

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, Fox Networks Group (UK) Limited, Fox Networks Group Content Distribution (U.K.) 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 it has 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 its suppliers. The following statement reflects the activities and efforts undertaken in support of the year ending 30 September 2020.

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 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 and other properties to third parties for the production of merchandise and publications; the sourcing and sale of merchandise; 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 preventing 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. In support of this commitment, Disney applies its Standards of Business Conduct, for all employees and sub-contractors.

They also include 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 Standards of Business Conduct or Disney 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's Standards of Business Conduct also require adherence to the International Labor Standards (ILS) Program (described below).

In addition, Disney's human resources teams strive to ensure compliance by all parts of its businesses in the UK with applicable employment law in the working conditions of employees, contingent workers and those workers provided by third party vendors, whether working on Disney's premises or otherwise, or providing various services in the UK. 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 www.disneylaborstandards.com. Further, in 2010, Disney adopted a Human Rights Policy Statement ("Human Rights Statement") which is available at thewaltdisneycompany.com.

The Code of Conduct, Human Rights Statement 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 Disney does business. As a condition of doing business with Disney, when engaged in the production of Disney-branded products, Disney's licensees, suppliers and vendors agree to observe the standards established by Disney's Code of Conduct and ILS Program and to implement any necessary corrective actions to ensure compliance. Disney's 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 — in the production of Disney-branded products. Disney's 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.

In an effort to strengthen prevention efforts and to underscore the importance of responsible recruitment, Disney clarified its Involuntary Labour prohibition in 2020. The enhancement was made to explicitly incorporate: (1) the prohibition of workers paying certain fees and expenses to obtain or retain employment; (2) the requirement to reimburse workers who were charged non-permissible fees; (3) the requirement that terms of employment not be unilaterally changed, if those changes negatively impact workers, once they are signed; and (4) the requirement that all terms and conditions of employment be stated in the employment contract and are voluntarily agreed to by workers prior to employment, or in the case of migrant workers, prior to their departure from their points of origin.

Disney requires 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 independent licensees, suppliers and vendors to disclose all the facilities that they intend to use to produce Disney-branded products, including all subcontractors they intend to use, and await Disney's approval before use.

At www.disneylaborstandards.com, Disney maintains data on the number of facilities that are authorized to produce Disney-branded products under Disney's ILS Program requirements, and maintains a dedicated facility database to store this information. In addition, Disney publishes the names and addresses of facilities associated with the production of Disney-branded merchandise for sale in Disney's own retail outlets.

Assessing risk and measuring effectiveness

Disney's consumer products business worldwide (including as part of its UK operations) includes a wide range of products manufactured in tens of thousands of facilities in approximately 100 countries. Disney's branded consumer products are made through a wide-range of relationships, including intellectual property licensing. Disney's oversight processes are designed to monitor performance of these entities against our expectations and requirements.

Disney uses the World Bank's Worldwide Governance Indicators (WGI) as the 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 prioritize its auditing activities around areas of potential risk, particularly with respect to forced labour.

In accordance with its 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 Disney's independent licensees and vendors. For the year ending 30 September 2020, Disney conducted and/or received approximately 15,000 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 Code of Conduct 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, 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 Disney's annual [Corporate Social Responsibility Report](#). A sample of a Disney-directed audit agenda, checklist and Corrective Action Plan can be found in the ILS Program Manual, which contains details of the Code of Conduct and the Minimum Compliance Standard. The ILS Program Manual is publicly available at www.disneylaborstandards.com.

Working Groups

In addition, an internal working group of supply chain labour rights experts, sourcing leaders, 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 the 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, which in 2020 was conducted virtually, is provided to internal staff and external business partners. In 2020, Disney expanded its ILS “Recognizing Forced Labor” e-training beyond ILS staff to internal business partners who work in theme parks, sourcing and consumer products organizations. Separately, Disney conducted dozens of education and collaboration sessions with senior leaders about the risks of forced labor in global supply chains.

In alignment with other member companies of the American Hotel and Lodging Association (AHLA), Disney’s US theme parks continue to implement training for resort and hotel Cast Members in the United States in Guest-facing roles to help better identify the potential for human trafficking.

As part of Disney’s induction programme, and on a regular cadence throughout their period of employment, each employee is trained in the Standards of Business Conduct and the requirements those standards impose in respect of 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.

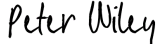
- The Walt Disney Company in the US is a member of The Consumer Goods Forum’s (CGF) Social Sustainability initiative, which has committed to address forced labour. Disney continually reviews its practices against CGF’s Priority Industry Principles.
- Delegates from Disney participated in the February 2020 OECD Forum on Due Diligence in the Garment and Footwear Sector and the February 2020 ILO Technical Meeting on Achieving Decent Work in Global Supply Chains.
- Disney continued its support of the ILO’s Global Business Network on Forced Labor, by chairing the Steering Committee in 2020. 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 has also begun to actively use resources coming out of the ILO GBNFL.
- Disney’s ongoing [Supply Chain Investment Program](#) prioritizes programs that seek to address forced labour, human trafficking, and slavery, including previous investments in and continued grant management and engagement. In 2020, Disney made new grants for the following programs:
 - [RightsDD](#): RightsDD, an award-winning social startup enterprise based out of the UK that aims to build scalable and affordable modern slavery due diligence platforms. Through Disney’s grant, RightsDD can scale their due diligence tool into a software platform that facilitates small and medium sized enterprises to better address human rights issues and risk areas in their supply chain.

- [GoodWeave International](#): GoodWeave International has worked for more than 20 years to stop child and forced labor in the South Asian textile industry by creating a certification that requires full supply chain transparency and compliance that assures no child, forced or bonded labor was used. Disney's grants have supported capacity-building programs that expand GoodWeave's model to additional sectors and industries.

Disney also provided additional funding in 2020 for programs previously established:

- [Issara Institute](#): Issara Institute aims to reduce labour trafficking and labour risks in global supply chains through systems and behavior change on the part of workers, employers, and recruiters. Disney's grant aims to strengthen supply chain transparency and labour recruitment and grievance management in Southeast Asia in order to combat trafficking.
- [Humanity United's Working Capital Fund](#): Working Capital is an early stage venture fund that invests in scalable innovations to meet the growing corporate demand for more transparent and ethical supply chains, and includes investments in tools and technologies that address ethical recruitment.
- [Verité's CUMULUS Forced Labor Screen™ platform](#): CUMULUS Forced Labor Screen™ provides member companies with shared access to a secure, online platform where they can cost-effectively map the labour supply chains of their suppliers in order to analyze, assess, and prioritize any forced labour risks as a possible result of the recruitment practices of their suppliers, and their recruitment agents, in both receiving and sending countries.

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

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Peter Wiley

Director, The Walt Disney Company Limited