, and we are not afraid to modify our goals, and we pride ourselves on being able to quickly and thoughtfully respond to these forces and communicate with our stakeholders.

We have included information about our efforts to engage our supply chain partners. All monetary figures are reported in U.S. dollars unless otherwise stated.

Report Quality and Assurance
Throughout the report we have sought to apply the six GRI reporting principles for evaluating the quality of our reporting: balance, comparability, accuracy, timeliness, clarity and reliability. For both qualitative and quantitative performance data, we have attempted to provide details on the scope and applicability of the information and conclusions drawn from it. The data collection methods, as well as any assumptions or limitations, are also described. Statements that rely upon an estimate are identified as such.

Data provided in this report have been verified by internal corporate reviewers with subject matter expertise. The report represents our best efforts to describe our performance and any impacts, opportunities and the challenges that we have encountered as we’ve made progress.

While we acknowledge our reporting practices have matured over the past decade, we also see several areas where we can continue to improve, including goal setting. To further focus progress on specific priorities, we have made improvements to our information management systems that support the collection of data from our worldwide operations.

We have self-declared our reporting to meet Application Level B.

Throughout this report we have included references to future targets or goals that we’ve set for our performance. At Mattel, we set thoughtful goals and do everything we can to meet them. From time to time, unforeseen external impacts may require us to modify our goals, and we pride ourselves on being able to quickly and thoughtfully respond to these forces and communicate with our stakeholders.

Report Application Level

<table>
<thead>
<tr>
<th>Report Application Level</th>
<th>C</th>
<th>C+</th>
<th>B</th>
<th>B+</th>
<th>A</th>
<th>A+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G3 Management Approach Disclosures</strong></td>
<td>Output</td>
<td>Not Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</strong></td>
<td>Output</td>
<td>Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Labor, and Environmental.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Report on all criteria listed for Level C plus:</strong></td>
<td></td>
<td>1.2</td>
<td>3.9, 3.13</td>
<td>4.5 - 4.13, 4.16 - 4.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management Approach Disclosures for each Indicator Category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Visit our online report at www.mattel.com/globalcitizenship2012
Our Company

Our History at a Glance 7
Global Presence 8

OUR MANAGEMENT APPROACH 10
OUR VALUES 10
Corporate Governance 11
Corporate Responsibility Leadership & Practice 12
Mattel’s Code of Conduct 13
Engaging Our Stakeholders 13
Participating in the Public Policy Arena 13
For more than six decades, Mattel’s vibrant and imaginative people have set the pace for innovation and the creation of fun.

Today, as the world’s largest toy maker, we may have grown up, but we’ve maintained a playful spirit that is at the heart of all that we do. As was the case when Elliot and Ruth Handler founded the company in 1945, the curiosity and fascination of childhood continues to drive us to create products that foster development and learning, and bring the simple joy of play to young lives.

Mattel is a publicly-traded Fortune 500 company listed on the NASDAQ under the symbol “MAT.” As of July 31, 2012, there were 33,334 shareholders of record. Information about our financial performance, including our most recent annual 10-K report to the U.S. Securities and Exchange Commission, is available on the Investors & Media tab of our corporate website.

“The legacy of our founders lives on as we continue the passionate pursuit of our vision to create the future of play.”

-Bryan G. Stockton, CEO

Visit our online report at www.mattel.com/globalcitizenship2012
Global Presence

Our worldwide headquarters is located in El Segundo, Calif., only a few miles from where the company was founded in 1945. Today, Mattel employs approximately 30,000 people in 40 countries and territories around globe. Mattel designs, manufactures and markets a wide variety of toys and family products that are sold in 150 countries by retailers, as well as directly to consumers.

Key
- **Office Location**
  (Mattel, Fisher-Price, American Girl, HIT)
- **Retail Locations**
- **Manufacturing & Tooling Plants, Distribution Centers**

By the Numbers

- **Total Distribution Centers, Manufacturing & Tooling Plants**
  13
  *Mattel owned and operated only*

- **Retail Destinations**
  23
  (Includes American Girl, Mattel Toy Stores & Fisher-Price Toy Stores)
Nearly 30,000 employees worldwide in 40 countries.
OUR MANAGEMENT APPROACH

Play is the central theme that drives all that we do at Mattel, and our four play values form the foundation of our approach to conducting business globally. Because we’re a company that makes products for children, we also feel an inherent obligation to reinforce our culture of ethical conduct and set an example as a responsible member of the global business community.

Our approach to corporate responsibility revolves around setting clear standards and strategic priorities to achieve our vision and engage cross-functionally to support the company’s business goals.

Corporate Responsibility Mission

Act with integrity in all we do to bring the world safe toys that grown-ups trust and children love. We are committed to positively impacting our people, our products and our world by playing responsibly.

Over the past few years we have improved our tracking of key performance indicators, which has enhanced our abilities to inform business decision-making more than ever. The advantages of integrating quality, GMP and sustainability performance considerations into business processes such as new project launches have been realized by projects across the company. Business leaders involved in these projects become catalysts for further infusing corporate responsibility thinking and values across the company.

OUR VALUES

Play with Passion

We make a positive impact in the lives of children and families around the world, with unparalleled creativity and innovation, and love what we do, having the courage to make a difference.

Play Together

We play as a team, forming deep relationships and partnerships, enriching the communities, people and companies in which we live, work and play.

Play Fair

We treat each other with respect and dignity, trust each other to make the right decisions and are accountable for all that passes in front of us, acting with unwavering integrity on all occasions.

Play to Grow

We seek continuous improvement and deliver quality in every part of our business, and provide opportunities and support for personal and professional growth while rewarding excellence and recognize that we must achieve financial goals so that we can continue to play!
We also recognize that progress seldom occurs in isolation. Collaborating with and listening to our stakeholders is essential to increase positive social and environmental impact. To this end, Mattel supports voluntary initiatives to ensure ethical working conditions and advance environmental sustainability. We are founding supporters of the global toy industry’s ethical sourcing code of conduct, and more recently have sought to advance sustainability initiatives through engagement with The Sustainability Consortium.

Corporate Governance
Mattel’s commitment to responsible governance and corporate conduct is reinforced by clear policies and actions that start at the top with our Board of Directors and executive leadership team. Mattel’s board consists of 12 members, 10 of whom are independent, including the presiding independent director, Christopher A. Sinclair. The board is chaired by former CEO, Robert A. Eckert.

The board serves stockholders through a strong commitment to the effective and ethical management of the company. Mattel’s Board of Directors operates five committees, all of which are chaired by and comprised solely of independent directors: Executive, Audit, Compensation, Finance, Governance & Social Responsibility. The Audit and Executive committees are both chaired by the Board’s presiding independent director. From 2009 to 2011, the Board met at least six times per year and no directors attended less than 75% of the meetings of the full Board and committees on which they served.

The board operates in accordance with Mattel’s Corporate Governance Guidelines to ensure proper oversight. These guidelines can be found on the Corporate Governance page on our corporate website. Among other things, the guidelines dictate that the Governance and Social Responsibility Committee assess and review with the full board on an annual basis the appropriate skills and characteristics required of board members in the context of the then-current composition of the board. Among other things, they consider talent base, area of expertise, experience and diversity of the board members. In previous reports, we have shared our intention to increase the diversity of our Board and, the percentage of minority* directors has increased from 17% to 25%. The percentage of women directors has remained steady at 25% during the past three years.

The Board’s Compensation Committee oversees matters related to executive compensation. The Compensation Committee is guided by principles that are intended to create a competitive compensation structure that will help attract and retain key management talent, assure the integrity of Mattel’s compensation practices and link compensation to performance. The committee seeks to align the financial interest of executives with the financial interest of our stockholders primarily through equity programs and short- and long-term incentive plans.

In keeping with Mattel’s commitment to responsible corporate governance, there are several ways in which our stockholders can communicate directly with Mattel leadership. Stockholders may attend the annual meeting and address questions to the chairman of the board. Stockholders may also communicate directly with the board in writing and may submit a director nomination or stockholder proposal. For more information on how stockholders may communicate with the board or submit a nomination or proposal, please refer to Mattel’s bylaws and most recent proxy statement, both of which are publicly available.

Recognition by Investment Community
Mattel has been recognized for our progress and transparency by the socially responsible investment community. As of July 31, 2012, Mattel was included in the following stock indices:

- APG-IS Global Sustainability Fund
- Calvert Social Index Fund
- CREF Social Choice Account
- DFA CSTG & E U.S. Social Core Equity 2 Portfolio
- DFA U.S. Social Core Equity 2 Portfolio
- DFA U.S. Sustainability Core 1 Portfolio
- EQ/Calvert Socially Responsible Portfolio
- iShares KLD 400 Social Index Fund
- iShares MSCI U.S.A. ESG Select Social Index Fund
- Northern Global Sustainability Index Fund
- OneAmerica Socially Responsive Portfolio
- TIAA-CREF Life Social Choice Equity Fund
- TIAA-CREF Social Choice Equity Fund
- UBS-ETF MSCI North America Socially Responsible
- UBS-ETF MSCI World Socially Responsible
- VALIC Company I-Global Social Awareness Fund
- VALIC Company II-Socially Responsible Fund

1For the purposes of this report, minority is defined as “non-white” based on self-reported ethnicity information.
We Play with Others who Share our Values
Mattel participates in several organizations with the mission of advancing responsible business practices, transparency, and increasing social impact
• Boston College Center for Corporate Citizenship
• Business for Social Responsibility
• China Environmental Health and Safety Roundtable
• Corporate Responsibility Officers Association
• Council on Foundations
• CSR Asia
• Society of Product
• Licensors Committed to Excellence
• Southern California Grantmakers
• Sustainable Packaging Coalition
• The Sustainability Consortium

Corporate Responsibility Leadership & Practice
The Corporate Responsibility function is an integral part of Mattel’s executive leadership team. The team is headed by Bryan G. Stockton, who assumed the role of CEO on Jan. 1, 2012. The senior vice president (SVP) of Corporate Responsibility reports directly to the CEO. The composition of Mattel’s executive leadership team can be found on corporate.mattel.com

The SVP of Corporate Responsibility is supported by a global team of professionals organized by functional areas as illustrated in the diagram below. As corporate responsibility initiatives become increasingly aligned with business strategies and processes, the Corporate Responsibility team has made a concerted effort to increase engagement with other functions, such as marketing and procurement at the early conceptual and planning stages. This has improved our ability to identify opportunities, as well as mitigate potential issues.
Mattel’s Code of Conduct

Establishing high standards is the first step to instilling a sense of responsibility for personal conduct and playing fair. Mattel’s Code of Conduct is a general statement of our standards of ethical business conduct based on our commitment to adhere to our corporate values and comply with the law. We know that establishing high standards for ethical conduct is just the start, and we actively engage all members of our global workforce to make sure they understand and embrace their individual responsibility to exercise sound judgment and act with integrity at all times.

Each year, we provide a mandatory online training module to all employees, which reviews the Code of Conduct and key principles in a colorful style. In 2011, we provided video clips that illustrated common ethics issues in the workplace as part of the training. We also revised our Code of Content booklet to reflect our playful corporate culture to effectively engage employees in a very serious subject. Produced in 11 different languages, the material is presented in a fun and accessible way, incorporating helpful features such as frequently asked questions, and common situations.

Engaging Our Stakeholders

Part of playing responsibly includes engaging with our many stakeholders to further establish and maintain trust. We believe that interaction informs our perspective on complex issues and contributes to more meaningful progress. Through engagement, there is a higher likelihood that actions we take will provide value to a broader group of stakeholders. Our current objectives are to improve transparent reporting while simultaneously focusing on enhancing our interaction with stakeholders on our strategic initiatives.

Participating in the Public Policy Arena

Mattel’s business operations can be affected by legislative or regulatory changes; therefore, as an organization, we participate in the public policy process to promote the best interests of our company and stakeholders. Mattel interacts primarily through collaboration on national and global industry association efforts. Mattel is an active member of several industry associations, including the Toy Industry Association (TIA) in the U.S. and the Toy Industry Association Europe (TIE), and also carefully monitors the political activities of these groups through membership on their government affairs committees and boards of directors. The primary focus of efforts by Mattel and our partners is to advance the safety and responsible production of children’s toys. As a company, we promote our interests by sharing our expertise to inform the political process. In the U.S. for example, Mattel encourages its employees to vote and participate in the political process through voter registration drives and internal election day reminders.

During the reporting period, Mattel had no independent expenditures or corporate political donations. During this time, Mattel did not employ any federal lobbyists. In addition, Mattel has a nonpartisan political action committee (PAC) that accepts voluntary contributions from eligible employees. Our PAC operates in compliance with all applicable U.S. federal regulations, and an advisory board directs the contributions to support candidates who understand Mattel’s business interests. More information about our PAC contributions, as well as our compliance with Federal Election Commission regulations, is accessible online.
Each year Mattel has the privilege of creating and manufacturing thousands of different products for children of all ages and their families to enjoy.

The Mattel portfolio is comprised of globally recognized brands such as Barbie®, the most popular fashion doll ever introduced, Hot Wheels®, Matchbox®, Thomas & Friends, American Girl®, Radica®, Tyco R/C® and Fisher-Price®, which includes brands for infants and preschoolers such as Little People® and Power Wheels®. For years, Mattel has created a wide array of entertainment-inspired toy lines. Most recently, Mattel’s portfolio has grown through the creation of the Monster High® fashion doll brand and the acquisition in early 2012 of HIT Entertainment, which welcomed Thomas & Friends® and several other preschool brands to the Mattel family.

With every toy Mattel produces, we reinforce the importance of play in the life of a child. The research, innovation, engineering, testing and care that go into making these toys are the basis of how trust has been built and maintained with consumers over the years. We also believe that providing a safe and ethical working environment in factories that make our products is something we will not compromise.

This chapter explains what goes into creating and bringing these toys and products to you, and highlights the most important corporate responsibility related accomplishments and challenges that we are focused on addressing the past few years. For additional information, we also encourage you to review our previous reports, which provide a foundation for many of the topics addressed here.
Ideation

Evolution of Responsible Product Development

Today, creating an enriching play experience for a child goes well beyond the actual toy. While innovation in the product itself remains essential, the ideation of a product must also consider that children today expect their toys to arrive with rich content and context told through books, videos, social media channels, interactive websites, games and webisodes. Oftentimes, putting the product in a broader context allows us to create educational opportunities through the additional material, which is of value to parents who appreciate when playtime can also be a learning experience.

To address these trends in communication and dialogue, in 2011 Mattel established its Standards and Practices (S&P) function to ensure that content achieves its intended purpose of inspiring play while at the same time being appropriate, responsible and reflective of our consumers’ needs. In addition to the existing regulatory compliance review process, the S&P guidelines are applied to the many facets of our business including product, advertising, packaging, marketing, digital and entertainment. These dynamic and multi-faceted guidelines help to identify potential issues around appropriateness and tone, as well as the moral, ethical and social implications of our products, partnerships and content, and address these concerns at the ideation stage.

Mattel’s Standards and Practices Guidelines
Mattel-related content should:
1. Be selected with the maturity of the intended audience in mind.
2. Show responsible and courageous treatment of serious issues.
3. Respect diversity, differences and cultures.
4. Not condone or encourage unsafe, unhealthy, reckless or illegal acts.
5. Portray adult language and situations with extreme care.
6. Not glamorize or condone gratuitous violence.
DESIGN & DEVELOPMENT
Ensuring Product Safety and Quality

The superior quality and safety of our products is the heart of our business and the key to building trust with parents worldwide. Since our founding, Mattel has placed great emphasis on ensuring that the fun and developmental opportunities our products create also meet the highest standards for quality and safety. These safety and quality standards affect the entire lifecycle of the product including ideation, design, manufacturing and distribution. We have more than 1,500 employees worldwide – safety and regulatory specialists, inspectors, engineers, chemists and laboratory technicians -- whose primary responsibility is to ensure product quality.

Mattel products are designed to meet or exceed the requirements of all of the markets in which they are sold. We believe that children everywhere should have the protection of world-class product safety standards. To that end, Mattel seeks to apply a single worldwide standard for the quality and safety of our products by applying the most rigorous requirements regardless of where they will be sold. We also support the harmonization of international requirements. Harmonization helps ensure compliance across the toy and children’s product industry, as well as allowing us to achieve operating efficiencies.

MARKETING
Advertising to Children Responsibly

We market our products and the entertainment they can provide to parents as well as the children who use them. We ensure that our advertising respects the children, whose well-being is such an integral part of who we are and what we do. In 1974 Mattel was a founding supporter of the Children’s Advertising Review Unit (CARU) which serves as an independent monitor in the U.S. to evaluate advertising directed at children. Mattel applies CARU’s Self-Regulatory Guidelines across all of our communication channels as part of our commitment to ensure that advertising to children is conducted responsibly and is not deceptive, manipulative or unfair.

PROCUREMENT
Selecting Materials

The choice of materials to use in our products is an important aspect of ensuring they are safe and will withstand the rigors of play and bring years of fun and learning. Materials are evaluated for their suitability based on safety, quality, durability and compliance with regulations worldwide. In addition, materials must have certain properties, such as flexibility, that are an essential element for creating play value in toys.

The plastics that we use in our toys are considered safe by the U.S. Consumer Product Safety Commission (CPSC). That includes PVC, a safe, durable and easy-to-clean plastic and one of the most rigorously-tested materials in the world. We understand that some of our stakeholders have concerns about the environmental impacts of PVC. The properties that make PVC a durable material that will not easily degrade are the same properties that make it more difficult to manage at the end of the product’s useful life. We assess on an ongoing basis new materials for potential use in our products. This practice includes consideration of the material’s performance and safety properties, life cycle impacts and supply chain viability.

MANUFACTURING
Making Our Products

Approximately half of our products are manufactured in one of our nine factories; four in China, two in Mexico and one each in Malaysia, Indonesia and Thailand. Products made in these factories include fashion dolls and accessories, die-cast cars and Power Wheels ride-on vehicles, as well as electronic and radio controlled toys. We also operate tooling development operations in China, Indonesia and Malaysia.

The other 50% of our products are produced by what we refer to as vendors with whom we contract to manufacture finished products. Our vendor manufacturing base is composed of approximately 40 major vendors and 30 specialty vendors that are called upon for specific processes or technologies needed to produce small-volume, non-core products. Our vendors’ factories are located predominantly in southern China.
Mattel’s Quality Vision

Delivering quality play, every step, every day.

Mattel’s Quality Mission

Quality is a personal commitment to understand and deliver products and experiences that meet customer expectations every time.
Implementing a Quality Management System

In our 2009 report, we discussed the launch of our Quality Management System (QMS), an integrated approach to ensuring the quality of our products, as well as the fair and respectful working environment in the factories that manufacture our products. The QMS system has served as the focal point of strict standards for every aspect of our toy process, from product design to distribution. It evaluates whether all of our owned and operated factories, as well as vendor factories, have a management system that is effectively designed and operating to ensure compliance with Mattel’s Product Integrity policies and Global Manufacturing Principles (GMP). The system also includes compliance with local regulatory requirements and many best practices embodied in consensus standards. All Mattel factories have been certified to the ISO 9001 quality standard. Five of our factories have achieved certification for their environmental management systems and their safety and health systems according to ISO 14001 and OHSAS 18001, respectively. The remaining four factories are in the process of seeking these two certifications.

Our QMS is being transformed into an enterprise-wide program to align the delivery of our high quality products in a more efficient manner. We’re engaging across all stages of the new toy development and manufacturing process to encourage individuals to embrace their role in ensuring high quality products and encourage a culture of shared responsibility for quality.

Monitoring Subcontractors

Subcontractors are an integral part of the supply chain for any industry. Vendors must disclose and closely monitor subcontractors and the manufacturing tasks they perform. Our procedures do not permit subcontractors to further outsource any activity. Our requirements restrict subcontractors from conducting certain processes, such as painting, without special oversight.

Ensuring Ethical Manufacturing

In 1997, Mattel became one of first brands to create a formal code of conduct. Our Global Manufacturing Principles were created in consultation with a recognized academic authority on voluntary codes of conduct. From its inception and implementation, our efforts to continuously improve factory working conditions have been monitored by third-party auditors. Our GMP, which marks its 15th year in 2012, provides a foundation for ethical manufacturing efforts and communicates our expectations for responsible factory working conditions, environmental protection and appropriate oversight to ensure non-compliances are identified and corrective actions are taken.

Mattel set the pace with GMP, but we have always believed that the best way to achieve progress on improving factory working conditions is through an industry-wide program. That’s why, in 2002, we supported the founding of the International Council of Toy Industries (ICTI) CARE (Caring, Awareness, Responsible, Ethical) Process or ICP by offering our GMP as part of the foundation to build upon. The ICP aims to provide a single, fair, thorough and consistent program to monitor toy factories compliance with the ICP Code of Business Practice. Today, ICTI CARE monitors more than 2,300 participating factories. While ICTI CARE’s primary focus has historically been in China, factories in several other Asia-Pacific nations including Indonesia, Malaysia, Thailand and Vietnam, have committed to participation in the ICP. Independent third-party auditors selected and trained by ICTI CARE conduct an annual audit of each of our owned and operated factories in Asia. As part of Mattel’s commitment to advance ethical sourcing, we have pledged that our vendor base in China will participate in the ICP.

A Meeting of the Best Minds to Advance Safety

Mattel experts around the world contribute to improving the safety of children’s products through their participation in the standard-setting processes, including eight International Organization for Standardization (ISO) committees, work groups and task groups; 30 ASTM International committees and subcommittees, 18 European Committee for Standardization committees and task groups and efforts led by Underwriters Laboratories (UL) and the American National Standards Institute.

Where Are Our Products Made?
Country / 2011 breakdown

- 14% China
- 1% Southeast Asia
- 9% Mexico, Brazil & Other
- 71% Other

Visit our online report at www.mattel.com/globalcitizenship2012
We believe that transparency encourages improved performance. Since the inception of our GMP, Mattel has annually published the results of third-party audits. A summary of our factories’ performance is available on our website. Mattel continues to encourage other brands and ICTI CARE to develop a voluntary mechanism to encourage vendor factories to publicly share their performance. We accept that it may take several years to create a transparency mechanism for the entire industry, but we believe that achieving this larger goal is the right path to take. In the interim, we will continue to share information about our owned and operated factories by name, as well as the overall performance of our major vendors.

Mattel Major Vendors
ICP Seal of Compliance & Working Hours Class

While progress has been made in several areas of our ethical sourcing initiatives, including workplace safety, environmental management, accurate wages and voluntary overtime, we recognize that controlling working hours continues to be a challenge in large part because of the highly seasonal consumer demand for toys. This has been further influenced by economic demand to carefully control materials and finished goods inventory, as well as the tendency to defer factory orders there by compressing the peak season. Mattel is committed to actively engage our supply chain partners to address working hours. Mattel also supports ICTI CARE’s working hours policy and investment in enhanced information management systems as means to encourage continuous improvement and provide brands with actionable information about the performance of our vendors base.

A related area of focus has been improving the retention of our factory employees in China. In the “Our People” chapter of this report, we discuss further the changing demographics of our workforce. While our workforce continues to include those who have migrated from other areas of the country for employment opportunities, a growing percentage of our employees are from increasingly urbanized southern China communities where we operate. This has led to differing interests in overtime and the length of employment contracts. As a result we have instituted programs to respond to the needs our workforce.

Providing a Safe and Healthy Workplace

The safety of our employees is a top priority and our goal is to operate without incident or injury to any employee. We strive to eliminate all preventable accidents. We believe that ensuring a safe working environment must include the active engagement of our workforce, regardless of whether they work in one of our corporate offices, a design studio, retail store, distribution warehouse or one of our manufacturing operations. The process starts with ensuring clear operating practices that are designed to minimize risk to our employees. Employees receive awareness training and additional instruction based on their specific job responsibilities.

For more than a decade we have measured safety performance by tracking the rate of injuries that result in time away from work, referred to as the Lost Day Incident Rate (LDIR). As a result of the uptick in the incident rate in 2009 and 2010 we have recommitted to emphasizing the fundamentals of workplace safety. We have taken steps to

Factories that are able to demonstrate compliance with all other aspects of the ICTI CARE code, including correct wage payments, will be awarded one of three ICTI CARE Process seals depending on their generally adherence to one of the following:

- Class A – weekly working hours < 66
- Class B – weekly working hours > 66 but not exceeding 72
- Class C – weekly working hours below 72 (factory must have in place an agreed corrective action plan (CAP) to progressively reduce hours to Class B status within 24 months).

(ICTI Care Working Hours Policy 2012)
strengthen the corporate Environmental, Health and Safety function, including a revised environmental, health and safety commitment from our CEO emphasizing the importance of regulatory compliance and active employee engagement in ensuring a safe and healthy workplace. In addition, we have technical professionals deployed around the world to support and partner with site leaders to drive continuous improvement. In 2013, we will adopt an additional worldwide safety metric to measure the severity of incidents.

Product Testing

Our products go through rigorous and exhaustive testing and are continually monitored by our Product Integrity group. Testing is conducted at several points during the manufacturing process to verify conformance with regulatory requirements and our safety and quality standards. Certain materials, such as surface coatings, are sampled and must be approved before they can be put into inventory. Specially trained quality assurance technicians also test both partially-complete products right off the manufacturing line as well as finished toys. Our products are designed to meet all safety and quality requirements. Our material suppliers and vendors, as well as their subcontractors, are subject to the same high standards, and regularly are subject to unannounced audits to ensure that their practices conform to our requirements.

DISTRIBUTION

Ensuring Safe and Secure Transport

Our global logistics organization is responsible for transporting our products in a safe and secure manner from the factory to our customers. Since 2002, Mattel has been recognized as a “trusted trader” for our commitment to the voluntary initiative between business and government intended to strengthen the protection of international supply chains against terrorism. Mattel’s participation in the Customs Trade Partnership Against Terrorism (C-TPAT) initiative ensures that when a shipping container leaves the factory, it’s sealed so that when it arrives, it’s easy to identify any signs it may have been tampered with. The C-TPAT program has important societal benefits, makes delivery faster and allows for less costly transport to our Mexico and U.S. distribution centers. Another benefit of the private-public partnership is access to the U.S.-Mexico border “FAST” lane, which allows expedited crossing privileges for shipments from our two factories in Mexico.

SUPPLY CHAIN

Engaging Our Supply Chain Partners

Over the past several years, Mattel has taken steps to increase our engagement with the companies that provide us materials or services. Our efforts have been focused on communicating our corporate responsibility values and raising awareness during the contracting process. Our standard bid package includes questions about corporate responsibility initiatives, such as the supplier’s commitment to diversity, health and safety, as well as sustainability initiatives.

Toy Industry’s Best Credentialed Testing Labs

Mattel operates more accredited testing labs than any other toy maker in the world. We have invested in 10 state-of-the-art laboratories to test our products. The labs at each of our manufacturing locations and our Mattel Operations Asia headquarters have all been accredited to meet the applicable ISO standards. The U.S. CPSC has recognized both our labs’ accreditations and the firewalled nature of their operations and thus accepts test reports from our labs to document their compliance with children’s product safety regulations. We believe that operating our own on-site labs provides our customers two clear advantages over relying solely on third-party labs. First, our accredited labs allow us to test products sooner and more frequently which allows for any non-conformance to be dealt with expeditiously. Second, our labs are staffed by experts who are completely dedicated to understanding the specific nature of toys and children’s products.
We view promoting supplier diversity as an integral part of our overall corporate diversity and inclusion strategy. Both Mattel and our communities benefit from seeking to promote economic opportunities for minority- and women-owned business enterprises. Mattel will continue to promote a diverse supplier base consistent with the company’s objectives.

Sustainable Sourcing Principles

In 2011, Mattel adopted principles to guide the company’s procurement of paper and wood fiber used in our packaging and products. The principles communicate our commitment to advance the use of recycled material and sustainable fiber across our business, beginning first with our packaging. The principles are based on three fundamental commitments. First, we are committed to maximizing post-consumer recycled content wherever possible in order to reduce dependence on wood production; second, we will seek to avoid virgin fiber from controversial sources; and third, we will take steps to increase the percentage of fiber that is certified by a credible third-party.

We have exceeded our initial goal to have 70% of our paper packaging be composed of recycled materials or sustainable fiber, and we’re making good progress toward achieving our goal to increase that amount to 85% by year-end 2015.

Throughout the process of developing the principles, Mattel gathered input from stakeholders across our supply chain, and from leading brands in the sustainable paper and packaging space, as well as the environmental community. Mattel sought to understand the basis of Greenpeace’s campaign about deforestation in Indonesia, and directed our suppliers to exit known controversial sources. Mattel sought input from Rainforest Alliance on the development of the principles.

As part of implementing the principles, Mattel’s global procurement team has communicated our preference, when feasible, for fiber certified by the Forest Stewardship Council (FSC), and has instituted procedures to require suppliers to document their fiber sourcing practices. We monitor our supply chain through site visits and the incorporation of sustainable sourcing terms in our contracts and purchasing documentation. We are developing an information management process to track the origin and certification of packaging materials, as well as improve supplier communication. This includes oversight of outliers in emerging and small local markets and training of our buyers. In 2012, we’re conducting a pilot study using the Rainforest Alliance’s SmartSource 360 System™. Through our implementation activities, we have identified opportunities for further progress. In 2013, we intend to print instruction sheets for all new Mattel and Fisher-Price products on FSC-certified paper.

Providing Oversight of Licensing

A key component of Mattel’s strategy for growth is enhancing the value of our iconic brands through the continued expansion of our licensing business. Mattel licenses the rights to use our brands, such as Barbie® and Hot Wheels®, to adorn various consumer products including apparel, athletic equipment, electronics and DVDs. Each year Mattel contracts with more than 1,500 licensees around the world that independently develop, manufacture and market their products that are made in more than 3,000 contract factories. Mattel shares the same challenges that other major brand licensors face when it comes to the effective oversight of manufacturing licensed products, including a wide diversity of products outside of our core competency and without a direct relationship with the factory. We recognize that our ability to favorably influence both product quality and working conditions is best achieved by concentrating our efforts on the selection of well-qualified licensees and setting clear expectations in the contract process including requirements for regulatory compliance, product quality, safety and ethical sourcing practices. We also at any time may require a licensee to provide product test certifications and timely factory audit documentation, or conduct our own audit.

CONSUMERS

Engaging Our Consumer

Input and feedback from our consumers enables us to create better products that continue to inspire play. That’s why a fundamental element of our stakeholder engagement strategy is a commitment to listen to our consumers and provide them with helpful information. Every contact with a consumer is an opportunity to build trust and an ongoing relationship.

With parents, grandparents and caregivers busier than ever, our goal is to provide the information that our consumers want in a convenient manner. How we interact with our consumers has evolved with technology and changed the way we communicate. Historically, consumer inquiries were handled primarily by telephone. While we will still take calls, we have expanded our services since 2009 to include email, live chat and social media. Our consumer relations team fields approximately half-a-million contacts per year in English, Spanish and French. More than 90% of these contacts
come from the U.S. and 5% from Canada. In 2011, 80% of our contacts were web-based, up 10% from 2009, and attributed in part to improvements in our consumer website. We anticipate our interaction with consumers via social media will continue to rise, so we’re improving our ability to listen and engage.

We constantly seek feedback from our consumers about the quality of the service we provide. We ask consumers about their satisfaction with their consumer relations experience over the phone or online, as well as about their experience with the product, and have made changes based on their responses. We receive close to 1,000 responses per week from customers who take our email survey.

**Addressing Product Recalls**

As a company that makes products for the youngest consumers, our highest priority is always the safety of children playing with them. We stay in close contact with and receive regular reports from our consumer relations contact centers to monitor for potential issues, so that they are brought to our attention as soon as possible. If we find there is a potential issue with a product, we work to do the right thing, and sometimes that means conducting a recall or safety alert. During the three-year reporting period, Mattel voluntarily conducted eight multi-jurisdictional recalls. In such cases, Mattel cooperates with regulators in each country, including the U.S. Consumer Product Safety Commission, Health Canada and European Commission’s Directorate General for Health, on a case-by-case basis to raise consumer attention to the recalls including joint press releases, alerts on our website, notifications, and posters provided to retailers and written notices to product owners in our database.

**Helping Consumers Lead Healthy Lives**

The American Girl restaurants, located in 14 different U.S. cities, strive to provide healthy choices for our customers. We offer a wide variety of healthy menu options for children and adults, including vegetables and/or fresh fruit with every entree. As a special occasion dining experience, our menu includes a range of choices to meet our customers’ varied expectations and needs. In addition to offering healthy menu options, our restaurants can accommodate almost any dietary need or restriction, including gluten-free, low-fat, dairy-free, nut-free, vegetarian and vegan. Our reservation staff inquires about food restrictions and allergies so that our trained staff is prepared to meet each customer’s needs.

---

### Voluntary Product Recalls (2009 - 2011)

<table>
<thead>
<tr>
<th>Product</th>
<th>Reason</th>
<th>Remedy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplicity Rainforest Playard</td>
<td>One or more rails may collapse unexpectedly, posing a fall or entrapment hazard to young children</td>
<td>Stop using product and contact Fisher-Price for free replacement</td>
</tr>
<tr>
<td>Simplicity 3-in-1 High Chair</td>
<td>Seat may fall backwards from the high chair frame if the booster seat releases with a child in the chair</td>
<td>Stop using product and contact Fisher-Price for free repair kit</td>
</tr>
<tr>
<td>Little People Play n Go Campsite</td>
<td>Plastic figure in the playset may break, posing a choking hazard to young children</td>
<td>Take figure away from children and contact Fisher-Price for free replacement</td>
</tr>
<tr>
<td>Fisher-Price Trikes</td>
<td>Child may strike, sit or fall on the protruding plastic ignition key, resulting in injury</td>
<td>Place trikes out of children’s reach and contact Fisher-Price for replacement key</td>
</tr>
<tr>
<td>Fisher-Price High Chairs</td>
<td>Child may fall on or against the tray storage pegs on rear legs of the high chair, resulting in injury</td>
<td>Stop using high chair immediately and contact Fisher-Price for free repair kit</td>
</tr>
<tr>
<td>Little People® Wheelies Stand 'n Play Rampway</td>
<td>Wheels may come off, releasing small parts, posing choking hazard to young children</td>
<td>Take affected cars away from children and contact Fisher-Price for free replacement</td>
</tr>
<tr>
<td>Fisher-Price various products with inflatable balls</td>
<td>Valve of the inflatable ball may come off, posing choking hazard</td>
<td>Remove inflatable ball from product and keep away from children. Contact Fisher-Price for free replacement kit</td>
</tr>
<tr>
<td>Little People® Builders’ Load ‘n Go Wagon</td>
<td>Handle may pose laceration hazard if a child falls on it</td>
<td>Take affected wagons away from children and contact Fisher-Price for free repair kit</td>
</tr>
</tbody>
</table>
Our People
Our employees are a dynamic and diverse team of individuals who are creating the future of play for children around the world.

We recognize that with this comes a commitment to provide a respectful environment that supports and inspires all individuals to achieve their full potential.

Just as it is important to know how Mattel is performing as a business, it’s also important to know how we are performing as an employer. That’s why we regularly ask our employees to share their thoughts on what it’s like to work at Mattel, and why we benchmark best-in-class consumer products companies for their employee engagement practices. One of our most important stakeholders is our employees, and this section demonstrates our efforts to be a responsible employer. Specifically, we highlight our progress in the areas of employee engagement, training and development and the globalization of our diversity and inclusion initiatives.

Our Global Workforce
Mattel employs people in 40 countries on five continents to serve the growing global nature of our business. We seek to hire employees locally wherever possible, as we believe this practice is both good for our employees and for our business. Our total global employee population is approximately 30,000, including both our workforce and corporate employees. The size of our corporate employee population has fluctuated less than 1% in the past three years, averaging approximately 11,000 people worldwide. Our major offices in the U.S. and Canada account for 49% of our corporate employees, followed by 35% in Asia, 9% in Europe and 7% in Latin America.

Our U.S.-based workforce is concentrated in three states: California, New York and Wisconsin. Currently we consolidate data only by age group for our U.S. workforce, which consists of 22% under 30 years of age, 62% ages 30-50 and 16% over 50.

We Play For The Best!
We are proud that in 2012, for the fifth year in a row, Fortune magazine has recognized Mattel as one of the “Fortune 100 Best Companies to Work For” in the U.S. The ranking is based on a number of factors, primarily an independently conducted survey of our employees.
An estimated 13% of our worldwide corporate workforce is employed on a part-time basis, with these roles primarily located in the U.S. in our consumer relations contact centers and our 14 American Girl retail stores. Mattel hires additional part-time seasonal staff to respond to the annual increases in consumer contacts during the holiday season from October to January. In doing so, we’re able to respond effectively to our consumers, as well as support the creation of flexible employment. We’re proud that most of our year-round consumer relations employees are hired from the seasonal staff.

Our global manufacturing workforce averages approximately 35,000 throughout the year. They speak more than 11 languages, and are located primarily in the Asia-Pacific region with approximately 61% employed in our four factories in China, and 32% in our three factories in Southeast Asia, with the remaining 7% employed in our two factories in Mexico.

Listening to Our Employees
Open and honest dialogue between Mattel senior management and employees is an important part of our culture, and mechanisms are in place for employees to provide feedback. We survey our employees about the good things, as well as those areas that could use improvement; and from there, we build action plans to address these areas. In addition to an active, electronic, company-wide communication effort from our CEO, our leadership team encourages feedback through regular employee updates, smaller group sessions and other channels to gather employee input and demonstrate its importance across the global organization.

Taking Care of Employees
Mattel is committed to supporting and developing employees and their career goals, and fostering an environment that allows them to thrive. As a global company, Mattel considers it very important to provide our employees around the world with comprehensive compensation and benefits. Certain aspects of Mattel’s employee benefits are determined by local law and typical market practice. We evaluate employee compensation and benefits programs annually to consider marketplace trends and employee feedback. For example, regular full-time, U.S.-based employees are eligible for full benefits including paid time off, medical and dental insurance, life insurance, disability coverage, maternity/paternity leave, flexible spending accounts for child care and health care expenses, tuition reimbursement, financial assistance program with adoption and infertility treatment, as well as access to a confidential employee assistance providing work-life life balance resources and referrals to various other services in their local communities. Employees may elect coverage under major benefits programs, such as medical and dental for their families, including domestic partners. Both regular full-time and regular part-time employees in the U.S. are eligible for retirement benefits, the 529 college savings plan, global scholarship program, education loan program, home mortgage program and employee discount programs. Based on employee feedback, in 2009, Mattel adopted a pet insurance program and launched a college coaching service. At our three major U.S. locations, we also regularly offer seminars to assist employees with financial planning and preparing for retirement.

Employees worldwide participate in an active performance management process that encourages employees and their supervisors to align personal annual goals with Mattel’s business objectives. Our process is designed to ensure the fair and accurate assessment of an individual’s performance.

Labor-Management Relations
A core element of Mattel’s Global Manufacturing Principles (GMP) is our commitment to our employees’ freedom to associate. We seek to treat our employees fairly and, where applicable, their elected workers’ representatives including respecting their right to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference. Labor unions represent groups of factory employees in Indonesia, Mexico and Thailand. Employees at two of our factories in China belong to an affiliate of the All-China Federation of Trade Unions, the sole national trade union in China.

Training and Education Initiatives
Various training opportunities, including workshops and online learning, are available to ensure development of relevant skills and business values across Mattel. During the reporting period, our corporate employees, on average, participated in an estimated 4.5 hours of training per year. This number likely under reports training hours and we’re evaluating how to improve the tracking of training information worldwide. As a global company, we have also faced the challenge of how to best serve the training needs of our workforce. We’ve responded by investing in online training platforms and deploying regional training professionals to help customize programs.
Global Diversity and Inclusion

We believe that fostering a diverse workforce enables us to better apply a broad range of knowledge, experience, perspectives and insights to achieve our business goals. Mattel seeks to create an inclusive culture, where differences are appreciated and employees are valued for the various ways in which they contribute diverse viewpoints. This makes our organization stronger, gives it greater depth and allows for a culture in which all individual employees are able to contribute to their full potential. As such we clearly state our commitment through our policies, training initiatives and benefits programs to protect individuals from unlawful employment discrimination based on gender, age, race, ethnicity, religion, sexual orientation and gender identity or expression, or any other basis protected by applicable law.

Compared with our 2008 statistics, minorities have remained constant at 31% as a share of our total U.S. workforce. Mid-level management has declined by 3% to 21%, while the share of executives (vice presidents and above) who are minorities has grown by 3% to 15%.

Diversity and Inclusion Council

We have established diversity and inclusion councils in both the U.S. and Asia to further our aim of building an inclusive working environment for our employees. By 2015, our goal is to have a council in each region where Mattel operates, including the addition of councils in Latin America, Europe, the Middle East and Africa.

Attracting Diverse Talent

To help cultivate a talented and diverse pool of potential future employees, Mattel provides internship opportunities, participates in recruitment events and provides support to several external organizations. Since 1992, Mattel has been a corporate sponsor of INROADS, a program that recruits ethnically diverse undergraduate students as summer interns. In 2010 and 2011, Mattel welcomed 15 INROADS interns to our corporate headquarters for summer positions. We recruit graduate students through The Consortium for Graduate Study in Management, which links minority talent from top business schools with companies such as Mattel.

Organizations We Support That Share Our Vision

Mattel and our employee resource groups support a host of organizations that share our values of diversity and inclusion through sponsorships, donations of cash and product, and volunteering:

- The Crown Jewel Club
- Brotherhood Crusade
- Gay, Lesbian and Straight Education Network (GLSEN)
- Working Mother Media / National Association for Female Executives
- Out & Equal
- United Friends of the Children
- LifeWorks, the Los Angeles Gay and Lesbian Center
- UNCF
- Los Angeles Urban League
- The Mariachi Heritage Society
- Lambda Legal Defense and Education Fund
- Japan America Society of Southern California
The proportion of men in our global workforce has increased from 31% in 2008 to 46% in 2011 due to the changing demographics of those seeking work in our manufacturing operations.
Employee Resource Groups (ERG)

Mattel’s corporate headquarters has six ERGs, all of which have been employee-initiated and bring together people with shared interests. While Mattel’s Office of Global Diversity and Inclusion advises and supports the ERGs, employees drive each group’s focus and activities. The ERGs collaborate on advancing business interests, supporting employee development, and providing insights for Mattel’s recruiting efforts and product development. The groups also support Mattel’s stakeholder engagement strategy through outreach to the community and participation in various charitable efforts. We are presently exploring opportunities to expand these groups to other company locations.

Mattel African American Forum (MAAF) 2008 — serves as a prominent internal resource of information and insight about black/African-American culture.

Latinos EN Mattel 2009 — serves as a platform to showcase and raise awareness of the influence of Latino culture.

Our Proud Employee Network (OPEN@Mattel) 2010 — focuses on the needs and topics of lesbian, gay, bisexual and transgender employees.

Women of Mattel (WoM) 2009 — acts as an internal source of leadership and insight for the women at Mattel.

Mattel Asian Diversity Exchange (MADE) 2010 — is dedicated to promoting the rich and diverse cultural contributions of our Asian employees.

Sustainability for Employee Engagement and Development (SEEDs) 2011 — was launched by employees passionate about fostering a sustainable culture at Mattel.

Mentoring Program

Women of Mattel has supported mentoring opportunities for women motivated to grow professionally. We recognize that in addition to formal training initiatives, developing a mentoring relationship outside of one’s supervisory line can provide valuable insight into some of the subtleties of business culture and personal development. This program helps to provide additional development for women in Mattel’s workforce.

Inclusion of People with Disabilities

In 1993, an employee at our headquarters conceived an idea about how to create employment opportunities for people with disabilities and special needs. He established an employment program, in partnership with a local nonprofit organization, that serves people with disabilities. Through their combined efforts, people with intellectual and physical disabilities are employed in our office services department. The program has grown to more than 50 employees who staff our mail service and janitorial services team. Mattel is one of the largest single-location corporate employers of people with disabilities in California.

In our experience, this type of partnership has created unique opportunities, not just for those for whom jobs have been created, but also for those around them. We believe this program has changed perceptions and attitudes about people with disabilities to further strengthen the inclusiveness and diversity of our company’s culture. We continue to look for opportunities for these employees to advance into other areas within the company.

Outreach to Veterans

Mattel’s diversity and inclusion efforts extend to the men and women who have served in the U.S. Armed Forces, as well as military families. In 2011, Mattel supported Navy Week and sponsored one of the U.S. Chamber of Commerce’s Hiring Our Heroes job fairs for veterans and military spouses. In addition to providing information about job opportunities, Mattel donated toys for children whose parents are serving away from home.

Honored for advancing opportunities for those with disabilities

In 2010, Mattel was recognized for its commitment to people with disabilities by Equip for Equality, a Chicago based advocacy organization dedicated to protecting and advancing the rights of the disabled. Mattel received the organization’s 25th anniversary Corporate Excellence Award.

Mattel’s Board of Directors Gender and Ethnicity

25% Women
75% Men
25% Minorities

Visit our online report at www.mattel.com/globalcitizenship2012
Chapter 5

Sustainability

Mattel Sustainability Position Statement 31
Setting Goals – The Next Step in Our Journey 31
Mattel’s Sustainability Goals and Targets 32
Progress on Major Initiatives 33
Design It 33
Make It 35
Live It 40
Mattel’s vision of *Creating the Future of Play* is demonstrated not only through the products we manufacture, but also through our ongoing efforts to reduce our environmental impact on the world.

Our sustainability efforts began in our company’s earliest days – even before the terms “sustainability” and “lean manufacturing” were common business terms – and included a multitude of programs, projects and strategies that addressed our environmental impact. Today, sustainability at Mattel is driven by our desire to make the world a better place through play.

In 2008, Mattel launched our sustainability approach, “Re-imagine the way we play,” and a platform of three key focus areas:

- **Design It** with the end in mind
- **Make It** with eco-efficiencies
- **Live It** with personal commitment

We believe sustainability is a journey and we are proud that, in this report, we are stating measurable goals and targets that align with our focus areas and will drive our global sustainability efforts going forward. Whether we are reducing the carbon footprint of our manufacturing, exploring the use of innovative new materials or engaging our workforce in advocating for a sustainable future, Mattel continues to develop the most playful products while considering our impact on planet and people.

**Mattel Sustainability Position Statement**

We view sustainability as an investment in the current and future generations on whom our business depends. In support of Mattel’s goals, we will design, manufacture and market our playful products while striving to continuously reduce their impact on people and our planet.

In 2011, Mattel launched a cross-functional strategic effort to build a stronger infrastructure in support of our sustainability efforts. Our objective was to develop measurable goals and targets to help us align our resources in support of our sustainability efforts both now and in the future. Under executive sponsorship, four key pillars were analyzed:

- **Benchmarking** – Gathered learnings from other consumer product companies and global corporations about their sustainability approaches and programs.
- **Stakeholders** – Surveyed the opinions and expertise of key stakeholders, including internal stakeholders as well as environmental non-governmental organizations.
- **Business Feasibility** – Analyzed business plans and environmental impacts.
- **Enterprise Life Cycle Assessment (E-LCA)** – Conducted an E-LCA, a widely applied model utilizing financial data to ascertain environmental impacts across the entire company. This data-driven approach examined the various business processes within our direct control, including design and development, procurement of raw materials, manufacturing and distribution, and examined more than 10 impact categories, such as greenhouse gas emissions, water, energy consumption and human health.

Analysis across the four pillars allowed us to create a clear picture of Mattel’s greatest environmental impacts and how our company is best poised to address both the issues and opportunities in measurable ways. While we have made tremendous strides in our sustainability efforts to date, the establishment of our sustainability goals and targets will unite our efforts and guide our resources moving forward.
Mattel’s Sustainability Goals and Targets

1. Reduce the Environmental Impact of Our Products.
   • Achieve $25 million in sales of products that incorporate an environmental enhancement gained through innovation.*
   *Over the next six months we will be determining the environmental enhancement criteria for packaging and product that results in reduced environmental impact.

2. Reduce the environmental impact of our packaging.
   • Improve our packaging material efficiency by 5% by 2015.*
     *Over the next six months a consistent methodology for calculating material efficiency of packaging will be finalized.
   • Increase the amount of recycled material and sustainable sourced paper and wood fiber in our packaging to 85% by 2015.*
     *85% derived from increasing recycled material and sustainable sourced paper and wood fiber from packaging composed of any grade of paper or wood, including coated and uncoated paperboard, kraft paper, corrugated cardboard and wood.

   • Reduce our normalized carbon emissions by 40% by 2015 and 50% by 2020.*
     *Emission reductions calculated from owned and operated facilities including manufacturing, distribution and corporate locations over 20,000 square feet and normalized to sales over a 2008 baseline.

4. Promote a culture of sustainable growth.
   • Create opportunities to engage employees and communities in which we operate about their role in protecting our environment.
     *Over the next six months we will be evaluating the appropriate metrics to capture engagement and impact of actions.
PROGRESS ON MAJOR INITIATIVES

Our new strategy and goals are supported by the learnings that we have gained through our previous initiatives. This underscores the value of collaborative engagement across our business and the importance of rigorous measurement and analysis. The sustainability initiatives highlighted below are just a few of the many happening across Mattel. We have organized them to follow the Design It, Make It, Live It framework.

Design It – With The End In Mind
When we Design It with the end in mind, we look to gain a deeper understanding of the environmental impacts associated with product and packaging from concept through disposal. From material efficiencies to design innovation, Mattel design and development teams globally have used their creativity to reduce environmental impacts while maintaining product integrity, and have leveraged internal networks to foster the exchange of ideas and innovation across brands and business units.

Packaging Assessment
In 2010, Mattel conducted a life cycle assessment of key packaging types to evaluate their environmental impacts and assess opportunities for improvement. This data-driven approach analyzed packaging material impacts, the impacts of primary versus secondary packaging and impacts across the supply chain in terms of energy mix and transportation. Key learnings have resulted in a variety of ongoing changes made throughout the packaging supply chain that improve material efficiency by reducing the volume of packaging materials improving product-to-package ratios and increasing the percentage of certified and recycled fiber used.

Elimination of Twist Ties
Twist ties are used to keep our products stable and intact during delivery and distribution. However, non-recyclable wire twist ties are not environmentally preferable and are inconvenient for our consumers. Since 2009, Mattel, in collaboration with Walmart’s twist tie initiative, has eliminated more than 90% of wire twist ties, which is equivalent to 363 tons of material. Through this effort, we have identified more sustainable fastener alternatives that reduce frustration for the consumer. Since the features of our products vary, we transitioned from twist ties to a “blended fastener” solution that accommodates the complexity of our products. Examples of these different kinds of recyclable and/or easy-to-use fasteners include paper strings, thread and Dennison™ tach-its, die-cut paper board and key-lock fasteners. We will continue to explore fastener alternatives, such as recyclable PET plastic bands and biodegradable ties.
Exploring Alternative Packaging Materials

In 2010, Mattel’s Hot Wheels factory in Malaysia launched the use of residual sugar cane fiber as an alternative packaging material to the traditional plastic insert tray. This renewable material is locally sourced and is 100% compostable. By transitioning to a sustainable alternative, we are able to reduce the carbon impact of the tray by 80%. After ensuring that the sugar cane tray met all of our internal safety, quality and transit requirements, and received external certification on its compostability, this new material was used for the Hot Wheels 9- and 10-pack car assortments. Moving forward we will continue to explore the use of this material in other suitable packaging applications.

In 2011, Mattel explored the use of recycled-PET (R-PET) as an alternative molded plastic material. Considered a more sustainable material than other plastics, R-PET was piloted for use in hairbrushes in our Barbie doll line. More than 1 million R-PET hairbrushes were produced at the Mattel Barbie manufacturing plants for this pilot project. While we have encountered supply chain constraints for this material, we view this pilot as a valuable and continued learning opportunity.
Managing our "SPI" data more important than ever.

Interest from the investment community have made external reporting frameworks and a growing enhanced regulatory compliance, retail customer.

These indicators allow us to measure and manage our Sustainable Performance Indicators, or SPIs.

Mattel established a set of metrics we refer to as our usage and activities and improve data integrity, Mattel established a set of metrics we refer to as our Sustainable Performance Indicators, or SPIs. These indicators allow us to measure and manage our environmental impact. Global drivers such as enhanced regulatory compliance, retail customer requirements, stakeholder inquiries, multiple external reporting frameworks and a growing interest from the investment community have made managing our “SPI” data more important than ever.

Measuring Our Operational Sustainability

In order to deliver measurable reductions, monitor our usage and activities and improve data integrity, Mattel established a set of metrics we refer to as our Sustainable Performance Indicators, or SPIs. These indicators allow us to measure and manage our environmental impact. Global drivers such as enhanced regulatory compliance, retail customer requirements, stakeholder inquiries, multiple external reporting frameworks and a growing interest from the investment community have made managing our “SPI” data more important than ever.

Climate Position

Mattel recognizes that climate change is a serious concern to the global community. Making toys responsibly includes actively working to explore and reduce our impacts on the world in which children live and play. We have been measuring energy consumption and the resulting carbon dioxide (CO2) emissions since 2003. Ongoing efforts to deliver measurable reductions are reflected in our progress toward our goal of reducing normalized carbon emissions by 40% by 2015 and 50% by 2020. We will continue to communicate our efforts annually through the Carbon Disclosure Project and future Global Citizenship Reports.

Ongoing efforts to deliver measurable reductions are reflected in our progress toward our goal of reducing normalized carbon emissions by 40% by 2015 and 50% by 2020. We will continue to communicate our efforts annually through the Carbon Disclosure Project and future Global Citizenship Reports.

Overall, our performance from 2008 to 2011 has improved. Our normalized performance trends have all improved, which we attribute primarily to investment in new and more efficient manufacturing equipment, advancements in material management practices, mechanical system upgrades and improved maintenance. Many of these improvements were identified through the resource expedition initiatives.

The scope of our footprint includes those locations that we own and operate and that are more than 20,000 square feet whose SPIs are normalized to sales. Changes to the number of facilities included in the scope of our measurement is closely monitored, and we continue to work on developing improved methodologies for accounting for on-boarded or deactivated locations.

Measuring Our Operational Sustainability

In order to deliver measurable reductions, monitor our usage and activities and improve data integrity, Mattel established a set of metrics we refer to as our Sustainable Performance Indicators, or SPIs. These indicators allow us to measure and manage our environmental impact. Global drivers such as enhanced regulatory compliance, retail customer requirements, stakeholder inquiries, multiple external reporting frameworks and a growing interest from the investment community have made managing our “SPI” data more important than ever.

Resource expedition initiatives have resulted in:

• Installing drives to control the start and stop time of motors and the operating speed to reduce energy.
• Recycling cooling tower water.
• Replacing light fixtures and removing unnecessary lights.
• Recycling heat from machinery.
• Implementing automatic guided carts to reduce dependency on heavy equipment and battery charging.

As a result of a resource expedition, the lighting in our parking structure at our headquarters was upgraded by replacing 130-watt high pressure sodium lamps with 64-watt fluorescent lights and equipping each fixture with a photoreclectric sensors, which improved illumination and reduced energy consumption by 47%.

Mattel’s Resource Expedition Program

Through Mattel’s resource management program, we seek ways to minimize waste and conserve energy and water across the organization. Our employee-led resource expedition program has helped identify many opportunities to improve efficiency. A resource expedition is a three-day event with a group of cross-discipline employees and vendors collaborating to evaluate resource usage, facility equipment and employee behavior. To date, Mattel has conducted more than 42 events globally and identified hundreds of potential initiatives.

Resource expedition initiatives have resulted in:

• Installing drives to control the start and stop time of motors and the operating speed to reduce energy.
• Recycling cooling tower water.
• Replacing light fixtures and removing unnecessary lights.
• Recycling heat from machinery.
• Implementing automatic guided carts to reduce dependency on heavy equipment and battery charging.

Measuring Our Operational Sustainability

In order to deliver measurable reductions, monitor our usage and activities and improve data integrity, Mattel established a set of metrics we refer to as our Sustainable Performance Indicators, or SPIs. These indicators allow us to measure and manage our environmental impact. Global drivers such as enhanced regulatory compliance, retail customer requirements, stakeholder inquiries, multiple external reporting frameworks and a growing interest from the investment community have made managing our “SPI” data more important than ever.
**Energy and CO2**

The majority of Mattel’s global energy consumption is associated with our manufacturing operations at 82%, followed by corporate offices at 13%, and our Mattel operated distribution centers at 5%. When we analyze our direct energy consumption, more than half is derived from cleaner burning natural gas.

Since 2008, we have reduced our absolute energy usage by 3%. On a normalized basis that reflects a decrease of 33%, which is equivalent to taking nearly 11,000 U.S. homes off of the power grid. This decrease was realized through several projects including those identified through the resource expedition program.

Lighting retrofits at our Montoi Facility in Monterrey Mexico resulted in a savings of 3,722,000 kw per year.
Carbon
Since 2008, we have reduced our absolute and normalized CO2 emissions by 11% and 38%, respectively. This normalized reduction is equivalent to taking more than 14,000 passenger cars off of the road. Initiatives identified in our resource expeditions, such as utilizing evaporated air cooling systems as opposed to traditional air conditioners, recycling heat on our molding machines, reusing hydraulic oil, improved maintenance of diesel generators and compressed air systems and transitioning to less carbon intensive fuels, contribute to this decrease.

Materials
Absolute materials usage has remained relatively flat over the last four years with a small dip in 2009, primarily related to a slower economy and a decrease in production volumes. A detailed look at our 2011 material consumption reveals that plastics, resin, packaging and zinc comprise nearly 90% of our material usage.

To reduce plastic waste generated by various toy manufacturing processes, our Indonesia Plant (PTMI) recycles this waste by regrinding the plastics to make other molded parts such as doll bases and connectors.
Since 2008, we have reduced our absolute and normalized water consumption by 31% and 54%, respectively. That is equivalent to the amount of water in 733 Olympic-size swimming pools. Reductions have been achieved through reuse of cooling water for onsite non-potable purposes, reduced drainage of evaporated coolers, transitioning to less water intensive manufacturing processes and recycling water in our wet tumbling operations. We also achieved a continued increase in water recycling year-over-year and are seeking additional opportunities.

Volatile Organic Compounds
Since 2008, we have decreased our absolute volatile organic compound (VOC) emissions by nearly 56% and 70% on a normalized basis. This improvement has been accomplished through the increased use of tampo-style contact printing, more efficient hand spray painting techniques and spray booths, as well as increasing the use of water-based coatings.

Air (VOC) Emissions (metric tons)
Waste

Absolute non-hazardous waste generation has increased by 9% since 2008, while normalized values have decreased by 30%. The decrease in 2009 may be due to lower production volumes. A breakdown of our 2011 non-hazardous waste reveals that general waste, paper or cardboard and plastic are our primary non-hazardous waste streams with 41% of our waste stream derived from manufacturing operations.

Absolute hazardous waste generation has also increased by 8% since 2008, while normalized values have decreased by 16%. The increase may be related to the inclusion of facilities whose hazardous waste generation metrics were not included in our previous reporting period 2004-2008.

Waste Generation (metric tons)

Non-Hazardous Waste

Hazardous Waste

Visit our online report at www.mattel.com/globalcitizenship2012
Live It – With Personal Commitment

Sustainability at Mattel is more than about how we design and manufacture our products. Our ability to be effective in the world of sustainability takes passion and personal commitment. We work to inspire, engage and educate employees around the globe about sustainability and their role in protecting the environment, be it at work, in their homes or communities.

Transporting our Employees

In 2012, Mattel upgraded our employee shuttle fleet used to transport employees across our Southern California headquarters campus with a new Ford E450 compressed natural gas (CNG) shuttle bus. Our shuttles make more than 100 roundtrips per day over a 1.5-mile route, and our CNG shuttle now makes more than 95% of these trips. This CNG shuttle produces almost 30% less carbon emissions and 92% less hydrocarbon emissions than our older, gasoline-powered fleet. The use of the CNG shuttle is expected to save 9.5 tons of carbon per year from being released into the atmosphere, which is equivalent to removing two average passenger vehicles from the road each year.

Responsible Disposal of Our Food Waste

Since we employ more than 30,000 people around the world, the cafeterias at our corporate headquarters, regional offices and manufacturing locations are often serving two to three meals a day. The food waste associated with these meals creates a significant disposal burden both in terms of cost and environmental impact. Implementing robust composting programs as an alternative to disposing of food waste in landfills has been championed at our Monterrey, Mexico manufacturing facility (Montoi) and at our corporate headquarters.

In 2009, Montoi designed and constructed a compost facility located on its site, and since 2010 has diverted more than 15 tons of organic waste annually. In addition, Montoi recycles water utilized in the composting process and creates fertilizer to be used on site to further promote environmental awareness and educate employees.

Our headquarters has also implemented a composting program for organic materials and food prep waste generated from the two cafés. A waste audit revealed that 36% of the waste generated on-site was from food. Since 2011, we have diverted an average of 10 tons of food waste each month from the landfill, and have dramatically improved the overall waste diversion rate for the headquarters campus.

Teaching children about composting and the environment more broadly is also a component of the curriculum of our El Segundo headquarters on-site child care facility. The Mattel Child Development Center installed a composting bin in 2010, and each day the children separate out their food scraps and feed them to the worms. The leachate from the worm composter is then used in the Center’s organic vegetable garden.

Sustainability Engagement and Programs around the Globe

Over the past few years, we continued to promote a culture of sustainable growth by engaging employees on a wide variety of sustainability topics. In 2011, Mattel launched an employee resource group (ERG) dedicated to sustainability – Sustainability for Employee Engagement and Development, or SEEDs. This group has one of the largest memberships of our ERGs, and is focused on growing a community of practice with like-minded individuals to foster a sustainable culture at Mattel, in their homes and across the globe.

At our headquarters, we have conducted three e-waste events that have collected more than five tons of electronic waste from our employees and the surrounding community.

Mattel offices worldwide continue to provide opportunities for employees to share their passion for sustainability and learn new ways to minimize environmental impacts. Many of our manufacturing locations are actively committed to sustainability and engage our workforce via clean-up events, tree plantings and sustainability fashion shows, as well as recycling and energy conservation. Our Mattel Foshan China plant promoted the theme “everyone has a green home.” In following this theme, employees shared videos about environmental protection and also conducted their own earth hour to promote energy efficiency.

In keeping with Mattel’s ongoing commitment to promote a culture of sustainable growth, employees around the world are continually innovating and developing news ways to promote sustainability, both in their personal and professional lives.

Fun Facts

This CNG shuttle produces almost 30% less carbon emissions and 92% less hydrocarbon emissions than our older, gasoline-powered fleet.

In 2009, our manufacturing facility in Monterey, Mexico designed and constructed a compost facility located on its site and since 2010 has diverted more than 15 tons of organic waste annually.

Since 2011, we have diverted an average of 10 tons of food waste each month from the landfill and have dramatically improved the overall waste diversion rate for the headquarters campus.

At our headquarters, we have conducted three e-waste events that have collected more than five tons of electronic waste from our employees and the surrounding community.
Establishing and growing engagements and partnerships with trusted and respected external entities plays a crucial role in the continued development and implementation of our sustainability programs. Organizations such as the National Wildlife Federation, Rainforest Alliance, The Sustainability Consortium and Heal the Bay, as well as participation in our trade association’s environmental committee provide expertise and opportunities to collaborate and benchmark on the strength and merit of our own sustainability and environmental policies and practices. As the first toy manufacturer to join The Sustainability Consortium, Mattel engages in dialogue across the toy supply chain to raise awareness and build collaboration on sustainability issues. “We strive to play responsibly and believe that working collaboratively through The Consortium will ensure that we can impact the variety of sustainability issues facing both our company and our consumers,” said Lisa Marie Bongiovanni, vice president of corporate affairs at Mattel.
6

Social Impact

To Come
Enabling Innovation and Collaboration 11
Learning from Children 12

To Come
Improving Our Quality Systems 14
Taking an Integrated Approach 14
Carefully Selecting Materials for Use in Toys 15
Our Supply Chain 16
Our Response to Voluntary Recalls 17
Promoting Fair and Just Working Conditions 19
At Mattel, we believe in the power of play – we know it is critical to children’s development, learning, creativity and socialization.

We believe that all children should have the opportunity to play in enriching, exciting and stimulating environments – both indoor and outdoor. Unfortunately, we know not all children have access to play. That’s why the Mattel Children’s Foundation, the cornerstone of Mattel’s global philanthropic activities for more than three decades, and a variety of resources we devote to supporting our communities, are dedicated to breaking down the barriers to play for more than five million children in need each year.

As the world’s largest toy company, we are the experts in play and have made strategic investments that leverage our brands and the people who bring them to life to create play opportunities for children all around the world. Through our social impact approach, Mattel utilizes the vast resources available within our company, including funding, employee volunteers, product donations and brand engagement, to make a difference in the lives of children in need. Whether our employees are jumping rope with one of our signature partners, Playworks, and the students of Grape Street Elementary in Los Angeles; donating Barbie® dolls, Hot Wheels® cars and American Girl® dolls to bring smiles to children confined to hospital beds; or supporting the global expansion of the Special Olympics Young Athletes Program™, we are actively working to increase access to quality play experiences for children in need.

LEVERAGING OUR IMPACT

At Mattel, we believe play is fundamental to learning and achieving developmental milestones at all ages. In 2009, Mattel invested in a yearlong strategic effort to better align our social impact work with the social needs of children. Through feedback from key stakeholders and a thorough review of our assets, we identified our core opportunity through a shared value model, providing us a framework to determine which social needs of children globally we could address. We found that too many children across the world have limited access to play due to several barriers. To address this, we refocused our social impact programs, including the Mattel Children’s Foundation, volunteer efforts, product donations and corporate contributions, to help break down those barriers and expand access to play globally. As the experts in play, we feel this is the most powerful way we can affect the most change.
OVERCOMING BARRIERS TO PLAY

Understanding the barriers to play allows us to maximize our social impact, focusing on the areas with the greatest potential reach. Through our own extensive research, we identified the four most significant barriers to play. Our social impact efforts are now built around these four core areas:

1. Time to play
2. Place to play
3. Tools to play
4. Advocacy for play

TIME TO PLAY

In today's world, no matter where children live, many factors compete for their time. This results in limited, if any, opportunities for play. Mattel is committed to programming that helps to provide time to play.

Playworks

Mattel and the Mattel Children’s Foundation announced a multi-year, national Signature Partnership with Playworks, a school-based nonprofit organization that builds play programming into the daily curriculum for underserved elementary schools students. Through this partnership, Mattel has enabled Playworks to expand its commitment to providing safe, healthy and inclusive play in school settings proven to enhance learning. The partnership supports the Playworks Junior Coach program, which reaches 380 schools nationwide with messages about fair play, conflict resolution and more. Principals at two inner-city Los Angeles elementary schools where Mattel and the Mattel Children’s Foundation support Playworks have reported a drastic decrease in behavior issues on the playground. Our support also allowed Playworks to pilot its model internationally by providing training to Mattel employees in Indonesia so they have the skills to bring healthy, inclusive play to schools in their communities.

Pikpa: Bringing Play to Children with Special Needs

Since 2010, Mattel’s office in Athens, Greece has partnered with a unique charitable neighbor that provides residential services to children with social, emotional and physical disabilities. Local employees coordinate weekly play sessions for the residents through new programming funded by the Mattel Children’s Foundation. In addition, Mattel has donated hundreds of employee hours and other support to transform part of the facility into a playful activity center, painting walls and providing fun graphical elements that have resulted in smiles, laughter and much-needed joy.

PLACE TO PLAY

Children need a safe and well-equipped place to play, which is not available to many for a variety of reasons. Mattel will continue to focus on breaking down this barrier through sponsorships and partnerships, allowing children in need to experience play.

Mattel Children’s Hospital UCLA

Since 1998, Mattel and Mattel Children’s Hospital UCLA have forged a valuable partnership to support the lifesaving work of the hospital’s team of physicians and staff, benefitting thousands of children every year. Beyond financial support, Mattel provides thousands of toys annually to patients and their families, hundreds of volunteer hours and support for various fundraising events. In 2011, a group of Mattel designers and employees led an effort to transform the walls of the new hospital into a creative play space. The small team of Mattel employee volunteers provided their expertise and interviewed current and former patients, families and staff, as well as other peer organizations, with the goal of using the walls of the hospital as a canvas for play. Together with Blik Design/Build, they created a mural of an intricate castle, an underwater adventure and a fantasy forest with seemingly-new detail at every glance. The staff has reported that the redesigned walls have brought more smiles to patients, their families and the staff, and the project has served as a benchmark to others.

Supporting Schools in Our Global Community

Schools that serve the communities where Mattel operates around the world are a special priority for our outreach and engagement activities. Relationships with many of these schools have been built over years through the involvement of our Mattel PLAYers, the company’s employee volunteers.

Since our last report, Mattel has supported the construction and refurbishment of several schools in both urban and rural communities. Employee volunteers from our Hot Wheels factory in Bangkok refurbished an elementary school in a remote village, giving it a fresh coat of paint and making much-needed structural repairs and upgrades to the building. The improvements provide this community’s children with a modernized learning environment filled with new books and other learning tools to promote a quality learning experience.

In Brazil, Mattel is working with more than 20 charitable organizations and schools across São Paulo not only to create play spaces, but also train local teachers and administrators in how to use play techniques to support children’s development. Sessions provide hands-on training to teach...
participants how to incentivize children to use their imagination, their creativity and socialization skills. Each participant receives a play kit and other relevant materials. The program will affect 6,500 children through 74 PLAYcorners and 21 PLAYrooms once phase one is complete.

Mattel’s ongoing commitment to supporting schools has also helped those recovering from disaster. In June 2011, Mattel partnered with the Cikarang Committee of Society Empowerment and Service, a local charity in Jababeka, Indonesia, to rebuild the Padang Sago Elementary School which was severely damaged by a magnitude 7.6 earthquake in 2009. With financial support from the Mattel Children’s Foundation and the efforts of more than 100 volunteers from our factory, the major renovation was completed in just 25 days. And when the school reopened, the students found their classrooms filled with supplies donated by Mattel.

TOOLS TO PLAY

One of the most important tools that allows a child to play is a toy; however, many children in need and often those involved in disasters don’t have access to toys. Through our toy donations, Mattel is able to provide instant joy to these children and provide the play experience they need.

Mattel donates toys to children in need through charitable organizations around the world. More than 68,000 Mattel, Fisher-Price and American Girl toys are distributed to children’s hospitals each year through the Children’s Hospital Association (CHA). Additionally, a toy donation program administered by nonprofit partner Good360 fulfills hundreds of requests annually from nonprofit organizations.

In 2011, Mattel donated more than 1.5 million toys globally, worth approximately $10 million
Disaster Relief

Part of our toy donation program includes our commitment to bring play to children as a moment of respite when disaster strikes. In January 2011, we announced a $750,000 cash donation as part of a multi-year initiative to support the disaster preparedness and relief efforts of Save the Children and the American Red Cross. The initiative represents a groundbreaking shift in strategic focus for Mattel and the Mattel Children’s Foundation toward supporting disaster preparedness and creating a strong relationship with first-responder organizations. This will enable us to have a significant impact on disaster relief much earlier in the process. Mattel also announced a toy donation program as part of its disaster preparedness planning initiative, positioning large numbers of toys around the world in such a way that we can maximize immediacy of distribution as part of local disaster relief efforts when needs arise.

ADVOCACY FOR PLAY

One of the most difficult barriers to overcome is that of advocacy – the awareness and understanding of the value of play. Through volunteer efforts and highly visible, strategic partnerships and programs, Mattel is able to help mitigate the negative impact the absence of play can have on a child’s life.

Play Research

In 2010, Mattel awarded the first Mattel Play Research Grants to fund the further exploration of play. Awarded to four academic institutions, the grants will help researchers learn more about the benefits of play and its link to children’s cognitive, emotional and social development. The results of the research will help advance the understanding of play and its link to creative thinking, problem solving and the development of language, social and cognitive skills. Research results are expected to be available in late 2012.

Grant recipients were:

- **Wesleyan University**: Anna Shusterman, Ph.D., Hilary Barth, Ph.D. and Emily Slusser, Ph.D.
- **University of California Los Angeles**: Ted Hutman, Ph.D.
- **Claremont Graduate University**: Susan Menkes, M.A.
- **Temple University**: Kathy Hirsh-Pasek, Ph.D., Kelly R. Fisher, Ph.D. and Kuba Glazek, Ph.D.
Mattel PLAYers continue to serve as some of the greatest ambassadors of play around the world. The Mattel PLAYers program, our global employee volunteer effort, was established as a reflection of our values and corporate responsibility mission. As the driving force behind Mattel’s culture of giving back to the communities in which we do business, our employees display their passion and spirit of giving by organizing and participating in hundreds of volunteer events every year. The program engages more than 8,000 global employees annually in a variety of social impact activities that make a meaningful difference in local communities.

Mattel 12 Days of Play™:
In December 2010, Mattel employees at our California headquarters took a new approach to how the company celebrates the holidays. The idea was simple: combine the passion and energy of Mattel employee volunteers with our toy donations to make a difference in the lives of underserved children during the holiday season. The culmination was an exciting 12 days of team-building volunteer events hosted in partnership with schools and local nonprofits. In 2010 & 2011, the program reached more than 20,000 children annually in Southern California, bringing the joy of play through toy donations and personal interaction with Mattel employees.

Employees across the company quickly embraced the opportunity to volunteer together and demonstrate the power of play. Since its launch, the program has become an annual activity and has grown with volunteer events popping up all over the world – including Australia, Hong Kong, the Netherlands, Venezuela, Chile, Peru, Costa Rica, Colombia, Malaysia, Mexico, the UK and Spain. Our other U.S. locations have also embraced this program, with Mattel 12 Days of Play now being celebrated at our Fisher-Price offices in New York and the American Girl campus in Wisconsin.

Since the program’s inception, Mattel PLAYers volunteers have participated in more than 350 local and national Special Olympics sports events in almost 50 countries. Known as Team Mattel, it is the largest global corporate team of volunteers supporting play for those with intellectual disabilities through the Special Olympics. In honor of the successful partnership, Team Mattel created a global team of 50 employee volunteers representing various facets of Mattel from across 20 countries in support of the 2011 Special Olympics World Summer Games in Athens, Greece. Together, the team cheered the 7,000 athletes at the games, facilitated exhibition sports games, coordinated Young Athletes demonstrations and visited a local residential home for children with intellectual disabilities where they brought play and transformed the walls of the facility.

GLOBAL 12 DAYS OF PLAY

Malaysia
Mattel Malaysia has had hundreds of employees engaged in volunteer events throughout the 12 Days of Play. Activities included redecorating the Mattel Play Room at the Penang General Hospital, providing toys to patients, bowling with Special Olympics athletes and wrapping toys for underserved children in their local community.

Mexico
In 2010, Mattel Mexico celebrated the 12 Days of Play by visiting Fundacion Clara Moreno y Miramon, an organization caring for underprivileged and orphaned girls. Local Mattel PLAYers upgraded computers and helped the girls with homework during a festive event.

United Kingdom
More than 60 employees wrapped presents for Mattel-hosted holiday parties for three local children’s charities during the Mattel 12 Days of Play in 2011. Employees also made decorations and donated wrapped toys to the more than 100 children who attended the events, and shared the holiday spirit by donning Santa suits while participating in a 10K run benefiting a local charitable partner.
A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.

Signature Partners

A key element of Mattel’s social impact efforts is collaboration, working alongside partner organizations to make a positive impact on the lives of children in need and help overcome barriers to play. The Mattel Signature Partner Program has been highly effective in allowing Mattel to focus our resources and achieve the greatest possible impact -- so much so that it now serves as a model for many of our peers.

Through the global Signature Partners Program, Mattel is able to make a direct impact on children facing a variety of circumstances, even in the most remote corners of the world. From the need for appropriate developmental programming for children with intellectual disabilities, to opportunities for play for children facing life-threatening illnesses, to providing care for children affected by HIV and AIDS in Latin America, Mattel and our partner organizations are committed to building strong programs that reach children with whatever kind of support they need most.
Save the Children
Mattel and the Mattel Children’s Foundation have partnered with Save the Children since 2005 to support several programs both in the U.S. and abroad. We have worked with Save the Children to pilot literacy programs in 308 program locations across 11 states; to expand the Reading for Children literacy program in Uganda, the Philippines and Guinea; to develop and implement opportunities for children to learn through play in India, Malawi and the U.S.; to create new community schools in Mali and Malawi; and to promote school readiness programs in five elementary schools in Afghanistan. Mattel’s support of Save the Children touches the lives of more than 16,000 children globally through these programs.

Make-A-Wish
Granting the wish of a child suffering from a life-threatening medical condition is a serious and important goal, and Mattel is proud to help Make-A-Wish® of America and Make-A-Wish International bring joy to children around the world.

- The Mattel Children’s Foundation funds Make-A-Wish globally in all 48 countries where wishes are granted.
- Mattel’s brand team created a unique Barbie doll and Hot Wheels car that were gifted to 26,000 wish children around the world.
- Over the last three years, the annual value of Mattel’s global partnership with Make-A-Wish exceeded $500,000.

Children’s Hospital Association (CHA) (formerly NACHRI)
For the past eight years, Mattel and the Mattel Children’s Foundation have together provided continuous support for Children’s Hospital Association programs totaling more than $100,000 each of the past eight years. More importantly, every year we donate toys to hundreds of member hospitals. In 2011, an estimated 68,000 toys valued at nearly $600,000, including Fisher-Price, Barbie, Hot Wheels and American Girl, were donated to more than 220 hospitals. In addition, funding from the Mattel Children’s Foundation supported CHA’s childhood obesity initiatives to advance clinical care and promote hospital weight management efforts. This helped to promote best practices and built community capacity in response to this health threat.

Mattel Children’s Hospital UCLA
Mattel began a unique partnership in November 1998 when it announced that the Mattel Children’s Foundation pledged $25 million toward the construction of a children’s hospital at UCLA. The hospital, renamed Mattel Children’s Hospital UCLA, serves thousands of patients annually who come from around the world for treatment at this globally recognized leader in caring for children. Mattel continues to support the hospital as described previously.
Social Impact Goals

1. Maintain commitment to giving 2% pre-tax profit annually, through a combination of cash and in-kind donations.
2. Dedicate 75% of tracked employee volunteer hours to addressing the barriers to play by 2015.
4. Increase percent of overall social impact funding dedicated to addressing the barriers to play to 75% annually by 2015.

Social Impact of our Brands

Social impact programming is a high priority for Mattel from an overall corporate perspective, but our individual brands also play an integral part in our efforts. Our brands are involved in a variety of activities and campaigns designed to make an impact in the communities in which we live, work and play. The following are just two examples of this kind of brand integration.

Monster High

Our Monster High® brand of fashion dolls is based on the teenage children of famous monsters, and encourages girls to celebrate their individuality, embrace their imperfections and form friendships that last beyond a lifetime. The brand supports girl-founded organizations that promote positive messages for tween girls. During 2012, Monster High partnered with WeStopHate.org, a nonprofit, grassroots organization dedicated to educating and inspiring girls with the belief that those who are happy with themselves won’t put others down. The summerlong campaign featured online Monster High fan engagement, special animated webisode content and an in-store and online retailer program with Walmart.

American Girl

In 2010, American Girl kicked off the Shine On Now campaign, encouraging young girls to make a difference in their communities. Girls were encouraged to sign up online to participate by becoming American Girl Ambassadors and were able to download free toolkits with ideas of how they can get involved. The toolkits suggested activities that improve local communities, such as organizing a park cleanup, volunteering at a children’s hospital or selling cookies to raise money for charity. Girls were also encouraged to invite friends, family and neighbors to join the Shine On Now campaign. Through the campaign, more than $4 million worth of clothes, books, dolls and funds have been donated since 2010.
Global Reporting Initiative Index
## 1. Strategy and Analysis

<table>
<thead>
<tr>
<th>GRI 3.1</th>
<th>Guideline</th>
<th>Inclusion</th>
<th>Print Report Location &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.</td>
<td>〇</td>
<td>CEO Letter, p. 2.</td>
</tr>
<tr>
<td>1.2</td>
<td>Description of key impacts, risks, and opportunities.</td>
<td>〇</td>
<td>Our Approach to Management, p. 10. Key risks, impacts and opportunities are also discussed throughout the report.</td>
</tr>
</tbody>
</table>

## 2. Organizational Profile

| 2.1     | Name of the organization. | 〇 | CEO Letter |
| 2.2     | Primary brands, products, and/or services. The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing. | 〇 | Our Company, p. 7. Our Products, p. 15. |
| 2.3     | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | 〇 | Our Company, p. 7-10, also see 10-K Report. |
| 2.4     | Location of organization’s headquarters. | 〇 | Our Company, p. 8. |
| 2.5     | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | 〇 | Our Company, p. 7-8. Also see 10-K Report. |
| 2.6     | Nature of ownership and legal form. | 〇 | Our Company, p. 7. Also see 10-K Report. |
| 2.7     | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | 〇 | Our Company, p. 7-8. Also see 10-K Report. |
| 2.8     | Scale of the reporting organization. | 〇 | Our Company, p. 7 and Our Products, p. 15. Also see 10-K Report. |
| 2.9     | Significant changes during the reporting period regarding size, structure, or ownership. | 〇 | Our Company, p. 6. |
| 2.10    | Awards received in the reporting period. | 〇 | p. 13-29. |

## Report Parameters

<p>| 3.1     | Reporting period (e.g., fiscal/calendar year) for information provided. | 〇 | Reporting period 2009-2011 and major policy developments in 2012. |
| 3.2     | Date of most recent previous report (if any). | 〇 | 2009 |
| 3.3     | Reporting cycle (annual, biennial, etc.) | 〇 | At least every three years. |
| 3.4     | Contact point for questions regarding the report or its contents. | 〇 | <a href="mailto:global.citizenship@mattel.com">global.citizenship@mattel.com</a> |
| 3.5     | Process for defining report content, including:  • Determining materiality;  • Prioritizing topics within the report; and  • Identifying stakeholders the organization expects to use the report. | 〇 | Our Approach to Reporting, p. 5. |
| 3.6     | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | 〇 | Our Approach to Reporting, p. 5. |
| 3.7     | State any specific limitations on the scope or boundary of the report. | 〇 | This report includes information on worldwide operations that are owned, operated or directly managed by Mattel including corporate offices, distribution centers and manufacturing locations, except as otherwise explained to apply to our vendors. |
| 3.8     | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | 〇 | Our Products, Our People and Sustainability chapters include information about Mattel’s operations and business relationships with contract vendors. |
| 3.9     | Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. | 〇 | Data for the report was collected using various methods and systems. Specific assumptions and the data management methods are discussed in the relevant chapters. Also see Our Approach to Reporting. |</p>
<table>
<thead>
<tr>
<th>GRI</th>
<th>Guideline</th>
<th>Inclusion</th>
<th>Print Report Location &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.10</td>
<td>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.</td>
<td></td>
<td>No re-statements</td>
</tr>
<tr>
<td>3.11</td>
<td>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.</td>
<td></td>
<td>The Sustainability chapter, p. 35 notes the shift to value of sales as the single normalizing factor for annual sustainability performance data.</td>
</tr>
<tr>
<td>3.12</td>
<td>Table identifying the location of the Standard Disclosures in the report.</td>
<td></td>
<td>This index</td>
</tr>
<tr>
<td>3.13</td>
<td>Policy and current practice with regard to seeking external assurance for the report.</td>
<td></td>
<td>Mattel has not sought external assurance for this report.</td>
</tr>
</tbody>
</table>

**Governance, Commitments and Engagement**

| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. |  | Corporate Governance, p. 11. |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. |  | Corporate Governance, p. 11. |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. |  | Corporate Governance, p. 11. |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. |  | Corporate Governance, p. 11. |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization’s performance. |  | Corporate Governance, p. 11. |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. |  | Corporate Governance, p. 11. Also see Mattel’s Corporate Governance Guidelines. |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental, and social topics. |  | Corporate Governance, p. 11. Also see the Board of Directors’ Governance and Social Responsibility Committee charter. |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance, and the status of their implementation. |  | Throughout the report, we discuss several examples including our Code of Conduct, Global Manufacturing Principles, Sustainable Sourcing Principles and the mission of the Mattel Children’s Foundation. |
| 4.9 | Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. |  | Corporate Governance, p. 11, and Corporate Responsibility Leadership & Practice, p. 12. |
| 4.10 | Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance. |  | Corporate Governance, p. 11. |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. |  | Mattel does not apply the precautionary approach. |
| 4.12 | Externally developed economic, environmental, and social charts, principles, or other initiatives to which the organization subscribes or endorses. |  | Our Products chapter discusses Mattel’s support for the ICI CARE Process and various ISO and ASTM International standards for product quality and testing. Our Sustainability chapter also refers to our use of the Carbon Disclosure Project’s calculation and reporting protocols. |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:  
• Has positions in governance bodies;  
• Participates in projects or committees;  
• Provides substantive funding beyond routine membership dues; or  
• Views membership as strategic. |  | Our Company, p. 12. |
<p>| 4.14 | List of stakeholder groups engaged by the organization. |  | Engaging Our Stakeholders, p. 13. Also see online report for further description. |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. |  | Engaging Our Stakeholders, p. 13. |</p>
<table>
<thead>
<tr>
<th>GRI</th>
<th>Guideline</th>
<th>Inclusion</th>
<th>Print Report Location &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.16</td>
<td>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</td>
<td></td>
<td>Engaging Our Stakeholders, p. 13. Explanation of examples is provided throughout the report.</td>
</tr>
<tr>
<td>4.17</td>
<td>Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.</td>
<td></td>
<td>Discussed throughout Our Products, Our People and Sustainability chapters.</td>
</tr>
</tbody>
</table>

**Standard Disclosures: Performance Indicators**

**Key**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Inclusion</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC</td>
<td>EC. Disclosure on Management Approach (Economic)</td>
<td></td>
<td>Our Company, also see 10-K Report.</td>
</tr>
<tr>
<td>EN</td>
<td>EN. Disclosure on Management Approach (Environmental)</td>
<td></td>
<td>Sustainability</td>
</tr>
<tr>
<td>LA</td>
<td>LA. Disclosure on Management Approach (Labor)</td>
<td></td>
<td>Our Products, Our People</td>
</tr>
<tr>
<td>HR</td>
<td>HR. Disclosure on Management Approach (Human rights)</td>
<td></td>
<td>Our Products</td>
</tr>
<tr>
<td>SO</td>
<td>SO. Disclosure on Management Approach (Society)</td>
<td></td>
<td>Social Impact</td>
</tr>
<tr>
<td>PR</td>
<td>PR. Disclosure on Management Approach (Product responsibility)</td>
<td></td>
<td>Our Products</td>
</tr>
</tbody>
</table>

**Economic**

**Aspect - Economic Performance, EC1-EC4**

| EC1  | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. |           | See 10-K Report, Social Impact, p. 45.                                |
| EC2  | Financial implications and other risks and opportunities for the organization’s activities due to climate change. |           | Publicly available reports to the Carbon Disclosure Project 2009-2011. |
| EC3  | Coverage of the organization’s defined benefit plan obligations. |           | See 10-K Report. In the U.S. we offer a defined benefit plan to a closed group of Fisher-Price employees. The plan meets all funding requirements. |
| EC4  | Significant financial assistance received from government. |           | Mattel does not receive any significant financial assistance from governmental authorities. |

**Aspect - Market Presence, EC5-EC7**

| EC5  | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. | NM        |                                                                  |
| EC6  | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | NM        |                                                                  |
| EC7  | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | NM        |                                                                  |

**Aspect - Indirect Economic Impacts, EC8-EC9**

| EC8  | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. |           | Social Impact, p. 44-50.                                            |

**Environmental**

**Aspect - Materials, EN1-EN2**

| EN1  | Materials used by weight or volume.                                          |           | Measuring Our Operational Sustainability, p. 37.                    |
| EN2  | Percentage of materials used that are recycled input materials.             |           | Examples of pilot projects are discussed in the Sustainability chapter, p. 34. |

**Aspect - Energy EN3-EN7**

<p>| EN3  | Direct energy consumption by primary energy source.                        |           | Measuring Our Operational Sustainability, p. 36.                    |
| EN4  | Indirect energy consumption by primary source.                             |           | Measuring Our Operational Sustainability, p. 36.                    |
| EN5  | Energy saved due to conservation and efficiency improvements.             |           | Examples of our conservation projects are discussed in the Sustainability chapter, p. 35-36, 40. |</p>
<table>
<thead>
<tr>
<th>GRI</th>
<th>Guideline</th>
<th>Inclusion</th>
<th>Print Report Location &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN6</td>
<td>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved.</td>
<td></td>
<td>Measuring Our Operational Sustainability, p. 35.</td>
</tr>
</tbody>
</table>

**Aspect - Water EN8-EN10**

| EN8   | Total water withdrawal by source.                                          |           |                                                                       |
| EN9   | Water sources significantly affected by withdrawal of water.                |           | No significant affect on water source.                                |
| EN10  | Percentage and total volume of water recycled and reused.                  |           | Measuring Our Operational Sustainability, p. 38.                      |

**Aspect - Biodiversity, EN11-EN15**

| EN11  | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | NM        |                                                                       |
| EN12  | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | NM        |                                                                       |
| EN13  | Habitats protected or restored.                                            | NM        |                                                                       |
| EN14  | Strategies, current actions, and future plans for managing impacts on biodiversity. | NM        |                                                                       |
| EN15  | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | NM        |                                                                       |

**Aspect - Emissions, Effluent and Waste, EN16-EN25**

| EN16  | Total direct and indirect greenhouse gas emissions by weight.               | ●         | Measuring Our Operational Sustainability, p. 37.                      |
| EN17  | Other relevant indirect greenhouse gas emissions by weight.                 | ○         |                                                                       |
| EN18  | Initiatives to reduce greenhouse gas emissions and reductions achieved.     | ●         | Measuring Our Operational Sustainability, p. 37.                      |
| EN19  | Emissions of ozone-depleting substances by weight.                          | ○         |                                                                       |
| EN20  | NOx, SOx, and other significant air emissions by type and weight.           | ○         |                                                                       |
| EN21  | Total water discharge by quality and destination.                           | ○         |                                                                       |
| EN22  | Total weight of waste by type and disposal method.                          | ●         | Measuring Our Operational Sustainability, p. 39.                      |
| EN23  | Total number and volume of significant spills.                              | ●         | No significant spills.                                               |
| EN24  | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | ○         |                                                                       |
| EN25  | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | ○         |                                                                       |

**Aspect - Products and Services, EN26-EN27**

| EN26  | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | ●         | Progress on Major Initiatives, p. 33-34.                             |
| EN27  | Percentage of products sold and their packaging materials that are reclaimed by category.                   | ○         |                                                                       |

**Aspect - Compliance, EN28-EN29**

| EN28  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | ●         | No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations. |
| EN29  | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | ○         | Measuring our Operational Sustainability, p. 35, Live It, p. 40.     |

**Aspect - Overall, EN30**

<p>| EN30  | Total environmental protection expenditures and investments by type.       | ○         |                                                                       |</p>
<table>
<thead>
<tr>
<th>GRI</th>
<th>Guideline</th>
<th>Inclusion</th>
<th>Print Report Location &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor Practices and Decent Work</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Employment, LA1-LA3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA1</td>
<td>Total workforce by employment type, employment contract, and region.</td>
<td>☑️</td>
<td>Our Global Workforce, p. 25.</td>
</tr>
<tr>
<td>LA2</td>
<td>Total number and rate of employee turnover by age group, gender, and region.</td>
<td>☐️</td>
<td></td>
</tr>
<tr>
<td>LA3</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.</td>
<td>☒️</td>
<td>Taking Care of Employees, p. 26.</td>
</tr>
<tr>
<td><strong>Aspect - Labor/Management Relations, LA4-LA5</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA5</td>
<td>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.</td>
<td>☐️</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Occupational Health and Safety, LA6-LA9</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA6</td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</td>
<td>☒️</td>
<td>Mattel's manufacturing and distribution operations have mechanisms in place including safety committees to encourage continuous improvement in health and safety programs.</td>
</tr>
<tr>
<td>LA7</td>
<td>Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.</td>
<td>☕️</td>
<td>Providing a Safe and Health Workplace, p. 20.</td>
</tr>
<tr>
<td>LA8</td>
<td>Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.</td>
<td>☕️</td>
<td>Taking Care of Employees, p. 26.</td>
</tr>
<tr>
<td>LA9</td>
<td>Health and safety topics covered in formal agreements with trade unions.</td>
<td>☐️</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Training and Education, LA10-LA12</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA10</td>
<td>Average hours of training per year per employee by employee category.</td>
<td>☕️</td>
<td>Training and Education Initiatives, p. 26.</td>
</tr>
<tr>
<td>LA11</td>
<td>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>☕️</td>
<td>Taking Care of Employees, p. 26.</td>
</tr>
<tr>
<td>LA12</td>
<td>Percentage of employees receiving regular performance and career development reviews, by gender.</td>
<td>☕️</td>
<td>Taking Care of Employees, p. 26. Corporate employees worldwide participate. Information on gender of our worldwide breakdown of our workforce is provided p. 20.</td>
</tr>
<tr>
<td><strong>Aspect - Diversity and Equal Opportunity, LA13-LA15</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA13</td>
<td>Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.</td>
<td>☕️</td>
<td>Our People Chapter, p. 25-29.</td>
</tr>
<tr>
<td>LA14</td>
<td>Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.</td>
<td>☐️</td>
<td></td>
</tr>
<tr>
<td>LA15</td>
<td>Return to work and retention rates after parental leave, by gender.</td>
<td>☐️</td>
<td></td>
</tr>
<tr>
<td><strong>Human Rights</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Investment and Procurement Activities, HR1-HR3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR1</td>
<td>Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.</td>
<td>☕️</td>
<td>Contracts with our vendors include our Global Manufacturing Principles. Major supplier agreements generally include reference to our GMP.</td>
</tr>
<tr>
<td>HR2</td>
<td>Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.</td>
<td>☕️</td>
<td>Contract vendors are subject to our QMS process including auditing for compliance with our GMP. See Implementing Our Quality Management System, p. 19 and Ensuring Ethical Manufacturing, p. 19-20.</td>
</tr>
<tr>
<td>HR3</td>
<td>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</td>
<td>☕️</td>
<td>Each Mattel factory conducts employee orientation training that includes GMP. Our human resource professionals receive specific instruction regarding the prevention of forced labor and human trafficking.</td>
</tr>
<tr>
<td>GRI</td>
<td>Guideline</td>
<td>Inclusion</td>
<td>Print Report Location &amp; Comments</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Aspect - Non-Discrimination, HR4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR4</td>
<td>Total number of incidents of discrimination and actions taken.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Freedom of Association and Collective Bargaining, HR5</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR5</td>
<td>Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.</td>
<td></td>
<td>Ensuring Ethical Manufacturing, p. 19. Labor-Management Relations, p. 26.</td>
</tr>
<tr>
<td><strong>Aspect - Child Labor, HR6</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR6</td>
<td>Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.</td>
<td></td>
<td>Ensuring Ethical Manufacturing, p. 19-20.</td>
</tr>
<tr>
<td><strong>Aspect - Force and Compulsory Labor, HR7</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7</td>
<td>Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.</td>
<td></td>
<td>Ensuring Ethical Manufacturing, p. 19-20.</td>
</tr>
<tr>
<td><strong>Aspect - Security Practices, HR8</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR8</td>
<td>Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.</td>
<td></td>
<td>Security personnel at factories and dormitories operated by Mattel receive regular training on the ethical treatment of employees.</td>
</tr>
<tr>
<td><strong>Aspect - Indigenous Rights, HR9</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR9</td>
<td>Total number of incidents of violations involving rights of indigenous people and actions taken.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Assessment, HR10</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR10</td>
<td>Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.</td>
<td></td>
<td>Implementing a Quality Management System, p. 19, Ensuring Ethical Manufacturing, p. 19-20.</td>
</tr>
<tr>
<td><strong>Aspect - Remediation, HR11</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR11</td>
<td>Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td><strong>Society</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Local Communities, SO1, SO9-SO10</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO1</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>SO9</td>
<td>Operations with significant potential or actual negative impacts on local communities.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>SO10</td>
<td>Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Corruption, SO2-4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO2</td>
<td>Percentage and total number of business units analyzed for risks related to corruption.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO4</td>
<td>Actions taken in response to incidents of corruption.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Public Policy, SO5-SO6</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO6</td>
<td>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.</td>
<td></td>
<td>Engaging in the Public Policy Arena, p. 13.</td>
</tr>
<tr>
<td><strong>Aspect - Anti-Competitive Behavior, SO7</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO7</td>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Compliance, SO8</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>GRI</td>
<td>Guideline</td>
<td>Inclusion</td>
<td>Print Report Location &amp; Comments</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>-----------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td><strong>Product Responsibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect - Customer Health and Safety, PR1-PR2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR1</td>
<td>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.</td>
<td>✔</td>
<td>Selecting Materials, p. 17.</td>
</tr>
<tr>
<td>PR2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
<td>✔</td>
<td>Addressing Product Recalls, p. 23.</td>
</tr>
<tr>
<td><strong>Aspect - Product and Service Labeling, PR3-PR5</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR3</td>
<td>Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.</td>
<td>✔</td>
<td>Ensuring Product Safety and Quality, p. 17.</td>
</tr>
<tr>
<td>PR4</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</td>
<td>✔</td>
<td>No incidents of non-compliance.</td>
</tr>
<tr>
<td>PR5</td>
<td>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.</td>
<td>✔</td>
<td>Engaging Our Consumers, p. 22-23.</td>
</tr>
<tr>
<td><strong>Aspect - Marketing Communication, PR6-PR7</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR6</td>
<td>Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.</td>
<td>✔</td>
<td>Advertising to Children Responsibly, p. 17.</td>
</tr>
<tr>
<td>PR7</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.</td>
<td>✔</td>
<td>No issues of non-compliance with regulations. Voluntary self regulation codes: recommendation re depiction of adult supervision-2009, recommendation re sweepstakes disclosure-2010, recommendation re disclosure of toy set contents-2010. Also see Advertising to Children Responsibly, p. 17.</td>
</tr>
<tr>
<td><strong>Aspect - Customer Privacy, PR8</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR8</td>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</td>
<td>✔</td>
<td>No complaints of customer breaches of info or privacy. Our participation in the self regulatory process of CARU has included: Recommendation re website privacy-2012, recommendation re website age screening-2012.</td>
</tr>
<tr>
<td><strong>Aspect - Compliance, PR9</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR9</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</td>
<td>✔</td>
<td>In 2009, Mattel settled claims related to reporting of matters involved in the 2007 recalls. Mattel paid $2.3 million. Mattel also paid a civil penalty of $300,000 in connection with a settlement of the Proposition 65 action brought by the California Attorney General.</td>
</tr>
</tbody>
</table>
Thank you for reviewing our Global Citizenship Report

Forward Looking Statement

Certain statements made in this report, including any statements that may predict, forecast, indicate or imply future performance or achievements are “forward-looking statements.” These forward-looking statements are based on currently available information and are subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond our control, could cause our actual performance or achievements to differ materially from those projected in the forward-looking statements. Some of these factors are described in Mattel’s periodic filings with the U.S. Securities and Exchange Commission, including the “Risk Factors” section of Mattel’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as in Mattel’s Quarterly Reports on Form 10-Q and other filings we make with the U.S. Securities and Exchange Commission from time to time. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

Provide Your Feedback

We see the report as a way to encourage meaningful stakeholder dialogue. We appreciate hearing from stakeholders and encourage you to share your thoughts on the report and issues that you care about including what you think we have done well and where we can continue to do more. Please explore the additional information available online where you also access our feedback page at corporate.mattel.com or email your feedback to global.citizenship@mattel.com.