# 2010 CORPORATE CITIZENSHIP REPORT

The Walt Disney Company

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# Message from Our CEO

Dear Stakeholders:

Since becoming Chief Executive Officer of this great company five years ago, I've often spoken to our employees about how Disney should be admired as much for the way we do business as for the wonderful stories, characters and experiences we create.

Over the last few years, we've built on a long tradition of Disney corporate citizenship efforts through wide-ranging programs and policies designed to further enhance our business. We've associated our brands and characters with healthier foods. We've set for ourselves ambitious environmental goals to reduce the company's direct impact while at the same time launching programs to encourage kids and families to care more for the planet we share. And we're expanding charitable and volunteer programs that have long been sources of incredible pride among our employees.

We've also been working hard to embed corporate citizenship into all of our daily decisions and actions, guided by three core principles:

- Act and create in an ethical manner and consider the consequences of our decisions on people and the planet
- Champion the happiness and well-being of kids, parents and families in our endeavors
- Inspire kids, parents, employees and communities to make a lasting, positive change in the world

As we move forward in 2011, we're building on these core principles by expanding efforts to track and measure our progress throughout our citizenship focus areas. In the Looking Ahead section of this report you will find a set of commitments and goals covering our areas of impact. In addition, we have a unique ability to harness imagination in a way that inspires others, improves the lives of kids and families and the communities they live in, and brings happiness, hope and laughter to those who need it most.

We believe that achieving a consistently high level of corporate citizenship fundamentally adds to shareholder value, and as such is worth every bit of time and investment we put into it.

Sincerely,

Robert A. Iger
President and Chief Executive Officer
The Walt Disney Company


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# Message from Our CFO

Dear Stakeholders:

The Chief Financial Officer at Disney is responsible not only for the company's finances, but also for our citizenship performance. There's a fundamental reason for this, one that's been core to our company since its founding: we firmly believe that our financial performance is inseparable from our performance as a corporate citizen. At Disney, citizenship is more than a set of guidelines or focus areas; it is an integral part of our businesses and our growth strategy. It drives competitive differentiation and strengthens our relationships with customers and the communities in which we operate. In order to have sustained success as a company, we must recognize this link and embed citizenship in our everyday actions and decisions. It's good for our planet and for our people, and it makes sound business sense.

Fiscal year 2010 was a banner year for the company. We celebrated two movies that each broke the one billion dollar mark in global box office receipts (*Toy Story 3* and *Disney Alice in Wonderland*); achieved record-breaking viewership for many of our media networks, including ESPN and Disney Channel; unveiled new attractions in our parks, resorts and cruise line; and welcomed Marvel Entertainment and social game publisher Playdom into the Disney family.

Our citizenship commitment provides both opportunities and challenges as we grow our businesses. The launch of two new cruise ships – the 4,000 passenger *Disney Dream* and her sister ship *Disney Wonder* sailing in 2012 – is a perfect example. The *Disney Dream* is a marvel of craftsmanship and technological excellence and offers an incredible opportunity to continue delivering innovative guest experiences that extend our brand. As we are constantly exploring ways to reduce the environmental impact of our cruise ships, the *Disney Dream* showcases several environmental innovations, such as a special hull coating to increase fuel efficiency and water reuse programs that improve water efficiency.

Another way we manage the balance between environmental stewardship and business growth is through the company's Climate Solutions Fund. This program, announced in 2010, establishes an internal price on carbon, which is levied on the emissions of our business units and incentivizes them to further reduce their impact. Disney has used these funds to invest more than $15 million in carbon offset projects around the world.

We are also working to embed the company's corporate citizenship principles into new acquisitions. In late 2009, we acquired Marvel Entertainment along with its more than 8,000 well-known characters. Marvel, like Disney, is known for its artistic and creative excellence and the fervor of its fans. Buying Marvel extends our businesses and the scope of the creative content owned by the company. It also creates new opportunities to associate our brands and characters with positive social messages, especially those that inspire kids and families to create a positive and lasting change in their communities.

Looking ahead, we'll be setting new commitments and metrics in core citizenship areas. We are building upon and holding ourselves accountable to these commitments, which have a dual benefit to our business and to society. As we grow, we are determined to continue championing best practices throughout our company.

We appreciate your interest in Disney and our citizenship strategy and we look forward to your feedback.

Sincerely,

Jay Rasulo
Senior Executive Vice President and Chief Financial Officer
The Walt Disney Company

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# About Citizenship

We want to be as admired for the quality of our products, the integrity of our people, and the way we behave as a corporate citizen, as we are for the entertainment experiences we create.


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## CORPORATE INFORMATION

For more than four generations, The Walt Disney Company has consistently created and delivered exceptional entertainment experiences for people of all ages and interests. Now the world's largest entertainment company, Disney is made up of five business segments: Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive Media. Disney's globally-known consumer brands include: Disney, ABC, ESPN, Pixar and Marvel. Disney is an S&P 50 company listed on the New York Stock Exchange.

### Media Networks

Our Media Networks segment affirms Disney's commitment to great entertainment and news coverage. The group includes the ABC Television Network, ABC News, the Disney Channel worldwide network of kids channels, ABC-owned television stations, ABC Family, Radio Disney and Hyperion Books. Media Networks is also the proud home of ESPN, the worldwide leader in sports media, with its broad range of television, digital, print and radio outlets.

### Studio Entertainment

For over 85 years, The Walt Disney Studios has led the way in quality entertainment, bringing movies, music and live events to audiences around the world. Through Walt Disney Pictures, including Walt Disney Animation Studios and Pixar Animation Studios, Disneynature, and Marvel, we provide creative content for the whole family across multiple platforms, including stage productions from Disney Theatrical Group and original music and soundtracks from Walt Disney Records and Hollywood Records.

### Parks and Resorts

Classic Disney stories and characters magically come to life at Parks and Resorts. With 11 theme parks at five resorts in the United States, Europe and Asia, a top-rated family cruise line, a popular vacation-ownership program and guided family tours to thrilling global destinations, we offer unforgettable Disney vacation experiences for guests around the world.

### Consumer Products

Fans can enjoy Disney and its characters in their homes and in their lives through a wide range of merchandise from apparel, toys, home décor, and books and magazines, to healthy food and beverages, stationery and electronics. Disney accomplishes this as the world's largest licensor, and through Disney Stores, DisneyStore.com and Disney Publishing Worldwide.

### Interactive Media

Delivering the best of Disney content to a new generation of fans on numerous digital media platforms, Disney Interactive Media Group is the interactive entertainment segment of the Company committed to creating immersive, connected experiences across video game consoles, online, mobile and social network platforms.

For more information about The Walt Disney Company visit the Year in Review and Annual Report.

**Chart 01 Fiscal Year 2010 Revenue and Operating Income by Business Segment[1]**

| Segment | Revenue | Operating Income/ (Loss) |
|---|---|---|
| Media Networks | $17,162 | $5,132 |
| Parks and Resorts | $10,761 | $1,318 |
| Studio Entertainment | $6,701 | $693 |
| Consumer Products | $2,678 | $677 |
| Interactive Media | $761 | ($234) |

[1]All numbers are in millions of U.S. dollars.

## FISCAL YEAR 2010 BUSINESS MILESTONES

- 55th year in a row of dividends
- Net income up 20%
- Most admired entertainment company (*Fortune*)
- Two billion-dollar box office movies – *Toy Story 3* and *Disney Alice in Wonderland*
- Highest annual viewership ever – ESPN, ABC Family and Disney Channel
- Record attendance at Disney California Adventure and Hong Kong Disneyland
- 100 million Facebook "Fans"

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## GOVERNANCE

The Walt Disney Company believes good Board governance is integral to achieving long-term shareholder value. We are committed to governance policies and practices that assure shareholder interests are represented in a thoughtful and independent manner. In pursuit of this commitment, our Corporate Governance Guidelines have established the policy that a substantial majority of directors be independent of the Company and of the Company's management. The guidelines also establish independence standards that meet, and in some cases exceed, the listing standards of the New York Stock Exchange. Currently, ten of the 13 members of the Company's Board of Directors have been determined by the Board to be independent pursuant to these standards, including the Chairman of the Board.

The guidelines also encourage Board membership that reflects the diversity of our shareholders, employees, customers, guests and communities. Currently four members of our Board are women, one is African-American, one is Hispanic-American, and one is Asian-American.

The Board of Directors monitors trends in governance practices to assure that it continues to meet its commitment to thoughtful and independent representation of shareholder interests. The Board has adopted a number of practices that strengthen its ability to meet this goal, including elimination of a classified board, establishment of strict independence requirements, adoption of the requirement that a substantial majority of the directors be independent of management, use of an independent chairman of the Board as appropriate, majority election of directors, and holding of regular executive sessions of the Board without management present.

The Board has established committees to facilitate and assist in the execution of the Board's responsibilities. The three most important Committees – the Audit Committee, the Compensation Committee and the Governance and Nominating Committee – are comprised entirely of independent directors. The Company posts the charters of each of these three committees (as well as that of the Executive Committee, which serves primarily as a means of taking action that formally requires Board approval between regularly scheduled meetings of the Board) on our investor relations website.

In order to promote and maintain high ethical standards and legal compliance, the Company has adopted Standards of Business Conduct that set forth ethical standards of responsibility to guests, customers, cast members and employees, shareholders, other businesses, and the communities in which we operate, as well as identifying specific legal compliance matters. These standards are applicable to every officer and employee of the Company and we require regular training to promote compliance with the Standards. The Board of Directors has also adopted a separate Code of Business Conduct and Ethics for Directors, which contains provisions specifically applicable to directors of the parent Company.

Additional details regarding our governance structures and policies are available at the Corporate Governance section of our corporate website and in our annual proxy statement.

### Participation in the Formulation of Public Policy

Because many national and local public policy decisions affect our businesses, the Company believes that active participation in the political life of the countries and communities in which we do business is in the best interests of the Company and its shareholders. As a result, we participate in policy debates on many issues to support the Company's positions, and, where permitted by law and deemed appropriate by management, we contribute to candidates for public office and related organizations. A wide array of issues is of interest to the Company. Examples include: protection of intellectual property; broadcast, cable and internet regulation; freedom of expression; free and fair trade; travel and tourism; privacy; and economic development including appropriate taxation.

Our political activity is carried out in compliance with applicable laws and reporting requirements.

We did not contribute corporate funds in 2010 to candidates for federal offices or organizations created to support candidates for federal office. Where permitted by applicable law, we contribute corporate funds to state and local political parties, candidates for state and local office, organizations that promote such candidates or positions on state and local issues and state and local ballot initiatives. Our contributions are made on the basis of our objectives and policy priorities and not on the basis of the partisan affiliation of the candidate or organization.

Our Company has formed a federal political action committee, which accepts voluntary contributions from employees and in turn makes contributions to candidates for federal offices. Like contributions of corporate funds, contributions by the political action committee are allocated on the basis of our objectives and policy priorities and not on the basis of the partisan affiliation of the candidate or organization. Contributions to candidates are split evenly between candidates for the two major parties.

In pursuit of the goals described above, we made contributions directly or through our political action committee to candidates, partisan parties, and organizations that promote candidates or positions on issues and ballot initiatives totaling $3.6 million in the United States in calendar 2010. We also participate in a variety of industry associations and similar organizations that devote a portion of their revenue, which may include contributions from the Company, to support candidates, organizations or positions on issues, though we have no direct control over how those expenditures are directed and may not concur with the position of the organization on any given candidate or issue.

Employees are free to exercise the right to make personal political contributions within legal limits unless such a contribution is prohibited by policies of the Company.


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## CITIZENSHIP AT DISNEY

We believe being a good corporate citizen is the right thing to do: for our consumers and guests, our employees and our businesses. It makes our Company a desirable place to work, reinforces the attractiveness of our brands and entertainment, and strengthens our bonds with families, as well as our consumers, neighbors and business associates.

Our vision as a company is simple: to deliver, with integrity, the most consistently exceptional entertainment experiences for people of all ages and interests. We hold Disney corporate citizenship to the same high standard.

Our goal is to achieve exceptional performance by embedding corporate citizenship into all of our daily decisions and actions, guided by three core principles:

- Act and create in an ethical manner and consider the consequences of our decisions on people and the planet
- Champion the happiness and well-being of kids and families in our endeavors
- Inspire kids, parents, employees and communities to make a lasting, positive change in the world

In 2010, we focused on carrying out this vision across our many businesses and on building accountability for implementing this vision. This is a work in progress, intended to strengthen our citizenship approach and our business performance. To better embed citizenship throughout the Company, we are moving toward a more comprehensive set of objectives, goals and commitments, which are previewed in the Looking Ahead section.

### This Report

In this report, we cover eight key themes that significantly impact our businesses and are of interest to our many stakeholders:

- Family Entertainment
- Inspiring Kids and Communities
- Nature Conservation
- Environment
- Community
- Disney Workplaces
- Supply Chain
- Human Rights

These themes represent areas in which we can provide value to Disney and to the world around us. We discussed a number of them in our 2008 Corporate Responsibility Report. Others we address here for the first time.

Internal and external stakeholders helped shape these priorities. We also maintain an ongoing issues management process to identify areas of focus. This report does not address everything we do, have done or will do, but represents some important areas of ongoing focus.

We cover highlights and milestones of the past year and introduce challenges, opportunities and areas for further development. For information on additional topics, please visit the Citizenship website.

We are guided by three core principles

**Act**

and create in an ethical manner and consider the consequences of our decisions on people and the planet

**Champion**

the happiness and well-being of kids and families in our endeavors

**Inspire**

kids, parents, employees and communities to make a lasting, positive change in the world

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Disney takes a broad view of stakeholders, including employees, consumers, communities, and shareholders, among others.

We are committed to biennial public reporting, with ongoing updates to data and programs. Our Parks & Resorts also regularly release Community Reports for our major sites around the world.

## Citizenship Governance

Citizenship efforts at Disney are led by President and Chief Executive Officer Bob Iger and Senior Executive Vice President and Chief Financial Officer Jay Rasulo. The Company's Citizenship group is led by Senior Vice President, Corporate Citizenship Leslie Goodman. Our organizational structure, reporting to the CFO, reinforces our belief that corporate citizenship is central to the business and brings long-term value to our shareholders.

**Chart 02 Corporate Citizenship at Disney**

Certain areas of the citizenship function – including community engagement, strategic philanthropy, environment and conservation, and international labor standards – have dedicated staff developing strategy, managing compliance and overseeing stakeholder engagement. In addition, an insights and integration team reporting to the Senior Vice President, Corporate Citizenship manages reporting, commitments and metrics, and analyzes emerging issues, trends and policy for the Company.

Citizenship efforts and performance are reported to the Disney Board of Directors on a periodic basis, with additional updates upon request or when business needs require it. Additionally, the Audit Committee of the Board regularly receives reports on the Company's international labor standards program.

## Business Integration

Our executives and business unit leaders are committed to the highest level of corporate citizenship. Many executives serve on internal councils that advise the Company on corporate citizenship. For example, the Environmental Council, established in 2007, is comprised of senior representatives from across our many businesses with responsibility for meeting our environmental goals. These councils oversee operations and provide guidance, policy and strategy to citizenship efforts.

Employees throughout the Company also share their professional and personal time to guide the Company's citizenship activities. Many cast members and employees participate in working groups on key issues, such as on our Product Footprint Task Force. Globally, more than 150 cast members and employees serve as Green Team leaders. VoluntEARS Leadership Councils, involving more than 180 cast members and employees, provide advice and guidance to local Disney volunteer efforts.


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## STAKEHOLDER ENGAGEMENT

We believe that working with stakeholders enhances our ability to address issues. It also contributes solutions to some of our most important challenges while generating value for shareholders. We engage with stakeholders of all types and interests, striking balance between their needs and the needs of our business and society. We actively listen to and learn from stakeholders and provide them with information to better understand our actions and our intentions.

We take a broad view of potential stakeholders, including people or organizations that can affect, or be affected by, Disney. This includes employees, consumers, communities, shareholders, distributors, licensees, suppliers, factories, retailers, contract workers, nonprofit and nongovernmental organizations, media and governmental organizations.

We find conversations and collaboration with stakeholder groups an effective contribution to driving business value and our citizenship approach. These organizations, which are often focused on the environment, health and nutrition, labor standards and other areas of strategic interest for the Company, have helped us chart our sustainability goals and programs.

While we have made progress in these areas, there is much work to be done and we will continue to reach out to our stakeholders for critical guidance and feedback along the way.

### Recent Engagements

We engage with stakeholders routinely and in a variety of ways, including in-person and Web-based meetings, conference calls, correspondence, working groups and workshops, and conferences and events. Frequently this engagement focuses on projects of joint interest. Here are a few examples of recent engagements.

***Developing Educational Standards for Disney Programs***
*Disney's Planet Challenge* (DPC), a national project-based environmental competition for elementary and middle school students, has worked with organizations to ensure that the program meets rigorous educational standards. We collaborate in this process with the National Science Teachers Association (NSTA) and WestEd: K12 Alliance. Both nonprofit organizations promote excellence in science education.

DPC engaged WestEd: K12 Alliance to draft an educationally-sound curriculum complete with a series of lesson plans for every eligible state and grade. WestEd: K12 Alliance developed these plans to adhere to specific state and federal academic standards and guidelines. The lesson plans are available for download, helping teachers plan and integrate projects in accordance with state curriculum requirements.

The NSTA helps plan and promote the annual competition, distributing marketing materials to its 60,000 members. Judging takes place at the NSTA National Conference in March. The actual judging is managed and facilitated by WestEd: K12 Alliance, which developed the scoring rubric for DPC project submissions. This process helps to ensure that the competition winners are selected objectively with a strong emphasis on the educational components of the project portfolios.

***Managing Environmental Trends and Issues***
Our citizenship team and business unit leaders regularly scan the landscape, identifying issues and opportunities relevant to Disney. Recently, the citizenship team reached out to several groups of stakeholders – including members of our internal executive Environmental Council, corporate environmental peers and leading non-governmental organizations (NGOs) – for perspectives on Disney's environmental strategy moving forward.

Emerging issues include a greater concern for sustainable consumption, fresh water use and ecosystem conservation. In addition, we heard support for continued commitment to mitigating our climate and water impacts. Armed with this updated view of the issues landscape, the Environmental Council and other environmental leaders are tasked with integrating these findings into our long-term planning process.

### Report Engagement

In the fall of 2010, Disney joined Ceres, a national network of investors, environmental organizations and other public interest groups working to address sustainability challenges. We believe our membership in Ceres and subsequent stakeholder engagement will help strengthen our corporate citizenship approach.

Ceres helps companies develop and engage with a formal group of stakeholders who provide critical guidance for corporate citizenship efforts. We focused our first engagement with this team on a draft of the Company's 2010 Corporate Citizenship Report.

Ceres convened a group of stakeholders representing the socially responsible investment community and NGO leaders in the areas of children's media, the environment, human rights and philanthropy. Their feedback has provided important direction for further development of our Citizenship approach.

This group challenged Disney to provide a detailed description of our strategy and additional context for our Citizenship efforts. They also asked us to be as open as possible about potential challenges and to examine where we could be doing more. We have since updated a number of sections of the Citizenship report, including environment and promoting healthy lifestyles, and integrated more information on challenges.

We also note that there remains a need for improved reporting measures throughout our report, including substantive, time-bound and cross-cutting metrics across our focus areas. We are in the process of developing these metrics and provide our approach in the Looking Ahead section. Our stakeholders also requested specific information in areas such as transportation and fuels, sustainable consumption and employee engagement, which we hope to include in future reports.

Constructive input is invaluable to our reporting process and our citizenship principles. We encourage Feedback through the report website as well.



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# 2010 HIGHLIGHTS

**Chart 03 2010 Corporate Citizenship Highlights**

### Company Performance

Net income in 2010 increased 20% to $3.96 billion on a 5% rise in revenue to $38 billion, driven by the strength of the Company's branded content and the effective use of that content across our businesses.

### Family Entertainment

In 2010, we continued our commitment to kids and families and our focus on encouraging positive development, making content for kids of all ages, partnering with parents and creating safe environments through our quality family entertainment experiences.

### Inspiring Kids and Communities

- *Disney Friends for Change* reached 3 million pledges for environmental actions taken by kids across North America, Latin America and Europe, and has funded more than $2 million towards conservation and community projects in 19 countries.
- *Disney Magic of Healthy Living* launched in the U.S. with public service announcements featuring First Lady Michelle Obama and Disney Channel stars. The program funded $1 million to develop play spaces and community gardens across the country.
- *Disney's Planet Challenge* reached more than 2,000 classrooms representing all 50 states, encouraging schools to tackle project-based learning with student-led, community-based environmental projects.
- Disney Parks & Resorts "Give a Day, Get a Disney Day" campaign inspired 1 million people to give a day of service in exchange for a one day pass to either Walt Disney World Resort or Disneyland Resort.

### Nature Conservation

- With the help of our guests, Disney Worldwide Conservation Fund donated $1.47 million to support scientific field study, education and local community involvement in wildlife and wild places.
- Disney invested $5 million in reforestation and forest conservation projects around the world.
- Fans of Disneynature's latest film, *Oceans*, helped protect more than 40,000 acres of coral reef through donations of part of the proceeds of movie ticket sales, Blu-ray/DVD sales, and a Disney Store and *Disney Friends for Change* promotion.

### Environment

- In 2010, Disney officially launched our internal Climate Solutions Fund, which establishes an annual price on greenhouse gas emissions for our business units.
- We surpassed our waste reduction target ahead of schedule and are on track to meet all of our environmental targets, including those on direct and indirect greenhouse gas emissions. We established new companywide targets for product footprint and water use.
- We developed an integrated ecosystems approach to new construction that incorporates an ecosystem services assessment and sustainable design evaluation.

### Community

- In 2010, Disney contributed more than $198 million to charitable organizations, including cash, product donations and in-kind support, such as creative resources, public service airtime, and program costs.
- Disney cast members and employees around the world donated more than 548,000 hours of volunteer service in more than 25 countries.

### Disney Workplaces

- Disney launched a global, enterprise-wide employee engagement survey to gather employee feedback, with more than 82,000 respondents.
- We began or completed construction on three new childcare facilities in Glendale, CA (L.A.-based employees), Berkeley, CA (PIXAR), and Bristol, CT (ESPN).

### Supply Chain

- To minimize our product footprint, Disney established medium-term targets for improving sustainable paper usage and engaging vendors on environmental improvement.
- We expanded our participation in collaborative efforts on labor standards that address systemic issues and seek to raise common standards.

### Human Rights

We released a human rights policy statement to more clearly articulate our ongoing commitment to people around the world and to establish priorities in this area moving forward.


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## Awards & Recognition

While we do not manage our Citizenship strategy based on awards and ratings, we do appreciate and acknowledge recognition received in 2009 and 2010.

**Chart 04 Sample Awards & Recognition**

**Company Ratings**

- *Fortune* World's Most Admired Companies (2010) – #19 Overall, #1 in Product Quality, #4 in Corporate Social Responsibility, #1 among Entertainment companies
- *Working Mother Magazine* (2010) – Best Green Companies for America's Children
- Human Rights Campaign Corporate Equality Index (2010) – 100% Rating
- *DiversityInc* Top 50 Companies for Diversity (2010) – #33
- *Fast Company* The World's Most Innovative Companies (2010) – #20
- *Business Week* Best Places to Launch a Career (2009) – #14
- Boston College Center For Corporate Citizenship Most Socially Responsible Companies in the United States (2010) – #2
- *Corporate Responsibility Magazine's* 100 Best Corporate Citizens (2010)
- Climate Counts (2010) – scored 55 out of 100 points, classified as "Striding"
- Maplecroft Climate Innovation Index (2010) – Ranked 65/100 in Leaders index
- *Newsweek's* Green Rankings (2010) – #69 in U.S. 500 Rankings, #37 in Global 100 Rankings
- Dow Jones Sustainability Index (2010)
- FTSE4Good Index Series (2010)

**Citizenship Activities**

- Corporate Register Reporting Awards (2010) recognizing Best First-Time Report for The Walt Disney Company's 2008 Corporate Responsibility Report
- Heal the Bay *Walk the Talk Award* (2010) recognizing the Company's legacy of environmental actions, including *Disney Friends for Change* and Disneynature
- Environmental Protection Agency WasteWise program Partner of the Year and Hall of Fame (2010) recognizing Disney's efforts to reduce and eliminate solid waste
- Professional Grounds Management Society Green Star Award (2010) recognizing Disneyland Resort for the environmental way in which the grounds are maintained
- State of California Waste Reduction Awards *WRAP Award* (2009) for outstanding waste reduction efforts
- California Stormwater Quality Association Award (2010) recognizing Disneyland Resort for using a type of porous asphalt that allows rainwater to seep into the water table
- Parents' Choice Approval Seal (2010) recognizing *Disney Friends for Change*
- Environmental Media Association (2010) awards recognizing "Lights, Camera, Take Action: Disney's Friends for Change" for Best Children's Live Action program and the *Handy Manny* episode "The Earth Day Challenge" for Best Children's Animated program

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# Family Entertainment

Kids and families are at the heart of everything we do at Disney.

We strive to partner with parents and to champion the well-being and happiness of kids in our endeavors.


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This page and opposite page: Walt Disney Parks & Resorts

## OUR APPROACH

Kids and families are at the heart of Disney. They are our most important audience and our inspiration for new Disney entertainment and experiences. We continuously endeavor to delight and surprise our consumers and guests, and to do so in a contemporary and relevant way.

Parents and caregivers are key partners in helping guide and shape our approach to entertainment for kids. Parents know their kids best. We strive for balance when developing age-appropriate entertainment experiences. We want kids to love our entertainment, and parents to trust that we are delivering quality content.

There are four primary principles embedded in our approach to family entertainment:

- Encouraging positive development
- Making content for kids of all ages
- Partnering with parents
- Creating safe environments

To learn more about these principles in detail, visit the 2008 Report. In the 2010 report, we'll highlight our work to live up to these principles and to inspire kids and families to take action in their communities. The initiatives included in this section are not meant to be exhaustive, but merely emblematic of our approach.

### Encouraging Positive Development

Our intention in encouraging positive development is to meet kids where they are developmentally, with age-appropriate experiences that are relevant, fun and interesting to them. We hope to bring out the best in kids by providing funny, moving, thrilling, exciting, surprising, delightful and educational entertainment experiences they can share with family and friends.

Our focus on positive development comes to life on Disney Channel and Disney XD, where our programming encourages kids to express themselves, to follow their dreams, to believe in themselves and to celebrate their friends and families. These themes are relevant to kids all over the world.

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# Disney Store Makes a Difference for Kids and Communities

For nearly 25 years, Disney Store has delighted guests of all ages through interactive presentation, quality product and unique experiences. Each of the more than 300 Disney Stores aims to be "the best 30 minutes of a child's day."

As the local face of Disney, each Store also has an important role as a member of its community. One area of focus has been the carbon footprint of retail stores, distribution centers and corporate offices. We are addressing our environmental impact by driving sustainability principles into products and packaging, and encouraging workplace efforts to reduce, recycle and rideshare.

Disney Stores also give back to their communities through volunteerism and charitable assistance. In 2010, VoluntEARS from Disney Stores in North America and Europe contributed more than 100,000 hours of service through participation in local food drives, community cleanups, in-Store recycling programs, children's charitable activities, local fundraisers and wish granting. Nearly every Disney Store participates in at least one charitable activity each quarter. Store guests are also encouraged to participate in select programs.

We also seek to weave the importance of diversity and inclusiveness throughout our entertainment experiences. Our television shows and movies incorporate many ethnicities, religions, geographic locales and physical and developmental differences. Our intention is to reflect and highlight the world in which today's children are growing up.

Signature Disney programs and content inspire kids and families to take action to help the planet, strengthen their communities, and enhance their family's health and wellness. To learn more about these programs, including *Disney Friends for Change* and *Disney Magic of Healthy Living*, visit the Inspiring Kids and Communities section of the report.

## PARTNERING WITH PARENTS

Parents and caregivers are an important audience that guides our thinking on developing age-appropriate children's entertainment. We seek out dialogue with parents at our parks, at focus groups and screenings, and via multiple online platforms and social media. Feedback from parents and caregivers is critical to creating quality entertainment that meets the needs of today's diverse families.

We encourage parents to be actively engaged with their children in viewing Disney content or experiencing our movies, parks and online platforms. Throughout our entertainment, we hope to provide forums and content that both value and respect children and give adults a point of connection to the children in their lives.

In our 2008 Report, we included a "Helpful Cues for Parents" guide that indicates different types of cues to help parents determine what is right for their family and children. These cues include branding signals, ratings, signage, gating, and other forms of parental information.

### Marketing

In advertising and marketing, we take special care with respect to children 12 and under. For programming designed for this age group, we maintain guidelines for advertisers, both internal and external, on all our media outlets.

Our guidelines include standards that advertising to children not be deceptive, inappropriate, unfair or exploitative in any way. To manage the implementation of these standards,


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Family favorite *Toy Story 3* received Academy Awards for Best Animated Feature and Best Original Song.

the Company maintains a dedicated staff of Standards professionals who review all kids programming before airing, including commercial content for our kids television and radio networks. In addition, Disney is a member and supporter of the Children's Advertising Review Unit (CARU) of the National Advertising Review Council (NARC).

## PROMOTING HEALTHY LIFESTYLES

Disney partners with parents in their quest to raise healthy, happy kids and we recognize our unique ability to help parents and kids agree on positive lifestyle choices. We can make healthy living fun and joyful for parents and kids by drawing on Disney's boundless creativity.

Our efforts to promote healthy lifestyles are a great opportunity to extend and grow the Disney brand with a purpose we can all feel good about. We have addressed this opportunity through a number of initiatives including associating Disney brands and characters with a more nutritionally-balanced range of foods, offering healthier options at our parks, and using role models to inspire healthy lifestyles among kids.

### Nutritional Guidelines

In 2006, Disney announced our Nutritional Guidelines intended to give parents and kids healthier eating options. These Guidelines are derived from U.S. government-recommended Dietary Guidelines with the input of top child health experts. In addition to encouraging the consumption of low fat, nutritionally-dense foods, the Guidelines aim to control calories, fat, saturated fat, sugar, and sodium; eliminate added trans fat, partially hydrogenated oils, and caffeine; and encourage appropriate portions for children three years of age and older. Today, the Guidelines are being implemented globally and apply to all food-related business activities, including food service, licensing and third party tie-in promotions and sponsorships. For example, virtually all of our food or beverage related promotions and sponsorships meet these Guidelines. The few exceptions are generally a result of pre-existing contractual obligations.

Given the dynamic nature of children's health and nutrition, we engage with health experts regularly to maintain a set of Guidelines that are relevant and credible. Evaluating our Guidelines throughout the year also helps identify areas where the Guidelines might evolve or expand. For instance, in 2010 we implemented our new Infant and Toddler Guidelines, which address the special nutritional needs of children under 36 months. The Infant and Toddler Guidelines are based on a balanced diet of natural, wholesome and minimally-processed foods with a particular focus on nutritionally-dense foods: whole grains, fruits and vegetables, dairy and lean protein. They set a standard for no artificial colors, preservatives, or additives of any kind.

Launching and maintaining the Guidelines also requires ongoing employee training. In 2010, Disney re-trained more than 200 cast members and employees globally who have responsibilities related to food and beverage businesses. These employees include managers in food and beverage at our parks and resorts, food and beverage licensing, standards and practices, and marketing and promotions. This training highlights the Company's commitment to nutrition, provides detailed information about the Guidelines and answers specific questions employees have about Guideline application.

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Disney licenses its brands and characters on a range of food products available to consumers in retail stores worldwide. We set a long-term goal of balancing our licensed food portfolio so that 85% of everyday food sales meet our Nutritional Guidelines.

## Licensed Food Portfolio

Disney licenses its brands and characters on a range of food products available to consumers in retail stores worldwide. We make an effort to work with licensees who offer a nutritious portfolio of food that kids enjoy and parents feel good about serving. Further, we aim to prioritize and promote wholesome foods such as fruits, vegetables, low-fat dairy, whole grain, and lean proteins that contribute to a healthful diet.

In 2006, we set a long-term goal of balancing our licensed food portfolio (our "portfolio balance goal") so that 85% (measured in wholesale food sales) of everyday foods would meet our Guidelines. The balance of our licensed food portfolio allows for special-occasion items such as birthday cakes, confectionery products and other celebratory treats. In 2010, we surpassed our domestic portfolio balance goal. Today in the United States, 86% of our portfolio food items are everyday foods that meet the Guidelines and 14% are foods for celebrations. With our focus on prioritizing and promoting fruits and vegetables, more than 1.7 billion servings of licensed fruits and vegetables have been sold in North America alone since 2006.

We are making progress towards achieving our global portfolio balance goal. We have increased to 62% worldwide the portion of our licensed food portfolio of everyday food items that meet the Guidelines. While this represents a significant increase since the Guidelines were developed, it lags behind our global goal of 85%. This is due to a number of factors. The global rollout of the Guidelines was done in consultation with regional health experts to make sure they were locally relevant, delaying implementation compared to North America. We are also sensitive to a number of cultural differences that shape the adoption of the Guidelines, including differing health issues from region to region, nuances in the relationship consumers have with Disney in particular markets, and differences in norms governing business relationships with licensees and sponsors. We continue to work closely with our regions and health experts to provide the Guidelines as a business tool.

**Chart 05 Nutritional Guideline Adoption in Disney's Global Licensed Food Portfolio**

Percentage of TWDC licensees' wholesale food sales dedicated to everyday foods that meet Disney's Nutritional Guidelines (target 85%)

| | North America | Global |
|---|---|---|
| 2006 | 74% | 51% |
| 2007 | 83% | 58% |
| 2008 | 83% | 59% |
| 2009 | 86% | 61% |
| 2010 | 86% | 62% |


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## Front of Pack Labeling

Disney also understands the importance of providing information to help make healthy choices easier for kids and parents. Through its licensees, Disney introduced front-of-package food product labeling in 2010 to highlight key nutrition data (such as calories, fat, sugar and sodium). More than two-thirds of parents in global testing rated the information easy to understand and useful.

## Food at Disney Parks & Resorts

Disney Parks & Resorts is affirming its commitment to kids' health by offering healthier kids' meals and expanding the healthy options available to all guests. The healthier kids' meals default to healthier sides and drinks, such as low-fat milk and applesauce rather than soft drinks and French fries, for example. These are now the standard pre-bundled kids' meals offered in the parks. According to estimates, parents opt for the healthier default options more than 50% of the time. Healthy snack carts throughout the park also offer fresh fruit, cut vegetables and other nutritious snacks.

Our goal is to put healthy food options within reach no matter where families are in our parks and resorts. To build on this effort, our parks have expanded the number of healthier options so that guests can decide what meets their taste, convenience and price needs. Menus now include smaller portions of adult meals as alternatives for kids and a minimum of one healthy entrée, one healthy side and one reduced fat or low/no sugar added dessert at each quick service and sit down restaurant. Currently, many food locations such as quick service restaurants, kiosks and carts sell whole or packaged fruits or vegetables.

Disney parks continue to explore opportunities to enhance the nutritional value of many of the foods that are served. For example, the hamburger formulation was changed to meet guest taste requirements while not exceeding 20% fat content. Menu options are continually evaluated to identify and introduce other enhancements such as adding whole grains to pizza crust and using lower-fat cheese content.

## Media Programming

We understand that kids look to Disney television shows and characters as a source of inspiration. Our popular TV stars and characters serve as role models encouraging healthy lifestyles. We often weave healthy messaging into our story lines to

## *Jamie Oliver's Food Revolution* Inspires Healthy Habits

In 2010, impassioned British chef Jamie Oliver imported his enthusiasm for healthy eating to America, tackling obesity and heart disease in a brand-new series on ABC, *Jamie Oliver's Food Revolution.* Debuting in March 2010, this six-episode series followed Jamie's efforts to help residents of Huntington, West Virginia, eat more balanced meals and cook with fresh ingredients.

*Food Revolution* is about health, good living, cooking and nourishment. By following Jamie's experiences, the television show demonstrated what can happen when a community commits to healthier living, in their homes and in their schools. In Huntington, 26 schools converted their menus to include Jamie's more healthy options. As part of the series, Jamie also opened a local cooking center where residents can find healthy recipes and learn how to cook them.

Stay tuned for season two of *Jamie Oliver's Food Revolution*, when Jamie takes his ideas and spirit to Los Angeles.

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# Bringing Safety Online with Phineas and Ferb

Disney puts the safety of kids first in the real world, whether it is on television, in a store, or in a theme park. This commitment to safety holds true in our "virtual" worlds as well. While the rules of the Web continue to develop, Disney has taken a proactive leadership stance on online safety for children.

By uniting Disney's animated characters from the popular Disney Channel series "Phineas and Ferb" with Common Sense Media's "Rules of the Road" for smart and safe digital media, we are sharing tips and tools for families to manage the online environment.

A website created by Disney Online features tips about guarding privacy and protecting one's identity while online, balancing time spent in cyberspace, and thinking before texting or posting material online. Public service announcements highlighting these same messages also air on Disney Channel and Disney XD. Visit the site online at www.disney.com/commonsense.

provide information in an entertaining way. Currently, all Disney Channel series in production have at least one episode per season that incorporates a positive healthy lifestyle message. We have also developed more than 100 short format interstitials with specific messaging about nutritious foods or physical activity.

### Disney Magic of Healthy Living

In September 2010, Disney launched *Disney Magic of Healthy Living*, a national multi-media initiative to make healthy living fun for kids and families. The program features public service announcements with First Lady Michelle Obama and young Disney stars, and includes a $1 million grant to help KaBOOM! build play spaces and gardens in 12 underserved U.S. communities. To learn more about *Disney Magic of Healthy Living*, visit the Inspiring Kids and Communities section.

## CREATING SAFE ENVIRONMENTS

Child and family safety is of utmost importance in all of our entertainment environments, including theme parks, theaters, playrooms, television and online. We take extra care to provide kids and parents with the information and tools they need to keep safety in mind.

### Content Safety

All of our media networks maintain high standards designed to deliver programming that is age-appropriate for their audiences. For our Disney-branded entertainment – such as Disney Channel, Radio Disney and Disney XD – our Standards and Practices department reviews shows through development and production, taking into account applicable legal requirements, viewer expectations and the Disney brand. The department also applies appropriate age and content ratings.

### Product Safety

The safety of products bearing our brands and characters is extremely important to us. Disney's Product Integrity team of safety professionals oversees our product safety efforts around the world. The team also actively participates in the development and maintenance of standards for toys and other products. To learn more, visit the Product Safety section within Supply Chain.


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Club Penguin is a leader in online safety for kids. Through a mix of human and technological processes and tools, Club Penguin creates a fun and safe experience.

## Online Safety

Disney Online offers helpful tips throughout its websites to help parents and kids safely navigate the Internet. For Disney.com, FamilyFun.com, the online virtual worlds and all other Disney sites, safety is a top priority.

Disney.com maintains a dedicated Internet safety site for parents, developed in coordination with renowned online safety advocate Parry Aftab. The site features videos and other content that offers parents valuable online safety tips and tools, including asking questions, establishing guidelines and safety rules, and dealing with cyber bullies.

In January 2010, Disney and Common Sense Media launched a kid-focused Internet and digital media safety campaign. It is also intended to get parents thinking about how media and technology fit into family life. Featuring characters from Disney's hit animated series "Phineas and Ferb," this campaign provides extensive tips for kids and families.

Disney also works with several organizations such as the Family Online Safety Institute, Childnet International and Netsmartz in our ongoing education efforts for kids and parents.

Disney's commitment to online safety extends to its virtual worlds, such as Club Penguin, World of Cars Online, and Pixie Hollow. These online environments allow kids to play games and interact with other players from around the world. This interactive platform amplifies the importance of employing strict safety policies and precautions to protect the safety and privacy of players.

Club Penguin, for example, incorporates a range of human and technological processes and tools to create a fun and safe experience. Live moderators monitor online activity. Chat filters are designed to prevent communication of inappropriate or personally identifiable information, such as phone numbers.

Club Penguin also encourages users to be aware of their online interactions. The registration process to play in the virtual world is designed to ensure players truly understand policies, proper behavior and safety before they begin to play. The innovative and enjoyable experience seamlessly integrates education about online safety in a way that helps parents and kids better protect themselves online.

## Park Safety and Accessibility

A visit to Walt Disney Parks & Resorts may include a wide variety of activities, such as riding attractions, dining, swimming and attending live entertainment. Guest and cast safety is a top priority at all of our properties. Our approach to safety is wide-ranging and includes nurturing our cast's safety culture, implementing behind-the-scenes safety precautions, collaborating with stakeholders, and helping families make safe decisions. In addition, Disney parks are leaders in accessibility for guests with disabilities.

Our most recent Report on Safety provides a summary of safety programs across all of Walt Disney Parks & Resorts' operations.

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*Disney's Wild About Safety* provides simple graphics to help families keep safe at our parks.

***Workplace Safety***
Disney Parks have a rich heritage of safety that is based on four quality standards, the Four Keys. Safety is the first of these keys – followed by Courtesy, Show, and Efficiency – that ensures our resorts are safe places where families can visit together and enjoy themselves. The company is committed to a culture of safety and our vision of "no one gets hurt."

Our cast and crew members are actively involved in our safety culture. They receive extensive safety training and resources to maintain their own personal safety as well as that of their coworkers and our guests. They are taught to put safety first at all times.

***Safety by Design***
Safety considerations are part of the design and operations process starting from the concept of an attraction through manufacturing, operations and maintenance. All of our attractions are designed and operated to high standards by teams who follow stringent safety standards and utilize proven technologies. While safety is a part of everyone's job, we have a full-time team of engineers, mechanics and electricians dedicated to attraction safety and maintenance at Disney resorts.

Benefiting from experience, we use the results of safety investigations following any incidents to help anticipate and prevent recurrences, and to continue to strengthen our safety practices. We fully cooperate and comply with state inspection and reporting programs, and work with regulators and other theme parks to improve safety throughout the industry.

***Collaboration***
We proactively participate in national standards committees and industry groups for the education and advancement of amusement ride safety, food safety and accessibility standards. We lead and are members of many committees in organizations such as the National Safety Council and the American Society of Testing and Materials Amusement Ride Safety Standards Committee. Our chief safety officer serves as chairman of both the Safety and Maintenance Advisory Committee and International Standards Harmonization Committee of the International Association of Amusement Parks and Attractions.

In addition to standards and design, contributing to the safety and well-being of children is a responsibility our company takes to heart. Walt Disney Parks & Resorts collaborates with the National Center for Missing and Exploited Children to share best practices in safety to benefit children and assist us in the development of training tools.

***Wild About Safety***
One way we encourage guests to stay safe and enjoy their visit to our resorts is through *Disney's Wild About Safety* initiative. Two of Disney's most popular characters – Timon and Pumbaa from *The Lion King* – tell safety stories by demonstrating the potential consequences of unsafe behavior. Underwriters Laboratories (UL), known worldwide for its not-for-profit safety testing and certification, is a founding participant in this safety education


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Disney's park attraction, *Toy Story Mania*, features many innovative accessibility features including onboard video captioning and easy wheelchair access.

campaign. Timon and Pumbaa share important safety reminders through children's activity books with safety-themed activities, collectible tip cards and reminders in park guidemaps, and a website.

Timon and Pumbaa also take their *Wild About Safety* message to schools across the United States and around the world. UL, with the assistance of various business units of The Walt Disney Company, developed an education initiative to improve children's awareness and understanding of safety and health. Using a curriculum-based approach, children learn safety in the same way they learn reading, writing and math. *Disney's Wild About Safety* Safety Smart lessons are delivered through a series of DVDs covering topics such as home safety, water safety, environmental safety and fire safety. DVDs featuring the popular characters have been translated into 17 languages.

***Accessibility***

Disney parks continue to be leaders in accessibility for guests with disabilities. For example, Disney engineers have taken recent advances in wireless technology a step further, creating a first-of-its-kind, handheld assistive device that delivers location-based and synchronized information as guests move through an attraction. Disney has shared this technology with others to benefit a wide variety of retail, commercial and industrial applications. This is being used to provide communication to individuals with sensory disabilities in museums, exhibits and sporting venues.

The newest innovation in this handheld service provides audio description for guests who are blind or with low vision. Narrated information about key visual elements in attractions such as actions, settings and scene changes are provided and works seamlessly with the existing show audio. From the moment a guest steps into an attraction, they are given rich detail of their surroundings and become immediately involved in the experience. Audio description of outdoor areas offers information via an interactive audio menu. This feature lets guests choose the type of information they would like to receive about outdoor areas, from architectural elements to the location of the nearest restroom.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**



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# Inspiring Kids and Communities

Disney inspires kids and communities to make a lasting, positive change in the world. Whether it's kids in an Iowa classroom protecting quail habitat or our Disney Channel stars promoting healthy lifestyles, we're helping kids and communities to help themselves and the planet.


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This page: Disney Friends for Change. Opposite page: Disney's Planet Challenge.

## INSPIRING KIDS

Disney programs help kids and families take action on topics they care about, from fitness and the environment to nutrition and volunteerism.

While our programs emphasize different issues and different engagement techniques, each strives to inspire kids by:

- Focusing on the power and ingenuity of youth to make positive changes in the world
- Reinforcing kids' actions through strategic philanthropy focused on local communities
- Providing resources and tools for kids and families through Disney online
- Building upon our global media networks, including Disney Channel, Disney XD and Radio Disney

## DISNEY FRIENDS FOR CHANGE

*Disney Friends for Change*, a cross-media movement, inspires kids and their friends to make a difference. Kids can track their collective impact and help decide how Disney donates more than $1 million annually to environmental causes. The program, which features Disney's biggest stars including the Jonas Brothers and Selena Gomez, makes the most of Disney's media reach and unique connection with kids and families.

### Environmental Outcomes

Since its launch in May 2009, *Disney Friends for Change* has already inspired more than 2.5 million kids across the U.S., Canada, Latin America and Europe to make more than 3 million pledges. Together, these actions could:

- Cut 52 million pounds of carbon emissions annually, which is equivalent to planting 10,000 acres of trees
- Reduce or recycle 8 million pounds of trash annually, which is the equivalent weight of over 650 African elephants
- Save more than 1.5 billion gallons of water annually, which is enough water to fill almost 2,500 Olympic sized swimming pools
- Provide new wildlife habitat and shade in almost 75,000 locales

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# Kids Around the World Join Together with *Disney Friends For Change*

*Disney Friends for Change: Project Green* helps kids help the planet. And now, the program is uniting kids all around the world to make a positive change.

This year, *Disney Friends for Change* expanded globally, beginning in 19 countries in Latin America, including Mexico, Brazil, Argentina and Chile. The regional adaptation of the program featured Disney Channel talent in two localized versions: *Amigos por el Mundo* in Spanish-speaking countries and *Amigos Transformando o Mundo* in Brazil. In less than two months in Latin America, kids already took more than 500,000 pledges to help the planet.

The Company's businesses in Europe also joined Disney's global environmental campaign this year. In October 2010, *Disney Friends for Change: Project Green* launched simultaneously in 14 countries across Europe. *Disney Friends for Change* is now live in the United Kingdom, France, Germany, Italy, Poland, Portugal, Spain, Belgium, the Netherlands, Luxembourg, Denmark, Finland, Norway, and Sweden. The *Disney Friends for Change* interactive website is available in local languages and features local Disney Channel talent within each country. *Disney Friends for Change* in Europe and the U.S. promote the same NGO projects and voting cycles, to support $1 million in charitable commitments annually.

Stay tuned for more or visit your local *Disney Friends for Change* website to take your pledge.

## Philanthropy and Stakeholder Engagement

Through *Disney Friends for Change*, we donated more than $2 million to 41 eco-projects in 19 countries over the past two years. These grants included $100,000 to protect Arctic wildlife, $50,000 to improve collection of safe drinking water in Ethiopia, and $100,000 to restore oyster reefs in Florida.

In addition, *Disney Friends for Change* collaborated with Youth Service America to award $150,000 in $500 grants to youth-led service projects around the world. These grants, awarded in 11 countries and in 20 U.S. states, impact communities around the world. Grant recipients used their funds to build nonprofit organizations, start community gardens, educate about waste and recycling, and organize tree plantings, among other projects.

*Disney Friends for Change* works with local organizations to engage youth in community projects throughout the year. Thanks to an on-going relationship with the Boys & Girls Club, over 24 clubs and 100,000 kids are participating in sustainable activities and events on a quarterly basis.

We also collaborated with organizations such as National Audubon Society, Arbor Day Foundation, The Nature Conservancy and the U.S. Environmental Protection Agency to develop and verify environmental content and to address key issues for kids.

## Across the Business

We utilize a wide range of resources to reach youth through *Disney Friends for Change*, seeking to engage kids and families around four topic areas: water, waste, climate and habitats. Highlights include:

- Disney Channel, Disney XD, Radio Disney, and ABC networks have aired 48 different public service announcements encouraging eco-actions for kids
- Disney Records released two chart-topping anthems, "Send it On" and "Make a Wave." All proceeds were directed toward Disney Worldwide Conservation Fund
- Disney Stores celebrated Earth Day with an in-store event where guests exchanged six recyclable plastic water bottles or aluminum cans to receive a *Friends for Change*/ Disneynature *Oceans* eco-hat
- Localized versions of *Friends for Change* expanded globally to Latin America and Europe in 2010.

Visit *Disney Friends for Change* online to learn more about the program, our philanthropic initiatives, and more.

**Visit our online map for stories of *Disney Friends for Change* grants around the world**


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## DISNEY'S PLANET CHALLENGE

*Disney's Planet Challenge* (DPC), a project-based learning environmental competition, expanded to schools across the United States in 2009. *Disney's Planet Challenge* offers budding scientists the chance to use their imagination and creativity to help the planet while giving educators a new and exciting way to motivate students. The program is built around an educationally-sound curriculum that meets national and state guideline requirements.

In this first year of nationwide expansion, more than 2,000 classrooms enrolled with teams representing all 50 states. More than 250 projects were submitted for the final judging. The winning entry, "Operation: Save the Quail," came from a 6th grade class in Mediapolis, Iowa. The students preserved the local quail population through a community awareness campaign and the restoration of 18 acres of prairie habitat. Disney flew the entire class to Disneyland Resort in May 2010 for an award ceremony and celebration. Other notable 2010 DPC projects included students in a Utah 4th grade classroom who proposed and rallied behind an anti-idling resolution that passed in the state legislature, Arizona 5th graders who adopted thousands of acres of land to develop a state land preserve, and Massachusetts 6th graders who installed a wind turbine on a school campus.

*Disney's Planet Challenge* collaborates with a number of government departments and non-government organizations to meet the needs of teachers and students. Disney works closely with the National Science Teachers Association (NSTA) and the WestEd: K12 Alliance to develop educational curriculum and adjudicate the competition, as well as with environmental organizations to assist in developing judging criteria and disseminating information about DPC. Visit the Stakeholder Engagement section to learn more about our work with NSTA and WestEd.

In 2009, Disney also began an ongoing relationship with the online charity DonorsChoose.org, an organization dedicated to helping raise funds for classroom projects across the country. As part of this relationship, Disney contributed $100,000 to support DPC projects through the charity's "Double Your Impact" program. This collaboration fully funded more than 300 projects in 2009-2010, transforming donations from more than 430 individuals into a tangible benefit for more than 52,000 students.

During the 2010-2011 academic year, we are building on DPC's success by expanding the program to middle schools, increasing the DonorsChoose.org program to $200,000, and working with local communities to raise visibility and best meet local needs. DPC is also helping to increase awareness and create a sustaining community of learners through a new "Imagine Your Planet" video series, following students on their mission to create a better planet.

Visit *Disney's Planet Challenge* online to learn more about the program.

# Kids Make a Difference with *Disney's Planet Challenge*

In 2010, *Disney's Planet Challenge* (DPC) expanded into more than 2,000 classrooms nationwide. Students and teachers in grades 3 through 8 are challenged and encouraged to take on project-based environmental learning to help the planet. DPC is based on an educationally-sound curriculum that meets national and state guideline requirements. A sixth-grade class from Mediapolis, Iowa took home the DPC grand prize in 2010 for their project to save the local quail population, a project in which they restored 18 acres of prairie habitat and raised community awareness about the effects of habitat destruction on the local quail population. For their efforts, the students were honored in a special ceremony at Disneyland Resort.

One of the many amazing DPC projects of 2010 included that of the sixth graders of Morningside Elementary in Salt Lake City, Utah. Students began an anti-idling campaign, turning the school grounds into an idle free zone, in an effort to improve local air quality. This anti-idling approach soon spread to local businesses, but the sixth graders did not stop there. They took the campaign all the way to the state legislature, where they submitted an anti-idling resolution, Clean Air Resolution HJR5, which was passed by both the state House and Senate. This academic year, sixth graders have picked up the torch once again and the school's anti-idling volunteer scripts and tutorial videos are now being used in schools across the state. Their signs have spread to airports and other high-idling zones.

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# *Disney Magic of Healthy Living* Brings Healthy Ideas Home

*Disney Magic of Healthy Living* has inspired kids to take action and share their ideas toward creating a healthier generation.

The 2010 *Disney Magic of Healthy Living* national essay contest asked kids to share their ideas to live a healthy life at home, at school and in their community. Nearly 2,000 kids shared their unique perspectives on ways to incorporate good nutrition and physical activity into their daily routines. For example, Anna, 8, shared her thoughts on starting a "healthy kids cooking club" to share healthy eating with her friends and their parents. Another entry from Andrew, 11, took a different approach by focusing on an activity Advent calendar, where "each door would reveal an activity for the day."

A distinguished panel of judges evaluated the entries based on originality, leadership qualities, and subject matter. One of the judges, Associate Clinical Professor of Pediatrics at the Albert Einstein College of Medicine Keith Ayoob, shared his thoughts, "All of the applicants shared such creativity and excitement. What better way to create a healthier generation than to hear from the generation themselves."

Fifty contest winners were selected to be guests of honor at the first *Disney Magic of Healthy Living* Weekend in March 2011 at Walt Disney World Resort.

## DISNEY MAGIC OF HEALTHY LIVING

*Disney Magic of Healthy Living*, a national multi-media initiative designed to make healthy living fun for kids and families, premiered in September 2010. The program unleashes the creativity of Disney to provide kids and families with engaging content, useful tools and unique experiences to help make healthy lifestyles simple and fun. To develop *Disney Magic of Healthy Living*, we consulted with several leaders in the fields of nutrition, health care and fitness, including the Institute of Medicine, Ad Council, Produce for Better Health Foundation, and the White House's Let's Move! campaign.

*Disney Magic of Healthy Living* features three key "ingredients:"

- Using our creativity to make nutritious foods the most appealing choice
- Encouraging 60 minutes of daily physical activity and making exercise more broadly appealing
- Providing information for parents and kids to make healthy choices simpler

### Public Service Announcements

*Disney Magic of Healthy Living* teamed up with U.S. First Lady Michelle Obama and Disney stars to start a dialogue with kids about healthy living. The yearlong effort features public service announcements (PSAs) that offer inspiration and tips on nutrition and activity. The PSAs air regularly on Disney Channel, Disney XD, ABC and Radio Disney. These PSAs were endorsed by the Ad Council and will be distributed to the Ad Council's network of broadcast, network and local cable stations as well.

### Online Engagement

*Disney Magic of Healthy Living* features two new websites that provide parents and kids with inspiration, information and tools to live healthy lifestyles. On the website for kids, kids can get inspired by their favorite Disney stars, learn new ways to get active and eat healthy, download activities, share ideas, discover recipes, gardening tips and more. The website for parents provides fun and simple ideas, tools and activities for families.


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Radio Disney's Ernie D visits with Disney Channel's Brandon Mychal Smith and *Disney Friends for Change* kids taking action at a Give a Day, Get a Disney Day event.

Disney engages the ingenuity of youth to develop solutions for healthy living at home, at school, and in their communities, through a national essay contest. Fifty winners were selected based on the strength of their idea, originality and leadership qualities.

In the first three months, more than 100,000 people have engaged with *Disney Magic of Healthy Living* online to watch videos, get more information or download tools.

### Parks and Gardens

Nearly 70 percent of lower income families in the U.S. say they do not have access to a community playground. Yet, nearly all parents say playing outside is critical to keeping their kids physically fit. *Disney Magic of Healthy Living* is giving kids a place to play, as well as an opportunity to eat food that they can help grow themselves. We are working closely with KaBOOM!, a renowned nonprofit organization whose mission is to have a play space within walking distance of every child in America. A $1 million contribution from Disney will help to build play spaces and gardens in 12 underserved communities nationwide. Playground and garden development will begin in spring 2011.

## INSPIRING COMMUNITIES

Disney takes an active role in our local communities through our direct giving, volunteering and community collaboration. We also encourage others to volunteer by providing inspiration, resources and incentives.

### Media Networks

ABC inspires viewers to give back to their communities through the *A Better Community* public service campaign. The comprehensive campaign, which features public service announcements, an online presence and special programming, utilizes the biggest names in television to inspire viewers to build a better community by volunteering.

In addition, in 2010, ABC, ABC Family, Disney Channel and SOAPnet joined the Entertainment Industry Foundation and other major broadcast and cable networks for *iParticipate* – an industry-wide initiative designed to shine the spotlight on volunteerism utilizing pop culture messaging and special events. Almost 30 Disney/ABC Television Group (DATG) programs incorporated messages about volunteerism into episodes and public service announcements that aired during an unprecedented week of pro-social television. DATG talent, employees and fans also teamed up with City Year in New York and Los Angeles to refurbish schools and brought joy to our troops with help from Operation Gratitude.

ABC Family's hit series *Greek* collaborated with the nonprofit organization DoSomething.org to inspire its millennial audience to make a commitment to take action in their communities. The campaign, "Pledge Yourself to Do Something," featured cast members from *Greek* participating in various activities in support of each of the featured charities. ABC Family encourages volunteering with public service announcements and a "Take Action" page on ABCFamily.com.

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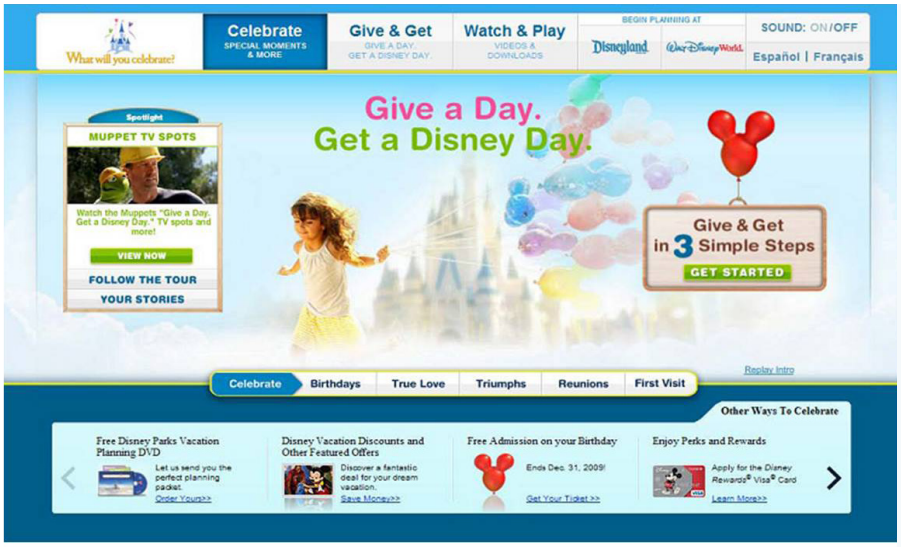
Disney Parks' "Give a Day, Get a Disney Day" campaign celebrates the good deeds of our guests. In just over two months, Disney Parks reached its goal of inspiring 1 million volunteers.




Disney Channel and Disney XD's *Express Yourself* is a short-form series designed to reach kids age 6-14 with a wide array of relevant messages, including those that address feelings of fear and anxiety caused by world events. After the Haiti earthquake, *Express Yourself* aired a 60-second interstitial featuring the message, "Join the world as we shine a light on Haiti," emphasizing themes of connection, empowerment, compassion, outreach and being a part of a global community.

Among ESPN's many goodwill initiatives in 2010, the Winter X Games team produced a special PSA with X Games athletes to raise funds for the children of Haiti. During Veterans Week, its U.S. multimedia entities ran messaging and poignant sports-related stories focusing on the U.S. military and veterans. The series entitled "Salute to our Heroes" culminated with special *SportsCenter* editions live from U.S. Army Garrison Grafenwoehr Parade Field in Grafenwoehr, Germany.

The 10 ABC-owned television stations are all champions of their communities, heightening awareness of local needs and inspiring viewers to take action. The stations often rally support for important local needs through public service announcements and special programming featuring community leaders, station representatives and others. The stations also actively lead food and clothing drives; health, safety and education campaigns; fundraising efforts; and other worthy causes throughout the year.

## Disney Parks & Resorts

In 2010, Disney Parks offered an exciting incentive with its "Give a Day, Get a Disney Day" campaign. To celebrate the good deeds of our participating guests, Disney Parks offered each volunteer who completed an eligible volunteer project free one-day admission to a theme park at the Walt Disney World Resort or Disneyland Resort.

In just over two months, Disney Parks reached its goal of inspiring 1 million guests to sign up to make a difference in their communities through the spirit of volunteerism. We heard many stories of families volunteering together, of new volunteers participating for the first time, and of increased support for local organizations.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**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New York, NY

Chicago, IL

San Francisco, CA

Raleigh-Durham, NC

Flint, MI

Los Angeles, CA

Philadelphia, PA

Houston, TX

Fresno, CA

Toledo, OH

# ABC Stations Inspire Local Residents

The ABC-owned television stations are widely recognized for their longstanding commitment to public service and outreach in their 10 local markets: New York; Los Angeles; Chicago; Philadelphia; San Francisco; Houston; Raleigh-Durham, North Carolina; Fresno, California; Flint, Michigan; and Toledo, Ohio.

Food and clothing drives have long been prominent among the many station initiatives. This was especially important in 2010 to address the increasing economic challenges facing local communities. For example, WTVD-TV in Raleigh-Durham collected a record-setting 4.2 million pounds of food to support local food banks in its Heart of Carolina Food Drive. WABC-TV in New York collaborated with *Good Morning America* and Disney to collect used and gently-worn coats for the annual Warm Coats, Warm Hearts Coat Drive. In Houston, KTRK-TV's Operation Backpack focused on much-needed school supplies for students across local districts.

The ABC-owned stations also raise funds for grassroots causes as well as national and international campaigns. For example, Fresno's KFSN-TV sponsored "Kid's Day," including on-air promotion, which helped inspire more than $400,000 in donations to Children's Hospital Central California. After a gas line explosion in the San Francisco suburb of San Bruno, KGO-TV helped to raise hundreds of thousands of dollars to assist local residents.

Local residents are often spotlighted as community role models. KABC-TV in Los Angeles each week honors a local high school student for outstanding community service, and also presents a monthly Jefferson Award for volunteerism. In Toledo, WTVG-TV honors local women who have demonstrated outstanding leadership qualities and who have opened doors for other women to achieve their potential.

The ABC-owned stations air thousands of public service announcements and special programming during the year on behalf of civic organizations and other nonprofit groups. WLS-TV in Chicago teams with the Chicago Fire Department for the "Operation Save-a-Life" public service campaign, and the station's news team and executives also visit schools and senior centers to promote fire safety and to distribute free smoke detectors. In Philadelphia, WPVI-TV works closely with the Philadelphia Urban Affairs Coalition to develop and broadcast public service announcements and other program segments about tax credits and free tax filing assistance for low-income families. WJRT-TV in Flint recently broadcast several award-winning stories following a local court's mission to unite broken families with children under the age of five. The stories are being shown by local judges and social agencies as a model for future collaborations.

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# Nature Conservation

Building on a long legacy of nature conservation, Disney is actively involved in protecting habitats around the world, helping the planet and the creatures who call it home. We connect kids to nature to ignite their imagination and develop lifelong conservation values.


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This page: Disney's Animal Kingdom. Opposite page: Disney Cruise Line

## OUR APPROACH

Nature conservation is a rich part of Disney's history and a vital focus for our future. From the earliest nature movies, through the setting aside of nearly one-third of The Walt Disney World property as a dedicated wildlife conservation area in perpetuity, to the Disney Worldwide Conservation Fund (DWCF), Disney has worked to preserve nature throughout the world.

Our approach to ecosystem and wildlife conservation includes:

- Providing financial support to animal and conservation projects through the Disney Worldwide Conservation Fund
- Protecting ecosystems in collaboration with leading nonprofit organizations
- Sharing our technical expertise to address conservation issues
- Creating opportunities for children and families to discover, experience and support nature

We are highlighting nature conservation separately from the Environment section of this report because it is such an important component of our current work and our future investment.

## GRANTS FOR WILDLIFE AND WILD PLACES

The Disney Worldwide Conservation Fund (DWCF), founded on Earth Day in 1995, provides financial support for the study of wildlife, the protection of habitats, and the development of community conservation and education programs in critical ecosystems around the world. Every year, DWCF awards grants to U.S. nonprofit organizations and their partners abroad. DWCF's giving philosophy emphasizes a combination of scientific field study, education and awareness, and local community involvement. Priority is given to programs that demonstrate all three components.

In 2010, DWCF granted $1,471,700 to 64 nonprofit organizations working in 33 countries.

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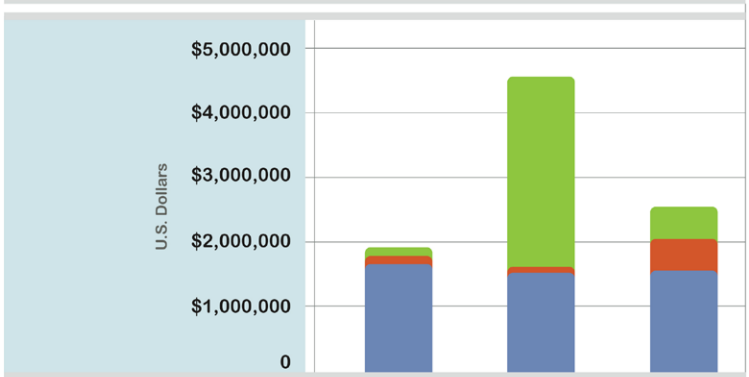
DWCF grantee, The Peregrine Fund in Panama, conducts environmental outreach to train indigenous leaders as teachers who share knowledge to reduce deforestation for agriculture. The Peregrine Fund biologists rehabilitate and track released Harpy Eagles.

**Chart 06 Disney Worldwide Conservation Fund Contributions[1]**




| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Annual Grants[2] | $1,663,810 | $1,443,400 | $1,471,700 |
| Rapid Response Fund[3] | $83,500 | $53,000 | $521,730 |
| Special Contributions[4] | $110,000 | $3,004,350 | $530,070 |
| Total | $1,857,310 | $4,500,750 | $2,523,500 |

[1]The Disney Worldwide Conservation Fund is not a charitable organization and donations are not deductible as charitable contributions for U.S. tax purposes.
[2]In 2009 we experienced lower guest participation in the Fund.
[3]Rapid Response Fund in 2010 included *Disney Friends for Change* Anthem iTunes proceeds.
[4]Special contributions in 2009 and 2010 include contributions through Disneynature and related efforts. In 2009, Disneynature contributed to support planting 3 million trees for theatergoers of *Earth*. In 2010, Disneynature contributed to protecting 35,000 acres of coral reef for theatergoers of *Oceans*.

DWCF invites guests to support the fund through purchases and special animal experiences in our theme parks and resorts. One hundred percent of every guest dollar donated is directed to nonprofit organizations worldwide. Of the contributions received by DWCF in 2010, guest donations accounted for 33 percent. Guest participation in promotional tours, events and merchandise comprised an additional 34 percent, while Disney contributed 33 percent.

## Conservation Heroes

The DWCF Conservation Heroes program recognizes citizens around the world for their tireless efforts at the local level to save wildlife, protect habitats and educate communities. A cash award is shared between the hero and the nominating nonprofit organization. In 2010, DWCF honored six Disney Conservation Heroes for their exceptional service. For example, honoree Rene de Roland manages The Peregrine Fund's Madagascar Project where he rediscovered the Madagascar Pochard, a diving bird previously thought to be extinct.

**Visit our online map for stories of Disney Worldwide Conservation Fund grants around the world**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### Rapid Response Fund

DWCF's Rapid Response Fund helps animals and people in times of environmental crisis. In 2010, the Rapid Response Fund provided more than half a million dollars in urgent conservation support to meet the many challenges our planet is facing. A new collaboration with *Disney Friends for Change* enabled DWCF to expand its reach. Through sales of the songs "Send it On" and "Make a Wave," the Rapid Response Fund was able to expand our relief efforts around the world. For example, in the wake of the 7.0 magnitude earthquake in Haiti, DWCF provided financial support for veterinary care and vaccinations for animals. DWCF also provided relief funds to the International Fund for Animal Welfare to support rescue efforts after Tropical Storm Ketsana hit the Philippines.

For more information about the different projects funded by Disney Worldwide Conservation Fund, please visit the DWCF website.

## SAVING HABITATS

Disney has invested $15.5 million since 2009 in reforestation and conservation projects to combat climate change, improve the livelihood of local communities and protect threatened wildlife. We joined with The Nature Conservancy, Conservation International and The Conservation Fund to manage forestry projects in Africa's Congo basin, the Peruvian Amazon, Inner Mongolia, the lower Mississippi Valley, and the northern California coast. This investment is part of our long-term environmental commitment to achieve zero net direct greenhouse gas emissions.

In 2009, The Walt Disney Company signed the Avoided Deforestation Partners Unity Agreement, which urged policy makers to include protecting tropical forests as part of the solution to the climate crisis. We are a co-signatory to this agreement along with a number of environmental organizations and other corporate leaders.

The Walt Disney Studios' label, Disneynature, is dedicated to telling compelling stories of the natural world as well as letting people know how they can make a difference for the environment. Moviegoers who saw Disneynature's second film, *Oceans*, during its theatrical opening week in 2010 helped conserve more than 35,000 acres of coral reef in the Bahamas.

## Helping Elephants, Bees and Humans Live Together

Humans and animals sometimes come in conflict when living in a shared ecosystem. Disney Worldwide Conservation Fund (DWCF) grantee Save the Elephants, a DWCF beneficiary since 2007, has discovered an innovative way for elephants and humans to coexist.

In Kenya, human expansion into elephant territory has increased human-wildlife conflict as elephants raid farms that are a critical food supply for local families. Scientists from Save the Elephants – working with Disney's Animal Kingdom scientist, Joseph Soltis, Ph.D. – discovered that elephants naturally fear bees and a fence of beehives can be the perfect solution. With the support of DWCF, Save the Elephants taught locals how to cultivate bees, which deter elephants from the crops and provide an additional source of income through honey production.

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# Disney's Animal Programs Team Rescues Sea Turtles

The team at Disney Animal Programs provides magical experiences for our guests every day at Disney's Animal Kingdom and The Seas with Nemo & Friends at Epcot. They also help support the rescue and rehabilitation of hundreds of injured and orphaned animals every year.

Disney Animal Programs is often called upon to help distressed animals. In 2010, Disney's conservation and animal professionals, as well as other cast members at Walt Disney World Resort, twice provided aid to threatened sea turtle populations.

In January, Disney assisted the Florida Fish and Wildlife Conservation Commission in rescuing sea turtles impacted by record cold temperatures. Cast members logged more than 10,000 miles throughout the state carrying more than 500 rescued turtles to rehabilitation centers. Disney veterinarians and hospital staff worked alongside other surgeons and technicians performing delicate surgeries, and Walt Disney World Resort took in critically injured turtles for long-term care.

A few months later, Disney jumped into action again, converting a space at Disney's Animal Kingdom and The Seas with Nemo & Friends at Epcot into a temporary rehabilitation facility for 68 sea turtles injured by the Gulf Coast oil spill. Most of these turtles have been released back to their home in the sea. Others are on the road to recovery.

## ANIMAL PROGRAMS

We are committed to delivering uncompromising excellence in animal care. Our Animal Programs team participates in cooperative breeding programs with other zoological facilities, works directly in field conservation, provides animal experiences at our theme parks, and offers tours and education programs. Through these activities, we create magical memories for our guests, while also making a difference for conservation around the world.

Every year Disney supports cast members in developing and participating in local, national and international field conservation programs to study and protect wildlife. In one ongoing project, Disney-supported conservation biologists and Proyecto Titi, a conservation organization in Colombia, are working to sustain the cotton-top tamarin monkey population, a species that is critically endangered. Our biologists are combining field research, education initiatives and community-empowered programs to make the conservation of natural resources economically beneficial for local communities in Colombia.

### Species Conservation

Disney's Animal Kingdom and The Seas at Epcot are working with other zoological facilities, wildlife organizations and government agencies to promote species conservation through recovery plans, rehabilitation and reintroduction of endangered and threatened species. As an accredited member of the Association of Zoos and Aquariums (AZA), we are a proud and active participant in 34 "Species Survival Plans," AZA's managed breeding programs.

A Disney Animal Programs researcher works with sea urchins in the Bahamas.


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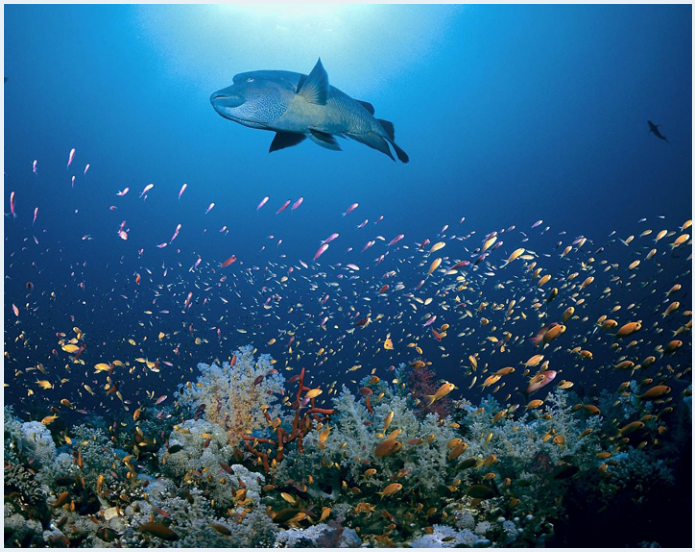
As a licensed wildlife rehabilitation center, Disney Animal Programs supports the rescue and rehabilitation of hundreds of injured and orphaned animals each year. For example in 2010, Disney's conservation and animal professionals, as well as other Walt Disney World cast members, provided aid to threatened sea turtle populations.

## INSPIRING CONSERVATION

We believe in helping children and families to discover nature and take action to protect it. Through our programs that connect kids and families with the environment, our guests and fans experience and learn about wildlife while also contributing to conservation efforts around the world. To learn more about Disney's programs to inspire children and families, visit the Inspiring Kids and Communities section.

For more information about our conservation efforts, please see our Conservation Report.

Disney's Animal Kingdom celebrates the birth of a baby gorilla.



Courtesy: The Nature Conservancy

# Disneynature's *Oceans* Scores Big for the World's Coral Reefs

Released on Earth Day 2010, Disneynature's second film, *Oceans*, achieved critical and box office success in North America. It was the #1 film on opening day (Thursday, April 22, 2010), the 2nd highest opening weekend gross for a nature film behind Disneynature's *Earth*, and the 3rd highest grossing feature length nature film in history.

Along with providing a spectacular in-depth look at our world beneath the waves, Disneynature *Oceans* is helping to conserve more than 35,000 acres of coral reef in the Bahamas on behalf of moviegoers who went to see the film during its opening week. Through a program titled "See OCEANS, Save Oceans," Disneynature donated a portion of each movie ticket sold to The Nature Conservancy through the Disney Worldwide Conservation Fund, to establish new marine protected areas in the Bahamas, supporting the expansion of the Westside National Park of Andros. At 55 square miles, this protected area of coral reefs will be almost two-and-a-half times the size of Manhattan or the equivalent of more than 412 Disneylands.

The 700 islands that comprise the Bahamas contain miles of vital coral reefs, which are the foundation of a healthy ocean environment, providing shelter, nurseries and feeding grounds for hundreds of marine species, including dolphins, sea turtles and a wide range of fish. Scientists estimate that the coral reefs of the Caribbean could be gone in 50 years without a network of well-managed marine protected areas.

A portion of every Disneynature *Oceans* Blu-ray Combo Pack or DVD purchased during its first week of release was also donated to the same initiative. After adding the theatrical and Blu-ray/DVD efforts together, combined with efforts by the Disney Stores and *Disney Friends for Change: Project Green* to support the cause, we were able to expand the marine protected area around Andros Island to a total of 40,000 acres, all made possible through the public's support of Disneynature.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**

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# Environment

Disney is reducing its environmental impact through projects big and small. From investing in reforestation around the world to reducing our electricity consumption, we are taking strong strides to help preserve the planet.


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This page: The Nature Conservancy's Disney Wilderness Preserve. Opposite page: Disneyland Paris

## OUR APPROACH

Disney announced a set of ambitious long-term goals in 2009 to reduce our environmental impact and inspire our employees, business associates and consumers to take action for the environment. Current scientific conclusions indicate that reductions in greenhouse gas emissions are urgently required to avert accelerated climate change. Scarcity of natural resources and threats to ecosystems and biodiversity are serious environmental issues. These challenges demand fundamental changes in the way society, including businesses, use natural resources, and Disney is no exception. Some of our businesses are resource intensive and require special attention to environmental considerations, such as land use at our parks or fuel for our cruise lines.

We made further progress in 2010 integrating environmental considerations into our daily decisions and actions, as well as in strengthening our commitment to conserve nature for future generations. In March 2010, President and CEO Bob Iger shared his vision on the importance of environment and conservation for businesses at the Wall Street Journal Eco:Nomics Conference.

The diversity and scope of Disney's operations present a challenge to create a uniform global environmental strategy. Our varied business models and regional operations affect different aspects of the natural environment. Different approaches are required to address what are often localized issues. Our Environmental Council, comprised of Disney business unit leaders, is working to establish and evaluate long-term environmental goals and medium-term targets, identify approaches to emerging issues, determine cross-business efficiency opportunities, and support innovation. Our business units are then responsible for crafting strategies and solutions and for achieving the goals and targets.

In this section we share our progress toward the environmental goals and commitments, which align to our Environmental Policy. Please also visit Disney's report to the Carbon Disclosure Project for more information on our efforts.

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**Chart 07 Progress Toward Environmental Goals**

| Section | Goal | Target | Fiscal Year 2010 Progress |
|---|---|---|---|
| Climate and Energy | Achieve zero net direct greenhouse gas emissions | Achieve 50% of long-term goal through a combination of reductions, efficiencies and offsets by 2012 | • Direct GHG emissions increased by 0.5% between 2009 and 2010 and decreased by 4.6% between 2006 and 2010.<br>• Through the Climate Solutions Fund we made an investment of $7 million in carbon offset projects around the world. |
| | Reduce indirect greenhouse gas emissions from electricity consumption | Reduce electricity consumption by 10% compared to 2006 baseline in existing assets by 2013 | • Electricity consumption decreased by 2.7% between 2009 and 2010 and decreased by 6.6% between 2006 and 2010. |
| | | Develop a plan to aggressively pursue renewable sources of electricity to reduce emissions from electricity | • Internal research underway to develop a plan for increased procurement of renewable energy. |
| Waste | Send zero waste to landfills | Decrease solid waste to landfill to 50% of 2006 baseline level by 2013 | • In 2010 solid waste sent to landfill was 44% of the total waste generated in 2006. |
| | | Increase percentage of purchases that include post-consumer recycled material | • Several initiatives are underway with tracking system under development. |
| Ecosystems (*See also Nature Conservation*) | Have a net positive impact on ecosystems | Develop and implement an integrated approach to design, engineering and habitat protection for all new construction projects by 2010 | • Developed integrated approach to design of new construction projects involving assessment of ecosystem services and functions combined with a sustainable design evaluation process. |
| | | Increase the level of support from the Disney Worldwide Conservation Fund each year for the next 5 years | • Provided more than $2.5 million through Disney Worldwide Conservation Grants. DWCF grants declined in 2010, but increased on average from 2008 to 2010. See Nature Conservation section. |
| Water | Minimize water use | Develop a water target | • Developed new target: By the end of 2012, Water Conservation Plans will be adopted to identify areas for water conservation improvement. |
| Product Footprint | Minimize product footprint | Develop a product footprint target | • Developed targets for fiscal year 2011 in the areas of paper use and manufacturer engagement. |
| Education and Action (*See also Inspiring Kids and Communities*) | Inform, empower and activate employees, business partners and consumers to take positive action for the environment | | • Successful year for two youth programs, *Disney Friends for Change* and *Disney's Planet Challenge.*<br>• Engaged employees through online environmental summit and VoluntEARS program. |


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**Long-Term Goals:**

- Achieve zero net direct greenhouse gas emissions
- Reduce indirect greenhouse gas emissions from electricity consumption

**Targets:**

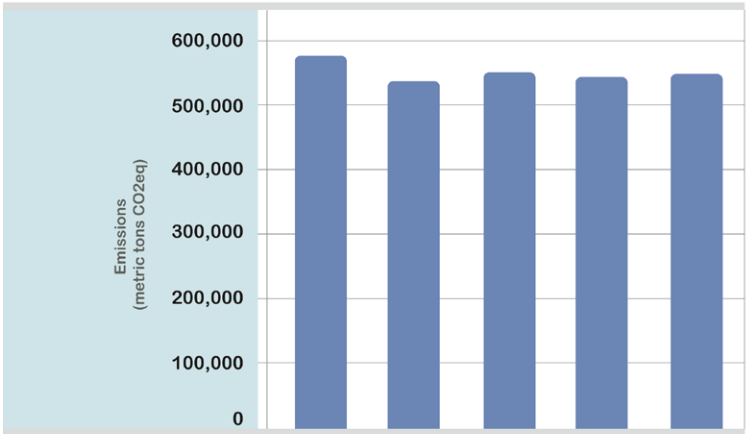
- Achieve 50% of long-term goal (to achieve zero net direct greenhouse gas emissions) through a combination of reductions, efficiencies and offsets by 2012
- Reduce electricity consumption by 10% compared to 2006 baseline in existing assets by 2013
- Develop a plan to aggressively pursue renewable sources of electricity to reduce emissions from electricity

We are committed to lowering our direct and indirect emissions across our businesses and are guided by a set of medium-term targets. The approach to these goals follows the hierarchy of avoiding emissions, reducing emissions through efficiency, replacing high-carbon fuels with low-carbon alternatives and then using high-quality offsets for our remaining emissions. "High-quality" is defined by a strict set of criteria and standards, including that the offset projects are real, transparent, measurable and provide additional emissions reductions beyond those that may have been realized in the ordinary course of business.

Our environmental measurement is conducted in accordance with principles outlined in the World Resource Institute's GHG Protocol. Unless otherwise noted, the emissions, electricity and waste information is based on our parks and resorts, owned and leased office spaces, cruise ships, retail outlets, restaurants, and radio and television stations. In 2010, we transitioned our measurement from an annual to a quarterly data inventory process for emissions, electricity and waste. This process allows us to better manage our progress throughout the year.

In fiscal year 2010, direct greenhouse gas emissions were 4.6% below the 2006 level. Electricity consumption was 6.6% below the 2006 level. To make additional progress toward our long-term goal, our investment in forestry projects in 2009 and 2010 will begin providing offset credits in fiscal year 2012.

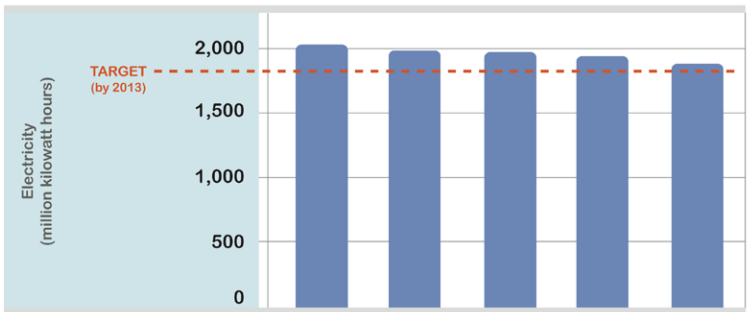
**Chart 08 Progress Toward Direct Emissions Target [1,2]**




| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Leased Office Space | 14,274 | 10,212 | 10,531 | 10,801 | 11,444 |
| Office/Retail/Stations | 40,813 | 37,496 | 41,388 | 41,508 | 42,892 |
| Cruise Ships | 274,913 | 258,675 | 269,215 | 264,812 | 259,528 |
| Theme Parks & Resorts | 247,191 | 238,772 | 240,132 | 231,118 | 236,918 |
| TOTAL | 577,191 | 545,155 | 561,266 | 548,239 | 550,782 |
| % Change (annual) | | (5.6%) | 3.0% | (2.3%) | 0.5% |
| % Change (since 2006) | | (5.6%) | (2.8%) | (5.0%) | (4.6%) |

[1]Data in this table are slightly different (≈1.5% variance) from data published in the 2009 Data Update to the Corporate Responsibility Report. This is due to corrections made as a result of internal reviews, and changes in emission factors. Adjustments were also made to incorporate The Disney Stores Japan, which was added to our portfolio in 2010.
[2]Data for 2006 are in calendar year. Starting in 2007, data are for fiscal year (October – September).

**Chart 09 Progress Toward Electricity Target [1,2,3,4]**




| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Electricity (million kilowatt hrs) | 2,010 | 1,986 | 1,979 | 1,929 | 1,877 |
| % Change (Annual) | | (1.2%) | (0.4%) | (2.5%) | (2.7%) |
| % Change (since 2006) | | (1.2%) | (1.5%) | (4.0%) | (6.6%) |
| Indirect GHG emissions from electricity (1,000 metric tons C02eq) | 985 | 976 | 971 | 941 | 915 |

[1]Data in this table are slightly different (≈1.00% variance) from data published in the 2009 Data Update to the Corporate Responsibility Report. This is due to corrections made as a result of internal reviews, and changes in emission factors. Adjustments were also made to incorporate The Disney Stores Japan, which was added to our portfolio in 2010.
[2]Data for 2006 are for calendar year. Starting in 2007, data are for fiscal year (October – September).
[3]Electricity data represent consumption in those assets existing as of 2006 baseline, per the electricity target. Electricity consumption in assets added during 2007, 2008, 2009 and 2010 were 5.89, 27.5, 45.5, and 73.7 million kilowatt hours respectively.
[4]Electricity consumption in leased offices is not included in these totals, as Disney does not control the management of these spaces. Estimated electricity consumption in leased offices, based on a multiple of square feet occupied and a generic factor was 137 million kilowatt hours in 2006 and 90 million kilowatt hours in 2010.

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# Disney Funds Forestry Project in Inner Mongolia, China

In 2010, Disney continued its long history of conservation and environmental stewardship with additional investments in offset projects around the world. With our key business markets in mind, the Company made a US $2 million contribution to The Nature Conservancy for the reforestation of ecologically degraded lands in the Heling'er region of Inner Mongolia, China.

Such reforestation projects are highly effective ways to combat climate change, improve the livelihood of people and protect threatened wildlife. Healthy forests provide food, shelter and income to millions of people around the world. Each year, nearly 13 million hectares of forests disappear. To help aid in this environmental crisis, China has committed to increase forest cover by 40 million hectares by 2020.

The Chinese government has identified the Heling'er region of Inner Mongolia as a critical conservation zone, owing to its location between the Mongolian grasslands and the Loess Plateau, and because of its biodiversity, which includes more than 40 mammal and 120 bird species.

## Climate Solutions Fund

To achieve our long-term goal of "zero net direct greenhouse gas emissions," the Company strives to reduce direct emissions and invest in high-quality carbon offset projects. The costs of the carbon offset projects are charged back to individual business units at a rate proportional to their contribution to the Company's overall direct emissions footprint. Thus, our businesses are now exposed to an internal carbon price. The "Climate Solutions Fund" is the name given to the Company's internal carbon pricing program.

Since 2009, the Company has invested $15.5 million in offset projects globally, including:

- $7 million for forest conservation in Peru and the Democratic Republic of the Congo in collaboration with Conservation International
- $2 million for reforestation in the lower Mississippi Valley, in collaboration with The Nature Conservancy
- $1 million for improved forest management in Northern California, in collaboration with The Conservation Fund
- $2 million for a reforestation project in Inner Mongolia, China, in collaboration with The Nature Conservancy
- $3.5 million for purchases of carbon credits from industrial projects around the world, such as landfill gas capture and destruction, refrigerant gas destruction, and wastewater treatment

All offset purchases must meet credible standards such as those established by the Climate Action Reserve, the Voluntary Carbon Standard or the Gold Standard. The forestry projects are designed to start delivering reductions in 2012 and onward.

## Parks & Resorts

Our theme parks and resorts and Cruise Line operations are the Company's most significant source of emissions. Our resorts have made strides to conserve energy through a mix of technical and operational enhancements. Throughout our parks and resorts, we have implemented energy management systems and scorecards; replaced old lighting and fixtures with more energy-efficient alternatives; and increased efficiency of chillers, heat exchanges, airhandlers and pumps through technology enhancements and controls.

Additional examples from our parks and resorts include:

- Disney Cruise Line ships now have an innovative, non-toxic hull coating which reduces drag and increases fuel efficiency

- Disneyland Resort installed a Thermal Energy Storage Tank to hold water that is chilled overnight which is more efficient and reduces overall energy consumption. This chilled water is used the following day to cool buildings both onstage and backstage

- Walt Disney World made significant advances in reducing electricity consumption by continuing to switch to energy-efficient lighting in many of our theme park shows, attractions and merchandise locations


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- Disneyland Paris is equipped with energy consumption screens in several restaurant kitchens that enable monitoring of consumption during operations

- Hong Kong Disneyland is optimizing show effects in Adventureland, including making adjustments to the flame and steam effects on the Jungle River Cruise

### Motion Picture Production and Events

Each Walt Disney Studios motion picture has at least one full-time Environmental Steward who works to improve the environmental footprint of the production. The Steward coordinates with location, production, catering, and cost services teams to incorporate environmental considerations in filming. The Steward encourages the crew to minimize their environmental impact during filming by taking actions such as using refillable water bottles, recycling empty containers, using compostable flatware, and minimizing waste.

Walt Disney Studios joined forces with other major studios in 2010 to develop two resources to advance sustainability within the film and television production industry.

- The Green Production Guide enables film and television professionals to assess the environmental impact of production. The guide was created by the Producers Guild of America Foundation and PGA Green, in alliance with Disney and several other major movie studios. It provides an online searchable database of green products and resources. The database includes more than 1,100 vendors ranging from caterers who use biodegradable products to retailers that offer FSC-certified lumber and low VOC paints.

- A standardized Carbon Calculator is now available for free download by production companies. The Carbon Calculator can help guide the measurement of greenhouse gases for all movie and television productions.

## WASTE

**Long-Term Goal:**
- Send zero waste to landfill

**Targets:**
- Decrease solid waste to landfill to 50% of 2006 baseline by 2013
- Increase percentage of purchases that include post-consumer recycled material

Walt Disney Parks & Resorts set a goal to decrease solid waste to landfill to 50% of the 2006 baseline level by 2013. “2006 baseline level” refers to the total waste generated in 2006. In practical terms, this means decreasing our waste sent to landfill to levels below 137,556 tons per year.

## Disney Studios’ Environmental Stewards Bring Green to Movie Production

Walt Disney Studios Motion Picture Production introduced a new full-time position in 2009, the Environmental Steward, to each of the Studios’ live-action feature film crews. The Steward is charged with initiating recycling, reuse and best practices across the myriad crafts on the set. This role calls for environmental advocacy as well as educating the cast and crew on the wisdom and best habits to embrace as we forge our way to a greener world.

Yazmin Watkins has worked as an Environmental Steward on several Disney productions, including *Pirates of the Caribbean: On Stranger Tides, John Carter of Mars,* and *The Muppets Movie.* She understands first-hand the importance of coordinating across the production: “It takes a team for it to work – we need all departments to collaborate to make an impact.” In her role as Environmental Steward on *John Carter of Mars*, Yazmin tracked down recycling services in remote filming locations. She even convinced a local waste vendor to consider continuing recycling programs after production had ended. She distributed reusable water bottles to support the film’s goal of being a “case-free” show and motivated the crew to be green by giving special prizes for the best environmental efforts. On the set of *The Muppets Movie,* she showed Kermit that it’s easy being green by organizing donations of food to local food banks, providing used lighting gels to local film schools, and ensuring that the catering team used biodegradable dishware.

Yazmin’s influence even extends beyond the film production itself. The cast and crew on the set often wanted to know what else they could do at home to protect the environment, and Yazmin provided them with green resources and tips on activities like recycling, carpooling and composting. This experience has been incredibly rewarding for her. “Environmental issues have been part of how I approach my life, both personally and professionally, for a long time, so getting to work on these issues with Disney has been very gratifying. Also, my career goal is to make movies, so it’s really exciting to be on set, influencing the way movies are made,” she says.

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From 2006 to 2010, the total waste generated by our theme parks and resorts increased by 27,786 tons, due primarily to significant construction projects at Disneyland Resort in California. However, despite this growth in construction-related waste, we surpassed our target in 2009 and sustained it in 2010, due to increases in existing recycling programs and additional recycling programs at every Park. Solid waste sent to landfill in 2010 was 44% of the total waste generated in 2006.

**Chart 10 Progress Toward Waste Target**

| | 2006[1] | 2008[1] | 2009[2] | 2010 |
|---|---|---|---|---|
| Total waste generated[3] (tons) | 275,112 | 266,197 | 282,914 | 302,898 |
| Waste sent to landfill (tons) | 148,618 | 140,789 | 117,408 | 121,060 |
| Target level for waste sent to landfill (tons)[4] | 137,556 | 137,556 | 137,556 | 137,556 |
| Variance against target (tons) | 11,062 | 3,233 | (20,148) | (16,496) |
| | | | | |
| Waste diverted from landfill (tons) | 126,494 | 125,408 | 165,506 | 181,838 |
| Percentage waste diverted from landfill | 46% | 47% | 58% | 60% |

[1]Data in this table are slightly different (≈ 1% variance) from the data published in the 2009 Data Update to the Corporate Responsibility Report. Some adjustments were made to FY2009 landfill and diversion values, resulting in a decrease in reported total waste generated. The adjustments were due to corrections in data entry, such as the removal of materials incorrectly reported as being sent to landfill.
[2]Data for 2006 and 2008 are calendar years. Starting in 2009, data are for fiscal year (October-September).
[3]Waste data for all parks and resorts do not include tonnage from hazardous waste disposal or property control.
[4]Target level for waste sent to landfill is equivalent to 50% of 2006 total waste generated. This value is 137,556 tons.

## Business Units

While our waste targets are primarily focused on Walt Disney Parks & Resorts, many of our business units are making strides in reducing waste sent to landfill.

- ESPN headquarters in Bristol, Connecticut, averages a 70% diversion rate through an extensive composting and recycling program. At this campus, we recycle or reuse all plastic, glass and metal containers, old pallets, used tapes and film, light bulbs, batteries, paper, cardboard, scrap metals, office furniture, carpet squares, ceiling tiles, toner cartridges, construction and demolition debris, sporting equipment, electronics and anything else possible. We provide only compostable plastic service ware including utensils, cups, lids and salad boxes and compostable fiber to-go boxes, plates, straws and hot cups. Everything that ends up in trash bins is incinerated, making it a zero waste to landfill campus. ESPN is working to increase the diversion rate and lower the incineration rate.

- From digital dailies to final release prints, The Walt Disney Studios is digitizing the production, post-production and distribution processes. We are moving to a tapeless, filmless workflow. The first *Pirates of the Caribbean* (2003) movie required 400 million feet of film to create the release prints for movie theaters around the world. Compare that to *Disney Alice in Wonderland* (2010) which only required 75 million feet of film for release prints. Digital copies went out on 6,000 hard drives. The upcoming Muppets movie will be distributed entirely using this digital format. The Studio was also the initial driver behind an industry effort to collect and recycle 3D glasses. RealD, a licensor of 3D technologies, has collected and recycled more than 2,000 tons of 3D glasses domestically in 2010.

- ABC's Set Reuse Program encourages the reuse of production sets, including promoting and repurposing stock scenery by managing a comprehensive web gallery. This gallery gives art departments and set designers access to a multitude of used sets. Additionally, we have in-house workstations for production groups to carry out research for identifying show or film sets.

- Disney parks in the United States have increased the recycled content in a number of items. For example, celebration buttons are now made of 30% recycled steel, PhotoPass plastic cards are made of 95% recycled content, and all merchandise bags at Walt Disney World Resort and Disneyland Resort are made of 100% recycled plastic.


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## ECOSYSTEMS

**Long-Term Goal:**

- Have a net positive impact on ecosystems

**Targets:**

- Develop and implement an integrated approach to design, engineering, and habitat protection for all new construction projects by 2010
- Increase the level of support from the Disney Worldwide Conservation Fund each year for the next 5 years

Healthy ecosystems provide many benefits to Disney and the communities in which we work and live. We are developing an ecosystem management strategy designed to deliver a net positive impact on ecosystems. As part of this strategy, ecosystem impacts are first identified during the design-review process of new building projects. Then, habitat and restoration solutions are developed to avoid, minimize or mitigate those impacts. Finally, a set of sustainable design solutions are evaluated for potential implementation.

Walt Disney Imagineering R&D is leading this effort through pioneering work in the area of ecosystem services. Our work is firmly grounded in academic research. We draw upon the expertise of key thought leaders in this field, in particular Stanford University and the United States Environmental Protection Agency's Ecosystem Services Research Partnership. This ongoing research emphasizes the balance between built and natural environments.

Our Ecosystems Integrated Approach will continue to develop and evolve as more scientific research becomes available. We expect to pilot this approach in upcoming design projects.

### Wood Use Standard

Our Wood Use Standard provides a framework for responsible wood selection in construction projects throughout Disney. Internal teams worked with conservation organizations, including World Wildlife Fund's Global Forest & Trade Network and World Resources Institute, to develop the standard. One key component of the standard is a Wood Use Guide featuring usage and availability information, along with endangerment rankings for 60 different wood species and technologically modified woods. The standard requires that buyers obtain certification when sourcing endangered wood. If certified sources do not exist, wood must be of known, verified legal origin.

## ESPN *College Game Day* Helps Fans Cut Down on Waste

The ESPN team took its sustainability efforts on the road this year. A focus on sports means ESPN is on the road a lot, and it inevitably has an impact on the sites it visits. In addition to efforts at the ESPYs and X Games, the ESPN team committed to attend every ESPN *College Game Day* to help reduce the event's on-campus environmental impact and to encourage recycling.

At *College Game Day* locations, the ESPN team sets up a tent where fans trade full bags of recycling in exchange for ESPN and *College Game Day* shirts, hats, beanies and hoodies. ESPN works with students from the school's environmental club to distribute recycling bags to tailgaters in parking lots and to inform them about the program. ESPN also works closely with the school to recover recyclables from its *College Game Day* site after the students leave. We've found that many schools sustain ESPN's tailgate recycling initiative for subsequent home games. Other schools already have great existing programs, and at these schools ESPN works with them to enhance and promote their efforts.

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Since 2009, Disney has invested $15.5 million in offset projects around the world, including this one near this small town of Florida Pomacochas, Peru.

### Nature Conservation

In addition to our operational and policy programs, the Disney Worldwide Conservation Fund contributes to nature conservation projects around the world. We also have a number of programs to inspire kids and families to celebrate, discover and conserve ecosystems we share with wildlife. To learn more, visit the Nature Conservation section of this report.

## WATER

**Long-Term Goal:**

- Minimize water use

**Target:**

- By the end of 2012, Water Conservation Plans will be adopted to identify areas for water conservation improvement

Freshwater is a critical resource that is under increasing demand. Disney recognizes the importance of water as a critical resource for our operations and the communities in which we operate. Water must be managed in a sustainable fashion for future generations. Dependable water supplies are required for supplying human needs, ensuring healthy ecosystems, and maintaining business security. Already in some parts of the world, sources of freshwater are strained and the increasing gap between supply and demand will further stress freshwater sources.

The purpose of our water goal is to ensure the sustainable use of water by Disney in all of the communities in which we conduct business. In 2009, we created an internal Water Working Group to develop a medium-term target that will bring us a step closer to reaching our goal of minimizing water use. Availability and business use of water varies across all regions and geographic locations. In order to develop a meaningful target, the working group engaged cast members, Imagineers, crew members and employees throughout the Company to identify the sources of water for each business and location, the relative availability of potable water, and current water conservation practices.

We decided that the Company's best approach to water conservation must be locally-relevant and locally-managed. To address this, we established a new medium-term target:

- By the end of 2012, Water Conservation Plans (WCPs) will be adopted in each of our locations.


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Disney Cruise Line is active in applying technology to conserve water. The Disney Magic recycles water collected from the onboard air conditioning system to supply fresh water to the ship's laundry facilities and for cleaning the ship's outer decks.

The WCPs will provide a review of potable water use and availability, as well as conservation measures already in place and strategies for additional conservation measures.

We are already implementing freshwater saving measures in some of our sites.

- Water conservation efforts in place since 1990 have helped the Walt Disney World Resort maintain its beautiful landscape while minimizing impacts to local water supplies. Reclaimed water – water that is treated, reprocessed and reused – is used to irrigate golf courses as well as for washing buses and cleaning streets at theme parks and resorts. More than 6 million gallons of reclaimed water are used each day. Additional reclaimed water is used to recharge the aquifer through a system of rapid infiltration basins. Water conservation efforts have enabled aquifer net withdrawals to remain at levels similar to those of more than 20 years ago, even though the resort has grown by two parks, two water parks and 20 resort hotels since then.

- Disney's Corporate Operations and Real Estate (CORE) group manages owned and leased facilities. One of CORE's business objectives is to ensure a clean, safe and efficient work environment. In 2009, CORE initiated a restroom water effort which includes replacing older toilets with new low flow technology units at the Studio Lot in Burbank, California. This effort resulted in an estimated annual savings of 5.6 million gallons of water.

- A water use reduction program was initiated at the ABC Television Studios in New York as early as 2001. At this site, we implemented a phased approach to systematically upgrade all restrooms throughout the complex. As part of this program, automatic low flow urinals and toilets have been installed as well as automatic faucets with water reducing aerators.

- Disney Cruise Line is active in applying technology to conserve water. The laundry facility aboard the Disney Magic consumes about one-third of the total water used on the ship. To conserve water, new efficient washers were installed in 2010. The new technology has improved water efficiency in the laundry by more than 20%. The Disney Magic also recycles water collected from the onboard air conditioning system to supply fresh water to the ship's laundry facilities and for cleaning the ship's outer decks. This amounts to a minimum of 50 tons of water conserved onboard each ship per day.

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# World of Color Springs to Life

In 2010, Disney Parks & Resorts premiered our new signature nighttime spectacular, "World of Color," at Disney California Adventure in Anaheim. This attraction uses powerful water fountains, kaleidoscopic colors, compelling music, fire, lasers, special effects and larger-than-life digital projection to bring Disney characters and stories to life in a whole new way.

Creating this attraction provided a great opportunity to test our environmental innovations on a large scale. When preparations for "World of Color" began, Disneyland Resort (DLR) collaborated with the Orange County Water District to conserve the water in Paradise Bay. Instead of draining the lagoon to the ocean, the water was sent through the Water District's state-of-the-art Groundwater Replenishment System. After being purified, the water was stored in the county's underground water basin, adding to the county's overall water reserves. When the time was right, the purified water was reused to refill Paradise Bay.

Disneyland Resort was recognized with California's highest and most prestigious environmental honor for these efforts: the 2009 Governor's Environmental & Economic Leadership Award. This award recognizes DLR's water conservation practices as well as other environmental innovations.

## PRODUCT FOOTPRINT

**Long-Term Goal:**
- Minimize product footprint

**Target:**
- Develop a product footprint target

Disney characters appear on products in a wide array of categories, including apparel, books, toys, DVDs, CDs, electronics, food, health and beauty items, and home décor items. These products are created and brought to market through different supply chains and sourcing relationships. In some cases, such as the merchandise at Disney Stores and theme parks, we have direct relationships with manufacturers and transportation companies. In others, Disney-branded products are designed, manufactured and transported by licensees using a large and geographically diverse network of facilities, and sold to consumers by independent retailers. To learn more about Disney's supply chain, please visit the Supply Chain section.

Many Disney business units have individual environmental initiatives to address the various elements of the product lifecycle, including raw materials, packaging, manufacturing, transportation and consumer communications. In 2010, the Company came together to develop some common approaches and targets around our overall product footprint.

As we explore all aspects of the product lifecycle through business unit-led initiatives, we are focusing our companywide targets on two areas in particular: the sourcing of raw materials and manufacturing. These parts of the product lifecycle are significant contributors to a product's overall environmental impact. Our immediate focus is on products the Company sells directly to consumers. Licensed products will be addressed in a later phase.

### Raw Materials

Nature conservation is a top Disney priority. To support our commitment to nature conservation, an initial focus of our product footprint strategy is reducing raw materials that have a direct impact on forests and ecosystems. We chose to begin with paper-based products and packaging. In the U.S. alone, our Disney Publishing business produces 50 million books and 30 million magazines annually. We also directly source and distribute *ESPN Magazine* and Hyperion books, as well as various paper products such as stationery and autograph books in our Disney Stores and theme parks.


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During fiscal year 2010 we set targets for sustainable paper use.

**Targets:**
Disney seeks to have 100% of paper sourced for product and packaging by its non-licensed businesses be sustainable. The paper sourced will contain recycled content, be sourced from certified forests[1], or be of known source origin[2].

- By the end of FY 2011, all paper used in paper-based books and magazines by Disney's non-licensed North American publishing businesses[3] will fully meet the target.
- By the end of FY 2011, all other non-licensed businesses[4] will identify a timeline for achieving the target.

## Manufacturing

Given the large scope of our supply chain, we can significantly amplify our internal sustainability initiatives by engaging product manufacturing vendors. To support this effort, we adopted the following targets.

**Targets:**
In our non-licensed businesses[5], Disney strives to work with suppliers that are committed to environmental responsibility and are able to show improvement in environmental performance

- By the end of FY 2011, strategic suppliers[6] of key product lines[7] will complete an Environmental Responsibility Index[8] survey. The survey will be set as a baseline for measuring future improvement
- By the end of FY 2011, identify key product lines/categories to be measured for improvement
- By the end of FY 2014, Strategic suppliers in plush, apparel, and other selected product lines[9] will have demonstrated continued improvement in environmental performance

## Transportation

Disney and its affiliates in the United States joined the SmartWay EPA (Environmental Protection Agency) program in 2009. The intent of this effort is to collaborate and identify effective action plans to help minimize carbon emissions from transportation. Many domestic carriers used by Disney are SmartWay Partners. We regularly review optimal transportation modes, such as rail and ocean, which will reduce our carbon footprint.

## Business Unit Initiatives

Many of our businesses have incorporated sustainability principles into their products. For example:

- Disney Store North America has introduced organic cotton into T-shirt lines; launched a TrackMyT program encouraging consumers to track cotton from farm to shelf; and is working to incorporate recycled paper into stationery, packaging and gift boxes
- Disney Store Europe recycled PET (polyethylene terephthalate) from 1.8 million plastic bottles, converting it into labels, packaging and reusable shopping bags; transitioned product lines, packaging and tags to recycled cardstock; and certified its European Distribution center to ISO 14000 standard, an international standard for environmental management systems
- Walt Disney Studios Home Entertainment reduced the weight of a DVD plastic case from 83g to 45g; reduced DVD paper wrap weight from 100# to 80# and converted the wraps to 30% post consumer recycled paper; reduced weight of shipping cartons from 32# to 27#; and optimized transportation routes and modes
- Disney Parks Supply Chain Management reduced the amount of air space in packaging and/or eliminated the need for retail and shipping packaging; implemented a freight initiative including operating a domestic volume routing program for North America and container loads to the United States; and implemented an Oracle Transportation Management Solution that will enhance our ability to identify available freight inbound and optimize the load type and utilization

1 "Certified forests:" In pursuit of responsible paper use, Disney shall accept certification documentation for recycled and virgin paper from the Forest Stewardship Council (FSC), Programme for Endorsement of Forest Certification Claims (PEFC), Canadian Standards Association (CSA), and the Sustainable Forestry Initiative (SFI). Additional certification systems may be evaluated by Disney on a case-by-case basis.

2 "Known Source Origin:" For the purpose of responsible purchasing, a "known source" designation means the purchaser has been informed of where the timber was grown, and has determined that the source is not unwanted (e.g., illegally harvested).

3 Disney Publishing Books and Magazines, Hyperion, and ESPN Magazines. Some of these books and magazines include inserts that are provided by advertisers or other third parties. At this time the goal does not extend to such inserts.

4 Non-licensed businesses include: Disney Book Group (U.S.), Disney Libri (Italy), Libros Disney (Spain and Portugal), Theme Parks Merchandise (North America, Europe, Hong Kong), Disney Stores (North America, Europe, Japan), Walt Disney Studios Home Entertainment, and Walt Disney Music Group.

5 The manufacturing goal applies to Disney Theme Parks Merchandise North America and Disney Store North America.

6 "Strategic suppliers" are suppliers that represent the top 50% of the supplier base for the key product lines.

7 "Key Product Lines" are the product lines that make up the top 80% by volume of total business.

8 The "Environmental Responsibility Index survey" refers to a set of questions that are being used to query manufacturers on their environmental practices and policies.

9 Other select product lines will be defined by end of FY 2011.



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### Sustainability Consortium

Disney is a founding member of the Sustainability Consortium, an independent organization of diverse global participants. The Consortium works to build a scientific foundation to drive innovation that improves consumer product sustainability through all stages of a product life cycle. We participate on the Consortium's steering committee, governance task force and consumer science working group.

## EDUCATION AND ACTION

**Long-Term Goal:**

- Inform, empower and activate employees, business partners and consumers to take positive action for the environment

Disney recognizes our unique opportunity to educate and inspire diverse groups to take action for the environment, from our employees and business associates to kids, families and communities around the world.

### Employee Programs

Our Disney Green Teams are active in more than a dozen countries worldwide. Our volunteer employee teams educate colleagues, build internal awareness of our environmental goals and standards, and lead environmental events and activities at the local level. This year, Disney's Global Green Team expanded to several new employee locations, including the Middle East, Moscow, Munich and Madrid.

In 2010, we held our 2nd annual online environmental summit. This virtual conference brought together leaders from across the Company to share best practices for environmental activities, create opportunities for networking, and promote innovation. All summit videos, plenary sessions, and notes are available online so cast members and employees can visit and learn at their own pace. More than 500 cast members and employees participated in the 2010 summit, which addressed topics ranging from water to energy to commuter assistance.

**Visit our online map to see Green Teams locations around the world**

***Employee Commuter Assistance Program***

Disney has a comprehensive commuter assistance program in Southern California with a goal of increasing the average number of riders per vehicle. We provide easy-to-access information and commute planning services. Financial incentives are also available for cast members and employees to take alternative transit to work. Disney Employee Commuter Assistance programs are in place in 11 states across the country.

Disney cast members and employees around the world practice environmentally friendly commuting. For example, cast members and employees of our German businesses in Munich and Papenburg cycled more than 11,000 km (almost 7,000 miles) from May to July 2010 as part of a "Green Cycling" initiative intended to encourage employees to leave their cars at home and cycle to work. Their efforts are estimated to have saved 2.1 tons of C02 emissions.

***Employee Actions for Earth Day***

During April 2010 and the surrounding months, Disney business units around the world inspired and activated our cast members and employees as well as our audiences, guests and fans to take action for the environment. The many global activities this year included "green fairs," recycling drives, speakers and workshops, tree plantings, beach cleanups, e-waste drives, commuter challenges, and much more. From the cast and guest events held at our Parks & Resorts to the "reuse-a-shoe" drive at ESPN to a "no print day" in our Asia Pacific region, business units worldwide made it a priority to get involved in Earth Month and make a difference. At Walt Disney World Resort, cast members made nearly 10,000 pledges to support oceans through their own personal actions.

This Earth Day we piloted an opportunity for cast members and employees to use technology and creativity in support of the environment. Working with Disney-owned T180 Studios, we launched an interactive social network for employees to share their ideas to improve the environment. More than 1,000 employees joined, with 50 cast members and employees taking the leap and sharing their ideas. The end result was the "Earth Day Rap," a video that was featured on YouTube and has been viewed over 60,000 times.

### Guest Inspiration

The Walt Disney Company is committed to inspiring our guests, fans, viewers and audiences to take action for the environment in their own communities. To learn more about our youth programs and content, visit the Inspiring Kids and Communities and Nature Conservation sections.


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Disney employees in Germany get out of their cars and commute green.

## INNOVATION

Walt Disney Imagineering Research & Development (R&D) has a long history of innovation in environmental science and engineering. Because water features are an important part of the Disney experience, we have developed innovative treatment technologies particularly for non-point source nutrient management and the maintenance of good water quality. Because natural environments are important to all tourism, R&D is developing new techniques for measurement of ecosystem functions and services, particularly as they apply to biogeochemistry and water quality.

The creation of a sustainable built environment also benefits from the same level of research. To improve the energy efficiency of our buildings, R&D developed mathematical models which link building physics with behavior of building occupants. These models can be used to provide strategic investment guidance as we work to improve our energy performance. We have also developed new analysis methods and new design software to help us create truly sustainable buildings.

Recently implemented examples of environmental innovations at our Disneyland Resort site in Anaheim, California, include:

- Using water banking to refresh local aquifers during the draining and refilling of water-based attractions
- Powering our steam trains with biodiesel fuel made from used cooking oil
- Using new solar technology to provide electricity for an expanded bakery

We have been recognized for efforts such as these with a number of awards, including the State of California Waste Reduction Award, the California Stormwater Quality Association Award and the Professional Grounds Management Society's highest Green Star Award.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**

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# Community

Disney gives back to communities around the world. Our corporate contributions and Disney VoluntEARS aim to make a difference in the lives of kids, families and the communities where we live and work.


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This page: Mumbai, India. Opposite page: Buenos Aires, Argentina.

## COMMUNITY IMPACTS AND COLLABORATION

We believe being a good global citizen means using our companywide resources to make a positive change in the communities in which we live, work and do business. We collaborate with local organizations and engage the time and talent of our cast members and employees to provide inspiration and opportunities for kids and families to enhance their local communities.

### Economic Impact

All Disney business units have an economic impact in the communities in which they operate. Nowhere is this more evident than in the Disney Parks & Resorts segment. Our parks conduct periodic economic impact studies to understand our contribution to local communities through direct and indirect employment, taxation and other factors. We regularly share key findings from these studies in our local community reports.

### Local Business Leadership

Disney is active in local chambers of commerce and economic development organizations in many communities. We participate through financial assistance and by lending our leadership and business expertise. For example, in Los Angeles we are active on the boards of the Los Angeles, Burbank, and Glendale Chambers of Commerce. CFO Jay Rasulo is also a board member of the Los Angeles Coalition for the Economy and Jobs, which works to develop and advance public policy initiatives that will grow the economy and create jobs throughout the Los Angeles region.

### Executive Board Service

Every year, Disney executives serve on various nonprofit boards of directors around the world. In Florida alone, cast members hold more than 130 board appointments with organizations important to the community. These executives lend their personal expertise to increase the capacity of nonprofits in governance, strategy and fundraising.

### Disney Ambassadors

Disney started the Disney Ambassadors program at Disneyland Resort in 1964. Ambassadors serve a vital function: to share the magic, inspiration and optimism of Disney destinations with the world. Disney Ambassadors, who are full-time cast members at each site, are focused on engaging with our guests, our communities, and our cast members. They bring goodwill in the community by visiting children's hospitals, participating in VoluntEARS events and supporting other local efforts.



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# Integrating Culture and Community at Disney's Aulani Resort

In all of our parks locations, we focus on being a good local citizen and on supporting the areas where cast members work, live and play. Aulani, A Disney Resort & Spa, under construction at Ko Olina, O'ahu, is a great example of our commitment.

Since the purchase of this land in 2007, we have met extensively with leading government officials, community leaders, advocates, cultural leaders and education organizations. Our goal is to understand local concerns and work together to determine the best focus for our community and philanthropic efforts.

In Hawai'i, we continue building on Disney's citizenship heritage, especially to meet the needs of local children. As part of our community giving effort, we have donated more than $100,000 among core programs at four high schools located close to the resort. These programs focus on technology and creativity, and include a digital film institute, a theater program, a science and technology program, and an engineering and robotics program. This is just a first step for Disney in supporting the community and we look forward to expanding our community relations, philanthropy, and volunteering in the months and years to come.

As we prepare for Aulani's scheduled phase one opening in August 2011, we will continue to work locally, endeavor to make positive change in the community, and focus on incorporating Hawai'ian traditions throughout the Aulani experience.

### New Development

Disney seeks the advice of local community leaders on development projects around the world – from California to China. For example, Disney is actively collaborating with cultural leaders in Hawai'i in building Aulani Resort. We want to honor the spirit and culture of the islands. We find the best way to do that is by inviting local community members to share their advice, ideas and creativity.

## CORPORATE GIVING

Giving back to communities is one of our founding principles. Disney's corporate giving supports the well-being of kids and families through charitable contributions to organizations focused on arts and creativity, volunteerism, children's hospitals, military families, and disaster relief.

In 2010, the Company contributed more than $198 million in cash, product donations, and in-kind support to organizations and communities around the world. We hope to make a positive change in the world through our giving, whether the gifts are large or small. We plan to continue building on this legacy through more strategic and effective philanthropic programs in 2011 and beyond.

**Chart 11 Giving by Type of Contribution[1]**

| | 2009 | 2010 |
|---|---|---|
| Cash | $32.9 | $44.3 |
| Product Donations[2] | $92.0 | $68.5 |
| In-Kind Support[3] | $102.5 | $85.5 |
| Total | $227.4 | $198.3 |

[1]2009 data in this table are slightly lower than that reported in the 2009 Data Update to the Corporate Responsibility Report. This is due to adjustments made as a result of excluding non-501(c)3 organizations from the total.
[2]Product donations include estimated values for tangible items such as toys, DVDs, books and gifts. Decrease in 2010 is primarily due to a large DVD donation made in 2009.
[3]In-kind donations refer to estimated values of creative resources, public service airtime and other program or event costs.

### Cash Giving

Disney provided more than $44 million in cash gifts to support organizations, communities, and causes around the world in 2010. We contribute to organizations of all sizes through grants, scholarships, donations and collaboration.


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Some of our larger donations in 2010 concentrated on programs that nurture children's development and creativity. We contributed more than $1 million to the Lincoln Center for the Performing Arts in New York City, the final portion of a $3 million commitment. This contribution to Lincoln Center funds both arts education programs for youth and the redevelopment of the Center as part of the "Bravo Lincoln Center" Campaign. In Hong Kong, the Disney's Children Fund continued its annual giving by selecting ten charities to share HK$1 million. With the Fund's support, these charities are launching kids' programs focusing on creativity, character-building and family relationships.

Our business units support causes significant to their consumers and communities. For example, Walt Disney World Resort distributed a total of $1.2 million in 2010 to nonprofit organizations and local students in Central Florida through its Helping Kids Shine Grants and Disney Dreamers and Doers programs.

In fiscal year 2011, our matching gifts program will expand to better serve the diverse interests of our cast members and employees. Disney will now match up to $15,000 per employee contribution per calendar year to any eligible organization. Previously, our employees' contributions were matched up to a $2,000 maximum per year, to higher education organizations only.

### Product Donations

Every year, Disney donates toys, DVDs, books, clothing and much more to those less fortunate and to show our appreciation to those serving others. We have long been supporters of children's hospitals and the United Service Organization (USO) by annually sending care packages filled with toys, DVDs and publications. Through charitable campaigns such as the Back-to-School Drive and Toys for Tots, we also collaborate with our cast members and employees to bring the joy of receiving a special gift to deserving children.

In 2010, we contributed more than $68 million in branded products.

### In-Kind Support

As a media company, our intellectual property and airtime are two of our most valuable assets. In 2010, Disney contributed more than $85 million in in-kind donations, including creative resources, public service airtime and other program or event costs.

Disney works with children's wish-granting organizations around the world to make kids' wishes come true, fulfilling more than 8,000 wishes annually for children with life-threatening medical conditions. Disney-themed wishes continue to be the most popular requests made to these organizations, including visits to Disney parks, Disney cruises and Disney Stores, meeting Disney characters, attending sporting events and visiting TV and movie sets.

By donating airtime, creative services and our characters, Disney can provide information, raise awareness and encourage participation for a number of important causes.

Walt Disney Studios Home Entertainment often includes public service announcements in its DVD launch campaigns to drive attention

## Club Penguin Inspires Kids to Give Back

Club Penguin is an ad-free, virtual world where children can play games, have fun and interact. Club Penguin supports a number of programs that foster community engagement and a culture of giving. Club Penguin works hard to help children understand that their actions make a difference.

Each December, Club Penguin makes charitable contributions on behalf of players who donate their time and the coins they earn playing games in the virtual world. The 3rd Annual Coins for Change event resulted in more than 2.9 million players donating in excess of 4 billion of their virtual coins as a vote for their favorite cause. Kids could support "Kids who are poor," "Kids who are sick," or "The Environment." A $1 million (Canadian) donation went to helping kids in Haiti, Sri Lanka, Kenya, Indonesia, China, Zimbabwe, India, Nepal, Bolivia, Ecuador, Colombia and Peru.

Club Penguin also collaborates with Free the Children – a nonprofit organization dedicated to empowering youth to make a difference through community development. Think WE!, a speaking tour and leadership program for elementary school students, has reached more than 25,000 kids directly in the United States, Canada, China and the United Kingdom. Through Free the Children's Adopt-a-Village program, Club Penguin motivates kids to engage others by matching donations up to $5,000 made through their school. For more information on our collaboration with Free the Children, visit the Club Penguin website.

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# U.K. Employees Band Together to Support Great Ormond Street Hospital

Building on Disney's longstanding relationship with Great Ormond Street Hospital in London, the Company's United Kingdom businesses and employees are raising money for the hospital redevelopment and new clinical building working toward a goal of £10 million. Although corporate contributions are an important part of this commitment, the work of Disney employees and business units is truly inspirational.

Our employees and business partners have jumped in to support the campaign, hosting raffles, auctions and sample sales, as well as trekking more than 3,000 miles in support of the hospital. Disney employees are also dedicated to brightening the lives of the Hospital's young patients, volunteering at various Hospital events including holiday parties. In addition, talent and Disney characters often visit patients, and the cast of the Lion King gave a special in-hospital performance.

Disney's business units also pitch in to provide fundraising opportunities and support for patients. The Disney Stores launched several promotions to raise both awareness and funds for Great Ormond Street Hospital Children's Charity, including donating 25% of revenues on plush dolls like Thumper and Dumbo. Walt Disney Studios Motion Pictures regularly offers free tickets for patients to Disney film premieres and arranges "meet and greet" opportunities with talent whenever possible. They also run mini-premieres and screenings of new releases in the hospital for children who are too sick to leave.

At the London *Toy Story 3* premiere in July 2010, Disney's local U.K. team presented a check for £3 million towards our £10 million goal.

to critical public issues. We team with the Ad Council to create and deliver important messages in a family friendly way. For example, Ariel from *The Little Mermaid* delivers a vital ocean conservation message, Pinocchio shows children how to live a healthy lifestyle with the food pyramid, and Tinker Bell educates children about positive energy-efficient habits through PSAs and an interactive website.

Disney also collaborates with other entertainment companies for important causes. ABC teamed with the entertainment community for the Stand Up to Cancer initiative, donating airtime and talent in support of cancer research. The one-hour fundraising event was simulcast live and commercial free on primetime and raised more than $80 million for the fight against cancer.

The 10 ABC-owned television stations provide important support to their local communities through public service announcements and special programming. They also devote station resources to support local food and clothing drives, safety and education campaigns, and other worthy causes.

ESPN founded The V Foundation for Cancer Research in 1993 with the late basketball coach and commentator Jim Valvano. Since Valvano's inspiring speech at the ESPYs Awards in 1993, Team ESPN has played a significant role in raising awareness and funds through events and its multimedia. In 2010, The Foundation reached the $100 million mark in fundraising. The Foundation's endowment enables 100% of cash donations and event net proceeds to go directly to research for all types of cancer following a strict scientific review and awards process. ESPN employees raised an estimated $3 million last year through *Jimmy V Week* segments across ESPN's U.S. platforms, the ESPY Radio Auction, ESPY Golf Classic and more.

## EMPLOYEE VOLUNTEERISM AND GIVING

Volunteerism is an enduring part of Disney's legacy and culture. Our cast members and employees in countries around the world consistently inspire with their passion and commitment to give back to their local communities. Disney continues to support the community work of our cast members and employees through dedicated programs and resources.

### Employee Volunteerism

The signature Disney VoluntEARS program provides opportunities for cast members and employees to give their time, treasures and talent back to local communities. A dedicated staff organizes and manages VoluntEARS opportunities around the world, arranges team-building events and provides a VoluntEARS online website that matches employee skills and interests with volunteer opportunities.

VoluntEARS activities feature a range of social service issues and types, including working with and helping children, collecting and delivering toys, preserving the environment and supporting arts and culture. In 2010, Disney cast members and employees gave more than 548,000 hours of volunteer service in their communities.

In addition to VoluntEARS, Disney's EARS to You program recognizes employees' volunteerism through financial contributions to the eligible


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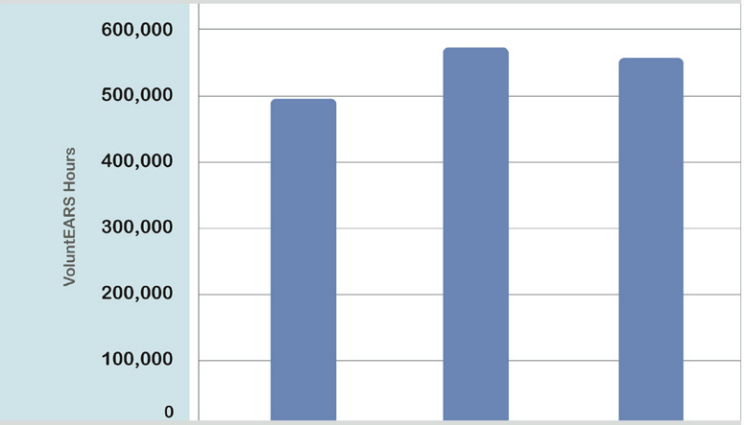
charities of their choice. We also honor VoluntEARS of the Year annually in recognition of their outstanding contribution to the community.

**Chart 12 VoluntEARS Hours**




| | 2008 | 2009 | 2010 |
|---|---|---|---|
| VoluntEARS Hours | 495,000 | 569,000 | 548,000 |

**Chart 13 Employee and Cast Member VoluntEARS Hours and Fundraising (2010)**

| | VoluntEARS Hours | Employee Fundraising (US $) |
|---|---|---|
| North America | 493,000 | $4,744,065 |
| Rest of World | 55,000 | $70,342 |
| Worldwide Totals | 548,000 | $4,814,407 |

### Employee Giving

Disney cast members and employees around the world are active fundraisers. Our employees have run, walked, biked and trekked to support communities and global health. Disney teams, individuals and families participated in a triathlon for the Children's Hospital Los Angeles, the Revlon Run-Walk for cancer, the CHOC (Children's Hospital of Orange County) Walk at Disneyland Resort and the Champion 5K at ESPN for the V Foundation, to name a few. In total, our cast members and employees raised or contributed more than $4.8 million for charity in 2010.

## INSPIRING COMMUNITIES

Disney proudly joins together as a company to motivate and inspire communities around the world to take action. Our business units are active in engaging their guests, consumers and viewers to participate and volunteer in their own communities. To learn more, visit the Inspiring Kids and Communities section.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**

# Disney VoluntEARS Host Hong Kong's Biggest 3-D Charity Premiere Ever

Disney Movie Outreach, operated by VoluntEARS from Hong Kong Disney offices including Hong Kong Disneyland Resort, is a signature program that gives cast members the opportunity to share Disney's entertainment with the local community on a large scale and provide quality family experiences to less fortunate families.

In support of the Hong Kong Government's Family Council's "Happy Family Campaign," which focuses on promoting core family values and parent-child communication, Disney VoluntEARS welcomed more than 2,000 children and parents served by 11 local charities to *Toy Story 3* screenings across the city in July 2010. To date, it is the largest 3-D charity premiere event ever in Hong Kong. Complete with 3-D glasses and surprise gifts, the event brought the number of those who have enjoyed movie screenings through the Disney Movie Outreach Program to over 5,000 since its launch in 2006. The team is excited to continue to bring memorable family experiences to charity groups in their community in 2011 and beyond.

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# Disney Workplaces

Disney's goal is to foster safe, respectful and inclusive workplaces wherever we do business. Our employees are a diverse group of more than 130,000 individuals who together make our company a vibrant, welcoming community.


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This page: Disney Consumer Products. Opposite page: Disney Cruise Line.

## DISNEY OPERATIONS

The Walt Disney Company's values focus on the human element of our business - not only our guests, consumers and audiences, but also our employees and cast and crew members. Disney is committed to fostering safe, inclusive and respectful workplaces in all our locations, across the globe.

We value the fact that our heritage and reputation means we are held to the highest standard of quality, ethics and social responsibility. For many employees, that is the reason they chose The Walt Disney Company as an employer. And for Disney, it is how we strive to treat our cast members and employees.

## WORKING AT DISNEY

Disney recognizes that a key element in creating the best environment for engaged employees is great leadership. From the recruitment and selection process, through ongoing development and retention, we are highly focused on building great leaders who can fully engage their employees. Leaders take responsibility for creating a vibrant employee experience, understanding that their own behavior and vision drive the creation of a fully-engaged work environment.

**Chart 14 Employees by Region (% of global workforce)**

| Region | 2008 | 2009 | 2010 |
|---|---|---|---|
| North America | 89.1% | 88.3% | 87.8% |
| Asia Pacific | 5.8% | 6.1% | 6.8% |
| Europe, Middle East, Africa | 4.4% | 4.7% | 4.5% |
| Latin America | 0.5% | 0.9% | 0.9% |
| Not Stated | 0.2% | 0.0% | 0.0% |

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Disney employees share magic behind the scenes in Disney University at Walt Disney World Resort.

**Chart 15 Employees by U.S. State (% of U.S. workforce)[1]**

| State | 2008 | 2009 | 2010 |
|---|---|---|---|
| Florida | 56.5% | 56.0% | 58.3% |
| California | 28.1% | 29.2% | 29.5% |
| New York | 4.9% | 4.8% | 3.9% |
| Connecticut | 3.1% | 3.4% | 3.5% |
| All Other U.S. States | 7.4% | 6.7% | 4.8% |

[1]Employees in "other U.S. states" primarily includes ABC-owned stations, Radio Disney stations and Disney Stores.

**Chart 16 Employees by Employment Status (Global)**

| Status | 2008 | 2009 | 2010 |
|---|---|---|---|
| Full-Time | 95,524 | 91,085 | 93,722 |
| Part-Time | 25,438 | 23,692 | 23,694 |
| Temporary/Seasonal | 15,786 | 15,151 | 17,116 |
| All Employees | 136,748 | 129,928 | 134,532 |

**Visit our online map to learn about Disney employees around the world**

## Enterprise-wide Employee Survey

Over the years, many individual business segments and regions have conducted employee surveys. This year, we launched the first-ever global survey in which all employees of The Walt Disney Company and affiliated companies were invited to participate in a single survey.

The survey was designed to deliver a consistent, enterprise-wide tool that will allow leaders and employees to gain meaningful insight into the Company. It also provides opportunities for enriching the employee experience and optimizing organizational performance. Our intent is to administer the survey on a two-year cycle, which will enable us to implement improvements and measure results on an ongoing basis.

This year, more than 82,000 people from more than 40 countries participated in the employee survey. This represents a participation rate of roughly two-thirds of the cast members and employees who received the survey.

The survey results confirmed our Company strengths. Our employees and cast members:

- Are proud of The Walt Disney Company's reputation and brands. Survey responses indicate this pride primarily comes from the sense of our ground-breaking creativity and innovation
- Feel like they are being treated with respect, and that the Company values different points of view
- Indicate that both Disney as a whole and individual business units have strong cultures
- Enjoy their work and find it challenging
- Believe they have been given a solid foundation for success in their jobs


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The survey also calls attention to opportunities for improvement in our work environment. Our employees and cast members:

- Feel we must continue to look for ways to spur innovation on a regular basis across all businesses
- Want more feedback on performance and want to have a regular dialogue with leadership about their future and potential career opportunities at the Company

The survey results are being shared with all employees and cast members at both the segment and department levels. Many of them will have the opportunity to participate in ongoing focus groups and action planning teams.

### Employee Assistance

Employees may seek assistance with issues through several formal options, including their immediate supervisor, Human Resource (HR) generalist, employee relations or an anonymous 800 number called the Disney Guideline. HR generalists are based within the businesses and participate in day-to-day operations, giving employees easy access to them.

### Benefits

Disney's benefits for employees and cast members include, but are not limited to, health and wellness, family-friendly benefits, retirement and savings programs, and the Disney Scholarship program. We will focus on highlights from 2010 below.

***Health and Wellness***
Disney-sponsored benefits are important to the security and well-being of our employees and cast members. We provide a comprehensive benefits package intended to attract and retain the employees and cast members who help make us one of the most admired companies in the world. More than 75,000 employees and cast members are covered under our health care plans.

Disney is committed to the total well-being – physical, emotional and financial – of our employees and cast members. *Disney Healthy Pursuits* is the collection of benefits and wellness programs we offer our employees to support them in their pursuits of a healthier life. In 2009, as part of *Disney Healthy Pursuits*, we launched a new Wellness Rewards Program. Employees who participate are eligible for financial incentives in return for making healthy choices. Currently, the Wellness Rewards Program is part of a multi-year approach to recognize employees who are taking healthy steps and getting results. Employees can earn up to $300 (or double if their spouse or same-sex domestic partner also participates) to help offset their healthcare costs. As of November 30, 2010, 54% of eligible employees had completed the Personal Health Assessment required to qualify for the program.

In 2010, we introduced Personal Life Resources, a new program offered through LifeCare that provides our employees, cast members and their families with access to free and confidential resources to help them with day-to-day needs, such as child care and parenting, adult care and aging, financial concerns, and education. Employees can speak with a specialist or access online resources at any time to help with almost any life challenge.

## Disney Healthy Pursuits Encourages Healthy Living

*Disney Healthy Pursuits* provides a range of wellness resources to meet the diverse needs of our employees and cast members – no matter where they are on their personal journey to better health. When the program first launched in 2007, employees were encouraged to learn more about their health and make "one simple change" to be healthier. Since then, our cast members and employees have stepped up to the challenge. From getting routine screenings to forming exercise groups at work, each simple change is adding up to make a healthy difference. And, with the introduction of a Wellness Rewards Program, employees get an extra incentive for taking healthy actions and getting healthy results.

Through *Disney Healthy Pursuits,* our employees can find support and motivation. Claudia Ball from Disney-ABC Television Group can testify to that. After her doctor advised her to lose some weight, Claudia looked into the Wellness Rewards Program. Claudia began working out at Disney's Hyperion Fitness Center at the Studio Lot in Burbank, and she has regular phone calls with a personal health coach. The health coach helps Claudia stay motivated by keeping her wellness goals top of mind and providing her with healthy recipes to use at home. Claudia says, "I started doing this for me. Now it's for my kids, my family and my friends who need inspiration along the way, too."

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Disney's newest childcare center, which opened in Glendale, CA, in January 2011, joins similar centers in Burbank, CA; Bristol, CT; Orlando, FL; and Berkeley, CA.

***Family-Friendly Benefits***

Our employees and cast members are individuals with diverse interests and unique needs. We recognize and appreciate that work is only one element of our employees' lives. To that end, we provide a wide selection of benefits and services, some of which are unique to Disney. In addition to adoption assistance, survivor support and domestic partner benefits, Disney provides complimentary tickets to Disney-owned theme parks for employees and their eligible dependents and to screenings of Disney films.

We are expanding our childcare opportunities in our domestic sites. In the past two years, Disney opened a new childcare facility in Berkeley, CA, to serve employees of PIXAR. In addition, we opened a LEED-certified facility in Glendale, CA, in January 2011 and a new facility in Bristol, CT, for ESPN employees is scheduled to open in September 2011. Two early-childhood development centers provide Central Florida cast members with childcare options that fit their work schedules. In Burbank, California, the Disney Childcare Center has provided high-quality childcare to dependents of our employees in the Los Angeles area since 1993.

One of Disney's foundational values is to respect, appreciate and value everyone. In keeping with this philosophy, same-sex domestic partners are considered dependents and are eligible for benefits.

***Retirement and Savings***

Disney provides retirement savings and investment options to help employees and cast members plan for their financial future. More than 64,000 employees and cast members are eligible upon vesting for a Company-provided pension benefit when they retire. More than 76% of salaried employees and 33% of hourly employees currently participate in the Disney 401(k) plans. All domestic employees are eligible to purchase stock through the Disney Employee Stock Purchase Program. Approximately 11,500 employees and cast members currently participate.

### Disney Scholarship Program

Children of eligible employees and cast members can apply for a scholarship from The Walt Disney Company Foundation through the Disney Scholars program. In 2010, the program awarded 50 college tuition scholarships of up to $20,000 to children of employees, rewarding their high school studies and investing in their promising future achievements. Eligible candidates must be in their final year of high school, planning to attend an accredited college or university and have a parent who is a full-time Disney employee for more than one year. The winners are selected based upon academic achievement and extracurricular activities.

### Labor Relations

With operations in 42 countries, Disney cast members and employees work under a wide variety of labor rules and regulations. More than 36,000 full-time employees are covered by collective bargaining agreements with more than 40 labor unions. Disney's management seeks to work equitably and fairly with all cast members and employees and, where applicable, their union representatives.

## TRAINING AND DEVELOPMENT

Disney University offers a series of development courses for all levels at Disney. To support each individual's development, the Company has invested in a global approach to learning and development called Disney Development Connection. In addition to these learning opportunities, we provide a number of programs that offer employees and cast members with in-depth background on our history and organization, as well as our many businesses.


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Disney cast members and employees logged more than 3 million hours of training in 2010, including online, instructor-led, and on-the-job learning.

### Career Planning

Disney offers a wide array of professional opportunities in different lines of business, geographical locations and specialty areas. In order to support employees in taking advantage of career opportunities within the organization, the Company invests in the following resources:

- A global performance management process to ensure ongoing feedback between employees and leaders
- Internal job postings that provide information about current open positions throughout the Company, guiding cast members and employees through every step of the process
- Workshops and online classes in resume writing, interviewing skills and career planning to assist employees in reaching their career goals
- A talent planning process that assists in identifying development opportunities for succession planning
- Tailored approaches that enable employees to drive their own career choices and help identify which path is best suited for them

**Chart 17 Global Training Statistics (2010)[1]**

| | Participants | Hours |
|---|---|---|
| Instructor-Led Course | 505,575 | 1,237,667 |
| Online Self-Paced | 598,682 | 381,252 |
| Online Virtual Classroom | 2,011 | 1,761 |
| On-the-Job Training | 299,952 | 1,630,787 |
| Assessments | 60,174 | 3,129 |
| Total | 1,466,394 | 3,254,596 |

[1]Participants could attend more than one class.

### Tuition Assistance

Disney's tuition assistance program provides financial benefits for qualified courses that are educational and relate to the employee's job duties. Employees are eligible for educational reimbursement up to $700 per credit unit, plus 100 percent of purchase price of all books and up to $100 per course for the cost of materials. In 2010, more than 1,000 cast members and employees took more than 4,000 classes, with Disney covering more than $8 million in expenses.

## DIVERSITY

Having a diverse workforce is critical to our business. When our employees reflect the diversity of the communities we serve, it enhances the quality of our entertainment and experiences. Encouraging a broad range of opinions, ideas and perspectives helps us drive creativity and innovation across the company.

We're building a workforce representative of the global marketplace in which we operate, while fostering an inclusive environment for our employees and their families. Although we still have plenty of progress to make, we are proud that our Company continues to focus on this area.

We view diversity in broad terms and seek to build a workforce that brings together people from all ages, experiences, backgrounds, ethnic groups, races and lifestyles. Disney has dedicated professionals in the U.S. focused on the recruitment, retention and professional development of diverse employees and cast members. Led by our Executive Vice President and Chief Human Resources Officer, all of our sites participate in a Diversity Leadership Council, comprised of executives from our various lines of business. This council meets to discuss issues, trends and recommendations, and to develop diversity and inclusion strategies. A variety of mentoring, affinity and professional development programs carry out the same mission.



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# Working Around the Globe with Disney Employees

Disney strives to provide its employees with professional, financial and personal support across all geographies. By offering exciting new career opportunities in our various businesses around the world, Disney encourages our employees to develop professionally and experience new cultures.

Disney employee Peter Collyer's story illustrates the range of opportunities that are possible at Disney. Peter began his career with Disney in England at Disney Store Europe. After expanding his work to Consumer Products licensing, Peter began a new role in Global Retail Human Resources within Disney Store, moving with his wife to California.

Disney provided Peter with support for a smooth international transition, including arranging for training on U.S. history, culture, and business practices. Disney also helped the Collyers set up a bank account and navigate the U.S. system of financial planning and insurance.

Peter says the support he and his wife received made the cultural transition easier and helped him focus on his professional skills. He in turn can now share with his new colleagues what it's like to work at Disney around the world – a key part of the job for human resources professionals. "The global movement of people within the organization creates a significant commercial and competitive advantage," says Peter.

Many of our segments also have Diversity Resource Groups, comprised of cast members and employees across the business segment, who provide enrichment, awareness, and education to the organization. These Groups provide valuable feedback and insight to our business leaders on products and services currently in development.

Disney is honored to be included in *Diversity Inc's* Top 50 Companies for Diversity for the past three years. This organization recognizes companies that demonstrate consistent strength in CEO commitment to workplace diversity, human capital, corporate and organizational communications and supplier diversity. Additionally, we have scored 100 percent for six consecutive years on the Human Rights Campaign Foundation's Corporate Equality Index, which gauges workplace inclusivity. Our Disney/ABC Television Group won four NAACP Image Awards, recognizing achievements and performances of people of color in the arts.

**Chart 18 Minority Statistics (U.S.)[1]**

| | Percentage Minority | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| All U.S.-Based Employees | 40% | 40% | 40% |
| New Hires | 48% | 50% | 45% |
| Management | 21% | 21% | 21% |

[1]Employee statistics reflect our employee base as of the end of each fiscal year. Management includes manager level and above.

**Chart 19 Gender Statistics (Global)[1]**

| | Percentage Female | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| All Employees | 52% | 52% | 52% |
| New Hires | 62% | 61% | 59% |
| Management | 44% | 43% | 43% |

[1]Employee statistics reflect our employee base as of the end of each fiscal year. Management includes manager level and above.


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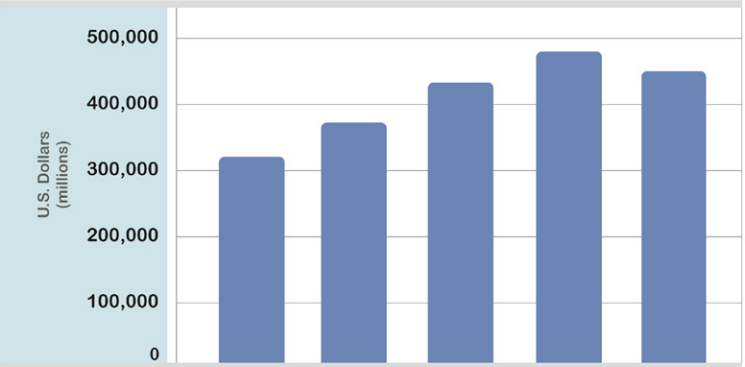
Our Apprenticeship Program for People with Disabilities at Hong Kong Disneyland provides participants with training and work experience to help them enhance their independence while acquiring relevant work skills.

### Supplier Diversity

Supplier Diversity invested $443.6 million of direct Company spending with Minority and Women-owned Business Enterprises (MWBEs) in 2010. This is the second highest level achieved since this data has been tracked.

This year we again partnered with the National Association of Broadcasters Education Foundation (NABEF) to host a Supplier Diversity Showcase at the NAB Annual Conference. The showcase provided a unique opportunity for women and minority-owned businesses to highlight their capabilities to Disney, ABC and ESPN decision makers. More than 100 Disney executives attended the event, which featured more than 40 women and minority-owned companies in the areas of broadcast, cable and production.

**Chart 20 Total Direct Spending: Minority and Women-owned Business Enterprises (MWBE)**




| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Total Direct Spending, MWBE | $313.3 | $377.9 | $428.5 | $471.2 | $443.6 |

## EMPLOYEE SAFETY

We are strongly committed to reducing the risk of injury and illness to our cast members and employees, as well as managing those problems that do occur. To that end, we utilize a team safety strategy where we believe that safety is everyone's responsibility and rests with each employee and cast member.

Management takes a visible and active role in embedding safety into the planning process for all projects and business development. This ensures that safety remains a top priority by identifying and managing risks. This commitment is communicated to every cast member and employee as well as contractors, vendors and suppliers. Safety and loss control programs focus on evaluating and identifying key risks and implementing strategies to reduce the frequency and potential severity of losses.

To learn more about our park safety program and other safety programs, visit Creating Safe Environments.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**



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# Supply Chain

Disney promotes the ethical production of Disney-branded merchandise by working to improve labor standards in facilities, testing the safety and integrity of our end product, and working to reduce the environmental footprint of our supply chain.


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This page and opposite page: Disney-branded merchandise

## ABOUT THE SUPPLY CHAIN

Disney-branded consumer products inspired by our characters and other intellectual properties are sold in our theme parks and resorts, in Disney Stores and in countless retail locations around the world. Disney brands have been extended to merchandise ranging from apparel, toys and home décor to books and magazines, foods and beverages, stationery, electronics and animation art. Only a portion of these consumer products are sourced directly by or on behalf of the Company. The vast majority of Disney-branded products are manufactured and sold under licenses granted by Disney to third party licensees who obtain the right to manufacture and sell products to or through independent retail operations around the world.

This means that Disney-branded products are produced under a variety of business models. As a result, we have different levels of access to and control over the manner in which products are manufactured and sold. Chart 22 describes in more detail where Disney typically has a direct presence in the decision-making process related to the procurement and development of consumer products.

**Chart 21 Disney's Business Relationship with Vendors and Licensees[1]**

| Disney... | Vendor Model (≈8,000 Facilities) | Licensee Model (≈16,000 Facilities) |
|---|---|---|
| Creates the character, story and/or guest experience | ✓ | ✓ |
| Grants authorization to reproduce Disney's intellectual property | ✓ | ✓ |
| Designs the product | ✓ | sometimes |
| Selects the facility | ✓ | |
| Sets the price | ✓ | |
| Issues the purchase order | ✓ | |
| Imports the product | ✓ | |
| Markets/advertises the product | ✓ | |
| Sells the product | ✓ | |
| Owns the intellectual property | ✓ | ✓ |
| Owns the product | ✓ | |

[1]Note that this table is designed to provide a summary of Disney's relationships with vendors and licensees and is not necessarily applicable in all business situations.

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Many entities around the world are interested in entering licensing and vendor relationships to produce and sell Disney-branded products, due to consumer interest for Disney's large portfolio of valuable intellectual property. As independent businesses, these entities generally have the ability to choose the manner in which they produce their products, including determining where and in which facilities they schedule production. As a result, Disney-branded products have historically been produced by a larger number of entities and in more manufacturing facilities than is the case at many other consumer products companies.

**Chart 22 Number of Licensees, Vendors, and Facilities (Global)[1,2,3]**

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Licensees | 3,400 | 3,600 | 3,700 |
| Vendors | 4,500 | 4,600 | 4,800 |
| Facilities | 23,000 | 23,700 | 24,400 |

[1]Data excludes facilities producing Marvel-licensed merchandise, except in cases where the facilities also have a relationship with a Disney entity.
[2]Active at any point during the fiscal year.
[3]Data is rounded to the nearest hundred.

**Chart 23 Licensees, Vendors, and Facilities by Region (2010)[1,2,3]**

| | Licensees | Vendors | Facilities |
|---|---|---|---|
| U.S. and Canada | 520 | 2,320 | 2,840 |
| Latin America | 560 | 100 | 1,520 |
| Europe & Middle East | 1,260 | 680 | 3,550 |
| Africa | 50 | 10 | 230 |
| Australia & Oceania | 100 | 30 | 70 |
| China | 150 | 150 | 10,000 |
| Japan | 420 | 430 | 3,620 |
| Rest of Asia | 680 | 1,110 | 2,590 |
| Total | 3,740 | 4,830 | 24,400 |

[1]Data excludes facilities producing Marvel-licensed merchandise, except in cases where the facilities also have a relationship with a Disney entity.
[2]Active at any point during the fiscal year.
[3]Regional facility totals sum to 24,420 due to rounding.

**Visit our online map to learn about supplier locations around the world**

## INTERNATIONAL LABOR STANDARDS IN LICENSING AND PRODUCT SOURCING

Disney created an International Labor Standards (ILS) program in 1996 to evaluate and address issues related to working conditions in facilities manufacturing Disney-branded merchandise. These facilities are not owned or controlled by Disney but are engaged by or associated with the vendors and licensees with whom we do business. The ILS program is based on our Code of Conduct for Manufacturers, which is designed to be consistent with the core conventions of the International Labour Organization (ILO).

Today our program has three main goals:

- Foster safe, inclusive and respectful workplaces wherever Disney-branded products are made
- Work cooperatively with governments, civil society organizations and other brands to make progress in addressing issues contributing to poor working conditions
- Achieve greater visibility into our business relationships in order to mitigate risk for ourselves and others, proactively identify areas of concern and develop solutions, promote sustainable practices, and support value creation

Over the past 14 years, our ILS program has evolved to better address the changing demands of our business. The program has also adapted to reflect changing industry practice and thought on the application of labor standards. Like many companies that started similar programs in the 1990s, we initially focused on establishing a core set of critical standards, working with licensees, vendors and facilities to promote the implementation of these standards and assessing compliance. All of these actions provide us with insight into common labor problems at facilities around the world, as well as issues specific to particular countries and regions.

We confront challenges of implementing standards for the purpose of promoting continuous improvement in working conditions around the world that are not unique to Disney. These challenges have been well-documented through the years by independent experts, interested organizations and numerous companies that have adopted similar standards. Some of these challenges are outlined below.

- The root causes of poor working conditions are complex.
- Systemic national and global problems such as limited civic infrastructure, weak law enforcement, inadequate labor laws, lack of economic development and corruption make improvements in individual facilities difficult.
- Consumer preferences for low cost products and company buying decisions related to price, quality and delivery can negatively impact working conditions.
- Auditing and monitoring tools are subjective and may not be effective in driving continuous improvement.
- Factories may be subject to conflicting standards, requirements and demands.
- Many in the supply chain – licensees, vendors, workers, factory management – lack a sufficient understanding of labor standards and the value of compliance.


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At a recent training in China, Disney vendors came together to share best practices for labor standards.

We have varying levels of influence to confront and impact these challenges. In addition, the characteristics of our supply chain, with its very large number of independent licensees, vendors and manufacturing facilities, present additional challenges.

The magnitude, complexity and pervasiveness of these challenges do not deter us from embracing our responsibility and working toward our goals. However, we have come to recognize there are limits to our ability to ensure consistent compliance and continuous improvement. We continue to seek such compliance and improvement by identifying ways to promote ongoing, steady and responsible working conditions through the refinement of traditional compliance approaches and the development of new methods. We also aim to identify and understand the root causes of the problem by working cooperatively whenever possible with external stakeholders and other brands, dedicating resources to activities that we believe may lead generally to improved conditions.

We have previously identified and discussed the key elements of our ILS approach. We continue to evaluate our focus and how to make each of these elements more effective. Some of the recent work and developments in this area are described below.

### Integration within Our Business Operations

We have regular, ongoing dialogue within Disney about how to best integrate labor standards requirements into our business decision-making at an earlier stage. We are also developing and refining effective tools to achieve our program goals. Compliance with our Code of Conduct for Manufacturers has long been a standard requirement of our license and vendor agreements. We are making progress to move beyond compliance in the manufacturing process and to integrate labor standards considerations into initial sourcing and licensing decisions.

In 2010, our Theme Parks & Resorts Merchandise sourcing groups for Walt Disney World, Disneyland and Disneyland Paris started using an integrated vendor scorecard. The goal is to assess existing vendors on labor and environmental performance along with traditional sourcing metrics. The scorecard is then used in conversations with vendors on areas for improvement. Our aim over the next two years is to refine the assessment criteria, expand its use and establish a baseline that can be used to manage sourcing operations more effectively and track improvement.

We are also working with Social Accountability International to develop a system for evaluating licensees' knowledge and capabilities around labor standards. Our objective is to provide a management tool that allows us to identify and support those licensees that already have strong programs in place and to help build the capacity of licensees that have less mature programs. The system will aid in the assessment of licensee capabilities, the creation of a comparative scoring system and the education of licensees about the systems and policies required to manage an effective labor standards program. In 2010, we launched a pilot to test this system with more than 50 licensees.

In late 2009, Disney finalized the acquisition of Marvel Entertainment, Inc., with its more than 8,000 Marvel characters. Like Disney, Marvel is a licensor of characters and creative content on merchandise. Marvel is adopting Disney's ILS program and is requiring new and existing licensees to comply with Disney standards. Approximately 50% of Marvel's approximately 350 licensees were Disney licensees prior to the acquisition and were already familiar with Disney's ILS program requirements. Marvel is working closely with those licensees unfamiliar with the ILS program to convert their licenses and promote their compliance.

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# Building Industry Knowledge to Aid Licensees

Disney often collaborates with industry colleagues to develop approaches to key issues related to international labor standards. This year, we joined with Business for Social Responsibility (BSR), the International Licensing Industry Merchandisers' Association (LIMA) and a handful of other entertainment and toy companies that are licensors to develop and disseminate a labor standards survey.

The goal of the survey was to understand licensees' knowledge of supply chain labor standards and the expectations of licensors in this regard. The survey results acknowledged a number of overarching themes, including:

- Licensees seem to understand licensors' expectations
- Compliance challenges remain pervasive
- Licensees and suppliers are trying to take a more collaborative approach to building supply chain compliance
- Opportunities exist for building licensees' capacity to meet labor standards

As a result of the survey findings, the working group developed and delivered an online training program to approximately 70 representatives of licensing organizations to help them better understand and improve the social compliance of their supply chains.

To read more from the summary report, click here.

## Education of Licensees and Vendors

The ILS group works closely with our business units, licensees, vendors, facilities, agents and social compliance monitors to communicate our program principles, policies and compliance expectations. We do this through seminars, presentations, meetings, formal training sessions and guidebooks. This year, we collaborated with industry colleagues to develop and disseminate a labor standards survey to better understand expectations of licensors and licensees.

## Monitoring of Facilities to Assess Working Conditions

The very large number of independent facilities engaged in the manufacture of Disney-branded product presents additional challenges when using traditional methods for monitoring for compliance and continuous improvement. In 2010, we reviewed approximately 4,700 audit reports covering facilities engaged in the manufacture of Disney-branded merchandise. This includes audits conducted by Disney employees, independent auditing organizations engaged by the Company and by licensees, vendors and buying agents.

We continue to focus our auditing resources on facilities in countries that have been identified as highest risk for labor standards violations, using data and information obtained through Disney's years of experience with facility conditions in various countries. We supplement this information with external country data and reports such as the Transparency International Corruption Perceptions Index (CPI), the AccountAbility Responsible Competitiveness Index (RCI), Freedom House's Political Freedom Index and the United Nations Development Program Human Development Index (HDI). A review of this risk assessment is conducted annually.

***Audit Coverage***

The percentage of facilities which were audited in 2010 remains low due to the large number of facilities that manufacture Disney-branded merchandise. We continue to look at efficient and effective methods to increase the percentage of facilities that are audited each year, including engaging our licensees and vendors and our peer companies to obtain more information about facility working conditions. We have also joined the Supplier Ethical Data Exchange (SEDEX), an organization that allows members to share facility information, such as audits.

**Chart 24 Audit Coverage Percentages[1]**

| Country Risk | 2008 | 2009 | 2010 |
|---|---|---|---|
| High | 25% | 27% | 24% |
| Medium | 6% | 7% | 7% |
| Low | < 1% | 1% | < 1% |
| All | 15% | 17% | 15% |

[1]Country Risk level reflects analysis by Disney based on prior experience operating in countries and supplemented with external data and reports.


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***Code of Conduct Violations***

In our ongoing efforts to better evaluate and communicate conditions in our supply chain, this year we altered the previous method of reporting Code of Conduct categories. Our intent is to gather and disclose more specific information about the types of violations that are occurring. "Nondiscrimination" and "Association" were previously reported within "Coercion and Harassment." "Publication" was previously reported within "Monitoring and Compliance." These categories are reported for 2010 on a standalone basis.

**Chart 25 Code of Conduct Findings**

| Code of Conduct Categories | Percentage of Assessments with Findings 2008 | 2009 | 2010 |
|---|---|---|---|
| Child Labor | 4% | 2% | 2% |
| Involuntary Labor | 3% | 2% | 3% |
| Coercion and Harassment[1] | 2% | 1% | < 1% |
| Nondiscrimination | - | - | 2% |
| Association | - | - | 1% |
| Health and Safety | | | |
| Factory | 81% | 75% | 76% |
| Dormitory | 19% | 19% | 18% |
| Compensation | | | |
| Minimum Wage | 39% | 34% | 36% |
| Overtime Wage | 46% | 40% | 42% |
| Overtime Hours | 57% | 57% | 60% |
| Social Benefits | 37% | 42% | 49% |
| Other Compensation | 21% | 21% | 20% |
| Protection of the Environment | 17% | 25% | 30% |
| Other Laws | 40% | 34% | 33% |
| Subcontracting | 13% | 13% | 16% |
| Monitoring Compliance[2] | 50% | 45% | 40% |
| Publication | - | - | 11% |

[1]This category previously included Nondiscrimination and Association; these are now standalone categories that are tracked accordingly.
[2]This category previously included Publication which is now a standalone category and tracked accordingly.

## Remediation Activities that Encourage and Promote Sustainable Practices

Since launching our ILS program in 1996, we have conducted or received more than 70,000 facility assessments. This has provided us with a wealth of information about areas that need improvement. We have found that guidance around improvement expectations needs to be specific and actionable. This year we created an additional tool – Facility Improvement Guidelines – to provide greater clarity about

# Integrating Health and Safety in Chinese Facilities

In response to a 2009 public report alleging labor standards violations at a facility in China (learn more online at our 2009 update and 2010 update), we recognized the importance of reviewing our approach to health and safety compliance in light of the current labor standards environment. We contacted the Hong Kong Worker Health Center (HKWHC), a civil society organization based in Hong Kong, for their assistance in improving workplace safety and health standards. In response, we developed a project to explore an effective way to improve and sustain workplace health and safety standards.

Through this initiative, we collaborated to establish and train Health and Safety Committees in each of eight facilities in China participating in the project. We selected 111 committee members, and provided training for 600 facility workers on health and safety matters. The results included:

- Identifying 186 health and safety issues, while generating 154 solutions
- Improving health and safety awareness from 68% to 78%
- Improving workers' satisfaction from 63% to 83%

All participating facilities' workplace standards have shown improvement based on the comparison of the benchmarks before and after the project. Improvements include both tangible results, such as what we can see from the production floor, and intangible results, such as workers' awareness of the importance of the issue and their knowledge of the issue. We are now reviewing the results to determine how the project can be expanded. We are also in dialogue with our sourcing teams to further evaluate correlations between top health and safety performers and top performers on traditional sourcing metrics (price, quality and delivery, among other metrics).

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A member of Disney's International Labor Standards team visits a facility in China to understand facility conditions.

specific areas for improvement in working conditions. This program is in the very early stages of training and testing. Like other ILS tools, we intend to continue to explore the potential effectiveness of this program in achieving our goals.

### Collaboration with External Stakeholders

We participate in a number of networks across multiple industries and engage with a variety of stakeholders. This is a key component of our commitment to continuous improvement in labor conditions through implementation of our Code of Conduct.

***GSCP***

The Global Social Compliance Program (GSCP) is an industry initiative focused on creating greater collaboration and harmonization of corporate citizenship efforts around global supply chains. The program offers members a global platform for the exchange of knowledge and best practices. Our membership allows us to work with other major brands and retailers to create stronger, more consistent and less duplicative practices to monitor global supply chains.

***SEDEX***

SEDEX is a nonprofit membership organization that enables suppliers to authorize and upload information on their working conditions. SEDEX offers a globally accessible, secure and confidential data exchange platform, an audit method (SMETA), multi-lingual access for suppliers and customers, a self-assessment tool for manufacturers and working groups on key issues relating to labor standards. Our membership allows us to minimize duplication of facility audits and increase facility visibility.

***Expectations for Cotton Sourced from Uzbekistan***

We continue to monitor reports concerning the widespread, systematic use of forced child labor for the harvesting of cotton in Uzbekistan. We first raised this issue in April 2009 and we continue to remind our licensees and vendors that we expect them to avoid the use of Uzbek cotton. We have no knowledge to date of our licensees and vendors using Uzbek cotton; however, given the volume of Uzbek cotton in the world, we believe it prudent to restrict its use.

Through our membership in the Responsible Cotton Network, we are working to raise awareness of this very serious issue and to promote efforts for reform in Uzbekistan. The Responsible Cotton Network also includes other leading brands and retailers, industry associations, socially responsible investors, non-governmental organizations and other key stakeholders.

***Government***

We believe governments are critical participants in improving global working conditions. This year we participated in an effort supported by the United States Council for International Business to engage the private sector and the U.S. government, specifically the U.S. Department of State and the U.S. Department of Labor. The goal was to share information and find ways to collaborate more closely. This group will continue to explore effective information sharing and opportunities to work more closely on common objectives.

### Transparency

We are committed to sharing information about our international labor standards program and about labor standards issues in general. This includes issues raised in public reports or brought to our attention by interested stakeholders. We also maintain a frequently asked questions page on our website to update stakeholders on relevant issues.

## PRODUCT SAFETY

The safety of products bearing Disney brands, characters and other intellectual property is of crucial concern to us. Disney requires that licensees and manufacturers comply with all applicable legal and regulatory safety requirements and conduct safety tests by independent, certified third-party testing laboratories or equivalent procedures. Our corporate


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Disney has a number of programs in place to review the environmental footprint and safety of Disney-branded merchandise.

Product Integrity group, staffed with experienced engineers and safety professionals in Burbank, Orlando, London, and Hong Kong, monitors licensees' and manufacturers' verification of their compliance. In 2010, the group reviewed more than 60,000 test reports.

### Products Sold by Disney Licensees

Licensees are selectively required to submit test reports from an accredited testing laboratory demonstrating that their products meet or exceed applicable product safety regulations. Product Integrity engineers review the reports to verify that the licensee's testing was appropriate, that the proper procedures were performed, and that applicable regulations were fully satisfied.

In addition, Product Integrity conducts a random testing program in which products made by licensees are purchased directly from retail stores and submitted to an independent third-party testing laboratory to verify a licensee's continued compliance with applicable regulations.

### Products Sourced by Disney

Products exclusively sold or distributed by a Disney business unit (such as Disney Store and Parks and Resorts) are subjected to direct Product Integrity review. The engineers review, document and manage third-party testing to verify that these products meet all applicable regulatory and Disney safety requirements.

### Standards and Testing

Disney collaborates with other companies and interested organizations to develop material standards and assess testing methods. For example, we participate on the state and federal regulation committees of the Toy Industry Association and the toy standards committee of the American Society of Testing and Materials.

### Product Recalls

If a product distributed or sold by Disney becomes subject to a recall, Disney's Product Integrity team works closely with the product manufacturer and the appropriate regulatory agencies to remove the product from the market as quickly as possible. If a licensee product becomes subject to a recall, Disney cooperates and assists with removal upon notice or request from the licensee or regulatory agency. In some instances, when legitimate concerns about materials or processes are raised in the absence of a regulatory standard, Product Integrity assists in the isolation or removal of products from shipment or retail pending more definitive study. For instance, in 2008, responding to widespread reports of contaminated food products in Asia, Disney imposed a ban on the chemical additive melamine before the adoption of a United States Food and Drug Administration standard.

## PRODUCT FOOTPRINT

In 2010, we focused on identifying areas for collaboration on reducing the environmental impact of our supply chain by using product life cycle analysis. To learn more about our companywide targets, as well as the initiatives of our business units, please see the Environment section.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**

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# Human Rights

Disney affirms our commitment and responsibility to respect human rights in all of our business operations. We recognize that we have an opportunity to promote human rights where we can make a positive contribution.


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Disney recognizes its responsibility to respect human rights in its operations.

## HUMAN RIGHTS

Our commitment to people has always been a central focus of the Company, from our own employees and the communities in which we operate to the consumers who enjoy our products and services and the facility workers in the consumer product supply chain. For many years, we have had programs and practices to address our commitment to people and are now formally grouping these initiatives under a broader commitment to global human rights.

As a global company with diverse businesses, we recognize our responsibility to respect human rights. In 2010, we released a human rights statement that articulates more clearly our commitment and aligns with emerging best practices for companies.

In implementing our human rights commitments, we will focus on the following four areas.

- *Policy Statement*: Our policy statement is a first step in articulating our commitment. Our priority over the next year is to communicate this policy more widely within the Company and further engage our employees in upholding and implementing it.

- *Assessment*: We are enhancing our assessment of potential human rights impacts in targeted areas including our workplace practices, labor conditions in the supply chains making Disney-branded products and our role in promoting the well-being of children. Over the next year, we will refine our assessment process to ensure we are continuing to focus on the areas of greatest importance to our business.

- *Implementation*: We seek to identify ways in which we can adopt best practices and new approaches that enable us to enhance human rights considerations.

- *Reporting*: We will continue to share our progress in our biennial citizenship report.

In the development of our Human Rights Policy Statement and review of areas of opportunity, we looked to the United Nations' Universal Declaration of Human Rights, the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work, and to the ongoing work of the United Nations' Special Representative to the Secretary General on Business and Human Rights. In addition, we proactively sought input from key external stakeholders as we developed our policy statement.

For more information on our human rights programs and practices, please visit Disney Workplaces, International Labor Standards, Online Safety, and Governance in this report. Visit the online report to view the full policy statement.

**Go online for a multimedia version of this report at www.disney.com/citizenship2010**

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# Looking Ahead

We will keep moving forward, creating business value and delivering value to the communities around us.


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This page: Adventures by Disney. Opposite page: Disney's Planet Challenge.

## LOOKING AHEAD

In 2010, we made significant progress in embedding citizenship into our operations and in building results-driven programs that inspire kids and communities to make a positive difference in the world. We will keep moving forward, creating business value and delivering value to the communities around us based on the following approach:

- Act and create in an ethical manner, and consider the consequences of our decisions on people and the planet
- Champion the happiness and well-being of kids and families in our endeavors
- Inspire kids, parents, employees and communities to make a lasting, positive change in the world

One of the ways in which we are integrating citizenship tenets into our business is through the development of a set of commitments, goals and targets that address our business impacts and opportunities. We know that a process like this will take time, but we wanted to share progress with our stakeholders and invite feedback. The table below shows the first step toward this goal. Our next step is to create time-bound, forward-looking targets for each goal. Ultimately, these targets are meant to define what progress against each commitment means. We plan to include these targets in the next Corporate Citizenship report.

In addition to our focus on commitments, goals, and targets, we also intend to build on our stakeholder and employee engagement approaches, continue integrating citizenship into our operations, focus our grantmaking and philanthropy strategies, and inspire kids, families and the communities around us.

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**Chart 26 Citizenship Commitments**

| Citizenship Tenet | Commitment | Our Goal | Related 2010 Report Content |
|---|---|---|---|
| **ACT and create in an ethical manner, and consider the consequences of our decisions on people and the planet** | **Environmental Footprint** Minimize our environmental footprint | Achieve zero net direct greenhouse gas emissions | • Climate and Energy |
| | | Reduce indirect greenhouse gas emissions from electricity consumption | • Climate and Energy |
| | | Send zero waste to landfills | • Waste |
| | | Have a net positive impact on ecosystems | • Ecosystems<br>• Nature Conservation |
| | | Minimize water use | • Water |
| | | Minimize product footprint | • Product Footprint |
| | **Respectful Workplaces** Foster safe, respectful and inclusive workplaces, wherever we do business | Develop and support a diverse workforce | • Diversity |
| | | Maintain safe workplaces in our owned operations | • Creating Safe Environments<br>• Employee Safety |
| | | Support employee career development | • Training & Development |
| | | Hold Licensees and Vendors in our supply chain accountable to the standards in our Code of Conduct | • International Labor Standards |
| | | Support programs and initiatives that address the issue of child labor within our supply chain | • International Labor Standards |
| | **Strong Communities** Utilize strategic philanthropy to make a positive change in the communities in which we live, work and do business | Build on our philanthropic legacy with programs that share our resources and talents to strengthen communities and support the well-being of kids and families | • Corporate Giving |
| | **Safe Products** Design, manufacture and operate products with safety as a top priority | Promote leading policies on product and experience safety | • Product Safety |
| | **Integrated Citizenship** Support the business through responsible governance practices | Disclose relevant corporate citizenship information in a timely manner | • About This Report |
| | | Integrate corporate citizenship into the day-to-day decision making of leadership | • Citizenship at Disney – Governance |
| | | Engage with our stakeholders on a regular basis | • Stakeholder Engagement |
| | **Human Rights**: Respect and support international principles aimed at protecting and promoting human rights | Respect human rights within our operations | • Human Rights<br>• International Labor Standards<br>• Disney Workplaces |


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**Chart 26 Citizenship Commitments (Continued)**

| Citizenship Tenet | Commitment | Our Goal | Related 2010 Report Content |
|---|---|---|---|
| **CHAMPION the happiness and well-being of kids and families in our endeavors** | **Healthier Families** Partner with parents in their quest to raise healthy kids | Prioritize and promote nutritious foods | • Promoting Healthy Lifestyles<br>• *Disney Magic of Healthy Living* |
| | | Inspire kids and families to be physically active and spend more time outdoors | • *Disney Magic of Healthy Living* |
| | | Increase access to and participation in health and wellness programs for our employees and their families | • Working at Disney – Healthy Pursuits |
| | **Parental Involvement** Listen to, understand and respect the needs and expectations of parents and caregivers | Promote policies and programs that support parents and caregivers in the workplace | • Working at Disney – Family-Friendly Benefits |
| | | Integrate feedback from parents and caregivers into the development of our entertainment experiences | • Partnering with Parents |
| | | Provide parents and caregivers with the tools to help them make informed entertainment choices | • Partnering with Parents<br>• Creating Safe Environments |
| | **Marketing to Kids** Maintain clear and respectful guidelines for marketing to kids | Develop marketing for kids that focuses on the positive attributes of our entertainment experiences in a respectful and appropriate manner | • Partnering with Parents – Marketing |
| | **Kids Experiences** Create safe and appropriate entertainment experiences for kids | Promote safety for kids | • Creating Safe Environments<br>• Product Safety |
| | | Create age-appropriate entertainment experiences for kids | • Family Entertainment – Our Approach<br>• Partnering with Parents |
| | | Reflect a diversity of cultures and backgrounds in our entertainment experiences for kids | • Family Entertainment – Our Approach |
| **INSPIRE kids, parents, employees and communities to make a lasting, positive change in the world** | **Catalyze Action** Create opportunities for kids, parents, employees and communities to help people and the planet | Provide kids with the opportunities to build creative solutions that help communities and the planet | • *Disney Friends for Change*<br>• *Disney's Planet Challenge*<br>• *Disney Magic of Healthy Living* |
| | | Recognize kids who make positive contributions to their environment or communities | • *Disney Friends for Change*<br>• *Disney's Planet Challenge*<br>• *Disney Magic of Healthy Living* |
| | | Encourage volunteerism to make a meaningful difference in communities | • Inspiring Communities<br>• Employee Volunteerism and Giving |
| | | Integrate corporate citizenship into the responsibilities of every Disney employee | • Citizenship at Disney – Governance<br>• Citizenship at Disney – Business Integration<br>• Environment – Education and Action<br>• Employee Volunteerism and Giving |
| | **Bring Happiness** Provide joy, hope and laughter to those in need | Use the power of entertainment to promote giving back | • Corporate Giving – In-kind Support<br>• Club Penguin<br>• Inspiring Communities<br>• *Disney Friends for Change* |
| | | Leverage our core assets and competencies to comfort children who are less fortunate | • Corporate Giving |
| | **Encourage Creativity** Harness the power of creativity and imagination to improve the lives of children and the communities they live in | Partner with organizations to support creativity programs and imaginative play | • *Disney Friends for Change*<br>• *Disney's Planet Challenge*<br>• *Disney Magic of Healthy Living* |
| | | Leverage the passion and talents of Disney employees to inspire creativity in local communities | • Employee Volunteerism and Giving |
| | **Explore Nature** Connect kids to nature to ignite their imagination and develop lifelong conservation values | Connect kids to nature through exploration and discovery | • *Disney Friends for Change*<br>• *Disney's Planet Challenge*<br>• Nature Conservation |
| | | Conserve nature for future generations | • Nature Conservation<br>• Climate and Energy – Climate Solutions Fund |

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# About This Report

## ADDITIONAL REPORTS

Download additional and past reports at our Report Archive. In addition, this year we are releasing Community Reports for our major sites around the world. Please also visit our Citizenship website throughout the year for ongoing updates.

## REPORT FRAMEWORK

This report is meant to draw a number of topics together, weaving them into a narrative that provides insight into how we view Corporate Citizenship at Disney. We view this report as part of an ongoing dialogue with Disney shareholders, employees and cast members, business associates, governmental and non-governmental organizations, and consumers. It is our intent to publish a Citizenship report on a biennial basis, with the next report covering fiscal years 2011 and 2012. In addition, we provide updates through our Citizenship website.

## SCOPE AND STRUCTURE

The policies, programs, and performance data presented in this report are for the Company's 2010 fiscal year, ended October 2, 2010, unless otherwise noted. Instances where information is relevant only to a single or a few segments or has a different time frame than the fiscal year will be distinguished.

## FOCUS AREAS

In this Report, we have presented Corporate Citizenship in eight key areas: family entertainment and experiences, inspiring kids and communities, nature conservation, environment, community, workplaces, supply chain, and human rights. These focus areas represent areas of importance to The Walt Disney Company, but do not represent all we have done or will do in corporate citizenship.

Disney operates across a range of industries internationally. As a result, our operations touch on many key issues. The Report intends to address the most important issues by looking at them through the following lenses:

- Impact on our business, our employees, communities, consumers and shareholders
- Industry regulations and standards
- Generally accepted sustainability reporting guidelines, such as the Global Reporting Initiative (GRI) G3 guidelines
- Opportunities to make sustainable change, for the Company and for society
- Global scope and interest
- Components that are unique competencies, such as children and family entertainment
- Areas of stakeholder interest

As our corporate citizenship strategy evolves, we look forward to hearing from interested parties as to which areas are of particular concern and on the progress Disney is making in addressing those issues.

## DATA AND ASSURANCE

As with the 2008 Report, we look to the Global Reporting Initiative (GRI) for guidance on specific reporting principles regarding content, quality and report boundaries. Not all of the guidelines are applicable or appropriate to our business, and we have applied them flexibly.

This report was developed though the lens of several considerations including issue importance, stakeholder inclusiveness, sustainability context, completeness, balance, comparability, accuracy, timeliness, reliability and clarity.

Performance data is presented throughout the report. Where relevant, we provide details on scale, scope and collection methodology. Using the GRI guidelines for accuracy, we believe the data we present is sufficiently detailed to allow for clear understanding of our disclosures. We take care to explain key estimates or assumptions that are used in the development of metrics.

This report represents our best effort to accurately depict our impacts, progress and results as they relate to corporate citizenship. There are some cases where we have relied on estimates to communicate results. These areas are identified in the report. With a goal of transparency and accuracy, we expect the process of data collection to evolve as we refine our approach. In addition, we will consider external verification in the future as a way to enhance assurances regarding the validity of the report's contents.

In some areas of this report, we discuss forward-looking targets and goals. We believe target-setting to be a good discipline and it is a routine part of how we manage our business. Nevertheless, all targets are subject to uncertainty, and there is no assurance that the targets will be achieved or will not be adjusted as business priorities and external factors evolve.

Any forward-looking statements in this report are based on current understanding of the operational and financial environment and are subject to changes in business strategies and uncertainties in the market. Please note that we do not anticipate updating particular portions of this report, which should therefore be understood to speak only as of its publication date.


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## A NOTE ON VOCABULARY

For convenience, this report often refers generally to “The Walt Disney Company” or “Disney” or “the Company,” or even “we” and “us.” In fact, our various businesses are conducted by a number of separate corporations and other legal entities that are owned, directly or indirectly, wholly or in part, by the parent public company, known as The Walt Disney Company. Accordingly, use of the names and terms in this report may refer broadly to practices or other matters relevant to many of our businesses and is not intended to suggest that they, or any combination of them, operate as a single entity. Moreover, since this is an integrated report, references to “The Walt Disney Company,” “the Company,” “Disney,” “we,” or “us” may mean, as appropriate, either The Walt Disney Company and/or one or more of its affiliated companies.

In addition, when we reference “Disney-branded” products or businesses we mean to limit the meaning to only those products which fall under the Disney brand.

## FEEDBACK

We welcome and appreciate interest and feedback on this report, as well as on Disney’s corporate citizenship. To provide feedback, please visit the Feedback page.

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# GRI Index

| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| **1. Strategy and Analysis** | | | | |
| 1.1 | Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy. | Messages from Bob Iger & Jay Rasulo | 2, 3 | |
| 1.2 | Description of key impacts, risks, and opportunities. | Messages from Bob Iger & Jay Rasulo; Citizenship at Disney; Stakeholder Engagement; Looking Ahead | 2, 3, 7, 74 | |
| **2. Organizational Profile** | | | | |
| 2.1 | Name of the organization. | Corporate Information | 5 | |
| 2.2 | Primary brands, products, and/or services. | Corporate Information | 5 | |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | Form 10-K | | |
| 2.4 | Location of organization's headquarters. | Form 10-K | | |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | Disney Operations; About the Supply Chain | 57, 65 | |
| 2.6 | Nature of ownership and legal form. | Form 10-K | | |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | Form 10-K | | |
| 2.8 | Scale of the reporting organization. | Corporate Information; Form 10-K; About This Report | 5, 78 | |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | Corporate Information; Form 10-K; About This Report | 5, 78 | |
| 2.10 | Awards received in the reporting period. | Chart 04: Awards & Recognition | 11 | |
| **3. Report Parameters** | | | | |
| Report Profile | | | | |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | About This Report | 78 | |
| 3.2 | Date of most recent previous report (if any). | About This Report | 78 | Our most recent reports include a 2008 Corporate Responsibility Report and a 2009 Data Update to the Corporate Responsibility Report. |
| 3.3 | Reporting cycle (annual, biennial, etc.) | About This Report | 78 | |
| 3.4 | Contact point for questions regarding the report or its contents. | Feedback | | |
| Report Scope and Boundary | | | | |
| 3.5 | Process for defining report content. | Citizenship at Disney; Stakeholder Engagement | 7, 9 | |
| 3.6 | Boundary of the report. | About This Report | 78 | Our report covers The Walt Disney Company and its affiliated companies. We specifically notate instances in which the scope is different. |
| 3.7 | State any specific limitations on the scope or boundary of the report. | About This Report | 78 | |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | See footnotes of specific charts and tables for relevant information | | |


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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| 3.9 | Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. | See footnotes of specific charts and tables for relevant information | | |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | See footnotes of specific charts and tables for relevant information | | |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | See footnotes of specific charts and tables for relevant information | | |
| GRI Content Index | | | | |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | GRI Index | 80 | |
| Assurance | | | | |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | Not Reported | | |
| **4. Governance, Commitments and Engagement** | | | | |
| Governance | | | | |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | Governance; Corporate Governance Website | 6 | |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | Governance; Corporate Governance Website | 6 | |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | Governance; Corporate Governance Website | 6 | |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Governance; Corporate Governance Website | 6 | |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | Proxy Statement | | |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | Corporate Governance Website | | |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics. | Corporate Governance Website | | |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Citizenship at Disney | 7 | Throughout the report, we detail the different principles and guidelines that frame our approach to corporate responsibility. |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | Corporate Governance Website | | |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | Corporate Governance Website | | |
| Commitments to External Initiatives | | | | |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Stakeholder Engagement; Environment; Form 10-K | 9, 37 | |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Partnering with Parents; Animal Programs; Environment; International Labor Standards | 14, 34, 36, 66 | In many key themes, we detail relationships with external initiatives and codes. |



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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations. | Animal Programs; International Labor Standards | 34, 66 | In many key themes, we detail membership in associations and advocacy organizations. |
| Stakeholder Engagement | | | | |
| 4.14 | List of stakeholder groups engaged by the organization. | Stakeholder Engagement; Throughout the Report | 9 | In many key themes, we detail stakeholder engagement approaches and key relationships. |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Stakeholder Engagement | 9 | |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Stakeholder Engagement | 9 | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Stakeholder Engagement | 9 | |
| **5. Economic Performance Indicators** | | | | |
| Economic Performance | | | | |
| EC1 | Direct economic value generated and distributed. | Corporate Information; Community Impacts and Collaboration | 5, 51 | Our community reports provide a limited description of the economic impact the parks and resorts have on the local community. |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Not Reported | | Our Form 10-K notes impact of long-term climate change on our tourism businesses. |
| EC3 | Coverage of the organization's defined benefit plan obligations. | Proxy Statement | | |
| EC4 | Significant financial assistance received from the government. | Not Reported | | |
| Market Presence | | | | |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. | Not Reported | | |
| EC6 | Policy, practice and proportion of spending on locally-based suppliers at significant locations of operation. | Not Reported | | Our community reports provide a limited description of the economic impact the parks and resorts have on the local community. |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | Not Reported | | |
| Indirect Economic Impacts | | | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro-bono engagement. | Community | 50 | Community section and stories note examples of public investment in infrastructure. |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Not Reported | | Our community reports provide a limited description of the economic impact the parks and resorts have on the local community. |
| **6. Environmental Performance Indicators** | | | | |
| Materials | | | | |
| EN1 | Materials used by weight or volume. | Not Reported | | |
| EN2 | Percentage of materials used that are recycled input materials. | Waste; Ecosystems; Product Footprint | 41, 43, 46 | In addition to discussion of different initiatives throughout the company to integrate recycled materials into Disney products, our new wood policy and product footprint targets integrate goals around recycled materials. |


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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| Energy | | | | |
| EN3 | Direct energy consumption by primary energy source. | Climate and Energy | 39 | |
| EN4 | Indirect energy consumption by primary source. | Climate and Energy | 39 | |
| EN5 | Energy saved due to conservation and efficiency improvements. | Climate and Energy | 39 | |
| EN6 | Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives. | Environmental Conservation Report | 49 | |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Climate and Energy | 39 | |
| Water | | | | |
| EN8 | Total water withdrawal by source. | Not Reported | | We announced a new target for water which requires local sites to create Water Conservation Plans. |
| EN9 | Water sources significantly affected by withdrawal of water. | Not Reported | | |
| EN10 | Percentage and total volume of water recycled and reused. | Water | 44 | The Water section provides description of initiatves that help to reduce our water footprint. |
| Biodiversity | | | | |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Ecosystems; Conservation Report | 43 | |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Nature Conservation | 30 | |
| EN13 | Habitats protected or restored. | Inspiring Kids and Communities; Nature Conservation; Ecosystems | 22, 30, 43 | |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | Ecosystems | 43 | We announced a new Ecosystems Integrated Approach to development. |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | Not Reported | | |
| Emissions, Effluents and Waste | | | | |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | Climate and Energy | 39 | |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | Climate and Energy | 39 | |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Climate and Energy | 39 | |
| EN19 | Emissions of ozone-depleting substances by weight. | Not Reported | | |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | Not Reported | | |
| EN21 | Total water discharge by quality and destination. | Not Reported | | |
| EN22 | Total weight of waste by type and disposal method. | Waste | 41 | |
| EN23 | Total number and volume of significant spills. | Not Reported | | |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Bael Convention Annex I, II, III and VII, and percentage of transported waste shipped internationally. | Not Reported | | |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | Not Reported | | |

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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | Product Footprint | 46 | In addition to business-specific initiatives, we have established companywide goals in 2010 for sustainable paper and manufacturing. |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Not Reported | | |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Not Reported | | |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | Product Footprint | 46 | Our Product Footprint section discusses initiatives with EPA Smartway Program. |
| EN30 | Total environmental protection expenditures and investments by type. | Nature Conservation | 30 | |
| **7. Labor Practices and Decent Work** | | | | |
| Employment | | | | |
| LA1 | Total workforce by employment type, employment contract, and region. | Disney Operations | 57 | |
| LA2 | Total number and rate of employee turnover by age group, gender, and region. | Not Reported | | |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | Working at Disney | 57 | |
| Labor/Management Relations | | | | |
| LA4 | Percentage of employees covered by collective bargaining agreements. | Working at Disney | 57 | |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | Not Reported | | |
| Occupational Health and Safety | | | | |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | Not Reported | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region. | Not Reported | | |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Not Reported | | See Park Safety and Employee Safety sections for brief information on our safety programs. |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | Not Reported | | |
| Training and Education | | | | |
| LA10 | Average hours of training per year per employee by employee category. | Training and Development | 60 | We do not average our training hours by employee. We provide number of participants and number of hours per training type. |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Training and Development | 60 | |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | Not Reported | | We do provide information about our career development programs, but do not detail the percentage of employees that are involved. |
| Diversity and Equal Opportunity | | | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. | Diversity | 61 | |
| LA14 | Ratio of basic salary of men to women by employee category. | Not Reported | | |


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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| **8. Human Rights** | | | | |
| Investment and Procurement Practices | | | | |
| HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | International Labor Standards | 66 | Our Labor Standards section details how many of our facilities have received an assessment. |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | International Labor Standards | 66 | |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | Not Reported | | We do provide information about our education initiatives, but do not include the total number of hours. |
| Non-discrimination | | | | |
| HR4 | Total number of incidents of discrimination and actions taken. | International Labor Standards | 66 | |
| Freedom of Association and Collective Bargaining | | | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | International Labor Standards | 66 | |
| Child Labor | | | | |
| HR6 | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | International Labor Standards | 66 | |
| Forced and Compulsory Labor | | | | |
| HR7 | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor. | International Labor Standards | 66 | |
| Security Practices | | | | |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | Not Reported | | |
| Indigenous Rights | | | | |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | Not Reported | | |
| **9. Product Responsibility** | | | | |
| Customer Health and Safety | | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Creating Safe Environments. Product Footprint; Supply Chain | 18, 46, 64 | |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes. | Not Reported | | We track incidents of non-compliance by our vendors and licensees, but do not itemize them here. |
| Product and Service Labeling | | | | |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | Not Reported | | |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | Not Reported | | |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | Not Reported | | |

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| GRI | Indicator Description | Section (s) | Page (s) | Explanation |
|---|---|---|---|---|
| Marketing Communications | | | | |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | Partnering with Parents; Promoting Healthy Lifestyles | 14, 15 | |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes. | Not Reported | | |
| Customer Privacy | | | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | Not Reported | | |
| Compliance | | | | |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | Not Reported | | |
| 10. Society | | | | |
| Community | | | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | Community; Community Reports | 50 | |
| Corruption | | | | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption. | Not Reported | | |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Not Reported | | |
| SO4 | Actions taken in response to incidents of corruption. | Not Reported | | |
| Public Policy | | | | |
| SO5 | Public policy positions and participation in public policy development and lobbying. | Participation in the Formulation of Public Policy | 6 | |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | Participation in the Formulation of Public Policy | 6 | We disclose our U.S. contributions. |
| Anti-Competitive Behavior | | | | |
| SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | Not Reported | | |
| Compliance | | | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | Not Reported | | |

We have self-declared our reporting to be Application Level B.

For additional content beyond this report, please visit our Form-10K, Proxy Statement, Corporate Governance website, Community Reports, and Conservation Report.

To provide feedback on the report, please visit the online version.


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