The Walt Disney Company International
Labor Standards Program
Summary of Requirements for New Licensees

THIS SUMMARY IS PROVIDED TO PROSPECTIVE LICENSEES TO FAMILIARIZE THEM WITH DISNEY’S INTERNATIONAL LABOR STANDARDS PROGRAM (“ILS PROGRAM”). COMPLETE DETAILS OF THE ILS PROGRAM ARE CONTAINED IN THE LICENSE AGREEMENT AND THE ILS PROGRAM MANUAL. ALL LICENSEES PRODUCING DISNEY-BRANDED PRODUCTS ARE REQUIRED TO AGREE TO AND ABIDE BY THE REQUIREMENTS OF THE ILS PROGRAM.

Purpose and Scope

Disney’s ILS Program is designed to help foster safe, inclusive and respectful workplaces wherever Disney-branded products are produced. The ILS Program is an important component of Disney’s efforts to promote the ethical production of Disney-branded products and support improvements in conditions in facilities producing these products. Disney’s licensees play a critical role in fulfilling this commitment and Disney requires its licensees and other business associates to comply with ILS Program requirements in the production of Disney-branded products.

Disney’s ILS Program requirements generally apply to all products, product components and materials incorporating Disney intellectual property (i.e., any names, marks, logos, characters, artwork, or other proprietary material owned or controlled by The Walt Disney Company or any of its affiliated companies including Disney, Pixar, Marvel, Lucasfilm, ESPN and ABC). The ILS Program applies to all such products, product components and materials produced by or on behalf of anyone for any purpose anywhere in the world.

The Code of Conduct and the Minimum Compliance Standard

Disney has a Code of Conduct for Manufacturers and expects all facilities involved in producing, processing, finishing, assembling or packaging branded products, product components and materials to comply with the Code or with another code of labor standards approved by Disney. As a condition of producing Disney-branded products, all facilities must, at a minimum, (i) meet Disney’s Minimum Compliance Standard, (ii) comply with all applicable laws and (iii) use commercially reasonable efforts to comply with the Code.

The Minimum Compliance Standard (MCS) is the minimum performance level established by Disney as a prerequisite for the production of Disney-branded products. The MCS requires the absence of (i) child labor, (ii) involuntary labor, (iii) coercion and/or harassment, (iv) discrimination, (v) serious health and safety workplace violations, (vi) interference with freedom of association and (vii) unauthorized subcontracting. In addition, facilities must provide full access as well as complete and accurate information necessary to assess compliance.

Summary of Requirements

Licensees are responsible for ensuring all facilities they engage for Disney-branded production comply with the ILS Program requirements. The ILS Program generally requires that the licensee:

(i) Disclose all facilities and obtain Disney’s consent to the use of each facility prior to the commencement of production;
(ii) Choose facilities that meet and maintain, at a minimum, the MCS;
(iii) Choose facilities in, and source only from, Permitted Sourcing Countries;
(iv) Provide Disney with access to facilities to conduct social compliance audits if Disney so chooses;
(v) Submit qualified social compliance audits demonstrating compliance with the MCS for facilities in Permitted Sourcing Countries where audits are required in accordance with timeframes established by Disney (including prior to production and periodically thereafter); and
(vi) Remediate MCS compliance failures and cease production of branded products in any facility that does not meet MCS.

Additional Information

The requirements, procedures and guidelines relating to the implementation, maintenance and administration of the ILS Program are set forth in full in the License Agreement and the ILS Program Manual. The Code of Conduct and the ILS Program Manual are posted on the DCP website and on www.disneylaborstandards.com. In addition, Disney may require that prospective licensees successfully complete an ILS capability assessment, administered by a third party, comprised of an online self-assessment and phone interview to validate ILS performance capabilities.