

## Written evidence submitted by the Walt Disney Company (FL0017)

Thank you for the opportunity to respond to these important questions.

The Walt Disney Company (TWDC) has a longstanding commitment to respecting human rights, which is embodied in our [Human Rights Policy Statement](#) which explicitly prohibits use of forced labor and applies to all of Disney's operations. The prohibition against the use of forced labor is further addressed in our corporate-wide [Standards of Business Conduct](#) which is provided to employees who are regularly trained on topics covered in the Standards. In order to give life to this commitment, we have extensive risk-based preventative and due diligence processes and resources in place. Our requirements and practices described in more detail below apply globally including in China and we have no direct relationships with facilities in Xinjiang.

Do you identify sourcing geographies for the delivery of services or the manufacturing of goods where there is a high risk of human rights abuse?

In determining where and under what conditions Disney products can be manufactured Disney takes into consideration the human rights related risks in sourcing geographies. Our Permitted Sourcing Countries Policy identifies countries where production of Disney- branded products is permitted and under what conditions. The full list, updated periodically, is available [here](#).

Disney uses the World Bank Worldwide Governance Indicators (WGI) as a primary resource for assessing these risks. In addition, we refer to the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, the U.S. Department of State's Trafficking in Persons Report and ongoing assessment of information from other sources such as other government agencies around the globe, human rights NGOs and investigative reporting to prioritize onsite assessments.

What actions are you taking to prevent modern slavery and human rights abuses within your organisation and its value chains?

TWDC's commitment to respecting human rights in our organization and supply chain is laid out in the TWDC Human Rights Policy Statement, which explicitly prohibits forced labor in our direct operations and value chains. These policies are further addressed in our corporate-wide Standards of Business Conduct which employees are regularly trained on.

Since 1996, Disney has maintained a [Code of Conduct for Manufacturers](#), which among other things, prohibits involuntary labor in the production of Disney-branded products. This Code is publicly available in more than 50 languages and compliance with the Code is incorporated into our licensing and sourcing agreements. The principles embodied in our Code are designed to be consistent with the ILO Declaration on the Fundamental Principles and Rights at Work.

We operationalize this Code through our [International Labor Standards Program](#), which clearly communicates expectations to our licensing and sourcing partners, requires compliance as a condition of doing business, monitors factory conditions through risk-based factory audits, implements facility improvement plans where necessary and engages with stakeholders to promote continuous improvement. The Program's requirements are detailed in the [ILS Program Manual](#) – publicly available in 17 languages – which lays out in detail the expectations for our consumer product licensees and vendor, including the countries where licensees and vendors can source Disney-branded products, the requirements for pre-approval by TWDC of manufacturing facilities based upon facility declaration and social compliance audits where required, and compliance with our Minimum Compliance Standards, which include forced labor. Adherence to the ILS Program is required through our licensing and sourcing contracts for branded products.

TWDC maintains a staff of experienced professionals to ensure these program requirements are met and to undertake ongoing risk assessment and due diligence related to forced labor. We employ staff in key international markets and with expertise in labor standards, social compliance auditing, and human rights policy and risk assessment. We regularly provide training for our staff and external business partners on the requirements of our program.

We receive and review approximately 17,000 social compliance audits a year, conducted largely by third-party specially-trained social compliance auditors, and publicly report the number of violations of our Code annually in our [CSR reports](#).

What evidence can you supply of compliance with all applicable labour, procurement and anti-slavery laws?

We contractually require vendors and licensees to follow local law. Vendors and licensees which fail to meet local legal requirements, or other aspects of our Code of Conduct for Manufacturers which in some cases may exceed requirements of local law, are no longer able to manufacture TWDC products after a reasonable period for remediation. We require manufacturing facilities to be approved by us in advance of any production of branded products, and have controls in place to prevent such facilities from being approved for manufacturing.

Disney publishes [annual data](#) regarding violations of Disney's Code of Conduct for Manufacturers.

What are your human rights due diligence processes in respect of your workers and value chains?

As outlined above, TWDC's commitment to respecting human rights in our organization and value chain is laid out in the [Human Rights Policy Statement](#), which explicitly prohibits forced labor in our direct operations and value chains. These policies are further addressed in our corporate-wide [Standards of Business Conduct](#) which is provided to employees.

Our Code of Conduct for Manufacturers and International Labor Standards Program set out detailed requirements for manufacturers, licensees and vendors of Disney-branded products, which includes prohibitions on forced labor and an audit process to promote compliance. We require adherence to these standards in our contracts. Prior to products being manufactured in any facility, the facility must be approved by Disney.

TWDC maintains a staff of experienced professionals responsible for ongoing risk assessment regarding human rights risks and mitigation practices and seeks to continuously improve its practices.

What action does your organisation take - beyond publishing a Modern Slavery Statement and including contractual obligations with suppliers - to ensure modern slavery compliance in your value chain?

As outlined above, our Code of Conduct for Manufacturers and International Labor Standards Program set out detailed requirements for manufacturers of licensees and vendors of Disney branded products, which includes prohibitions forced labor and an audit process to promote compliance.

In addition, our [Supply Chain Investment Program](#) has contributed more than US \$20 million in grants to United Nations agencies, human rights NGOs, and social enterprises to identify and test new tools, technologies, and solutions to identify and address human rights issues in global supply chains, including specific grants to combat forced labor to Verité, RightsDD, Issara Institute and other organizations that specifically aim to combat forced labor.

Since 2014, Disney has published its [list](#) of authorized facilities for Disney-branded products sold, distributed or used in our own retail businesses such as the Disney stores and Theme Parks, as well as those used in our internal operations. Our goal in releasing this information is to foster collaboration with industry peers, governments, nongovernmental organizations and others interested in improving working conditions. The latest list includes approximately 5,000 facilities in over 60 countries.

Disney is committed to international and multi-stakeholder engagement on the issue of forced labor in supply chains. Disney executives have been selected as members of the United States delegation to the International Labor Organization's (ILO) 2014 International Labor Conference (ILC), serving on the Committee on Forced Labor, which resulted in the

Forced Labor Protocol; the 2016 ILC Committee on Decent Work in Global Supply Chains; and the 2020 Technical Meeting on Achieving Decent Work in Global Supply Chains.

A Disney executive also chairs the Corporate Responsibility and Labor Affairs Committee of the United States Council for International Business (the US affiliate of the International Organization of Employers, representing employer and business views at the ILO); is co-chair of the Business at OECD Committee on Investment, which oversees work in the area of responsible business conduct; chairs the ILO's Global Business Network on Forced Labor; and is a member of the US Customs and Border Protection's Forced Labor Working Group of the Commercial Customs Operations Advisory Committee (COAC).

What risk assessments did Disney complete to ensure that no human rights abuses were taking place during the production of *Mulan* in Xinjiang?

As we previously explained, the film, an adaptation of the 1,500-year-old Chinese poem, "Ballad of *Mulan*," was designed to showcase the richness of Chinese culture and storytelling, with a tale that celebrates female empowerment, inclusivity and the universal themes of honor, bravery and family. Disney has a long history with this beloved character, having first told *Mulan*'s story in the 1998 animated classic by the same name.

In any motion picture production, several factors are considered when making decisions about where to produce the film, including: economics, logistics, accessibility, availability of actors, and authenticity, to name just a few. Although *Mulan* was filmed almost entirely in New Zealand, in order to accurately depict the unique geography and landscape of China for this period drama, the producers chose to film some scenery in 20 locations throughout the country, including the Kumtag Desert in Xinjiang Province, home to an important passageway along the historic Silk Road. The decision to film in each of these locations was made by the film's producers in the interest of authenticity, and was in no way dictated or influenced by state or local Chinese officials. It also bears noting that the filming of the desert scenery occurred over a brief four-day period – compared to 143 days of filming in New Zealand, and the footage comprises 78 seconds of the one-hour and 55 minute film.

As you are well aware, all multinational companies doing business internationally must abide by both their own country's policies and all applicable laws and regulations of the markets in which they are operating. Global businesses have a strong presence in China – hundreds of global companies, including dozens of Fortune 500 firms, operate throughout the country, and all are required to comply with relevant laws and regulations.

In this same vein, there are regulations that must be followed by all foreign film production companies wanting to operate in China. These companies are not allowed to operate independently and must partner with a Chinese production company, which is responsible for securing all filming permits. In this case, Beijing Shadow Times Culture Co. Ltd. ("Beijing Shadow Times"), a private company that has worked extensively with U.S.-based film studios, was contracted to provide production related services in China, and the company began submitting requests for permits with state and local government entities in 2017.

During this period, neither the U.K nor the U.S. Government had issued a risk advisory for businesses nor made any relevant policy rulings specific to the region.

It is standard practice across the film industry worldwide to acknowledge in a film's credits the cooperation, approvals and assistance provided by various entities and individuals over the course of a film's production. In this case, the production company Beijing Shadow Times provided our production team with the list of acknowledgements to be included in the credits for Mulan.

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