

PERMITTED SOURCING COUNTRIES

BACKGROUND

In 2013, The Walt Disney Company consolidated production of Disney-branded products in a more limited number of Permitted Sourcing Countries. We made this change to more effectively focus our resources, better manage the supply chain for Disney-branded products and meet our standards on a more reliable and consistent basis in locations more likely to make continuous improvements in working conditions. <u>View our Permitted Sourcing</u> <u>Countries Policy - March 2013 document to learn more</u>.

PERMITTED SOURCING COUNTRIES LIST

Disney uses the <u>Worldwide Governance Indicators</u> (WGI) as a primary resource for identifying and comparing areas of risk and determining where to focus our monitoring resources and requirements. This data helps us generate our Permitted Sourcing Countries list, which determines those countries licensees and vendors may source from in their production of Disney-branded products. We believe this index provides a consistent and transparent basis for these determinations and helps us to more effectively focus our resources, better manage the supply chain for Disney-branded products and meet our standards in a more reliable and consistent basis in locations more likely to make continuous improvements in working conditions. In addition, we refer to the U.S. Department of Labor's <u>List of Goods Produced by Child Labor or Forced Labor</u> and the U.S. Department of State's <u>Trafficking in Persons Report</u> to further refine our risk assessment and help prioritize oversight.

As part of our ongoing support of the International Labor Organization's (ILO) and International Finance Corporation's (IFC) <u>Better Work</u> program, facilities that participate in a Better Work country program (in countries that are not otherwise on the Permitted Sourcing Countries list) and also meet Disney's International Labor Standards Program requirements may be used to manufacturer Disney-branded products. Better Work is a program that provides assessment and capacity-building services for apparel factories in select countries. The ILO and IFC make autonomous decisions on where Better Work operates using an independent set of criteria that include consultations with national stakeholders of government, employers and workers.

The current list of Permitted Sourcing Countries is set forth below. The Permitted Sourcing Countries list is updated on a periodic basis.

The WALT Disnep Company

As a Licensee or Vendor, you may only use Facilities in, and source from, Permitted Sourcing Countries. The use of Facilities in the following countries¹/regions is permitted **without an ILS Audit**:

PERMITTED WITHOUT ILS AUDITS				
American Samoa	Croatia	Latvia	Samoa	
Andorra	Cyprus	Liechtenstein	San Marino	
Anguilla	Czech Republic	Lithuania	Seychelles	
Antigua and Barbuda	Denmark	Luxembourg	Singapore	
Aruba	Dominica	Macau SAR	Slovak Republic	
Australia	Estonia	Malta	Slovenia	
Austria	Finland	Marshall Islands	South Korea	
Bahamas	France	Martinique	Spain	
Barbados	French Guiana	Mauritius	St. Kitts and Nevis	
Belgium	Germany	Micronesia, Fed. Sts.	St. Lucia	
Bermuda	Greenland	Monaco	St. Vincent and The	
			Grenadines	
Bhutan	Grenada	Netherlands	Sweden	
Botswana	Guam	New Zealand	Switzerland	
Brunei Darussalam	Hong Kong SAR	Niue	Taiwan	
Canada	Iceland	Norway	Tuvalu	
Cape Verde	Ireland	Palau	United Arab Emirates	
Cayman Islands	Israel	Poland	United Kingdom	
Channel Islands ²	Italy	Portugal	United States	
Chile	Japan	Qatar	Uruguay	
Costa Rica	Kiribati	Réunion	Virgin Islands (U.S.)	

¹ For simplicity, the term 'countries' refers to countries, special administrative regions, or economically independent jurisdictions. ² Islands include Jersey, Guernsey, Alderney, Sark and Herm.

The WALT Disnep Company

The use of Facilities in the following countries¹/regions is permitted with an ILS Audit:

PERMITTED WITH ILS AUDITS				
Albania	Ethiopia⁵	Maldives	Saudi Arabia	
Argentina	Fiji	Mexico	Senegal	
Armenia	Gambia	Moldova	Serbia	
Azerbaijan	Georgia	Mongolia	Sierra Leone	
Bahrain	Ghana	Montenegro	Solomon Islands	
Bangladesh ²	Greece	Morocco	South Africa	
Belize	Guatemala	Namibia	Sri Lanka	
Benin	Guyana	Nauru	Suriname	
Bolivia	Haiti⁵	Nepal	Tanzania	
Bosnia and	Honduras	Nicaragua⁵	Thailand	
Herzegovina				
Brazil	Hungary	Niger	Timor-Leste	
Bulgaria	India	North Macedonia	Тодо	
Burkina Faso	Indonesia ⁴	Oman	Tonga	
Cambodia ³	Jamaica	Pakistan⁵	Trinidad and Tobago	
China	Jordan ³	Panama	Tunisia	
Colombia	Kazakhstan	Papua New Guinea	Turkey	
Cook Islands	Kenya	Paraguay	Uganda	
Côte d'Ivoire	Kosovo	Peru	Ukraine	
Dominican Republic	Kuwait	Philippines	Uzbekistan ⁵	
Ecuador	Lao PDR	Puerto Rico	Vanuatu	
Egypt, Arab Rep. ⁴	Lesotho	Romania	Vietnam ⁴	
El Salvador	Malawi	Rwanda	West Bank and Gaza	
Eswatini	Malaysia	São Tomé and Principe	Zambia	

¹ For simplicity, the term 'countries' refers to countries, special administrative regions, or economically independent jurisdictions.

² Facilities must participate in the <u>Better Work</u> program, a Better Work assessment must be shared with Disney. Facilities are also required to participate in a safety program/initiative acceptable to Disney. A licensee/vendor applying for authorization of a Facility must be a member or signatory of the organization operating the chosen program/initiative.

³ For facilities that are legally mandated to participate in the <u>Better Work</u> program, a Better Work assessment must be shared with Disney. For Facilities that are not legally mandated to participate in the <u>Better Work</u> program, Disney will accept other assessments/audits as described in Disney's ILS Program Manual.

⁴ For Facilities that participate in the <u>Better Work</u> program, a Better Work assessment must be shared with Disney. For Facilities that do not participate in the Better Work program, Disney will accept other assessments/audits as described in Disney's ILS Program Manual. ⁵ Only produce in and source from Facilities in the <u>Better Work</u> program. A Better Work assessment must be shared with Disney.