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**Nominated for the Public Eye Award 2006
in the category:**

S O C I A L R I G H T S

(Human and Labor Rights)

**Nominated by: SACOM (Students & Scholars
Against Corporate Misbehavior), Hong Kong**

The Walt Disney Company

Headquarters:	Burbank, California, USA
Branch of trade:	Holiday parks, films, media, toys, etc.
Turnover / profit 2004:	US\$ 31 billion / US\$ 2.3 billion
CEO:	Robert A. Iger
Owned by:	Publicly-traded corporation
Employees 2004:	129,000
WEF-Participant 2006:	not officially enrolled

Summary

Serious labor and human rights violations by Walt Disney subcontractors tarnish the carefree image that the entertainment giant tries to present to us through its films and cartoon figures. However the company does not publish the names of its suppliers in China and therefore prevents the verification of working conditions through independent inspectors. SACOM calls on Walt Disney to publish the names of its suppliers and to allow independent NGOs to make regular inspections of their operations.

Information on the case and characteristics of irresponsible corporate behavior

Over 80 years after its establishment in 1923, it is difficult to imagine the entertainment media industry without the American conglomerate Walt Disney. In addition to its film studios, Disney also operates theme parks and resorts as well as numerous television and radio programs. With a wide array of products, Walt Disney markets its cartoon figures around the world. Now the fans of Mickey & Co. in China have a new theme park to call their own: Hong Kong Disneyland, opened in September 2005, became the world's fifth Disney theme park. But a close working relationship existed between China and the Walt Disney Company long before the Hong Kong theme park opened.

A majority of Disney's toy production is outsourced to Chinese subcontractors. However it does not seem to bother Disney that fundamental labor and human rights violations occur in some of these firms. The Chinese NGO Students and Scholars Against Corporate Misbehavior (SACOM) uncovered serious abuses at numerous Walt Disney suppliers during surveys carried out between May and August 2005.

Work days up to 15 hours long, failure to observe minimum wages and denial of maternity leave are a part of everyday life at Disney suppliers. The long working shifts and equipment safety defects lead to workplace injuries time and again, according to SACOM. In addition, the stifling heat in the factories in summer causes workers to faint. To keep employees bound to the company despite the poor working conditions, employers exact harsh fines from workers who want to resign outside strictly defined criteria.

Disney pretends to regularly check its suppliers for adherence to the “Code of Conduct for Manufacturers,” which is available in over 50 languages on the Disney Web site. In reality, inspectors are easily convinced by forged wage and time slips provided to them by factory management. The surveys by SACOM have shown that it is relatively easy to uncover serious grievances during factory visits. This does not appear to interest Walt Disney.

In contrast to other companies such as Nike, Walt Disney has so far not published the names and locations of its suppliers. The corporation appears to be aware of the precarious working conditions on site and therefore opposes inspections of manufacturing facilities by independent NGOs.

Consequences

Since Walt Disney does not take responsibility for ensuring the observance of labor and human rights at its suppliers, workers suffer from decidedly poor working conditions in many locations. Time and again, accidents on the job, often caused by equipment safety defects and worker fatigue, lead to injuries and sometimes deaths.

Current status and demands

Translating the “Code of Conduct for Manufacturers” into countless languages is not the same as guaranteeing its implementation at Walt Disney’s subcontractors; the company must place more pressure on its suppliers to observe the code. SACOM calls on Walt Disney:

- to publish the names and locations of all Disney suppliers
- to clearly identify the manufacturer on all products
- to require its suppliers to allow factory inspections by an independent NGO
- to support the establishment of worker committees, in order to ensure the observance of labor laws and the Walt Disney code of conduct.

Detailed nomination: www.publiceye.ch/nominierungen

Further information and links:

- www.sacom.org.hk
- www.disneylaborstandards.com