



CORPORATE
SOCIAL
RESPONSIBILITY
UPDATE
2017

The
WALT DISNEY
Company



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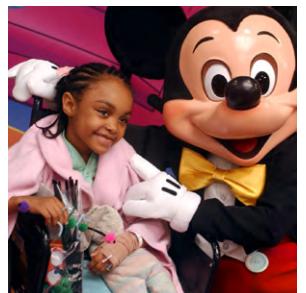
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A Message from Our Executive

Walt Disney once said “anything that has a Disney name to it is something we feel responsible for.” More than half a century later we still feel that same sense of responsibility about everything we do. Regardless of whether we’re talking about a movie, a theme park, an alternative energy plant, or a recycling bin — across the country or around the world — everything that bears our name comes with our commitment to always act ethically, create content and products responsibly, maintain respectful workplaces, invest in communities, and be good stewards of the environment.

These are long-held traditional values at Disney, and we’re encouraged to see a growing awareness of their importance in the world and their bottom line impact. In addition to high quality and fair pricing, consumers look at several other factors when making purchasing decisions, including things like how companies treat their employees, what efforts they make to conserve energy and water, and reduce waste, and their commitment to continued improvement when it comes to good corporate citizenship and effective social responsibility. Increasingly, prospective employees are looking at the same factors when choosing where to spend their time and effort. As a result, doing well increasingly involves doing good — and we’re very proud of Disney’s hard-earned reputation as one of the world’s most admired companies, respected for what we create, how we perform and, just as importantly, the integrity with which we operate.

Ten years ago, we took stock of our efforts to be a good corporate citizen of the world, identifying areas in which we lead the way as well as areas where we knew we could do better. We published our first report covering fiscal year 2008 and including our first set of environmental targets. Since then, we’ve set and achieved many additional targets covering new areas of opportunity, made significant improvements on all of our commitment areas, and established robust plans to meet the goals still outstanding by 2020.

In addition to the notable progress toward these published goals, and our nearly \$350 million in annual charitable giving this year, we’re also very proud of the response from our company and our employees to the unprecedented string of natural disasters that swept the globe in 2017, including Hurricanes Harvey, Irma and Maria; historic fires impacting large areas of California; earthquakes in Mexico and other tragic events that touched the lives of thousands of our employees and devastated the communities in which they live, work, and play. Our collective response to each of these tragedies was swift and effective — including donations of close to \$5 million to global relief agencies through direct cash contributions as well as dollar for dollar matching of donations made by our employees through our matching gifts program. In addition, Disney|ABC Television mobilized and hosted a national Day of Giving which raised an additional \$15 million for recovery efforts.

Looking ahead to 2018 and beyond, you can expect Disney to continue to focus on our long-term goals, with transparency about our progress toward those targets, even as we respond effectively to meet the needs of our business, consumers, and employees in an era of rapid evolution and relentless change. We’ll build on all of the programs outlined in this update, with renewed focus on bringing joy and wonder to families everywhere, delivering comfort to those in need, and creating inspiration and opportunity for those who, like us, want to improve their world. The foundation of these ongoing programs reflects our values and legacy as a company, as well as the broad reach and resources of The Walt Disney Company.

We appreciate your interest in our efforts to be a good corporate citizen and are proud to share our achievements with you. And as we achieve our goals, we’ll continue to seek out new opportunities to maximize our positive impact on the world around us.



Christine McCarthy

Christine M. McCarthy
Senior Executive Vice President
and Chief Financial Officer,
The Walt Disney Company

The foundation of our programs reflects our values and legacy as a company, as well as the broad reach and resources of The Walt Disney Company.

About Our Targets

We believe that our work to operate an honorable and socially responsible company is a long-term investment that benefits us today, and has the potential for an even greater impact on kids and families around the world for decades to come. Targets are an important tool that help guide our ambitions and measure our progress and we will regularly evaluate them to assess their alignment with our strategic vision.

Target Definitions

Based on The Walt Disney Company's fiscal year, except where specified that the target is reported by calendar year.

All target dates refer to The Walt Disney Company's fiscal year-end (which starts in October and ends in September), unless specified otherwise. For example, when a target says "By 2017," we mean by the end of fiscal year 2017, or by the end of September 2017.

Dynamic and subject to updates or changes.

Setting goals and targets is not a static process. We will continue to evaluate the viability and utility of these targets.

Both aspirational and achievable.

Some of these targets represent our "stretch" aspirations. At times, despite our efforts, marketplace and other conditions may impact our ability to meet these targets.

Time-bound and forward-looking.

This update contains forward-looking targets and goals. The targets are subject to uncertainty; their completion is not guaranteed. They may also be adjusted as business priorities and external factors evolve.

Cumulative versus annual.

Unless otherwise stated, target numbers are cumulative from the beginning of fiscal year 2013 to end of fiscal year stated in the target.

2017 PERFORMANCE ON TARGETS



ENVIRONMENT

Emissions



Waste



Water



VOLUNTEER HOURS

VoluntEAR Hours



HEALTHY LIVING

Licensed Wholesale Food Sales



Global Advertising



OUR COMMITMENTS TO OPERATING A RESPONSIBLE BUSINESS

We take seriously our obligation to conduct our business in an ethical manner.



ENVIRONMENTAL STEWARDSHIP

Our commitment to environmental stewardship focuses on using resources wisely and protecting the planet as we operate and grow our business. Scarcity of natural resources and threats to ecosystems and biodiversity are serious environmental issues. These challenges demand fundamental changes in the way society, including the private sector, uses natural resources.

In recognition of these challenges, Disney has committed to the following long-term environmental stewardship goals:



Zero net greenhouse gas emissions



Zero waste



Conserve water resources

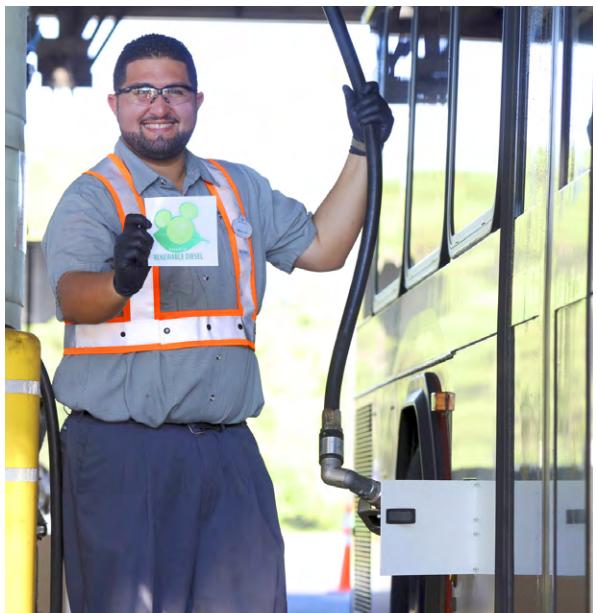
EMISSIONS

TARGET



- **By 2020 reduce net emissions by 50% from 2012 total levels.**

- **In 2017 we reduced our net emissions by 41% from 2012 levels.**



Our strategy for meeting our long-term emissions goal of zero net greenhouse gas emissions follows the hierarchy of: avoiding emissions, reducing emissions through efficiencies, replacing high-carbon fuels with low-carbon alternatives, seeking alternative technologies, then using certified carbon credits for remaining emissions. While we are focused on improving our existing assets, we also drive sustainability in new projects by integrating the evaluation and selection of sustainable solutions into the capital funding process.

Our Theme Parks and Resorts segment has maintained its emissions at the 2012 level, through efficiencies allowing growth and expansion without increasing emissions.¹ For example, at Walt Disney World Resort, the conversion of the guest transportation bus fleet to renewable diesel made from used cooking oil and non-consumable food waste cut the fleet's emissions in half. Disneyland Paris purchased half of their electricity from renewable sources in 2017. The newest destination, Shanghai Disney Resort, opened with many efficiencies, pioneered by other locations, with two buildings receiving the China Green Building Evaluation label.

At Walt Disney World Resort, converting the guest transportation bus fleet to renewable diesel cut the fleet's emissions in half.

By supporting carbon reduction projects around the world, we have prevented the release of 3.5 million metric tons of CO₂ equivalents (equal to the emissions from the annual electricity consumption of half a million homes) in the period between 2012–2017, to help meet our emissions reduction objective.



At the Alto Mayo carbon project in Peru supported by Disney, conservation efforts enabled farmers to participate in an organic fair trade coffee co-op.

In addition to our financial investment, we connected the co-op to international markets and offer the specialty blend coffee at select signature restaurants at U.S. Disney Parks.



WASTE

TARGET



- **By 2020 achieve 60% waste diverted from landfills and incineration.**

- **In 2017 we achieved a 46% diversion rate of operational waste, generated from our Theme Parks & Resorts, ESPN, Studios, and office locations.**

In order to achieve our waste diversion targets, Disney observes the waste management hierarchy of: reducing, reusing, recycling, composting, non-thermal waste-to-energy, and thermal waste-to-energy programs. Developing a robust recycling program is a priority at our Theme Parks and Resorts. For example, we are focused on using clear signage for Cast Members, as well as increasing the amount of materials collected that can be processed for recycling. Managing food waste is also a priority, with our Theme Parks and Resorts, diverting twice as much food waste from the landfill in 2017 than in 2013. While the target focuses on operational waste, we also divert waste from construction, achieving a 92% diversion rate from construction projects reporting in 2017.

¹ New growth at Walt Disney Parks and Resorts includes Pandora – The World of AVATAR, expansion work at Disney's Polynesian Village Resort and the Copper Creek Villas & Cabins at Disney's Wilderness Lodge, and re-development of the ESPN Wide World of Sports Complex and Disney Springs; the Disney Explorers Lodge at Hong Kong Disneyland, Team Disney Annex, the Plaza Inn at Disneyland Resort, and the Iron Man Experience at Hong Kong Disneyland; Ratatouille: The Adventure at Disneyland Paris and the new office building; and the start of construction on Star Wars: Galaxy's Edge at Walt Disney World and Disneyland Resort.

PRODUCTION

The [2017 Environmental Media Awards](#) recognized six films from The Walt Disney Company, including two Marvel Studios' films, *Black Panther* and *Thor:Ragnarok*, as well as *Star Wars: The Last Jedi*, and Disney-branded movies *Beauty and the Beast*, *Born in China*, and *Pirates of the Caribbean: Dead Men Tell No Tales*.

Disney|ABC Television has increased recycling of set items, donating over 2,100 items from ABC Studios, Disney Channel, and Freeform productions.

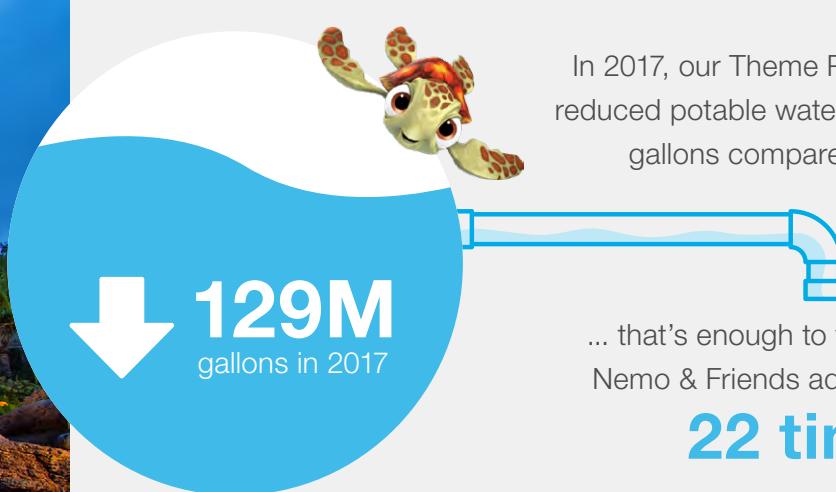
PRODUCT FOOTPRINT

We strive to minimize our product footprint through a number of efforts. Our [Smart Packaging Initiative](#), an innovative, industry-leading online design tool to help improve the environmental performance of packaging and create a better experience for consumers, received the [2017 Environmental Leader Project of the Year Award](#). We have engaged our top licensees and vendors and shared the tool so that they can apply the design principles to their packages.

We continue to invest in the implementation of our [Paper Sourcing and Use Policy](#), which guides paper selection throughout the company.



WATER



In 2017, our Theme Parks and Resorts reduced potable water use by 129 million gallons compared to last year

... that's enough to fill The Seas with Nemo & Friends aquarium at Epcot

22 times



At Disney, we recognize that water is a precious resource for our operations and the communities in which we operate. We manage water in our current operations by measuring Disney's water footprint, conserving water, and transitioning operations to non-potable water where possible. Since 2013, our Corporate facilities have been using reclaimed water for irrigation and cooling towers to reduce potable water consumption.



INTERNATIONAL LABOR STANDARDS

After 20 years of monitoring working conditions in the factories making our branded consumer products, we remain steadfast in our commitment to understanding and addressing supply chain working conditions.

We continue to build the capacity of our consumer product licensees and vendors, partner with external organizations, and support innovation in supply chain monitoring and improvement.

We maintain practices that help us prevent, identify, and mitigate risk. These policies and approaches, which range from the [Permitted Sourcing Countries](#) policy to our [ILS Code of Conduct and Program manuals](#), guide our businesses and set standards for our vendors and licensees.

We also invest in longer-term innovations to better identify and address labor issues in the supply chain. The [Supply Chain Investment Program](#) provides financial and other support to

NGOs, U.N. agencies, and other groups for innovative and impactful projects that seek to create scalable, long-term improvements in working conditions and the empowerment of workers in key sourcing markets. Our partners in 2017 included Better Work, a joint initiative of the International Labor Organization (ILO) and the International Finance Corporation (IFC), the International Training Centre of the ILO, MicroBenefits, and Responsible Sourcing Network.



At a factory in Shenzhen, China, workers inspect Disney-branded products for quality.

We engage with a wide array of external organizations to learn and share our progress. Examples in 2017 included:

- Contributing to The Consumer Goods Forum's *Business Actions Against Forced Labor* publication
- Engaging with the ILO/IFC Better Work Program in their pilot initiative in Egypt
- Supporting the ILO in their initial exploration of a Business Network on Forced Labor and Human Trafficking
- Publishing our first statement in accordance with the U.K.'s Modern Slavery Act
- Participating in the United Nations Forum on Business and Human Rights
- Continuing to chair the Corporate Responsibility and Labor Affairs Committee of the U.S. Council for International Business



HEALTHY LIVING

Disney is committed to creating healthier generations by making healthy living fun and simple. This commitment is realized in many ways, including: our [Nutrition Guideline Policy](#) which drives our approach to food marketing, the [Disney Check](#) which provides a quick and easy tool to help families identify better-for-you foods, and the integration of inspiring healthy messages into our media content.

In 2017, we continued to meet our licensing and advertising targets in North America and made significant progress on our global targets. Disneyland Paris introduced the Disney Check on menus, signaling healthier kid's meal options for families.

Content that inspires kids and families to live healthier lifestyles is core to the Disney Healthy Living Commitment. This includes short- and long-form content, digital games and live events. For example, for

the first time Disney Channels Worldwide created original healthy living content featuring DuckTales, Doc McStuffins, Bizaardvark, Andi Mack and Stuck in the Middle that aired globally and through the digital app and social media platforms. In the U.K., Disney has partnered with Change 4 Life on its “10 Minute Shake-up” campaign for the fourth year. Using the power of Disney’s characters and storytelling, the campaign engaged and inspired more than 2 million children ages 3 to 11 to take part in the government’s recommended amount of daily exercise.



ON TRACK

- By 2020 increase to 85% the percentage of globally licensed wholesale food sales dedicated to everyday foods that meet our global Nutrition Guidelines, and continue to meet our 85% target in North America.



ON TRACK

- By 2020 globally, all Disney-controlled advertising on kid-focused media platforms and Disney-owned online destinations oriented to families with younger children will be with food and beverages that meet our global Nutrition Guidelines.



- In 2017 79% of globally licensed wholesale foods met our global Nutrition Guidelines. North America met the target.



- In 2017 we met this goal in the U.S. We continue to make progress toward this goal globally.

WORKPLACE PRACTICES



We value and encourage curiosity, innovation, and ideas from everyone at Disney. A safe, respectful, and inclusive culture for people across the Company is critical to innovation and our success. One measure of our commitment to an inclusive culture is the HRC Corporate Equality Index, on which Disney has scored 100%, for the last 12 years, for LGBT workplace equality. We also strongly believe that employees that give time to their communities and causes they care about are more engaged in the workplace.

Employee Resource Groups (ERGs)

At Disney, we celebrate and embrace each individual's unique experiences and encourage everyone to be their authentic selves at work. Our 36 ERGs around the world support inclusion by welcoming all employee perspectives, and cultures as well as their business insights. For example, in the U.K. and Ireland, the 300+ member, employee-led "Women@Disney" ERG, encourages self-development, networking and mentoring opportunities. In China, employees launched an LGBT-focused ERG.



In July 2017, Disney partnered with Out & Equal to hold a global Equality Institute in London. Representatives from around the U.K. and other countries attended.

Global Workplace and Women's Initiative

The Global Workplace and Women's Initiative, an internal group with leaders and experts from across the Company, which focuses on: sponsorship, leadership development, communication, and accountability. The group was instrumental in creating Disney's flexible work policies and in identifying development opportunities for women and collaborations that help the company recruit and hire more, high-potential women in a variety of fields, including technology.



Veterans

Through our [Heroes Work Here](#) initiative started in 2012, we have hired nearly 9,000 veterans across our company and helped another 15,000 find jobs outside of Disney. Disney also supports organizations that serve veterans and their families, and has given funding and media support to organizations including Blue Star Families, The Mission Continues, Student Veterans of America, and more. In 2017, we expanded our Heroes Supply Here program, increasing our company spend with veteran-owned businesses.



TARGET



ON TRACK

- **By 2020 contribute more than 5 million hours of employee community service through the Disney VoluntEARS program.**
- **In 2017 Disney VoluntEARS provided more than 486,600 hours of volunteer service in the form of skills, time, and effort. Since 2012, Disney VoluntEARS have contributed a total of nearly 3.4 million hours of service.**

Employee Volunteering

Disney employees and Cast Members give their time, through our VoluntEARS program, to the communities where they live and work. In addition to our company VoluntEARS program, employees around the world supported community nonprofit organizations with their time and/or their dollars which were matched through Disney Employee Giving Programs.



Engaging Our Talent

Elena of Avalor exemplifies how Disney engages diverse communities and creates memorable stories with diverse talent in front of and behind the camera.

The series, which debuted in July 2016, has been lauded by the National Hispanic Media Coalition as Outstanding Animated Series at the 2017 Impact Awards.

Head Writer and Co-Executive Producer Silvia Olivas, an alumnus of the Disney|ABC Writing Program, leads the writing team.

Moana and *Coco* exemplify how Disney's creative teams are focused on developing authentic stories that reflect and engage our diverse, global community. Production team members, including Taika Waititi (*Moana*) and Adrian Molina (*Coco*), as well as external experts, provided direction and insights during the creative process and were key partners in making the film relevant, authentic showcases for Pacific Island and Mexican culture, respectively.

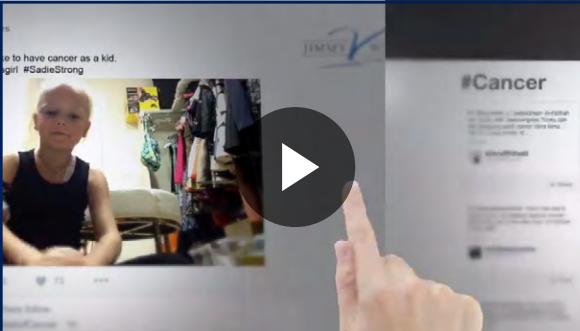


STRATEGIC PHILANTHROPY & COMMUNITY ENGAGEMENT

In 2017, Disney made \$348.6 million in charitable contributions in the form of cash and in-kind donations. Through these contributions, we supported a broad range of community programs and organizations that make lasting, positive, change around the world. We focus our charitable giving primarily in the areas of compassion (including volunteerism), conservation, 21st century skills building, and healthy living, with an emphasis on underserved and diverse populations. For example, during the aforementioned natural disasters in 2017, Disney helped bring relief to those in need by donating nearly \$5 million to support nonprofit organizations delivering aid to affected areas around the world.



Disney is a longtime supporter of scholarship organizations that make it possible for high-achieving students to pursue their dreams by earning a college education. Since 2014, Disney has committed more than \$4 million to support scholarships administered by the [American Indian College Fund](#), [The Asian & Pacific Islander American Scholarship Fund](#), [Hispanic Scholarship Fund](#), [Student Veterans of America](#), and [UNCF](#). This year, the company provided a grant to My Brother's Keeper Alliance to support the organization's work with boys and young men of color.



ESPN and the V Foundation for Cancer Research

2017 was a record fundraising year, as ESPN raised over \$9 million for the V Foundation for Cancer Research during the December 2016 V Week and the July 2017 ESPY Day.

Nature Conservation

At Disney, we have a rich history of caring for the planet. In 2017, the [Disney Conservation Fund \(DCF\)](#) awarded more than \$8 million in grants to leading nonprofit organizations working across the globe to protect wildlife and provide experiences to inspire a lifelong love for nature in young people. The DCF recognized 15 individuals in 14 countries as "[Disney Conservation Heroes](#)" for their passion, courage, and tenacity in tackling some of the biggest challenges facing wildlife and wild places.



To celebrate the opening of *Pandora — The World of Avatar* at Disney's Animal Kingdom, we launched [Connect to Protect](#), an in-park, interactive mobile adventure for Guests and a commitment of up to \$1 million to protect and restore habitats critical to ten threatened animals.

For the third year, The Walt Disney Company including Disney|ABC Television and ESPN, collaborated with the National Recreation and Park Association on [Meet Me at the Park](#), a campaign which gave 16 communities' park projects \$20,000 grants to connect kids with nature, promote healthy living, and provide access to sports.

OUR COMMITMENT TO BRINGING HAPPINESS & COMFORT TO THOSE IN NEED

Disney has a legacy of providing comfort and happiness to families with children facing serious illness. Through moments of joy we can provide transformative experiences in ways only Disney can.

CHILDREN'S HOSPITALS

Disney has a long history of supporting children's hospitals, dating back to Walt Disney himself in the 1930's who would visit with sick children, often accompanied by Disney characters and animators. We deliver uniquely Disney experiences that are powered by our greatest resources: our Cast Members and our beloved characters. For example, in the U.K., we have now raised more than £10 million for Great Ormond Street Hospital (GOSH) Children's Charity as well as bringing the Disney magic into the hospital environment.



Our beloved characters and talent, across all of our brands, generously donate their time and resources to bring smiles to kids in children's hospitals around the world. Through an event hosted by *Star Wars: Force For Change*, Star Wars characters visited Children's Hospital Los Angeles (CHLA) to transport kids and families from the hospital, to a galaxy, far, far away. Since the *Force For Change* began, Star Wars has been incorporated into countless children's hospital events around the world. And through our collaboration with Starlight Children's Foundation, we announced that Star Wars themed hospital gowns would be distributed to thousands of pediatric patients across the country.



At May the 4th Star Wars themed events, The Walt Disney Company Australia and New Zealand sent care packages to pediatric hospitals through the Hospital Care Packages program.

In 2017, Disney completed three Disney Fun House therapeutic play activity rooms in China, in children's hospitals in Beijing, Guangzhou, and Chengdu — part of our commitment to build 50 across China by 2022.

As the only studio to show first-run movies at children's hospitals, we brought films from The Walt Disney Studios to 45 children's hospitals across the U.S. through the Disney Movie Moments program. We have a similar initiative with children's hospitals in Australia, and in the U.K. and Italy we collaborate with MediCinema to offer movie viewings.

We sent Disney care packages to 445 hospitals across North America, filled with DVDs, toys and games to provide entertainment to children and families faced with serious illness.



Star Wars characters visited kids and families at Florida Hospital for Children, where we unveiled Star Wars themed hospital gowns.



Ironman pays a visit to a patient at Tulane Hospital for Children.

WISH GRANTING

Disney fulfills more than 10,000 wishes every year, by working with wish-granting organizations around the world, at no cost to the family. Since the very first wish in 1980, Disney and Make-A-Wish® together have granted more than 120,000 life-changing wishes for children with life-threatening medical conditions. Today, a Disney-related wish remains the most popular request, according to Make-A-Wish. And in 2017, we brought back our successful #shareyourears campaign later in the year, in support of Make-A-Wish.

In 2017, we were honored to fulfill the [first wish at Shanghai Disney Resort](#) and the first wish granted by a wish-granting organization in Shanghai.



Shanghai Disney Resort hosted the very first wish child from Make-A-Wish Shanghai: Seven-year-old Yuanbao and his family.



OUR COMMITMENT TO CREATING INSPIRATION & PROVIDING OPPORTUNITIES

We know that inspiration can only be fully realized if it's provided an opportunity to flourish. We want to inspire possibility for youth to create the future they imagine and celebrate them along their journey.

YOUTH DEVELOPMENT



We have worked to equip this next generation with the skills, confidence, and tools needed to create the future they imagine. For example, our Disney Musicals in Schools program builds sustainable theater programs in often under-resourced public elementary schools. Beyond the joys of storytelling on-stage, musical theater fosters creativity, collaboration, communication, problem-solving, empathy, and much more. By providing performance materials and professional development to participating teachers free of charge, Disney Musicals in Schools has helped more than 21,000 students, 600 teachers, and 200 schools in 13 cities.



our Disney Musicals in Schools program builds sustainable theater programs in often under-



resourced public elementary schools. Beyond the joys of storytelling on-stage, musical theater fosters creativity, collaboration, communication, problem-solving, empathy, and much more. By providing performance materials and professional development to participating teachers free of charge, Disney Musicals in Schools has helped more than 21,000 students, 600 teachers, and 200 schools in 13 cities.



In 2017, Disney Musicals in Schools launched in four new U.S. cities: Omaha, Boston, Madison, and Orlando, introducing musical theater to over 1,000 students who performed in their very first musical.

Disney Musicals in Schools have launched in these U.S. cities:

New York
Nashville
Las Vegas
Seattle
Costa Mesa

Newark
Cleveland
East Lansing
SF Bay Area

New in 2017:
Omaha
Boston
Madison
Orlando

[Pixar in a Box](#) is a partnership between Pixar Animation Studios and Khan Academy, sponsored by Disney, that provides a behind-the-scenes look at how Pixar artists bring stories to life. Pixar filmmakers offer free lessons on everything from storytelling to how to animate bouncing balls, using subjects learned in school including math, science, computer science, and the humanities.

Adding to their existing library, in 2017, Pixar released new lessons with videos and hands-on activities that take students of all ages through the concepts of storytelling. More than 1.8 million learners were reached, recording nearly 20 million minutes of learning time.



In 2017
Pixar released new
lessons with videos
and hands-on activities



1.8 million
learners were reached



20 million
minutes of learning time



Disney is a long-time supporter of Boys and Girls Clubs. As the national sponsor of Boys and Girls Club of America Youth of the Year program, we help spark inspiration and provide tools for future bright, young leaders from diverse backgrounds. Last year's honoree, Jocelyn Woods, was awarded the Radio Disney Music Awards [2017 Hero for Change Award](#) for her impressive leadership to advocate for teens in her community.



Elissa Margolis, SVP, Disney Corporate Social Responsibility, congratulates Carlos Polanca (right) on being honored Boys and Girls Clubs of America 2017 National Youth of the Year.



The Afro-Academic, Cultural, Technological & Scientific Olympics (ACT-SO) NAACP youth competition and program is held by local NAACP chapters, culminating in a national conference each summer. Disney provided inspiring content including a [workshop with an Imagineer](#) for students interested in design and filmmaking.



Disney, along with Big Brothers Big Sisters Australia, created an innovative [e-mentoring tool](#), which helps the organization overcome the challenge of providing mentorship over vast distances.

INSPIRING FUTURES

We have the unique ability to inspire kids around the world to create the future they imagine.



Alice Parker, photographed by Kate T. Parker, as part of the #DreamBigPrincess global photography campaign. Alice is a member of The Blasters soccer team who are all about teamwork and toughness.

For example, Dream Big, Princess is a company-wide effort to encourage kids everywhere to dream big by highlighting inspiring moments from Disney Princess stories. In 2017, we launched **#DreamBigPrincess**, a global photography campaign that showcased empowering images by female photographers of real-world girls and women. By engaging with the photos on social media, families and fans helped Disney donate \$1 million to Girl Up, a leadership development program for girls, hosted by the United Nations Foundation. Highlights of the resulting photos, both professional and user-generated, were later exhibited at the United Nations Headquarters in New York.



In Latin America, Disney partnered with the global organization Ashoka to promote leadership skills among girls and a culture of equality, respect, and inclusion. Through the social media campaign **#SoyPrincesaSiendoYo** ("I am a princess being myself") and the **Compromiso Disney grant**, the partnership aimed to support local social entrepreneurs and foster leadership skills among young girls in Mexico, Brazil, Colombia, and Chile.



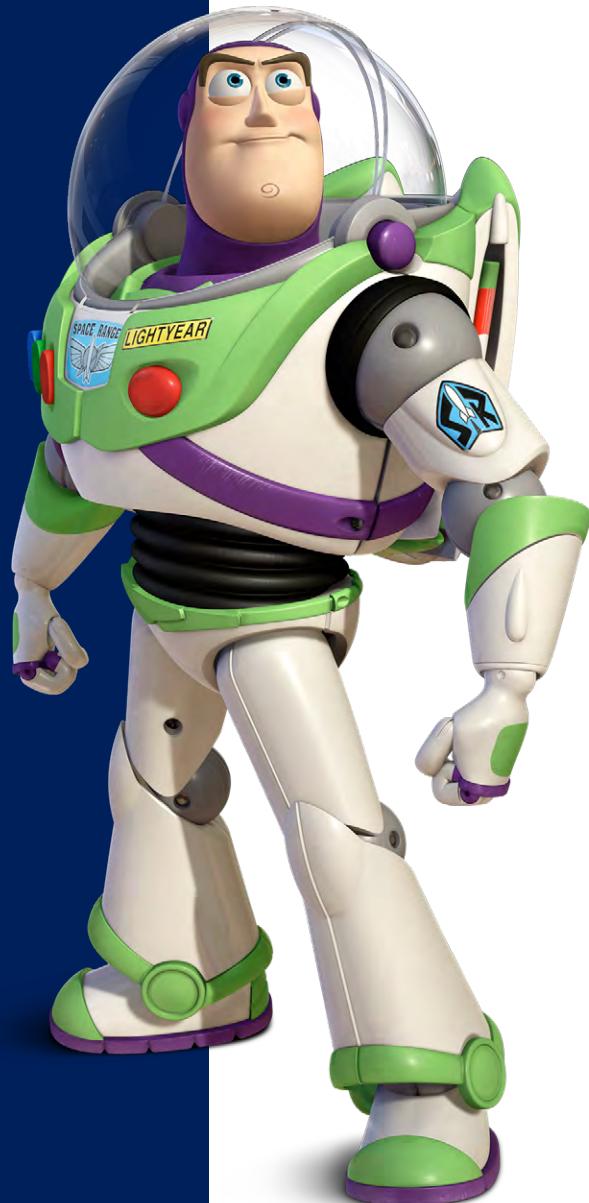
Disney's legacy was built on creative, inspired storytelling. Each year, Disney|ABC Television and Disney Publishing collaborate with First Book on the multi-platform "[Magic of Storytelling](#)" to celebrate the joys of reading and engage families and fans to help Disney donate up to 1 million books to children in need. Through a long-standing relationship with First Book, Disney has donated over 61 million books to children in need, encouraging them to read and create the stories of tomorrow. Around the world, Disney celebrates storytelling in a variety of different ways. In Australia, for example, Disney donated 22,000 children's books to the Indigenous Literacy Foundation.



Since 2014, ESPN has built a philanthropic portfolio focused on sports, enabling access to sport for over one million youth in underserved communities. In 2017, ESPN, with partner organizations developed seven safe spaces impacting close to 36,000 people/youth and giving them access to playing sports, including two spaces built with love.futbol and Partners of Americas, impacting more than 2,700 youth in [Brazil](#) and [Mexico](#).



Disney supported a program to improve the quality of music education at primary schools in rural China. In 2017, the program helped improve music classrooms, leveraged Disney music resources to upgrade music curriculum, provided training to music teachers, and offered music-themed summer camp to kids.



LOOKING AHEAD

The Walt Disney Company's legacy of producing high quality, responsible content and operating with integrity is not only part of our DNA, but a key factor in driving strong returns for our shareholders.

This commitment to operating ethically and inspiring kids and families is a big part of why I am so excited to be the new leader of our corporate social responsibility efforts. During my 12-year career with The Walt Disney Company, I have always been proud of the work we did to protect our planet, encourage volunteerism and foster diverse and respectful workplaces, just to name a few, but there is so much more to what we do.

We aren't a company to rest on our past achievements. We are always looking for ways to ensure we have a positive impact and institute changes to our practices as needed. Wherever possible, we anchor these efforts in the broader social and environmental context. For example, we recognize the importance of the U.N. Sustainable Development Goals (SDGs) to societies around the world and we use them to inform our own policies, practices, and engagement.

As we look to the future, we seek new ways to make a greater impact within our communities by delivering comfort, happiness, inspiration and opportunity to families around the world. We can't do this work alone and know it takes a team of heroes to make a difference. I have been so inspired by the thousands of VoluntEARS from within our own company as well as those who step up for their own communities day in and day out. Being a small part of this passion and dedication is what makes this job so fulfilling.

This is a responsibility I don't take lightly and I look forward to sharing our progress and goal setting in these pages for years to come.

Thank you.



A handwritten signature in black ink, appearing to read "Elissa Margolis".

Elissa Margolis
Senior Vice President
The Walt Disney Company

DATA TABLE

	FISCAL YEAR	2017 ¹	2016	2015
Environmental Stewardship				
Direct Emissions ^{2,3,9} (Metric Tons CO ₂ e)		843,275	866,797	853,805
Indirect Emissions ^{2,3,9} (Metric Tons CO ₂ e)		1,041,639	912,518	917,247
Combined Direct + Indirect Emissions ^{2,3} (Million Metric Tons CO ₂ e)		1.88	1.78	1.77
Retired Carbon Credits ^{4,5} (Metric Tons CO ₂ e)		804,859	685,706	626,519
Net Emissions (Million Metric Tons CO ₂ e) ^{2,3,4,5}		1.04	1.09	1.14
Total Energy (MWh) ^{6,9}		5,847,058	5,517,380	5,501,841
Total Percentage of Waste Diverted from Landfill and Incineration (tons) ⁷		46%	45%	49%
Water Use (billions of gallons of potable water) ^{8,9}		6.91	7.04	6.99
Strategic Philanthropy				
Corporate Giving (cash, millions U.S.\$) ¹⁰		\$104.5	\$101.0	\$95.5
Corporate Giving (in-kind donations, millions U.S.\$) ¹⁰		\$244.1	\$301.1	\$237.8
VoluntEARS Hours		486,600	542,800	592,000
Workplaces				
Global Employees ^{11,12,13}		180,154	178,985 ¹⁴	169,237
Minority Percentage (U.S. Employees) ¹²		42.8%	40%	40%
Minority Percentage (management, U.S.) ¹²		25.3%	24.4%	23.5%
Female Percentage (global employees) ¹²		52.9%	52.7%	52.5%
Female Percentage (management, global) ¹²		43.2%	43%	44%
Total Direct Spend with Minority and Women-Owned Business Enterprises (millions, U.S.\$) ¹⁴		\$432.7	\$478.6	\$513.7
Trainings Offered (unique) ¹⁵		19,400	17,300	12,800
Number of Trainings Taken ¹⁵		1,027,800	1,025,200	1,023,000

	FISCAL YEAR	2017	2016	2015
Supply Chain: Facility Footprint				
Aggregate Number of Facilities Manufacturing Disney-Branded Products During the Fiscal Year ^{16,17}		37,500	34,200	30,200
Supply Chain: Percentage of Findings Identified for Remediation ^{18,19,20,21,22}				
Child Labor		1%	1%	3%
Involuntary Labor		1%	1%	3%
Coercion and Harassment		0%	0%	2%
Non-Discrimination		1%	1%	3%
Association		1%	1%	2%
Health and Safety: Factory		85%	86%	89%
Health and Safety: Dormitory		3%	4%	13%
Compensation: Minimum Wage		8%	9%	16%
Compensation: Overtime Wage		11%	13%	20%
Compensation: Overtime Hours		63%	61%	63%
Compensation: Social Benefits		59%	59%	61%
Protection of the Environment		33%	36%	39%
Other Laws		25%	28%	29%
Subcontracting		3%	5%	16%
Monitoring and Compliance		10%	11%	18%
Publication		4%	5%	9%
Healthy Living				
Percentage of Disney-Licensed Wholesale Food Sales Dedicated to Everyday Foods that Meet Disney's Nutrition Guidelines				
Global		79%	70%	67%
North America ²³		Meets 85% Target	Meets 85% Target	Meets 85% Target

DATA TABLE FOOTNOTES

1. Disney's fiscal year generally runs from the Sunday closest to October 1 to the Saturday closest to September 30.
2. The boundary for Disney's GHG target includes owned and operated assets (such as Walt Disney Parks and Resorts, Disney Cruise Line and commercial spaces), leased assets (such as Disney Stores and office locations) as well as Productions (including feature films, television, Theatricals, and ESPN).
3. Greenhouse gas emissions are measured and calculated according to the principles in the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol's "A Corporate Accounting and Reporting Standard, 2004 revised edition" (GHG Protocol).
4. Carbon credits are from projects developed according to recognized standards (e.g., Climate Action Reserve, Verified Carbon Standard, Gold Standard, etc.). All credits are verified by accredited third party reviewers. Retirement certificates for the carbon credits can be found on our [website](#).
5. Contractual instruments and source-specific emission factors are used in calculating credit retirements and net emissions to better reflect Disney's business operations. With these adjustments, Disney's combined direct and indirect emissions are 1.84 million MTCO₂e.
6. Total energy includes electricity, natural gas, chilled water, hot water, steam, renewable energy, and fuels.
7. Diversion includes operational recycling, compost, donations, sold and liquidated items, items sent to archives, thermal waste-to-energy, and non-thermal waste-to-energy. Waste includes operational landfill and incineration without energy recovery. Facilities include Theme Parks and Resorts, ESPN, Enterprise Owned, and Pixar. Excluded are all leased properties, Disney Stores and Distribution Centers, TV stations, Radio Disney stations, and all construction materials.
8. The boundary for Disney's water target includes owned and operated assets (Theme Parks and Resorts, Disney Cruise Lines, owned commercial spaces, Studios and ESPN). Water consumption from Disney Stores and leased assets are excluded from the target. Data for Shanghai Disneyland is not included in this value as it was not part of the 2013 baseline.
9. The data has been revised since the 2016 Corporate Citizenship Data Table to reflect corrections made to data as a result of internal reviews.
10. Corporate cash giving includes corporate contributions made by the Disney Conservation Fund. In-kind support refers to any non-cash contribution comprised of tangible items or non-tangible support. Donations may include but are not limited to estimated values for merchandise, theme park tickets, food, public service airtime (PSAs), character/talent appearances, and other charitable support. Due to differences in distribution, viewership, programming, availabilities, pricing, marketplace demand, and other variables, PSAs are valued differently across our media platforms. For example, in some cases, PSAs are valued based on an average sales price for the time period. In other cases, the value is based on an average sponsor value across a daypart rotation. Therefore, we do not use a single method to value PSAs. In FY16, there was a significant increase in the value and volume of book donations due to an increased liquidation of inventory via charitable donations. In FY17, book donations dropped back to the normal giving level, resulting in a decrease of in-kind reporting value.
11. Employee statistics reflect our employment base at the end of each fiscal year. Management includes manager level and above. There were approximately 199,000 employees at The Walt Disney Company as of the end of fiscal year 2017.
12. Global Employee diversity numbers include all employees in our SAP system. This number excludes Pixar and Disneyland Paris employees, includes casual employees paid within the last 60 days but excludes daily hires and contract workers.
13. The opening of Shanghai Disney Resort in FY16 contributed to the increase in the total number of employees since FY15.
14. Our update includes only those firms that are diverse owned, controlled and operated businesses certified by the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), U.S. Business Leader's Network (USBLN), National Gay and Lesbian Chamber of Commerce, and/or the U.S. Department of Veterans Affairs.
15. For training-related data, the numbers represent all employees in *D Learn*, while excluding Pixar, Disneyland Paris, and contract workers. Participants can attend more than one training. Training includes online courses, classes, and on-the-job training.
16. Data includes facilities active at any point during fiscal year, rounded to nearest hundred.
17. Increase in facilities for FY16 & FY17 reflects both an expanding business as well as an updated counting method due to adoption of new data platform in 2015.
18. Disney uses the World Bank's Governance Indicators (WGI) as primary resource for identifying and comparing areas of risk, and determining where to focus our monitoring resources and requirements. Please refer to our [Permitted Sourcing Countries policy](#).
19. The International Labor Standards (ILS) Program works towards ongoing and sustainable improvement in working conditions at facilities producing Disney-branded products. All Code of Conduct violations identified in active facilities as the result of audits or assessments must be corrected or remediated within the time periods and in the manner established by the ILS Program as a condition of continued use of the facility for the production of Disney-branded products.
20. The supply chain for Disney-branded products experiences routine fluctuations in active facilities. In 2017, approximately 24% of our total facilities were new producers of Disney-branded products, which complicates any YOY comparison.
21. In 2015, the International Labor Standards group transitioned to a new data management system, resulting in a number of changes in the way data is aggregated and reported. This new system provides us with a more accurate, real-time understanding of labor conditions within the extended supply chain for Disney-branded products but, as a result, the 2015, 2016, and 2017 data presented here is not directly comparable to previous years.
22. Reductions in findings for these categories are a result of our ongoing efforts to engage with licensees and vendors that are committed to meeting the requirements of Disney's ILS program.
23. The North American (includes U.S. and Canada) calculation excludes pre-2006 contractual agreements and aligns with evolving industry classifications for products that contribute to children's nutrition. We continue to assess evolving industry classifications internationally.

AWARDS & RECOGNITION



DECEMBER 2016	Human Rights Campaign Corporate Equality Index
FEBRUARY 2017	World's Most Reputable Companies
MARCH 2017	Most Admired Companies
APRIL 2017	2017 Humanitarian Company of the Year
MAY 2017	2016-2017 Daytime Emmy Awards Outstanding Promotional Announcement Image Black History Month: Timeless Heroes “Be Inspired - The Clinton 12”, Disney XD/Disney ABC Citizenship

JUNE 2017	Morning Consult: Disney Among Most Admired Employers for 2017 across multiple generations
JULY 2017	Halo Awards Hour of Code and Share Your Ears
AUGUST 2017	The Sports Humanitarian Awards
OCTOBER 2017	The Telleys Awards - Bullying prevention PSA - The Magic of Storytelling
	China Best Employer Award
SEPTEMBER 2017	DJSI: North America Index
	EMA Green Seal Awards
	2017 Top 10 Innovations in Diversity & Inclusion Award
	Advancing Justice - LA: Corporate Impact Award
	Asian Business Association Corporation of the Year Award

APPENDICES

REPORTING

Unless otherwise stated, all data and information in this Performance Summary pertain to efforts in fiscal year 2017, which began on October 2, 2016, and ended September 30, 2017.

This update represents our impacts, progress, and results as they relate to social and environmental responsibility. Performance data are presented throughout the update, and we are committed to the continued improvement, accuracy, and sophistication of our social and environmental responsibility reporting. To this end, our corporate reporting function, which also manages Disney's financial data and reporting, collects and validates our data. Where relevant, we provide details on scale, scope, and collection methodology. We take care to explain key estimates or assumptions that have been used in the development of metrics. The annual update, along with the stories and content on our website and social media, provide a broad view of our social and environmental responsibility efforts.

In this update, we also share examples of efforts we're proud of from this past year that align with and support our mission. These examples are not exhaustive of the work happening every day around The Walt Disney Company. If you want to stay up-to-date on Disney corporate social responsibility efforts, please learn more at our [corporate website](#) and follow us on Twitter [@DisneyCSR](#).

ISSUES PRIORITIZATION

Issues prioritization is an integral part of our strategic planning activities throughout the company, including our approach to social and environmental responsibility. We review and revise our approach to priority issues on an on-going basis through business planning, external engagement, and evaluations of the current and future operating environment for our company.

Our assessment of key issues is intended to drive our social and environmental responsibility strategy and policy priorities, our programs and philanthropic support, and our business actions and guidance. We evaluate issues on multiple dimensions, including each issue's relationship to or impact on managing risk, enhancing brand and reputation, meeting stakeholder expectations, shaping the policy environment, and affecting society. Our assessment of these factors is conducted in regular collaboration with our internal functions and business units, as well as the perspectives of external stakeholders, including guests and consumers.

While this update details many critical issues, it is not a comprehensive view of all issues of importance to our business or society, but rather prioritizes a set of areas of known interest to our stakeholders and focuses on highlights from the fiscal year. We understand that the landscape of issues affecting society and our company is constantly evolving, and we will continue to refine how we define, identify, and report on those issues.

ADDITIONAL POLICIES AND APPROACHES

We believe that acting in an ethical manner and with respect for human rights is core to our ability to operate and grow our businesses around the world. We strive to conduct business with honesty, integrity, and in compliance with the law, everywhere we operate. We commit to a number of environmental, social, and governance policies and practices that promote the thoughtful and ethical operation of our business. These policies are provided via our [website](#) and include, but are not limited to the following:

Environmental

[Environmental Policy](#)
[Management of Chemicals in Consumer Products](#)
[Paper Sourcing and Use Policy](#)
[Use of Live Animals in Entertainment](#)

Social

[California Transparency in Supply Chains Act Statement](#)
[Code of Conduct for Manufacturers](#)
[Conflict Minerals Policy](#)
[Human Rights Policy Statement](#)
[Nutrition Guidelines](#)
[Smoking in Films](#)
[U.K. Modern Slavery Act Transparency Statement](#)

Governance

[Corporate Governance Guidelines](#)
[Permitted Sourcing Countries](#)
[Political Giving and the Participation in the Formulation of Public Policy](#)
[Standards of Business Conduct](#)

GRI INDEX

This update references the G4 guidelines. The Global Reporting Initiative's G4 Sustainability Reporting Guidelines provide a comprehensive set of indicators on economic, environmental, and governance impacts of a company's performance.

1. Strategy and Analysis

G4-1 Statement from the most senior decision maker

- Message From Our Executive ([p. 12](#))

2. Organizational Profile

G4-3 — G4-16 Organizational Profile

- [Annual Report/Form 10-K](#)
- [The Walt Disney Company website](#)

G4-10 Workforce by employment type, contract, region, and gender

- Data Table ([p. 19](#))

Employment Type	Global	U.S.
Casual Seasonal	8%	9%
Casual Ongoing	20%	23%
Full Time	71%	68%

G4-11 Percentage of total employees covered by collective bargaining agreements

- U.S. all management levels by union status: 57% covered by collective bargaining agreements

3. Identified Material Aspects and Boundaries

G4-18 — G4-19 Identified Material Aspects and Boundaries

- Appendices: Reporting ([p. 22](#))

4. Stakeholder Engagement

G4-24 — G4-27 Stakeholder Engagement

We frequently engage with stakeholders in ongoing dialogue, including with employees, business associates, governmental and nongovernmental organizations, and consumers. We believe that working with stakeholders enhances our ability to identify opportunities, address issues, and find solutions to some of our most pressing challenges.

- [Responsible Supply Chain External Stakeholder Engagement](#)

5. Report Profile

G4-28 — G4-32 Reporting Profile

- Appendices: Reporting ([p. 22](#))
- [Corporate Website – Prior Reports Section](#)
- [Contact Us](#)

6. Governance

G4-34 Governance structure

- [Corporate Governance website](#)
- [Annual Report/Form 10-K](#)
- [Proxy Statement](#)
- [Standards of Business Conduct](#)
- [Global Ethics and Compliance](#)

7. Ethics and Integrity

G4-56 Statements of mission, codes of conduct, and principles, and codes of ethics

- Policies and Approaches ([p. 22](#))
- [Standards of Business Conduct](#)
- [Code of Business Conduct and Ethics for Directors](#)
- [Global Ethics and Compliance](#)
- [U.K. Tax Policy PDF](#)

8. Economic

G4-EC9 Proportion of spending on local suppliers at significant locations of operations

- Data Table ([p. 19](#))

9. Environmental Performance Indicators

G4-EN3 — G4-EN23 Environmental Performance Indicators

- Environmental Stewardship ([p. 5](#))
- Data Table ([p. 19](#))
- [Infographic: Environmental Stewardship at Disney](#)
- Environmental Stewardship

G4-EN27 Extent of impact mitigation of environmental impacts of products and services

- [Smart Packaging Initiative](#)
- [Disney Merchandise Bag Recycling Policy](#)
- Environmental Stewardship

10. Labor Practices and Decent Work

G4-LA2 — G4-LA12 Disney Workplaces

- Workplace Practices ([p. 10](#))
- [Disney Careers](#)
- Data Table ([p. 19](#))

G4-LA14 — G4-LA16 Labor Standards in the Supply Chain

- International Labor Standards ([p. 8](#))
- [Responsible Supply Chain](#)
- Data Table ([p. 19](#))
- [Policies and Approaches](#)

11. Human Rights

G4-HR1 — G4-HR11 Human Rights

- [Human Rights Policy](#)
- International Labor Standards ([p. 8](#))
- Data Table ([p. 19](#))
- [Supply Chain Investment Program](#)
- [Policies and Approaches](#)

12. Product Responsibility

G4-M2 — G4-M4 Content Creation

- Nutrition Guidelines targets ([p. 9](#))
- [Standards of Business Conduct](#)
- [Disney Privacy Policy](#)
- [Code of Conduct for Manufacturers](#)
- Policies and Approaches ([p. 22](#))
- [Disney Online Safety: Kids](#)
- Healthy Living ([p. 9](#))

Customer Health and Safety

G4- PR1 Customer Health and Safety

- Healthy Living ([p. 9](#))
- [Policies & Approaches](#)
- [Product Safety](#)
- [Healthy Cleaning Policy](#)

Marketing Communications

G4-PR6 — G4-PR7 Marketing Communications

- Healthy Living ([p. 9](#))
- [Policies and Approaches](#)

13. Society

G4-SO4 — G4-SO11 Society

- [Corporate Governance](#)
- [Standards of Business Conduct](#)
- International Labor Standards ([p. 8](#))
- [Annual Report/10-K](#)
- [Policies and Approaches](#)



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