

The Walt Disney Company (Canada) Ltd.

Report

I. Introduction

The Walt Disney Company (Canada) Ltd. (“Disney-Canada”) submits this report pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”). This Report covers the reporting period October 1, 2022 – September 30, 2023, and the reporting entity, Disney-Canada, as defined by Sections 9 and 10 of the Act.

Disney-Canada is a wholly-owned indirect subsidiary of The Walt Disney Company (“TWDC”) and follows policies and procedures of TWDC with respect to forced and child labor. TWDC and its subsidiaries and affiliates, including Disney-Canada (collectively, “Disney”) prohibit any form of slavery, human trafficking, forced or child labor, or other similar work environments or practices. Disney is committed to maintaining, evaluating, and improving the myriad processes in place to seek to prevent these abuses in the operations of Disney’s businesses around the world and in the operations of Disney’s suppliers, vendors, licensees, and business partners. As detailed below, Disney upholds rigorous standards in its operations and employs a variety of policies, due diligence processes, risk assessment and mitigation tools, remediation systems, trainings, and regular audits to help ensure its commitments are honored.

To support these goals, Disney utilizes the United Nations’ *Guiding Principles on Business and Human Rights*, and recognizes the rights referenced in the *International Bill of Human Rights* and the principles referenced in the International Labour Organization’s *Declaration on the Fundamental Principles and Rights at Work*.

Additionally, Disney makes a variety of disclosures and publishes reports pursuant to international, regional, and country-specific corporate social responsibility regimes, including Disney’s annual **Sustainability and Social Impact Report**. With respect to regimes focused specifically on forced and child labor, Disney files disclosures pursuant to the California Transparency in Supply Chains Act, the United Kingdom Modern Slavery Act, and the Australia Modern Slavery Act.

A. Our Structure, Activities and Supply Chains

Disney operates businesses around the world in accordance with the practices and policies of TWDC, which is incorporated in the United States. The relevant practices and policies outlined below are company-wide and are communicated and apply to all entities.

At its core, Disney is an entertainment company whose mission is to entertain, inform, and inspire people around the globe through the power of unparalleled storytelling. Disney-Canada is a Canadian limited liability company engaged in arts, entertainment, and recreation. Disney-Canada was incorporated on December 26, 2021, and employs approximately 240 full-time employees.

Disney-Canada’s operations include the production, promotion, marketing, distribution and licensing of film, episodic, and online digital content; the administration and operational support for the licensing of Disney, Marvel, Lucasfilm, and Pixar intellectual property and other properties by our affiliates to third parties generally in connecting with merchandising activities; the promotion and marketing of theme parks and resorts, cruises, ownership interests in resort facilities, and guided tour

packages; the sale of travel packages; and the production, promotion, and marketing of live stage shows.

The wide range of Disney's activities around the world involve numerous and highly varied supply chains. Disney sells products directly to consumers worldwide through our parks, stores, and online.

Accordingly, as further detailed below, Disney institutes company-wide policies and proactive measures to identify and address potential risks associated with possible labor-related abuses in various company activities and relevant supply chains.

B. Relevant Policies and Due Diligences Processes to Prevent Forced and Child Labor

In accordance with Disney's policies, Disney-Canada is committed to fostering safe, inclusive, and respectful workplaces. Disney employs policies and implements due diligence processes across the company, and continually works to confirm its suppliers and licensees comply with company policies and applicable law. These include policies related to forced and child labor, specifically the **Human Rights Policy**, **Standards of Business Conduct**, and **Supply Chain Code of Conduct**. With respect to Disney-owned or operated environments, Disney's human resources teams strive to ensure that all parts of its business comply with applicable employment laws, among others, through policies, trainings and by gathering regular feedback from employees and employee representative groups.

Disney's [Human Rights Policy](#), outlines the company's commitment to human rights and is informed by the United Nations' *Guiding Principles on Business and Human Rights* and *International Bill of Human Rights*, and the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work*.

Disney's [Standards of Business Conduct](#) ("**SOBC**") enumerates Disney's expectations for all Disney employees, and provides resources and tools to promote ethical conduct and compliance with the law. These tools include a whistleblowing procedure and protections for employees and persons and entities with whom Disney does business to voice concerns and report suspected violations of the SOBC and other policies. Employees have the responsibility and the right to alert their human resources department or to report suspected violations via an independently operated online portal and tip line available to employees and sub-contractors.

Disney's [Supply Chain Code of Conduct](#) ("**Code of Conduct**") and **International Labor Standards** ("**ILS**") [Program](#) oversees labor standards compliance across the vast supply chain for Disney-branded consumer products. Disney's Code of Conduct prohibits forced labor, including, but not limited to, prison, bonded, indentured, or coerced labor and child labor. Disney's Code of Conduct also prohibits physical, sexual, or psychological harassment, threats of violence, and abuse of workers.

Disney requires all suppliers and licensees of Disney-branded products to observe the standards established by its Code of Conduct and ILS Program, and to implement necessary corrective actions to ensure compliance. Failure to remediate identified issues in a timely manner, or failure to meet the Code of Conduct and ILS Program standards, may result in a loss of authorization to produce Disney-branded products. As necessary, Disney regularly issues updated guidance on its policies, including those addressed at forced labor and ethical recruitment. For example, in 2020, Disney informed its suppliers and vendors that Disney's forced labor policy ("[Enhancement to the ILS Involuntary Labor](#)

[Policy](#)”), prohibits workers paying fees or expenses to obtain or retain employment, and that employers are required to reimburse workers for these fees. In 2021, Disney established a formal process to conduct in-depth audits if recruitment fees were identified. Disney also works to confirm its suppliers and licensees’ facilities comply with applicable laws and policies related to forced and child labor through the review and implementation of contractual terms, vendor on-boarding and training, and communication of Disney’s practices and policies.

C. Assessment and Management of Forced and Child Labor Risks

Disney continually strives to assess and manage the risk of forced and child labor across its various entities and activities. To identify and assess potential risks, Disney follows and incorporates policy guidance for from various international organizations, governments, and other entities to assess and manage forced and child labor risks. Disney utilizes the World Bank’s *Worldwide Governance Indicators* (WGI) as a primary resource to identify and compare areas of risk. Disney incorporates 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 guide Disney’s prioritization of its auditing activities around areas of potential forced and child labor risk.

In addition, Disney’s ILS Program establishes requirements for licensees and vendors to monitor their supply chains for compliance with relevant labor law and Disney’s Code of Conduct. As a requisite of the ILS Program, licensees and vendors must conduct audits and provide audit reports on a regular basis as described in detail in the [ILS Program Manual](#). This is intended to provide Disney with greater visibility into the working conditions of facilities in which Disney-branded products are produced and to promote continuous improvement in meeting the requirements of Disney’s Code of Conduct.

The ILS Program also requires licensees and vendors to ensure their authorized facilities comply with the **Minimum Compliance Standard** (MCS) requirements, as outlined in the ILS Program Manual. In the event of known violations of MCS, licensees and vendors are required to take appropriate corrective actions, and failure to do so in a timely manner may result in a loss of authorization to produce Disney-branded products. Aggregate audit violation results can be found in the data table in our annual [Sustainability and Social Impact \(SSI\) Report](#). A sample of a Disney-directed audit agenda, checklist and Corrective Action Plan can be found in our ILS Program Manual.

To further assess and monitor potential risks associated with forced or child labor, Disney’s [Permitted Sourcing Countries](#) policy requires licensees and vendors involved in the production of Disney-branded goods to produce and manufacture products in specific, authorized countries. In accordance with the Permitted Sourcing Countries policy, Disney regularly requires audits of labor conditions in the supply chain for Disney-branded products. On-site social compliance audits are conducted by Disney’s dedicated global ILS staff or by approved third party audit firms.

With respect to social compliance audits, Disney conducts or engages specialized third parties to conduct thousands of compliance audits annually, including unannounced audits. Disney requires these audits to evaluate compliance by interviewing workers and facility management, inspecting the facilities, including dormitories where present, and reviewing documents and existing policies.

Additionally, the ILS Program makes available supplemental guides to licensees and vendors to promote compliance. For example, Disney developed a [Forced Labor Guide](#) for licensees and vendors

that provides additional details and guidance on the prevention of forced labor in the supply chain. In 2022, Disney published a [Health and Safety Guide](#).

Disney also relies on contractual terms to require licensees, suppliers, and vendors to agree, represent and/or warrant that, in connection with the manufacturing of Disney-branded products, they will comply with all applicable laws and regulations, which includes compliance with laws regarding forced labor, human trafficking and slavery. Disney also requires licensees, suppliers, and vendors to provide advance notice of facilities they intend to use and to wait for approval before using a new facility.

Disney regularly trains and provides resources to licensees and vendors of Disney-branded products regarding Disney's labor rights expectations and social compliance audits requirements to assess labor conditions. Disney also works with external organizations, such as NGOs and international organizations, to build up capacity and promote safe, inclusive, and respectful workplace. In 2023, Disney implemented an initiative to explore tools for advancing supply chain visibility and to leverage new technologies and resources to gain more information about relationships in the extended supply chain.

D. Available Remedial Measures to Address Forced and Child Labor

Disney designs and implements corrective actions and access to effective remedial measures in accordance with the United Nations' *Guiding Principles for Business and Human Rights*. Acceptable remedial measures are determined on a case-by-case basis and can take on many different forms. As appropriate to the circumstances, in some instances, Disney collaborates with multi-stakeholder initiatives or non-governmental organizations to craft an effective remedy.

E. Available Measures to Address Income Loss Resulting from Forced and Child Labor

Disney will consider a range of available remedial measures, including those to address income loss, on a case-by-case basis. As one example, Disney adheres to the "Employer Pays" principle, and requires suppliers to pay recruitment fees or withheld wages when violations are discovered.

F. Training and Awareness Programs to Counter Forced and Child Labor Risks

To address compliance with Disney's various human rights policies and applicable law governing the company throughout the world, Disney mandates regular training programs for employees and offers training and other resources to licensees, suppliers, and vendors.

Disney requires all new employees to undergo an extensive onboarding training program, which includes training regarding the Standards of Business Conduct (SOBC). The SOBC training includes modules focused on Disney's human rights policy and the ILS Program, both of which outline prohibitions of forced and child labor. At regular intervals throughout an employee's tenure with the company, employees are required to complete refresher trainings on the SOBC. Relevant Disney employees also receive additional training on the ILS Program, and Disney makes available additional online forced labor trainings to all employees.

With respect to vendors, suppliers, and licensees of Disney-branded product, Disney makes available training and resources regarding Disney's Code of Conduct and the ILS Program. The ILS

Program and the ILS Program Manual raises awareness and provide detailed guidance to our licensees, suppliers, and vendors on the Code of Conduct.

Disney also collaborates with a variety of external stakeholders in its effort to eradicate forced and child labor. For example, Disney is a member of the Joint Forced Labor Working Group—a multi-sectoral group dedicated to address shared challenges around forced labor and advance scalable solutions. Disney is also an active member in various business organizations aimed at preventing and combating forced labor, including the Organization of Economic Co-operation and Development’s Responsible Business Conduct Committee and the Responsible Labour Initiative, the Mekong Club, Business for Social Responsibility, and the International Labour Organization’s and International Finance Corporation’s Better Work program. Our external stakeholders and collaborators include non-governmental organizations, multi-stakeholder initiatives, peer companies, inter-governmental organizations, governments, socially responsible investors, industry associations and others. A list of our frequent collaborators can be found [here](#).

Over the last three years, Disney collaborated with the [Responsible Sourcing Network’s YESS: Yarn Ethically & Sustainably Sourced](#) program to develop assessment and auditing standards at the spinning and fabric mill level for cotton. The objective is to work collaboratively to create tools and guidance that can identify, assess, and address the risk of forced labor in cotton production.

Disney created the [Supply Chain Investment Program](#) which provides funding that prioritizes programs which seek to address forced labor, human trafficking, and slavery. In 2023, the Supply Chain Investment Program marked a decade of engagement and collaborations that has included support of more than 40 unique programs in over 20 countries. During the reporting period, Disney made new grants to the following programs:

- [Open Supply Hub \(OSH\)](#): Disney’s funding went to support open access to global supply chain data to improve human rights and environmental conditions in and around factories. To expand visibility into raw material and commodity supply chain, Disney’s grant helped OSH expand the supply chain mapping platform to include agricultural supply chains.
- [Working Capital Fund \(WCF\)](#): Disney’s funding supports WCF’s efforts to work with entrepreneurs to help them develop and deploy new tools that designed to improve working conditions including supply chain traceability technologies that increase end-to-end visibility.

G. Assessing Effectiveness

Disney employs a variety of processes to evaluate the effectiveness of Disney’s policies, due diligence processes, risk assessments, remediation efforts, and training programs to uphold Disney’s commitment to eradicating slavery, human trafficking, forced or child labor, and other similar work environments in our supply chains.

Senior-level executives and human rights professionals oversee and regularly assess Disney’s policies and procedures. At the executive level, the General Counsel has oversight of human rights policies and practices. Disney’s Chief Financial Officer is responsible for implementation of the ILS Program. At the Board level, the Governance and Nominating Committee and the Audit Committee oversee and review Disney’s human and labor rights practices and are briefed regularly on Disney’s performance. In addition, Disney also employs a dedicated cross-functional team of internal human

rights professionals to evaluate new business opportunities, collaborations, and productions, and to review existing company policies and practices to confirm Disney's policies comply with international standards.

Disney evaluates and measures compliance with its policies and goals through a variety of methods. For example, Disney publishes data in its annual SSI Report on the number of facilities that are authorized to produce Disney-branded products under our ILS Program requirements. We maintain a dedicated facility database to store this information. Disney annually provides the names and addresses of facilities associated with the production of Disney-branded products for sale in Disney's own retail locations [here](#).

II. Approval, Publication and Shareholder Disclosure, and Attestation

A. Approval

The report was approved by the governing body of Disney-Canada.

B. Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I am a Director of Disney-Canada and I have the legal authority to bind Disney-Canada.

DocuSigned by:

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Craig E. Morgan
Director, The Walt Disney Company (Canada) Ltd.

May 31, 2024