

Mattel Canada, Inc

Report prepared in accordance with the *Fighting Against Forced Labour in Supply Chains Act*

For the fiscal year ended December 31, 2023

Who We Are

About Mattel Canada, Inc.

Mattel Canada, Inc. is constituted pursuant to the *Corporations Act (Ontario)* (R.S.O. 1990, c. C.38) and is a wholly-owned indirect subsidiary of Mattel, Inc. ("Mattel"), a U.S. publicly traded company.

About Mattel

Mattel is a leading global toy and family entertainment company and owner of one of the most iconic brand portfolios in the world. Mattel engages consumers and fans through its franchise brands, including Barbie®, Hot Wheels®, Fisher-Price®, American Girl®, Thomas & Friends™, UNO®, Masters of the Universe®, Matchbox®, Monster High®, MEGA® and Polly Pocket®, as well as other popular properties that it owns or licenses in partnership with global entertainment companies. Mattel's offerings include toys, content, consumer products, digital and live experiences. Mattel's products are sold in collaboration with the world's leading retail and ecommerce companies. Since its founding in 1945, Mattel is proud to be a trusted partner in empowering generations to explore the wonder of childhood and reach their full potential.

Further information about Mattel, its business and organizational structure can be found at: <http://corporate.mattel.com/>.

What We Do

Mattel Canada, Inc. purchases and imports products from its parent company, Mattel, for sale and distribution in Canada through its distribution partners.

Our Supply Chains

Mattel manufactures its products in company-owned and/or -operated facilities and through third-party manufacturers. Products are also purchased from unrelated entities that design, develop, and manufacture those products.

Mattel has concentrated production of most of its core products in company-owned facilities and generally uses third-party manufacturers for the production of non-core products.

Mattel's principal manufacturing facilities are located in China, Indonesia, Malaysia, Mexico, and Thailand.

Possible Risks of Forced Labour or Child Labour Use in Global Supply Chains

Mattel operates in some regions of the world where social, economic, and political factors could introduce risks to human rights and working conditions. As such, Mattel's Human Rights Principles (which can be found at: <https://corporate.mattel.com/human-rights-and-social-compliance>) set forth its commitment to respect the rights provided in the International Bill of Human Rights, the principles supported by the United Nations' Universal Declaration on Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Measures We Take to Prevent Forced Labour and Child Labour in Our Supply Chains

In this area, Mattel Canada, Inc. relies on the policies and procedures of Mattel, its parent company. Mattel is the entity that manufactures or sources the products that are imported into Canada by Mattel Canada, Inc. The following is a description of Mattel's efforts to prevent forced labour and child labour in its supply chains:

1. Our Policies

Mattel is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business. Mattel's Code of Conduct (which can be found at: <https://corporate.mattel.com/ethics-and-compliance#our-code-of-conduct>), Responsible Supply Chain Commitment (RSCC) (which can be found at: <https://corporate.mattel.com/ethical-sourcing>) and Human Rights Principles, reflect its commitment to acting ethically and with integrity in all its business relationships and to implementing and enforcing effective systems and controls to prevent modern slavery and human trafficking in its supply chains. Mattel's approach:

- applies to all employees (including temporary, part-time, seasonal employees and on-site contractors) and suppliers working for or on Mattel's behalf in any capacity;
- builds upon its existing standards including its Code of Conduct;

- includes guidance to its recruitment and hiring staff and employee life managers (such as dormitory managers and security personnel at its manufacturing sites) with examples of unusual behavior displayed by workers which may be indicative of someone experiencing modern slavery or human trafficking; and
- makes it clear that Mattel will support anyone who raises genuine concerns in good faith, even in circumstances where it transpires that those concerns are mistaken.

In 1997, Mattel became one of the first toy companies to create standards for responsible manufacturing. Since then, these principles have become the foundation for Mattel's RSCC, a comprehensive set of standards and oversight processes that establish its expectations for responsible factory working conditions, environmental protections, social compliance, labour, and environmental, health, and safety in both its own manufacturing facilities and those of its supply chain partners. The Mattel RSCC approach to Forced Labour can be found at: <https://corporate.mattel.com/ethical-sourcing>.

As part of Mattel's commitment to eliminating modern slavery and child labour, it also supports International Labour Organization (ILO) conventions 138 and 182 on the prohibition of child labour and 29 and 105 on the elimination of forced or mandatory labour. Mattel's approach is modeled on recognized standards such as the ILO standards and the Universal Declaration of Human Rights. Mattel is committed to working closely with its suppliers to combat modern slavery, child labour, and human trafficking and to help them identify risks and manage such risks proactively.

The International Council of Toy Industries (ICTI) is a worldwide toy industry association, and its membership includes national toy associations from 20 countries. ICTI established the ICTI Ethical Supplier Chain Program (ESCP) (formerly the Ethical Toy Program – IETP) in 2004 as an industry-wide initiative to promote safe and just working conditions. Mattel is a member of the ESCP and supports its mission to build better lives for workers through the ethical production of toys. The ESCP now exists as a separate, independent, not-for-profit organization dedicated to improving ethical standards at toy factories around the world. Its services include far-reaching and specialized audits, a robust ethical certification scheme, capability building, and training programs and education, as well as peer-to-peer learning. The program also provides a free, confidential worker helpline for factory workers to report grievances directly to the ESCP, which escalates issues as appropriate for further investigation. In addition to offices in Asia, Europe, and North America, the ESCP works with a global network of four independent audit firms to implement its certification program and other industry partners on worker health, safety, and well-being.

Mattel also works with NGOs globally to help address working conditions, combat modern slavery and child labour, and improve livelihoods. As a member of the Mekong Club, an association of private sector companies in the retail, manufacturing, hospitality, and banking sectors, Mattel is working together with other companies to help eliminate modern slavery.

For additional information, please see Mattel's UK Modern Slavery Act Transparency Statement (which can be found at: <https://corporate.mattel.com/modern-slavery-act-transparency-statement>).

2. Our Due Diligence Processes

Assessing Supplier Risk:

Mattel's supplier qualification and monitoring processes are informed by risk screening and management, which has two fundamental components.

Geographical Risk:

Mattel references the World Bank's Worldwide Governance Indicators (WGIs) to identify geographies with a higher risk of noncompliance. The indicators are based on the following six dimensions of governance:

- Voice and Accountability
- Political Stability and Absence of Violence
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

Critical Supplier Risk:

Mattel identifies large-volume suppliers, single-source suppliers, and certain suppliers who manufacture products with identifiable Mattel IP for additional risk mitigation.

New Supplier Qualification:

Before Mattel begins production of its products with any finished goods manufacturer, it requires them to undergo a rigorous due diligence process, which includes:

- Reviewing compliance practices – including product quality, labour, health and safety, and environmental stewardship – to ensure they meet Mattel's requirements.
- Reviewing relevant environmental impact assessment documents submitted by suppliers.

- Communicating Mattel's expectations for ethical sourcing performance, including the RSCC standards, beyond compliance with local laws, and addressing safe and just working conditions in the country or countries where the supplier does business.

3. Employee Training on Forced Labour and Child Labour

The Mattel Code of Conduct is a key foundation of its company culture. Mattel's Code of Conduct is the cornerstone of its commitment to ethics and integrity. It embodies Mattel's values, reflects its culture, and guides its relationships within the company and with its business partners. All employees globally, (including Mattel Canada, Inc. employees) participate in Mattel's Code of Conduct training when they join Mattel. Mattel further provides employees with ongoing training on topics and policies aligned to their job duties and requires annual refresher training for all employees.

In addition, as part of the onboarding process for all new employees at Mattel's owned and/or -operated manufacturing facilities, Mattel offers training sessions that covers issues such as responsible factory working conditions, social compliance, and environmental, health, and safety.

4. How We Monitor Ourselves and Our Suppliers

Regular Monitoring:

Mattel regularly monitors and audits manufacturing facilities in its supply chain for compliance with the RSCC. Mattel-owned and/or -operated manufacturing facilities are monitored by its internal and/or external teams for quality and security, as well as compliance with the RSCC, and to meet similar requirements of key retailers and licensed-in partners. Mattel uses a risk-based approach to require audit data from finished goods manufacturers and monitors the performance of certain printed packaging suppliers.

Mattel also accepts other social compliance audit programs, including the following:

- Responsible Business Alliance (formerly EICC)
- Business Social Compliance Initiative (Amfori BSCI)
- Sedex Members Ethical Trade Audit (SMETA)
- Social Accountability International (SA8000)
- Worldwide Responsible Accredited Production (WRAP)
- Better Work Program

Mattel requires finished goods manufacturers and certain other suppliers to be part of the ESCP or provide equivalent social compliance audit data.

To measure the effectiveness:

- Mattel regularly monitors and audits facilities in its supply chain. Mattel is a member of the ESCP and supports its mission to build better lives for workers through the ethical production of toys.
- Additionally, Mattel relies on external social compliance audit programs to assess the manufacturing facilities in its supply chain identified to be high risk, to assess compliance with Mattel's RSCC, the implementation of standards and compliance with laws.
- Mattel employees have access to an independently operated EthicsLine where they can anonymously report violations of the company Code of Conduct, policies or laws and regulations. Many workers in Mattel's supply chain also have access to the IETP Worker Helpline which offers free, confidential information and advice for factory workers.

How We Have Addressed Reported Risks or Remediated Any Forced Labour or Child Labour our in Supply Chains

In cases where critical findings or noncompliance are identified in Mattel's supplier assessment process (as described above), if satisfactory corrective actions are not implemented by the supplier within a specified time frame, Mattel may cease or restrict new business, prohibit the supplier from using any noncompliant subcontractor, or, if all other efforts have failed, terminate its relationship with the noncompliant supplier.

Mattel views termination as a last resort because it prefers to first work with its suppliers to identify and remedy the root cause of noncompliance to improve the workplace environment. Third-party manufacturing facilities and Mattel-owned and/or -operated facilities with critical findings are re-audited to evaluate whether the issues have been properly corrected.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Tara George, VP and Country Manager (Canada)

Mattel Canada, Inc.

May 31, 2024

Signature:

T. George

I have the authority to bind Mattel Canada, Inc.