



## **Modern Slavery Act Transparency Statement**

This statement is made pursuant to the requirements of Section 54 of the Modern Slavery Act 2015 on behalf of The Walt Disney Company Limited. This statement also covers The Disney Store Limited, Magical Cruise Company Limited, Disney Networks Group (UK) Limited, Industrial Light & Magic (UK) Limited, NGC Europe Limited, and Twentieth Century Fox Television Distribution (U.K.) Limited which are part of The Walt Disney Company group of companies (“Disney”) and to whom the requirements also apply.

Disney does not tolerate any form of slavery, human trafficking, forced labour or other similar work environments or practices and is committed to maintaining and improving the processes we have in place to help ensure that these abuses do not occur either in the operations of Disney’s businesses around the world (including those operations of The Walt Disney Company Limited) or in those operations of our suppliers. The following statement reflects the activities and efforts undertaken in support of the year ending 30 September 2021.

### **Our business and supply chains**

The companies conducting business within the United Kingdom that are part of the Disney group of companies are engaged in a range of activities, including, among other things: the marketing and distribution of the Disney+ streaming service; production, promotion and distribution of films, television programmes and digital content which are exhibited and broadcast in cinemas and on television; the operation of subscription TV channels; the promotion and licensing of Disney, Marvel, Lucasfilm, 20th Century Studios, National Geographic intellectual property and other properties to third parties for the production of merchandise and publications; the sourcing and sale of merchandise; the promotion of theme parks, cruises and experiences; the operation of retail shops and e-commerce websites; the production and promotion of live stage shows; the sale of travel packages and the operation of cruise ships.

This wide range of businesses necessarily has supply chains that are highly varied in terms of types of supply and their locations, as well as the potential risks associated with possible labour-related abuses in each supply chain. We therefore focus our efforts on identifying, preventing or remedying, if needed, abuses in such supply chains according to the differing levels of risk.

### **Our relevant practices and policies**

Disney is committed to fostering safe, inclusive and respectful workplaces — in offices, in Disney-owned stores, in distribution centres, and in facilities around the world where Disney-branded products are made. Disney is continually working to ensure its suppliers and licensees are consistently compliant with applicable laws and policies relating to modern slavery, including review and implementation of contractual terms, improvement of administrative processes and communication of Disney’s practices and policies.

In support of this commitment, Disney has Standards of Business Conduct (SOBC), in place for all Cast members and employees. The SOBC provides the standards and expectations for Disney Cast members and employees and the selection of the people they do business with. It also includes a whistleblowing policy for employees and other people with relevant information to share. Cast members and employees have a right and the responsibility, if they see or suspect a violation of the SOBC or Company policies, to alert their human resources department or the Guideline, an independent company that allows cast members and employees to submit an online report or share their concerns with a professional interview specialist. Reports are accepted anonymously from UK based cast members and employees.

Disney is committed to respecting human rights — in our offices, in our distribution centres, on our productions and in facilities around the world where Disney-branded products are made. These commitments are referenced in our Human Rights Policy and the International Labor Standards (ILS) Program (both described below).

In addition, Disney’s human resources teams strive to ensure compliance by all parts of our businesses in the UK with applicable employment laws. In agreements with vendors, Disney requires that vendors also comply with applicable laws.

### **Our due diligence processes**

Since its adoption in 1996, Disney has maintained a Code of Conduct for Manufacturers (“Code of Conduct”) and operates the ILS Program designed to enforce the Code of Conduct. The Code of Conduct and ILS Program are available at <https://impact.disney.com/operating-responsibly/supply-chain/>. Disney also maintains a Human Rights Policy (“Human Rights Policy”) which is available [here](#).

The Code of Conduct, Human Rights Policy and ILS Program are designed to help address working conditions, including the use of forced labour, slavery and human trafficking, in facilities around the world where Disney-branded products are made. These facilities are not owned or operated by Disney and are instead mostly engaged by or associated with the independent suppliers, vendors and licensees with whom we do business. As a condition of doing business with Disney, when engaged in the production of Disney-branded products, our licensees, suppliers and vendors agree to observe the standards established by our Code of Conduct and ILS Program and to implement any necessary corrective actions to ensure compliance. Our Code of Conduct prohibits all forms of forced labour, including slavery and human trafficking and includes specific provisions on involuntary labour that prohibit the use of forced or involuntary labour — whether prison, bonded, indentured or otherwise. Our Code of Conduct also includes provisions on coercion and harassment that prohibit the use of corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse against employees, as well as provisions prohibiting child labour.

Disney requires our independent licensees, suppliers and vendors to agree, represent and/or warrant that they will comply with all applicable laws and regulations concerning the manufacture of Disney-branded product, which would include compliance with laws regarding forced labour, human trafficking and slavery. Disney also requires our independent licensees, suppliers and vendors to disclose to us all the facilities that they intend to use to produce Disney-branded products, including all subcontractors they intend to use, and await our approval before use.

We continually make improvements to our policies and procedures, including our Involuntary Labour prohibition. Most recently, we strengthened guidance to provide more clarity on responsible recruitment. In 2021, to further reinforce the prevention of forced labour, we updated our audit program to improve detection of forced labour practices through additional testing and reporting. In

particular, where information reveals that workers paid fees to obtain jobs, we initiate in-depth assessments to understand if those fees could subject those workers to conditions of forced labour, determine amounts paid by workers, and require licensees and vendors to work with the facilities to ensure such fees are reimbursed. In our annual [Corporate Social Responsibility Report](#), Disney maintains data on the number of facilities that are authorised to produce Disney-branded products under our ILS Program requirements, and we maintain a dedicated facility database to store this information. Annually, Disney publishes the names and addresses of facilities associated with the production of Disney-branded merchandise for sale in our own retail outlets.

### **Assessing and managing risk and measuring effectiveness**

Disney's consumer products business worldwide (including as part of its UK operations) sells products directly to consumers through our parks, stores, and online. We also license characters and stories to third parties to produce and sell Disney-branded products, making Disney the largest consumer products licensor in the world.

Across these business models, Disney-branded products are produced in over 40,000 facilities in close to 100 countries across the globe. This manufacturing network and global footprint create a highly complex network of suppliers, many that are several degrees removed from our direct operations.

Disney uses the World Bank's Worldwide Governance Indicators (WGI) as a primary resource for identifying and comparing areas of risk, for determining sourcing policies and for focusing our monitoring resources and auditing activities. This data helps generate the Permitted Sourcing Countries [list](#), which determines the countries from which licensees and vendors may source their production of Disney-branded products and the associated audit requirements. Furthermore, Disney uses the U.S. Department of State's Trafficking in Persons Report and the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor to guide prioritization of its auditing activities around areas of potential forced labour risk.

Disney continues to develop innovative approaches in managing this extended supply chain. We work collaboratively with our licensees and vendors to educate them about labour rights expectations, require social compliance audits for higher risk countries to assess labour conditions, and work with external organizations to foster safe, inclusive and respectful workplaces.

In accordance with our Permitted Sourcing Countries policy, Disney regularly requires audits of labour conditions in certain facilities in the supply chain for Disney-branded products. On-site audits are conducted by the Disney's global, dedicated ILS staff, by specialized third parties engaged by Disney for this purpose and by or on behalf of our independent licensees and vendors. For this statement for the year ending 30 September 2021, we conducted and/or received nearly 17,000 social compliance audits, including unannounced audits. Disney requires these audits to evaluate compliance by interviewing workers and facility management, reviewing documents and inspecting the facilities, including dormitories where present.

The ILS Program also requires an acceptable minimum level of compliance, known as the Minimum Compliance Standard. In the event of known violations of the Minimum Compliance Standard, our independent licensees and vendors are required to take appropriate corrective action and failure to do so in a timely manner can result in removal of authorisation to produce Disney-branded products. Information related to audit results can be found in the data table in our annual [Corporate Social Responsibility Report](#). A sample of a Disney-directed audit agenda, checklist and Corrective Action Plan can be found in our ILS Program Manual, which contains details of the Code of Conduct and the Minimum Compliance Standard. The ILS Program Manual is publicly available at <https://impact.disney.com/operating-responsibly/supply-chain/>.

In 2021, we developed an “ILS Audit Supplement” self-assessment questionnaire (SAQ) to further assess the presence of migrant labour and their working conditions in countries where annual audits are not currently required. We partnered with a third-party vendor, Source Intelligence, to help us pilot this SAQ in 38 facilities from 6 countries. Data and an evaluation from the pilot will be reviewed in 2022 to help assess effectiveness and potential integration of this additional due diligence tool.

### Working Groups

In addition, an internal working group of supply chain labour rights experts, sourcing leaders, legal team members and consumer products executives continue to convene regularly to explore and test new tools for understanding potential risk areas for forced labour, human trafficking, and slavery in supply chains.

### Training

As part of the ILS Program, training resources are available for ILS staff, management and business partners outlining the requirements of our Code of Conduct, which includes prohibitions on the use of forced labour. These resources include the ILS Program Manual, as well as dedicated ILS staff located in key international markets (including in the UK). Regular guidance on the requirements of the ILS Program, is provided to internal staff and external business partners.

As part of Disney’s induction programme, and on a regular cadence throughout their period of employment, each employee is trained in our Standards of Business Conduct and the requirements those standards impose with respect to behaviour in the workplace (see above).

### Stakeholder Engagement

In recognition of the complexity and scale of Disney’s supply chain, Disney works with a range of parties to make continuous improvement in our efforts to learn about, identify, prevent and mitigate situations of forced labour, human trafficking, and slavery.

- Disney continued its support of the ILO’s Global Business Network on Forced Labour by maintaining both its general membership as well as continuing to sit on the Steering Committee. The Network is a collaborative forum convened by the ILO for companies, employer organizations, and business networks to come together with the ultimate aim of leveraging comparative advantages and collective action towards the elimination of forced labour and human trafficking.
- Disney values the input of external stakeholders and works with a variety of organizations to seek shared solutions on how to prevent and combat forced labour and modern slavery. Our external stakeholders and partners include non-governmental organizations, multi-stakeholder initiatives, labour unions, peer companies, inter-governmental organizations, governments, socially responsible investors, industry associations and others. A list of our frequent partners and collaborators can be found [here](#).
- Our ongoing [Supply Chain Investment Program](#) prioritizes programs that seek to address forced labour, human trafficking, and slavery, through investments in partners. In 2021, Disney made new grants to the following programs:
  - [Global Fund to End Modern Slavery \(GFEMS\)](#): GFEMS is an evidence-based impact organization working to drive action and progress through innovative solutions. Disney’s support is being applied to scale a modular mobile app, called SafeStep, designed for vulnerable migrant workers who are at risk of exploitation and forced labour. The

application will allow migrants to document and track costs associated with their work, store contracts and important identification document, and assess local wages to prevent debt bondage, forced labour and unethical recruitment.

- [Save the Children](#): In 2021, Disney supported Save the Children's work in the garment and textile sector in India where children are especially vulnerable to child labour. The program takes a comprehensive approach to addressing the issue by focusing awareness, education and direct support to families, employers and local government.
- [Quizrr](#): Quizrr is an award-winning digital training platform that aims to de-risk supply chains through education technology and interactive trainings. Disney's grant in 2021 is working to expand Quizrr's dynamic worker and manager curriculum through the development and piloting of a forced labour training for factory workers and management.

The board of directors of The Walt Disney Company Limited has viewed this statement and approved it.

A handwritten signature in black ink that reads "Peter Wiley". The signature is written in a cursive, slightly slanted style.

Peter Wiley  
Director, The Walt Disney Company Limited