

From: CORP Disney ILS Policy Statement

Sent: Thursday, July 1, 2021 4:04 PM

To: <Active Licensees/Vendors>

Subject: Permitted Sourcing Countries Policy Update - Effective 7/15/2021

Dear Licensee/Vendor,

At The Walt Disney Company, our [Permitted Sourcing Countries \(PSC\)](#) list, which identifies countries where the production of Disney-branded products and sourcing of materials is permitted, is updated periodically. We are writing to inform you that, effective July 15, 2021, Disney's PSC list will be updated to reflect changes outlined below.

Additionally, this is intended to serve as a reminder that all Disney ILS program requirements must be met, including the submission of ILS audits that meet, at least, Disney's Minimum Compliance Standard. Please note that facilities must continue to be declared to Disney through submission of a Facility and Merchandise Authorization (FAMA) application and that Disney-branded products may not be sourced from any facility until such facility is authorized by Disney.

Permitted Sourcing Countries List Additions:

- **Bangladesh** is now **Permitted with ILS Audits** for the sourcing of Disney-branded products, under the following conditions:
 - Licensees and vendors participate in the [Better Work Bangladesh](#) program.
 - Each Facility participates in the Better Work Bangladesh program.
 - Each Facility participates in the [Nirapon](#) or [RMG Sustainability Council \(RSC\)](#)¹ building safety program, has been inspected for fire, electrical and structural safety under these program requirements, and has achieved a remediation completion rate of 100%. In certain circumstances, Disney may, at its sole discretion, approve equivalent building safety programs.
 - Licensees and vendors must be members of Nirapon or work with the RSC.
- **Ethiopia** is now **Permitted with ILS Audits** for the sourcing of Disney-branded products, under the following conditions:
 - Licensees and vendors participate in the [Better Work Ethiopia](#) program.
 - Each Facility participates in the Better Work Ethiopia program.

Permitted Sourcing Countries List Withdrawals:

- **Gabon, Lao PDR, and Lebanon** are **no longer on the PSC list**. No new relationships with facilities in these countries will be permitted. Although there is currently very limited or no Disney-branded production in these countries, licensees/vendors that may be producing Disney-branded goods in Gabon, Lao PDR, and Lebanon are

¹ Until the RSC website is fully functional, facility CAP completion status can be searched via [The Bangladesh Accord](#).

required to transition this production to a country on our PSC list no later than July 15, 2022. Similarly, raw materials may no longer be sourced from Gabon, Lao PDR, and Lebanon after July 15, 2022. We seek licensees' and vendors' cooperation and support to transition any such production in a responsible manner in order to mitigate the impact to affected workers and businesses.

Permitted Sourcing Countries List Other Changes:

- **Nicaragua** continues to be **Permitted with ILS Audits**; however, only facilities that participate in the [Better Work Nicaragua](#) program will be considered for Disney-branded production. Licensees/vendors using Facilities that are unwilling or unable to participate in the Better Work Nicaragua program will have until July 15, 2022 to responsibly transition production to other countries in order to minimize adverse impacts on workers and facilities.
- **Puerto Rico, Grenada, and Kyrgyz Republic** have now been moved to the list of PSCs that are **Permitted with ILS Audits** for Disney-branded production.
- **Bhutan** has now been moved to the list of PSCs that are **Permitted without ILS Audits** for Disney-branded production.

Other Development:

- **Pakistan:** At this time, facilities in Pakistan remain ineligible and will not be considered for authorization until the Better Work Pakistan program is operational. In the future, facilities in Pakistan may be considered on a provisional basis contingent upon progress made under the "Memorandum of Understanding between the Government of Pakistan and the ILO to support the implementation of a Better Work pilot program in Pakistan." We will share additional information on PSC eligibility as it becomes available.

An updated PSC list follows. These changes will be reflected in an updated ILS Program Manual and on the ILS website after July 15, 2021. Both can be accessed at www.disneylaborstandards.com.

Please do not reply directly to this email; address any questions to your contact at Disney or Disney's ILS group.

The use of Facilities in the following countries¹/regions is permitted **without an ILS Audit**:

Permitted Without ILS Audits		
American Samoa	Estonia	Norway
Andorra	Finland	Poland
Anguilla	France	Portugal
Antigua and Barbuda	French Guiana	Qatar
Aruba	Germany	Réunion
Australia	Greenland	Samoa
Austria	Guam	San Marino
Bahamas	Hong Kong SAR	Singapore
Barbados	Hungary	Slovak Republic
Belgium	Iceland	Slovenia
Bermuda	Ireland	South Korea
Bhutan	Israel	Spain
Botswana	Italy	St. Kitts and Nevis
Brunei Darussalam	Japan	St. Lucia
Canada	Latvia	St. Vincent and The Grenadines
Cape Verde	Liechtenstein	Sweden
Cayman Islands	Lithuania	Switzerland
Channel Islands*	Luxembourg	Taiwan
Chile	Macau SAR	United Arab Emirates
Costa Rica	Malta	United Kingdom
Croatia	Martinique	United States
Cyprus	Mauritius	Uruguay
Czech Republic	Monaco	Virgin Islands (U.S.)
Denmark	Netherlands	
Dominica	New Zealand	

* Islands include Jersey, Guernsey, Alderney, Sark and Herm.

¹ For simplicity, the term 'countries' refers to countries, special administrative regions, or economically independent jurisdictions.

The use of Facilities in the following countries¹/regions is permitted with an ILS Audit:

Permitted With ILS Audits			
Albania	Georgia	Moldova	Seychelles
Argentina	Ghana	Mongolia	Sierra Leone
Armenia	Greece	Montenegro	Solomon Islands
Azerbaijan	Grenada	Morocco	South Africa
Bahrain	Guatemala	Namibia	Sri Lanka
Bangladesh*	Guyana	Nauru	Suriname
Belarus	Haiti**	Nepal	Swaziland
Belize	Honduras	Nicaragua**	Tanzania
Benin	India	Niger	Thailand
Bolivia	Indonesia	North Macedonia	Timor-Leste
Bosnia and Herzegovina	Jamaica	Oman	Tonga
Brazil	Jordan	Palau	Trinidad and Tobago
Bulgaria	Kazakhstan	Panama	Tunisia
Burkina Faso	Kenya	Papua New Guinea	Turkey
Cambodia***	Kiribati	Paraguay	Tuvalu
China	Kosovo	Peru	Uganda
Colombia	Kuwait	Philippines	Ukraine
Côte d'Ivoire	Kyrgyz Republic	Puerto Rico	Vanuatu
Dominican Republic	Lesotho	Romania	Vietnam
Ecuador	Malawi	Russian Federation	West Bank and Gaza
Egypt, Arab Rep.**	Malaysia	Rwanda	Zambia
El Salvador	Maldives	São Tomé and Príncipe	
Ethiopia**	Marshall Islands	Saudi Arabia	
Fiji	Mexico	Senegal	
Gambia	Micronesia, Fed. Sts.	Serbia	

* Only produce in and source from Facilities in the [Better Work](#) program. In addition, Facilities must participate in a safety program/initiative that is acceptable to Disney.

** Only produce in and source from Facilities in the [Better Work](#) program.

*** Only assessments/audits from [Better Factories Cambodia](#)/Better Work program will be accepted for those Facilities eligible to participate in that program. For Facilities that are not eligible for Better Factories Cambodia/Better Work program, Disney may accept other assessments/audits as described in Disney's ILS Program Manual.

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