**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 Ltd and the other companies based in the UK to whom the requirements apply that are part of The Walt Disney Company (“Disney”) group of companies.

Disney does not tolerate any form of slavery, human trafficking 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 its own operations or those of its suppliers. The following statement reflects the activities and efforts undertaken to achieve this during the year ending 30 September 2017.

**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 production, promotion and distribution of films, television programmes and other digital content; the operation of TV channels; the promotion and licensing of Disney, Marvel, Lucasfilm and other properties to third parties for the production of merchandise and publications; the sourcing and sale of merchandise and operation of retail shops and e-commerce websites; the production and promotion of 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 our offices, in our Disney-owned stores, in our distribution centres, and in facilities around the world where Disney-branded products are made. In support of this commitment, Disney’s Standards of Business Conduct for employees include an expectation of respect 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 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’s Standards of Business Conduct also require adherence to the International Labor Standards (ILS) Program (described below).

In addition, our human resources teams strive to ensure compliance by all parts of our businesses in the United Kingdom with applicable employment law in the working conditions of both cast members and employees, and those workers within third party vendors, whether working on our premises or otherwise, providing us with various services in the UK. In our agreements with vendors, we require 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. In 2010, Disney adopted a Human Rights Policy Statement. The Code of Conduct, Human Rights Statement and ILS Program are designed to help address working conditions, including the use of 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 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 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 — in the production of Disney-branded products. 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.

Our independent licensees and vendors 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 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. On our website at www.disneylaborstandards.com, we maintain data on the number of facilities that are authorized to produce Disney-branded products under our ILS Program requirements, and we maintain a dedicated facility database to store this information. In addition, we publish the names and addresses of facilities associated with the production of Disney-branded merchandise for sale in our own retail outlets.

**Assessing risk and measuring effectiveness**

We use 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 us generate our Permitted Sourcing Countries list, which determines the countries from which licensees and vendors may source their production of Disney-branded products. Furthermore, we use 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 our auditing activities around areas of potential risk, particularly with respect to forced labour. The company routinely audits labour conditions in the facilities in the supply chain for Disney-branded products. On-site audits are conducted by our 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. By way of example, in the year to 30 September 2017, we conducted and/or received 15,342 social compliance audits, including unannounced audits. We require 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, 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 that accompanies our annual Corporate Responsibility Update. 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 in 15 languages at www.disneylaborstandards.com.

In recognition of the complexity and scale of our branded product supply chain and that of our licensees, we work with a range of parties to make continuous improvement in our efforts to learn about, identify, prevent and mitigate situations of forced labor, human trafficking, and slavery.

- We are members of The Consumer Goods Forum’s (CGF) Social Sustainability initiative, which has committed to address forced labor. We continually review our practices against CGF’s Priority Industry Principles and participated in CGF’s June 2017 Berlin convening on “Partnerships to End Forced Labor in Supply Chains,” in collaboration with the International Labor Organization (ILO) and the U.S. Department of Labor. In addition, Disney contributed a case study of business practices, which was published by CGF in a booklet called “Business Actions Against Forced Labour.”
- Disney is supporting the ILO’s exploration of a Global Business Network on Forced Labor and Human Trafficking, which is evaluating ways in which the ILO and private sector might work more closely together to address the challenges of forced labour and human trafficking in an increasingly complex global setting.

**Training**

As part of our ILS Program, training resources are available for our 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 12 ILS offices in key international markets (including in the UK). Regular guidance on the requirements of the ILS Program, including in-person training, is provided to internal staff and external business partners.
In addition, as part of our induction programme, and on a regular basis throughout his or her period of employment, each employee is trained in our Standards of Business Conduct and the requirements those standards impose in respect of behaviour in the workplace (see above).

The board of directors of The Walt Disney Company Ltd, and those of the other relevant Disney group companies in the UK, have viewed this statement and approved it.

Sasha Haines
Director, The Walt Disney Company Ltd