

# 2016

## DISNEY CITIZENSHIP DATA TABLE

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# Message from our CFO

Dear Stakeholders,

At the Walt Disney Company, we believe that conducting our business responsibly, creating our products in an ethical manner, reducing our environmental footprint, promoting the well-being of kids and families, and inspiring others to protect our planet are essential components of what make Disney a great company. And it is my privilege to oversee our corporate citizenship and philanthropic efforts as Chief Financial Officer of the Company.

Our Chairman and CEO Bob Iger's vision is that Disney be as admired as a good corporate citizen as we are for the quality of our entertainment products and experiences. Our efforts not only strengthen the bond we have with families, our employees, and our business partners, they play an essential role in the long-term strength of our company and our brands, both locally and around the world.

Financially, fiscal 2016 marked our sixth consecutive year of record results. The phenomenal return of *Star Wars* and the spectacular opening of Shanghai Disney Resort during the year marked two of the most important achievements in the history of our company. We're extremely proud of these accomplishments, which position us for continued long-term growth.

2016 also represented a landmark year for our citizenship efforts, as we achieved significant goals in both our key long-term corporate citizenship programs as well as new initiatives.

## ENVIRONMENT

We are on track to meet our ambitious **environmental** targets, including reducing net emissions by 50% from 2012 levels and achieving 60% waste diversion from landfills and incineration, both by 2020.

At Walt Disney World® Resort we partnered with a local utility to launch a Mickey-shaped five-megawatt solar facility, located on 22 acres near Epcot. This project will help us in our efforts to conserve natural resources.

Last April, we celebrated the 20th anniversary of the [Disney Conservation Fund](#) (DCF) and announced a new goal of the fund: to reverse the decline of at-risk wildlife and increase the time kids and families spend in nature. To date, DCF has provided \$45 million in grants to nonprofit organizations in 115 countries, working with communities to protect wildlife and connect children around the world with the wonder of nature.



We launched a Mickey-shaped 5MW solar facility at Walt Disney World® Resort.

## Message from our CFO (*continued*)



Celebrity chef Daphne Oz mixes up a tasty and nutritious Mickey Check recipe with Kamil McFadden and Veronica Dunne from Disney Channel's *K.C. Undercover* on the set of ABC's *The Chew*.

### HEALTHY LIVING

Through our Healthy Living commitment, we work to engage kids and families to live healthier lifestyles.

Our [Nutrition Guideline Policy](#) ensures that we are marketing nutritious foods to kids and that any food marketing to adults is done responsibly. In 2016 in North America, 100% of food and beverage products advertised or marketed on our kid's platforms and online destinations oriented to families with younger children met our Nutrition Guideline Policy. Additionally, 70% of our globally licensed wholesale foods met our global Nutrition Guideline criteria in 2016, with an eye toward achieving 85% globally by 2020. We continue to meet our 85% target for North America.

Our Mickey Check is a quick and easy tool we created to help families identify healthier food and beverage options that meet our Nutrition Guideline criteria in stores, online, and at Disney theme parks and resorts. We also launched the "Be Your Best" campaign, which harnessed the creative power of the Company to inspire kids to eat better and get active. The campaign included a suite of new on-air and digital content, in-person experiences, retail activations, tools, and resources to make healthy living fun and simple.

To learn more, visit: [Disney.com/BeYourBest](https://Disney.com/BeYourBest)



## Message from our CFO (*continued*)

### INTERNATIONAL LABOR STANDARDS

Ethical sourcing of Disney-branded products is an important focus of our corporate citizenship efforts.

#### Our International Labor Standards

program remains committed to improving the working conditions of all facilities that produce Disney-branded products around the globe. Several years ago, we set a target to ensure we had labor compliance assessments on 100% of the facilities making Disney-branded products in high-risk countries; we achieved this goal earlier than anticipated.

#### Our Supply Chain Investment Program

continues to be a model for supporting innovative initiatives that address the root causes of poor working conditions in global supply chains. We have supported financial literacy training for thousands of factory workers in Brazil and Indonesia; we have funded efforts to promote worker skill development and training; and we have supported technology projects that increase communication, and ultimately transparency, between workers and management.

### PHILANTHROPIC EFFORTS

Our **global philanthropic and community engagement** efforts continue to strengthen communities around the world, and in 2016 we contributed more than \$400 million in cash and in-kind support. Our Disney VoluntEARS contributed more than 542,800 hours of volunteer service in their communities.

We take great pride in our major 2016 philanthropic initiatives. We supported the opening of the Smithsonian National Museum of African American History and Culture and construction of the facility's outdoor reading grove. And to celebrate the opening of the Shanghai Disney Resort, we contributed to the development of **50 Disney-themed play spaces** at children's hospitals across China. This commitment builds on Disney's long legacy of supporting children's hospitals, an effort that includes millions of dollars in annual grants, first-run movie screenings, visits from beloved Disney characters, and care packages that reach more than 440 hospitals.

We've also invited our audiences to join us in addressing some of the specific needs of our time. We launched the **Star Wars: Building A Galaxy With Code #HourofCode** event in December 2015 to inspire kids to code and build the next generation of technology experts. We reached millions of kids — approximately half of them girls — in more than 180 countries. The tutorial was supported by *Star Wars: Force for Change*,

a philanthropic initiative that aims to empower and improve the lives of children in need. We also launched the new *Marvel Studios: Hero Acts* initiative to inspire fans to join us in bringing help and hope to kids around the world. Marvel fans were invited to [post photos](#) to unlock donations that help provide much-needed learning materials for kids around the globe.



We launched the *Star Wars: Building A Galaxy With Code* #HourofCode event to inspire kids to code and build the next generation of technology experts.

## Message from our CFO (*continued*)



Fans uploaded more than 1.77 million images to participate in the “Share Your Ears” campaign in support of Make-A-Wish®.

And Disney Parks’ popular “[Share Your Ears](#)” campaign invited fans to unlock donations to Make-A-Wish®, in honor of the 100,000th Disney wish granted as well as celebrate the Disneyland Resort Diamond Celebration. Disney provided a financial contribution to Make-A-Wish for each “ears” image posted with the hashtag #ShareYourEars. Fans uploaded more than 1.77 million images, and the overwhelming response led to a doubling of the original donation pledge to \$2 million for Make-A-Wish.

### LOOKING AHEAD

Looking to the future, Disney will continue to enhance its focus on the issues that matter most to our business and society, while engaging with our stakeholders and telling the story of our progress. We will continue to work toward our 2018 and 2020 targets on emissions, waste, water, volunteerism, and nutrition.

We truly appreciate your interest in our work, and we look forward to finding new and innovative ways to create positive change for our guests, employees, communities, and the Company.

We invite you to learn more about our efforts at: [TheWaltDisneyCompany.com](https://TheWaltDisneyCompany.com)

Sincerely,



**CHRISTINE M. MCCARTHY**  
SENIOR EXECUTIVE VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER,  
THE WALT DISNEY COMPANY

# Citizenship Targets

We continue to work diligently toward our citizenship goals. We believe that citizenship is a long-term investment that benefits us today and has the potential for an even greater impact in the decades to come.

We assess our targets annually to ensure that they align with our strategic objectives, reflect our business realities (such as the impact of acquisitions), and include our future goals and objectives. To see how our citizenship targets have evolved since 2012, read the [Evolution of Our Targets](#) section in the 2013 Performance Summary or see our performance on previous targets on our [website](#).

The 12 targets in this 2016 Performance Summary are:



## Target Definitions

### **Based on The Walt Disney Company's fiscal year.**

Our fiscal year begins in October and ends in September. When a target says "By 2016," we mean by the end of the fiscal year 2016.

### **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. We are open to creating new targets, as well as adjusting ones that might not be aligned with the citizenship impacts of Disney.

### **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 goals.

### **Timebound and forward-looking.**

This performance summary contains forward-looking targets and goals. We believe target setting to be a useful discipline; it is a routine part of how we manage our citizenship strategy. 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 the fiscal year to end of the fiscal year stated in the target.

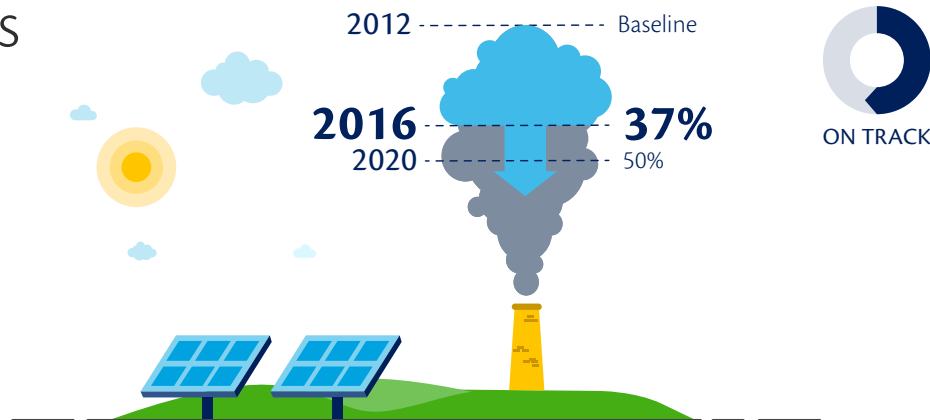
# Citizenship Targets in Progress

## Emissions

In 2016, we have reduced our net emissions by 37% from our 2012 levels.

### TARGET

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



## Waste

In 2016 we diverted 45% of operational waste from landfills and incineration.

### TARGET

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



## Water

In 2016, potable water consumption was at 7.15 billion gallons — slightly higher than the 2013 baseline. Shanghai Disney Resort was opened in 2016, and water conservation plans are in development.

### TARGET

By 2018, maintain potable water consumption at 2013 levels at existing sites. Develop Water Conservation Plans for new sites.

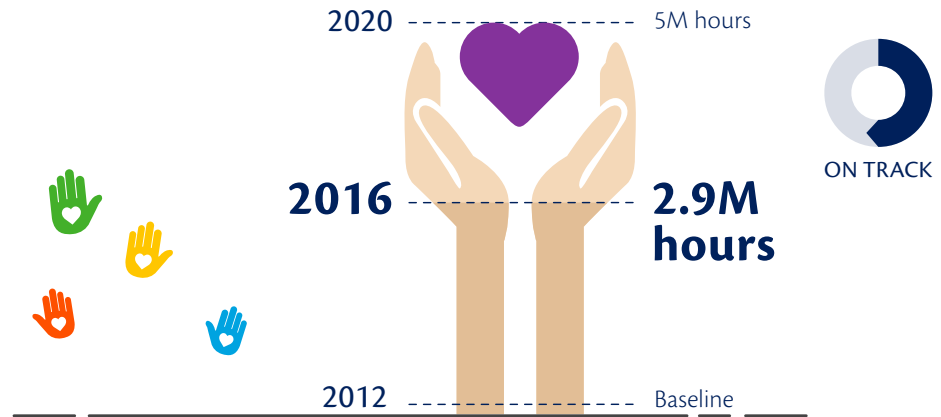


## VoluntEARS

In 2016, Disney employees contributed more than 542,800 hours of service through the Disney VoluntEARS program. Since 2012, Disney VoluntEARS have contributed a total of more than 2.9 million hours of service.

### TARGET

By 2020, contribute more than 5 million hours of employee community service through the Disney VoluntEARS program.



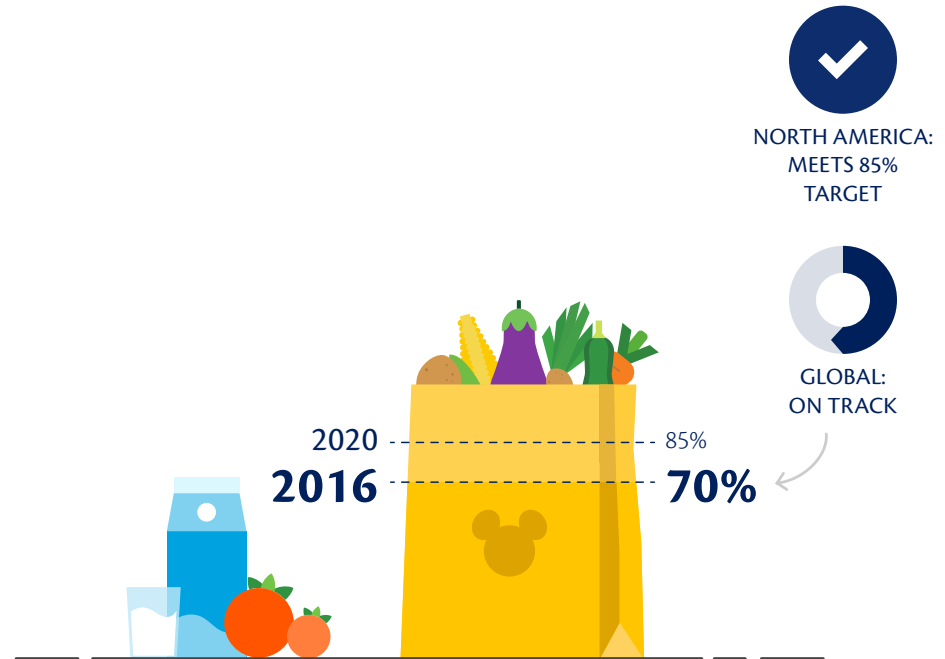


## Nutrition

In 2016, 70% of globally licensed wholesale foods met our global Nutrition Guidelines. In 2016, North America met the target.

### TARGET

By 2020, increase the percentage of globally licensed wholesale food sales dedicated to everyday foods that meet our global Nutrition Guidelines from 66% to 85%, and continue to meet our 85% target in North America.





# Targets Completed



## Food Advertising

**TARGET:** By 2015, all Disney-controlled advertising on U.S. kid-focused media platforms and Disney-owned online destinations oriented to families with younger children will be with food and beverages that comply with the Nutrition Guidelines.

**COMPLETED:** At the end of calendar year 2015, 100% of advertising contracts for foods and beverages were compliant with the Nutrition Guidelines.



## Communities

**TARGET:** By 2020, provide opportunities for kids and families to take 20 million actions that help people, communities, and the planet.

**COMPLETED:** In 2015, through initiatives and programs including Friends for Change, Club Penguin, and Code.org's Hour of Code, among others, Disney inspired kids and families to take 22.3 million actions to help people, communities, and the planet.

**TARGET:** By 2020, positively impact the lives of 10 million children and families in need.

**COMPLETED:** In 2015, Disney impacted the lives of more than 6.5 million children and families in need, bringing the total to more than 16 million since 2012. The 2015 increase in our impact numbers is based partly on an improved data collection process leading to improved reporting from sites around the world.



## Supply Chain

**TARGET:** By 2015, validate all licensees' compliance with internationally recognized food safety and quality standards consistent with Disney requirements.

**COMPLETED:** As of the completion of calendar year 2015 all licensees actively producing Disney-branded food products were validated for compliance to internationally recognized food safety and quality standards, consistent with Disney requirements.

**TARGET:** By 2015, begin reporting paper use and sources for Phase 1 in order to inform and set new quantifiable targets in 2016 for eliminating unwanted sources and maximizing recycled content and wood fiber sourced from forestry operations certified by the Forest Stewardship Council or an equivalent forest certification scheme.

**COMPLETED:** To understand paper use and sources of our Phase 1 suppliers and identify any unwanted sources, we initiated a paper survey and verification process. For suppliers that pose a potential risk of not meeting Disney's Paper Sourcing and Use Policy, we have established a remediation process that includes working with the supplier to remove the unwanted paper fiber from Disney's supply chain.

Findings of the first Paper Survey results from a representative sampling group of Phase 1 suppliers:

- 45% of suppliers are providing 50% FSC certified paper fiber (or more) to Disney
- 33% are providing paper with 50% recycled content (or more) to Disney

To maximize recycled and FSC-certified content, Disney drafted new paper policy targets which are currently under internal review.

**TARGET:** By 2014, increase visibility into facilities producing Disney-branded products in high-risk countries by 50%, and achieve 100% visibility by 2018.

**COMPLETED:** In 2016, we achieved 100% visibility into facilities producing Disney-branded products in high-risk countries, achieving this goal two years early.

**TARGET:** By 2014, achieve 85% visibility into facilities in high-risk countries that are used in the production of Disney-branded products sold in our vertical retail businesses and achieve 100% visibility by 2017.

**COMPLETED:** In 2016, we achieved 100% visibility into facilities in high-risk countries that are used in the production of Disney-branded products sold in our vertical retail businesses, achieving this goal one year early.

# Data Table

	FISCAL YEAR	2016 <sup>1</sup>	2015	2014
<b>Environmental Stewardship</b>				
Direct Emissions <sup>2,3</sup> (Metric Tons CO <sub>2</sub> e)		865,577	853,046 <sup>9</sup>	867,935 <sup>9</sup>
Indirect Emissions <sup>2,3</sup> (Metric Tons CO <sub>2</sub> e)		909,738	916,103 <sup>9</sup>	920,751 <sup>9</sup>
Combined Direct + Indirect Emissions <sup>2,3</sup> (Million Metric Tons CO <sub>2</sub> e)		1.78	1.77	1.79
Retired Carbon Credits <sup>4</sup> (Metric Tons CO <sub>2</sub> e )		685,706	626,519	531,970
Net Emissions (Million Metric Tons CO <sub>2</sub> e ) <sup>2,3</sup>		1.09	1.14	1.26
Total Energy (MWh) <sup>5</sup>		5,515,798	5,503,035 <sup>9</sup>	5,368,723 <sup>9</sup>
Total Percentage of Waste Diverted from Landfill and Incineration (tons) <sup>6,7</sup>		45%	49%	48% for Q4 of FY14
Water Use (billions of gallons of potable water) <sup>8</sup>		7.15	7.10 <sup>9</sup>	7.01 <sup>9</sup>
<b>Strategic Philanthropy</b>				
Corporate Giving (cash, millions U.S.\$) <sup>10</sup>		\$101.0	\$95.5	\$86.6
Corporate Giving (product donations, millions U.S.\$) <sup>11</sup>		\$218.6	\$157.7	\$137.8
Corporate Giving (in-kind support, millions U.S.\$) <sup>11</sup>		\$82.5	\$80.1	\$91.3
VoluntEARS Hours <sup>12</sup>		542,800	592,000 <sup>12</sup>	506,700
<b>Respectful Workplaces</b>				
Global Employees <sup>13,14</sup>		178,985 <sup>15</sup>	169,237	164,426
Minority Percentage (U.S. Employees) <sup>14</sup>		40%	40%	39%
Minority Percentage (management, U.S.)		24.4%	23.5%	23%
Female Percentage (global employees)		52.7%	52.5%	52%
Female Percentage (management, global)		43%	44%	44%
Total Direct Spend with Minority, Women, or Veteran-Owned Business Enterprises (millions, U.S.\$) <sup>16</sup>		\$478.6	\$513.7	\$418.9
Trainings Offered (unique) <sup>9,17</sup>		17,300	12,800	N/A
Number of Trainings Taken <sup>9,17</sup>		1,025,200	1,023,000	N/A

	FISCAL YEAR	2016	2015	2014
<b>Responsible Supply Chain: Facility Footprint</b>				
Aggregate Number of Facilities Manufacturing Disney- Branded Products During the Fiscal Year <sup>18,19</sup>		34,200	30,200	29,000
High-Risk Countries Visibility <sup>20,21,22</sup>		100%	94%	82%
Vertical Business Visibility <sup>20,23</sup>		100%	91%	86%
<b>Responsible Supply Chain: Percentage of Findings Identified for Remediation<sup>24,25,26</sup></b>				
Child Labor		1%	3%	1%
Involuntary Labor		1%	3%	3%
Coercion and Harassment		0%	2%	0%
Non-Discrimination		1%	3%	1%
Association		1%	2%	1%
Health and Safety: Factory		86%	89%	88%
Health and Safety: Dormitory <sup>27</sup>		4%	13%	19%
Compensation: Minimum Wage <sup>27</sup>		9%	16%	26%
Compensation: Overtime Wage <sup>27</sup>		13%	20%	32%
Compensation: Overtime Hours		61%	63%	64%
Compensation: Social Benefits		59%	61%	54%
Protection of the Environment		36%	39% <sup>3</sup>	41%
Other Laws		28%	29%	34%
Subcontracting <sup>27</sup>		5%	16%	18%
Monitoring and Compliance <sup>27</sup>		11%	18%	30%
Publication		5%	9%	9%
NOTE: Due to a new data platform, data for 2014 are not directly comparable to 2015 and 2016 data. <sup>18,19,24,25</sup>				
<b>Live Healthier</b>				
Global		70%	67%	71%
North America <sup>28</sup>		Meets 85% Target	Meets 85% Target	Meets 85% Target

# Data Table Footnotes

1. Disney's fiscal year generally begins in October and ends in September.
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. Retirement certificates for the carbon credits can be found on our [website](#). All these offsets are from projects verified to the Climate Action Reserve, Verified Carbon Standard, and Gold Standard by third-party reviewers.
5. Total energy includes electricity, natural gas, chilled water, hot water, steam, renewable energy and fuels.
6. Defined as incineration without energy recovery.
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 Studios including Pixar, El Capitan Theater, and New Amsterdam Theater. Excluded are all leased properties, Disney Stores and Distribution Centers, TV stations, Radio Disney stations, and all construction materials. Data collection for Shanghai Disneyland is currently in progress, therefore not included at this time.
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 collection for Shanghai Disneyland is currently in progress, therefore not included at this time.
9. The data has been revised since the 2015 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.
11. Product donations include estimated values for tangible items such as merchandise, theme park tickets, food, and other products. In-kind support refers to estimated values of public service airtime (PSAs), character/talent appearances, and other in-kind 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. For these reasons, 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.
12. VolunteERs hours in 2015 were higher than usual due to few large volunteer events such as D23 and the 2015 Special Olympics World Games hosted in Los Angeles.
13. Employee statistics reflect our employment base at the end of each fiscal year. Management includes manager level and above. There were more than 195,000 employees of The Walt Disney Company as of the end of fiscal year 2016.
14. Global Employee diversity numbers include all employees in our SAP system. Of note, this excludes Pixar and Disneyland Paris employees, includes casual employees paid within the last 60 days but excludes daily hires and contract workers. For training-related data, the numbers represent all employees in D Learn, while excluding Pixar, Disneyland Paris, and contract workers.
15. The opening of Shanghai Disney Resort in FY16 contributed to the increase in the total number of employees since FY15.
16. Our report includes only those firms that are minority, women or veteran owned, controlled and operated businesses certified by the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC) and/or the Department of Veteran's Affairs.
17. Participants could attend more than one training. Training includes online courses, classes, and on-the-job training.
18. Data includes facilities active at any point during the fiscal year. Data are rounded to the nearest hundred.
19. The increase in facilities for FY16 reflects both an expanding business as well as an updated counting method due to the adoption of a new data platform in 2015.
20. We use the term "visibility" to refer to our knowledge of working conditions at each facility within the extended supply chain for Disney- branded products. "Visibility" is a measure of the number of unique facilities for which we have qualified audits or assessments compared with our total authorized facility base. We include as visible those facilities in which a full audit could not be completed because auditors were denied access, either in whole or in part. These facilities are reported as non-compliant because of their failure to grant access, a requirement under the Monitoring & Compliance provision of our [Code of Conduct](#). "Disney-branded" means all products produced under license from The Walt Disney Company.
21. Disney uses the World Bank's Governance Indicators (WGI) as a primary resource for identifying and comparing areas of risk and determining where to focus our monitoring resources and requirements. To find out more about this please refer to our [Permitted Sourcing Countries policy](#).
22. This data is calculated by dividing the total number of facilities in high-risk countries for which we have received a qualified audit during the required period by the total number of facilities in high-risk countries.
23. Our vertical business encompasses Disney- branded products that are used internally and sold in Disney Stores and Parks and Resorts.
24. The International Labor Standards (ILS) Program works towards ongoing and sustainable improvement in working conditions at the 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.
25. The supply chain for Disney-branded products experiences routine fluctuations in active facilities. In 2016, approximately 29% of our total facilities were new producers of Disney-branded products, which complicates any year over year comparison.
26. 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 and 2016 data presented here are not directly comparable to previous years.
27. 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.
28. The North American 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.