



Australian Modern Slavery Act Transparency Statement 2020

1. Reporting Entity

This statement is made pursuant to the requirements of Modern Slavery Act 2018 (Cth) on behalf of The Walt Disney Company Australia Pty Limited (ACN 054 610 025) ("**TWDCA**") and its subsidiaries.

The Walt Disney Family of Companies ("**Disney**") which TWDCa is a part of, 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 in the operations of Disney's businesses around the world (including those operations of TWDCa) or in those operations of its suppliers. The following statement reflects the activities and efforts undertaken in support of the financial year ending 30 September 2020.

2. Our Structure, Operations and Supply Chains

TWDCa is an Australian proprietary company with offices located in Melbourne, Victoria and Sydney, New South Wales, and employs over 250 people across both offices. TWDCa is a member of The Walt Disney Family of Companies which operates businesses around the world, and TWDCa operates its own business in accordance with the practices and policies of Disney. The ultimate parent company of TWDCa is The Walt Disney Company, incorporated in the United States.

TWDCa's operations are conducted within Australia and New Zealand and include, 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 broadcasted in cinemas and on television stations (free to air and Pay-TV); the operation of subscription television 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 e-commerce websites and the production and promotion of live stage shows.

TWDCa's supply chains include:

- Licensees, vendors and facilities that manufacture Disney-branded products including merchandise (such as apparel and toys), publications and home entertainment products
- Suppliers of media and entertainment content including film production companies and content creators for digital, television and print media (such as photographers, videographers, performers and other talent)
- Agencies from media, entertainment, public relations, events and other creative industries that provide professional services in connection with marketing, advertising, events and sales activities
- Theatrical (stage show) vendors and service providers that supply, design and/or build theatre sets, costumes, props, and other equipment and items
- General suppliers of goods and services for day to day operations including office supplies and equipment, IT and hardware goods and services, cleaning and maintenance, professional services (such as tax and legal)

While TWDCA's direct supply chains are primarily located within Australia, the wide range of businesses engaged by TWDCA, and Disney as part of global operations, necessarily has supply chains that are highly varied in terms of the 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.

3. Risks of Modern Slavery Practices in Our Operations and Supply Chains

Disney's consumer products business worldwide (including as part of TWDCA's 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 under a wide-range of relationships, including intellectual property licensing. Our 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.

Disney continues to develop innovative approaches to manage this extended supply chain. We work collaboratively with our licensees and vendors to educate them about labor rights expectations, require social compliance audits to assess labor conditions, and work with external organizations to foster safe, inclusive and respectful workplaces wherever Disney-branded products are made.

4. Action Taken to Address Risks of Modern Slavery

Disney's Relevant Practices and Policies

TWDCA is continually working to ensure its suppliers 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 as addressed in this Criteria 4.

Disney is committed to fostering safe, inclusive and respectful workplaces — in our offices, in our 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 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 Australia 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 Australia with applicable employment laws. In our agreements with vendors, we require that vendors also comply with applicable laws.

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 [here](#).

The Code of Conduct, Human Rights Statement and ILS Program are designed to help address working conditions, including the use of forced labor, 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 — 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.

In an effort to strengthen prevention efforts and to underscore the importance of responsible recruitment, we clarified our Involuntary Labor 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 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.

At www.disneylaborstandards.com, Disney maintains 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, Disney publishes the names and addresses of facilities associated with the production of Disney-branded merchandise for sale in our own retail outlets.

5. Assessing Effectiveness of Actions Being Taken to Assess and Address the Risks of Modern Slavery Practices

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 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 2020, we 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, 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 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 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 Australia). 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 our 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.

As part of Disney’s induction programme, and on a regular cadence 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).

6. Consultation with Owned Entities

TWDCA’s subsidiaries are part of the Walt Disney Family of Companies and their operations are also subject to Disney’s practices and policies detailed herein.

7. Other Relevant Information

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.

- Our 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 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 (Australia) Pty Limited, have viewed this statement and approved it.



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