

October 21, 2008

The Walt Disney Company (Disney)

Response to Peoples Solidaires Report "Bienvenue dans le monde (pas si) merveilleux de Disney"

The Walt Disney Company (Disney) is committed to the promotion and maintenance of responsible international labor practices in its licensing and direct sourcing operations throughout the world. We maintain an [International Labor Standards](#) program, centered on our [Code of Conduct for Manufacturers](#), that monitors and addresses factories making our branded product through licensing and sourcing relationships. When information on labor rights issues in factories are brought to our attention the Company investigates the claims and works with the factory and the licensee or vendor who sourced the product to develop a remediation plan to help bring the factory's operation into compliance.

A report has been issued by Peoples Solidaires - based upon previous reports by Students and Scholars Against Corporate Misbehavior (SACOM) from 2005 and 2007 - that highlighted factories making Disney-branded product. While we have periodically addressed these situations with SACOM in the past, in order to set the record straight and eliminate any continued misperception about our actions in these cases, we are providing the following update.

- **Dongguan Lam Sun Plastic Products Co., Ltd.** (originally cited by SACOM in 2005) - This factory would not allow our investigation into the allegations and, as a result, has not been eligible to produce Disney-branded product since 2005.
- **Ho Wai Metal Plastic Manufactory, aka Haowei Toys** (originally cited by SACOM in 2007) - The factory relocated to a new building, implemented a confidential worker helpline assisted by a Chinese civil society organization, established a Labor Management Committee, settled a dispute regarding wages, and is working on establishing a corporate social responsibility system to support sustained compliance. See our previous [response](#) on this factory.
- **Hung Hing Printing Press (Shenzhen) Limited Corporation** (originally cited by SACOM in 2005) - The factory installed a confidential worker helpline assisted by a Chinese civil society organization, conducted factory training sessions with thousands of workers, and established an environmental, health and safety committee with the support of a Chinese civil society organization.
- **Longgang Huang Xing Light Industry, aka B-Planet** (originally cited by SACOM in 2006) We audited this factory. After the audit was conducted and recommendations made, the licensee and factory informed us that they did not want to address the deficiencies. As a result, this factory has not been eligible to produce Disney-branded products since 2006. See our previous [response](#) on this factory.
- **Nord Race Paper International Limited** (originally cited by SACOM in 2005) - The factory would not allow Disney and its third party monitor to enter the factory and investigate the claims and, as a result, this factory has not been eligible to produce Disney-branded products since 2005.
- **Qi Sheng Shenzhen, aka Tradeson Candle, aka Bestree** (originally cited by SACOM in 2006) - We conducted an audit and identified some compliance violations but were unable to fully evaluate compliance with all areas of our Code of Conduct. As a result, this factory has not been eligible to produce Disney-branded products since 2006.
- **Tianyu Toys** (originally cited by SACOM in 2007) - The factory installed a confidential worker helpline assisted by a Chinese civil society organization and we have been

coordinating with the [ICTI CARE Process](#) to evaluate the factory's progress toward improving conditions.

- **Yonglida Toys** (originally cited by SACOM in 2007) - The factory was not authorized to produce Disney branded product. Factory management denied access to Disney monitors. It continues to be ineligible to produce Disney-branded product.
- **Zhongshan Hung Hing Printing & Packaging Company Limited** (originally cited by SACOM in 2005) - The factory installed a confidential worker helpline assisted by a Chinese civil society organization, has undergone several audits, and has made many improvements. It will continue to be monitored.
- **Zhuhai Kam Long Industry** (originally cited by SACOM in 2006) - The factory installed a confidential worker helpline assisted by a Chinese civil society organization, engaged with a civil society organization to conduct a worker survey, which led to the renovation of the canteen, engaged with another civil society organization to establish an environment, health and safety committee with workers as elected committee members, and continues to work on reducing working hours.

The situations described above convey the reality of the opportunities and challenges in identifying and addressing working conditions. In some cases despite our best efforts, factories will not make the changes we require. In those cases, we are left only with the option of severing our relationship with them. In other cases, we have been able to investigate certain claims and have worked with the factories and our licensees and vendors to make improvements.

We will continue to work with those factories that are willing to allow us access to their facilities and workers and that are committed to improving working conditions. We also continue to welcome interest in our International Labor Standards program and look forward to working with external organizations who offer constructive guidance on how factories can make sustainable improvements in their working conditions.