

DISNEY'S | ENVIROPORT

ANNUAL ENVIRONMENTAL REPORT FOR **THE WALT DISNEY COMPANY**

DISNEY'S | ENVIROPORT

A MESSAGE FROM THOMAS O. STAGGS, SENIOR EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

The Walt Disney Company is built upon a rich heritage of conservation that Walt Disney himself first initiated more than 60 years ago. Walt's interest in conservation was first evident in his production of landmark nature films and subsequently, in his progressive ideas to incorporate sustainability into original plans for the Walt Disney World Resort. As the world's leading family entertainment company, we have a responsibility to build on this legacy by remaining committed to the highest standards of corporate responsibility, which includes a continual focus on environmental issues.

Leading this effort is Disney's EnvironmentalTM, an initiative that began 16 years ago and thrives today as a Company-wide effort that promotes environmental initiatives throughout our various businesses. Accordingly, Disney's core values incorporate our emphasis on creating a positive impact on the environment and on the communities in which we work.

In order to realize these goals and to further advance the mission of Disney's Environmental, we hosted the inaugural Environmental Summit this year, bringing together more than 50 of Disney's environmental leaders to encourage solutions-oriented discussions about environmental issues. The Summit fostered new and innovative business partnerships and identified additional opportunities that help Disney save money by being environmentally responsible.

Overall, we are making great strides in a number of critical areas, including energy management and wildlife conservation. In 2006, we significantly reduced energy consumption by nearly 57 million kilowatt hours at the Walt Disney World Resort and generated savings of more than \$1.8 million. To date, we have saved more than \$8 million through energy conservation initiatives that have been implemented at the Resort.

Our work in the area of wildlife conservation is equally notable. The Disney Wildlife Conservation Fund achieved \$10 million in total donations since the Fund was established in 1998. These donations have supported more than 500 projects worldwide. Additionally, Disney directly sponsored an effort to reintroduce white rhinos in Africa by sending two rhinos born at Disney's Animal Kingdom to the Ziwa Sanctuary in Uganda. Our dedicated Disney's Animal Programs staff has nurtured the animals in their care, leading to the births of more than 2,600 mammals, birds, reptiles, and amphibians at the Walt Disney World Resort.

Our Cast Members and employees contribute to environmental stewardship throughout the Company and I am proud to highlight many of their efforts within the pages of this publication. Organizations around the world have recognized Disney for our steadfast commitment to sustainable business practices. Since 1993, our Company has been honored with more than 100 environmental and conservation awards; most recently the U.S. Environmental Protection Agency presented Disney with a WasteWise Gold Achievement Award for Paper Reduction.

If you are a Disney Cast Member, there are myriad ways that you can become personally involved, and as a Disney shareholder, you can help conserve resources by signing up to receive your Disney proxy materials electronically. Simply visit www.Environmentality.com for more information. During more than six decades of work on behalf of the environment, our Company has seen how individual actions really do add up to something quite significant.

We hope you enjoy this edition of *Disney's Enviroport*, and remember that you too can help protect our planet!



Thomas O. Staggs
Senior Executive Vice President and Chief Financial Officer,
The Walt Disney Company



DISNEY'S | ENVIROPORT 2006



FISCAL RESPONSIBILITY

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Environmental programs and initiatives have delivered significant bottom-line savings for The Walt Disney Company (TWDC) and Cast Members continue to establish measurable goals, helping to achieve additional savings throughout businesses worldwide. From green purchasing to paper reduction strategies, environmental initiatives have saved the Company nearly \$60 million in less than 10 years.

RESOURCE CONSERVATION

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Achievements and enhancements in the areas of recycling, greenhouse gas management, energy conservation, new technology, and innovative design have all helped to exemplify a steadfast commitment to resource conservation that will further advance operational improvements around the globe.

WILDLIFE CONSERVATION

14 - 19

This year, the Disney Wildlife Conservation Fund reached a remarkable milestone and The Walt Disney Company continued a tradition of excellence in the area of species survival. Successful animal programs can be attributed to individual efforts from Cast Members, direction from top management, and significant contributions from partners worldwide.

ENVIRONMENTAL RELATIONS

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The Walt Disney Company is in a unique position to positively influence the behaviors of Guests, Cast Members, and the general public to encourage environmental actions. Efforts that are directed toward business development, youth education, and employee engagement deliver positive results for Disney business units, communities, parks, and resorts worldwide.

EDITOR ERIN REPP | CONTRIBUTING EDITOR KRISTIN LOUDY | GRAPHIC DESIGN MARIYA STEPANYAN

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FISCAL RESPONSIBILITY

THE WALT DISNEY COMPANY IS COMMITTED TO BALANCE ENVIRONMENTAL STEWARDSHIP WITH BUSINESS DEVELOPMENT AROUND THE WORLD.





BOTTOM-LINE RESULTS

The Walt Disney Company balances environmental stewardship with business development to produce significant efficiencies and financial savings. In fact, business units have implemented a series of environmental programs that have collectively produced savings of more than \$31 million (shown at right).

One such example is the Disneyland Resort in California, which continues to stand out as a model of how environmental action can positively impact the bottom line. In 2003, the Resort became certified by the California Department of Conservation (DOC) as an official state recycling "Collection Center." In addition to generating income through the sale of recyclables, this certification has also enabled the Resort to receive processing and redemption payments from the DOC. Today, nearly \$500,000 in revenue is generated by this program each year.

Similarly, Touchstone Television has realized significant financial savings through the evolution of a soundstage set reuse program. This year, a 135,000-square-foot warehouse was opened to facilitate easy access to thousands of previously used set walls, fixtures, cabinets, facades, and props that television productions can rent for use in their own programs rather than construct new sets from scratch. Partial and whole sets are accepted into the program and old materials are donated for reuse to local schools and colleges. The program has produced consistent annual revenue of \$500,000 and reduced disposal fees by more than \$110,000.

ENVIRONMENTALITY AND THE BOTTOM LINE

ENVIRONMENTAL INITIATIVE	GROSS CUMULATIVE SAVINGS THROUGH 2006*
PAPER USAGE REDUCTION	\$15,329,307
ENERGY CONSERVATION	\$8,890,569
REDUCED DISPOSAL FROM REUSE AND RECYCLING	\$2,812,272
STUDIO TELEVISION SET REUSE PROGRAMS	\$2,206,430
RECYCLING REVENUE	\$1,237,578
AVOIDED PURCHASING FROM WASTE PREVENTION AND REUSE	\$1,029,636
REUSABLE MUG PROGRAMS	\$528,778
PRETAX COMMUTER BENEFITS	\$186,918

* SAVINGS REPRESENT A SAMPLING OF THESE ENVIRONMENTAL PROGRAMS.

SETTING MEASURABLE GOALS

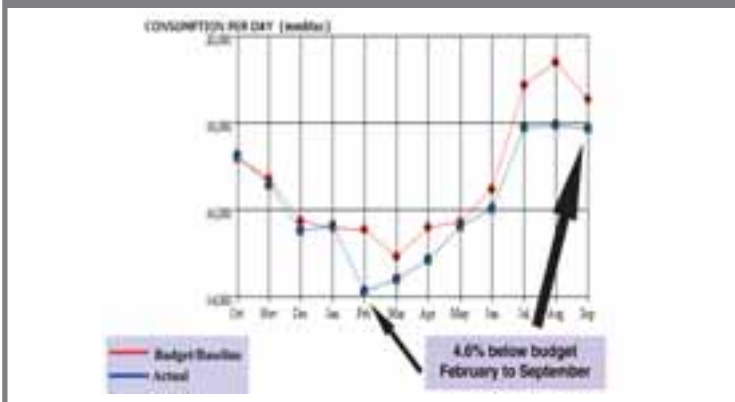


In 2006, the Walt Disney World Resort established a comprehensive plan to reduce annual energy consumption by five percent property-wide. Called "Strive for Five," this program focused on reducing energy utilized by electricity, natural gas, and chilled and hot water utilities.

To begin, building tune-ups were conducted throughout the Resort to adjust temperature set points and time schedules for heating and air-conditioning. Additionally, Cast Members were asked to turn lights off in convention spaces, backstage areas, and offices outside of standard operating hours. Audits were also enhanced and new standards for energy use were developed by individual lines of business such as hotels and theme parks. For example, the use of kitchen equipment was monitored more closely during off-peak hours and Cast Members conducted audits at night to identify additional energy-saving opportunities.

Education served as a key component of this program and Cast Members were asked to contribute through individual actions. In response, members of Environmental Circles across property partnered to collect and promote best practices, and Utility Report Cards were issued to consumers monthly so they could monitor actual usage. Internal communications were also disseminated on a regular basis to share results, and recognition programs were established by several resorts to acknowledge successes.

FY'06 ENERGY CONSERVATION RESULTS



ENERGY-SAVING TECHNOLOGIES

Regular maintenance evaluations at Disney's Boardwalk Resort indicated that the primary boilers used for heating, ventilation, and air-conditioning (HVAC) were underutilized and the gas boilers used to heat domestic water were due for replacement. In response, engineers introduced a heat exchanger in lieu of a new water heater. As a result, extra heat generated by the HVAC boiler became available to heat the domestic water. The new system delivered an initial 13 percent reduction in natural gas usage, so six additional heat exchangers were implemented to provide hot water in Guest rooms and kitchens. Expanding upon this successful program, engineers at Disney's Pop Century Resort are now evaluating how to reclaim waste heat from air-conditioning chillers for use in heating water.

Recent advances in lighting technology have introduced very efficient Light Emitting Diodes (LEDs) with a decreased power demand as compared to traditional incandescent lighting. At Pleasure Island, new LED cluster lights installed in outdoor signage will save 18,000 kilowatt-hours of electricity per month. The lights also last longer, thereby reducing maintenance costs. Inside Pleasure Island, stage lights were also replaced with LED fixtures that use one-tenth of the power consumed by traditional incandescent fixtures. On surrounding streets within property, LED technology is being used in traffic lights, creating the same light output with 20 percent less power consumption. Other applications of this technology include solar-powered menu signs utilized at the Epcot International Food & Wine Festival this year.

RESULTS

During the first year of "Strive for Five," energy consumption was reduced by more than three percent across property, a value that equated to more than \$1.8 million and 194,000 million British Thermal Units (BTUs). Energy conservation will continue to be a priority in 2007 and plans are in place to ensure sustainability of these new initiatives.



GREEN PURCHASING

The Walt Disney Company introduced a new partnership with OfficeMax® this year to provide office supplies to businesses in the U.S. and in Canada. Green purchasing was identified as a fundamental aspect of this partnership and subsequently, Disney instituted a goal to acquire 25 percent of all office supplies with recycled content. To reach this goal, Corporate Sourcing & Procurement established environmentally friendly options as the defaults for new orders placed by employees. Included in this application was copy paper that contained at least 30 percent recycled content. Potential savings from this single effort are expected to reach nearly \$400,000 annually. Additionally, the procurement of remanufactured toner cartridges is expected to save more than \$500,000 each year. ESPN has taken advantage of these opportunities and currently leads the Company with a 23 percent achievement.

In a separate initiative, Enterprise IT Client Services established a policy to lease duplex-capable printers for Disney offices company-wide. On average, an office with 100 employees could save more than \$3,000 in paper purchases and \$77,000 in printer usage costs annually by utilizing the double-sided copying features.



PAPER REDUCTION INITIATIVES

Paper reduction initiatives and their associated financial benefits continue to accrue at The Walt Disney Company as a result of on-going advances in disseminating information electronically. As an example, printed copies of the *Disney Catalog* were replaced by an enhanced online shopping experience at www.DisneyShopping.com, which saved 26 million printed copies of the publication and \$8.7 million in paper and printing costs. Additional efforts implemented within the Company included an increased use of imaging systems to receive and store documents, prevention of unwanted mail, adoption of PC tablets, and employee education.

Collectively, these initiatives are saving an estimated 1.8 billion sheets of paper, \$10 million in avoided paper purchasing and printing costs, and 250,000 trees each year. Paper waste minimization also helps to reduce water consumption, labor, real estate space, and greenhouse gas emissions. The U.S. EPA honored the Company for many of these initiatives with a 2006 WasteWise Paper Reduction Gold Achievement Award.

RESOURCE | CONSERVATION

DISNEY RECOGNIZES THE GREAT RESPONSIBILITY OF SETTING AN EXAMPLE FOR SOUND ENVIRONMENTAL STEWARDSHIP BY CONSERVING NATURAL RESOURCES. CAST MEMBERS ARE WORKING WORLDWIDE TO DELIVER REMARKABLE RESULTS IN THIS AREA THROUGH PERSONAL COMMITMENT AND INDIVIDUAL ACTIONS.



RECYCLING ACHIEVEMENTS

A commitment by employees to reduce, reuse, and recycle waste whenever possible has truly become one of Disney's hallmark environmental initiatives. Through the years, many of these efforts have been recognized by the U.S. Environmental Protection Agency, which honored Disney with a 2006 WasteWise Honorable Mention for a Very Large Business.

- **Disney business units donated and recycled more than 63,000 tons of materials in 2005, resulting in an estimated 40 percent waste diversion from landfills and nearly \$1.7 million in avoided disposal costs.**
- **Disneyland Resort Paris increased cardboard recycling totals by 32 percent last year as a result of efforts to enhance communications and to add collection points throughout the Resort.**
- **An adult bull elephant produces approximately 350 pounds of "poop" during each 24-hour period. In 2005, Disney's Animal Kingdom composted more than 2,600 tons of animal waste.**
- **The Walt Disney Company as a whole has recycled more than 850,000 tons of materials since 1991.**

Tokyo Disney Resort (TDR) leads Company recycling achievements with a 53 percent annual diversion rate. This success is driven by a commitment among Guests, Cast Members, and vendors to recycle materials of both low and high quality. Inside the parks, Guests dispense waste into multiple categories and then Custodial Cast Members sort the materials further before they are processed off-property. Oriental Land Company, the licensee that owns and operates TDR, has also established strong partnerships with local vendors to recycle nontraditional items such as paper trays and FASTPASS tickets. Additionally, nearly 500 tons of materials are processed into Refuse Plastic & Paper Fuel at a nearby facility. The fuel is later used to generate heat during the production of paper.

HIGHLIGHTS

WALT DISNEY WORLD RESORT

GREEN WASTE • 13,574 TONS



DISNEYLAND RESORT PARIS

CARDBOARD • 784 TONS



ABC

PAPER • 763 TONS



DISNEY'S ANIMAL KINGDOM

ANIMAL WASTE • 2,694 TONS



THE WALT DISNEY STUDIOS

WOOD • 556 TONS



GREENHOUSE GAS MANAGEMENT

A significant and expanding aspect of Disney's Environmentalism is reducing greenhouse gasses (GHGs) through energy conservation and waste minimization. To aid in this effort, Disney businesses have improved upon building efficiencies, implemented unique recycling programs, introduced clean fuel vehicles, and promoted ridesharing. Plans are in place to further develop this commitment through emissions inventories that will serve as a foundation for managing the overall carbon footprint. Although some of these initiatives will require investments up-front, they are designed to achieve new long-term and sustainable benefits, including cost savings.

Based on Disney's 2005 recycling and waste prevention tonnages in the U.S., the EPA has reported that TWDC reduced an equivalent of more than 71,000 metric tons of carbon dioxide. Continual planning is underway to enhance green building design elements while the Company prepares to develop the first GHG emissions inventory.

ENERGY CONSERVATION

Disney Cruise Line established a goal this year to reduce annual energy consumption by seven percent on both the *Disney Magic* and *Disney Wonder* ships. Initiatives that were implemented to help reach this target centered on lighting, fuel efficiency, and emissions reductions, as indicated below.

- **A new paint utilized on the hull of the *Disney Wonder* is nontoxic and will help to prohibit corrosion, minimize surface resistance, and increase fuel efficiency. The new formula is also resistant to the formation of barnacles and has a lifetime application of 25 years. The *Disney Wonder* is the first cruise ship in the industry to use this particular paint.**
- **A new interceptor plate was installed on the *Disney Wonder* during dry dock, allowing the ship to become even more hydrodynamic, and subsequently, more fuel efficient.**

- **Higher-efficiency halogen light bulbs were installed throughout Guest and Crew areas, contributing to a reduction of 39,000 gallons of fuel per year.**
- **Arrival and departure times were fine-tuned to reduce strain on engines and allow the ships to travel at a more constant speed. One adjustment of 30 minutes reduced fuel consumption by more than 12,000 gallons per year.**
- **New education campaigns elicited proactive support from Crew Members through daily responsibilities. In particular, the Housekeeping team implemented new policies to reduce lighting that is turned on when Guests are not present in their staterooms.**
- **Automated air-conditioning systems were adjusted to reduce energy demand.**

RESULTS

During the first year of this effort, the *Disney Magic* and *Disney Wonder* ships each realized a five percent reduction of energy consumption, leading to a savings of more than 2,000 tons of fuel.

FUEL CELL TECHNOLOGY

A new technology has been introduced at Tokyo Disneyland whereby fuel cells are being used to produce a portion of electricity for the Central First Aid facility. Fuel cells act as a clean energy source and help reduce pollutants such as carbon dioxide and oxides of sulfur and nitrogen. This particular equipment is expected to reduce carbon dioxide emissions by nearly 30 percent.

PLANNING FOR SUCCESS

In order to deliver the most effective and significant impact on the bottom line and on resource conservation, TWDC has an obligation to consider environmental initiatives from the beginning of planning through the execution of a project. Customized recycling programs, communication plans, and eco-friendly features are just a few measures that business units have implemented to realize the full benefits of Environmentalty.

GRAND CENTRAL CREATIVE CAMPUS

In 2006, Disney Consumer Products employees in the Los Angeles area moved into the new Grand Central Creative Campus. The following examples indicate how Environmentalty was considered throughout planning and development to achieve maximum participation.

- **Recyclable and nonrecyclable materials are commingled at the work site and are sent to a modern materials recovery facility that can recover up to 70 percent of commercial discards for recycling.**
- **Employee work stations contain 13 percent post-consumer, recycled-content materials and more than 60 percent of the parts can be recycled or reused at their end-of-life.**
- **Reusable mugs were distributed to all employees upon move-in and a beverage discount was negotiated at both the local coffee shop and cafeteria for customers who use the mug in place of disposable cups.**
- **A comprehensive resource center was launched online to share valuable communication messages about key environmental initiatives, including energy conservation, water conservation, waste minimization, green purchasing, and climate protection. Complementary signage was posted on-site to help employees understand the value of environmental opportunities in place.**





X GAMES ENVIRONMENTALITY

Building off the success of X Games Environmentality in 2005, Winter X Games 10 in Aspen claimed an impressive 50 percent waste diversion rate for the event and efforts at X Games 12 in Los Angeles delivered a staggering 71 percent waste diversion rate. These results were complemented by the following achievements:

- **More than 800,000 pounds of carbon dioxide emissions generated by producing the X Games were offset through the use of wind power credits.**
- **Skateboarding and BMX ramps were constructed with lumber certified by the Sustainable Forestry Initiative.**
- **Staff and spectators utilized an innovative waste collection system to sort waste into recyclables, compostables, and trash.**
- **Event staff dined on biodegradable food ware, including cups, bowls, and utensils that were later composted.**
- **A Web site was launched to promote a variety of interactive programs, including “Get Caught Recycling.” For more information, visit www.XGamesEnvironmentality.com.**



CREATIVE RECYCLING

Recycling participation is actively acknowledged and encouraged at the Disneyland Resort where a committed team of Custodial Cast Members create Environmentality Magical Moments for Guests through an innovative program that utilizes recycled materials.

Throughout the day, Guests who recycle are randomly selected to receive a one-of-a-kind Environmentality lanyard and pin. The set is produced using recycled materials, including straps from water bottles that become damaged and cannot be sold. The Custodial Guest Services team collects these straps from Lost and Found and partners with Costuming to produce a lanyard, which can be displayed around the neck. A collectable Environmentality trading pin is attached to the lanyard, creating a 100 percent recycled and collectable item for the Guests.

The program has recognized more than 1,500 Guests for their environmental prowess since inception three years ago at Disney’s California Adventure.





INNOVATIVE DESIGN

Environmentality is changing the way attractions are designed at the Disneyland Resort. Imagineers working on the new *Finding Nemo Submarine Voyage* utilized a combination of new and tested technologies in making an environmentally progressive attraction. For example, the submarine vehicles have undergone extensive upgrades, replacing their diesel engines with a cleaner alternative that uses a familiar technology called Inductive Power Transfer. This technology uses two magnetically controlled pairs of coils that transfer power to one another without touching, creating zero-emission vehicles and saving costs related to fuel consumption and fuel delivery.

In addition, Imagineers developed a new technology for use in their designs of the *Finding Nemo Submarine Voyage*. Since chlorinated water causes the colors of paints to fade quickly, Imagineers were challenged to find a product that produces brilliant colors while complying with environmental standards. As a result, Imagineers invented their own method of painting scenery with recycled glass. More specifically, recycled glass bottles were broken down and recomposed into glass pieces, which were then crushed and applied onto the surface of the submarine tank using a zero-percent volatile organic compound epoxy. To date, Imagineers have created 45 custom colors and used nearly 30 tons of recycled glass in the design of the lagoon.



AWARDS AND ACKNOWLEDGMENTS

- **Association for Commuter Transportation International Conference Award for Creative Excellence – The Walt Disney Company**
- **Audubon of Florida Distinguished Corporate Philanthropist – Walt Disney World Co.**
- **The Florida Department of Environmental Protection Green Lodging Certification – Disney’s Animal Kingdom Lodge**
- **Keep Brevard Beautiful Recycling Award – Disney Cruise Line**
- **Metro Diamond Rideshare Award – The Walt Disney Company**
- **Save the Manatee Club Award of Recognition – The Walt Disney Company and *The Seas with Nemo and Friends***
- **U.S. EPA WasteWise Program Paper Reduction Gold Achievement Award – The Walt Disney Company**
- **U.S. EPA WasteWise Program Honorable Mention, Very Large Business – The Walt Disney Company**

WILDLIFE | CONSERVATION

THE CONSERVATION OF WILDLIFE AND WILD PLACES IS AN INTEGRAL PART OF THE WALT DISNEY COMPANY MISSION, AND EVERY SUCCESSFUL CONSERVATION EFFORT ECHOES THE LEGACY PUT FORTH BY WALT DISNEY HIMSELF.





DISNEY WILDLIFE CONSERVATION FUND MILESTONES

Since 1998, the Disney Wildlife Conservation Fund (DWCF) has been supported by donations from Guests who visit the Walt Disney World Resort and since inception, DWCF has grown to include the participation of Guests on Disney Cruise Line ships as well as those visiting Disney's Vero Beach and Hilton Head Island Resorts. Supplemented by contributions from The Walt Disney Company, the DWCF marked an important milestone this year: \$10 million in total donations have gone to support more than 500 wildlife projects worldwide. In celebration of this accomplishment, Disney CEO Bob Iger honored five conservation heroes with awards of \$100,000 each during a special Conservation Legacy Celebration held at Disney's Animal Kingdom. Honorees (pictured top left), primatologist Jane Goodall, actress Isabella Rossellini, Nobel Peace Prize winner Wangari Maathai, elephant expert Iain Douglas Hamilton, and actor/comedian John Cleese, accepted awards on behalf of their personal and related conservation causes.

In 2006 alone, the DWCF awarded \$1.4 million to 90 nonprofit conservation programs operating in 27 countries. Recipients ranged from large multi-national groups to small community-based programs, which were chosen by a team of scientists, veterinarians, and other animal experts based on the effectiveness of their coordinated research, education, and policy efforts related to wildlife conservation. For a complete list of programs, visit www.disneywildlifefund.com.

REHABILITATION AND RESEARCH



BREEDING ENDANGERED SPECIES

Species survival is a significant focus for the Animal Programs team at Disney, and subsequently breeding programs have been developed with a goal of reintroducing select species into their native habitats. One success story is the rhinoceros, with a total of seven rhinos having been born at Disney's Animal Kingdom. Two of these rhinos were recently sent to Africa to help reestablish the species in Uganda where rhinos have been extinct since 1972. "Nande" and "Hasani" joined four other white rhinos at the Ziwa Sanctuary to help rebuild the white rhino population. This remarkable undertaking marked the first time that rhinos born in a zoological facility were sent to Africa from the U.S. Poaching is one of the foremost issues threatening rhino populations worldwide, so additional support from Disney is being contributed to further community conservation education programs and to ensure the success of this reintroduction initiative. The Disney Wildlife Conservation Fund and The Walt Disney Company have contributed more than \$800,000 to rhino protection and related research projects in partnership with the International Rhino Foundation and other nonprofit organizations worldwide.

Another successful example of species survival efforts involves the Key Largo Wood Rat (KLWR). Classified as endangered since 1984, the wild population of the KLWR has steadily declined due to habitat loss and the impact of commercial development in South Florida. To help ensure the future of this species, Disney's Animal Kingdom is participating in a partnership with the U.S. Fish and Wildlife Service to create a captive breeding program for these rare rodents by encouraging the animals to reproduce in a controlled environment for the first time in documented history. The scientific community has limited knowledge about the KLWR, so researchers at Disney implemented a combination of videotaping and direct observation to both study the animals' daily activity patterns and adjust their environment. Thus far, three KLWR litters have been born at Disney's Animal Kingdom, including the first ever triplet birth, and additional births are expected to take place shortly. Disney scientists are also surveying the wild populations of KLWR in partnership with scientists from the University of St. Andrews in Scotland to determine a plan for reintroduction into the wild.



WILDLIFE REHABILITATION

A long-term partnership between Disney and Audubon of Florida has included the construction of a 100-foot flight cage, or mew, currently used by hawks, eagles, and other raptors at the Audubon Center for Birds of Prey, which treats the largest volume of raptors east of the Mississippi. Mews are designed to exercise rehabilitated birds before they are released, ensuring that their strength and survival skills are well developed for reintroduction into the wild. This year, one of the eagles who trained in this mew was released on conservation lands near the Walt Disney World Resort by senior vice president of Public Affairs, Jerry Montgomery (pictured above). To date, more than \$300,000 donated by Disney has aided the Audubon Center for Birds of Prey in treating 12,000 orphaned or injured raptors. Additionally, recent donations from the Disney Wildlife Conservation Fund have helped with other conservation programs at Audubon, including the Audubon EagleWatch program which educates citizens about the importance of bald eagle protection in Florida, and a field project designed to develop conservation strategies for Roseate Spoonbills that are nesting on islands near Tampa, Florida.



CARING FOR THREATENED WILDLIFE

The Animal Programs team at Disney has also demonstrated a long-term commitment to the rehabilitation and release of endangered sea turtles, having successfully rehabilitated more than 220 turtles. This year, a young green sea turtle rescued near Disney's Vero Beach Resort was transported to *The Seas with Nemo and Friends* where veterinarians discovered that he was dangerously ill as a result of ingesting more than 70 pieces of marine debris, including plastic bags and balloons. In partnership with the University of Florida Archie Carr Center for Sea Turtle Research and the Florida Fish and Wildlife Conservation Commission, "Little Crush" was successfully treated and released after being fitted with a unique satellite transmitter that allowed researchers to monitor his travels and to enhance efforts that identify and protect sea turtle habitats. Little Crush has mostly remained close to his release site, but he has traveled as far as the Bahamas in one day. To date, the Disney Wildlife Conservation Fund has awarded more than \$500,000 to sea turtle research efforts affecting oceans around the world. Sea turtle movements can be tracked via www.wildtracks.org and Little Crush can be followed via www.csew.com/turtletracking.



RAPID RESPONSE FUND

The Rapid Response Fund (RRF) was established as part of the Disney Wildlife Conservation Fund to provide emergency donations for environmental or conservation crises including oil spills, hurricanes, and wildlife disease outbreaks. Each year, a team of Disney professionals and animal care experts evaluate requests and determine the distribution of funds, up to \$5,000 per emergency, to support relief efforts. This year, donations were directed toward the following: habitat recoveries following the Asian tsunamis, food and medical treatment for orphaned chimpanzees confiscated from wildlife traffickers, and coral reef protection through replacement of hurricane-damaged mooring buoys for dive boats. The International Fund for Animal Welfare also received funding to help care for more than 6,000 pets that were lost or abandoned during Hurricane Katrina. Over the years, the RRF has contributed funds to support organizations such as the American Bird Conservancy, African Wildlife Foundation, and Conservation International. In many of these cases, Disney's Animal Programs provided animal care and veterinary staff to lend expertise on location.

SUSTAINABLE COMMUNITIES

Disney's conservation efforts extend to many places beyond the Walt Disney World Resort, including Colombia where Disney scientists are working to build sustainable communities and to protect animal habitats through a multi-faceted conservation program called Proyecto Tifí (Project Cotton-top Tamarin). The highly endangered cotton-top tamarin monkey has become increasingly threatened by pollution generated in nearby rural villages, including plastic bags that may endanger the health of these two-pound primates. In an effort to reduce this risk, a group of local women learned to crochet traditional Colombian bags called mochillas by reusing the plastic bags as yarn. To date, more than 500,000 plastic bags have been recycled into eco-mochillas. As a result, these women are creating a steady income for their families as well as a safer habitat for cotton-top tamarins. In addition, efforts are being explored to sell eco-mochillas through select Disney merchandise locations, with proceeds being directed back to the village in support of these industrious women and their efforts to protect the cotton-top tamarins.



CONSERVATION HEROES

Conservation heroes around the world work toward a common goal of making a difference for wild places. At the Walt Disney World Resort, Cast Members communicate the importance of the Disney Wildlife Conservation Fund to Guests, who then join Disney in supporting DWCF projects through monetary contributions. In Zawadi Marketplace, Cast Members (pictured above) reached hero status this year by raising more than \$100,000 at Disney's Animal Kingdom Lodge. In turn, the DWCF supports global conservation heroes, such as Mbake Sivha, who has dedicated her life to promoting conservation. For seven years, Mbake worked as a Program Officer in the Kahuzi-Biega National Park in the Democratic Republic of Congo, where on one occasion she used her personal vehicle to rescue local residents during a volcanic eruption. In 2004, she heroically alerted the international community to the invasion of Rwandan military, leading to a diplomatic response that resulted in the withdrawal of the rebels, protecting both people and wildlife.

A LEADER FOR WILDLIFE

Dr. Beth Stevens inspires thousands of Cast Members daily, serving as vice president of Disney's Animal Kingdom and Animal Programs. In 2006, she also represented the interests of professionals working in the zoological field nationwide by serving as president of the Association of Zoos and Aquariums (AZA). Like the AZA, Disney is dedicated to the advancement of conservation, education, science, and recreation, as evidenced by two Disney AZA-accredited facilities: Disney's Animal Kingdom and *The Seas with Nemo and Friends*. As AZA President, Beth facilitated partnerships between Disney and the AZA to develop new business initiatives, including cross-promotional opportunities associated with Disney's *The Wild* film. In 2006, the AZA also completed a groundbreaking study funded by the National Science Foundation entitled "Why Zoos and Aquariums Matter: Visitor Impact Study." The results of this research indicated that adults who visited accredited zoos and aquariums in North America experienced a measurable change in their attitude toward wildlife conservation and protecting the environment (www.aza.org).

ENVIRONMENTAL | RELATIONS

THE WALT DISNEY COMPANY IS CONTRIBUTING TO A SUSTAINABLE FUTURE BY FOSTERING STRATEGIC COLLABORATION AND LONG-TERM PARTNERSHIPS WITH INTERNAL AND EXTERNAL AUDIENCES WORLDWIDE.



BUSINESS DEVELOPMENT

Disney's Corporate Environmental Policy team hosted the inaugural Environmentality Summit this year, bringing together an audience of more than 50 environmental leaders from Disney business units worldwide. For three days, experts from inside and outside TWDC discussed critical environmental issues, including corporate responsibility, greenhouse gas emissions, energy management, product integrity, wildlife conservation, and transportation demand management. The event was also developed as an environmental initiative through the purchase of wind credits that offset all emissions generated by employee travel and energy consumption.

As demonstrated by strong participation in the Summit, numerous environmental departments continue to play a significant role in upholding Disney's environmental stewardship. At Hong Kong Disneyland (HKDL), the concept of Environmentality was introduced to Cast Members shortly after the grand opening of the park. Utilizing a vast array of educational vehicles, HKDL demonstrated how Environmentality can blend with cultural differences. For example, Cast Members participated in a contest to create a Chinese equivalent to the word "Environmentality." Additional initiatives were implemented throughout the park to engage both Cast and Guests in environmental protection, including informational boards, handouts, games, characters, and photo opportunities.

Disney Cruise Line increased environmental education efforts through the launch of new, interactive programs for Guests including "Jiminy Cricket's Environmentality Quiz Show," which invited participants to test their environmental knowledge. Utilizing a giant LCD screen, competitors were featured on TV as they enthusiastically shouted answers. Additionally, a fast-paced game called "Basket Bottle" encouraged children to showcase their athletic skills and knowledge of proper recycling practices. Environmental messages were also incorporated into family activities and nightly entertainment aboard the ship. On Earth Day, Jiminy Cricket himself led children in a pledge to think and act environmentally in their daily lives.





YOUTH EDUCATION

EARTH DAY

Radio Disney stations in 23 target markets promoted Earth Day, helping to make the environment a fun and important topic among youths. Participating stations played 1,100 on-air spots and hosted customized on-site events with a total promotional value of more than \$270,000.

In addition, Disney Guests were encouraged to participate in Earth Day through an interactive Web site that featured an e-greeting, personality quiz, carbon footprint calculator, event locations, and tips to make a positive impact on the environment. More than 50,000 people visited www.DisneysEarthDay.com during the promotion.

TOKYO DISNEYSEA "CUSTODIAL KIDS"

The Custodial team at Tokyo DisneySea introduced an experiential program for elementary school children this summer that conveyed the importance of teamwork, cleanliness, recycling, and climate protection. The program, called "Custodial Kids! The Magic that Keeps the Park Beautiful," granted students an opportunity to temporarily become Custodial Cast Members and learn while having fun. As "Custodial Kids," the participants put on actual costumes and they simulated responsibilities such as sweeping.

The Japanese tradition of "uchimizu" was also incorporated into the program to teach how individual action can help overcome global warming. Participants were each presented with a medal to certify their status as official Custodial Kids.

THE LITTLE MERMAID AND OCEAN CONSERVATION

The Walt Disney Studios' Buena Vista Worldwide Home Entertainment division partnered with the Advertising Council, National Marine Sanctuary Foundation, National Oceanic and Atmospheric Administration, and Environmental Defense to launch a multi-media public service campaign that highlighted the devastating effects of marine debris on oceans. The campaign featured characters from *The Little Mermaid* to create an emotional connection and to inspire action among families to protect oceans.

JIMINY CRICKET'S

ENVIRONMENTALITY CHALLENGE (JCEC)

JCEC is an exciting journey that motivates teachers to integrate class curriculum into project-based learning fun; and, to date, more than 1 million students have participated. Additional program highlights include the following:

- **More than 70,000 primary and secondary students enrolled in the Hong Kong JCEC program for the 2006-2007 school year.**
- **The California grand prize, winning class project helped restore the local environment by replenishing the bat population and creating a balanced ecosystem that will improve the quality of water flowing into Lake Tahoe.**

EMPLOYEE ENGAGEMENT

The slogan "Every Little Bit Makes a Big Difference" holds true at The Walt Disney Company where collective action delivers significant results. At the Walt Disney World Resort, Cast Members who exemplify environmental stewardship are recognized through the annual Environmental Excellence Awards Program, and this year, nearly 300 Cast Members were honored, including three who received the coveted Jiminy Cricket Award in recognition of their long-term commitment to environmental action.



MARK WITKO

Mark Witko has been an active member of the Celebration Environmental Circle of Excellence since 2000 when he first introduced an online newsletter geared toward encouraging Cast Members to learn more about Environmentalism. Since that time, Mark has continually inspired audiences into environmental action. In 2006, he spearheaded the growth of Environmentalism on board the Disney Magic by helping to create multiple interactive games, including a high-tech quiz show. In addition, Mark initiated on-going campaigns to promote the Disney Wildlife Conservation Fund among Crew Members and Guests. Through his role as community and government relations manager for Disney Cruise Line as well as his personal commitment, Mark remains engaged in environmental policies and critical conservation issues.



KENT RUSSELL

Kent Russell demonstrated his commitment to environmental stewardship by serving as the Environmental Circle of Excellence leader at Disney's Caribbean Beach and Pop Century Resorts in 2004 and 2005. As Environmentalism Champion, Kent helped the team identify a new set of goals and establish themselves as the driving force behind a successful Florida Department of Environmental Protection Green Lodging certification. Today, as the area manager of retail sales at Epcot, Kent has contributed significantly to energy conservation by implementing operational changes, such as monitoring seasonal changes and Guest flow patterns, to adjust set points for air-conditioning. In the area of Merchandise, Kent helped expand a program to save packaging materials for reuse in outgoing packages.



MARTY DRAEGER

Marty Draeger has been honored with an Environmental Excellence Award on four occasions in recognition of his commitment to conservation. As the Environmental Circle of Excellence leader for the Disney's Port Orleans Resort, Marty encouraged the installation of energy-saving lighting sensors, helped to revitalize the linen and towel reuse program, increased recycling accessibility, and developed a wide variety of communication tools to keep the Cast informed and involved in these best practices. As a result, Marty was instrumental in guiding the resort toward a Green Lodging certification. Marty continues to demonstrate his commitment to Environmentalism by serving as executive sponsor of the Environmental Circle of Excellence for Disney's Saratoga Springs & Old Key West Resorts.



THE *WALT DISNEY* COMPANY
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WITH ITS CORPORATE GOALS
AND OPERATIONS THROUGHOUT THE WORLD.

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