



# MATTEL 2007 GRI REPORT

Updated Report – March 16th 2007

Question	2007 GRI Mattel Response
<b>1. Vision and Strategy</b>	
<p>1.1 Statement of the organization’s vision and strategy regarding its contribution to sustainable development.</p>	<p>Mattel’s vision is to be a role model for global citizenship. We believe that how we achieve success is just as important as what we achieve. We also realize that to sustain Mattel’s success over the long term we must uphold a deep respect for, and acknowledgement of, the world around us. This requires that we carefully balance the needs of people, planet and profit.</p> <p>The development of a global sustainability strategic plan is underway at Mattel and we anticipate it will be completed in mid 2007. The plan will promote a new way of thinking—a sustainability mindset—about providing value to the company by reducing Mattel’s environmental footprint. The plan will focus on three spheres, including sustainable products (what), sustainable processes (how) and stakeholders (who). Specific initiatives will be developed around:</p> <ul style="list-style-type: none"> <li>• Sustainable product design and development.</li> <li>• Sustainable manufacturing and procurement processes.</li> <li>• Creating a sustainability culture at Mattel.</li> </ul> <p>Goals will be identified for each initiative, so that we can track and measure performance over time. The plan will emphasize increasing engagement with stakeholders. Senior leadership will be engaged in both development and review to ensure integration with corporate strategic goals and objectives.</p> <p>Once implemented, we believe our efforts will lead to greater innovation in how we create and produce products, which will ultimately help us to sustain Mattel’s competitive advantage. We plan to provide an update on our progress in our next reporting cycle.</p>
<p>1.2 Statement from the CEO (or equivalent senior manager) describing key elements of the report.</p>	<p>In order to win in the marketplace and win with employees, it is imperative that we have a strong foundation of values and a corporate culture that unites each of us to a common purpose. In 2005, Mattel introduced a new set of values, the theme of which revolves around our core competency and makes Mattel so unique in the marketplace: play. At Mattel:</p> <ul style="list-style-type: none"> <li>▪ We “play to grow” by seeking continuous improvements in the business and rewarding excellence.</li> <li>▪ We “play together” through dynamic teamwork and collaboration.</li> <li>▪ We “play with passion” by infusing unparalleled creativity and innovation into every aspect of work, loving what we do and having the courage to make a difference.</li> <li>▪ We “play fair” by treating others with dignity and respect and acting with integrity each and every day.</li> </ul> <p>Our four values have played a central role in organizing the content of our 2007 Global Citizenship Report (“2007 GC Report”) and 2007 GRI Report (this “Report,” together with the 2007 GC Report, the “2007 Reports”). We have attempted to provide a balanced and transparent summary of priority issues by</p>

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	<p>sharing both our accomplishments and challenges. We have provided both favorable and unfavorable results and attempted to provide explanations and plans to address performance improvements. To ensure the quality and integrity of our global citizenship reporting, we have adopted formal metrics to track performance in key areas such as safety, environmental performance and audit compliance. Additional metrics are being considered and methods to normalize data are being refined.</p> <p>Mattel seeks to present information in a timely fashion. Results of facility audits conducted by an independent third-party are posted on our website, <a href="http://www.mattel.com">www.mattel.com</a>, on an ongoing basis.</p> <p>This second formal reporting cycle provides an update on initiatives reported in our first report published in 2004 (the “2004 GRI Report”).</p> <p><b>Scope of the 2007 Reports</b></p> <p>The 2007 GC Report was published Jan. 30, 2007, and covers Mattel’s worldwide operations from January 2003 to December 2005. Although the previous report included information from 2003, in order to provide the reader valuable continuity information, we have included more specific and substantive information on 2003 activities and performance that was not available at the time the first report was prepared. In addition, this Report contains some anecdotal results for 2006 activities. The 2007 GC Report is Mattel’s second reporting initiative. The 2004 report is also posted on our website.</p> <p>Mattel employed a rigorous internal process to verify all metrics and claims in this Report and it was reviewed and approved by Mattel senior management.</p> <p>The Global Reporting Initiative 2002 Sustainability Reporting Guidelines (the “2002 Reporting Guidelines”) were used to guide the development and determine the scope and content of the 2007 Reports. Mattel believes that these reports respond to the GRI core indicators and those additional indicators most relevant to our business. Collectively, the 2007 Reports represent a balanced and reasonable presentation of Mattel’s economic, environmental and social performance.</p>
<p><b>2. Profile</b></p>	
<p>Organization Profile 2.1 Name of reporting organization.</p>	<p>Mattel, Inc. (“Mattel”)</p>
<p>2.2 Major products and/or services, including brands if appropriate.</p>	<p>Mattel is the largest designer, manufacturer and marketer of toy products worldwide. We have offices in 43 countries and territories and our products are sold in 150 nations through retailers and directly to consumers. Mattel believes its products are among the most widely recognized toy brands in the world. Mattel’s portfolio of brands and products are grouped in the following categories:</p> <p>Mattel Brands — including Barbie® fashion dolls and accessories, Polly Pocket!™, and Disney Classics, Hot Wheels®, Matchbox® and Tyco® R/C, Radica®, Harry Potter™, Yu-Gi-Oh!™, Batman™, Justice League™, MegaMan™ and games and puzzles.</p>

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	<p>Fisher-Price — including Little People®, Rescue Heroes®, BabyGear™ and View-Master®, Sesame Street®, Barney™, Dora the Explorer™, Winnie the Pooh and See ‘N Say® and Power Wheels®.</p> <p>American Girl Brands — including Just Like You™ (formerly “American Girl Today®”), the historical collection (formerly “The American Girls Collection®”) and Bitty Baby®.</p> <p>Manufacturing: Approximately 50% of our products are produced by manufacturing facilities that are owned, operated or managed by Mattel, located in China, Indonesia, Malaysia, Mexico and Thailand.</p> <p>The remaining 50% of our products are produced by approximately 75 contract factories or vendors. The majority of our products, including outsourced production are manufactured in China.</p> <p>Mattel also licenses our brands and trademarks to approximately 1,000 licensees companies for the production of specialized consumer products such as apparel, software, durable goods and other children’s products.</p>
<p>2.3 Operational structure of the organization.</p> <p>2.4 Description of major division, operating companies, subsidiaries and joint ventures.</p>	<p>Founded in California in 1945, Mattel was first incorporated in California in 1948 and subsequently reincorporated in Delaware, USA in 1968. The corporation is organized into three business units: Mattel Brands, American Girl Brands and International. Products from these business units are sold in the US and global markets with the exception of American Girl Brands, which are primarily marketed and sold in the US.</p>
<p>2.5 Countries in which the organization’s operations are located.</p>	<p>Headquarters in El Segundo, California, USA, Mattel has offices and facilities in 43 nations and territories.</p>
<p>2.6 Nature of ownership; legal form.</p>	<p>Mattel is a public company listed on the New York Stock Exchange trading under the ticker symbol MAT.</p>
<p>2.7 Nature of markets served.</p>	<p>Mattel creates toys for children in addition to creating enjoyable play experiences also enhance their cognitive, emotional, social and physical development. Mattel products are sold worldwide through retailers with the exception of our American Girl® product line, which is sold directly to consumers through three company-owned retail stores, direct mail catalog business and <a href="http://www.AmericanGirl.com">www.AmericanGirl.com</a>.</p>
<p>2.8 Scale of the reporting organization.</p>	<p>This Report has been prepared and content has been prioritized to provide a balanced view of our global operations. Mattel presently employs approximately 30,000 employees in 43 nations and territories and sells products in more than 150 countries throughout the world.</p> <p>For financial detail, please refer to our most recent annual report: <a href="http://www.shareholder.com/mattel/annual.cfm">http://www.shareholder.com/mattel/annual.cfm</a></p>
<p>2.9 List of Key Stakeholders.</p>	<p>Key categories of stakeholders include :</p> <ul style="list-style-type: none"> <li>• Communities in which we operate</li> <li>• Retail customers</li> <li>• Employees</li> </ul>

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	<ul style="list-style-type: none"> <li>• Stockholders</li> <li>• Legislators and Regulators</li> <li>• Media</li> <li>• Non governmental organizations (NGOs)</li> <li>• Suppliers and Licensees</li> </ul>
Report Scope and Profile 2.10 Contact person(s) for the report, including email and web addresses.	<p>Jules Andres, Mattel Corporate Communications                      Jules.Andres@mattel.com, Global.Citizenship@mattel.com  <a href="http://www.mattel.com/csr">www.mattel.com/csr</a></p>
2.11 Reporting period for information provided.	<p>The 2007 GC Report was published Jan. 30, 2007, and covers Mattel’s worldwide operations from January 2003 to December 2005. Although the previous report included information from 2003, in order to provide the reader valuable continuity information, we have included more specific and substantive information on 2003 activities and performance that was not available at the time the first report was prepared. In addition, this Report contains some anecdotal results for 2006 activities. The 2007 GC Report is Mattel’s second reporting initiative. The 2004 report also is posted on our website.</p>
2.12 Date of most recent previous report	2004
<p>2.13 Boundaries of report (countries/regions, products/services, divisions/facilities/ joint ventures/subsidiaries) and any specific limitations on the scope.</p> <p>2.15 Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations.</p>	<p>The Reports present information on all three Tiers or categories of our manufacturing operations.</p> <ul style="list-style-type: none"> <li>• Tier I includes 11 manufacturing and tooling facilities owned, operated or managed by Mattel located in China, Indonesia, Malaysia, Thailand and Mexico. Approximately half of all Mattel products are manufactured in these facilities.</li> <li>• Tier II includes approximately 75 contract factories, or vendors, that are not owned, operated or managed by Mattel. Most are located in China, with some facilities in India and Brazil, and manufacture the remaining half of Mattel’s products. We estimate that our products may account for as little as 30% and up to 90% of a vendor’s total annual production.</li> <li>• Tier III applies to the approximately 1,000 licensees that, through signed agreements with Mattel, are permitted to use our logos and characters on various products such as apparel, electronics, sporting goods and room decor. Our licensees independently manufacture these products in approximately 3,000 contract factories around the world. Generally, licensed products bearing Mattel’s brands account for approximately 5% of a vendor’s total production.</li> </ul>
2.14 Significant changes in size, structure, ownership, or products/services that have occurred since the previous report.	<p>In October 2006, Mattel, Inc. acquired Radica Games Ltd. which has become part of the Mattel Brands operating unit. With this acquisition, Mattel has gained one manufacturing facility in China and increased the employee population to approximately 30,000 worldwide.</p>
2.16 Explanation of the nature and effect of any restatements of information	No restatements.

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<p>provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).</p>	
<p>2.17 Decisions not to apply GRI principles or protocols in the preparation of the report.</p>	<p>The 2002 Reporting Guidelines were used to guide the development and determine the scope and content of the 2007 Reports. Mattel is studying the GRI's new G3 reporting protocols and intends to transition to the G3 standards for future reporting.</p>
<p>2.18 Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits.</p>	<p>Standard and generally accepted definitions are employed.</p>
<p>2.19 Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information.</p>	<p>There are no significant changes from previous GRI report in the measurement methods applied to key economic, environmental and social information.</p>
<p>2.20 Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report. This includes internal management systems, processes, and audits that management relies on to ensure that reported data are reliable and complete with regard to the scope of the report.</p>	<p>The 2002 Reporting Guidelines were used to guide development and determine the scope and content of the 2007 Reports. The process of tracking performance and data accuracy is accomplished through a series of reliable management systems. Mattel's Global Sustainability Department coordinates the collection of key performance indicator data. In addition to ongoing quality control by a corporate coordinator, the reporting facilities maintain record of all documentation for future verification and audits.</p> <p>In 1997, Mattel implemented its Global Manufacturing Principles (GMP), or code of ethical manufacturing practices. In addition to internal corporate auditing of GMP, Mattel submits to independent third-party review, publishing the results publicly, as well as related plans for corrective action as appropriate.</p>
<p>2.21 Policy and current practice with regard to providing independent assurance for the full report.</p>	<p>In our 2004 GRI Report we said our goal was to provide stakeholders with information that would help them to understand the significant corporate social responsibility challenges that we face and evaluate how we are responding to them. Mattel believes this Report reflects the maturing of our reporting process. By increasing engagement with stakeholders and advancing our management systems we have enhanced both the means to measure performance and scope of public reporting. Our efforts to independently assure the quality of our data have been focused on individual areas of the report in order to utilize specific expertise and address them in order to perceived priority by our key stakeholders.</p> <p>Specifically for this Report the following steps have been taken to assure the quality of results:</p> <p><u>Compliance with our Global Manufacturing Principles (GMP)</u>                      We engage in an independent monitoring system that provides independent, third-party assurance regarding compliance with our GMP standards. Since 1998, the International Center for Corporate Accountability (ICCA), and its predecessor organization, has performed selected audits and published</p>

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	<p>public reports on the progress of Mattel manufacturing facilities, including all owned and certain contracted facilities, in compliance with all elements of our GMP and related manufacturing standards. The reports are available to the public at mattel.com.</p> <p>ICCA is a not-for-profit, independently incorporated organization and alone estimates its budget at the beginning of each year based on the number of audits it will conduct. Mattel transmits the budget funds to Baruch College, a public institution. All funds are disbursed by Baruch College following university procedures of due diligence and verification that expenses relate to the work of ICCA as specified in the ICCA-Mattel agreement.</p> <p><u>Financial Data</u> Pricewaterhouse Coopers, a global accounting firm, is Mattel's independent auditor. All financial data provided in this Report is consistent with our annual corporate filings reviewed by Pricewaterhouse Coopers.</p> <p><u>Environmental Data</u> In our 2004 report we announced the implementation of a system to collect, validate and report quantified environmental information from our owned, operated or managed factories. CH<sub>2</sub>M HILL, a global environmental and engineering company, provided oversight on the development of the management system and has verified the accuracy and appropriateness of calculation procedures. CH<sub>2</sub>M HILL technical staff includes registered professional engineers, certified environmental assessors, certified industrial hygienists and degreed scientists.</p> <p>The 2007 report provides absolute value results for the first three years of data collection for seven key environmental performance indicators. Mattel engaged a team of University of California at Los Angeles graduate students from the Anderson School of Business to provide independent feedback and benchmarking consultation. As part of course project, Mattel provided access to support their assessment of the relevancy of our chosen indicators compared to similar firms the process of data management and the development of meaningful methods to normalize the data on a global basis.</p> <p><u>Stakeholder Perspectives</u> For this Report we have undertaken engagement with six independent stakeholders to assure we were communicating about priority issues and providing information valuable to them. Mattel carefully reviewed comments received and some resulted in changes to the report. Statements from these stakeholders are printed on pages 40 and 41 of the 2007 GC Report and provide independent perspective about Mattel's programs, which can be evaluated by the reader.</p> <p>Careful attention has been given throughout the report development process to help assure the accuracy of our claims and data presented. As we continue on our path forward we are committed to further exploration of a formal third-party assurance review for the full report.</p>
2.22 Means by which report users can	The results of independent audits on our performance under our Global Manufacturing Principles are

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<p>obtain additional information and reports about economic, environmental, and social aspects of the organization's activities, including facility-specific information (if available).</p>	<p>available at our website <a href="http://www.mattel.com">www.mattel.com</a> and the Independent Monitor's website <a href="http://www.icca-corporateaccountability.org">www.icca-corporateaccountability.org</a>. Additionally, information about our financial results and philanthropic activities are available at: <a href="http://www.mattel.com">www.mattel.com</a>.</p> <p>Additional information about the development of the ICTI CARE Process and industry-wide code of conduct, which Mattel supports and continues to play a role in developing, can be found at <a href="http://www.toy-icti.org/">http://www.toy-icti.org/</a></p>
<p><b>3.0 Governance Structure and Management Systems</b></p>	
<p>Structure and Governance 3.1 Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization. Describe the scope of responsibility of any major committees and indicate any direct responsibility for economic, social, and environmental performance. 3.4 Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities.</p>	<p>Mattel's Board of Directors strives to ensure good corporate management and governance. The Board selects, monitors, evaluates and supports the Chief Executive Officer and oversees the development and pursuit of corporate policies and strategies. The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of Mattel and its stockholders. In 2005, the Board met five times and no director attended less than 75% of the aggregate of all Board of Directors meetings and all committee meetings in which he or she served. Mattel also has an internal Management Committee consisting of the Chief Executive Officer and each of the executive officers who are the CEO's direct reports. The Management Committee, under the supervision of the CEO, has responsibility for overall direction and operations of Mattel, including corporate financial performance, environmental leadership and safety, social responsibility, community involvement and the development of Mattel's people.</p> <p>Mattel's has an Audit Committee all of the members of which are independent directors as defined by the New York Stock Exchange and US federal securities laws. During 2005, the Audit Committee held 12 meetings. The purpose of the Audit Committee is to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities regarding the quality and integrity of Mattel's financial reports; the independence, qualifications and performance of Mattel's independent registered public accounting firm; the performance of Mattel's internal audit function; and Mattel's compliance with legal and regulatory requirements. The Audit Committee has the sole authority to appoint or replace the independent registered public accounting firm. The Committee is directly responsible for the compensation and oversight of the work of the independent registered public accounting firm (subject to stockholder ratification) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm reports directly to the Committee.</p> <p>Mattel has a Governance and Social Responsibility Committee. All of the members of the Committee are independent directors as defined by the New York Stock Exchange and federal securities laws. During 2005, the Governance and Social Responsibility Committee held four meetings. The primary purposes of the Governance and Social Responsibility Committee are (a) to assist the Board of Directors by identifying individuals qualified to become Board members, consistent with the criteria approved by the Board, and to select, or to recommend that the Board select, the director nominees for the next annual meeting of stockholders; (b) to develop and recommend to the Board the Corporate Governance Guidelines applicable to Mattel; (c) to lead the evaluation of the Board's performance; (d) to recommend to the Board nominees</p>

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	<p>for each committee; (e) to assist the Board with oversight and review of social responsibility matters such as sustainability, corporate citizenship, community involvement, global manufacturing principles, public policy matters and environmental, health and safety issues; and (f) to provide oversight with regard to philanthropic activities. The Committee also works closely with the Chief Executive Officer and other members of Mattel’s management to assure that the company is governed effectively and smoothly and has additional authority and responsibilities as specified in its charter.</p> <p>Mattel has a Compensation Committee, all of the members of which are independent directors as defined by the New York Stock Exchange and US federal securities laws and are “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code. During 2005, the Compensation Committee held seven meetings. The purpose of the Compensation Committee is to develop, evaluate, and in certain instances approve or determine the compensation plans, policies and programs of Mattel. The Committee has the authority to undertake and may exercise all of the powers of the Board of Directors with respect to the specific responsibilities listed in the Committee’s charter, including approving all forms of compensation to be provided to executives in the “Executive Leadership Band” and above in Mattel’s compensation structure, reviewing and evaluating the Chief Executive Officer’s performance, and administering Mattel’s short- and long-term incentive plans and equity compensation plans.</p>
<p>3.2 Percentage of the board of directors that are independent, non-executive directors. State how the board determines “independence”.</p>	<p>Eleven of the 12 directors are non-management directors; only one director is an officer and employee of Mattel. Each member of the Audit Committee, the Governance and Social Responsibility Committee and the Compensation Committee is required to be an independent director as defined by the New York Stock Exchange and US federal securities laws. In addition, the members of the Audit Committee must meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the SEC).</p>
<p>3.3 Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities.</p>	<p>The Governance and Social Responsibility Committee of the Board of Directors reviews and makes recommendations to the Board of Directors concerning the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This review is conducted on an annual basis and includes an assessment of the talent base, skills, areas of expertise and experience, diversity and independence of the Board and its members and consideration of any changes that may have occurred in any director’s responsibilities. Among other things, the Committee also reviews:</p> <ul style="list-style-type: none"> <li>▪ The corporate social responsibility initiatives established by management to assist Mattel in appropriately addressing its social responsibilities and the public interest in Mattel’s affairs, including issues of concern to Mattel’s stockholders, the business community and the general public;</li> <li>▪ Mattel’s key public policy positions and developments in legislation, regulation, litigation and public discourse that are identified by management as potentially having a significant impact on Mattel as a global corporate citizen;</li> <li>▪ With management the impact of Mattel’s business operations and business practices with respect to issues such as environmental, health and safety matters, sustainability, corporate citizenship, community involvement, diversity and equal opportunity matters; and</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ The implementation and audits of Mattel's Global Manufacturing Principles, its work with industry organizations and non-governmental organizations and any proposed public Corporate Social Responsibility reports.</li> </ul>
<p>3.5 Linkage between executive compensation and achievement of the organization's financial and non-financial goals (e.g., environmental performance, labor practices).</p>	<p>The Compensation Committee develops, evaluates and in certain instances approves or determines the compensation plans, polices and programs of Mattel. It has the authority to undertake and may exercise all of the powers of the Board of Directors with respect to the specific responsibilities listed in the Committee's charter, including approving all forms of compensation to be provided to executives in the "Executive Leadership Band" and above in Mattel's compensation structure, reviewing and evaluating the Chief Executive Officer's performance and administering Mattel's short- and long-term incentive plans and equity compensation plans.</p>
<p>3.6 Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies. Include identification of the highest level of management below the board level directly responsible for setting and implementing environmental and social policies, as well as general organizational structure below the board level.</p>	<p>Mattel has a Management Committee consisting of the Chief Executive Officer and each of the executive officers that are the CEO's direct reports. The Management Committee, under the supervision of the CEO, has responsibility for overall direction and operations of Mattel, including corporate financial performance, environmental stewardship and safety, social responsibility, community involvement and the development of Mattel's people. The members of the Management Committee are:</p> <ul style="list-style-type: none"> <li>▪ ROBERT A. ECKERT, Chairman of the Board and Chief Executive Officer</li> <li>▪ KEVIN M. FARR, Chief Financial Officer</li> <li>▪ NEIL B. FRIEDMAN, President, Mattel Brands</li> <li>▪ ELLEN L. BROTHERS, President, American Girl and Executive Vice President of Mattel</li> <li>▪ BRYAN G. STOCKTON, Executive Vice President, International</li> <li>▪ THOMAS A. DEBROWSKI, Executive Vice President, Worldwide Operations</li> <li>▪ ALAN KAYE, Senior Vice President, Human Resources</li> <li>▪ ROBERT NORMILE, Senior Vice President, General Counsel and Secretary</li> </ul>
<p>3.7 Mission and values statements, internally developed codes of conduct or principles and policies relevant to economic, environmental, and social performance and the status of implementation</p>	<p>Mattel has also adopted a code of conduct (the full text of which is posted on <a href="http://www.mattel.com">www.mattel.com</a>). Mattel's Code of Conduct is our general statement of ethical business conduct. The code is based on our commitment to adhere to Mattel's values and to comply with the law. While the Code of Conduct outlines our broad responsibilities, we also have more specific guidelines and company policies for various activities. All company policies and the underlying procedures established for business operations must be consistent with the standards of ethical behavior outlined in the Code of Conduct. All employees are required and expected to comply with the Code of Conduct, as well as the laws and company policies that govern our activities. To assist employees with compliance, in 2006, Mattel required every employee to conduct an online Code of Conduct training and certification.</p> <p>Information about Global Manufacturing Principles has been provided in Play Fair Section (page 4 to 14) in the GC Report.</p>
<p>3.8 Mechanisms for shareholders to provide recommendations or direction to</p>	<p>The independent directors of Mattel have unanimously approved a process by which stockholders of Mattel and other interested persons may send communications to any of the following: (a) the Board of Directors,</p>

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<p>the board of directors. Include reference to any policies or processes regarding the use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to management.</p>	<p>(b) any committee of the Board, (c) the presiding independent director or (d) the independent directors. Such communications should be submitted in writing by mailing them to the relevant addressee at the following address: [Addressee] Mattel—Secretary, Mail Stop M1-1516, 333 Continental Blvd. El Segundo, CA 90245-5012. Any such communications will be relayed to the Board members that appear as addressees, except the following categories of communications, which will not be so relayed (but will be available to Board members upon request): Communications concerning company products and services; solicitations; matters that are entirely personal grievances; and communications about litigation matters. The Governance and Corporate Responsibility Committee of Mattel’s Board of Directors has adopted a Director Nominations Policy, which includes provisions regarding stockholder recommendations of possible candidates for Board of Directors membership. A copy of the Director Nominations Policy is available in the “Corporate Governance” section of our website, <a href="http://www.mattel.com">www.mattel.com</a>.</p>
<p>Stakeholder Identification and Engagement 3.9 Basis for identification and selection of major stakeholders. 2.9 List of stakeholders, key attributes of each, and relationship to the reporting organization 3.10 Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group. 3.11 Type of information generated by stakeholder consultations. 3.12 Use of information resulting from stakeholder engagements.</p>	<p>Mattel is committed to building positive, trusted relationships with our many diverse stakeholders. We believe this process is strengthened through engagement and dialogue. Meaningful progress is made when priority issues and stakeholders are matched up and we pursue a path and form of contact that suit both parties needs and resources. We have previously identified general stakeholders.</p> <p>Our stakeholders’ interests and concerns are as diverse as they are global. They range from our employees and stakeholders, suppliers to NGOs to parents and their children who buy our products. They all should expect Mattel to be transparent, honest and respectful. We communicate with our stakeholders in many ways continuously through customized means. We acknowledge that it is essential to communicate with integrity.</p> <ol style="list-style-type: none"> <li>1. Consumers: The consumers of our products are primarily children and their parents in more than 150 countries worldwide. We provide information and receive feedback through product packaging, website interaction, customer satisfaction surveys, focus groups, help lines and call centers. We engage with consumer product advocacy groups through direct communication and industry associations.</li> <li>2. Customers/Retailers: The retail companies that purchase our products account for the majority of our sales. Our sales staff engages daily with retailers, regardless of size, and gains additional insights on our ultimate customer – children and parents. We also receive feedback from customers through company-hosted and industry-hosted toy fairs.</li> <li>3. Employees: Mattel employs approximately 30,000 employees in positions ranging from factory workers to executive management. Trade unions represent groups of employees in Indonesia, Mexico and the United States. Our intranet portal is updated daily and allows for two-way communication, our “What’s On Your Mind” employee surveys give employees opportunities to express views and regular employee meetings provide general information at all levels.</li> <li>4. Non-Governmental Organizations (NGOs) representing Supply Chain Workers: the International Center for Corporate Accountability (ICCA) is a not-for-profit, independently incorporated organization. As an academically affiliated organization, ICCA undertakes proactive independent field audits on aspects of day-</li> </ol>

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	<p>to-day operations and engages in dialogue with a wide range of employees and business partners. We provide our Global Manufacturing Principles (GMP) in local languages and require that every manufacturing employee be given a general orientation on them. We require the GMP to be posted in workplaces and that a written grievance procedure be put in place. <a href="http://www.icaacorporateaccountability.org">www.icaacorporateaccountability.org</a>.</p> <p>5. Shareholders: We provide information on policies and performance through our Annual Report and the Annual Meeting of Stockholders, reports filed with the US Securities and Exchange Commission, public statements, our website and investor teleconferences.</p> <p>6. Communities: We engage with communities through our Mattel Children’s Foundation programs, localized programs and other philanthropic events.</p> <p>7. Environment: We participate in conferences, industry-working groups on specific projects such as cleaner transportation, and work with material suppliers to improve product formulations.</p> <p>Presently Mattel is developing a more formal stakeholder engagement strategy with the help of external advisors with specific expertise in bringing together business and community and NGOs leaders. We are studying how we can enhance our activities. We look forward to reporting in more detail about this initiative in future reports.</p>
<p>Overarching Policies 3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organization.</p>	<p>Our product safety procedures are based on our core value of protecting our consumers from unforeseeable harm. We strive to meet or exceed the law and regulations for manufacturing toys, which are enforced by the US Consumer Products Safety Commission (CPSC) and equivalent organizations in the other countries.</p>
<p>3.14 Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses. 3.20 Status of certification pertaining to economic, environmental, and social management systems.</p>	<p>Certification to International Codes Mattel-owned factories are certified to ISO 14001 and OHSAS 18001 standards: MMSB: Die Cast Factory Malaysia, MDC Diecast Factory China; MBK: Die Cast Factory Thailand MDT: Tooling Factory Malaysia. Mattel distribution centers in the Netherlands, France and the United Kingdom are certified to ISO 14001 standards.</p>
	<p>Mattel’s GMP Principles – In addition to international codes developed by multi-laterals and NGOs, Mattel developed its Global Manufacturing Principles (GMP) in concert with ICCA. Please refer to 3.7 and 3.15 for details on this code. In our continuing efforts for improvement, Mattel signed on to the ICTI (International Council of Toy Industries) CARE Process standards. All Mattel Asian manufacturing facilities are ICTI CARE-certified factories.</p>
<p>3.15 Principal memberships in industry</p>	<p>Mattel is a member of or is affiliated with the following organizations:</p>

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and business associations, and/or national/international advocacy organizations.	
	Advertising Education Forum (AEF) is a non-profit, academically neutral organization that offers a comprehensive database of information on advertising and children and related issues. <a href="http://www.aeforum.org/">www.aeforum.org/</a>
	American Chamber of Commerce to the European Union (AmCham EU) is the key organization representing the views of companies of American parentage committed to Europe. AmCham EU represents some of the earliest and most committed business supporters of the European ideal and, in particular, of the single market concept. <a href="http://www.amchameu.be/">www.amchameu.be/</a>
	Business for Social Responsibility (BSR) is a global organization that helps member companies achieve success in ways that respect ethical values, people, communities and the environment. BSR provides information, tools, training and advisory services to make corporate social responsibility an integral part of business operations and strategies. A nonprofit organization, BSR promotes cross sector collaboration and contributes to global efforts to advance the field of corporate social responsibility. <a href="http://www.bsr.org">www.bsr.org</a>
	California Chamber of Commerce is the largest broad-based business advocate to government in California. Membership represents one quarter of the private sectors jobs in California and includes firms of all sizes and companies from every industry within the state. The California Chamber, a not-for-profit organization, promotes international trade and investment in order to stimulate California's economy and create jobs. <a href="http://www.calchamber.com">www.calchamber.com</a>
	Center for Corporate Citizenship at Boston College is a membership-based research organization working with corporations globally to help leverage their social, economic and human assets to ensure a more sustainable world. For almost 20 years, the Center has helped its 350 member businesses to integrate strategic community involvement and citizenship throughout their operations. <a href="http://www.bc.edu/centers/cc/index.html">www.bc.edu/centers/cc/index.html</a>
	Council on Foundations is a membership organization of more than 2,000 grant-making foundations and giving programs worldwide. They provide leadership expertise, legal services and networking opportunities – among other services – to their members and to the general public. <a href="http://www.cof.org">www.cof.org</a>
	Emergency Committee for American Trade (ECAT) is an organization of the heads of leading US international business enterprises representing all major sectors of the American economy. Their annual worldwide sales total over \$1.5 trillion and they employ approximately four million persons. ECAT's purpose is to promote economic growth through the expansion of international trade and investment. <a href="http://www.ecattrade.com">www.ecattrade.com</a>
	International Center for Corporate Accountability (ICCA) is a not-for-profit organization founded to promote good corporate citizenship worldwide. Based at the Zicklin School of Business, Baruch College, City University of New York, the mission of ICCA is to urge multinational corporations to create voluntary

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	standards that would guide their conduct in overseas operations regarding issues such as wages and working conditions, protection of human rights, and sustainable development. <a href="http://www.icca-corporateaccountability.org">www.icca-corporateaccountability.org</a>
	International Council of Toy Industries (ICTI) was formed in 1974 as an association of toy trade associations from around the world. The products of its member countries encompass the full range of toys, playthings and related merchandise. <a href="http://www.toy-icti.org">www.toy-icti.org</a>
	The Points of Light Foundation & Volunteer Center National Network engages and mobilizes millions of volunteers who are helping to solve serious social problems in thousands of communities. Through a variety of programs and services, the Foundation encourages people from all walks of life: – businesses, nonprofits, faith-based organizations, low-income communities, families, youth, and older adults’ – to volunteer. <a href="http://www.pointsoflight.org">www.pointsoflight.org</a>
	Southern California Grantmakers (SCG) is a membership association founded in 1973, which uniquely supports grant making organizations throughout the region that range in size from foundations with no staff to very large institutions. Collectively, the 150 members represent more than \$30 billion in assets. <a href="http://www.socalgrantmakers.org/">www.socalgrantmakers.org/</a>
	Toy Industry Association, Inc. (TIA), founded in 1916, is the national New York City-based trade association for US producers and importers of toys, games and children's entertainment products. Its 300+ members account for 85 percent of industry sales; associate members include toy testing laboratories, design firms and professional inventors. <a href="http://toy-tia.org/">http://toy-tia.org/</a>
	Toy Industry of Europe (TIE) is an action group working on behalf of the European toy industry. TIE interfaces with the EU institutions and other European stakeholders on behalf of the toy industry advocating its position in the fields that are key to the industry, i.e. advertising and marketing, international trade, and toy safety regulation. <a href="http://www.tietoy.org/">http://www.tietoy.org/</a>
	The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus was founded in 1974 to promote responsible children's advertising as part of a strategic alliance with the major advertising trade associations through the National Advertising Review Council (comprising the AAAA, the AAF, the ANA and the CBBB). CARU is the children's arm of the advertising industry's self-regulation program and evaluates child-directed advertising and promotional material in all media to advance truthfulness, accuracy and consistency with its Self-Regulatory Guidelines for Children's Advertising and relevant laws. <a href="http://www.caru.org/index.asp">www.caru.org/index.asp</a>
	World Federation of Advertisers is a unique, worldwide network, owing to its dual membership – nearly 50 National Advertisers Associations and around 30 Corporate Members – comprising several thousand businesses operating in a wide spectrum of sectors at national, regional and global levels. Through its members, the WFA covers around 85% of global advertising expenditure. <a href="http://www.wfanet.org/">www.wfanet.org/</a>

Question	2007 GRI Mattel Response
<p>3.16 Policies and/or systems for managing upstream and downstream impacts, including: • Supply chain management as it pertains to outsourcing and supplier environmental and social performance; and • Product and service stewardship initiatives. Stewardship initiatives include efforts to improve product design to minimize negative impact associated with manufacturing, use, and final disposal.</p>	<p><b>ENVIRONMENTAL PERFORMANCE</b></p> <p>Mattel has established various environmental initiatives that support the company’s commitment to environmental performance. As part of this commitment, Mattel uses seven metrics—or key performance indicators—to track and measure our performance related to the environmental impacts associated with our operations. For specific data reporting for 2003-2005, please see “Measuring our Performance” on page 28 of the 2007 GC Report.</p> <p>The focus on our most recent environmental initiatives includes:</p> <ul style="list-style-type: none"> <li>▪ Adoption of the LEAN process.</li> <li>▪ Increasing efficiency in our logistical operations.</li> <li>▪ Energy and water conservation projects</li> <li>▪ Packaging improvement initiatives - Reducing paper usage related to our American Girl catalogs.</li> </ul> <p><b>GLOBAL MANUFACTURING PRINCIPLES</b></p> <p>Mattel pioneered our Global Manufacturing Principles (GMP), the first code of conduct of its type within the toy industry (see a summary of Mattel’s GMP on page 8 of the 2007 GC Report). GMP define our standards and expectations for fair and safe working conditions and environmental protection in our global network of manufacturing facilities, which fall into three categories:</p> <ul style="list-style-type: none"> <li>▪ Tier I includes eleven manufacturing and tooling facilities owned, operated or managed by Mattel located in China, Indonesia, Malaysia, Thailand and Mexico. Approximately half of all Mattel products are manufactured in these facilities.</li> <li>▪ Tier II includes approximately 75 contract factories, or vendors, that are not owned, operated or managed by Mattel. Most are located in China, and other facilities are in India and Brazil and manufacture the remaining half of Mattel’s products. We estimate our products may account for as little as 30% and up to 90% of a vendor’s total annual production.</li> <li>▪ Tier III applies to the approximately 1,000 licensees that, through signed agreements with Mattel, are permitted to use our logos and characters on various products such as apparel, electronics, and sporting goods.</li> </ul> <p>Details on Mattel’s GMP audit program and audit results are presented in pages 7 to 12 of the 2007 GC Report.</p>
<p>3.17 Reporting organizations approach to managing indirect economic, environmental, and social impacts resulting from its activities.</p>	<p>We continue to believe that globalization of opportunity should be accompanied by globalization of responsibility. Globalization of supply chains and markets has had a positive impact on our business. In return, we believe that it is our responsibility to have a positive impact on the countries and people that we touch beyond our owned operations. Our GMP applies to those vendors that make products for us in their own factories, as well as licensees. We recognize that effective strategies to work with vendors and licensees will be different given independence of management. While we set clear expectations and will maintain an audit program, we are using new strategies to build understanding and build capacity in order to reliably meet our standards (See page 12 of the 2007 GC Report on Mattel Capacity Building Initiative). Our Global Citizenship efforts include; Ethical Sourcing, Global Manufacturing Principles, Life Skills, Capacity-Building Factories, Local Community Engagement, Safe Products, Responsible Advertising and Corporate Philanthropy. Please refer to our discussion of Global Citizenship in our 2004 Corporate Social</p>

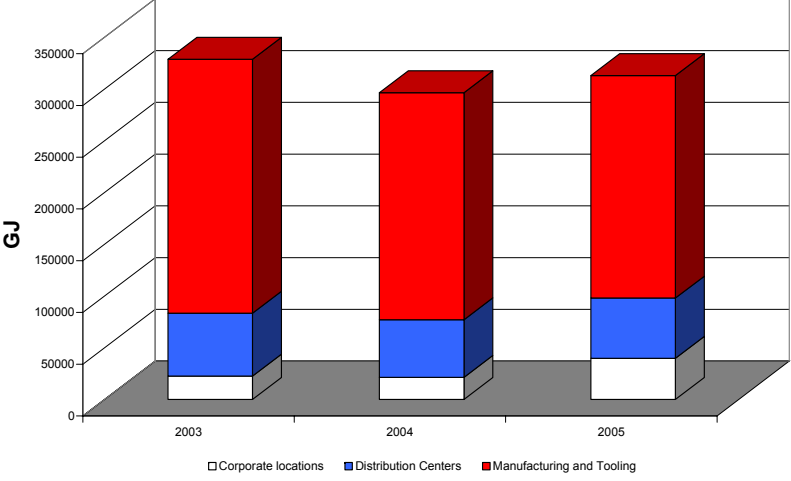
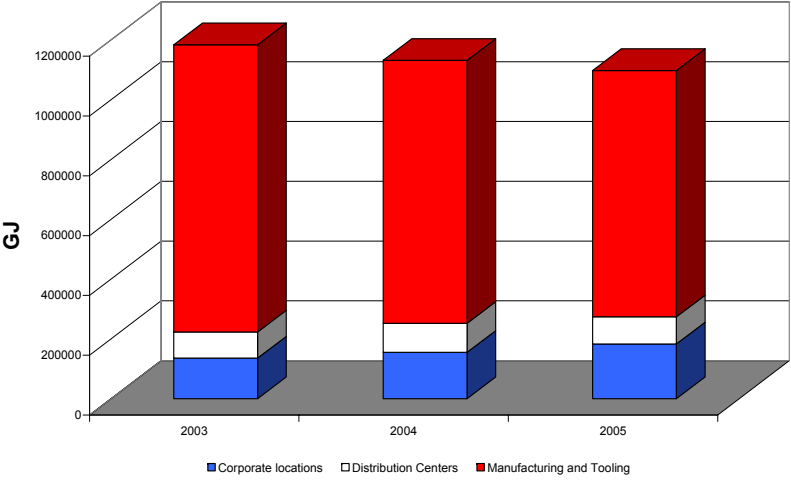
Question	2007 GRI Mattel Response
	Responsibility Report.
<p>3.18 Major decisions during the reporting period regarding the location of, or changes in, operations.</p>	<p>Consolidation of all North American manufacturing activities into two very efficient plants in Mexico. In general, for larger cube products such as Power Wheels, the shipping cost advantage comparing Mexico with China, outweighs the manufacturing cost difference. Also production from third-party suppliers in the Czech Republic and Romania was moved to our Southern China supplier base.</p> <p>We have concentrated our die cast car manufacturing activities into our plants in Thailand and Malaysia, and concentrated the manufacturing for fashion dolls and other toys in our remaining plants and vendors in China and Indonesia.</p> <p>In 2006, Mattel acquired Radica, the maker of electronic entertainment toys. With a Dallas-based design and marketing office, Radica has a manufacturing facility in Tai Ping, Dongguan, Southern China.</p>
<p>Management Systems 3.19 Programs and procedures pertaining to economic, environmental, and social performance, include discussion of: • Priority and target setting; • Major programs to improve performance; • Internal communication and training; • Performance Monitoring; • Internal and external auditing; and • Senior management review</p>	<p>"Mattel Code of Conduct and EthicsLine - Our Code of Conduct, posted at <a href="http://www.mattel.com">www.mattel.com</a>, is a general statement of the standards of ethical business conduct, based on our commitment to adhere to Mattel's values and to comply with the law. Our values include a commitment to obey the law of the countries and communities in which we do business. As a global company conducting business around the world, Mattel's operations are subject to the laws of many countries. We must comply with all applicable laws, rules and regulations wherever Mattel does business. While the Code of Conduct outlines our broad responsibilities, we also have more specific guidelines and company policies for various activities. All company policies and the underlying procedures established for business operations must be consistent with the standards of ethical behavior outlined in the Code of Conduct. All employees are required and expected to comply with the Code of Conduct, and with the laws and company policies that govern our activities. The Mattel EthicsLine is a toll-free phone number that employees can call any time, day or night, to report concerns regarding potentially unethical situations. The EthicsLine is just one of the resources available to employees to address questions and concerns about how the principles of the Mattel Code of Conduct and company policies are being applied every day in the conduct of our business.</p> <p>Supply Chain: Internal and Independent Performance Monitoring - While the development of a set of Global Manufacturing Principles is essential to success, enforcement of the principles is equally important. At Mattel, we have initiated an extensive independent, third-party auditing process, which is overseen by the International Center for Corporate Accountability (ICCA). ICCA is a not-for-profit, independently incorporated entity that audits Mattel's owned, operated and managed facilities around the world, as well as those of our suppliers, on aspects of day-to-day operations. If a supplier is either unable or unwilling to work with Mattel in order to meet and maintain its standards, Mattel can discontinue the working relationship. We publicly disclose the monitoring reports prepared by ICCA for the world to see - both our successes and challenges. We are the only toy company, and one of the few in the consumer products industry, to do this.</p>
<p><b>4.0 GRI Content Index</b></p>	
<p><b>5.0 Performance Indicators</b></p>	

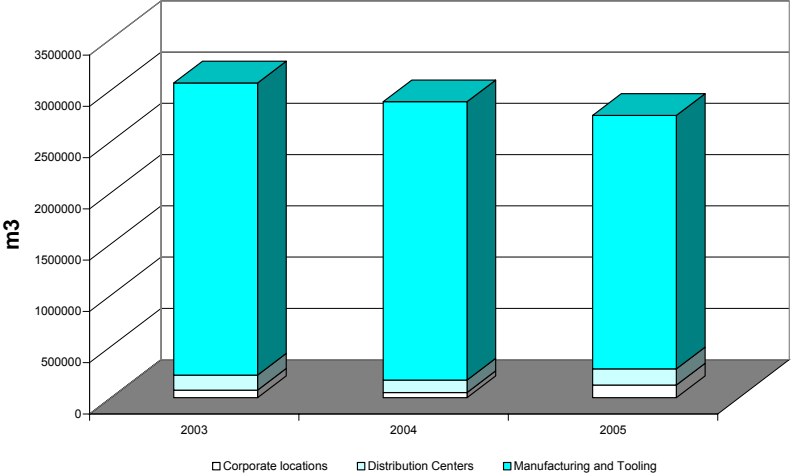
Question	2007 GRI Mattel Response
A. Economic Performance Indicators	
Customers EC1: Net sales	<p>2005 Net Sales = \$5.18 billion, 2004 Net Sales = \$5.10 billion</p> <p>Please refer to annual reports for economic performance information:  <a href="http://www.shareholder.com/mattel/annual.cfm">http://www.shareholder.com/mattel/annual.cfm</a></p>
<p>EC2: Geographic breakdown of markets. For each product or product range, disclose national market share by country where this is 25% or more. Disclose market share and sales for each country where national sales represent 5% or more GDP.</p>	<p>Due to the lack of data to provide an accurate measure of market share by country, Mattel is not in a position to provide national market share by country.</p> <p>Gross revenues by geographic area for fiscal year 2005 are outlined below, with revenues attributed to regions based on the location of the customer:</p> <ul style="list-style-type: none"> <li>▪ United States \$3,159.6 million</li> <li>▪ Europe \$1,408.7 million</li> <li>▪ Latin America \$644.9 million</li> <li>▪ Asia Pacific \$218.2 million</li> <li>▪ Other \$192.2 million</li> </ul> <p>Total \$5,623.6 million Less Adjustments (\$444.5) million Total \$5,179.0 million.</p> <p>Gross revenues by geographic area for fiscal year 2004 are outlined below, with revenues attributed to regions based on the location of the customer:</p> <ul style="list-style-type: none"> <li>▪ United States \$3,209.9 million</li> <li>▪ Europe \$1,410.5 million</li> <li>▪ Latin America \$524.5 million</li> <li>▪ Asia Pacific \$203.6 million</li> <li>▪ Other \$197.7 million</li> </ul> <p>Total \$5,546.1 million Less Adjustments (\$443.3) million Total \$5,102.8 million</p>
Suppliers EC3: Cost of all goods, materials and service purchased.	<p>Amounts provided below are as reported in our 2005 Annual Report:</p> <ul style="list-style-type: none"> <li>▪ Product and Product-related costs: \$2,806.1 million</li> <li>▪ Advertising and Promotion costs: \$629.1 million</li> <li>▪ SG&amp;A costs: \$1,079.2 million</li> <li>▪ Depreciation and Amortization: \$175.0 million</li> </ul> <p>Amounts provided below are as reported in our 2004 Annual Report:</p> <ul style="list-style-type: none"> <li>▪ Product and Product-related costs: \$2,692.1 million</li> <li>▪ Advertising and Promotion costs: \$643.0 million</li> <li>▪ SG&amp;A costs: \$1,036.9 million</li> <li>▪ Depreciation and Amortization: \$182.5 million.</li> </ul>
EC4: Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.	The Company endeavors to perform all of its contracts according to their respective terms.

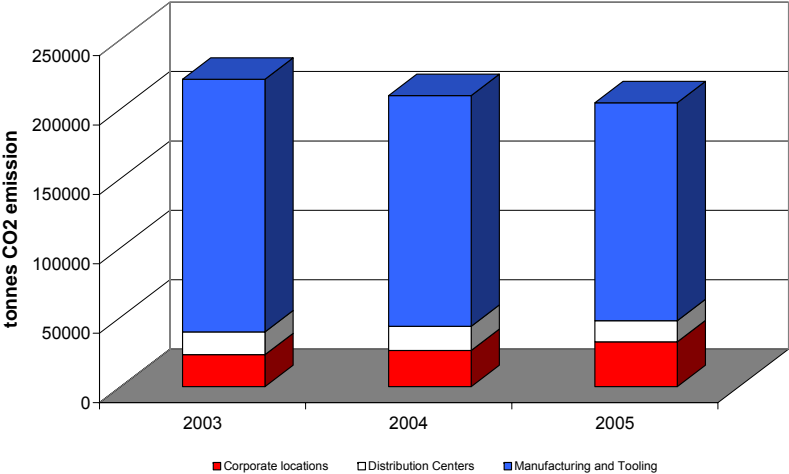
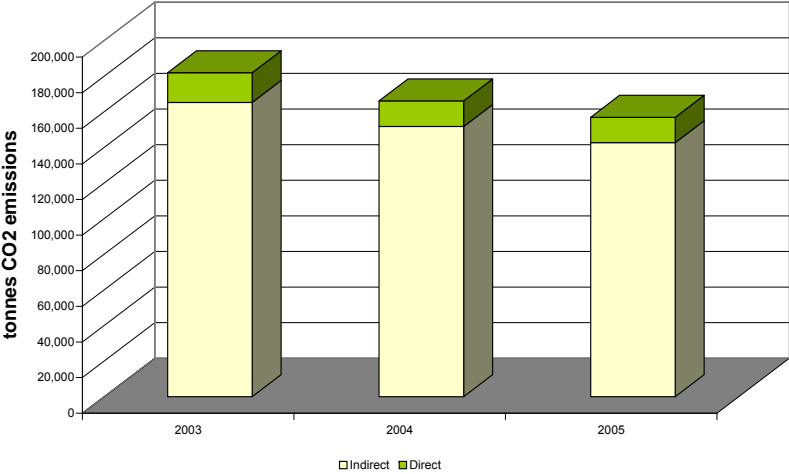
Question	2007 GRI Mattel Response
<p>Terms may include conditions such as scheduling of payments, form of payment, or other conditions. This indicator is the percent of contracts that were paid according to terms, regardless of the details of the terms.</p>	
<p>Employees EC5: Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region. This remuneration should refer to current payments and not include future commitments. (Note: Indicator LA9 on training also offers information on one aspect of the organization's investment in human capital.)</p>	<p>Mattel considers this proprietary information.</p>
<p>Providers of Capital EC6: Distributions to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed. This includes all forms of debt and borrowings, not only long-term debt.</p>	<p>Amounts provided below are as reported in our June 30, 2006, Quarterly Report: Interest Expense: \$31.3 million Dividends: 0 (dividends are declared and paid in December); 2005 Annual Report: Interest Expense: \$76.5 million Dividends: \$200.5 million; 2004 Annual Report: Interest Expense: \$77.8 million Dividends: \$186.9 million</p> <p>Please refer to annual reports for additional information:  <a href="http://www.shareholder.com/mattel/annual.cfm">http://www.shareholder.com/mattel/annual.cfm</a></p>
<p>EC7: Increase/decrease in retained earnings at end of period. (Note: the information contained in the profile section (2.1-2.8) enables calculation of several measures, including ROACE (Return On Average Capital Employed)).</p>	<p>Amounts provided below are as reported in our June 30, 2006, Quarterly Report: Change in retained earnings: \$67.6 million; 2005 Annual Report Change in retained earnings: \$216.5 million; 2004 Annual Report: Change in retained earnings: \$385.9 million</p> <p>Please refer to annual reports for additional information:  <a href="http://www.shareholder.com/mattel/annual.cfm">http://www.shareholder.com/mattel/annual.cfm</a></p>
<p>Public Sector EC8: Total sum of taxes of all types paid broken down by country.</p>	<p>Mattel does not disclose taxes incurred and paid by country. However, Mattel's consolidated tax benefit for the 6 months ended June 30, 2006, was a \$(61.7) million; Mattel's consolidated tax expense for 2005 was \$235.0 million and for 2004 was \$123.5 million.</p> <p>Please refer to annual reports for additional information:  <a href="http://www.shareholder.com/mattel/annual.cfm">http://www.shareholder.com/mattel/annual.cfm</a></p>
<p>EC9: Subsidies received broken down by country or region.</p>	<p>Mattel works with various agencies globally to qualify for public sector subsidies, such as grants, tax incentives and other forms of financial benefits.</p>

Question	2007 GRI Mattel Response
<p>EC10: Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group.</p>	<p>The Mattel Children's Foundation was established in 1978 and is a separate charitable organization incorporated as a nonprofit public benefit corporation. For almost 30 years, Mattel has supported a broad variety of philanthropic programs including charitable grant making, product donations, employee matching gifts and volunteerism. Specifically in 2004, Mattel's contributions of cash and products and foundation giving totaled \$26,760,000. In 2005, increased to \$29,250,000. This level of giving represents more than 2% of our pre-tax profits.</p> <p>In 2005, the Mattel Children's Foundation adopted a new strategic vision focus on four giving priorities.</p> <ul style="list-style-type: none"> <li>▪ Learning: To increase access to education and literacy.</li> <li>▪ Health: To support the health and well-being of children and active, healthy lifestyles for youth.</li> <li>▪ Girls' Empowerment: To promote self-esteem in girls.</li> <li>▪ Joy: To bring joy to children globally.</li> </ul> <p>The Mattel Children's Foundation donated approximately \$4.6 million to organizations serving children around the world, including 72 nonprofit organizations domestically and 31 charitable organizations internationally.</p> <p>The Foundation identified five Signature Partners in 2005: Special Olympics, which created a Young Athletes Program impacting more than 3,500 children worldwide just last year; Save the Children, which expanded its literacy programs through new community programs in multiple countries and built four new schools in Mali and Malawi; the Mattel Children's Hospital at UCLA, which served 100,000 children in 2005; the National Association of Children's Hospitals and Related Institutions (NACHRI) through which 40,000 toys were donated to its 145 member organizations; and the Children Affected By AIDS Foundation (CAAF), which granted funding to 21 organizations serving AIDS orphans throughout Latin America and the Caribbean.</p> <p>For more information on Mattel's Philanthropy initiatives, please see pages 36 to 39 of the 2007 GC Report.</p>
<p>B. Environmental Performance Indicators</p>	<p>Mattel commenced Environmental Performance Indicators data collection in 2003. Data is collected from Mattel own, operated and managed facilities including manufacturing and tooling facilities (nine), distribution centers (13 locations in 2003, 18 locations in 2004 onward), corporate locations and retail stores (six in 2003 and 2004, eight in 2005 onward). This accounts for 96% of the total floor area for Mattel own and operated facility with floor area more than 20,000sq ft. Please see "Measuring our Performance" on page 28 of the 2007 GC Report for more information.</p> <p>In 2005, Environmental Performance Indicators data collection commenced at nine of Mattel's major contract vendors. These results will be included in future reporting.</p> <p>Presently, Mattel is exploring the most appropriate way to expand vendor engagement in reporting and how to integrate vendor and corporate manufacturing data.</p>

Question	2007 GRI Mattel Response								
<p>EN1. Total materials use other than water, by type. Provide definitions used for types of materials. Report in tonnes, kilograms, or volume.</p>	<p>Major raw materials used in Mattel production include plastic resins, zinc, chemicals, fabric, hair yarn, paper/cardboard, packaging material.</p> <p style="text-align: center;"><b>Raw Material Usage at Mattel Manufacturing and Tooling Facilities</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Raw Material Usage Data (Estimated from Chart)</caption> <thead> <tr> <th>Year</th> <th>Usage (Tonnes)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>145,000</td> </tr> <tr> <td>2004</td> <td>185,000</td> </tr> <tr> <td>2005</td> <td>195,000</td> </tr> </tbody> </table>	Year	Usage (Tonnes)	2003	145,000	2004	185,000	2005	195,000
Year	Usage (Tonnes)								
2003	145,000								
2004	185,000								
2005	195,000								
<p>EN2. Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting Organization. Refers to both post-consumer recycled material and waste from industrial sources. Report in tonnes, kilograms, or volume.</p>	<p>Virgin material is used for toy production and in-house recycling is practiced at our manufacturing facilities. Process scrap is reclaimed and reused in the production process to minimize waste and better utilize our resources. Mattel is pursuing on environmental packaging initiatives including:</p> <ul style="list-style-type: none"> <li>▪ Reduction in packaging size and amount of materials used in our packaging</li> <li>▪ Use of post-consumer recycled materials in packaging, design packaging with materials that can be easily recycled or "recyclable materials"</li> <li>▪ Use of materials that are more sustainable or environmentally-friendly and design packaging as part of the product</li> <li>▪ Extending the life of the packaging</li> </ul> <p>In 2006, American Girl surpassed its goal to include a minimum of 10% post consumer fiber in 50% of the paper used in its catalogue. For more information on American Girl's paper initiatives, please see page 27 of the 2007 GC Report.</p>								
<p>EN3. Direct energy use segmented by primary source. Report on all energy sources used by the reporting</p>									

Question	2007 GRI Mattel Response																
<p>Organization for its own operations as well as for the production and delivery of energy products (e.g., electricity or heat) to other Organizations. Report in joules.</p>	<p style="text-align: center;"><b>Direct Energy Use</b></p>  <table border="1" data-bbox="688 305 1474 782"> <caption>Direct Energy Use (GJ)</caption> <thead> <tr> <th>Year</th> <th>Corporate locations</th> <th>Distribution Centers</th> <th>Manufacturing and Tooling</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~25,000</td> <td>~75,000</td> <td>~250,000</td> </tr> <tr> <td>2004</td> <td>~25,000</td> <td>~65,000</td> <td>~230,000</td> </tr> <tr> <td>2005</td> <td>~25,000</td> <td>~85,000</td> <td>~240,000</td> </tr> </tbody> </table> <p>For more information on Mattel's Conservation of Natural Resources initiatives, please see page 26 of the 2007 GC Report.</p>	Year	Corporate locations	Distribution Centers	Manufacturing and Tooling	2003	~25,000	~75,000	~250,000	2004	~25,000	~65,000	~230,000	2005	~25,000	~85,000	~240,000
Year	Corporate locations	Distribution Centers	Manufacturing and Tooling														
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2004	~25,000	~65,000	~230,000														
2005	~25,000	~85,000	~240,000														
<p>EN4. Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting Organization (e.g., electricity or heat). Report in joules.</p>	<p style="text-align: center;"><b>Indirect Energy Usage</b></p>  <table border="1" data-bbox="688 1019 1474 1497"> <caption>Indirect Energy Usage (GJ)</caption> <thead> <tr> <th>Year</th> <th>Corporate locations</th> <th>Distribution Centers</th> <th>Manufacturing and Tooling</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~180,000</td> <td>~80,000</td> <td>~900,000</td> </tr> <tr> <td>2004</td> <td>~180,000</td> <td>~100,000</td> <td>~850,000</td> </tr> <tr> <td>2005</td> <td>~180,000</td> <td>~100,000</td> <td>~850,000</td> </tr> </tbody> </table>	Year	Corporate locations	Distribution Centers	Manufacturing and Tooling	2003	~180,000	~80,000	~900,000	2004	~180,000	~100,000	~850,000	2005	~180,000	~100,000	~850,000
Year	Corporate locations	Distribution Centers	Manufacturing and Tooling														
2003	~180,000	~80,000	~900,000														
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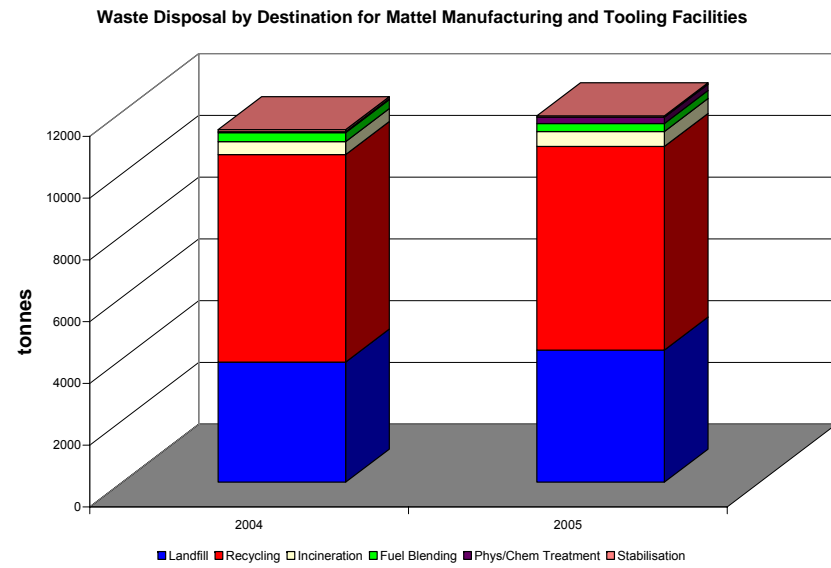
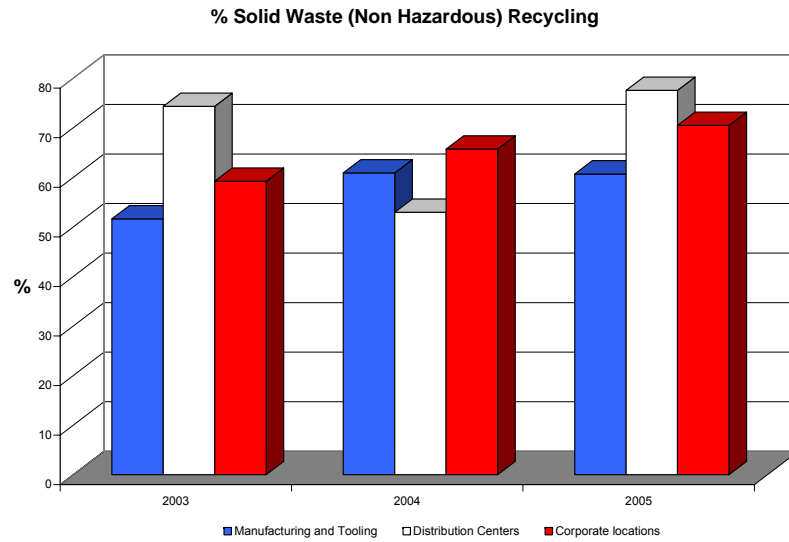
Question	2007 GRI Mattel Response																
<p>EN5. Total water use.</p>	<p style="text-align: center;"><b>Total Water Usage</b></p>  <table border="1" data-bbox="688 305 1474 776"> <caption>Total Water Usage (m3)</caption> <thead> <tr> <th>Year</th> <th>Corporate locations</th> <th>Distribution Centers</th> <th>Manufacturing and Tooling</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~200,000</td> <td>~1,000,000</td> <td>~2,100,000</td> </tr> <tr> <td>2004</td> <td>~200,000</td> <td>~1,000,000</td> <td>~1,800,000</td> </tr> <tr> <td>2005</td> <td>~200,000</td> <td>~1,000,000</td> <td>~1,600,000</td> </tr> </tbody> </table>	Year	Corporate locations	Distribution Centers	Manufacturing and Tooling	2003	~200,000	~1,000,000	~2,100,000	2004	~200,000	~1,000,000	~1,800,000	2005	~200,000	~1,000,000	~1,600,000
Year	Corporate locations	Distribution Centers	Manufacturing and Tooling														
2003	~200,000	~1,000,000	~2,100,000														
2004	~200,000	~1,000,000	~1,800,000														
2005	~200,000	~1,000,000	~1,600,000														
<p>Biodiversity EN6: Location and size of land owned, leased, or managed in biodiversity-rich habitats.</p>	<p>Mattel does not own, lease or manage land in biodiversity-rich habitats.</p>																
<p>EN7: Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments.</p>	<p>Mattel's products and operations do not have direct impacts on the biodiversity of our environment.</p>																
<p>EN8. Greenhouse gas emissions. (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>). Report separate subtotals for each gas in tonnes and in tonnes of CO<sub>2</sub> equivalent for the following:                      - direct emissions from sources owned or controlled by the reporting entity                      - indirect emissions from imported electricity heat or steam</p>	<p>The major greenhouse gas emissions from Mattel operation is carbon dioxide. There are limited emissions from other greenhouse gases (CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) and thus no data are collected on these gases.</p>																

Question	2007 GRI Mattel Response																
	<p style="text-align: center;"><b>Total Green House Gas Emissions</b></p>  <table border="1"> <caption>Total Green House Gas Emissions (tonnes CO2)</caption> <thead> <tr> <th>Year</th> <th>Corporate locations</th> <th>Distribution Centers</th> <th>Manufacturing and Tooling</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~35,000</td> <td>~15,000</td> <td>~185,000</td> </tr> <tr> <td>2004</td> <td>~35,000</td> <td>~15,000</td> <td>~175,000</td> </tr> <tr> <td>2005</td> <td>~45,000</td> <td>~15,000</td> <td>~165,000</td> </tr> </tbody> </table>	Year	Corporate locations	Distribution Centers	Manufacturing and Tooling	2003	~35,000	~15,000	~185,000	2004	~35,000	~15,000	~175,000	2005	~45,000	~15,000	~165,000
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	<p style="text-align: center;"><b>Direct and Indirect GHG for Manufacturing and Tooling</b></p>  <table border="1"> <caption>Direct and Indirect GHG for Manufacturing and Tooling (tonnes CO2 emissions)</caption> <thead> <tr> <th>Year</th> <th>Indirect</th> <th>Direct</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~175,000</td> <td>~25,000</td> </tr> <tr> <td>2004</td> <td>~165,000</td> <td>~25,000</td> </tr> <tr> <td>2005</td> <td>~155,000</td> <td>~25,000</td> </tr> </tbody> </table>	Year	Indirect	Direct	2003	~175,000	~25,000	2004	~165,000	~25,000	2005	~155,000	~25,000				
Year	Indirect	Direct															
2003	~175,000	~25,000															
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2005	~155,000	~25,000															

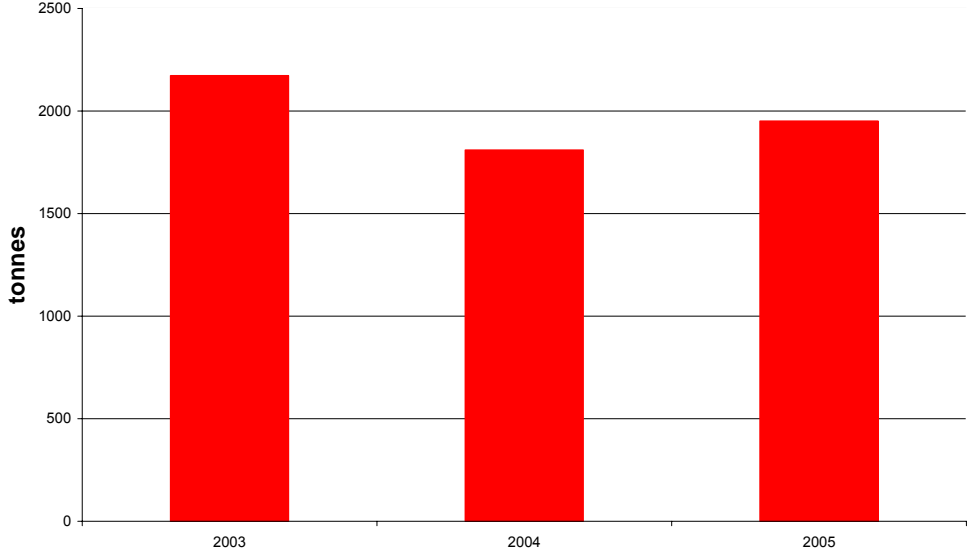
Question	2007 GRI Mattel Response																
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Year	Indirect (tonnes CO2)	Direct (tonnes CO2)	Total (tonnes CO2)														
2003	23,000	2,000	25,000														
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	<p style="text-align: center;"><b>Direct and Indirect GHG for Distribution Centers</b></p> <table border="1"> <caption>Direct and Indirect GHG for Distribution Centers (Estimated Data)</caption> <thead> <tr> <th>Year</th> <th>Indirect (tonnes CO2)</th> <th>Direct (tonnes CO2)</th> <th>Total (tonnes CO2)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>13,500</td> <td>3,500</td> <td>17,000</td> </tr> <tr> <td>2004</td> <td>14,500</td> <td>4,000</td> <td>18,500</td> </tr> <tr> <td>2005</td> <td>13,000</td> <td>3,500</td> <td>16,500</td> </tr> </tbody> </table>	Year	Indirect (tonnes CO2)	Direct (tonnes CO2)	Total (tonnes CO2)	2003	13,500	3,500	17,000	2004	14,500	4,000	18,500	2005	13,000	3,500	16,500
Year	Indirect (tonnes CO2)	Direct (tonnes CO2)	Total (tonnes CO2)														
2003	13,500	3,500	17,000														
2004	14,500	4,000	18,500														
2005	13,000	3,500	16,500														
<p>EN9: Use and emissions of ozone-depleting substances. Report each figure separately in accordance with Montreal Protocol Annexes A, B, C, and E in tones of CFC-11 equivalents (ozone-</p>	<p>Mattel has an Environmental Operating Procedure, which does not allow for the use of ozone depleting substances in the manufacturing processes of our products.</p>																

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<p>depleting potential).</p> <p>EN10. NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type. Include emissions of substances regulated under:</p> <ul style="list-style-type: none"> <li>- local laws and regulations</li> <li>- Stockholm POPs Convention (Annex A, B, and C) – persistent organic pollutants</li> <li>- Rotterdam Convention on Prior Informed Consent (PIC)</li> <li>- Helsinki, Sofia, and Geneva Protocols to the Convention on Long-Range Trans-boundary Air Pollution</li> </ul>	<p>Volatile Organic Compounds (VOC) emission from painting operation is the major air emission from Mattel operation. Electricity is used in most Mattel processes such as injection molding, vacuum forming processes. Where other fuel resource is required, clean fuel such as LPG or natural gas is used for firing the die-cast furnace for Hot Wheels®.</p> <div style="text-align: center;"> <p><b>Solvent Use (tonnes)</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Solvent Use (tonnes)</caption> <thead> <tr> <th>Year</th> <th>Solvent Use (tonnes)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~1,400</td> </tr> <tr> <td>2004</td> <td>~2,550</td> </tr> <tr> <td>2005</td> <td>~2,650</td> </tr> </tbody> </table> </div>	Year	Solvent Use (tonnes)	2003	~1,400	2004	~2,550	2005	~2,650
Year	Solvent Use (tonnes)								
2003	~1,400								
2004	~2,550								
2005	~2,650								
<p>EN11. Total amount of waste by type and destination. “Destination” refers to the method by which waste is treated, including composting, reuse, recycling, recovery, incineration, or land filling. Explain type of classification method and estimation method.</p>	<p>Waste is segregated and sent to recycling at all Mattel locations where possible.</p>								

**Question** **2007 GRI Mattel Response**



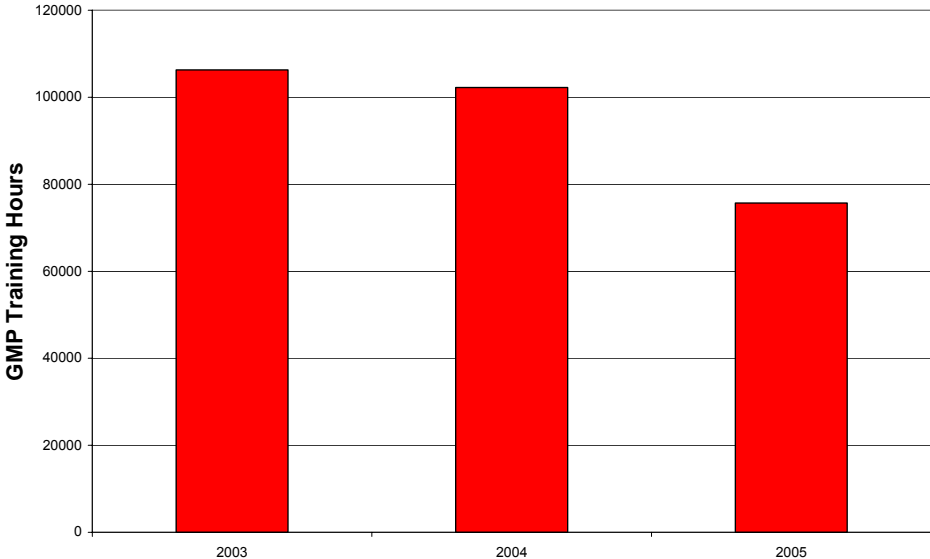
Data collection by waste destination type for Mattel manufacturing and tooling facilities commenced in 2004.

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<p>Additional EN31. All production, transport, import, or export of any waste deemed "hazardous" under the terms of the Basel Convention Annex I, II, III, and VIII.</p>	<p>For reporting purposes, Mattel defines hazardous waste as established by the countries in which we operate. Mattel manufacturing and tooling facilities typically generate hazardous waste classified as waste oil, waste solvent, waste paint, oily/solvent rags, wastewater treatment plant sludge, zinc ashes waste paint/chemical container.</p> <p style="text-align: center;">Hazardous Waste Generation at Mattel Manufacturing and Tooling Facilities</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Hazardous Waste Generation Data</caption> <thead> <tr> <th>Year</th> <th>Waste Generation (tonnes)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>~2150</td> </tr> <tr> <td>2004</td> <td>~1800</td> </tr> <tr> <td>2005</td> <td>~1950</td> </tr> </tbody> </table>	Year	Waste Generation (tonnes)	2003	~2150	2004	~1800	2005	~1950
Year	Waste Generation (tonnes)								
2003	~2150								
2004	~1800								
2005	~1950								
<p>EN12. Significant discharges to water by type. See GRI Water Protocol.</p>	<p>There is limited use of water in Mattel's production processes. Two Mattel facilities treat wastewater on-site and use gray water for landscaping and other non-potable purposes. Major sources of water consumption are offices and food service operation, as well as dormitories operated at seven facilities. Wastewater is discharged to city sewer systems.</p>								
<p>EN13: Significant spills of chemicals, oils and fuels in terms of total number and total volume. Significance is defined in terms of both the size of the spill and impact on the surrounding environment.</p>	<p>There were no reported significant spills of chemicals, oils and fuels that will impact the surrounding environment during the reporting period.</p>								
<p>Products and Services EN14: Significant environmental impacts of principal products and services. Describe and quantify where relevant.</p>	<p>Mattel recognizes that to help reduce environmental impacts of our products there are a number of options than can be explored including decrease the amount of materials used in construction through redesign, identifying materials with recycled content, incorporate, reducing overall size and adding play value into</p>								

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	<p>the packaging itself.</p> <p>We have undertaken environmental-friendly packaging projects during the past 10 years and in 2005 adopted a Sustainable Packaging Initiative to focus on the following major objectives:</p> <ul style="list-style-type: none"> <li>▪ Reduce overall packaging size and the amounts of materials used in our packaging.</li> <li>▪ Increase use of post-consumer recycled materials in our packaging.</li> <li>▪ Design packaging with more recyclable materials.</li> <li>▪ Continue our efforts to design packaging as part of the product.</li> </ul>
<p>EN15: Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.</p>	<p>Mattel does not measure this information.</p>
<p>Compliance EN16: Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional, and local regulations associated with environmental issues. Explain in terms of countries of operation.</p>	<p>There have been no reported fines or incidents of non compliance during the reporting period.</p>
<p>Additional Transport EN34: Significant environmental impacts of transportation used for logistical purposes.</p>	<p>During the reporting period, Mattel undertook efforts to identify means to reduce fuel consumption and emissions associated with moving our goods from manufacturing location to the store shelf. Implementation is underway and additional information on our progress is provided on page 24 of the 2007 GC Report.</p>
<p><b>C. Social Performance Indicators</b></p>	
<p>Employment LA1: Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country.</p>	<p>The total number of persons employed by Mattel owned, operated or managed locations at any one time varies because of the seasonal nature of its manufacturing operations. At year-end 2005, Mattel's total number of employees, including its international operations was approximately 26,000.</p>
<p>LA2: Net employment creation and</p>	<p>Mattel does not presently track this information. We believe our annual turnover is below related market</p>

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average turnover segmented by region/country.	average.
Labor/Management Relations LA3: Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country.	Mattel respects workers' right to associate, or not associate, with any legally sanctioned organization and mandates that management provide formal channels to encourage communications between management and employees on issues that impact working conditions. These protections are incorporated in our GMP and apply to the facilities owned, operated or managed by Mattel, as well as our vendors and licensees. Eight of the 11 manufacturing and tooling plants owned, operated or managed by Mattel have unions.
LA4: Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organizations operations (e.g., restructuring).	Each Mattel location adheres to local labor laws. While Mattel does not have a formal global policy on these matters, many locations have detailed consultation and negotiation policies and procedures as per local practice or law. Human Resources representatives play an active role in employee communication and labor matters to ensure employees are treated fairly and respectfully.
Health and Safety LA5: Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	<p>Mattel has developed worldwide Environmental, Health and Safety (EHS) standards intended to support responsible management of the environment and the health and safety of our employees, customers and neighbors. Mattel is also committed to implementing policies and procedures that ensure our operations are conducted in compliance with applicable laws, regulations and standards. All work-related incidents are investigated and documented as part of a corrective action tracking system. Training on incident investigation and reporting is provided to supervisors and employees. Annual training for supervisors includes the following: the reason incidents are investigated; elements of a good investigation; and investigation procedure and reporting. All manufacturing and operations employees receive annual awareness training on the reporting procedure for each type of emergency. Training records are maintained for a minimum of one year and include the date of the training, the training content and the attendees.</p> <p>Each manufacturing facility has an incident reduction program to track incidents and lost day incidents. Each facility has an annual continuous improvement goal for reducing lost day incident rates.</p>
LA6: Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees.	Each Tier I owned, operated or managed facility has an Environmental Health and Safety (EHS) committee. Members of the committee consist of both management and employees. The facility manager attends one meeting per quarter. The EHS committee meets at least every 60 days. At least 75% of the members are required to attend. EHS committee meeting minutes are documented. Minutes include the tracking of three items: open issues; action items that need resolution with corrective action dates and person responsible; and decisions reached. The EHS committee has a documented mission and stated objectives. At a minimum, the objectives include: reviewing and providing input for EHS policies and procedures; reviewing incident data; reviewing monthly inspection reports and corrective action responses and notifying management if not complete; reviewing required EHS training for the facility; and communicating EHS committee issues to all employees and management. Upon being assigned to the EHS committee, committee members are trained in the following: The purpose and responsibilities of the

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<p>LA7: Standard injury, Lost day, and absentee rates and number of work-related fatalities (including subcontracted workers).</p>	<p>committee; hazard identification (how to conduct inspections) and how to conduct effective incident investigations.</p> <p style="text-align: center;"><b>Lost Workday Injury and Illness Rate 2000 - 2005</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Lost Workday Injury and Illness Rate Data</caption> <thead> <tr> <th>Year</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>0.83</td> </tr> <tr> <td>2001</td> <td>0.60</td> </tr> <tr> <td>2002</td> <td>0.48</td> </tr> <tr> <td>2003</td> <td>0.47</td> </tr> <tr> <td>2004</td> <td>0.25</td> </tr> <tr> <td>2005</td> <td>0.26</td> </tr> </tbody> </table> <p>Lost Day Incident Rate = Number of Lost Day Incident / Hours worked * 200,000</p>	Year	Rate	2000	0.83	2001	0.60	2002	0.48	2003	0.47	2004	0.25	2005	0.26
Year	Rate														
2000	0.83														
2001	0.60														
2002	0.48														
2003	0.47														
2004	0.25														
2005	0.26														
<p>LA8: Description of policies or programs (for the workplaces and beyond) on HIV/AIDS.</p>	<p>All Mattel facilities have a blood borne pathogen (BBP) program in place. The BBP program outlines procedures and work practice to minimize or eliminate potential occupational exposure to HIV virus, Hepatitis B and other potentially infectious materials. BBP awareness training is provided to all employees. In addition, Mattel partners with government health department and local NGOs such as community AIDS services on HIV/AIDS awareness and education sessions.</p>														

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<p>Training and Education LA9: Average hours of training per year per employee by category of employee. (e.g., Senior management, middle management, professional, technical, administrative, production, and maintenance).</p>	<p>Overall employees received an average of 1 day of classroom training (based on 2005 data). Managers and above received an average of 2.5 days of classroom training. Approximately 85% of our management population attended training in 2005. In addition, more than 2,000 online courses were completed by approximately 650 employees. For more information about leadership development of our workforce, please see page 29 of the 2007 GC Report.</p> <p>Training is provided to employees at Mattel manufacturing and tooling facilities. The following chart presents the total number of training hours spent on environmental, health and safety and labor topics.</p> <p style="text-align: center;"><b>GMP Training Hours for Mattel Manufacturing and Tooling Facilities</b></p>  <table border="1" data-bbox="688 581 1612 1136"> <caption>GMP Training Hours for Mattel Manufacturing and Tooling Facilities</caption> <thead> <tr> <th>Year</th> <th>GMP Training Hours</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>105,000</td> </tr> <tr> <td>2004</td> <td>102,000</td> </tr> <tr> <td>2005</td> <td>75,000</td> </tr> </tbody> </table>	Year	GMP Training Hours	2003	105,000	2004	102,000	2005	75,000
Year	GMP Training Hours								
2003	105,000								
2004	102,000								
2005	75,000								
<p>Diversity and Opportunity LA10: Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring. Equal opportunity policies may address workplace harassment and affirmative action relative to historical patterns of</p>	<p>Mattel strives to create an inclusive diverse workforce and provide equal opportunity in which everyone feels respected, regardless of age, gender, national origin, religious affiliation, sexual orientation or physical and mental attributes. We make employment decisions to meet our business needs based on factors such as qualifications, skills and achievement. We comply with local and national employment laws. Mattel prohibits the harassment of any individual on any of the bases listed above. Mattel does not tolerate the improper interference with the ability of employees to perform their job duties.</p>								

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discrimination.	
LA11: Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	Members of the Board are selected based upon their expertise, experience, diversity and independence, as defined by the NYSE. Board members do not have set term limits, but must retire once they reach the age of 72. We are actively working to increase the diversity of the Board, which is evidenced by the addition in 2006 of Dominic Ng, Chairman, CEO and President of East West Bancorp, Inc. and Dr. Frances D. Fergusson, President Emeritus and Professor of Art of Vassar College. The Mattel Board of Directors as of Dec. 31, 2006, had 12 members, including three females, nine males and one Asian- American. The Mattel Management Committee is composed of one female and seven males.
<b>Human Rights</b>	
Strategy and Management HR1: Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results. HR3: Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and result of monitoring.	Please refer to the discussion of our Global Manufacturing Principles (GMP) and Independent Monitoring Program in Section 3. A detailed discussion of this program is found on our website.
HR2: Evidence of consideration of human rights impacts as part of investment and procurement within the supply chain and contractors, including selection of suppliers/contractors.	We are committed to expanding and improving Mattel's business through business alliances, including customers, suppliers, vendors, subcontractors, licensees, agents, joint ventures, etc. We will build productive relationships with business partners based on integrity, legal and ethical behavior and mutual trust. Any person who acts on Mattel's behalf is made aware of Mattel's Code of Conduct. Integrity, ethical behavior and mutual trust are important criteria when evaluating and selecting our business partners. We seek to do business with companies that have a history of acceptable ethical behavior. Our Global Manufacturing Principles (GMP) policy is the cornerstone of our commitment to responsible worldwide manufacturing practices. The establishment and implementation of GMP provides a framework within which all of Mattel's manufacturing should be conducted. GMP provides guidance and minimum standards for all manufacturing plants, assembly operations and distribution centers that manufacture or distribute Mattel products. GMP mandates safe and fair treatment of employees and that factories protect the environment while respecting the cultural, ethnic and philosophical differences of the countries where Mattel operates. GMP also requires internal and periodic independent monitoring of our performance and increasingly of our suppliers' and licensees' performance to the standards.
Non-discrimination HR4: Description of global policy and procedures/programs preventing all forms of discrimination in	Mattel endeavors to treat others, as they want to be treated – with respect, dignity and fairness. Employees have the right to work in an environment free from intimidation and harassment based on race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, veteran status or other

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<p>operations, including monitoring systems and results of monitoring.</p>	<p>protected characteristics. We should respect our co-workers' rights, and we must refrain from engaging in such harassment. If employees observe conduct that they believe may be unethical, illegal or in violation of the Code of Conduct or other company policies, they are encouraged to report their concerns to their supervisor, the Human Resources Department, the Law Department, the Internal Audit Department, the Global Security Department or the confidential Ethics Line. All reported concerns are handled promptly, fairly and discreetly.</p>
<p>Freedom of Association and Collective Bargaining HR5: Description of freedom of association policy and extent to which this is universally applied independently of local laws, as well as description of procedures/programs to address this issue.</p>	<p>Mattel facilities recognize all employees' right to choose to affiliate, or not to affiliate, with lawful organizations or associations without unlawful interference. Mattel requires that facility senior management create formal channels to encourage communication among all levels of supervisors and employees. Facilities are required to have semi-annual meetings between management and employees. Employees who voice concerns are not retaliated against. The facility must document and ensure that follow-up actions are taken in a timely fashion and the results are communicated to employees.</p>
<p>Child Labor HR6: Description of policy excluding child labor as defined by the ILO Convention 138 and the extent to which this policy is visibly stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.</p>	<p>Mattel requires that all employees and on-site contractors are at least 16 years old. If the local law requires a higher minimum age, we will comply with the local law. If employees between the ages of 16 and 18 are hired, the facility prohibits them from working in areas where there are hazardous substances, hazardous machinery, or extreme temperature conditions. Each facility's employment systems ensure all employees are at least 16 years old. Each facility has a system to verify and document the age of employees (e.g., copy of identity card or birth certificate is inspected upon hiring). Each facility has a documented system to identify forged or borrowed identification cards. Identification verification occurs periodically.</p>
<p>Forced and Compulsory Labor HR7: Description of policy to prevent forced and compulsory labor and extent to which this policy is visibly stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2.</p>	<p>Prohibition on the use of forced labor is a central tenant of Mattel's GMP. The GMP states that individuals are employed by Mattel of their own free will. Facilities must have a written policy that recognizes employees' rights, communicate it to employees and document their recruiting methods. Facilities may not withhold residency or work permits, national identification cards, or other documents verifying an individual's personal status. Physical / verbal abuse, or any form of physical / psychological intimidation of employees is not tolerated. Security personnel do not administer disciplinary action against employees. Employees are free to enter and exit the dormitory outside their working hours. Curfews are permitted if the curfew policy is documented and employees are allowed to enter the facility if they arrive after curfew. Curfew is not enforced as a means to restrict movement.</p>
<p>Community SO1: Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address the issue, including monitoring systems and results of monitoring. Include explanation of procedures for identifying and engaging in dialogue with community stakeholders.</p>	<p>We have three corporate policies related to partnerships, product donation and cash donations for charitable purposes. The following guides our philanthropic efforts globally:</p> <p><b>Mattel's Philanthropic Vision:</b> To make a meaningful difference, one child at a time.</p> <p><b>Mattel's Philanthropic Mission:</b> Mattel makes a difference in the global community by effectively serving children in need. Partnering with charitable organizations dedicated to directly serving children, Mattel creates joy through the Mattel</p>

Question	2007 GRI Mattel Response
	<p>Children's Foundation, product donations, grant making and the work of employee volunteers. We also enrich the lives of Mattel employees by identifying diverse volunteer opportunities and supporting their personal contributions through the matching gifts program.</p> <p><b>Mattel's Philanthropic Values:</b>                      We intend to make a meaningful difference in the lives of children in need around the world through our interactions -- how we "play" -- with our communities, our partners and our volunteers.</p> <p>Play with Passion: By making a meaningful and lasting impact on children globally.</p> <p>Play Together: By forming deep partnerships to enrich the communities in which we work and play, and engaging Mattel employees in our efforts.</p> <p>Play Fair: By acting with unwavering integrity in all aspects of our work.</p> <p>Play to Grow: By striving to make long term differences in the lives of children in need and seeking continuous improvement.</p>
<p>Additional SO4: Awards received relevant to social, ethical, and environmental performance.</p>	<ul style="list-style-type: none"> <li>▪ Mattel's Diecast China factory and the Mattel Hong Kong plant in Guanyao, China were named Safe Production and Occupational Insurance Enterprises of 2005 by the Nanhai Labor and Social Security Bureau and Safe Production Supervision Bureau.</li> <li>▪ Our Mattel Indonesia plant received the Golden Flag Award for Occupational Safety and Health Management System and the Zero Accident Award/Zero Lost Day Incident Award, both of which were presented by the Vice President of the Republic of Indonesia on behalf of the National Department of Man Power.</li> <li>▪ The Mattel Hong Kong plant in Chang An, China was recognized by the local government as a Safe Production Enterprise for the Years 2004 and 2005.</li> <li>▪ Our Tijuana facility (Mabamex) has been certified by the Mexican Federal Government in November 2005 as a Socially Responsible Company (Empresa Incluyente), for providing equal job opportunities and special facilities for physically challenged individuals.</li> <li>▪ Mattel Bangkok in Thailand won the Energy Conservation Award from the Industrial Estate Authority of Thailand in 2004.</li> <li>▪ Our Mattel plant (Montoi) in Monterrey Mexico won the 2005 Award in Safety and Hygiene at Workplace from the Nuevo Leon State Labor Relationship Council and the 2005 Risk Prevention Nationwide Award from the Secretary of Labor Board and Mexican Institute of Social Security.</li> </ul>
<p>Bribery and Corruption SO2: Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption.</p>	<p>According to Mattel's Code of Conduct and its policy prohibiting bribery, Mattel follows the laws of the US and other countries on bribery and improper payments to government officials. Bribery of public officials is absolutely prohibited. Mattel does not offer directly or indirectly anything of value to government authorities, including political parties or candidates, to obtain an improper advantage or to retain or obtain business. No gifts, contributions or entertainment are to be offered which might create an appearance of impropriety. Our</p>

Question	2007 GRI Mattel Response
<p>Include a description of how the organization meets the requirements of the OECD Convention on Combating Bribery.</p>	<p>policy against bribery requires we immediately report to the Mattel Law Department any suspected violation of these requirements. We exercise due diligence in selecting Mattel's business partners (vendors, suppliers, licensees, joint venture partners, etc.) and avoid relationships with parties with a history of non-compliance with applicable laws. Because of the complexity of the laws, and the severity of the consequences for violations of the anti-corruption laws, the Mattel Law Department is consulted for advice on dealings with government officials.</p>
<p>Political Contributions SO3: Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions.</p>	<p>As a global company, Mattel from time to time engages in dialogue on legislative, regulatory and other public policy issues that are important to Mattel's stakeholders, including its shareholders, customers, consumers, employees and communities. In order to ensure that political and lobbying activities comply with the law and are consistent with Mattel's business goals and values, it is Mattel's policy that all political and lobbying activities must be coordinated by Mattel's Government Affairs Department.</p> <p>The Government Affairs Department is responsible for complying with all applicable legal requirements, in consultation with the Law Department. Mattel's funds and resources (including personnel, facilities and inventory) may not be used directly or indirectly for political contributions, campaigning, fundraising or other political activity without the appropriate review and approval by the Government Affairs Department.</p> <p>Mattel generally does not make political contributions . Information about political contributions by the Mattel Political Action Committee is publicly available at the Federal Election Commission website, <a href="http://www.fec.gov">www.fec.gov</a>.</p> <p>Consistent with Mattel's commitment to citizenship and community involvement, Mattel encourages its employees to vote and to participate in the political process; however, all such activities must be totally voluntary, and must be conducted on the employees' own time and at their own expense.</p>
<p><b>Competition and Pricing</b></p>	
<p>Additional SO6. Court decisions regarding cases pertaining to anti-trust and monopoly regulations.</p>	<p>None to report.</p>
<p>Additional SO7. Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior.</p>	<p>Mattel's Code of Conduct and its written procedures on antitrust and competition law compliance require all Mattel employees to comply strictly with the antitrust laws of all countries in which Mattel does business. Mattel conducts global training programs for sales, marketing, finance, and licensing personnel. Violations of such laws and Mattel procedures can result in disciplinary measures, including termination.</p>

Product Responsibility													
<p>Customer Health and Safety PR1: Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue including monitoring systems and results of monitoring. Explain rationale for any use of multiple standards in marketing and sales of products.</p> <p><i>(New Information - amended voluntary recall chart reflects entries for 2003 inadvertently omitted from the chart included on page 19 of our 2007 Global Citizenship Report)</i></p>	<p>The Product Integrity Department is committed to provide “Quality and Value the World Can Trust.” We accomplish this by using a highly integrated approach to new product development and regulatory compliance. Our products are designed and manufactured to meet our proprietary Quality and Safety Operating Procedures (QSOPs). The QSOPs are developed using both U.S and international statutory and voluntary requirements as a starting point, and are then enhanced with the knowledge we have gained by creating children’s toys for over 75 years. Other factors influencing Mattel's standards include: safety bulletins, consumer complaints, established good safety habits, good engineering judgment and connotative safety (depicting safe actions in product use and advertising). The Product Integrity Department also gathers information from Mattel’s Consumer Relations Department, its Returns Analysis team and external sources to feed information back into the design process. QSOPs, Product Feature Requirements and Product Specification are reviewed on a regular basis to ensure they contain the most current quality and safety standards.</p> <p>We work closely with our design, engineering and manufacturing teams to design safety and quality into our products and to build them in a consistent, predictable manner to ensure the products meet our specifications. Our products are tested in both internal and external, independently certified labs. Despite having a robust system to insure product safety and quality, occasionally unforeseen issues arise when our products are in the hands of consumers. When this occurs, consumers are encouraged to contact us via toll-free telephone numbers, through our internet sites, and through our international subsidiaries (contact information is printed on all of our packaging.). We have procedures in place to regularly review safety-related and quality-related issues reported from around the world and thoroughly investigate and close individual cases and/or look for trends. Mattel has detailed procedures to manage potential product hazards in the rare event that a product modification, withdrawal or public recall is necessary to protect our consumers. Between January 2003, and June 2006, Mattel worked with the Consumer Products Safety Commission to voluntarily recall products on nine occasions.</p> <p>VOLUNTARY PRODUCT RECALLS (2003-JUNE 2006)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">PRODUCT</th> <th style="width: 33%;">REASON</th> <th style="width: 33%;">REMEDY</th> </tr> </thead> <tbody> <tr> <td>American Girl® Children’s Jewelry (3/30/06)</td> <td>Jewelry contains high levels of lead, which can cause adverse health effects if ingested.</td> <td>Take jewelry away from child and return.</td> </tr> <tr> <td>Laugh &amp; Learn™ Musical Learning Chair™ (1/18/06)</td> <td>Child may become lodged between the seat back and side table of chair.</td> <td>Plastic piece inserted between seat back and side table.</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	PRODUCT	REASON	REMEDY	American Girl® Children’s Jewelry (3/30/06)	Jewelry contains high levels of lead, which can cause adverse health effects if ingested.	Take jewelry away from child and return.	Laugh & Learn™ Musical Learning Chair™ (1/18/06)	Child may become lodged between the seat back and side table of chair.	Plastic piece inserted between seat back and side table.			
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<p>Power Wheels® Lightning PAC™ Power Wheels® MX3™ Mini Bike (6/14/05)</p>	<p>If tires are over inflated, the plastic rim within the wheel can break, causing the tire to rupture.</p>	<p>New warning label and a free tire gauge.</p>
<p>Grow-to-Pro® Pogo (5/10/05)</p>	<p>Internal metal pin may wear down causing the Pogo to stick in down position and release unexpectedly.</p>	<p>Replacement Pogo stick with corrective action preventing issue.</p>
<p>Lil' Wagster Dragster™ (5/10/05)</p>	<p>Child's chin, jaw and teeth may get lodged in the opening of the handle.</p>	<p>Cap that snaps into the opening at the handle.</p>
<p>Batman™ Batmobile™ (4/14/04)</p>	<p>Rear tail wings come to a point and may scrape or puncture child.</p>	<p>Replacement wings without pointed ends.</p>
<p>Power Wheels® Lightning PAC™ Power Wheels® MX3™ Mini Bike (11/13/03)</p>	<p>Motor control circuits can malfunction causing scooter or minibike to continue to run after the power or throttle button is released, posing a risk of injury.</p>	<p>Modifications to motor control circuitry made by a certified power wheels service center free of charge.</p>
<p>Sparkling Symphony™ Mobile (6/19/03)</p>	<p>In event of battery leak, potential for caustic liquid to seep out of the battery compartment, posing a risk of chemical burn.</p>	<p>Provided free repair kit containing a seal for the battery compartment which will prevent battery leakage.</p>
<p>Little People® Animal Sounds Farm (4/23/03)</p>	<p>Fastener for barn door could separate posing a choking or aspiration hazard.</p>	<p>Free repair kit provided to eliminate hazard.</p>

	<p>The individual items voluntarily recalled represented less than .2% of the 6,000 new toy products introduced by Mattel between 2003 and 2005. During the same time period Mattel is not aware of any mandated recalls by the CPSC.</p>
<p>Product and services PR2: Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling.</p>	<p>Mattel policies, procedures and programs related to customer health and safety described above [immediately preceding section], apply to product information and labeling. A particularly significant form of product information for Mattel products is product instructions, and the policies, procedures and programs described above are applicable to Mattel's preparation of instructions and providing them to consumers. Aspects of product information and labeling that are unrelated to customer health and safety, such as information on country of origin and intellectual property ownership, are covered by Mattel general policies such as legal compliance and respecting intellectual property rights. These aspects of information and labeling are addressed by the same internal processes as described in the preceding section.</p>
<p>Advertising Additional PR9: Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising. Identify geographic areas covered by policy.</p>	<p>Mattel conducts its global advertising and promotions in accordance with the standards set forth in its Code of Conduct. Specifically, Mattel's brand and product promotion activities, including advertising, packaging, point-of-purchase displays and promotional programs and sweepstakes, are to be conducted in a manner that is consistent with applicable laws, in accordance with high standards of commercial fairness and in a manner that is neither misleading nor deceptive. Under Mattel internal procedures, all US advertising is reviewed by experienced engineering and legal professionals during development and in final form prior to public use, to ensure compliance with Mattel's Code of Conduct, applicable laws and CARU Guidelines, as well as the guidelines of the television networks, and specifically, to ensure that: the products being advertised are accurately portrayed and shown in safe environments, that any claims are substantiated and that the material is appropriate for the target audience. International: Mattel works closely with its advertising agency on a worldwide basis and with local counsel and similar local self-regulatory bodies to ensure that its international advertising is in compliance with local laws and applicable guidelines.</p>
<p>Respect for Privacy PR3: Description of policy, procedures/management systems, and compliance mechanisms for customer privacy. Identify geographic areas covered by policy.</p>	<p>In accordance with Mattel's Code of Conduct and its various online website privacy policies, we respect the confidentiality of consumer information consistent with all applicable privacy and data protection laws and regulations worldwide. We implement consumer data protection measures in accordance with those laws and with credit card industry requirements. We do not share (except with service providers subject to confidentiality obligations), sell or trade any private or sensitive personal information obtained online from children without the prior consent of the parent or unless compelled by legal process. Mattel aims to fully comply with the US Children's Online Privacy Protection Act (COPPA) and similar laws and voluntary self-regulatory codes (such as the ICC-Codes) in the European Union and other countries where we have websites directed to children.</p>

NOTE: Certain statements made in this Report are "forward-looking statements", which include any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Forward-looking statements can be identified by the use of terminology such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "project," "continue," "plans," "aims," "intends," "likely," "strive," or other similar words or phrases. The matters discussed in these Reports and other statements made by Mattel from time-to-time may be forward-looking statements. Management cautions you that forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the forward-looking statements. The following important factors could cause actual results to differ materially from past results or those suggested by any forward-looking statements. These include without limitation: the company's dependence on the timely development, manufacture, introduction and customer acceptance of new products; the seasonality of the toy business; customer concentration and pricing; significant changes in buying and payment patterns of major customers, including as a result of bankruptcy and store closures; adverse changes in general

economic conditions in the US. and internationally, including adverse changes in the retail environment, employment and the stock market; order predictability and supply chain management; the impact of competition, including from private label toys, on revenues and margins; the supply and cost of raw materials (including oil and resin prices), components, employee benefits and various services; the effect of currency exchange rate fluctuations on reportable income; risks associated with acquisitions and mergers; the possibility of product recalls and related costs; risks associated with foreign operations; negative results of litigation, governmental proceedings or environmental matters; changes in laws and regulations; possible work stoppages, slowdowns or strikes; possible outbreaks of SARS, bird flu, or other diseases; political developments and the threat or occurrence of war or terrorist acts; the possibility of catastrophic events; the inherent risk of new initiatives; and other risks and uncertainties as may be detailed from time to time in the company's public announcements and SEC filings. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

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