

RESTRICTING THE USE OF UZBEK COTTON

The Walt Disney Company is aware of reports concerning the widespread, systematic use of forced child labor for the harvesting of cotton in Uzbekistan, the third largest exporter of cotton in the world and responsible for approximately 10% of world cotton trade. We have been working as a coalition with other leading brands and retailers, industry associations, socially responsible investors, non-governmental organizations, government agencies and multilateral institutions to raise awareness of this very serious issue and to promote concerted efforts to press for elimination of this practice. Despite significant private and public efforts to date, however, it appears that forced child labor remains an ongoing problem in the harvesting of Uzbek cotton. We have therefore asked our licensees, vendors and suppliers to restrict the use of cotton in Disney-branded products until this matter is resolved.

We understand that the cotton supply chain is complex, that cotton is a commodity that tends to be commingled and that tracing the origin of cotton in finished products is very difficult. We are asking our licensees and vendors to make their best efforts at beginning to trace their cotton sources. With thousands of licensees, vendors and suppliers making branded apparel and textile products, we are not prescribing a single approach or timeline. We consider this an ongoing effort that will require the involvement, support and action of a broad range of stakeholders in order to improve our collective abilities to trace cotton origins and ultimately to ensure that cotton used in our branded textile products is not made with forced child labor.

We have no knowledge to date of Uzbek cotton being used in any of our branded products. However, given the volume of Uzbek cotton in the world, we believe it prudent to begin steps to restrict its use. Upon independent verification that Uzbek cotton is no longer harvested using forced child labor, we will re-evaluate our instructions to licensees, vendors and suppliers.